



国投电力控股股份有限公司
SDIC POWER HOLDINGS CO., LTD.

2024

SDIC POWER

ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT

Brighten Nature,
Brighter Power

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About the Report

The Report presents the efforts made by SDIC Power Holdings Co., Ltd. (hereinafter referred to as "SDIC Power", "the Company" or "We") and its holding investment enterprises in the environmental, social and governance (hereinafter referred to as "ESG") field in 2024, with the aim of strengthening communication and relations with stakeholders and responding to concerns and expectations.

Reporting Period

The Report is an annual report, covering the reporting period from January 1, 2024 to December 31, 2024. To enhance the comparability and foresight of the Report, some data and contents are appropriately extended to the previous and subsequent years.

Reporting Scope

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

References

Sustainability Reporting Guidelines (GRI Standards) issued by the Global Reporting Initiative
SDG Compass (SDGs)
Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies - Sustainability Report (Trial)
Guidelines No. 4 of Shanghai Stock Exchange for Self-regulatory Rules for Listed Companies – Preparation of Sustainability Reports
LSEG Guide to ESG Reporting 2020 of London Stock Exchange
Guidelines on Sustainability Reporting for Chinese Enterprises (CASS-ESG 6.0) of the Chinese Academy of Social Sciences

Reporting Principles

Materiality: With reference to the results of stakeholder communication and using a materiality assessment approach, the company has identified material topics during the reporting period and prepared this report based on those topics.

Quantification: The Report is timely provided with annotations indicating the standards, methods, and applicable assumptions used for quantifying data.

Balance: The Report presents the performance of the Company during the reporting period in an impartial manner, avoiding choices, omissions, or presentation formats that might unduly affect the decisions or judgments of the readers of the Report.

Consistency: Where feasible and unless otherwise noted, the disclosure of statistical methods is consistent with previous reports to ensure meaningful comparisons.

Data Sources

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

Report Access

You can access and download the Report on the websites of the Shanghai Stock Exchange (www.sse.com.cn), the London Stock Exchange (www.londonstockexchange.com), the CNINFO (www.cninfo.com.cn/) and the social responsibility section of the Company's website (www.sdicpower.com/gtdl/shzr/shzrbg/A110601index_1.htm). If there is any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

Contact

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Message from the Chairman



Glorious flowers in spring symbolize the harvest in autumn and a year of abundance. The year 2024 marked a crucial period for advancing the implementation of China's 14th Five-Year Plan, and proved pivotal for SDIC Power as it made substantial progress in deepening reforms while embarking on China's modernization path toward national rejuvenation and building a stronger nation.

Throughout the year, we remained steadfast in our mission as a central state-owned enterprise, resolutely serving national energy security and the "dual carbon" strategy. Guided by our brand philosophy of "Brighten Nature, Brighter Power", we united our efforts to anchor our course toward high-quality development. We actively pursued growth, optimized our structure with scientific precision, and implemented targeted risk controls, continuously strengthening our core functions and enhancing our competitive edge. With proactive engagement in the transformation of our times, we achieved renewal and growth through reform, writing a remarkable chapter in SDIC Power's development story.

Throughout the year, we extended our green footprint and comprehensively advanced clean energy development. SDIC Power has unwaveringly pursued a high-quality development path that prioritizes ecological conservation, resource efficiency, and green low-carbon transformation, accelerating our comprehensive transformation toward sustainability. We implemented the "Standardization Advancement Year" initiative for ecological and environmental protection, systematically elevating the standards of ecological environmental protection management. We vigorously promoted energy conservation, carbon reduction and efficiency enhancement, significantly reducing the energy consumption of coal-fired power units while improving their operational flexibility and regulation capacity. Concurrently, we sustained substantial investments in clean energy development, accelerating the deployment of high-quality renewable projects. With balanced consideration for both hydropower development and ecological protection, we advanced the integrated development of the hydro-wind-solar integration base in the Yalong River Basin. In 2024, SDIC Power achieved a significant milestone with clean energy capacity accounting for over 70% of the total installed capacity. We successfully fulfilled all energy conservation and environmental protection targets, accomplishing "full coverage" of on-site environmental supervision and inspection. Notably, the coal consumption for power supply for coal-fired power units reached 296.71g/kWh.

Throughout the year, we kept national priorities at heart and meticulously built a better future for all. SDIC Power has consistently strengthened its safety management capabilities, supporting stable economic operations through a reliable energy supply and effectively translating high-quality development achievements into better quality of life for the people. SDIC Power has established and improved the work safety responsibility system, carried out system review and problem diagnosis in a down-to-earth manner, and focused on promoting the improvement of the safety, health and environmental management system. The Company has maintained strict oversight of critical operational processes, including cascade hydropower dispatch and coal supply logistics, ensuring full-capacity generation from all power units. Beyond operations, SDIC Power has actively fulfilled its social responsibilities through industrial support, consumption assistance and capacity-building partnerships. These efforts empower local communities, strengthen grassroots development, and advance rural vitalization in alignment with national

strategies. In 2024, the Company allocated RMB 61.40 million in rural vitalization assistance funds and contributed a total of RMB 6.0979 million in public welfare donations. Our efforts in work safety and energy supply assurance were commended multiple times by government authorities.

Throughout the year, we optimized corporate governance and delivered high-quality market value. SDIC Power has upheld high-standard corporate governance as its core principle, enhancing compliance management, standardizing operations as a listed company, safeguarding shareholder rights, and advancing sustainable development. The Company adhered to a majority of non-executive directors on its Board of Directors, ensuring well-established governance procedures, standardized processes, and a balanced membership structure. We have continuously improved our scientific risk management framework and internal control mechanisms while refining our compliance management system to develop an ESG management system with corporate characteristics. Furthermore, we have built a multi-tiered, comprehensive value delivery system, maintaining a consistent and stable dividend policy to effectively enhance investor returns. In 2024, the Company raised the dividend payout ratio commitment by 5 percentage points to 55%, its average daily total market capitalization surpassed RMB 100 billion for the first time, and received a grade A in information disclosure from the Shanghai Stock Exchange for the eighth consecutive year. The Company successfully introduced the National Council for Social Security Fund as a strategic investor, injecting new momentum into the development of the core business operations.

Throughout the year, we implemented lean management practices and deepened our commitment to quality improvement and efficiency enhancement initiatives. SDIC Power has advanced the development of its lean management system, fully leveraging the supporting role of human resources and the driving force of technological innovation to enhance its core functions and competitive edge continuously. We have enhanced its operational management capabilities by conducting industry benchmark cost comparisons and strengthening scientific and refined financial management. We have continuously optimized human resource management by accelerating talent acquisition, expanding professional development channels, and building robust career platforms for employees. Furthermore, we have reinforced the organization and implementation of technological projects, encouraging business units to play a leading role in innovation. The Yalong River Hydropower project, "Key Technologies and Applications for Intelligent Construction of High Dam Engineering under Complex Conditions", was awarded the Second Prize of the National Science and Technology Progress Award. In 2024, the Company's total assets reached RMB 296.537 billion at the end of the year, with an operating revenue of RMB 57.819 billion and a total profit of RMB 15.706 billion.

With great ambitions, we will embark on a new journey and forge ahead with determination to compose a glorious chapter. In 2025, SDIC Power will uphold its profound sense of social responsibility and mission. Driven by innovation and committed to excellence, we will combine pragmatic action with bold leadership to fortify national energy security, deliver outstanding results in building a modern energy system, and advance resolutely toward our goal to become a globally-trusted investor & operator in integrated energy.

About SDIC Power

Company profile

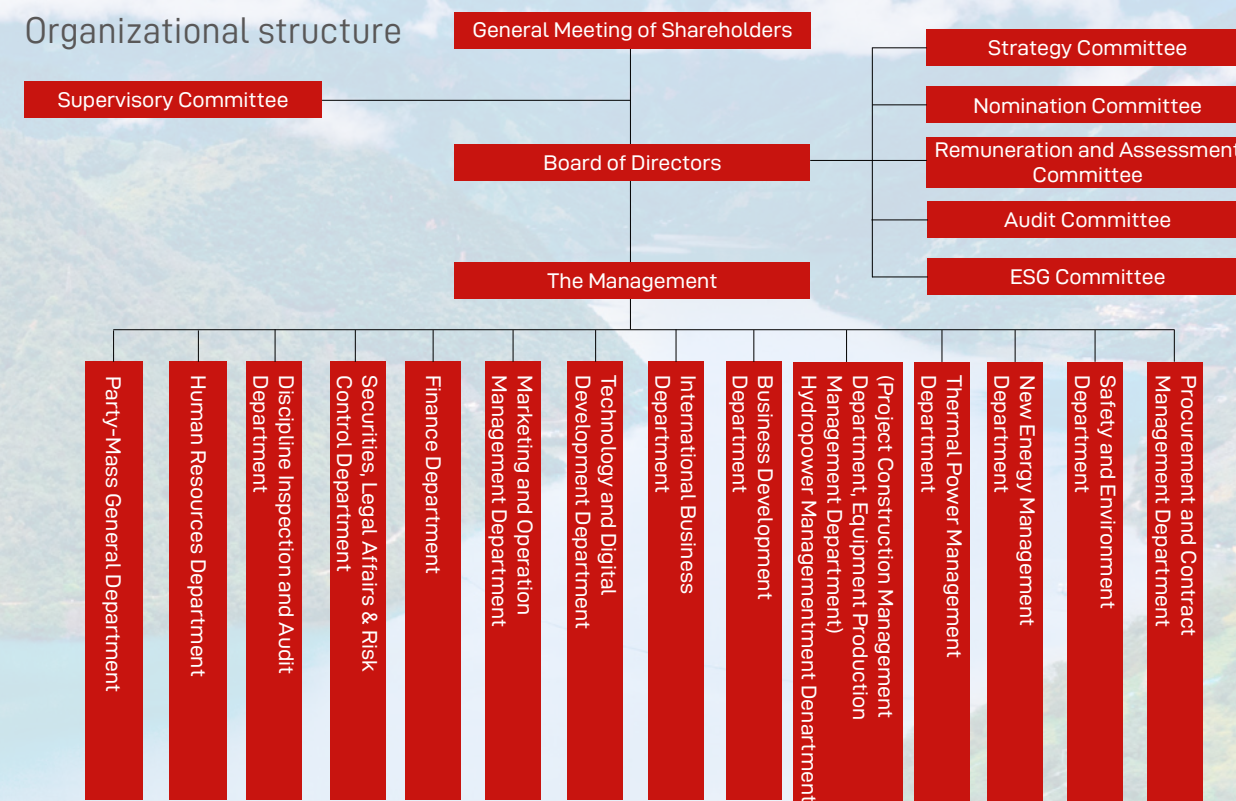
SDIC Power Holdings Co., Ltd. (hereinafter referred to as "SDIC POWER") is a holding enterprise of State Development & Investment Corp., Ltd. and a listed company on the Shanghai Stock Exchange and London Stock Exchange (A shares: 600886, GDR: SDIC). The business involves hydropower, thermal power, solar power, onshore wind power, offshore wind power, energy storage, and electricity sales. The business covers 24 provinces, municipalities, and autonomous regions across China, as well as 4 countries along the "Belt and Road" and OECD corridors.

SDIC Power has always adhered to the concept of prudent operation and green development. Since its listing in 2002, the Company has achieved remarkable leapfrog development and has become one of China's most efficient and profitable integrated energy companies. It is also China's third largest hydropower listed company and the second Chinese company listed on the London Stock Exchange to be awarded the London Stock Exchange Green Economy Mark. Guided by our high standards for social responsibility, SDIC Power seamlessly integrates CSR principles into corporate management practices. We continuously innovate our approaches to social responsibility communication while enhancing content quality, thereby establishing a reputable corporate image. This has enabled us to develop an ESG management system with corporate characteristics.

By the end of 2024, SDIC Power has put into operation a holding installed capacity of approximately 44.6347 million kW. The installed capacity structure is dominated by clean energy, with an excellent power supply structure. Clean energy accounts for 70.42%, including 21.3045 million kW of hydropower, accounting for 47.73%, and 10.1294 million kW of new energy (including energy storage), accounting for 22.69%. Relying on hydropower in the Yalong River Basin, we have promoted the construction of a demonstration base for green and clean renewable energy with a hydro-wind-solar hybrid. The base has been included in the national 14th Five-Year Plan for Modern Energy System and Sichuan Province's 14th Five-Year Plan for Energy Development.

About SDIC Power

Organizational structure



Brand culture

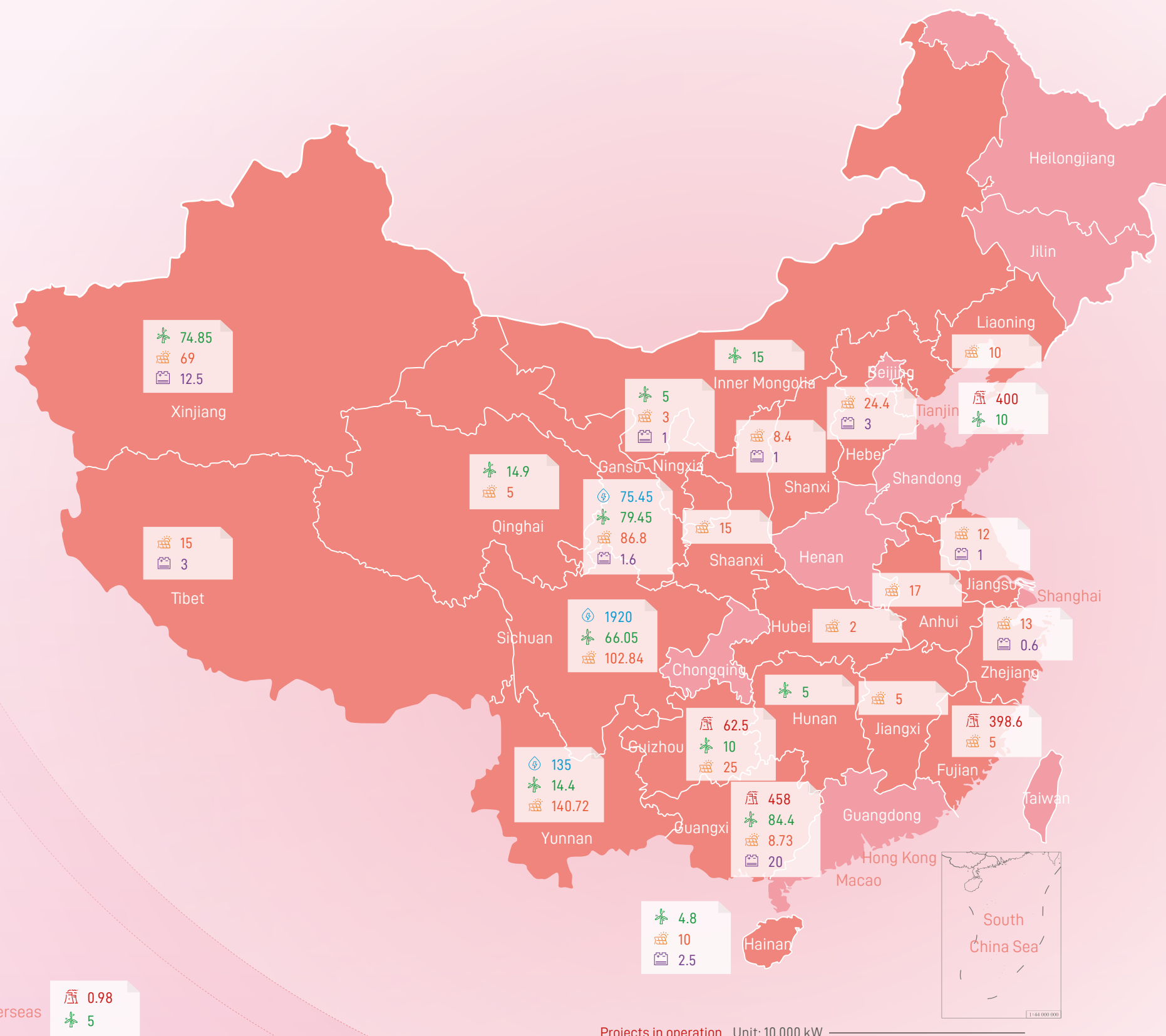
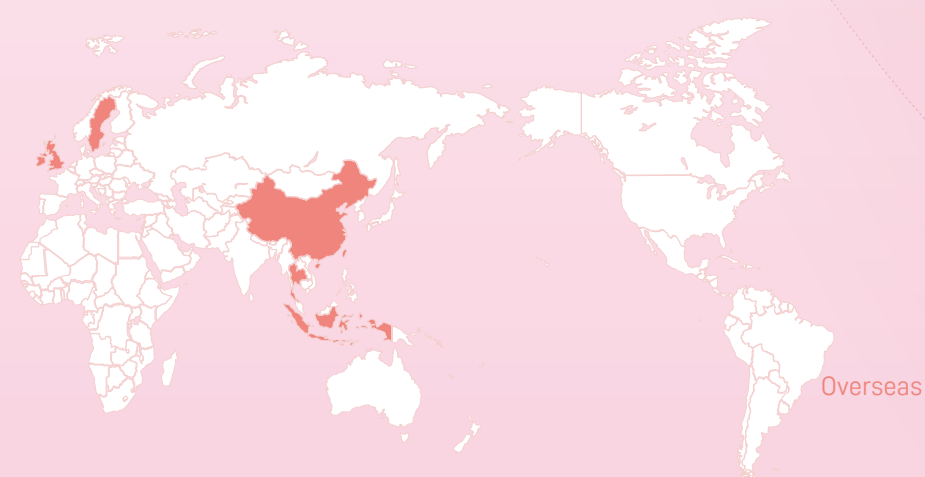
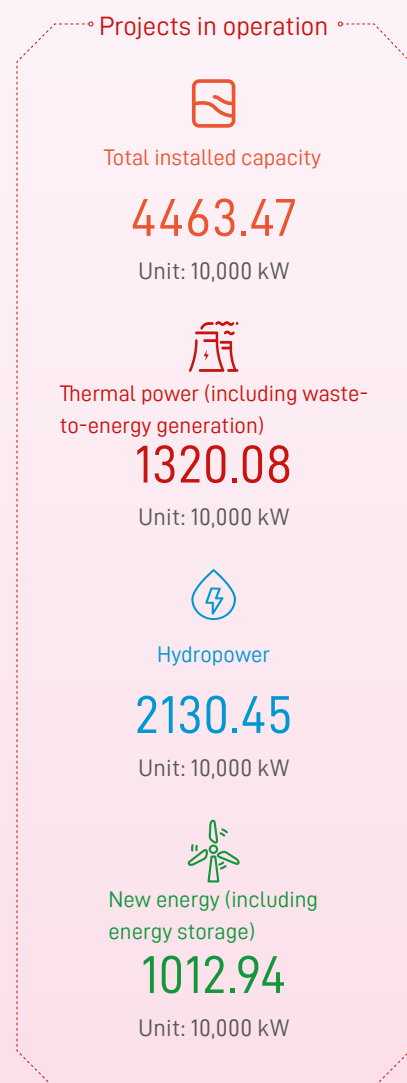
SDIC Power has closely aligned with the 14th Five-Year Plan to launch a brand leadership initiative, comprehensively promoting brand culture development. By reshaping brand culture concepts to meet contemporary demands, the Company aims to establish a distinctive brand image that leverages its unique strengths and development characteristics. Through this new-era brand culture construction, SDIC Power is embarking on a new journey of high-quality and sustainable development.



Scan the QR code to view SDIC Power's corporate culture brochure *Brighten Nature, Brighter Power*.



Business layout



 Hydropower
  Thermal power (including waste-to-energy generation)
  Wind power
  Solar power
  Energy storage

SDIC Power and SDGs

The United Nations 2030 Sustainable Development Goals (SDGs) provide important guidance for the sustainable development practices of SDIC Power. In 2024, guided by the SDGs framework, the Company comprehensively advanced its ESG management, focusing on clean energy development, green and low-carbon transformation, ecological protection, and social responsibility fulfillment. We are committed to driving sustainable development progress alongside economic growth. By integrating the SDGs principles into our corporate operations, we continuously enhance our sustainable development capabilities and contribute to the achievement of global sustainability goals.



ESG Management

ESG governance system

SDIC Power has been steadfastly advancing its ESG management, establishing an ESG management system with corporate characteristics that injects strong momentum into corporate sustainable development and society's green transformation.

ESG management framework

To further enhance the ESG governance framework, SDIC Power has officially established an ESG Committee with the approval of the Board of Directors, forming a four-tier management structure of "Board of Directors - ESG Committee - ESG Working Group - Departments/holding investment enterprises." This clearly defines responsibilities at each level to ensure systematic advancement of ESG efforts. Under the leadership of the Board of Directors and its ESG Committee, the Company has deeply integrated ESG concepts into all aspects of corporate operations and core business processes.

In 2024, the Company organized two ESG Committee meetings with a 100% attendance rate of committee members. They reviewed and deliberated on the Proposal on Reviewing the List of Material Issues in Environmental, Social and Governance, 2023 Environmental, Social and Governance Report of the Company, and other important ESG matters.

Board of Directors

Key responsibilities	- Review and approve the Company's fundamental management policies of ESG efforts - Determine the establishment of the ESG Committee and the appointment/removal of its members, and review and approve the relevant governance policies for the Company's ESG Specialized Committee - Review and approve the Company's annual ESG special report - Review and approve the Company's ESG management goals and supervise their implementation and assessment - Review and approve the Company's ESG-related strategies and medium- and long-term plans - Other ESG-related job responsibilities

ESG Committee

Chairman	Guo Xuyuan, Non-independent Director, Chairman
Members	Zhang Lei, Non-independent Director, Vice Chairman
	Yu Haimiao, Non-independent Director, General Manager
	Yu Yingmin, Independent Director
	Zhang Zijian, Employee Director
	※ As of the date of the report's disclosure, Mr. Zhang Zijian has ceased to serve as the company's employee director and a member of the ESG Committee.
Daily Office	Securities, Legal Affairs & Risk Control Department

Key responsibilities	- Review and deliberate ESG-related disclosure documents, including but not limited to the Company's annual ESG special report - Research and provide recommendations on the Company's ESG-related strategies and medium-to-long-term plans - Review and approve material issues - Supervise the identification, assessment and management of matters related to ESG governance activities such as management objectives, risks and opportunities - Study other major ESG issues affecting the company and make suggestions - Other matters authorized by the Board of Directors

ESG Working Group

Group leader	Secretary of the Board of Directors
Vice group leader	Head of Securities, Legal Affairs & Risk Control Department
Members	Department heads

Key responsibilities

- The Secretary of the Board of Directors shall organize and coordinate the Company's ESG efforts, as well as overall planning for ESG management. Special working groups such as a Report Preparation Team may be established under the ESG Working Group as operational needs require
- The Securities, Legal Affairs & Risk Control Department oversees the coordination and implementation of ESG management initiatives, leads the preparation of dedicated ESG reports, and assumes responsibility for ESG-related information disclosures

Departments/holding investment enterprises

Key responsibilities

- Each department is responsible for ESG management matters and is responsible for promoting various ESG work and management measures according to its responsibilities
- All holding investment enterprises serve as the implementation bodies for ESG management.
- In compliance with requirements from the Company's Board of Directors, ESG Committee, and ESG Working Group, they shall actively collaborate with various departments to execute ESG initiatives, thoroughly embed ESG principles, and continuously optimize and improve ESG management practices

ESG system

SDIC Power has systematically sorted out the ESG process and incorporated it into a "1+N" system, which is mainly based on the ESG Management System and supported by the Working Rules of the *ESG Committee* and the *Detailed Rules for the Implementation of ESG*. We have clarified the basic principles for implementing ESG work, realized the deep integration of ESG work with daily work, and formed a top-down, horizontally connected and efficient ESG working mechanism.

ESG capacity building

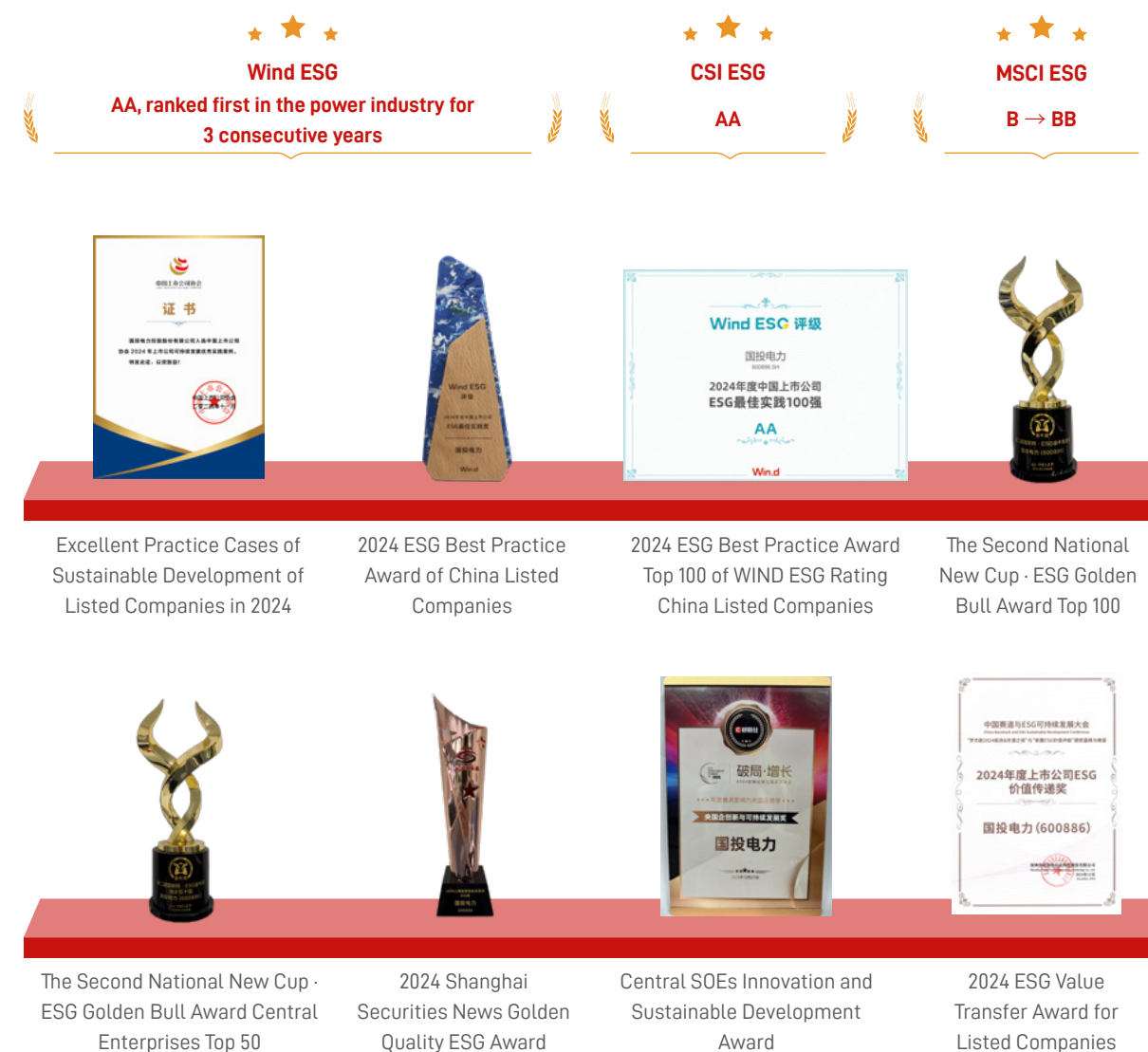
ESG managers at all levels of the Company attach great importance to ESG capacity building and continuously strengthen the publicity, implementation and training of ESG concepts. The Company has actively organized internal ESG training conducted by experts to enhance staff competency while participating in regulatory and industry association programs to stay abreast of ESG trends and compliance requirements, accurately grasped the cutting-edge trends and compliance points of ESG, and laid a solid foundation for the company's sustainable development.

ESG indicators and assessment

SDIC Power has deeply integrated ESG principles by benchmarking against various leading guidelines adapting to power industry characteristics. The Company has established its Corporate ESG Indicator System, covering 454 industry indicators and company-specific indicators. It serves as an important basis for clarifying responsibilities, meeting regulatory requirements, compiling reports, conducting benchmarking, supervision and assessment, and an important way to ensure the implementation of the ESG management system.

The Company decomposes the ESG indicator system into various departments for management and implementation according to departmental responsibilities. At the same time, the Company has established a tenure-based and contractual management system for the Management. It signs term employment contracts and annual performance agreements with members of the management, along with *Target Assessment Responsibility Deeds*. The Company incorporates ESG indicators related to resource conservation and environmental protection into its operational performance evaluations. Compensation and other matters are determined based on the assessment results, effectively driving the company to enhance its overall ESG management capabilities.

ESG rating and honors



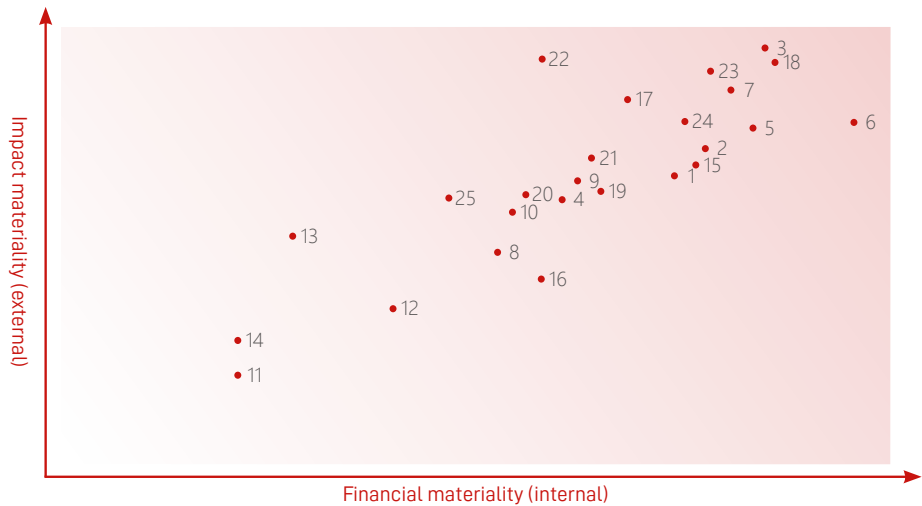
Communication with stakeholders

SDIC Power has recognized the critical role of stakeholder feedback and actively seeks to understand and listen to their expectations regarding the Company's ESG management strategies and practices. This input serves as a key foundation for optimizing management approaches and operational execution. Combining business characteristics and operating conditions, the Company identified major stakeholders, including government, shareholders, business partners, employees, customers, communities, environment, etc., responded to stakeholders' concerns through diversified communication mechanisms, gathered strength from all parties, and worked together to create greater value.

Stakeholders	Expectations and Demands	Communication methods	Response and performance
 Government	Responding to national strategies Operating in compliance with the law Safeguarding energy security Optimizing energy structure Driving local economic development	Optimizing energy structure Strengthening compliance operation management Ensuring energy supply Improving the proportion of installed capacity of clean energy Protecting the local ecological environment Promoting local development through rural vitalization	The Company holds 70.42% of clean energy Investing RMB 115.6321 million on energy conservation Investing RMB 745.8027 million in environmental protection Investing RMB 61.40 million in rural vitalization assistance funds Ensuring 100% compliance with legal review
 Shareholders	Preserving or increasing the value of assets Sustainable development Transparent information disclosure	Enhancing corporate competitiveness and profitability Improving quality and efficiency, enhancing risk resistance capacity and compliance management level Timely conducting of information disclosure and investor communication	Achieved a net profit attributable to shareholders of the listed company of RMB 6.643 billion Average daily total market capitalization surpassed RMB 100 billion for the first time Achieved 100% performance briefing rate and 100% question response rate
 Business partners	Business ethics Transparent procurement Mutual benefit and win-win	Observing business ethics Open and transparent procurement Building cooperation platforms	Person-time of participants in training on anti-corruption and integrity: 42,970 person-times All commercial contracts are signed concurrently with integrity agreements. Participating in the preparation of national standards, group standards and other industry standards
 Customers	Integrity and high-quality services Secure and stable supply Work safety operation	Conducting client satisfaction surveys Providing a reliable and stable energy supply Providing a reliable and stable energy supply Improving and implementing the HSE system	Successfully completed various tasks of energy supply guarantee Total power generation exceeds 170 billion kWh
 Employees	Protecting basic rights and interests Compensation and benefits guarantee Employee career development Occupational health and safety Humanistic care for employees	Improving union organization and electing employee supervisors Medical insurance, enterprise annuity, etc. Conducting employee skills training Organizing safety training and regular medical examinations Helping employees with difficulties Protecting the rights and interests of female employees	Participating in democratic management: 2,628 person-times Employee training: 315,180 person-times Full coverage of safety training for on-site workers Achieved "zero accident and zero casualty" throughout the year
 Communities	Promoting community development Participating in social welfare Driving community economy	Responsibility fulfillment in overseas places Promoting local employment Making tax contributions	Total tax payment: RMB 8.07 billion Total hours of volunteer services: 1,317 hours
 Environment	Addressing climate change Energy conservation and emission reduction Water resource management Pollution prevention Biodiversity conservation	Greenhouse gas emission reduction Implementing clean production Comprehensive protection of water resources Strictly controlling pollutant emissions Overall planning, breeding and releasing, vegetation restoration	The comprehensive energy consumption per RMB 10,000 of output value decreased by more than 20% compared with 2020. Carbon dioxide emissions per RMB 10,000 of output value decreased by more than 19% compared with 2020. Breeding and releasing 2.804 million fishes

Identification of material issues

In accordance with the requirements of the exchange where it is listed and following the principle of dual importance assessment, SDIC Power has determined 26 ESG issues that need to be focused on and responded to this year through internal and external interviews, peer benchmarking, questionnaire surveys, etc. Meanwhile, in alignment with the Company's development strategy and insights from industry experts, and after the prudent assessment of the Financial Department, the 2024 SDIC Power ESG Material Issue Matrix was ultimately formed. The Board of Directors reviewed and approved the identified results for confirmation.



Identified material issues and corresponding sections¹

Environmental			Social		
S/N	Issues	Page No.	S/N	Issues	Page No.
1	Responding to climate change	72-73	11	Rural vitalization	85-86
2	Pollutant emissions	77	12	Social contributions	87-90
3	Waste treatment	79	13	Innovation-driven	35-37
4	Ecosystem and biodiversity conservation	82	14	Supply chain security	41
5	Environmental compliance management	69-71	15	Work safety	47-56
6	Energy utilization	80	16	Information security	39
7	Water resource use	80	17	Employee responsibilities	59-64
8	Circular economy	75	18	Occupational health	65-66
9	Green products	74	19	Service to the people's livelihood	42
10	Innovation in clean technology	75			
Governance					
S/N	Issues	Page No.	S/N	Issues	Page No.
20	ESG governance	10-11	23	Compliance risk management	31
21	Communication with stakeholders	13	24	Anti-bribery and anti-corruption	32
22	Investor relations management and shareholder equity	27-28	25	Anti-unfair competition	32

1: After identification and judgment, the issues of equal treatment of small and medium-sized enterprises, technology ethics and due diligence have not had a significant impact on the Company's financial condition thus far. The Company has already implemented effective measures to ensure compliance and transparent management. Moving forward, we will keep a close watch on these issues and make adjustments according to the actual situation.

Responsibility Focus: Maintaining Unwavering Commitment for Twenty-Two Years, Uniting to Write a New Billion-RMB Chapter



Since its listing in 2002, SDIC Power has gone through twenty-two years of ups and downs. From its inception to its global voyage, the Company has remained steadfast in its green development philosophy. Anchored by the vision "To Become A Globally-trusted Investor & Operator in Integrated Energy", we are spearheading the clean energy transition through innovative productive forces, powering national strategic goals. In the past twenty-two years, the Company's business layout has expanded from Gansu Province to 24 provinces, municipalities and autonomous regions in China, as well as four countries along the "Belt and Road" and OECD, including the United Kingdom, Indonesia, Thailand and Sweden. The power supply structure has expanded from hydropower and thermal power to hydropower-based, wind-solar power-led, and thermal power-optimized, forming a comprehensive energy investment operator with clean energy as the main source and both hydro, thermal, wind and solar power. We have high-quality and efficient business assets and a comprehensive and extensive business layout at home and abroad.

In 2024, SDIC Power's total market value hit a record high of RMB 141.9 billion with stable operating performance, high-quality business assets, efficient corporate governance and unremitting value creation, and the annual average daily total market value reached RMB 118.4 billion.

Market value of the Company (RMB 100 million) By the end of 2002 21.41 By the end of 2024 1238.88	Holding installed capacity (10,000 kW) By the end of 2002 90 By the end of 2024 4463.47
Asset scale (RMB 100 million) By the end of 2002 46.89 By the end of 2024 2965.3	Installed capacity of holding clean energy (10,000 kW) By the end of 2002 30 By the end of 2024 3143.39
Total profit (RMB 100 million) By the end of 2002 0.12 By the end of 2024 157.06	Power generation (100 million kWh) By the end of 2002 47.39 By the end of 2024 1720.72

| Steady operation: Creating a benchmark for efficient operation

SDIC Power has rich experience in the development, construction and operation of domestic and overseas power businesses. It always adheres to the investment management principle of "benefit first" and has a strong efficiency-creating ability. Since the implementation of the 14th Five-Year Plan strategic plan, the company's clean energy business has accelerated its development, and the construction of the hydro-wind-solar integration base in the Yalong River Basin has been accelerated. All work has been steadily promoted according to the planning objectives and good development results have been achieved.

Meanwhile, the Company has further leveraged standardization as a key driver and is committed to establishing a specialized management system with distinctive corporate characteristics. Efforts are concentrated on three priority areas: business differentiation, refined management and systematic processes. According to the characteristics of different businesses such as hydropower, thermal power and new energy, differentiated professional standard systems are formulated by classification to realize the transformation from "general" to "professional", and build a professional standard system of "one policy for one industry". The Company has optimized the integration mechanism between business processes and information systems, transforming key management requirements into systematic control nodes to achieve end-to-end process standardization.

Through the development of digital platforms, we have significantly enhanced the systematic rigor and operational penetration of professional management, providing robust support for building a world-class energy enterprise.

In the current context of intensified market competition, SDIC Power's energy structure dominated by clean energy has broad prospects and outstanding economic and social benefits. Through precise policy implementation and efficient operation, as well as the continuous increase in installed capacity and the steady progress of project commissioning, in 2024, SDIC Power and its holding investment enterprises' power generation and on-grid energy reached 172.072 billion kWh and 167.722 billion kWh respectively, with a year-on-year increase of 6.24% and 6.40% respectively, achieving steady growth. Yalong Hydro achieved a record-breaking 92.943 billion kWh of power generation in 2024, marking a 10.33% year-on-year increase and delivering double-digit growth.

Holding installed capacity put into operation increases to

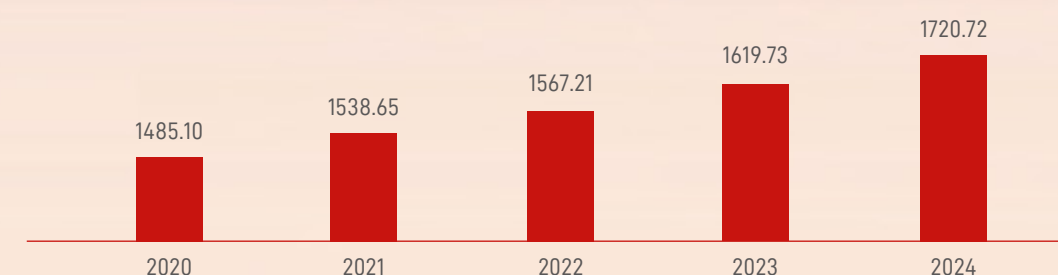
44.6347 million kW

Installed capacity of clean energy power generation accounts for

70.42 %

Power generation from 2020 to 2024

(Unit: 100 million kWh)



Corporate governance: Laying a solid foundation for high-quality development

The Company has always adhered to high standards of corporate governance as its core and is committed to building an excellent Board of Directors system to ensure the steady development and long-term value of the enterprise. Over the years, we have continuously explored and innovated in the construction of the Board of Directors, forming a complete system and efficient decision-making mechanism. Through continuous optimization and improvement, the Board of Directors has established an ESG management system with corporate characteristics, which has achieved remarkable results in strategy formulation, decision-making implementation, supervision and management, laying a solid foundation for the high-quality development of the Company.

※ See "Standardizing corporate governance" section for details about corporate governance.



SDIC Power was awarded the "2024 Best Practice Case of Board of Directors" by the China Association for Public Companies.

Capital operation: Opening a new situation of leapfrog growth

With the help of the listing platform, the Company has achieved leapfrog development through financing methods such as private placement, GDR, allotment, public additional issuance, convertible bonds, corporate bonds and medium-term notes. It has accumulated rich experience in capital operation, provided financial support for a large number of high-quality projects under construction and reserve at home and abroad, and realized rapid growth in assets, installed capacity, profits and market value. We have continuously improved our virtuous cycle and value creation ability and comprehensively improved the comprehensive strength of the Company.

In 2024, the Company conducted a private placement of A-shares to the specific object of the National Council for Social Security Fund, raising approximately RMB 7 billion in capital. The issuance was successfully completed on March 4, 2025. It is the largest hydropower refinancing project in the A-share market and the fastest refinancing project reviewed by the Shanghai Stock Exchange since the "8.27 New Policy". It is a pioneering practice of the medium- and long-term capital entry policy, which has a far-reaching impact and a significant leading role in the capital market. After the issuance is completed, it can effectively optimize the asset structure of SDIC Power and inject a strong impetus into the Company from multiple dimensions. It is an important milestone in the development history of SDIC Power. It is of great significance to promote the rapid development of the company's main business and lay a solid foundation for high-quality and sustainable development.



The Company's non-public offering was reprinted by Xinhua News Agency and reported by cls.cn.

Investor relations management: Establishing the brand image of SDIC

SDIC Power has actively implemented an "investor-oriented" philosophy and strictly complied with relevant laws, regulations, and regulatory requirements to ensure timely, accurate, and complete disclosure of financial conditions, operational results, and material events. The Company has regularly organized investor communication events and earnings briefings to stay attuned to investor needs and expectations. Through proactive and effective investor relations management, the Company has established a strong market reputation and gained widespread recognition and support from investors.



The Company won the "Fifteenth China Listed Company Investor Relations Management Tianma Award."



The Company was rated as Grade A Information Disclosure by the Shanghai Stock Exchange for the eighth consecutive year.

SDIC Power prioritizes shareholder interests, underpinned by strong operational performance and sustainable profitability, and actively shares development dividends with investors. Since its listing, the Company has distributed cumulative cash dividends exceeding RMB 21 billion. In 2024, SDIC Power formulated the *Shareholder Return Plan for the Next Three Years (2024-2026)*, promising that the dividend ratio will not be less than 55% of the distributable profits in the consolidated statements. This promised dividend ratio has increased by 5 percentage points compared to the past, further consolidating the stability and sustainability of dividend distribution and effectively enhancing investors' sense of gain with excellent dividend returns.

On May 8, 2024, SDIC Power participated in the Collective Performance Briefing of Clean and Low-Carbon Listed Companies on the Main Board of the Shanghai Stock Exchange for the 2023 Annual Report held by the Shanghai Stock Exchange. It was the first time that the Company participated in the collective performance briefing of the Shanghai Stock Exchange, which is another innovative practice in investor relations management. On May 16, the Company went to the Shanghai Stock Exchange again to participate in the Shanghai Stock Exchange's collective roadshow for state-controlled listed companies under the theme "National Responsibilities, Sincere Investment" organized by SDIC, to further enhance market recognition and establish the "SDIC" brand in the capital market.



SDIC Power Participates in the Shanghai Stock Exchange's Collective Roadshow for State-Controlled Listed Companies under the Theme "National Responsibilities, Sincere Investment"

The market value exceeding RMB 100 billion is not only an important milestone in the development of SDIC Power but also a new starting point for high-quality and sustainable development. In the future, the Company will continue to take ESG as its core driving force, deepen green development, promote technological innovation, practice social responsibility, respond to market and social expectations with high-quality sustainable development, and make investment and value more closely linked.

Responsibility Focus: Powering a Green Future with Gigawatt Installed Capacity, Riding the Tide of Clean Energy

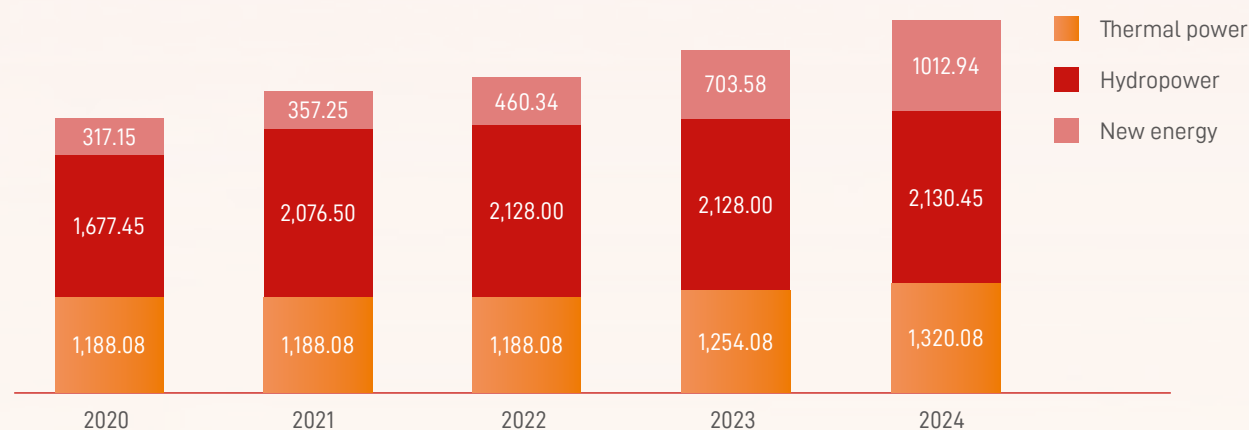


SDIC Power has thoroughly implemented the new energy security strategy of "Four Reforms and One Cooperation", increased its efforts in developing clean energy business, continuously promoted the Company's green and low-carbon transformation and development, and actively contributed to the realization of my country's "dual carbon" goals. In recent years, the Company has accelerated its layout in the clean energy field and relied on the priority development strategy of large-scale and high-efficiency projects to promote the leapfrog growth of the holding installed capacity of new energy.

Since the 14th Five-Year Plan, SDIC Power has adhered to the concept of green development, actively served the new national energy security strategy, conscientiously shouldered the responsibility of energy supply guarantee, continuously promoted green and low-carbon transformation, optimized asset structure, and embarked on the fast track of new energy development. The Company focused on promoting the construction of a hydro-wind-solar integrated base in the Yalong River Basin, building a clean power system with a hybrid development of hydro, wind, solar and other multi-energy sources, focusing on advantageous regions and key areas, and promoting the development and construction of new energy projects.

In 2024, several new energy projects of SDIC Power were put into operation as scheduled, delivering an impressive answer sheet for green development: the holding installed capacity (including new energy storage) of new energy exceeded 10 million kW for the first time.

Holding Installed Capacity of the Company from 2020 to 2024



Case

The Maolan Solar Power Project of SDIC Yunnan New Energy Successfully Connected to the Grid for Power Generation

On May 22, 2024, the Maolan Solar Power Project of SDIC Yunnan New Energy was successfully connected to the grid for power generation. After being put into operation, the Project will have an average annual power generation of about 340 million kWh and an average annual utilization hour of about 1,388 hours. It can save 108,100 tons of standard coal and reduce carbon dioxide emissions by about 252,000 tons. It will strongly support Yunnan in building a clean, low-carbon, safe and efficient new energy system, continue to build a strong green energy province, and create a demonstration area for new power systems.



Maolan Solar Power Project of SDIC Yunnan New Energy

Case

The Nasi Wind Farm of SDIC Guangxi New Energy in Qinnan District Achieved Full-Capability Grid Connection for Power Generation

On November 28, 2024, all units of Nasi Wind Farm (100,000 kW) in Qinnan District were put into operation. The Project installed twenty 5.0MW wind turbines. After full capacity grid connection, it is expected to generate 214 million kWh annually - equivalent to saving approximately 64,800 tons of standard coal and reducing CO₂ emissions by about 169,700 tons. This will deliver significant economic, environmental, and social benefits to the local community.



Nasi Wind Farm of SDIC Guangxi New Energy in Qinnan District

Case

The Construction of the Zhalashan Solar Power Project on the Yalong River is in Full Swing

The Zhalashan Solar Power Station is located in Yanyuan County, Liangshan Prefecture, Sichuan Province. The site area is located at an elevation of between 3,200 and 4,200 meters above sea level, with an installed capacity of 1.17 million kW and an average annual power generation of 2.15 billion kWh. It is planned to be connected to the grid for power generation at full capacity in 2025. After the power station is completed, the annual electricity generated can save about 650,000 tons of standard coal and reduce carbon dioxide emissions by about 1.8 million tons.



Zhalashan Solar Power Project on the Yalong River under construction

While achieving breakthroughs in the development of its clean energy business, the Company has strictly avoided ecological red lines, adhered to the principle of "promoting conservation through development and advancing development through conservation", implemented biodiversity protection measures, and achieved coordinated progress in high-quality development and high-level ecological conservation. It has fostered positive ecological and environmental protection in project areas and actively fulfilled its primary responsibilities in environmental governance.

| Grazing-solar hybrid

SDIC Power has firmly established and practiced the concept of "lucid waters and lush mountains are invaluable assets", continued to rapidly transform its green energy advantages into economic advantages, and injected surging power into the high-quality economic and social development and rural vitalization strategy in ethnic minority areas. Yalong Hydro continued to strengthen joint construction and co-construction with local governments and generated "solar power + N" synergistic benefits through a series of empowerment measures such as "solar power + green industry" and "solar power + new infrastructure".

Yalong Hydro has integrated local development needs into its projects, including the Kela Solar Power Station Phase I, the Litang Suorong Solar Power Project, and the Zhalashan Solar Power Project in Yanyuan. While advancing clean energy generation, the Company has supported local industrial growth, contributed to infrastructure development in the host counties, and helped build culturally vibrant new towns that preserve ethnic heritage. The power station adopts a "grazing-solar hybrid" model, with the solar power panels elevated 1.8 meters above the ground, ensuring ample space for cattle and sheep grazing as well as vegetation growth. Solar power panels can also reduce wind speed, reduce water evaporation, and improve land water retention rate and vegetation growth rate. Herds of cattle, sheep and horses roam freely across the power station, grazing on lush green grass - a harmonious coexistence of pastoral life and solar energy that benefits both ecology and productivity.

The Zhalashan Solar Power Plant adopts a "grazing-solar hybrid" model, elevating the mounting structure higher than conventional solar power facilities. This design ensures solar power generation without disrupting grass growth beneath the panels, enabling simultaneous energy production and livestock grazing. Grazing and power generation coexist harmoniously, integrating two industries within the same resource space.

Case Kela Solar Power Station Phase I of Hydro-Solar-Grazing Hybrid in Lianghekou, Yalong River

The Kela Solar Power Station Phase I is located in Yajiang County, Ganzi Prefecture, with its site being 4,000 to 4,600 meters above sea level. It has an installed capacity of 1 million kW and was officially connected to the grid for power generation on June 25, 2023. The solar power panels of the Kela Solar Power Station Phase I are at least 1.8 meters above the ground, and people can walk freely under the panels. Such a height can not only meet the needs of vegetation growth but also ensure grazing space for cattle and sheep and achieve a "grazing-solar" hybrid.



Yaks Pass under the Solar Power Panels of Kela Solar Power Station Phase I

| Desertification control

In the Gobi Desert, SDIC Power has actively conducted pilot ecological research on "solar energy + desertification control + sand prevention" by fully leveraging the actual conditions of renewable energy project sites and specialized desertification control reports. Through multifaceted approaches, the Company is committed to developing an innovative solar power-based desert control model.

The Aksay Thermal Energy and Solar Power Pilot Project of SDIC Gansu New Energy exemplifies an innovative model of desert control through solar power development, where vegetation planting contributes to carbon sequestration. Combined with the main solar power and thermal energy projects, it can provide certain support for Gansu Province to achieve the "peak carbon dioxide emissions and carbon neutrality" goals. Through the innovative model of solar power sand control, the former "barren land" is glowing with "green vitality".

Case Desertification Control Work of the Aksay Thermal Energy and Solar Power Pilot Project of SDIC Gansu New Energy is Successfully Implemented

On November 29, 2024, the SDIC Aksay Huidong Thermal Energy and Solar Power Pilot Project of SDIC Gansu New Energy located in Aksay Kazakh Autonomous County, Jiuquan City, Gansu Province, was connected to the grid for power generation at full capacity. The total installed capacity of the Project is 750MW, including 110MW for thermal and 640MW for solar power.

The solar power construction part of the project consists of 204 solar power sub-arrays of 3.125MW each, 1 desertification control sub-array of 2.5MW, and 28 collector lines, covering an area of approximately 13.34 square kilometers. During the construction process, SDIC Gansu New Energy fully carried out desertification ecological governance. It used technologies such as solar power panel sealing clips and water collection gutters to collect project cleaning water for water-saving use. It used HPDE sand-fixing nets and sand-prevention fences to provide sand-fixing protection for the demonstration area. Vegetation construction was carried out by adopting a planting model with a multi-species configuration and exploring certain economic potentials. It also set up necessary drip irrigation and sprinkler irrigation devices to improve and ensure the survival rate of vegetation in the demonstration area.

Five kinds of shrubs are planted in the desertification control demonstration area: caragana korshinskii, calligonum mongolicum turcz., haloxyton ammodendron (C. A. Mey.) Bunge, nitraria thorn (also known as black wolfberry), and red willow. The construction water during the construction period is provided by sprinkler trucks, which are used to transport water to the site. The construction water is mainly used for watering plants planted in the demonstration area to ensure the survival rate of plants.





Governance Sustainability Making Steady Progress through Persistent Dedications

SDIC Power has optimized and improved the corporate governance structure, helped the Board of Directors to scientifically formulate strategies, make accurate decisions, systematically prevent risks, and fairly handle information disclosure. The Company has attached great importance to risk management, established and improved internal control mechanisms, abided by business ethics, and achieved stable and compliant operations.

Material ESG issues addressed in this section

- ESG governance
- Communication with stakeholders
- Investor relations management and shareholder equity
- Compliance risk management
- Anti-commercial bribery
- Anti-unfair competition

SDGs responded to in this section



Standardizing corporate governance

SDIC Power has strictly abided by the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Rules Governing the Listing of Stocks on Shanghai Stock Exchange and relevant overseas local laws and regulations, continuously improved the corporate governance mechanism as a listed company, and constantly enhanced the development momentum of the Company.



Governance structure

The Company complied with various regulatory requirements and formed a corporate governance structure with the general meeting of shareholders as the highest authority, the board of directors fulfilling decisions, the Supervisory Committee playing a supervisory role, and the management performing daily operations and management to ensure the accuracy and scientificity of corporate governance decisions. During the year, the Company revised the Articles of Association in accordance with regulatory rules and simultaneously revised the Rules of Procedure of the General Meeting of Shareholders, Rules of Procedure of the Board of Directors, Working System of Independent Directors, and Working Rules of the General Manager.

The Board of Directors of the Company has set up 5 special committees, including the Strategy Committee, the Nomination Committee, the Remuneration and Assessment Committee, the Audit Committee and the ESG Committee. Among them, independent directors account for the majority in the Remuneration and Assessment Committee, the Audit Committee and the Nomination Committee, and independent directors serve as chairpersons (conveners). The chairman (convener) of the Audit Committee is an accounting professional.

In 2024

the Company held	meetings of the Board of Directors	meetings of the Supervisory Committee
8 sessions of general meeting of shareholders	18	7
special meetings for independent directors	special committee meetings of the Board of Directors	
3	22	

Corporate Governance Framework of SDIC Power(A partial list)

Articles of Association	Working Rules of the General Manager
the Rules of Procedure of the General Meeting of Shareholders	Administrative Measures for Board Authorization
Rules of Procedure of the Board of Directors	Management System of Information Disclosure Affairs
Rules of Procedure of the Supervisory Committee	Administrative Measures on Investor Relations
Working System of Independent Directors	Administrative Measures for Internal Control
Administrative Measures for Board Authorization	Measures for Compliance Management

Indicator	Unit	2023	2024
Number of Board of Directors members	Person	8 ²	9
Proportion of Board of Directors members with doctor's degree	%	37.5	44.44
Proportion of Board of Directors members with master's degree	%	37.5	33.33
Proportion of Board of Directors members with bachelor's degree and below	%	25	22.22
Proportion of male Board of Directors members	%	87.5	88.89
Proportion of female Board of Directors members	%	12.5	11.11
Proportion of independent directors	%	37.5	33.33
Proportion of non-independent directors	%	62.5	66.67
Average tenure of Board of Directors members	Year	3.6	2.68
Proportion of external supervisors	%	66.67	66.67
Average tenure of Supervisory Committee members	Year	2.52	3.03
Number of senior executives	Person	5	6
Proportion of senior executives with doctor's degree	%	20	16.67
Proportion of senior executives with master's degree	%	60	66.67
Proportion of senior executives with bachelor's degree and below	%	20	16.67
Average tenure of senior executives	Year	1.75	2.37

Diversification of the Board of Directors

SDIC Power regards diversification of the Board of Directors as the cornerstone of innovative development and sound decision-making, and continuously enhances the diversification of its Board of Directors composition. On the premise of ensuring that the directors' work experience, ability to perform their duties, part-time employment, years of performance and other conditions meet the relevant requirements of laws and regulations, after review by the Nomination Committee and the Board of Directors, the Company has widely absorbed outstanding talents from different industry backgrounds, cultural fields and professional expertise. The Company has 9 incumbent directors, of which 1 is a female director and the majority are external directors (referring to people who do not hold other positions in the Company except for their duties as directors). Their professional expertise covers corporate management, strategic investment, financial management, audit supervision, legal compliance, power production, human resources and other fields.

SDIC Power has improved the performance mechanism of directors to promote their integrity, diligence and responsibility. The Company has built various platforms, maintained smooth communication with directors, actively organized directors to participate in major project research and demonstration and project investigation, and given full play to the role of the board of directors in "setting strategies, making decisions, and preventing risks".

2.The company's Board of Directors consists of nine members. Due to changes in the employee representative director, there were eight serving directors as of December 31, 2023.

Standardized operation of the Board of Directors

According to laws and regulations as well as the relevant provisions of the Articles of Association and the Rules of Procedures of the Board of Directors, the Board of Directors deliberated on 78 proposals in 2024, including director election, appointment of senior executives, system revision, related-party transactions and other matters, ensuring the efficient and smooth development of various business activities of the Company. All directors of the Company attended all the board meetings during the year and no absence occurred.

In 2024, the professional committees of the Board of Directors held a total of 22 meetings, including 3 for the Strategy Committee, 4 for the Nomination Committee, 6 for the Remuneration and Assessment Committee, 7 for the Audit Committee, and 2 for the ESG Committee. The independent directors gave full play to their respective professional advantages in the power industry, legal compliance, accounting and auditing fields, are diligent and responsible, paid close attention to the Company's operating dynamics, and put forward professional opinions and suggestions in a timely manner. A total of 3 special meetings of independent directors were held during the year to review 16 matters such as related-party transactions and non-public offerings.

The Company organized several investigations during the year, and the directors went to Guangxi, Yunnan and Sichuan for field visits to understand the operating conditions of the Company's holding investment enterprises. Directors had in-depth communication with the Company's management, actively made suggestions and safeguarded shareholders' rights and interests.

Case

The Company Conducts Regular Director Research Activities

In 2024, SDIC Power organized its directors to visit Sichuan, Guangxi, Yunnan and other places for field research on hydropower, thermal power and new energy projects. The directors listened carefully to the work reports of each holding investment enterprise, knew in detail about the basic situation of each business segment in energy, infrastructure, operation, etc., and put forward opinions and suggestions from a professional perspective.



Investor relations management

SDIC Power attached great importance to investor relations management, strictly abided by relevant laws, regulations and normative documents such as the Administrative Measures for the Disclosure of Information of Listed Companies, Investor Relations Management Guidelines for Listed Companies and the Guidelines No. 2 of the Shanghai Stock Exchange on Self-Regulation for Listed Companies – Information Disclosure Affairs Management. The Company continuously enriched the content and methods of investor relations management, actively maintained efficient communication with investors through multiple channels, and continuously improved the transparency of information disclosure.



- Standardize information disclosure behavior, strengthen the management of information disclosure affairs in accordance with the Management System of Information Disclosure Affairs, Administrative Measures for Internal Reporting of Major Information, Administrative Measures for Financial Reports and other systems of SDIC Power effectively protecting the legitimate rights and interests of investors.
- Improve the level and quality of investor relations management, strengthen communication with investors and potential investors in accordance with the Administrative Measures of SDIC Power on Investor Relations, and enhance investors' understanding and recognition of the Company.



- The Company fulfilled the information disclosure obligations of listed companies and protects investors' right to know. The Company disclosed 75 Chinese announcements and 29 English announcements through the Shanghai Stock Exchange and London Stock Exchange throughout the year.
- In 2024, the Company disclosed information specified in periodic reports and interim announcements as required, ensuring the "truthfulness, accuracy, completeness, timeliness and fairness" of its announcements and maintaining the work performance of "zero error, zero supplement and zero inquiry". The Company's information disclosure work has been rated A for information disclosure by the Shanghai Stock Exchange for 8 consecutive years. Listed companies that have won this honor only account for 2.71% of the whole market.



- We have established a structured information dissemination mechanism by building and regularly updating a comprehensive investor relations database, enabling accurate market understanding of corporate value. The Company formulates the Investor Relations Work Plan at the beginning of each year to make overall planning and orderly deployment of key annual investor relations work. At the end of the year, the Company completes the Summary Report on Investor Relations Work to sort out the next development direction of investor relations work. The annual report adopts a combined disclosure format incorporating graphics, tables, and text, while materials such as the Investor Communication Handbook are compiled to effectively convey the Company's positive market image.
- The Company established a working mechanism for the Company's investor relations group, set up special posts and personnel to connect with investors for research and roadshows, and carried out investor exchange activities on a regular basis. In 2024, the Company held a total of 7 performance briefings. We have also received 90 investors surveys, participated in securities traders' reverse roadshows, or held performance briefings, receiving 1,151 investors. The SSE E-interactive investor question response rate reached 100%, fully conveying the value of the Company.

Indicator	Unit	2023	2024
Number of general meeting of shareholders held	Time	8	8
Attendance rate of directors at general meeting of shareholders	%	43.94	44.27
Number of roadshows and investor exchange meetings	Time	84	90
Accumulated reception of investors	Person-time	1122	1151

Strengthening risk management

SDIC Power has established the risk management concept of "strictly adhering to the bottom line, empowering development, helping operations, and creating value", continuously strengthened risk management work, revised risk management systems, improved risk management levels, and promoted the Company's stable operation and high-quality development.



Risk management

Risk management framework

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

The Company has established a comprehensive and scientific risk management system, implementing tiered and categorized management of risk events. The main person in charge of each department and holding investment enterprise is the first person responsible for comprehensive risk management, and the person in charge with specific duties coordinates and organizes the implementation of various systems and measures.

Risk identification, monitoring and early warning

The Company has identified risks in various business units, important business activities and their key business processes, including risks related to work safety, resource conservation, ecological and environmental protection, cybersecurity, legal disputes, public opinion risks, special compliance and overseas operations. The Company has conducted assessments from aspects such as the likelihood of risks occurring and the impact level, and implemented dynamic tracking, identification and assessment for potential risks. The Company has continuously monitored the external potential risks, and promptly carried out analysis, judgment and risk screening for major external risk-related public opinions, industry risks and so on.

Risk management reporting mechanism

The Company has established a management work mechanism for risk early warning reporting, in which risk indicators are defined, indicator thresholds are set, regular monitoring is conducted and early warnings are classified. Meanwhile, the Company has made full use of informatization and digitalization means to establish and improve the regular risk reporting mechanism, which includes annual risk reports, quarterly reports, monthly risk information and incident statements, special reports, reports on major business risk incidents and so on.

Risk assessment and response

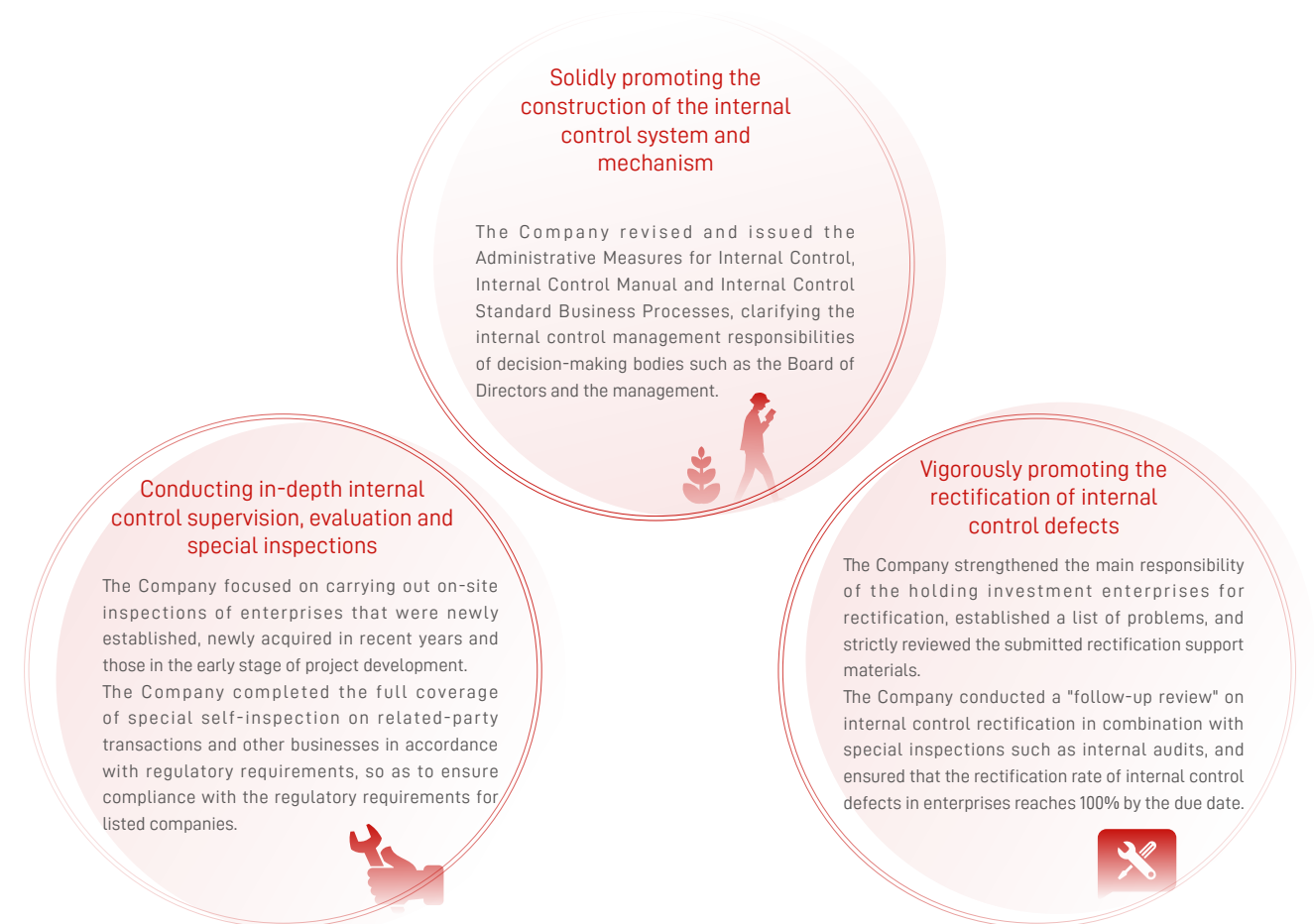
After potential risks and risk incidents occurred, the Company, based on its own conditions and the external environment, comprehensively selected risk management tools around its development strategy, allocated the necessary and reasonable resources to carry out risk treatment and mitigation. During the practical process, the Company continuously enriched the means and experience in handling risk incidents, and promptly addressed the management deficiencies reflected by risks to promote management improvement.

Supervision, inspection and assessment

The Company supervised and inspected the rationality of the construction and the effectiveness of the implementation of the risk management systems in all departments and holding investment enterprises through regular or special inspections. The results of the supervision and inspection served as an important basis for the annual assessment and evaluation of the risk management work of all departments and holding investment enterprises.

Internal control management

SDIC Power has continuously strengthened the top-level design of the internal control system, guided relevant companies to promote the formulation and revision of the internal control management systems, internal control manuals, and internal control standard business processes in an integrated manner, and gradually built a systematic, complete, scientifically standardized and effectively operating institutional system. It has also further promoted the internal control supervision, evaluation and special inspection, revealed problems and put forward rectification suggestions. The Company has earnestly carried out the rectification of defects to promote a better transformation and integration of internal control supervision and evaluation and corporate governance efficiency. During the reporting period, no major or significant internal control defects occurred in the Company.



Indicator	Unit	2023	2024
Number of material or important internal control defects	Nos.	0	0

Adhering to fair operation

SDIC Power has adhered to the bottom line of compliant operation, established various systems, and regulated the behaviors of relevant companies and its stakeholders through effective measures, jointly building an honest and compliant business environment.



Compliance management

SDIC Power complies with the Company Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Anti-monopoly Law of the People's Republic of China and the laws and regulations of the places where its business is located. It also implements the requirements of the Measures for Compliance Management of Central Enterprises and establishes and improves the compliance management system. During the reporting period, the Company did not experience any incidents of lawsuits or major administrative penalties resulting from non-compliant operations or unfair competition behaviors.

Establishing a compliance management system

- 13 key holding investment enterprise have appointed Chief Compliance Officers to clarify their compliance management responsibilities and improve the organizational structure of compliance management.
- Comprehensively set up special positions for compliance review, which are held by the heads of departments. The Company has embedded compliance review as a necessary procedure into the business management process.
- The Company has fully completed the effectiveness evaluation on the compliance management systems of key holding investment enterprises, improving the standardization and refinement levels of the operation of compliance management.

Optimizing the compliance management system

- The Company completed the annual key tasks of the special legal plan for the 14th Five-Year Plan period.
- The Company compiled the Compliance Management Manual for New Energy Project Development and Construction, systematically sorted out the laws and regulations related to new energy projects, achieved full coverage of compliance procedures for development and construction, and provided a comprehensive guide for the development and construction of new energy projects.

Improving the institutional system construction

- The Company established (revised) 65 systems, abolished 29 systems, and implemented 100% legal review.
- The Company has revised the Approval Management Manual and comprehensively promoted the process-based management of systems and the form-based management of processes.
- The Company has developed 67 enterprise system templates applicable to new energy, determined 100 systems applicable through penetration, carried out the standardization construction of new energy enterprises, and promoted the refinement and integration of the management of new energy enterprises.
- The Company has enhanced the institutional construction of its domestic holding investment enterprises, with 117 systems being applicable through penetration.
- The Company has established an overseas enterprise institutional management system covering 24 systems in a total of 8 management fields.

Promoting digital compliance risk management

- The Company has promoted 35 holding investment enterprises to complete the configuration of the legal compliance and risk management system, enabling the vertical and horizontal integration of business data, and comprehensively enhancing the digital and intelligent management capabilities of legal compliance and risk management.

Anti-corruption management

SDIC Power adheres to relevant laws and regulations such as the Law of the People's Republic of China on Supervision, the Anti-Unfair Competition Law of the People's Republic of China, the Anti-monopoly Law of the People's Republic of China, the Honest Employment of State-owned Enterprise Leaders, as well as anti-corruption and anti-bribery laws applicable in the places where its business is located, and international conventions such as the Ten Principles of the UN Global Compact, to strengthen the compliance risk control in key areas.

The Company requires all employees to abide by the relevant requirements regarding incorrupt practice and jointly prevent acts of corruption. Throughout the year, the Company arranged integrity talks for cadres and employees in key positions at all levels of its affiliated enterprises. Meanwhile, the Company also convened warning education conferences, aiming to guide a large number of cadres and employees to hold a sense of reverence, keep a sense of vigilance, and firmly adhere to the bottom line.

The Company participates in market competition fairly and firmly puts an end to unfair competition behaviors such as monopoly alliances and infringement of commercial secrets. The Company has established supervision and auditing mechanisms for suppliers and simultaneously signs integrity agreements along with commercial contracts.

The Company has announced on its official website the dedicated email addresses, phone numbers and mailbox addresses for complaints and reports. During the investigation process, the Company strictly keeps confidential the personal information of whistleblowers and comprehensively protects the relevant personnel.

Complaint reporting:

Reporting Hot-Line: 010-88006346
Reporting E-mail: gtdlxf@sdic.com.cn
Mailing address: General Department of SDIC Power, SDIC Building 5, No. 147, Xizhimen South Street, Xicheng District, Beijing

Reporting and accusing:

Telephone number for reporting and accusing: 010-88006311
E-mail for reporting and accusing: supervision@sdicpower.com
Mailing address: SDIC Power Discipline Inspection Commission, No. 147, Xizhimen South Street, Xicheng District, Beijing

Indicator	Unit	2023	2024
Time of training on anti-corruption and integrity	Hour	11874	1043071
Person-time of participants in training on anti-corruption and integrity	Person-time	31082	42961
Proportion of directors receiving anti-commercial bribery and anti-corruption training ³	%	/	100
Proportion of management receiving anti-commercial bribery and anti-corruption training	%	/	100
Proportion of employees receiving anti-commercial bribery and anti-corruption training	%	/	100

³The company headquarters and its subsidiaries have a total of 64 internal directors, all of whom have completed relevant internal training. In addition, all directors, supervisors, and senior executives of the company have completed specialized training during the year via the Beijing Listed Companies Association training platform, covering topics such as Integrity Building and *Q&A on Issues Related to the Handling of Financial Fraud Criminal Cases.

Operation Sustainability

Forging ahead with Determination to Reach the First-class Level

SDIC Power adheres to the innovation-driven development strategy, vigorously promotes the construction of informatization, establishes an intelligent management system, and improves operational efficiency. The Company upholds the concept of win-win cooperation, optimizes supply chain management, and realizes complementary advantages and coordinated development with its partners. Moreover, the Company thoroughly implements lean management, precisely controls resource allocation, and makes every effort to ensure the stability and reliability of power supply.

Material ESG issues addressed in this section

Innovation in clean technology
Innovation-driven
Supply chain security
Information security
Service to the people's
livelihood

Promoting innovation-
driven development 35
Empowering intelligent
management 38
Creating a win-win
situation 40
Optimizing operational
efficiency 42

SDGs responded to in this section:



Promoting innovation-driven development

SDIC Power has been thoroughly implementing the innovation-driven development strategy, deepening the construction of the scientific and technological innovation system, clarifying the core position of innovation in the overall situation of high-quality development, and continuously strengthening the power of innovation source.



Scientific and technological innovation management system

The Company has established a leading group for scientific and technological innovation with the Chairman as the group leader. This leading group coordinates and deploys the Company's scientific and technological innovation work in an overall manner and comprehensively promotes the implementation of all tasks related to scientific and technological innovation. The Company gives full play to the advantages of its innovation systems and mechanisms, strengthens the construction of innovation platforms, conducts in-depth industry-university-research cooperation and the cultivation of scientific and technological talents, and continuously enhances the innovation capabilities of the enterprise.

Construction of scientific and technological platforms

The Company has built high-level innovation platforms and continuously enhanced the vitality of the scientific and technological innovation systems. Yalong Hydro has constructed a scientific and technological innovation platform system that covers the Yalong River Joint Fund, post-doctoral research workstations, joint innovation centers, and key laboratories in Sichuan Province. This has laid a solid foundation for cultivating high-quality talents and promoting the transformation of scientific and technological achievements. In 2024, the Jinping Deep Underground Frontier Science and Dark Matter Key Laboratory of Sichuan Province, which was led by Yalong Hydro for application and construction, was officially approved.

Construction of scientific research talent teams

The Company gives full play to the important role of scientific research talents in the high-quality development and actively applies for various types of experts and talents. In 2024, eight employees of the Company were selected as the scientific and technological leaders of SDIC, and the Yalong River Centralized Control Center was rated as an innovative team in key fields, achieving new breakthroughs in scientific and technological talents and teams.

Incentives for scientific and technological innovation

The Company has formulated the Measures for Rewarding Scientific and Technological Innovation Achievements, which details the rewarding methods for achievements such as science and technology awards, papers, and vertical projects. In 2024, the Company carried out an award evaluation for the scientific and technological innovation achievements of its holding investment enterprises, with a total reward of RMB 1.8505 million.

Indicator	Unit	2023	2024
Total R&D investment	RMB 100 million	2.55	3.89
The proportion of R&D investment to main business revenue	%	0.45	0.67

Case

The "Dong Boping Model Worker Innovation Studio" of SDIC Panjiang Was Awarded the "Model Worker Innovation Studio" in Liupanshui City.

The Dong Boping Model Worker Innovation Studio gives full play to the exemplary and leading role of a model worker, and has brought together a group of highly skilled and innovative talents. From 2020 to 2024, the Studio carried out hundreds of quality-improving, efficiency-increasing and innovative projects, such as technical transformation, waste recycling, equipment replacement and equipment optimization. Many technical innovation and equipment transformation projects have been certified as invention patents and utility model patents, which have effectively stimulated the innovative potential and creative vitality of the employees.



Dong Boping Model Worker Innovation Studio

Scientific and technological innovation achievements

SDIC Power coordinated and strengthened the research on key and core technologies, and achieved a series of innovative results. In 2024, the Company took the lead in undertaking a national science and technology major project for the first time, and was approved for National Natural Science Foundation of China integrated project and an SDIC science and technology project for the first time. The Yalong River Hydropower project, "Key Technologies and Applications for Intelligent Construction of High Dam Engineering under Complex Conditions", was awarded the Second Prize of the National Science and Technology Progress Award. The national science and technology special project - Construction of Observation System for Life Forms in Deep-Earth Cavity Environment and Biobank led by Yalong Hydro was approved through evaluation for the first time.

Case

The Kela Grid-forming Energy Storage System Demonstration Project of Yalong Hydro Has been Included in the List of the Fourth Batch of the First Major Technical Equipment in the Energy Sector

In January 2025, the "100MWh intelligent string-type grid-forming energy storage system" of the Kela Project of Yalong Hydro was successfully included in the List of the Fourth Batch of the First Major Technical Equipment in the Energy Sector. This is the first national first (set of) project applied for by Yalong Hydro as the leading party, which represents that the technological innovation achievements of Yalong Hydro's large base have once again been recognized at the national level. Currently, this technology has shifted from the research and development stage to the application stage, and it will provide a high-standard model that can be used for reference and promoted for the integrated development of clean energy from water, wind and solar resources in the Yalong River Basin and even across the whole country.



The Yalong Hydro Kela Grid-Forming Energy Storage System Demonstration Project has been successfully connected to the grid.



The "Key Technologies and Application of Intelligent Construction for High-Dam Projects under Complex Conditions" of Yalong Hydro has won the Second Prize of the National Prize for Progress in Science and Technology.



The "Two Bases and One Key Point" project applied for by Yalong Hydro as the leading party has been rated as an excellent science popularization base in Sichuan Province and an advanced unit in scientific and technological innovation in Liangshan Prefecture.

Industry-university-research cooperation

SDIC Power attaches great importance to the industry-university-research cooperation. It actively builds channels for the connection between enterprises and universities, and has established a sound communication and cooperation mechanism with scientific research institutions such as North China Electric Power University, Tsinghua University and Xi'an Thermal Power Research Institute Co., Ltd. Thus, a cooperation system integrating industry-university-research application has been formed, with SDIC Power as the guide, its holding investment enterprises as the main body, and universities and scientific research institutions as the support.

Case

A Research Project of SDIC Dachao Shan Has Reached the International Leading Level

SDIC Dachao Shan, together with Dongfang Electric and Kunming University of Science and Technology, has been jointly promoting the scientific research project on "Key Technologies and Application for the Wide-Load Stable Operation of High Specific Speed Francis Hydroelectric Generating Units in New Power Systems". The optimization of the runner of the first unit (Unit 5) has been completed. The optimized new runner has achieved technological progress in aspects such as pressure pulsation control, structural strength and efficiency, and has solved problems such as unstable no-load operation conditions, a narrow stable operation range and cracks in the runner. It has provided a reliable reference plan and ideas for solving the same problems of hydroelectric generating units of the same type. Appraised by the China Society for Hydropower Engineering, this project has reached the international leading level.

Intellectual property protection

SDIC Power strictly complies with relevant laws and regulations related to intellectual property protection, such as the Civil Code of the People's Republic of China, the Patent Law of the People's Republic of China, and the Copyright Law of the People's Republic of China. It enhances the awareness of intellectual property protection, attaches great importance to the protection and utilization of intellectual property, and encourages scientific and technological innovation and strengthens the company's core competitiveness by protecting intellectual property. In 2024, the Company newly applied for 255 patents, including 99 invention patents. The Company newly obtained 146 patent authorizations, among which 51 were invention patents, and also newly obtained more than 30 software copyright authorizations.

Empowering intelligent management

SDIC Power follows the principle of active utilization, scientific development, management in accordance with the law, and ensuring security to promote the digital transformation, encourage innovation and application of network information technologies, and achieve intelligent operation.



Digital transformation

The Company's digital transformation is arranged on a global scale following the "4+1" framework. The Company firmly takes the technical architecture as the base, the data architecture as the core, and the application systems as the means of presentation. Meanwhile, cybersecurity permeates the entire process. Emphasis is placed on the development of smart power plants. In 2024, the Company has completed the construction of the unified data management platform and the new energy ERP system. The Company has also finished the construction of 10 projects and added 10 key projects. This promotes the integration and convergence of various systems within the Company, integrates data assets, and builds a new intelligent production and operation system by realizing intelligent production operation control and real-time decision-making capabilities.

Digitalization of production operations

- Deeply integrate digital technologies with the power generation business, actively cultivate innovative application scenarios, and strive to build an ecosystem for digital transformation, so as to promote the continuous upgrading of the industry.
- SDIC Beijiagang has formulated a set of site-specific transformation and implementation plans for the independent and controllable integration of the Distributed Control System (DCS), and has gradually carried out the deployment and application of the domestic independent and controllable DCS control system. This is the first application of the independent and controllable DCS control system in SDIC Power. It can comprehensively improve the cybersecurity protection level of the thermal control system in SDIC Beijiagang and accumulate valuable experience for the independent and controllable transformation of the control systems in other power plants of the company.

Digitalization of business management

- Steadily advance 32 key digital transformation projects and strengthen the Company's professional management capabilities.
- Focus on building a unified ERP system for new energy, form a standardized institutional system and institutional templates covering all management areas of new energy-related holding investment enterprises. Such system has been promoted to 11 new energy-related holding investment enterprises for operation and use.

Case

The Visual Inspection Robot of SDIC Tianjin New Energy Has Realized the Real-time Inspection of the Wind Turbine Nacelle

In August 2024, SDIC Tianjin New Energy introduced a visual inspection robot system to the production project site. Through technologies such as image recognition, infrared temperature measurement, and sound recognition, the system transmits measurement signals to the server of the station control room. Through data storage and background analysis, it can monitor and issue early warnings for states such as leakage and venting, bolt displacement, oil level, and the operating temperature of specific parts of equipment, establishing a communication channel between the conditions inside the wind turbine nacelle and the station control room. Basically, it realizes the real-time inspection of the nacelle by the duty personnel when the wind turbine is in operation, effectively solving the problems that the operation and maintenance personnel are unable to climb the tower to carry out inspection when the wind turbine is running, and there is a lag in the pre-fault judgment and analysis and hidden danger investigation of the wind turbine.



Visual inspection robot

Information security and privacy protection

SDIC Power strictly complies with the regulatory requirements of laws such as the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China, and the Personal Information Protection Law of the People's Republic of China. The Company has formulated multi-dimensional management systems covering aspects like the Cybersecurity and Informatization Management Measures, established and improved the cybersecurity guarantee system, focused on cultivating network and information technology talents, enhanced the Company's cybersecurity protection capabilities, and safeguarded the data and privacy security of the Company and its clients. In 2024, the overall cybersecurity situation of the Company was normal. There were no cybersecurity accidents or major anomalies, and no customer privacy leakage incidents occurred.

Cybersecurity management system

The Company has established a cybersecurity and informatization leading group as the decision-making body for network and information work. The Company's Chairman serves as the group leader, responsible for the top-level design, overall coordination, overall promotion, and supervision of the Company's network and information work. A working office is set up under the leading group, which is specifically responsible for implementing the work tasks assigned by the leading group. The Department of Science and Technology and Digitalization, as the department responsible for the centralized management of network and information work, is in charge of the organization, management and coordination of network and information work, as well as the daily liaison work of the leading group. The network and information leading groups of each holding investment enterprise set up network and information management departments or clearly defined the centralized management departments as required by the work, so as to ensure the "four implementations" of institutions, functions, personnel and responsibilities.

Cybersecurity protection

The Company has established a cybersecurity responsibility system, with a focus on protecting critical information infrastructure. It has also established and improved the operation and maintenance of information systems, the cybersecurity protection systems, as well as the data security and personal information protection management systems. It gives priority to adopting safe, reliable, independent and controllable products. When signing contracts and agreements with suppliers, it clearly defines the responsibilities for cybersecurity and data security as well as confidentiality clauses, implements the security protection requirements for the personnel of third party service institutions, and builds a solid wall for cybersecurity protection.

Network risk prevention and control

The Company adheres to the principle of "safety first, precaution crucial", strengthens the monitoring and analysis of cybersecurity risks and hidden dangers, regularly inspects and evaluates possible security hidden dangers, defects and threats, and discovers and eliminates risks and hidden dangers in a timely manner. The Company has established and dynamically updated the cybersecurity emergency management plan, improved the emergency management process, and conducts emergency drills every year to enhance the level of emergency management. The Company coordinated 30 holding investment enterprises within the year to carry out a one-and-a-half-month-long "Operation Guard" cybersecurity offensive-defense live-fire exercise. It also compiled the 2024 Operation Guard Protection Work Plan and the 2024 Operation Guard Technical Protection Key Points Manual, effectively enhancing the ability to prevent cybersecurity risks.

Strengthening cybersecurity publicity, education, and training

The Company attaches great importance to the cultivation of network and information technology talents, conducts publicity, education and training work on cybersecurity for all employees, and improves the awareness level of cybersecurity and the level of operational skills among all employees.

Creating a win-win situation

SDIC Power adheres to opening up and cooperation, continuously expands the depth and breadth of cooperation, and achieves win-win development by mutually benefiting its partners.



Promoting industry development

We strengthen the research on industry standardization. By leading or participating in the formulation of standards, we can enhance our own technological level and market competitiveness while promoting the development and progress of the power industry.

Achievements in standard formulation in 2024 (A partial list):

- Newsy (Tech) participated in the formulation of the national standard Technical Requirements of High Efficiency Grate Furnace for Assessment.
- Yalong Hydro participated in the compilation of the Guidelines for Sediment Regulation in Cascade Reservoirs.
- SDIC Gansu New Energy took the lead in completing the compilation of the group standard Bio-based Filter Element for Wind Power Gearbox Lubricating Oil.

Case

Newsy (Thailand), on behalf of the Chinese government, Participated in the Photo Exhibition of the 11th Asia-Pacific Forum on Sustainable Development of the United Nations

The 11th Asia-Pacific Forum on Sustainable Development (APFSD) of the United Nations opened at the United Nations Conference Center in Bangkok, Thailand on February 20, 2024. Addressing climate change and advocating green and sustainable development was one of the themes of this forum. Entrusted by the Embassy of China in the Kingdom of Thailand, Newsy (Thailand), as a model of China's practice of green and sustainable development in Thailand, participated in the photo exhibition of this forum on behalf of the Chinese government, and was the only Chinese enterprise to participate in the exhibition.



Building a responsible supply chain

SDIC Power has strictly observed the Invitation and Submission of Bids Law of The People's Republic of China and other relevant laws and regulations. In accordance with the Company's systems such as the Administrative Measures for Suppliers, the Procurement Administrative Measures and the Detailed Rules for the Implementation of Bidding Management, we ensure that the procurement process is fair and just, strengthen the whole-process management of suppliers, promote the sustainable development of suppliers, and build a green, safe, resilient and responsible supply chain.

Improving supplier management.

The Company strengthens the access review, utilization, and evaluation of both internal and external suppliers, strictly investigates the improper behaviors of suppliers and imposes corresponding penalties. It promotes open procurement and requires suppliers to explain the certifications regarding green products, labor standards, safety, quality, environment, and occupational health. In 2024, the Company reviewed 6,190 suppliers. Among them, 108 suppliers had their cooperation suspended due to noncompliance. The Company achieved an electronic procurement rate of 99.98% and an open procurement rate of 99.71%.

Indicator	Unit	2023	2024
Number of suppliers	Nos.	5254	6022
Number of suppliers in Chinese Mainland	Nos.	5112	5901
Number of suppliers from Hong Kong, Macao, Taiwan and foreign countries	Nos.	142	121
Number of suppliers reviewed	Nos.	5699	6190
Number of suppliers suspended for noncompliance	Nos.	178	108
Number of suppliers with ISO 9000 Certification	Nos.	308	709
Number of suppliers with ISO 14000 Certification	Nos.	111	508
Number of suppliers with ISO45001 Certification	Nos.	104	480

Green supply chain construction

The Company integrates environmental protection concepts into the supplier access and evaluation processes. For projects related to safety, health, and environmental protection management, the Company signs safety, health and environmental protection management agreements with suppliers and clearly stipulates the qualifications and requirements of suppliers in terms of environmental protection in the agreements. The Company guides suppliers to provide more environmentally friendly coal by setting specific environmental protection assessment clauses in coal contracts.

Advocating working with integrity

To prevent commercial bribery and unfair competition, the Company signs the Integrity Agreement with suppliers to safeguard legal rights and interests and build a material supply ecosystem that is law-abiding, compliant, honest, mutually beneficial, and transparent.

Proportion of signing integrity agreements

2023

100 %

2024

100 %

Optimizing operational efficiency

SDIC Power regards ensuring national energy security as its own mission. It spares no effort to firmly take on the responsibility of guaranteeing energy supply, endeavors to enhance the management level throughout the infrastructure construction process, and promotes construction tasks in a safe and efficient way. Moreover, it continuously deepens efforts in improving quality and increasing efficiency, thereby offering powerful support for ensuring the safe and reliable electricity usage for people's livelihood and facilitating the stable and orderly development of the economy.

Adhering firmly to the responsibility of ensuring supply

SDIC Power firmly takes on the significant political responsibility of ensuring energy supply. It reinforces the supporting and safeguarding role of coal-fired power, facilitates the enhancement of equipment reliability, and carries out joint optimized dispatching in a scientific and rational way. In 2024, the Company's total power generation surpassed 170 billion kWh. Notably, the power generation of Yalong Hydro hit a historical high. It accomplished the tasks of ensuring power supply during crucial periods like the Two Sessions and the peak summer power consumption period with flying colors. Moreover, its outstanding performance in power supply guarantee received the public praise from the National Development and Reform Commission and the National Energy Administration.

Responsibility of thermal coal supply guarantee

Engage in active communication and coordination with industry regulatory departments, key coal enterprises, and China State Railway Group Co., Ltd. Optimize the planned dispatching and transportation of long-term contract coal, and make concerted efforts to coordinate the coal transportation work for coastal power generating units. Strengthen the organizational cohesion in crucial aspects like the transportation, unloading, and storage of thermal coal. Resolutely safeguard the bottom line that the stockpile of thermal coal should be maintained for at least 15 days. During the key periods of ensuring power supply in the peak summer (winter) season, the coal stockpile should be kept at 30 days or more.

Equipment reliability

Intensify the efforts in investigating hidden dangers of equipment and facilities as well as their operation and maintenance work. Conduct special inspections focused on reducing unplanned outages. Strengthen the management of operation and dispatching. Formulate the blending ratio of coal-fired power generating units in a scientific manner, cut down the blocked capacity of units, and promote the implementation of the guiding principles for the standardization of production management in thermal power enterprises. All these measures are aimed at enhancing the level of production management and improving the health condition of unit equipment. In 2024, four units of the Company were selected as the national reliability benchmark units.

Joint optimized dispatching

Give full play to the advantages of river basin joint dispatching, conduct in-depth work on the joint optimized dispatching of hydropower, formulate scientific and reasonable medium and long-term dispatching plans, and reasonably adjust the operation modes of the river basin according to the real-time operation requirements, so as to effectively improve the joint operation efficiency of the cascade hydropower stations in the river basin.

Lean operation of new energy

Actively explore ways to improve the accuracy of power prediction and enhance the lean operation capabilities of new energy, including improving the accuracy of numerical weather forecasts, the accuracy of prediction models, and the processing of prediction results, carrying out basic data governance for power stations, establishing a professional team for new energy prediction, and implementing technological transformations according to local conditions.

Indicator	Unit	2023	2024
Thermal power generation	Hundred-million kWh	580.06	562.70
Waste-to-energy generation	Hundred-million kWh	1.95	2.29
Power generation with clean energy	Hundred-million kWh	1037.72	1155.73
including:Hydropower generation	Hundred-million kWh	942.06	1040.85
Wind power generation	Hundred-million kWh	66.13	66.67
Solar power generation	Hundred-million kWh	29.53	48.21

Strengthening infrastructure process management

The Company has continuously strengthened the management of the infrastructure construction process, organized employees to conduct training and exchanges on infrastructure construction process management to improve the level of infrastructure management. It has also carried out inspections and self-inspections on infrastructure projects on multiple occasions to ensure that the project quality and safety are controllable. In 2024, the Company approved the construction management plans for 10 projects, completed the overall design reviews for 13 projects, finalized the designs for 19 projects, and carried out the completion acceptance checks for 3 projects.

Major progress in infrastructure projects as of March 2025

- The river closure for the Kala Hydropower Station Project was successfully achieved on January 12, 2024, marking the full commencement of the main works of the project.
- The diversion tunnel excavation of the Mengdigou Hydropower Station is nearly completed, and the entire project is now entering the concrete casting phase.
- The level II powerhouse excavation work for the Lianghekou Hybrid Pumped Storage Power Station has been completed, and the construction of the access road for lower reservoir unstable rock mass treatment is progressing as planned.
- The construction of the renewable energy project at the Hydro-Wind-Solar Power Integration Base in the Yalong River Basin is progressing steadily:
 - The casting of 835,000 solar power supports has been completed at the Zhala Mountain Solar Power Station.
 - The first wind turbine foundation of the Maoni Mountain Wind Power Project in Xichang has been excavated.
 - The Chabulang Solar Power Generation Project in Muli is achieving a daily completion of over 4,000 pile foundations.
- Unit 2 of Qin Zhou Phase III was successfully commissioned in April 2024 as scheduled, and the civil construction (including the main powerhouse and cooling towers) and boiler installation are underway for Units 3 and 4.
- The Zhoushan Gas Power Generation Project is advancing at full pace with civil construction works including the main powerhouse, turbine foundation, waste heat recovery boiler, and 500kV power distribution device building.

Deepening quality improvement and efficiency enhancement

The Company has continuously deepened quality improvement and efficiency enhancement. It has established a power market reform group to strengthen the marketing efforts in the power market. The Company focuses on improving the key lean project indicators for fuel management, strengthens the control over the fuel management indicators within the plant, and ensures that the fuel indicators are controllable.

Cost reduction and efficiency improvement in key links

► Lean management system

The construction of the lean management system for **5** pilot thermal power enterprises was completed, and the evaluation work for all pilot enterprises was finished. Guided by the evaluation results, these enterprises set up nearly **60** improvement projects, achieving a comprehensive economic benefit of over RMB **240** million.

► Centralized procurement

Conduct overall management of tendering and procurement, vigorously promote centralized procurement, and complete **375** major and above tendering and procurement tasks, saving **17.8**% of the cost compared with the budget.

► Electric power marketing

Realize the unified management of green electricity, green certificates, carbon emissions and carbon assets at the company level. A cumulative transaction volume of **1.75** billion kWh of green electricity has been achieved.

► Benchmarking of standard costs

The new Standard Cost Management Measures has been formulated, and the Internal Cost and Expense Benchmarking Analysis Report has been compiled. Conduct benchmarking of industry standard costs to strengthen source control and process management and control.

► Financing

The Company completed financing for **20** new projects at home and abroad, with a financing amount of approximately RMB **22** billion and an average financing cost rate of **2.79**%.

Tax planning

The Company fulfills its tax payment obligations in accordance with the law, makes reasonable and legal use of the national preferential tax policies, and conducts tax planning in a scientific manner. The Company has improved its tax management level and strengthened its tax management system. In accordance with the Tax Management Measures, it has standardized tax-related businesses, guarded against tax risks, and carried out tax declaration, tax planning, tax assessment as well as predictive analysis in a scientific and reasonable manner, taking into account the actual situation of the Company.



Safety Sustainability

Taking Preemptive Measures to Safeguard Peace and Security

SDIC Power has always prioritized safety management. It has consolidated the basic safety management system to ensure the stability of production and operation. It strictly implements the hidden danger inspection system, promptly discovers and eliminates potential safety hazards. Moreover, it actively builds a safety culture, enhances the safety awareness of all employees, and strengthens the emergency response capabilities to ensure the safety and stability of enterprise operations.

Material ESG issues addressed in this section

Work safety

Consolidating safety management 47
Strictly investigating hidden dangers 51
Building a safety culture 53
Strengthening emergency drills 55

SDGs responded to in this section:



Consolidating safety management

SDIC Power attaches great importance to safety management. It improves the construction of the safety, health and environment (SHE) management system, promotes the enhancement of safety management capabilities, strengthens the management of new energy construction projects, and maintains a generally stable situation in terms of work safety. In 2024, the Company achieved "zero accidents and zero casualties" throughout the year. Its work safety has been commended by the National Energy Administration for the fifth consecutive year. Additionally, 7 enterprises that newly met the first-level standards for the standardization construction of electric power work safety, and 1 enterprise that met the second-level standards. All projects that had been put into production for more than one year achieved the second-level standards within the year.



Management of work safety

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

Safety management systems of SDIC Power (A partial list):

Work Safety Regulations	Emergency Operation Management System
Administrative Measures for Work Safety Supervision and Inspection	Management System for Withdrawal and Use of Work Safety Funds
Measures for Accountability of Work Safety	Management System for Work Safety Information Reporting
Regulations on Security Credit Evaluation Management of Contractors	Administrative Measures for Work Safety Education and Training
Working System for Work Safety Committee	Detailed Rules for the Construction of a Dual Prevention Mechanism of Ranking and Control of Safety Risks and Investigation and Treatment of Hidden Dangers
Management System for Dam Security of Hydropower Stations	Administrative Measures for the Safety Supervision of Contractors and Outsourcing Laborers
Management System for Power Generation Accidents and Electric Power Incidents	Occupational Health Management System

The Company has established a Work Safety Committee, where the director's responsibility system is implemented. The Chairman of the Company act as directors, and the General Manager and the Deputy General Manager in charge of work safety acts as the deputy directors. Other leaders and department heads of the Company are the Work Safety Committee members. In addition, the Company has established a work safety responsibility system to improve the working mechanism for work safety management.



Promoting the three-year action plan for tackling the root causes of work safety

- We have made active efforts to promote the three-year action plan for tackling the root causes of work safety, with a total of 63 tasks in 7 categories in the three-year action plan and a complete task list. Based on this list, we have made a quarter schedule to follow up on its implementation.
- By the end of 2024, we have completed 12 work tasks and 44 tasks for tackling the root causes of work safety, with an on-time completion rate of 100%.

Improving the safety management efficiency of construction projects

- We have formulated the Guiding Opinions on Standard Work Safety Management of New Energy Construction Projects of SDIC Power, which specifies the work safety management of new energy construction projects from project approval to completion and operation.
- We have carried out a safety risk diagnostic assessment of Huaxia Power and the Kala Hydropower Station of Yalong Hydro, which was rated as one of the special supervision highlights in 2024 by the National Energy Administration.
- Yalong Hydro has made sustained efforts to promote the development of safety management standards and a standard atlas for work safety. Adhering to the principle that no construction is allowed without safety conditions, standard methods or reasonable schemes, Yalong Hydro has made strong efforts to ensure more standardized safety management, operation procedures and construction sites, thus implementing the detailed intrinsic safety management.

Improving safety management capabilities

- Six invested enterprises have carried out activities to improve the work safety leadership and advance the idea of "felt leadership".
- We have developed a list of principal responsibilities for work safety, a list of post responsibilities for work safety, a control list of major safety risks, and a list of daily work safety tasks, and formulated the performance standards for work safety, thus fully implementing the work safety responsibility system for all staff.
- We have also made sustained efforts to enhance work safety with science and technology. For example, Yalong Hydro has built intelligent processing plants and smart beam precast factories to reduce safety risks in field operations. Huaxia Power has introduced a back-end intelligent AI algorithm to restrain employees' violation behaviors. SDIC Panjiang has completed the intelligent monitoring of safety risks for operations in confined spaces to ensure standardized processes and compliant behaviors.

Case

Yalong Hydro Improved Construction Security by "Replacing Humans with Mechanized Operations"

The Kala Hydropower Station of Yalong Hydro is located in a mountainous and canyon area, where geological conditions are complex, increasing the construction difficulty and safety risks. To eliminate work safety risks from the source, Kala Construction Administration has introduced a series of modern construction machinery and equipment to replace manual operations, and ensure the operation safety of construction personnel by using remote control intelligent excavators, large wet spray trucks, full hydraulic three-arm drilling trucks and other equipment.

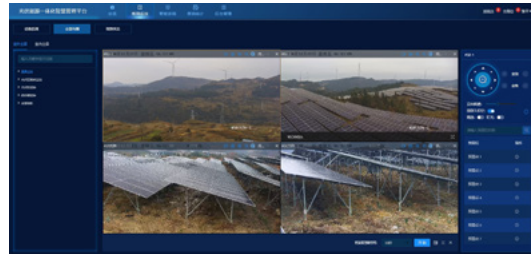


Application of a remote control intelligent excavator

Case

SDIC Guizhou New Energy Established an Intelligent Fire Patrol System to Enhance Its Fire Prevention and Control Capacities

Focusing on enhancing work safety with science and technology, SDIC Guizhou New Energy has made active efforts to promote R&D and achievement transformation of work safety technologies. In 2024, SDIC Guizhou New Energy created an intelligent solar power fire patrol system based on video AI to address high fire risks and difficulties in personnel control in solar power areas. This system enables a three-dimensional inspection and all-round supervision of the equipment, personnel and the environment. Through the linkage between government and enterprises, it is possible to identify and handle fire risks, thus ensuring the safety and stable operation of solar power stations while protecting the security of lives and property of locals. So far, this system has become an integral part of the local government's public emergency system.



Days of work safety⁴(unit: day)

Huaxia Power
7617

Ertan Power
Station
6305

SDIC Dachao Shan
6150

SDIC Genting
Meizhouwan Power
6103

Jinping I
Hydropower Station
4146

SDIC Panjiang
4192

Jinping II
Hydropower Station
4387

SDIC Xiaosanxia
4860

SDIC Qinzhou
5256

SDIC Xinjiang
New Energy
4043

Guandi Hydropower
Station
3703

SDIC Beiji Jiang
3530

SDIC Gansu New Energy
3162

SDIC Yunnan
New Energy
3475

Tongzilin
Hydropower
Station
3360

Establishment of HSE management systems

SDIC Power has made sustained efforts to improve HSE management systems by developing HSE management system standards that cover thermal power, hydropower and new energy, and to promote system construction through audits, educational training, team building and standardization, improving the building level of HSE management systems.

Promotion of system construction through audits



SDIC Power has optimized the evaluation method to emphasize the comprehensive evaluation of project quality and risks. SDIC Power has carried out external system audits of 11 enterprises, analyzed the system publicity and implementation of 4 enterprises, and developed the Analysis Report on the Review of HSE Management Systems of SDIC Power in 2024.

Educational training



SDIC Power has deeply explored and refined the good practices and typical problem cases in HSE management systems and compiled them into enterprise training materials.

Team building



SDIC Power has organized competition activities for the HSE management system auditors to build a strong team of system auditors.

Standardization



SDIC Power has explored and developed development schemes and standards for HSE management systems of benchmarking new energy stations, providing valuable work safety management standards and experiences for new energy stations.



Compilation of Good Practice Cases for HSE Management Systems of SDIC Power



Contest for auditors of HSE management systems of SDIC Power

Contractor safety management

SDIC Power has established an improved work safety management mode for contractors based on the unified "safety standards", "safety training", "supervision and inspection", and "examination and evaluation", to enhance the self-management abilities of contractors.

The Company has taken strict measures for early entry, subcontracting control, process supervision, and examination and evaluation to manage contractors throughout the process on a regular and long-term basis, reducing safety risks and accident probabilities in the project contracting process through strict management.

⁴Holding investment enterprises or power stations with the Company's continuous work safety days exceeding 3,000 days as of December 31, 2024.

Strengthening hidden danger investigation



SDIC Power, with risk management and control as its core, has made sustained efforts to strengthen the dual prevention mechanism and improve the ranking and control of safety risks and the investigation and treatment of hidden dangers to cover the entire production process and all fields. That means the Company aims to control risks before they become hidden dangers and remove such hidden dangers before accidents occur, to improve its ability to prevent and contain work safety accidents.



Safety risk management and control

SDIC Power has identified the risk points in the whole process of production and operation, and carried out the identification, evaluation, control, ranking and control, and notification of risk points in operating activities. Moreover, the Company has also identified and evaluated the risk points in special work safety. In addition, the Company has developed evaluation reports and promoted the application of evaluation results to enhance its ability to identify and control risks.

Ranking and control of risks in operating activities

Risk ranking	Description	Control level	Control measures
Major risk	Extremely dangerous	Enterprise-level, department-level, group-level and post-level	No operations are allowed.
Higher risk	Highly dangerous	Enterprise-level, department-level, group-level and post-level	1. Three measures should be developed, discussed and approved by the enterprise before the operation. 2. Monitoring should be conducted at the enterprise, department, group and post levels during operation.
General risk	Significantly dangerous	Department-level, group-level and post-level	1. Special measures should be developed and approved by the department before the operation. 2. Monitoring should be conducted at the department, group and post levels during operation.
Low risk	Slightly dangerous	Group-level and post-level	1. Risk pre-control cards should be developed, and work permits should be obtained before the operation. 2. Monitoring should be conducted at the group and post levels during operation.
	Acceptable risk	Post-level	1. Risk pre-control cards should be developed, and work permits should be obtained before the operation. 2. Monitoring should be conducted at the post level during operation.

Emphasis on contractor safety inspection

- The validity of access qualifications and certifications, and the compliance with the electric power projects it undertakes
- The establishment of work safety responsibility systems, safety management systems and safe operation rules
- The number, qualifications and abilities of safety managers; certifications, safety education and training and evaluation of technical personnel; on-duty performance, site supervision and implementation of anti-accident measures by personnel in key positions
- The setting of safety warning signs and fences as required by the Employer, the compliance of the construction equipment and tools with safety standards, and regular inspection and maintenance records



Workshop on contractor work safety management at SDIC Panjiang in 2025

Hidden danger investigation

SDIC Power has carried out frequent supervisions and inspections of work safety, required top leaders to participate in the investigation and inspection, and strengthened the monitoring and management of major hazard sources, to investigate risks and high dangers in all respects and promote timely and efficient rectifications of hidden dangers. In 2024, SDIC Genting Meizhouwan Power Station completed the optimization and upgrading of urea production and utilization processes. This means that the Company has eliminated the major hazard sources of thermal power and liquid ammonia and fulfilled the tasks planned by the state ahead of schedule.

- The Company has carried out mutual inspections of work safety in invested enterprises and identified potential safety hazards in their production lines. A total of **30** mutual inspections were conducted throughout the year, with **363** hidden dangers identified, all of which have been rectified;
- The Company has implemented the monthly inspection system by principals of the invested enterprises, with a total of **368** inspections;
- The Company has organized **21** supervisions and inspections, and **8,768** safety inspections of the invested enterprises;
- The Company's leaders have led **46** investigations and inspections of work safety, and **2** safety inspections based on the principle of "no notification, no disclosure, no reporting and no reception, and going directly to the grassroots level and work sites".

Building a safety culture

Taking the "work safety month" as an opportunity, SDIC Power has made sustained efforts to deepen the safety culture construction in a standardized and healthy manner. In 2024, SDIC Dachaoshan and SDIC Yunnan New Energy won the title of National Demonstration Enterprise for Safety Culture Construction, and 9 invested enterprises have been awarded this title.



Case

SDIC Dachaoshan and SDIC Yunnan New Energy were Awarded the "National Demonstration Enterprise for Safety Culture Construction"

Adhering to the safety concept of "life is supreme and safety is the top priority", SDIC Dachaoshan remains committed to raising the safety awareness of its employees, regularizing their behaviors, and building a safety culture system based on the concept, system, environment and behavior. That is how SDIC Dachaoshan has created an "ecological chain", where safety culture promotes safety management, guides safety behaviors, creates a safety climate, and strengthens the safety concept, and built a mode of safety culture with the characteristics of Dachaoshan and meeting the requirements for its high-quality development.

SDIC Yunnan New Energy remains committed to promoting the safety culture construction by building a systematic safety culture system based on the "safety concept", "safety system", "safety behavior" and "safe environment", and creating a safety management mode with concept guidance, clear accountability, sound mechanism and system guarantee, thus building a strong safety barrier for making it the first-class new energy enterprise in the region.



SDIC Dachaoshan's safety culture manual



SDIC Yunnan New Energy's safety culture manual

Focusing on improving the work safety capacities of its employees, SDIC Power has made sustained efforts to enhance the safety education of employees by organizing various contests to foster a sense of safety first and raise their awareness of work safety. By the end of 2024, the Company has carried out offline safety training for 57,701 trainees, provided 11,120 online learning training courses through the "Xue'an" platform, and organized 102,080 examinations for contractors' personnel, achieving full coverage of safety training for field operators.

By the end of 2024

the Company has carried out offline safety training for
57701 trainees

provided
11120 online learning training courses through the "Xue'an" platform

organized

102080 examinations for contractors' personnel, achieving full coverage of safety training for field operators.

Case

SDIC Power Carried out an Online Knowledge Quiz Themed "Smooth Passage of Life"

During the "work safety month" event in 2024, the Company organized an online knowledge quiz themed "Smooth Passage of Life" for employees at the headquarters and the holding investment enterprise, which was participated in by more than 4,100 people, thus popularizing the basic knowledge of relevant laws and regulations on work safety, and general Knowledge of urgent evacuation, escape, and self and mutual medical aids in assembly occupancies and "nine types of small public places" (including restaurants, factories, shopping malls, entertainment places, schools or kindergartens, hotels, public baths and hospitals).



SDIC Power Investment Enterprise "Smooth Life Channel" Online Knowledge Quiz

Rules:

1. Each quiz randomly selects 60 questions with a maximum score of 100.
2. You can only participate in the quiz after verifying the answer password.
3. Only one chance to participate in the quiz.
4. You can participate in the quiz from 10:00 on June 26, 2024 to 11:00 on June 26, 2024.
5. The quiz will end promptly at 11:00 on June 26, 2024.



Yalong Hydro's drama for knowledge popularization won the first prize of the 2024 Competition for Work Safety Emergency Knowledge Popularization Drama in Sichuan Province



SDIC Genting Meizhouwan Power held the opening ceremony for the "work safety month" event and took an oath

Indicator	Unit	2023	2024
Coverage of safety training	Person-time	92356	162894
Training for main safety heads	Person-time	60	407
Training for work safety management personnel	Person-time	657	3977
Training for special operation personnel	Person-time	2773	8583
Training for other personnel	Person-time	53080	86151
Number of persons covered by safety training	Person	16741	25397
Coverage rate of work safety training	%	100	100
Hours of training on work safety	Hour	146624	223269
Number of holding investment enterprises in safety culture construction	Nos.	33	33

Improving emergency response capabilities

SDIC Power has made sustained efforts to strengthen the emergency management system by improving the emergency management plan and carrying out emergency drills, thus improving emergency response capabilities. The Company has also improved the working mechanism for disaster prevention, mitigation and relief, and assisted invested enterprises in responding to more than 90 emergencies caused by natural disasters by giving timely early warnings and taking proper disposal measures. During the simultaneous outage of "6+4" lines in the Tibetan Autonomous Prefecture of Garzê, Yalong Hydro has made prominent contributions to the safe supply in areas with a small power capacity. Huaxia Power successfully coped with multiple tests such as extreme rainstorms and the frontal landfall of Typhoon "Gemei", and played a key role in power supply, receiving thanks and commendation from the relevant government departments and the power grids.



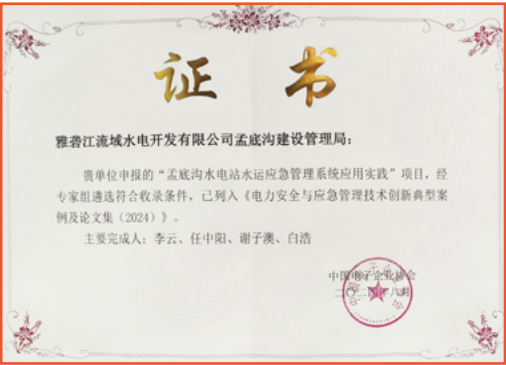
Case SDIC Hainan New Energy Fought at Full Strength against Typhoon "Yagi"

On September 6, 2024, Hainan Province was hit by the strongest autumn typhoon "Yagi" that made landfall in China since meteorological records began. SDIC Hainan New Energy responded quickly and deployed in advance to ensure the timely supply of various disaster relief supplies and implementation of emergency rescue measures. After the passage of the typhoon, SDIC Hainan New Energy immediately organized the post-disaster reconstruction project. Under the extremely difficult conditions of water cut and power cut of the project, SDIC Hainan New Energy led all employees of the Wenchang project to quickly launch the emergency response mechanism, and completed the cleaning of the damaged parts and the safety inspection of the distribution equipment and energy storage systems in the station as soon as possible, restoring the power supply of the station in the shortest time.

Case

Yalong Hydro Conducted a Joint Earthquake Emergency Drill of Cascade Hydropower Stations along the River Basin

In February 2024, Yalong Hydro organized a joint earthquake emergency drill of cascade hydropower stations along the river basin, which was attended by a fifth-cascade hydropower station, 12 subordinate units and several emergency assistance teams, covering more than twenty subjects such as personnel emergency evacuation, interbasin water diversion, power transfer, seismic surveillance and flood discharge. As the first joint earthquake emergency drill of the cascade hydropower stations along the river basin organized by power generation enterprises in Sichuan Province, it has fully demonstrated the comprehensive ability and level of emergency management and established a good image of state-owned energy enterprises.



Yalong Hydro's Mengdigou Construction Administration Bureau honored as a 2024 Exemplary Case for Technological Innovation in Power Safety and Emergency Management



Employee Sustainability

Creating A Nurturing Environment to Attract Top Talent

SDIC Power is committed to fostering a fair and transparent work environment, safeguarding the legitimate rights and interests of employees. We prioritize career development by offering diversified training and advancement opportunities to support individual professional growth. Additionally, we practice employee care by promoting physical and mental well-being, striving to create a healthy and supportive workplace where employees can thrive in both their careers and personal lives.

Material ESG issues addressed in this section

Employee responsibilities
Occupational health

SDGs responded to in this section



Protecting employees' rights and benefits 59
Focusing on employee development 61
Implementing cares for employees 64
Safeguarding employee health 65

Safeguarding the legitimate rights and interests of employees

SDIC Power firmly safeguards the legitimate rights and interests of employees, providing equal development opportunities and comprehensive remuneration and welfare. We encourage employees to participate in corporate governance, fostering a sense of belonging and security, and uniting employees and the Company in shared growth.



Fair employment

SDIC Power strictly complies with domestic laws and regulations, including the Labor Law of the People's Republic of China, the Law on the Protection of Minors of the People's Republic of China, and the Law on the Protection of Women's Rights and Interests of the People's Republic of China, as well as relevant laws in countries where we operate. We firmly oppose forced labor, labor abuse, child labor, and any form of discrimination based on gender, ethnicity, religion, or other factors.

The Company provides abundant employment opportunities to society and is committed to building a diverse workforce. During recruitment, we adhere to the principles of openness, fairness, and merit-based selection. Employment contracts are signed in accordance with the law, ensuring equal development opportunities for all employees.

Labor contract signing rate

100 %

Coverage of social insurance

100 %

Employee composition

Total number of employees Number of part-time employees Number of ethnic minority employees Number of employees with disabilities

10740



4



1361



12



Number of new employees
1323



Number of newly hired fresh graduate employees

418

Number of newly recruited employees

905

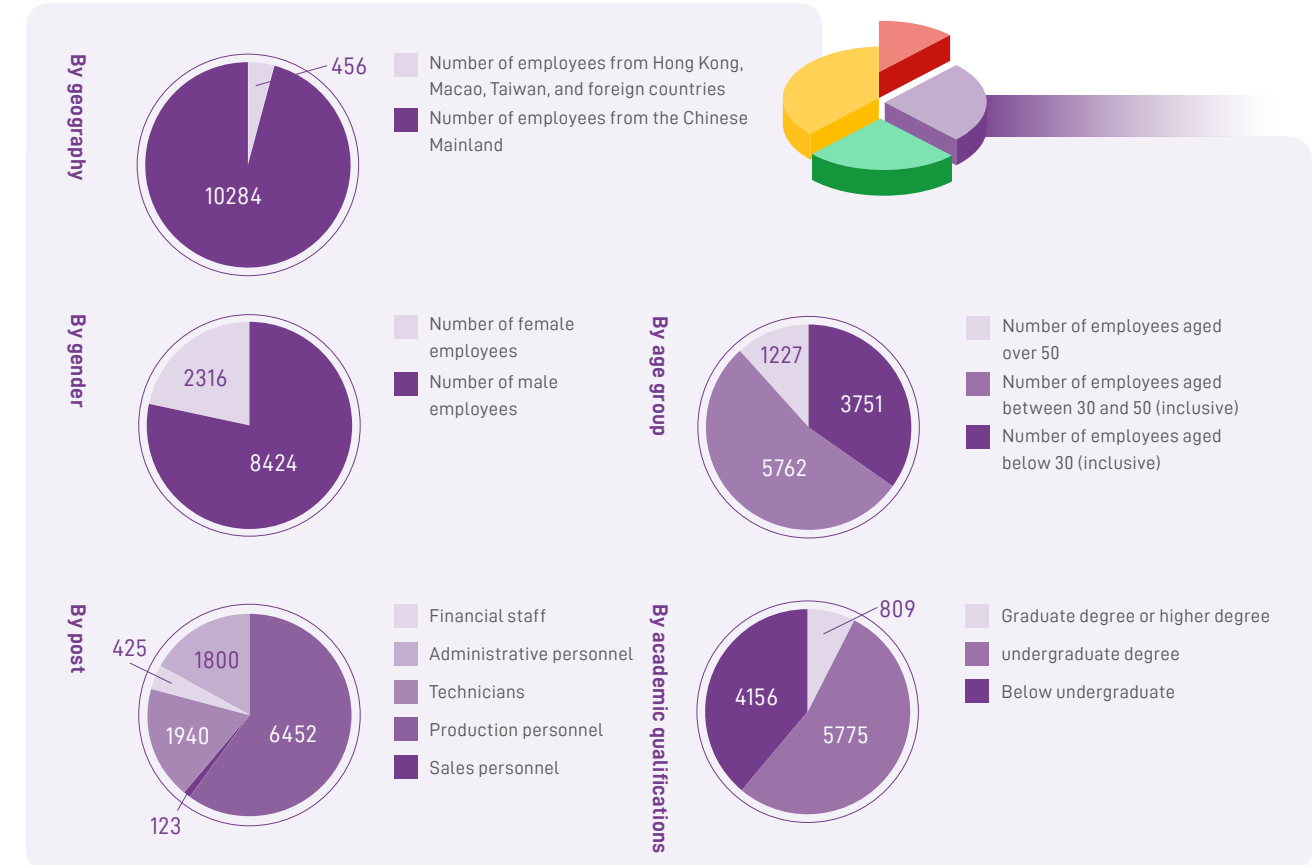
Number of new female employees

334



Number of new male employees

989



Remuneration and welfare

SDIC Power adheres to the principles of fairness, competitiveness, and incentivization, balancing motivation with accountability to provide employees with market-competitive compensation that reflects their professional value, thereby fostering engagement and dynamism. The Company strictly implements paid leave policies, including national statutory holidays, paid annual leave, and additional special leave for employees (e.g., personal leave). In compliance with legal requirements, SDIC Power contributes to "Five Social Insurances and One Housing Fund" (social security and housing provident fund) for the account of employees, while also offering supplementary and commercial insurance schemes.

Democratic management

SDIC Power continuously implements the democratic management system of the Workers' Congress, actively addressing employees' urgent and pressing concerns to safeguard their rights in democratic management and oversight. The Company consistently enhances channels for employees to voice their demands, encouraging proactive expression of opinions and suggestions to contribute to corporate development. In 2024, employees participated in 62 Workers' Congress (or general staff meeting) activities, with a total of 2,628 attendances.

The Company has established detailed provisions on labor disputes in its Administrative Measures for Labor Contracts and lawfully formed a Labor Dispute Mediation Committee. Adhering to the principles of legality, fairness, timeliness, and mediation priority, the committee ensures the protection of employees' legitimate rights and interests.

Indicator	Unit	2023	2024
Frequency of employee participation into democratic management	Time	64	62
Person-time of employee participation into democratic management	Person-time	2976	2628

Focusing on employee development

SDIC Power places high importance on talent development, providing employees with a dynamic platform for growth and value realization. The Company is committed to helping individuals of all talents fully leverage their strengths, creating sustained value for both the Company and themselves.



Reform of industrial workforce development

SDIC Power vigorously advances the reform of industrial workforce development, continuously strengthening workers' sense of ownership.

In line with the fundamental characteristics of power engineering construction and production operations, the Company consistently enhances grassroots team building, extensively organizes labor and skills competitions, and establishes master skill studios, model worker studios, and innovation studios. Through these multifaceted measures, SDIC Power ensures the effective implementation of industrial workforce reform.

Yalong Hydro formulated the "Delivering Green Energy, Serving National Development" Labor Competition Plan for the Yalong River Basin Hydro-Solar-Wind Integrated Base Construction. By leveraging labor competitions as a catalyst for project advancement, the initiative unites and mobilizes employees and all participating parties across the basin's projects. It fosters a robust atmosphere of "competing, learning, surpassing, assisting, and excelling" at construction sites, fully harnessing the industrial workforce's pivotal role to vigorously drive progress in building the Yalong River Basin Hydro-Solar-Wind Integrated Base.



SDIC Qinzhou Electric Power formulated the Implementation Plan for Industrial Workforce Development Reform in the New Era, outlining **9** key tasks and **16** specific measures. The company adopts a practical, checklist-based approach to systematically advance the reform initiatives.

Facilitating career development

SDIC Power places high priority on talent development, offering employees a dynamic platform for growth and value realization. The Company is committed to accelerating the advancement of diverse talents, enabling them to fully leverage their strengths and create sustained value for both the company and themselves. To systematically support employee career progression, SDIC Power has established a comprehensive promotion mechanism with clearly defined pathways. These pathways are categorized into management track, professional track, and consultant track, tailored to different job functions. The Company implements a dual-track promotion system that integrates position levels with job ranks, ensuring employees attain roles and compensation commensurate with their competencies. This structure fosters motivation and drives continuous upward mobility.

Enhancing education and training

SDIC Power implements the Administrative Measures for Training, adopting a closed-loop management approach to ensure effective employee training. This involves systematic steps such as needs assessment, planning, coordination, project execution, process control, performance evaluation, outcome assessment, and supervision, guaranteeing efficient and high-quality training delivery.

The Company leverages the leadership of R&D experts and technical specialists in talent development by assigning mentors to new and transferred employees. Through platforms like research projects and master skill studios, SDIC Power conducts mentorship programs and apprentice-style training. Additionally, it utilizes online learning resources such as the SDIC Academy e-learning platform and Dedao Knowledge Services for flexible education. To further support growth, the Company actively participates in centralized training programs organized by higher-level institutions; coordinates full-time intensive training and, where applicable, overseas training based on business needs; encourages employees to pursue job-related self-study, certification exams, and on-the-job training during off-hours.

Case

Yalong Hydro's "Four-Ya" Specialized Talent Development Program

Building on a tiered empowerment framework, Yalong Hydro advances its "Four-Ya" talent development initiative through targeted, boutique training modules tailored to the distinct needs of employees at different levels. This precision-driven approach ensures aligned growth and value creation. Ya Leadership: Focused on shaping exceptional leadership; Ya Elite: Dedicated to building an outstanding cadre team; Ya Youth: Centered on nurturing young key employees; and Ya Fresh: Designed exclusively for new hires. In the whole year, the program delivered 7 specialized small-class training sessions, engaging 264 participants in total. By laying a solid foundation for employees' career progression, the initiative has become a robust engine for the Company's sustainable advancement.



Yalong Hydro "Ya Youth Program" – Key Talent Employee Training

Case SDIC Panjiang's "Gold Medal Team Leader" Comprehensive Management Training Program

SDIC Panjiang launched a 12-day, two-phase "Gold Medal Team Leader" training program in 2024, designed to enhance front-line management capabilities. With a self-developed "diagnose-teach-coach-assess" methodology, the program focused on strengthening team-level safety management and elevating the comprehensive competencies of team leaders. 33 team leaders participated in batches, with a real-time scoreboard fostering a culture of "compete-learn-surpass-collaborate" to drive skill advancement.



Indicator	Unit	2023	2024
Person-times of employee training	Person-time	276707	315180
Annual training expenses	RMB 10,000	2285.28	2401
Total hours of annual training	Hour	1345555.29	1320149.28
Employee training coverage	%	99.07	98.44
Number of male employees receiving training	Person	7607	8115
Proportion of male employees receiving training	%	98.91	98.47
Number of female employees receiving training	Person	2156	2226
Proportion of female employees receiving training	%	99.63	98.32
Number of senior management employees receiving training	Person	139	154
Proportion of senior management employees receiving training	%	100	100
Number of middle management employees receiving training	Person	572	554
Proportion of mid-level management employees receiving training	%	97.78	98.75
Number of ordinary employees receiving training	Person	9052	9633
Proportion of ordinary employees receiving training	%	99.13	98.40
Average hours for employee training	Hour	136.54	125.67
Average training hours of male employees	Hour	143.31	129.50
Average training hours of female employees	Hour	112.47	111.73
Average training hours of senior management employees	Hour	97.64	109.45
Average training hours of mid-level management employees	Hour	111.02	102.50
Average training hours of ordinary employees	Hour	138.76	127.25

Practicing employee care

SDIC Power prioritizes the physical and mental well-being of its employees, encouraging a healthy work-life balance to foster harmonious labor relations and advance the vision of a people-centric, thriving enterprise.



Caring for employee life

The Company organizes diverse recreational and sports activities, including table tennis, basketball, and badminton tournaments, as well as collective spring and autumn outings, to help employees unwind and enrich their leisure time. Leveraging the strengths of the Women Employees Committee, the Company hosts special events for International Women's Day (March 8) and implements long-term, regular initiatives to support the well-being of female employees.



SDIC Power clinched the youth men's singles championship and secured 5th place in the team event at the 2024 National Power Industry Employees Table Tennis Competition.



SDIC Hebei New Energy's Team-Building Event: "Embrace Nature, Meet Golden Autumn"



SDIC Panjiang's Parent-Child Activity: "Happy Growth, Hand in Hand"

Employee support and care initiatives

SDIC Power proactively implements employee care programs, including holiday & birthday greetings for all staff; seasonal "Summer Cooling and Winter Warmth" campaigns; and personalized support for veterans, retirees, newlyweds, and new parents. In 2024, the Company and its holding investment enterprise supported 63 employees in need, and allocated RMB 135,400 in assistance funds.

Indicator	Unit	2023	2024
Investment in supporting employees in difficulty	RMB 10,000	23.34	13.54
Number of employees in need of support	Person	84	63

Safeguarding employee health

SDIC Power strictly complies with national laws and regulations, including the Occupational Disease Prevention and Control Law of the People's Republic of China, the Occupational Health Management Regulations for Workplaces, and the Special Provisions on Labor Protection for Female Employees, by formulating its Occupational Health Management System and establishing a robust occupational disease prevention accountability framework. Guided by the principle of "prevention-first, combined prevention and treatment", the Company implements a management mechanism characterized by "unified leadership, tiered management, and level-by-level accountability". Adhering to the tenet that "occupational health management is integral to work safety", SDIC Power advances an integrated supervision system for occupational health and work safety, while continuously innovating and piloting new health management models.



Management of "three simultaneities" in construction projects

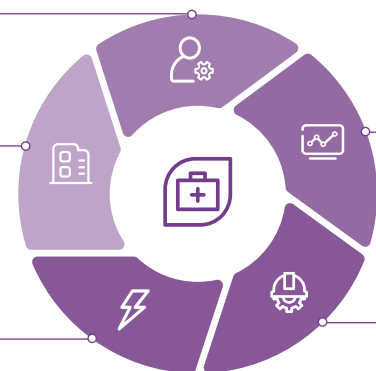
The Company conducts pre-evaluation of occupational hazards in the early stage of project construction, designs occupational disease prevention facilities before construction, and synchronizes the construction of such facilities during the project construction phase. Before completion and acceptance,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

Carrying out identification and monitoring of hazardous factors

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

Occupational health management organization

The Company establishes a Leadership Group for Occupational Health Management and an Occupational Health Management Office, with clearly defined functions and responsibilities to strengthen employee occupational health oversight.



Healthy enterprise development and occupational health protection initiatives

The Company conducted a "Occupational Disease Prevention and Control Law of the People's Republic of China" Awareness Week, delivering 538 thematic lectures on occupational health, reaching 20,945 participants. It achieved significant milestones in healthy enterprise development: 6 units selected as 2023 National Exemplary Healthy Enterprises; 4 units recognized as Model Healthy Work Groups; and 6 employees from 4 units honored as "Corporate Health Champions".



Providing effective protective equipment

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

Indicator	Unit	2023	2024
Investment in work-related injury insurance for employees	RMB 10,000	797.78	868.63
Coverage rate of work-related injury insurance for employees	%	100	100
Number of occupational disease patients	Nos.	0	0
Number of employees participating in occupational disease physical examinations	Person	2390	2496
Number of employees who should participate in occupational disease physical examinations	Person	2390	2496
Coverage of physical examination against occupational diseases	%	100	100



SDIC Power collaborates with healthcare service providers to build a medical service platform for health management



SDIC Hebei New Energy' Seventh "Starlight" Micro-Lecture Series of 2024 & Emergency First Aid Skills Training



Yalong Hydro's "Wellness Hub" for Employees

Environmental Sustainability

Painting Landscapes with Emerald Hues

SDIC Power comprehensively advances environmental stewardship. The Company deepens its environmental management system to address climate change and drives green, low-carbon transition; it rigorously implements pollution control measures, achieving significant emission reductions; it optimizes resource efficiency through innovative technologies and management practices; and it champions ecological conservation & biodiversity management, forging a win-win for economic growth and environmental protection.

Material ESG issues addressed in this section:

- Responding to climate change
- Pollutant emissions
- Waste treatment
- Ecosystem and biodiversity conservation
- Environmental compliance management
- Energy utilization
- Water resource use
- Circular economy
- Green products

- Deepening environmental management 69
- Responding to climate change 72
- Enhancing pollution prevention and control 77
- Optimizing resource utilization 80
- Protecting the natural ecology 82

SDGs responded to in this section



Deepening environmental management



SDIC Power implements national eco-environmental protection conference directives. The Company strengthens its environmental management system to elevate ecological conservation standards, embraces the philosophy: "lucid waters and lush mountains are invaluable assets" and "harmonious coexistence between humanity and nature".



Environmental management objectives

SDIC Power drives green development through "Standardization Advancement Year" Initiative. Centered on this campaign, the Company integrates energy structure optimization, energy conservation, pollution prevention, and ecological protection, solidifies peak carbon dioxide emissions and carbon neutrality efforts while enhancing low-carbon environmental performance, and maintains zero-tolerance for environmental incidents through strict control of energy-saving and emission-reduction indicators.

SDIC Power's main objectives for environmental management 2024 objective achievement status

Nonoccurrence of environmental incidents



Indicator	Unit	2023	2024
Investment in energy conservation	RMB 10,000	10643.90	11563.21
Investment in environmental protection	RMB 10,000	78019.74	74580.27
Proportion of investment in energy conservation and environmental protection in output value	%	1.57	1.49

Case

SDIC Beijing Rated as the Group's First Demonstration Enterprise for Standardized Ecological Environmental Protection System Construction

Based on the "Six-in-One" circular economy model, SDIC Beijing has continuously advanced the implementation of its system, actively established a three-level management network for "resource conservation and ecological environmental protection", and achieved multiple eco-environmental milestones in its business operations, including: zero freshwater extraction, zero wastewater discharge, high-efficiency power generation, fully enclosed coal storage, resource-based solid waste treatment, and gas-based exhaust treatment. In 2024, SDIC Beijing completed flexibility retrofits for 4 generating units and low-NOx combustion upgrades for 2 Phase I units, further expanding synergistic emission reduction results and improving pollution control facility efficiency. It earned the "Top-Performing Unit" title from the China Electricity Council for the tenth consecutive year. It pioneered the "Ten Environmental Commandments" and proactively planned low-carbon retrofits for coal-fired power. It independently enhanced intelligent hazardous waste management, building an IoT platform to achieve full-process information environmental supervision of hazardous waste.

Strengthening institutional mechanisms

SDIC Power strictly complies with the Environmental Protection Law of the People's Republic of China, the Environmental Impact Assessment Law of the People's Republic of China, and local regulations in its operational jurisdictions. The Company has established a robust environmental management framework, including: developing/revising a suite of environmental protection management standards; clearly delineating departmental responsibilities for environmental tasks; and implementing a comprehensive company-wide environmental accountability system to provide solid institutional support.

The company implements a tiered management system for environmental protection performance evaluation and accountability across its holding investment enterprises. Corporate Level: Responsible for oversight, guidance coordination, and specialized management, bearing governance accountability. Holding Investment Enterprise Level: Tasked with executing energy conservation & emission reduction measures, holding direct operational accountability. The principal responsible person of each holding investment enterprise serves as the first accountable officer for ecological and environmental protection, bearing primary leadership responsibility; and the person in charge with specific duties coordinates and organizes the implementation of various systems and measures, assuming portfolio-specific management responsibility.

SDIC Power Environmental Management System (A partial list):

Administrative Measures for Resource Conservation Supervision	Implementation Rules for Resource Conservation & Ecological Protection Assessment and Accountability
Implementation Rules for Environmental Technical Supervision	Administrative Measures for Resource Conservation & Ecological Protection Information Reporting
Implementation Rules for Thermal Power Energy Efficiency Technology Supervision	Ecological Environmental Protection Responsibility System Regulations
Administrative Regulations on Environmental Monitoring Data Supervision	Administrative Measures for Ecological Environmental Protection Risk Prevention & Hidden Hazard Investigation
Administrative Regulations on Resource Conservation & Ecological Environmental Protection Inspection	Emergency Response Plans for Environmental Emergencies

Environmental risk prevention and control

SDIC Power firmly upholds environmental risk awareness, adheres to systematic thinking, and focuses on controlling major risks, eliminating major hazards, and preventing major incidents to continuously advance the investigation and rectification of prominent environmental issues.

The Company conducts unannounced special inspections of its holding investment enterprises. Each enterprise must: rigorously address on-site inspection findings by establishing a "Case-Based Comprehensive Improvement" checklist, thoroughly implement self-inspections and self-corrections of identified hazards, and develop a long-term mechanism for tiered risk control and systematic hazard investigation/resolution. All detected issues must be fully incorporated into the EHS Supervision Module for closed-loop management, and be rectified with 100% on-schedule completion.

The Company conducts annual ecological and environmental protection risk assessments, assigns identified environmental risks with specific responsibilities to each department and team, and implements effective controls for all risk categories. The Company has established the Emergency Response Plans for Environmental Emergencies to standardize emergency response mechanisms for environmental incidents, enhance capabilities in both prevention and incident management, and develop rapid, scientific and effective protocols for emergency rescue operations. It has controlled the spread of environmental pollution incidents, minimized damage to personnel, property, and the environment, and ultimately ensured the safety of people's lives and property, protected ecological security, and maintained social stability.

Raising environmental awareness

SDIC Power is committed to enhancing environmental awareness among all employees through a diversified training model that integrates self-study with expert-led instruction by industry specialists. The Company regularly organizes training courses and lectures covering environmental laws and regulations, professional technical knowledge, water intake and usage management, and other key areas. This approach effectively elevates employees' environmental literacy and technical proficiency, while advancing competency building for personnel in energy conservation and environmental protection roles. All holding investment enterprises fully utilize the resources of the SDIC Power Ecological Environmental Protection Training Series for Power Generation Enterprises to conduct thorough and detailed internal training for personnel in the three-tier environmental management network, continuously improving their professional competence and response capabilities.

The Company vigorously promotes an energy-saving and environmental protection culture, closely aligning with key occasions such as World Environment Day, National Energy Conservation Promotion Week, and Low Carbon Day to carry out awareness campaigns for all employees. It actively guides staff to deepen their understanding of green and low-carbon development concepts, fosters the adoption of simple, moderate, green, low-carbon, civilized, and healthy lifestyles and consumption patterns, and encourages employees to excel in practicing green and low-carbon principles in both work and daily life.

Case

Conducting Environmental Compliance Training

In September 2024, SDIC Power organized a training session for ecological environmental protection leaders and production/technology department heads of all its holding investment enterprises. The training focused on the "Judicial Interpretation of High-Risk Environmental Cases" and "Key Compliance Points for Hazardous Waste Full-Process Management." This initiative effectively enhanced the participants' awareness of environmental compliance, laying a solid foundation for the Company's stable development in environmental protection.



Case

Publishing a Special Environmental Protection Newsletter



Addressing climate change

Climate change is a common challenge for all humanity, and addressing it remains a long-term task requiring broad global participation and collective action. SDIC Power has formulated a series of more proactive climate action strategies to control and reduce greenhouse gas emissions in response to the challenges posed by climate change.



Climate change governance

The Peak Carbon Dioxide Emissions and Carbon Neutrality Leadership Group (Dual Carbon Group) serves as the Company's leading body for carbon emissions and carbon asset management. It is responsible for researching and arranging major matters related to low-carbon development, low-carbon technologies, carbon emissions, and asset management, addressing critical issues, and organizing and driving the Company's peak carbon dioxide emissions and carbon neutrality action plan. The Dual Carbon Group requires all holding investment enterprises to incorporate eight priority tasks for Peak Carbon Dioxide Emissions issued by the Company into their annual work plans. Peak carbon dioxide emissions and carbon neutrality-related indicators will serve as important evaluation criteria for the heads of these enterprises and will be included in the scope of inspections and audits.

Climate change strategy

The Company actively responds to the National Climate Change Adaptation Strategy 2035 by formulating the Peak Carbon Dioxide Emissions Action Plan, integrating peak carbon dioxide emissions and carbon neutrality goals as a key component of its 14th Five-Year Plan. In 2024, the Company issued the 2024 Key Tasks for Peak Carbon Dioxide Emissions, identifying eight priority tasks and incorporating relevant projects into core operational objectives to advance peak carbon dioxide emissions and carbon neutrality efforts in a scientific and measured manner.

Climate change risk management

Risk factor	Risk description	Mitigation measures
Physical risk Acute: Extreme weather	Typhoons, heavy rain, floods, and other extreme weather events may damage the Company's hydropower dams, transmission facilities, and other infrastructure, affecting power generation and delivery.	Enhance infrastructure resilience: Strengthen flood and wind resistance designs for hydropower dams and transmission facilities to improve climate adaptability. Risk monitoring and emergency management: Establish a climate disaster monitoring and early warning system, and develop emergency response plans.
Physical risk Chronic: Rising temperatures	Changes in precipitation will affect the efficiency of hydropower stations' generation, particularly in Southwest China, where water resource fluctuations pose significant challenges to hydropower assets.	Optimize regional power structure: Rationalize power supply distribution across regions to reduce reliance on water resources in a single area.

Risk factor	Risk description	Mitigation measures
Transition risk Policy & regulatory risk	Under the "Dual Carbon" goals, stricter national requirements on carbon emissions from thermal power units will increase compliance pressure on traditional thermal power business.	Accelerate ultra-low emissions and flexibility upgrades for thermal power units to meet standards and reduce carbon market compliance costs.
Transition risk Technological risk	With growing demand for renewable energy integration and energy storage technologies, power companies face cost challenges due to increased technological investments and system complexity.	Increase investments in energy storage, smart grids, and carbon capture, utilization, and storage (CCUS) technologies to drive technological advancements.
Transition risk Market risk	The growing cost advantage of renewable energy on-grid tariffs may squeeze profitability in traditional thermal power. Rising demand for green electricity also shifts grid and consumer preferences toward clean energy.	Accelerate the layout of clean energy projects such as wind power and solar power, and optimize the energy structure to enhance market competitiveness.
Transition risk Reputation risk	As a central state-owned enterprise, SDIC Power faces higher social expectations in its green transformation, so inadequate progress may have an adverse impact on its corporate reputation.	Develop clear carbon neutrality work points and strengthen supervision and management of holding investment enterprises. Strengthen the promotion of green development strategies and convey the corporate's commitment to green transformation to society and investors.
Legal and liability risks Environmental compliance and litigation risks	Environmental litigation and compliance risks have increased, and companies may face regulatory penalties and public complaints if they fail to meet carbon emission or wastewater treatment standards.	Improve the environmental management system, strengthen environmental risk monitoring and compliance management in the operation process, and ensure that all projects comply with regulatory requirements.
Legal and liability risks Market and investor risks	Under the trend of ESG investment, investors have higher requirements for green development and information disclosure of enterprises, and failure to make timely transformation may lose market attractiveness.	Enhance the quality of ESG information disclosure and showcase the achievements of green development. Strengthen experience sharing and resource integration in the process of green transformation through cooperation with industries and enterprises.

Indicators and goals

The Company aims to accelerate the formation of a number of landmark achievements in clean and low-carbon energy structure, high-quality and modern industrial structure, promotion and application of low-carbon technologies as well as integrated innovation of low-carbon policy systems, so as to take the lead in the industry and strive to be the "vanguard" in peak carbon dioxide emissions and carbon neutrality.

Also, the Company's goals are to make significant progress in the adjustment and optimization of the industrial structure and energy structure by 2025, significantly improve energy utilization efficiency in key industries, make positive progress in the promotion and application of green and low-carbon technologies, significantly enhance international competitiveness and influence, reduce comprehensive energy consumption per RMB 10,000 output value by more than 20% compared to that in 2020, and reduce carbon dioxide emission per RMB 10,000 output value by more than 19% compared to that in 2020, laying a solid foundation for achieving peak carbon dioxide emissions.

 2025 objectives	2024	Objective achievement status
The coal consumption for power supply will not exceed 296.9gce/kWh	296.71gce/kWh	

Annual key measures

Optimization of industrial structure and layout

Adhere to the principle of "centralized mode the mainstay and equal emphasis on land and sea resources", increase investment and development efforts in new energy projects such as wind power and solar power, explore the development of integrated energy, distributed energy, electrochemical energy storage and clean energy hydrogen production businesses, and accelerate the transformation into a clean energy supplier and integrated energy supplier.

Green and low-carbon transformation of energy

Promote the transformation and upgrading of coal-fired generating units, reasonably build advanced coal-fired generating units with large capacity, high parameter, high efficiency and ultra-low emission to replace small and medium-sized coal-fired units, and further enhance the cleanliness, efficiency, flexibility, low-carbon effect and intelligence level of coal-fired generating units.

Intensify investment and development efforts in new energy projects such as wind power and solar power, promote the construction of multi-energy complementation bases for hydro-wind-solar in the Yalong River Basin and Dachaoshan, and explore a new model for the organic integration of new energy development with basin governance, ecological restoration and characteristic industry development.

Saving and efficient utilization of resources

Strengthen resource saving and utilization. Follow the principles of intensive land use, harmless raw material, clean production process, waste recycling and low-carbon energy in the process of project development, construction and operation, reducing waste at the source and enhancing resource utilization efficiency.

Enhance the level of comprehensive energy management. Enhance the informatization, digitization and automation level of energy management system; strengthen equipment management, and improve equipment operation efficiency; establish and improve energy management systems, and strengthen supervision and assessment of energy conservation.

Carry out technological transformation in energy conservation and carbon reduction. Thermal power enterprises actively promote the use of energy-saving technologies and facilities with significantly improved energy efficiency, so as to reduce coal consumption for power supply.

Green, low-carbon and recycling transformation

Actively carry out research on high-efficiency power generation technology coupling coal with biomass, sludge and waste, and improve the efficient, high-value and large-scale utilization of fly ash and gypsum.

Relying on agricultural planting, fishery, animal husbandry and other bases, actively coordinate the development of solar power generation projects such as agriculture-solar complementation, fishery-solar complementation and animal husbandry-solar complementation.

Digital and intelligent enhancement

Promote the digital and intelligent upgrading process of the energy industry, promote business upgrading and innovation in management & control models, build new energy regional centralized control centers and smart stations to accelerate the cultivation of new formats and new models of the digital industry, actively explore efficient management and intensive scheduling on the energy supply and storage sides, and provide diversified supply and services of smart energy.

Green and low-carbon science and technology innovation

Actively explore clean energy technologies, carry out research on the application of key technologies such as high-efficiency solar power, large-capacity wind power, advanced energy storage and green hydrogen energy, promote the integrated application of new energy and energy storage technologies such as "solar power + energy storage" and "wind power + energy storage", and demonstrate new energy storage application technologies such as pumped storage and electrochemical energy storage.

Actively research the key technologies and implementation paths of green hydrogen-ammonia-alcohol, and explore the coupling development and application of new energy and hydrogen energy such as "solar power + hydrogen energy" and "wind power + hydrogen energy".

Green and low-carbon supply chain management

Establish and improve a green supply chain management system. Integrate green and low-carbon concepts into all aspects of the supply chain, including planning, procurement, manufacturing, warehousing, transportation and recycling. Implement green partnering supplier management and prioritize the green factories as qualified suppliers. Build a full-chain green product supply system from basic raw materials to end consumer goods, and drive carbon reduction throughout the full industry chain.

Accelerate the formation of a green and low-carbon production method and life style. Actively participate in national and local green certificate and green electricity transactions to meet users' green electricity needs. In 2024, a total of 3,469,100 green certificates were applied for, and 4,832,900 green certificates were traded, with a transaction amount of RMB 10,020,200. A total of 1.75 billion kWh of green electricity transactions were carried out, with a transaction amount of RMB 674 million.

Consolidation and enhancement of carbon sink capacity

Actively carry out the development and carbon sink reserve of China Certified Emission Reduction (CCER) projects, develop forestry carbon sinks in areas around power stations, targeted ecologically fragile regions according to local conditions, coordinate the development of CCER projects such as hydropower, wind power, solar power and waste-to-energy generation projects, and collaborate in the development of international emission reductions.

Indicator	Unit	2023	2024
Total greenhouse gas emissions (Scope 1 + Scope 2)	tCO ₂ eq	50027884	48822417
Scope 1 greenhouse gas emissions	tCO ₂ eq	50018850	48808719
Scope 2 greenhouse gas emissions	tCO ₂ eq	9034	13698
Power generation greenhouse gas emission intensity	tCO ₂ eq/MWh	0.8037	0.8018
Heat supply greenhouse gas emission intensity	tCO ₂ e/GJ	0.0946	0.1018

※ To continuously improve data accuracy, the 2023 greenhouse gas emission data has been updated based on the carbon inventory completed in 2024. The 2024 greenhouse gas emission data is based on the company's internal calculations and has not yet undergone third-party verification. The relevant data may be subject to adjustment based on the results of subsequent verification.

Carbon emission and carbon asset management

SDIC Power has established and improved a carbon emission management system and working mechanism to achieve unified management of carbon emissions and assets. We should solidly ensure data quality, scientifically formulate trading strategies, coordinate internal allocation, and promote the smooth completion of performance clearance by key emission enterprises of the Company.

The Company has revised the Administrative Measures for Carbon Emission and Carbon Asset and newly established the Specification for Carbon Emission Data Accounting and Carbon Emission Permit Trading Management Process, clarifying the management focus and approval link in data accounting and carbon quota trading process and effectively reducing the management risks in participating in market trading. As of the end of 2024, all key emission enterprises under the Company have successfully completed their carbon quota clearance, ensuring the successful completion of the Company's participation in the second performance period of the national carbon market.

The Company is accelerating the construction of a carbon emission talent team. Through internal training, external participation in training and competition and other means, the Company aims to strengthen the professional staff's basic business skills and adaptability to market changes. We have organized professional staff to participate in the national carbon emission administrator qualification evaluation, and 26 people participated in the qualification evaluation and obtained the carbon emission administrator certificate, strictly improving the qualification level of practitioners. In addition, we have selected a team to participate in the national vocational skills competition in power industry, and achieved excellent results in groups and individuals, thus achieving a good effect of promoting training through competition.

Indicator	Unit	2023	2024
Carbon quota trading	10,000t	268.2	67.16
Carbon emission trading amount	RMB 100 million	2.09	0.60

Enhancing pollution prevention and control



SDIC Power has optimized the management of pollutants in the production process and ensured the up-to-standard discharge of "three wastes" to minimize the adverse impact on the ecological environment to the greatest extent possible and promote the sustainable development of the green power industry.



Conducting air pollution prevention and control

SDIC Power has strictly abode by the Law of the People's Republic of China on Air Pollution Prevention and Control and other laws and regulations, carried out work in accordance with the Guidelines for Environmental Compliance of Coal-fired Thermal Power Enterprises and the requirements of pollutant discharge permits, implemented ultra-low emission and emission right management, and carried out in-depth supervision, management and treatment of air pollutants.



Construction of air pollution prevention and control facilities

Strictly implement the requirements of EIA approval, preliminary design (including changes), completion acceptance and opinions in the construction of coal conveying system, ash and slag removal system, flue gas denitrification system and flue gas desulfurisation system.

Simultaneously construct advanced and efficient desulfurisation, denitrification and dust removal facilities for newly built coal-fired generating units, ensuring that the full load range above the minimum technical output meets ultra-low emission requirements. Each combustion unit is equipped with a separate flue gas purification system and an online corresponding flue gas monitoring device.

Operation and management of air pollution prevention and control facilities

Take dust prevention and suppression measures in the process of the enterprise technology.

Take anti-leakage measures for the loading, unloading, transportation and storage of acid-base chemicals, etc.

Conduct operation, maintenance and self-assessment of denitrification facilities, dust removal facilities and desulfurisation facilities to ensure that emission concentrations meet national standards.

Adopt measures for the collection and treatment of unorganized waste gas, and ensure that the concentration of unorganized emissions meets the requirements of EIA approval or pollutant discharge permit.

Indicator	Unit	2023	2024
Sulfur dioxide emissions	t	3289.33	3357.31
Nitrogen oxide emissions	t	7730.20	7716.24
Smoke (dust) emissions	t	471.07	514.31
Proportion of installed capacity of flue gas desulfurisation units to that of coal-fired generating units	%	100	100
Proportion of installed capacity of units with ultra-low emission limits to that of traditional coal-fired generating units	%	100	100
Proportion of installed capacity of flue gas denitrification units to that of coal-fired generating units	%	100	100

Reducing wastewater discharge

SDIC Power has strictly complied with national and local laws, regulations, policy standards and industry-related water pollution discharge standards such as the Law of the People's Republic of China on Prevention and Control of Water Pollution, fully implemented clean water-sewage diversion, and strengthened the prevention and control of production and domestic wastewater pollution, so as to improve the recycling rate of sewage and reduce the negative impact on the surrounding environment.

Construction of wastewater pollution prevention and control facilities

Strictly implement the requirements of EIA approval, preliminary design (including changes), completion acceptance and opinions in the construction of wastewater treatment systems.

All wastewater discharge monitoring items must comply with EIA and approval requirements.

Acid-containing wastewater and alkali-containing wastewater are all recovered to the industrial wastewater treatment system as required. Coal-containing wastewater and desulfurisation wastewater shall all be recycled. All domestic sewage is recycled and disposed of.

Maximize the reuse rate of wastewater by following the principle of "water for multiple purposes and graded use of water".

Strictly implement the "clean water-sewage diversion and rainwater-sewage diversion", and set up an initial rainwater collection and treatment system according to the EIA approval requirements.

Collect flushing water and firefighting water from the factory area and connect it to the sewage treatment station for treatment through pipelines. Set up cofferdams and corresponding wastewater collection and treatment facilities in key areas such as wharves.

Operation and management of wastewater pollution prevention and control facilities

Ensure that the domestic sewage treatment station, industrial wastewater pool, sludge dewatering device, and coal-containing wastewater system are operating normally and that all equipment in the dosing device is functioning properly.

Perform daily maintenance and regular inspection of wastewater treatment facilities, and carry out regular calibration and inspection of online monitoring instruments for wastewater to ensure accurate and reliable monitoring data.

Carry out water balance test, generate water balance report, and develop scientific and reasonable improvement plans based on the test results.

Indicator	Unit	2023	2024
Industrial wastewater discharge	10,000t	0.69	0.24
Total chemical oxygen demand emissions	t	0.11	0.02
Ammonia nitrogen emissions	t	0.06	0.01

Case

SDIC Xiaosanxia Strengthened the Management of Sewage Treatment Facilities

SDIC Xiaosanxia actively fulfilled the requirements for ecological environment protection and management in the Yellow River Basin. It strictly implemented the ecological environment protection laws and regulations of national and local governments, and strictly implemented relevant management standards of the Company. SDIC Xiaosanxia tested the water quality every quarter, and all pollutant indicators in wastewater discharge met the control standards of The Reuse of Urban Recycling Water - Water Quality Standard for Urban Miscellaneous Use (GB/T18920-2020). It treated a total of 11,986 tons of domestic sewage in 2024, and all the treated reclaimed water was used for plant greening without external discharge. The sewage treatment compliance rate was 100%.

Managing waste

The Company has strictly abode by laws and regulations such as the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste, adhered to the principles of "reduction, recycling and harmlessness", reasonably selected and utilized raw materials, energy and other resources, and adopted advanced production process and equipment, reducing the generated volume of general industrial solid waste and lowering the hazard. It has taken harmless disposal measures for general industrial solid waste. For hazardous waste, the Company has established a responsibility system for the prevention and control of hazardous waste pollution, strengthened standardized management, and regularly organized potential risk identification of hazardous waste, so as to effectively prevent and resolve environmental risks.

Indicator	Unit	2023	2024
General industrial solid wastes generated	10,000t	591.11	544.04
Fly ash generated	10,000t	358.42	337.80
Slag generated	10,000t	138.85	113.72
Coal gangue generated	10,000t	0.99	1.27
Desulfurised gypsum generated	10,000t	90.44	88.55
General industrial solid waste intensity (comparable price)	t/RMB 10,000	1.26	1.10
Comprehensive utilization ratio of general industrial solid waste	%	99.19	97.62
Comprehensive utilization of general industrial solid waste	10,000t	586.43	534.41
Comprehensive utilization of general industrial solid waste stored in previous years	10,000t	0.08	3.33
Total hazardous waste generated	10,000t	1.14	1.23
Hazardous waste intensity	t/RMB 10,000	0.002	0.002
Total hazardous waste disposed	10,000t	1.13	1.23
Disposal of hazardous waste stored in previous years	10,000t	0.0025	0.0073



SDIC Genting Meizhouwan awarded the title of "Putian Waste-free Factory"

Optimizing resource utilization

SDIC Power deeply explored the energy-saving potential of various links, optimized the water use process, and actively explored the resource utilization path of power generation waste, so as to maximize the efficiency of resource utilization.



Managing water resources

SDIC Power strictly abides by national laws, regulations and administrative measures such as the Water Law of the People's Republic of China, the Administrative Measures for Water Resources Argumentation of Construction Projects and the Administrative Measures for Water Intake Permits. It attaches great importance to water resources management, and defines the research and decision authority of the leading group for resource conservation and ecological environment protection of the Company on major issues concerning resource conservation including water conservation. In the operation process, the Company implements combined dispatching of cascade reservoirs, continuously monitors the water regime and level, establishes and improves the water dispatching automation system and arranges unit operation modes reasonably to promote the maximization of hydropower utilization. It actively applies water-saving technology, optimizes production water management, improves cooling water circulation efficiency and reduces fresh water consumption to ensure the sustainable use of water resources and the coordinated development of surrounding ecological environment.

The hydropower stations in the Yalong River Basin has fully utilized the hydropower resources of the basin and achieved the integration of water and electricity in the basin through the construction of the centralized control center, water regimen monitoring and reporting, water dispatching automation and other system engineering in the basin as well as the joint optimization and dispatching of cascade hydropower stations, playing an important role in optimizing the power supply structure and guaranteeing the power supply. The three major reservoirs in the Lianghekou, Jinping I, and Ertan River basins operate jointly, with a total regulating storage capacity of about 15 billion cubic meters and an energy storage value of nearly 30 billion kilowatt-hours, effectively responding to many unfavorable factors and risks and challenges such as extreme and abnormal weather and extremely low water inflows in the basin.

Indicator	Unit	2023	2024
Water taken	10,000t	2309.45	2566.19
Water consumption	10,000t	202249.92	239628.97
Water consumption per RMB 10,000 output value (comparable price)	t/RMB 10,000	4.91	5.17
Reuse rate	%	98.86	98.93
Reused water consumption	10,000t	199940.47	237062.79

Energy consumption management

Following the Energy Conservation Law of the People's Republic of China, SDIC Power continuously promotes the improvement of energy utilization efficiency and actively carries out a series of work such as energy efficiency benchmarking, energy audits, energy conservation diagnosis, energy system reviews, and cleaner production audits.

For thermal power holding investment enterprises, the Company supervises and guides these enterprises to carry out energy conservation technical supervision work, and regularly checks and evaluates the implementation of the energy conservation technical supervision of these enterprises. We also encourage enterprises to strengthen energy efficiency benchmarking among units of the same type, and through continuous learning and communication, continuously reduce the coal consumption for power supply and improve energy utilization efficiency.

For key energy-consuming enterprises, the Company requires holding investment enterprises to formulate annual energy conservation plans and orderly promote the renewal, transformation, recycling, and utilization of products and equipment in key areas. These enterprises should conduct a comprehensive inspection and sorting of high-energy-consuming mechanical and electrical equipment and facilities, and formulate elimination and renewal plans. They also should promote the renewal of high-energy-consuming equipment, and reduce energy consumption.



Indicator	Unit	2023	2024
Raw coal consumption (SCE)	10,000 tons of standard coal	1755.88	1717.64
Petrol consumption	t	1042.49	1223.95
Diesel consumption	t	3078.89	3295.34
Purchased electricity of holding investment enterprises	kWh	1258979528	843756903
Purchased electricity of SDIC Power headquarters	kWh	315345.22	335521.99
Total energy consumption	10,000 tons of standard coal	984.54	959.35
Comprehensive energy consumption per RMB 10,000 output value (comparable price)	Ton of standard coal/RMB 10,000	2.11	1.93

Case Actively Carrying Out the Low-carbon Transformation of Coal-fired Power

SDIC Power responds to the requirements of the National Action Plan for the Low-carbon Transformation and Construction of Coal-fired Power (2024-2027), and actively promotes the low-carbon transformation work of various coal-fired power enterprises, to reduce the use of coal and carbon emissions, and promote the clean and efficient utilization of coal.

SDIC Beijiang Sludge Co-incineration Project

SDIC Beijiang has cooperated with Bihai Environmental Protection Equipment, aiming to effectively utilize the HW08-type waste from CNOOC. Through "point-to-point directional utilization and disposal", the sludge is transported to the 3# and 4# units of SDIC Beijiang for co-incineration and power generation. It is expected to reduce the coal consumption by 2,730 tons per year. At present, the test of sludge co-incineration has been completed, and a feasibility study report has been prepared.

SDIC Qinzhou Power Generation Biomass Co-incineration Project

The power generation plan of SDIC Qinzhou intends to adopt the coupling co-incineration technology and utilize the existing equipment and site conditions to build a biomass crushing system. At present, the first draft of the feasibility study report of the Project has been completed.

SDIC Panjiang Sludge Co-incineration Project

SDIC Panjiang plans to carry out a sludge co-incineration power generation project relying on its existing 2×300 MW CFB units. The feasibility study report of the Project has passed the expert review and the review of the environmental impact assessment report.

Huaxia Power's "Triple Retrofit Initiative"

Huaxia Power is actively advancing preparatory work for the retrofitting of existing power units, focusing on energy efficiency improvement, carbon reduction, operational flexibility enhancement, and cogeneration capability upgrades.



Protecting the natural ecology



SDIC Power strictly implements the requirements of laws and regulations such as the Environmental Protection Law of the People's Republic of China and the Regulations on the Administration of Construction Project Environmental Protection, and actively practices ecological environment protection and biodiversity management. During the project development and operation, the Company strictly enforces the environmental impact assessment system and adopts several measures such as ecological restoration and soil and water conservation to minimize the impact on the ecological environment. The Company actively protects and restores natural habitats, and conducts ecological monitoring, to ensure the sustainability of animal and plant resources. For key ecological areas, the Company implements biodiversity protection actions according to local conditions and promotes the balance of the ecosystem through means such as vegetation restoration and breeding and releasing.



Case Carrying out Breeding and Releasing of Fish to Assist in Biodiversity Protection

To ensure the stability and diversity of aquatic biological species in the reservoir area of hydropower stations, maintain ecological balance, and ensure the sustainable development of fishery production, the hydropower enterprises of SDIC Power regularly implement the breeding and releasing of fishery resources, replenish the populations of major economic fish species, and enhance aquatic biological resources, to help fishermen increase their incomes, and achieve the coordinated development of fishery economy and resources and the environment. In 2024, a total of 2.804 million fish were bred and released.

Yalong Hydro has adopted a series of protection measures such as fish passage facilities, stratified water intake, ecological flow release, and habitat protection. Yalong Hydro has built four fish breeding and releasing stations, namely Jinping-Guandi, Ertan-Tongzilin, Zhongyou, and Lianghekou-Yagen. Yalong Hydro has independently operated and carried out fish breeding and releasing work for 14 consecutive years. In November 2024, based on the four fish breeding and releasing stations, Yalong Hydro was certified as a "Popular Science Education Base of the China Society of Fisheries".

SDIC Xiaosanxia In July 2024, SDIC Xiaosanxia simultaneously carried out the release activity on both the upstream and downstream sides of the Wujinxia Hydropower Station. A total of 40,000 Lanzhou catfish (F1 generation) with a body length of 15cm were released, with 20,000 released on each side, playing an active role in the protection of biodiversity in the Yellow River Basin.

Case Emphasizing Both Development and Protection, Yalong Hydro Carried out Wildlife Rescue

The Lianghekou Wildlife Rescue Station of Yalong Hydro adheres to the concept of "respecting nature and harmonious coexistence" and actively carries out rescue activities. In 2024, Yalong Hydro successfully completed the rescue and release of national second-class protected animals such as the *Elaphodus cephalophus*, *Bubo bubo*, and *Rusa unicolor*, maintaining the terrestrial ecological environment and species resources in the Yalong River Basin. The Ertan Hydropower Plant has established the Panzhuhua Aquatic Wildlife Rescue Station. In the future, it will take effective measures to maintain and improve the living environment of local aquatic wildlife and protect aquatic wildlife resources.



The staff released the rescued Buteo hemilasius

Indicator	Unit	2023	2024
Total amount of breeding and releasing ⁵	10,000 fish	308.1	280.4

5: In 2024, SDIC Qinzhou Second Power bred and released 293.82 million fish into the Qinzhou Port waters, which are not included in the current statistics.



Social Sustainability

Helping Each Other for a Better Future

SDIC Power, adhering to a lofty sense of mission, deeply integrates into the great journey of rural vitalization and actively participates in social welfare undertakings. SDIC Power formulates precise policies to improve educational infrastructure. The Company focuses on community construction and deepens its corporate citizenship responsibilities through diverse measures. The Company promotes cross-cultural exchanges and mutual learning, enhances social well-being, and demonstrates corporate social responsibility and commitment.

ESG materiality issues addressed in this chapter:

Rural vitalization
Social contributions
Service to the people's
livelihood

SDGs addressed in this chapter:



Contributing to rural
vitalization 85
Participating in social
welfare 87
Constructing overseas
communities 88
Engaging in volunteer
services 89

Promoting rural vitalization

SDIC Power implements the Opinions of the State Council on Learning and Applying the Experience of the "Demonstration of a Thousand Villages and Renovation of Ten Thousand Villages" Project to Effectively and Efficiently Promote the All-round Vitalization of Rural Areas, and effectively and efficiently promotes the "roadmap" for the all-round vitalization of rural areas, fulfilling the mission and responsibility of a central state-owned enterprise with practical actions.

In 2024, SDIC Power invested RMB 61.40 million in rural vitalization assistance funds. With the development and construction of new energy in the Yalong River Basin, Yunnan, and Guizhou regions as the main directions, the Company provided two-way support through "industry + funds" to promote local industrial development. We organized participation in the "Central State-owned Enterprises Consumption Assistance Week" and the "Joint Efforts Action", effectively helping with the sales of agricultural and special products in the assisted areas.



Industrial assistance

SDIC Power plans and establishes new energy projects in the designated assisted villages and towns, and invests funds to support the construction of rural infrastructure. The Company gives full play to the advantages of industrial assistance, driving local residents' employment and industrial development.

Case

SDIC Guizhou New Energy Pioneers Novel "Agrivoltaic Tea" Development Model in Pingtang County

SDIC Guizhou New Energy has arranged solar power and wind power projects in Pingtang County, Qiannan Buyi and Miao Autonomous Prefecture. Through industrial assistance, SDIC Guizhou New Energy has driven local people to work and used local materials worth more than RMB 1 million, benefiting more than 100 people who can work nearby at their doorsteps. On the basis of the solar power project, SDIC Guizhou New Energy plans to construct a 300-mu agrivoltaic tea project, generating electricity with solar panels and planting tea below the panels. By combining the construction of the solar power project with tea tree planting, it realizes "dual use of one land and sharing of sunlight", and forms a pilot project of the "solar power+" model that can be replicated, learned from, and promoted. It also drives the tea garden industry of more than 100,000 mu in Pingtang County to expand the new development path of "agrivoltaic tea", and demonstrates a vivid practice of promoting rural vitalization by focusing on multi-industry deployment.

Case

SDIC Dachao Shan Adopted Multiple Measures to Create a Working Model for Rural Vitalization

SDIC Dachao Shan, in combination with the actual situation, pioneers the working model for rural vitalization. SDIC Dachao Shan has established a New Era Rural Civilization Practice Points Management System and Administrative Measures on Points Redemption Store to advance the development of grassroots cultural initiatives. By implementing an "employment-for-relief + labor contribution + local material sourcing" model, the Company organized labor-for-relief construction teams, enabling impoverished farmers to earn income through project participation and accelerate poverty alleviation. Adhering to the philosophy of "respecting nature, utilizing nature, and enjoying nature", the Company developed eco-conscious construction solutions that leverage the Baicaolin ecosystem's natural endowments. This approach enhances village aesthetics and environmental quality while strengthening community engagement and cohesion.

Consumption assistance

SDIC Power and its holding investment enterprises actively participate in consumption assistance activities. Through means such as canteen procurement, trade union procurement, and spontaneous purchases by employees, they help meet the demand for the external sales of agricultural and sideline products, economic crops, and other products in the designated assisted counties and villages.

In 2024, the cumulative amount of consumption assistance reached RMB 25.03 million. Among them, the consumption amount supporting 4 designated assisted counties and 1 designated recipient county of the Group was about RMB 3.9 million, and the amount of consumption assistance supported by Yalong Hydro for Garzê Tibetan Autonomous Prefecture and Liangshan Yi Autonomous Prefecture reached RMB 7.55 million.

Organizational assistance

SDIC Power dispatched 3 cadres on temporary assignment and first secretaries stationed in villages to the designated assisted counties and villages of the Group. They continue to make efforts to serve the people, strengthening the foundation, promoting industrial development, and rural governance, and contributing to the realization of rural vitalization.



Yan Fazhou (in the middle), the first secretary stationed in Jingzhou Village, Pingzhou Town, Pingtang County, was awarded the titles of "Excellent Member of Qiannan Buyi and Miao Autonomous Prefecture" and "Excellent Member of Pingtang County".

Case

SDIC Qinzhou Power Generation Gave Full Play to the Advantages of Cadres Stationed in Villages to Help Ensure the Implementation of Supportive Policies

SDIC Qinzhou Power Generation actively gives full play to the advantages of cadres stationed in villages, and actively helps with the implementation of supportive policies such as microcredit in Qinnan District, Qinzhou City, and transportation subsidies, and ensures the implementation of various incomes and policies for poverty-alleviated households. Through visiting villages and households to understand the situation, and in combination with the actual situation of Qinghu Village, SDIC Qinzhou plans for development according to local conditions and has invested RMB 100,000 in assistance funds for the development of a 30-mu camellia oleifera planting industry, increasing the collective economic income of the village and the household income of farmers.



Enthusiasm for social welfare undertakings

SDIC Power devotes itself wholeheartedly, to actively participating in social welfare undertakings, and taking on corporate responsibilities. In line with the Administrative Measures for External Donations, the Company carries out donation work in an orderly manner, to promote the implementation of activities such as children's care, community volunteer services, and emergency assistance, relieving people's difficulties, warming people's hearts, and giving back to society.



Indicator	Unit	2023	2024
Total investment in public welfare donations	RMB 10,000	449.76	609.79
Number of people benefiting from public welfare donations	Person	36000	46000

Case The Youth League Branch of SDIC Hainan New Energy Carried out the "Lighting Up the Future, Filling the Countryside with Love" Children's Care Service Activity

SDIC Hainan New Energy genuinely cares about the group of teenagers and children. On the 74th International Children's Day, the Company went to the Wuyi Village Committee, Gongpo Town, Wenchang City, Hainan Province to carry out the "Lighting Up the Future, Filling the Countryside with Love" children's care service activity. The Company sent daily necessities such as stationery to the children, learned about their growth situation, living status, psychological state, etc., and took the initiative to carry out activities such as emotional counseling and study assistance. SDIC Hainan New Energy pays attention to the needs, thoughts, and expectations of children and teenagers with difficulties and disabilities, to help children and teenagers grow up healthily.



Case SDIC Jiangsu New Energy Carried out the Activity of "Donating Winter Clothes and Making Jiaozi"



SDIC Jiangsu New Energy jointly carried out the activity of "Donating Winter Clothes and Making Jiaozi" with the local District Committee, Health Commission, and subdistrict. By donating books and winter clothes to the elderly living alone and making jiaozi for the elderly, the Company vigorously promoted the spirit of volunteer service. The Company carried out the "Learn from Lei Feng, Emulate Role Models" charity sale activity and donated the funds raised from the charity sale to the "Caring for Children for Tomorrow" project of the China Charity Federation.

Contributing to community construction

SDIC Power adheres to its original aspiration and continuously contributes to community development. By optimizing medical assistance, deepening educational support, and enriching convenient measures for the people, the Company injects more vitality into the community. SDIC Power actively listens to the voices of residents and conducts positive interactions, to precisely meet their needs. The Company uses practical actions to enhance the convenience and quality of community life, as well as the sense of happiness and belonging of community residents.



Case C&G Environmental Protection (Thailand) Built a Good Relationship between the Enterprise and the Community with Community Residents

C&G Environmental Protection (Thailand) has delved into the surrounding communities, enabling the local people to keep abreast of the project situation in real time. The Company actively participates in community activities and community construction, forming good interactions with the surrounding communities, residents, and social groups. The Company effectively turns "Proximity Opposition" into "Proximity Dividend", and has been highly recognized by governments at all levels, local communities, and residents.

- The Company carries out social welfare activities in the surrounding communities, and collects garbage from public canals together with community residents to improve the water quality of the canals;
- The Company encourages community residents to participate in the supervision of environmental quality and publicizes the results of environmental monitoring;
- The Company spreads the corporate brand and promotes the corporate culture by entering the community and setting up public booths.



The Ministry of Industry of Thailand awarded C&G Environmental Protection (Thailand) the "Annual Award for Sustainable Development of Corporate Social Responsibility" for the fifth consecutive year



A waste-to-energy power plant of C&G Environmental Protection (Thailand) held a vegetable planting activity

Case Red Rock New Energy Actively Participated in Social Donations

Red Rock New Energy provided GBP 20,000 in funds to the charity organization Cash for Kids to support its "Mission Christmas" activity. The donation will be used to provide Christmas gifts for approximately 1,200 underprivileged children in Edinburgh and the surrounding areas. Red Rock New Energy donated more than 50 old laptops and smartphones to the charity organization The Edinburgh Remakery to promote the circular economy and also donated GBP 5,000 to support other environmental protection activities of this charity, establishing the corporate image of Red Rock New Energy that attaches importance to social responsibility and sustainability.

Engaging in volunteer services

SDIC Power adheres to the volunteer service spirit of "dedication, friendship, mutual assistance, and progress", to fulfill its social responsibilities, and continuously spreads the power of public welfare. The Company conducts volunteer services in various fields such as environmental protection, educational support, and cultural undertakings, demonstrating its responsibility with practical actions and contributing to national development and social progress.



Case

Huaxia Power Wholeheartedly Supported the Education Cause and Was Awarded the Title of Advanced Collective for Donating Funds to Promote Education

In 2024, Huaxia Power was awarded as an advanced collective for donating funds to promote education by the People's Government of Xiamen Municipality. For a long time, Huaxia Power has always regarded assisting students and teachers and caring for the growth of the next generation as an important matter for the enterprise to give back to society and fulfill its social responsibilities. The Company actively donates funds to the Haicang Education Foundation to assist students in need and wholeheartedly supports the education cause.

Huaxia Power has carried out paired assistance services with the Xiamen Children's Library. The Company organizes volunteers to participate in the services every week, sorting out books, maintaining order, helping children find books and handle borrowing procedures, and spreading love and civilization. The Company actively conducts the "Firefly Reading Assistance" volunteer activity to help the children of visually impaired people read and study better.



Indicator	Unit	2023	2024
Number of volunteers participating in activities	Person-time	1082	565
Total hours of volunteer services	Hour	1974	1317
Average volunteer service duration per person	Hour	1.82	2.33



In March 2024, the volunteer service team of Huaxia Power entered the Weilaihai'an Community and carried out an activity of repairing small household appliances for free to serve the surrounding residents.



Case

Yalong Hydro Carried out Volunteer Service Activities on Children's Day

Yalong Hydro, together with the Sichuan Volunteer Service Foundation, carried out three volunteer service activities themed "Great Love is like Water, Setting Sail for Dreams" at the No. 4 Complete Primary School in Litang County, Benge Township Primary School, and Kela Center School in Yajiang County. Yalong Hydro donated materials such as computers, color printers, stationery, and books. Through vocal music training, reading sharing, energy science popularization, and other means, Yalong Hydro promoted the improvement of the teaching level of mountainous area schools and passed on the love of "lighting up the reading dreams of children in mountainous areas" again.



Volunteers conducted science popularization teaching

Case

The Youth of SDIC Genting Meizhouwan Power Supported Licheng District Events for "Putian Talent Day"

In July 2024, the "Retro Games PK Tournament", a Licheng District Event for "Putian Talent Day", was held in Xinghua Prefecture Historical and Cultural District, co-organized by local government and Licheng District Cultural Center. The young volunteers of SDIC Genting Meizhouwan Power actively carried out volunteer services, assisting in activity organization, on-site arrangement, and services, contributing to the successful holding of the activity.



Volunteers conducted Q&A interactions on electrical knowledge and safety



Future Prospect

Shouldering great responsibilities, we march forward singing. No effort will be in vain, and we will succeed with perseverance. The year 2025 is the final year of the 14th Five-Year Plan and also the year for formulating and laying out the 15th Five-Year Plan. SDIC Power will implement all the decision-making arrangements of the Group, taking "stabilizing growth, promoting reforms, controlling risks, and planning for development" as the main working line. The Company will forge ahead with determination, work hard in earnest, and make a crucial sprint to ensure the smooth completion of the goals and tasks of the 14th Five-Year Plan, laying a solid foundation for a good start to the 15th Five-Year Plan.

We will continue to implement the national energy development strategy, with a historical sense of responsibility to ensure the long-term prosperity of the Group. **We will focus on development to promote growth,** and vigorously promote the development and construction of the Yalong River Basin. We will seek better development by taking advantage of the existing strengths of thermal power, promoting the high-quality development of new energy, and steadily developing overseas businesses. **We will strengthen management to improve efficiency,** deepen management innovation, enhance operational efficiency, coordinate and optimize production operations, and strengthen efforts to expand power market development. **We will deepen reforms to stimulate vitality,** promote the in-depth implementation of internal reforms, improve the market-oriented operation mechanism, and enhance the management quality of listed companies. **We will firmly shoulder our responsibilities to ensure safety,** strengthen the supervision and management of work safety and the capacity for energy supply guarantee, and do a good job in preventing and controlling risks in key areas. With unwavering resolve and steady strides, we will advance relentlessly toward our vision of becoming a globally trusted integrated energy investment operator, pioneering a new chapter in power development for national energy security and socio-economic progress!

Appendix

Key Performance Indicators

Part I: Environmental Performance⁶

Indicator		Unit	2023	2024
Water resource	Water taken	10,000t	2,309.45	2,566.19
	Water consumption	10,000t	202,249.92	239,628.97
	Water consumption per RMB 10,000 output value (comparable price)	t/RMB 10,000	4.91	5.17
	Reuse rate	%	98.86	98.93
	Reused water consumption	10,000t	199,940.47	237,062.79
Energy	Raw coal consumption (SCE)	10,000 tons of standard coal	1,755.88	1,717.64
	Coke	t	0	0
	Petrol consumption	t	1,042.49	1,223.95
	Diesel consumption	t	3,078.89	3,295.34
	Natural gas	10,000 m³	0	0
	Purchased electricity of holding investment enterprises	kWh	1,258,979,528	843,756,903
	Purchased electricity of SDIC Power headquarters	kWh	315,345.22	335,521.99
	Total energy consumption	10,000 tons of standard coal	984.54	959.35
Wastewater	Comprehensive energy consumption per RMB10,000 output value (comparable price)	Ton of standard coal/RMB 10,000	2.11	1.93
	Industrial wastewater discharge	10,000t	0.69	0.24
	Total chemical oxygen demand emissions	t	0.11	0.02
Waste gas	Ammonia nitrogen emissions	t	0.06	0.01
	Sulfur dioxide emissions	t	3,289.33	3,357.31
	Nitrogen oxide emissions	t	7,730.20	7,716.24
	Smoke (dust) emissions	t	471.07	514.31
	Proportion of installed capacity of flue gas desulfurisation units to that of coal-fired generating units	%	100	100
	Proportion of installed capacity of units with ultra-low emission limits to that of traditional coal-fired generating units	%	100	100
	Proportion of installed capacity of flue gas denitrification units to that of coal-fired generating units	%	100	100

6:The data excludes the holding investment enterprises Red Rock Power and NSHE Company.

Indicator		Unit	2023	2024
Solid waste	General industrial solid wastes generated	10,000t	591.11	544.04
	Fly ash generated	10,000t	358.42	337.80
	Slag generated	10,000t	138.85	113.72
	Coal gangue generated	10,000t	0.99	1.27
	Desulfurised gypsum generated	10,000t	90.44	88.55
	General industrial solid waste intensity (comparable price)	t/RMB 10,000	1.26	1.10
	Comprehensive utilization ratio of general industrial solid waste	%	99.19	97.62
	Comprehensive utilization of general industrial solid waste	10,000t	586.43	534.41
	Comprehensive utilization of general industrial solid waste stored in previous years	10,000t	0.08	3.33
	Total hazardous waste generated	10,000t	1.14	1.23
	Hazardous waste intensity	t/RMB 10,000	0.002	0.002
	Total hazardous waste disposed	10,000t	1.13	1.23
	Disposal of hazardous waste stored in previous years	10,000t	0.0025	0.0073
GHG emission	Total greenhouse gas emissions (Scope 1 + Scope 2)	tCO ₂ eq	50,027,884	48,822,417
	Scope 1 greenhouse gas emissions	tCO ₂ eq	50,018,850	48,808,719
	Scope 2 greenhouse gas emissions	tCO ₂ eq	9,034	13,698
	Power generation greenhouse gas emission intensity	tCO ₂ eq/MWh	0.8037	0.8018
	Heat supply greenhouse gas emission intensity	tCO ₂ e/GJ	0.0946	0.1018
Impact of production, services and products on biodiversity	Total amount of breeding and releasing ⁷	10,000 fish	308.1	280.4
Green and environmental protection actions and measures	Carbon quota trading	10,000t	268.2	67.16
	Carbon emission trading amount	RMB 100 million	2.09	0.60
Legality and regulatory compliance in the environment	Investment in environmental protection	RMB 10,000	78,019.74	74,580.27
	Proportion of investment in energy conservation and environmental protection in output value	%	1.57	1.49
Power generation	Thermal power generation	Hundred-million kWh	580.06	562.70
	Waste-to-energy generation	Hundred-million kWh	1.95	2.29
	Power generation with clean energy	Hundred-million kWh	1037.72	1155.73
	including: Hydropower generation	Hundred-million kWh	942.06	1040.85
	Wind power generation	Hundred-million kWh	66.13	66.67
	Solar power generation	Hundred-million kWh	29.53	48.21

7:In 2024, SDIC Qinzhou Second Power bred and released 293.82 million fish into the Qinzhou Port waters, which are not included in the current statistics.

Part II: Social Performance

Indicator		Unit	2023	2024
Safety management	Investment in work safety	RMB 1 million	503.27	565.84
	Number of enterprises with standardized work safety	Nos.	57	63
	Coverage of safety training	Person-time	92,356	162,894
	Training for main safety heads	Person-time	60	407
	Training for work safety management personnel	Person-time	657	3,977
	Training for special operation personnel	Person-time	2,773	8,583
	Training for other personnel	Person-time	53,080	86,151
	Number of persons covered by safety training	Person	16,741	25,397
	Coverage rate of work safety training	%	100	100
	Hours of training on work safety	Hour	146,624	223,269
	Number of holding investment enterprises in safety culture construction	Nos.	33	33
Safety accident and work-related injury response	Number of work-related employee deaths	Person	0	0
	Death rate per million man-hours	%	0	0
	Lost working hours due to work injury	Hour	0	0
	Number of safety emergency plans	Nos.	1,330	1,183
	Number of various safety inspections	Time	8,930	8,768
	Number of safety accidents	Accident	0	0
	Accident rate per million man-hours	%	0	0
	Number of contractor safety accidents	Accident	0	0
Occupational health	Number of persons covered by occupational health examinations and files	Person	2,390	3,056
	Total number of employees who should participate in occupational health examinations and filing	Person	2,390	2,994
	Coverage of occupational health examinations and files	%	100	100
	Investment in work-related injury insurance for employees	RMB 10,000	797.78	868.63
	Coverage rate of work-related injury insurance for employees	%	100	100
	Number of occupational disease patients	Nos.	0	0
	Number of employees participating in occupational disease physical examinations	Person	2,390	2,496
	Number of employees who should participate in occupational disease physical examinations	Person	2,390	2,496
	Coverage of physical examination against occupational diseases	%	100	100

Indicator		Unit	2023	2024
Employee structure	Total number of employees	Person	10,280	10,740
	Number of employees from Hong Kong, Macao, Taiwan, and foreign countries	Person	425	456
	Number of employees from the Chinese Mainland	Person	9,855	10,284
	Number of male employees	Person	8,002	8,424
	Number of female employees	Person	2,278	2,316
	Number of employees aged below 30 (inclusive)	Person	3,523	3,751
	Number of employees aged between 30 and 50 (inclusive)	Person	5,660	5,762
	Number of employees aged over 50	Person	1,097	1,227
	Number of ethnic minority employees	Person	1,321	1,361
	Number of employees with disabilities	Person	15	12
	Number of part-time employees	Person	4	4
	Production personnel	Person	5,709	6,452
	Sales personnel	Person	104	123
	Technicians	Person	2,196	1,940
	Financial staff	Person	394	425
	Administrative personnel	Person	1,877	1,800
	Number of new employees	Person	1,705	1,323
	Number of new female employees	Person	427	334
	Number of new male employees	Person	1,278	989
	Number of newly hired fresh graduate employees	Person	421	418
	Number of newly recruited employees	Person	1,276	905
	Graduate degree or higher degree	Person	728	809
	Undergraduate	Person	5,307	5,775
	Below undergraduate	Person	4,245	4,156
Remuneration and welfare	Labor contract signing rate	%	100	100
	Coverage of social insurance	%	100	100
Democratic management	Frequency of employee participation into democratic management	Time	64	62
	Person-time of employee participation into democratic management	Person-time	2,976	2,628
Employee satisfaction	Number of labor disputes	Nos	2	4
Employee support	Investment in supporting employees in difficulty	RMB 10,000	23.34	13.54
	Number of employees in need of support	Person	84	63

Indicator		Unit	2023	2024
Employee education and training ⁸	Person-times of employee training	Person-time	276,707	315,180
	Annual training expenses	RMB 10,000	2,285.28	2,401
	Total hours of annual training	Hour	1,345,555.29	1,320,149.28
	Employee training coverage	%	99.07	98.44
	Number of male employees receiving training	Person	7,607	8,115
	Proportion of male employees receiving training	%	98.91	98.47
	Number of female employees receiving training	Person	2,156	2,226
	Proportion of female employees receiving training	%	99.63	98.32
	Number of senior management employees receiving training	Person	139	154
	Proportion of senior management employees receiving training	%	100	100
	Number of middle management employees receiving training	Person	572	554
	Proportion of mid-level management employees receiving training	%	97.78	98.75
	Number of ordinary employees receiving training	Person	9,052	9,633
	Proportion of ordinary employees receiving training	%	99.13	98.40
	Average hours for employee training	Hour	136.54	125.67
	Average training hours of male employees	Hour	143.31	129.50
	Average training hours of female employees	Hour	112.47	111.73
	Average training hours of senior management employees	Hour	97.64	109.45
	Average training hours of mid-level management employees	Hour	111.02	102.50
	Average training hours of ordinary employees	Hour	138.76	127.25
Innovative development	Total R&D investment	RMB 100 million	2.55	3.89
	The proportion of R&D investment to main business revenue	%	0.45	0.67
	Number of invention patents	Nos.	32	51
	Number of utility model patents	Nos.	95	95
	Patent application	Nos.	/	255
Supplier management	Number of suppliers	Nos.	5,254	6,022
	Number of suppliers in Chinese Mainland	Nos.	5,112	5,901
	Number of suppliers from Hong Kong, Macao, Taiwan and foreign countries	Nos.	142	121
	Number of suppliers reviewed	Nos.	5,699	6,190

8:The data in the "Employee Education and Training" excludes the holding investment enterprises Red Rock Power and NSHE Company.

Indicator		Unit	2023	2024
Supplier management	Number of suppliers suspended for noncompliance	Nos.	178	108
	Number of suppliers with ISO 9000 Certification	Nos.	308	709
	Number of suppliers with ISO 14000 Certification	Nos.	111	508
	Number of suppliers with ISO45001 Certification	Nos.	104	480
	Proportion of signing integrity agreements	%	100	100
Information security	Breach of networks and information systems	Time	0	0
	Business system downtime	Time	0	0
	Network security incidents and major anomalies	Time	0	0
Social contributions	Number of newly hired fresh graduate employees	Person	421	418
Non-profit charity	Total investment in public welfare donations	RMB 10,000	449.76	609.79
	Number of people benefiting from public welfare donations	Person	36,000	46,000
	Number of volunteers participating in activities	Person-time	1,082	565
	Total hours of volunteer services	Hour	1,974	1,317
	Average volunteer service duration per person	Hour	1.82	2.33

Part III: Governance Performance

Indicator		Unit	2023	2024
Organizational composition and functions	Number of Board of Directors members	Person	8 ⁹	9
	Proportion of Board of Directors members with doctor's degree	%	37.5	44.44
	Proportion of Board of Directors members with master's degree	%	37.5	33.33
	Proportion of Board of Directors members with bachelor's degree and below	%	25	22.22
	Proportion of male Board of Directors members	%	87.5	88.89
	Proportion of female Board of Directors members	%	12.5	11.11
	Proportion of independent directors	%	37.5	33.33
	Proportion of non-independent directors	%	62.5	66.67
	Number of board meetings held	Time	16	18
	Average tenure of Board of Directors members	Year	3.6	2.68
	Proportion of external supervisors	%	66.67	66.67
	Number of Supervisory Committee meetings held	Time	7	7

9:The company's Board of Directors consists of nine members. Due to changes in the employee representative director, there were eight serving directors as of December 31, 2023.

Indicator		Unit	2023	2024
Organizational composition and functions	Average tenure of Supervisory Committee members	Year	2.52	3.03
	Number of senior executives	Person	5	6
	Proportion of senior executives with doctor's degree	%	20	16.67
	Proportion of senior executives with master's degree	%	60	66.67
	Proportion of senior executives with bachelor's degree and below	%	20	16.67
	Proportion of male senior executives	%	100	100
	Proportion of female senior executives	%	0	0
	Average tenure of senior executives	Year	1.75	2.37
Integrity building	Time of training on anti-corruption and integrity	Hour	11,874	1,043,071
	Person-time of participants in training on anti-corruption and integrity	Person-time	31,082	42,961
	Proportion of directors receiving anti-commercial bribery and anti-corruption training ¹⁰	%	/	100
	Proportion of management receiving anti-commercial bribery and anti-corruption training	%	/	100
	Proportion of employees receiving anti-commercial bribery and anti-corruption training	%	/	100
Internal control	Number of material or important internal control defects	Nos.	0	0
Shareholders' equity	Number of general meeting of shareholders held	Time	8	8
	Attendance rate of directors at general meeting of shareholders	%	43.94	44.27
Investor relations management	Number of roadshows and investor exchange meetings	Time	84	90
	Accumulated reception of investors	Person-time	1,122	1,151
Information disclosure system	Periodic reports prepared and disclosed	Nos.	8	8
	Number of periodic reports disclosed by Shanghai Stock Exchange	Nos.	4	4
	Number of periodic reports disclosed by London Stock Exchange	Nos.	4	4
	Interim announcement released	Nos.	86	96
	The number of provisional announcements issued by Shanghai Stock Exchange	Nos.	58	71
	The number of provisional announcements issued by London Stock Exchange	Nos.	28	25
Risk prevention and control	Material litigation and arbitration	Time	0	0

10:The company headquarters and its subsidiaries have a total of 64 internal directors, all of whom have completed relevant internal training. In addition, all directors, supervisors, and senior executives of the company have completed specialized training during the year via the Beijing Listed Companies Association training platform, covering topics such as Integrity Building and *Q&A on Issues Related to the Handling of Financial Fraud Criminal Cases.

To ensure the comparability of the report, the calculation methods for indicators have been optimized, and the 2023 data has been retrospectively adjusted.

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Feedback Form

Dear stakeholders,

Warm greetings! Thanks for reading the 2024 Environmental, Social and Governance Report of SDIC Power Holdings Co., Ltd. To enhance the value of this Report for you and other stakeholders, and to drive our ongoing progress in environmental, social, and governance work, we sincerely expect for your valuable feedback and suggestions on the Report. We look forward to your evaluation and thank you for your support!

1.What type of stakeholder are you?

- ☐ Shareholders and Investors
- ☐ Customers
- ☐ Employees
- ☐ Government and Regulatory Agencies
- ☐ Suppliers and Partners
- ☐ Community
- ☐ Public and Media
- ☐ Others

2.Your overall assessment of the Report:

- ☐ Excellent
- ☐ Good
- ☐ Fair

3.Do you think the Report comprehensively reflects SDIC Power's performance in ESG?

- ☐ Excellent
- ☐ Good
- ☐ Fair

4. Do you think the information, data and indicators disclosed in the Report are clear, accurate and complete?

- ☐ Excellent
- ☐ Good
- ☐ Fair

5. Do you think the layout and design of the Report are well organized and reader-friendly?

- ☐ Excellent
- ☐ Good
- ☐ Fair

6. What kinds of information do you think is not disclosed in the Report?

7. What suggestions do you have for SDIC Power's ESG information disclosure and implementation of ESG principles?

Disclaimer

The information contained in the Report does not constitute any investment recommendation, so investors should not use such information as a substitute for their independent judgment or make decisions solely based on such information, and the Company shall not be liable for any loss or damage caused or likely to result from the use of the information in the Report. The information published by the Company is true and accurate. If there is any inconsistency with the statutory disclosure documents, the statutory disclosure documents shall prevail.

Statements in the Report that constitute forward-looking statements do not bind the Company to its future actions and the Company is under no obligation and does not undertake to revise the forward-looking statements (if any) contained in this document.

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