# 中国神华能源股份有限公司
CHINA SHENHUA ENERGY COMPANY LIMITED

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

Stock Code: 01088


# 2025

# Environmental, Social and Governance Report

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# About this Report



The report mainly elaborates the core values and policies of China Shenhua in the aspects of environmental, social and governance ("ESG"), as well as the practice and performance in 2025. The report aims at enhancing communications with all stakeholders, reflecting the Company's long-term value creation capability and sustainable development potential to jointly promote the sustainable development of the Company and society. The compilation of this report may not be entirely satisfactory due to various objective constraints. Readers are welcome to put forward their comments and suggestions by completing the Feedback from Readers attached to this report. The Company will improve and enhance the report on a best effort basis.

## Reporting Period

The report is an annual report. The reporting period is from 1 January 2025 to 31 December 2025. Certain contents have been retrospectively reviewed and extended in accordance with the principle of information consistency.

## Scope of the Report

Unless otherwise indicated, the information and data in this report cover China Shenhua and its subsidiaries.

## Basis for Preparation

The report is prepared in accordance with the requirements of *the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)* and the Environmental, Social and Governance Reporting Code as set out in Appendix C2 to *the Main Board Listing Rules* of HKEX, with reference to the requirements of *the Guide No.4 for Self-Regulatory Supervision on Listed Companies of the SSE – Compilation of Sustainable Development Reports* and a series of supporting documents, *the Implementation Guidance for Climate Disclosures under HKEX ESG reporting framework* and the GRI Standards of the Global Sustainability Standards Board (GSSB).

## Reporting Principles

Materiality principle: This report, based on the assessment results of the ESG dual materiality issues approved by the Board of the Company, reports the matters of financial significance and impact significance according to four core aspects: governance, strategy, risk and opportunity management, and indicators and objectives.

Quantitative principle: All data and information in this report are derived from the Company's official documents, statistical and financial reports and ESG information collected, compiled and audited by the Company. Data contained herein were gathered and calculated in accordance with the regulations or industry standards of the PRC such as *the General Principles for Calculation of Comprehensive Energy Consumption* (GB/T2589-2020), *the General Rules for Water Statistics in Water-use Organisation* (GB/T26719-2022), *the Calculation Method for Pollutant Discharge Volume at the Discharge Outlet of State-controlled Pollution Sources* (H.B. [2011] No. 8), *the Energy Statistical Reporting System (2021)* (National Bureau of Statistics of the PRC), etc. Unless otherwise stated, the currency unit is CNY.

Balance principle: The contents of this report reflect objective facts, and disclose indicators involving positive and negative information.

Consistency principle: On 11 February 2025, the Company completed the acquisition of 100% equity interest in Hangjin Energy held by China Energy. The information and data scope of this report in 2025 includes Hangjin Energy. Other than that, there are no significant adjustments to the scope of disclosure in this report as compared with the Company's ESG reports from previous years, and a consistent statistical methodology has been used to disclose 3-year comparisons for the key quantitative ESG indicators in order to reflect trends in performance levels.

## Reporting Language

This report is published in Chinese and English. If there are any discrepancies between the two versions, the Chinese version shall prevail.

## Assurance Information

This report has been assured independently by our independent auditor, KPMG Huazhen LLP, in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000) issued by the International Auditing and Assurance Standards Board (IAASB) on a limited assurance basis. The proof, scope, methodology and conclusion of the assurance are set out in the Appendix section.

## Availability of the Report

This report is published in Simplified Chinese, Traditional Chinese and English. This report is available to stakeholders and the public in a PDF document, which can be downloaded from the websites of the SSE and HKEX and the official website of the Company (www.csec.com or www.shenhuachina.com). Please send an email to ir@csec.com or dial 86-10-5813-1088 to request a printed copy of this report.

## Risk Warning

Affected by risks, uncertainties and assumptions, the forward-looking statements in this report, including those concerning anticipated future business activities and their impact based on subjective assumptions and judgments about future policies and the economy, may differ materially from actual results. These statements do not constitute a substantive commitment to investors. Investors should be aware of the investment risks that may arise from improper reliance on or use of such information.

# Message from the Board

In 2025, significant path divergence in international markets has highlighted the complexity of the global ESG ecosystem. Emerging markets, led by China, leveraging on their domestic resource advantages and development stage, accelerated the construction and improvement of their own ESG systems, actively sought to integrate with international standards and highlight the characteristics of local practices, and demonstrated strategic determination and leadership. Facing the shift of domestic regulation from "establishing standards" to "strengthening regulations", China Shenhua took the initiative to shoulder the dual responsibilities of safeguarding national energy security and leading a green and low-carbon transformation, striving to achieve a synergistic effect between enterprise value and social value in sustainable and high-quality development.

## Ensuring energy security and demonstrating the responsibility of central state-owned enterprises

According to relevant research reports, China's coal consumption is predicted to reach its peak during the 15th Five-Year Plan period. Thereafter, the coal consumption will experience a high plateau period of about ten years, and the coal consumption will continue to maintain a relatively high level before gradually entering a downward trend. During this period, the status of coal as China's main energy source will not change, and coal will continue to play an irreplaceable role as "stabilizer" and "ballast stone" in ensuring the security and stability of national energy supply. The integrated operation based on coal is the foundation of China Shenhua's business, the source of efficiency and the basis of transformation. It is also the core capability of serving the national energy strategy and supporting energy security. In the past year, we resolutely implemented the decision and deployment of "increasing production and supply, and stabilizing price and market", focusing on resources continuity and capacity release to strengthen, optimize and expand the coal business. We also focused on new technologies in coal-fired power generation and high-standard planning and layout to enhance the fundamental and regulatory role of coal-fired power generating units, and built a modern integrated logistics system to improve the transportation network, structure and efficiency. We focused on "high-end, diversified, and low-carbon" development to promote the high-quality development of the coal chemical industry and comprehensively enhance the resilience and safety of the industrial chain and supply chain. We strengthened the "first line of defense" of national energy security, created space for the sustainable development of the Company, and gained time and initiative for the green and low-carbon transformation.

## Implementing green development and building an ecological future together

Green and low-carbon development is the main theme of energy transformation in the new era. China has successively issued a series of important policies such as *the Guiding Opinions on Promoting the Integrated Development of Coal and New Energy*, marking the energy industry has entered a critical stage of system restructuring and structural upgrading. Over the past year, we have insisted on building a green operation system that features the whole process, chain and coverage. We developed "ecological mining areas" according to local conditions, increased the application of green technologies such as backfill mining and water conservation mining, and actively explored the "three simultaneousness" of mining, treatment and green restoration, and the proportion of green mines was 82%. We continued to promote the clean and efficient development of coal-fired power plants, and promoted the "linkage of three types of technical reforms" in an orderly manner, so as to achieve full coverage of energy-saving and carbon-reducing transformation of coal-fired power generating units. Under the steady promotion of the integration and development of coal and new energy, the new installed capacity of new energy for the year reached 259 MW, and the proportion of green power consumption reached 100%. We actively promoted the construction of green transportation. The research and engineering application project of KM81 intelligent environmental-friendly coal hopper truck achieved a breakthrough in the whole chain from the research and development of core equipment to the construction of digitalization and intelligent maintenance system. We have proactively laid out the new track for the future industry, and accelerated the cultivation of strategic emerging industries such as hydrogen energy, green hydrogen, ammonia and alcohol, and new energy storage and future industries, so as to create a "second curve" for growth. We fully implemented the construction of a "zero-waste group", formed an industrial chain for the in-depth utilization of coal reject, and successfully explored the technical route for the non-hazardous utilization of waste mineral oils, thereby activating resource efficiency through recycling development. We also strengthened the management and control of the source of fugitive emissions of particulate matter, conducted in-depth treatment of pollutants from coal-fired boilers, and continued to promote the deep reduction of air pollutants. In respect of key industries such as power generation and chemical industry, we promoted the efficient use of unconventional water resources and achieved near zero discharge of wastewater.

## Fulfilling social responsibility and sharing the benefits of development

The high-quality development of enterprises shall serve for people's needs for a better life. Over the past year, we adhered to the people-centred development philosophy and built a closer community of shared interests and community of shared development. We strengthened our efforts to implement the rural revitalization strategy. Throughout the year, we input CNY 89.45 million in designated poverty alleviation counties, implemented 33 assistance projects, and contributed to the cultivation of local characteristic industries and economic development through diversified means such as infrastructure construction, environmental improvement, and consumption assistance, thus contributing to the promotion of common prosperity. As approved by the Board of Directors, the external donations throughout the year amounted to CNY271 million to support the development of public welfare and charitable causes such as social education, environment and health. Overseas enterprises attach great importance to sharing the value of resources and development opportunities with the residential communities to promote the prosperity of local residential communities. Indonesian Java Company won the Grand Prize in the Overseas Responsibility Performance Category in the 2025 "Golden Key Electric Power Theme Competition". We have always been committed to protecting the rights and interests of employees and their development, constantly improving the remuneration and welfare system and career development channels, achieving synchronization between employee growth and corporate development, and building an enterprise that is people-oriented and value happiness. We continued to improve the safety production and occupational health management system, promoted advanced technologies such as unmanned mining, remote control and intelligent inspection, with the goal of "reducing personnel, increasing safety and improving efficiency". We led the intelligent upgrade of the energy industry, including successfully completing the trial run of the world's first group-controlled 35,000-ton heavy-haul train, independently developing high-precision monitoring equipment for ultra-low methane in underground coal mines and an "air-space-ground-well" methane monitoring platform, and pioneering an integrated ecological mining technology system that combines "ecological loss reduction and water resources protection in open-pit coal mining".

## Upholding self-reform and laying the foundation for governance

Strengthening ESG governance is an essential requirement for implementing the construction of a beautiful China, achieving the "Dual Carbon" goals, and promoting green development and transformation. This is also a comprehensive measurement of the synergy and symbiosis among enterprises, the natural environment, and the social ecology, as well as an in-depth examination of an enterprise's internal governance level, sense of responsibility, and development resilience. Over the past year, we continued to improve the construction of the Company's ESG governance system, and effectively promoted the in-depth integration of ESG concepts into the entire process of the Company's strategic planning, investment decision-making, operation management, performance evaluation and corporate culture. Strengthening the top-level design, overall planning and coordination of ESG work, establishing the leading group for ESG governance work and improving the working mechanism of "decision-making, supervision, implementation and feedback" helped to systematize and normalize ESG work and laid a solid organizational foundation. We implemented new domestic and overseas regulatory rules, comprehensively analysed issues of dual materiality, optimized climate change management system and mechanism, preliminarily completed Scope 3 Carbon Emissions data accounting and factor database construction, upgraded ESG data intelligent management system and included ESG key performance into the management assessment system, and the relevant practical cases were widely recognized. Our Company has received numerous honours, including the "2025 Best Practice Cases of Board of Directors and Sustainable Development of Listed Companies" from the China Association for Public Companies and the "China Top 100 ESG Listed Companies (2025)" list from China Media Group.

Looking forward, China Shenhua will have a deep understanding of the guidelines for economic and social development during the 15th Five-Year Plan period proposed at the Fourth Plenary Session of the 20th CPC Central Committee. This includes, based on the general trend of energy industry development and the mission and responsibility of state-owned enterprises, continuously deepening the sustainable development path of "resource conservation and environmental friendliness". China Shenhua also adheres to the principle of "seeking progress while maintaining stability, safety-oriented, innovation-led and high-quality development", deepening the integration of ESG with its business, and driving green transformation through technological innovation. In addition, China Shenhua will focus on enhancing core competencies by "taking coal as the base", unswervingly striving to achieve "strong and excellent", and safeguarding the Company's high-quality and sustainable development through more outstanding governance practices, contributing to the construction of new energy systems and new power systems.

Board of Directors of China Shenhua Energy Company Limited
30 March 2026

# Statement of the Board

The Board of the Company is the highest responsible and decision-making body for ESG matters. It assumes the ultimate responsibility for the Company's overall ESG strategy and information disclosure, and comprehensively supervises various ESG-related issues that may affect the Company's operations, shareholders and other stakeholders. The Safety, Health, Environment and ESG Working Committee under the Board is specifically responsible for supervising the promotion and implementation of key ESG issues, and providing professional advice to the Board, so as to promote the in-depth integration of ESG philosophy and the Company's overall strategy. At the same time, the Audit and Risk Management Committee of the Board assists in the establishment and improvement of the internal control system, and participates in the deliberation and decision-making of major ESG issues such as climate change.

The Company attaches great importance to ESG governance and continues to promote the construction and improvement of ESG management system. Taking into account the internal and external environment and the communication and feedback with stakeholders, the Company regularly carries out analysis on material issues and identification of ESG risks. The list of material issues and ESG risks considered and confirmed by the Board will be included in the key management and supervision areas to ensure that ESG principles are effectively integrated into the Company's development strategies and pervasive in daily operation and management practices, thereby synergistically promoting the coordinated development of economic performance, social justice and environmental sustainability.

The Company has established an ESG target management system that covers core indicators such as carbon emissions, pollutant emissions, and energy and water resources management. The Board reviews and evaluates the progress of these targets on an annual basis. By incorporating ESG-related indicators into the annual performance evaluation of the management and its subsidiaries, the Company has effectively promoted the implementation of ESG targets and the improvement of overall performance.

This report comprehensively reflects the work progress and effectiveness of China Shenhua in the ESG field in 2025, and was considered and approved by the Board on 30 March 2026. The Board and all Directors of China Shenhua guarantee that this report does not contain any false representation, misleading statement, or material omission, and bear corresponding legal liabilities for the truthfulness, accuracy and completeness of the content hereof.

# About China Shenhua

## Profile of the Company

Founded on 8 November 2004, China Shenhua is the world's leading listed coal-based comprehensive energy company, mainly engaging in businesses such as coal, electricity, coal chemical, railway, port and shipping. Starting from the coal mining business, the Company leverages its own transportation infrastructure and sales network, as well as the downstream electricity, coal chemical and new energy industries to achieve cross-sector and multi-industries vertical integration for its mode of development and operation.

China Shenhua is the A+H shares flagship listed company under China Energy. Its H shares and A shares were listed on HKEX and SSE on 15 June 2005 and 9 October 2007, respectively. By the end of 2025, the Company had assets of CNY631.8 billion, with a total market capitalisation of CNY786.3 billion and a total of 91,000 employees.

## Major Business Segments of China Shenhua

### Coal Industry

The Company owns high-quality coal resources located in the Shendong Mines, Zhungear Mines, Shengli Mines, Baorixile Mines and Xinjie Taigemiao Mines, with coal resources of 41.41 billion tonnes, recoverable coal reserve of 17.31 billion tonnes and approved production capacity reaches 350 million tonnes. The Company has built 28 provincial-level or above intelligent coal mines, and owns 23 provincial-level or above green mines. The Company has been awarded the title of Advanced Enterprise in Coal Industry in Energy Conservation and Emission Reduction by the China National Coal Association for several consecutive years. The Company maintains the world advanced level in various indicators such as production, technology, quality, energy consumption and environmental protection. In 2025, the output of commercial coal was 332.1 million tonnes, and the sales volume of coal was 430.9 million tonnes.

### Electricity Industry

The Company controls and operates large-capacity, high-parameter clean coal-fired power units, steadily develops new energy projects, and actively responds to the requirements of new power system construction. The Company has established the first unmanned system for coal-fired generating units in China, of which the ammonia-mixed power generation technology for 630 MW coal-fired generating units was selected as one of the top ten scientific and technological innovation achievements in the energy industry in 2024. The total installed power generation capacity reached 52,676 MW, of which 49,384 MW was coal-fired power, 2,194 MW was gas-fired power, 78 MW was hydropower and 1,020 MW was photovoltaic power. In 2025, the total electricity generated was 220.2 billion kWh and the total electricity sold was 207.0 billion kWh.

### Railway Industry

The Company controls and operates a ring-radial railway transportation network surrounding major coal bases in Western Shanxi, Northern Shaanxi and Southern Inner Mongolia, the Shenshuo-Shuohuang Line, the large west-east coal transportation corridor, and the Huangda Railway, a new energy channel around the Bohai Rim. The Company has a total operating railway mileage of 2,408 kilometres, an annual transport capacity of 530 million tonnes, more than 800 locomotives, and more than 50,000 self-owned railway wagons, making it the second largest railway operator in China. In 2025, the turnover of self-owned railways was 313.0 billion tonne-kilometres.

### Port Industry

The Company owns three coal ports, namely Huanghua port, Tianjin port and Zhuhai port, with a designed throughput capacity of 270 million tonnes per year. Huanghua Port is an important seaport of China's second major corridor for transporting coal from west to east and from north to south. In 2025, the ports handled 261.6 million tonnes of cargo.

### Shipping Industry

The Company owns 40 bulk vessels, with a deadweight capacity of 2.24 million dwt and an annual transportation capacity of 54 million tonnes. Self-owned vessels realized full coverage of shore power facilities. The routes cover more than 200 power plants and coal emergency reserve bases located in coastal and riverside provinces and cities in China, such as Huanghua, Tianjin and Qinhuangdao. In 2025, shipping freight volume reached 111.3 million tonnes, and shipping turnover reached 114.9 billion tonne-nautical miles.

### Coal Chemical Industry

Baotou Coal Chemical is the world's first coal-based methanol-to-olefins industrial demonstration project with main products of polyethylene, polypropylene and a small number of by-products. Its production capacity is approximately 600,000 tonnes/year, and the subsequent construction of a 750,000-tonne/year coal-to-olefin upgrading demonstration project has been steadily progressing. In 2025, polyolefin sales amounted to 723.7 thousand tonnes.

# Key Performance in 2025

## Economic performance

| Revenue | Profit for the year attributable to equity holders of the Company | Net cash inflow generated from operating activities | Gearing ratio |
|---|---|---|---|
| CNY 294.916 billion | CNY 54.218 billion | CNY 75.059 billion | 23.2% |

## Environmental performance

| Investment in environmental protection | Energy consumption per CNY10,000 output | Utilisation rate of general solid waste | Utilisation rate of sewage and wastewater |
|---|---|---|---|
| CNY 4.966 billion | 2.96 tonnes of standard coal/CNY10,000 | 92.84% | 76.05% |

## Social performance

| Investment in production safety | Investment in research and development | Investment in occupational health | Donations to society |
|---|---|---|---|
| CNY 4.059 billion | CNY 4.890 billion | CNY 0.732 billion | CNY 0.271 billion |

## Governance performance

| Percentage of ESG related proposals considered by the Board | Percentage of female Directors | Total tax amount | Total cash dividends during the Reporting Period |
|---|---|---|---|
| 17.1% | 14.3% | CNY 58.475 billion | CNY 64.374 billion |

# Major ESG Honors in 2025

China Shenhua's ESG record has been recognised both domestically and internationally. It has participated in the "2025 China Brand Value Evaluation Information" assessment, and has ranked No. 1 among energy listed companies for consecutive years with a brand value of CNY232.156 billion. It was awarded honorary titles such as AAA Grade Credit Enterprise, China's Top 100 Enterprises and China's Ethical Enterprise.

## Media and Social Awards:

Shanghai Stock Exchange
2024-2025 Information Disclosure Work Evaluation Grade A

China Association for Public Companies
2025 Best Practice Cases of Board of Directors and Sustainable Development of Listed Companies

China National Coal Association
Outstanding CSR Report Release for Enterprises in the Coal Industry of China

China Media Group
China Top 100 ESG Listed Company Pioneers (2025) Ranking List

Fortune
ESG Influencer List in China

Securities Times
Top 100 ESG Listed Companies in China, the 16th Tianma Award for Investor Relations of Listed Companies

New Fortune
Best IR Team Award in Hong Kong Stock Market, Best Sustainable Development Information Disclosure Award

2025 Hong Kong International ESG Forum
Best ESG Practice Case Award

The 3rd Forum on Overseas Communication of Chinese Brand Image
List of Chinese Companies in the 2025 ESG 100 Index

# 01

# Governance related to Sustainability

China Shenhua continues to optimize and upgrade the modern corporate governance system and capabilities with Chinese characteristics, adheres to standard governance as a solid foundation for the Company's sustainable development, deeply integrates ESG concepts into corporate culture, and strives to build a governance mechanism with" legal and transparent rights and responsibilities, coordinated operations, and effective checks and balances". During the Reporting Period, the Company further strengthened its governance effectiveness, earnestly protected the legitimate interests of investors, and continued to strive to build an advanced model for corporate governance of state-owned enterprises.



国家能源集团
CHN ENERGY
宝日希勒露天煤矿

# Corporate Governance

China Shenhua has established a sound and standardized corporate governance structure in strict accordance with *the Company Law of the People's Republic of China* and relevant laws and regulations, as well as *the Corporate Governance Code* of the place where the Company is listed. The Company has established a governance structure consisting of the general meetings of shareholders, the Board and the management with a view to clarifying responsibilities and coordinating operation, which has effectively guaranteed the standardized operation and sustainable and healthy development of the Company.

The details and specific practices of corporate governance in 2025 have been fully disclosed in *the 2025 Annual Report*. The following is a summary of the relevant sections:

## Governance and Operation

In 2025, the Company convened 3 general meetings, at which 12 resolutions were considered and approved. The Board of the Company strictly complied with the resolutions and authorizations passed by the general meetings, and all Directors performed their duties, which effectively guaranteed the standardized operation of the Board. The Company convened a total of 10 Board meetings, during which 10 work reports were heard and 105 resolutions were considered and approved. The Company convened a strategy seminar of the Board in 2025 to systematically plan the Company's development strategies during the 15th Five-Year Plan, set objectives and key tasks and pool our wisdom and strength to continuously promote the high-quality development of the Company.

2025

We held a total of

**10** Board meetings

Heard

**10** work reports

Considered and approved

**105** resolutions

In 2025, the Company systematically revised and improved *the Articles of Association, the Rules of Procedure for the General Meeting, the Rules of Procedure for the Board* and *the Management Policy for the Authorization of the Board*, while optimizing 40 policies in four areas: overall documents, the construction and operation of the Board, investment management, and supervision mechanism, to further enhance the comprehensiveness and effectiveness of the Company's governance system.

In 2025, the sixth session of the Board of the Company has updated the composition of the Strategy and Investment Committee, the Nomination Committee and the the Remuneration and Assessment Committee under the Board, with one female director serving on the Nomination Committee and Strategy and Investment Committee of the Board, in order to fully comply with the provisions of *the Corporate Governance Code* and to meet most of the recommended best practice set forth therein.

In 2025, with the approval of the general meeting, the Company completed the reform of the Board of Supervisors, and the Audit and Risk Management Committee under the Board performed the functions of the former Board of Supervisors. The Company revised *the Rules of Procedures of the Audit and Risk Management Committee*, and launched the project of "Research on the Working Mechanism of the Audit Committee of the State-Owned Listed Companies under the New *Company Law*", with a view to exploring establishing a working mechanism within the corporate governance system that can fully leverage the core supervision role of the Audit and Risk Management Committee.

# Board Diversity

The Board of the Company has formulated the Board Diversity Policy, which mainly includes policy statement, measurable objectives, monitoring and reporting, etc., which are set out in the Rules of Procedures of the Nomination Committee of the Board of the Company and disclosed to the public.

The objectives of the Company's Board Diversity Policy include, but are not limited to, the number of external Directors of Board (i.e., those who do not hold positions other than Directors of the Company) being not less than one-half; the proportion of independent Directors on the Board shall not be less than one-third and the number of independent Directors shall be at least three, including at least one accounting professional, and at least one independent Director shall usually reside in Hong Kong, China; the inclusion of at least one female director and at least one director who is familiar with the production and operation of the Company's core segments such as coal, electricity or transportation, etc.

As of the end of 2025, the sixth session of the Board of the Company consisted of 7 Directors, of which 14.3% were executive Directors, 42.9% were independent non-executive Directors, 71.4% were external Directors and 14.3% were female Directors. The composition of the Board of the Company is reasonable with complementary professionalism, which is in line with the Board Diversity Policy and objectives, and has contributed to the smooth and efficient operation of the Company and the achievement of performance targets.

**As of the end of 2025**

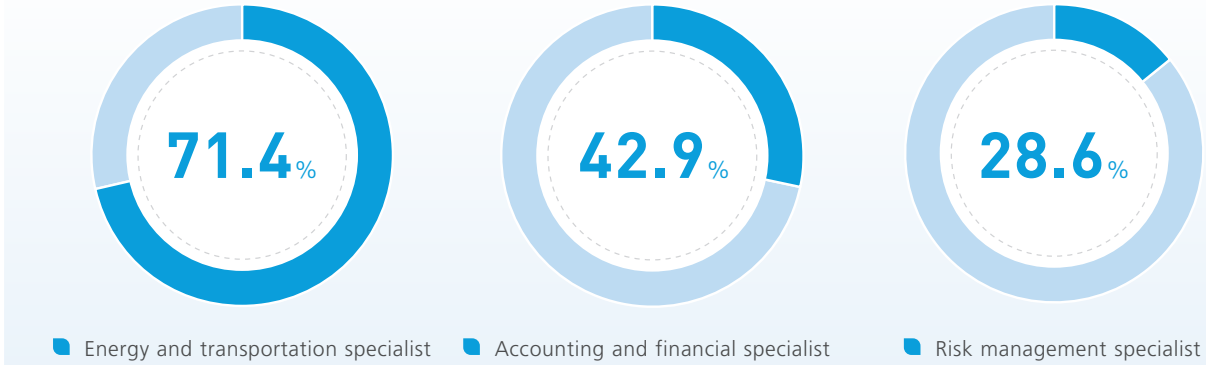
Executive Directors accounted for **14.3%**

External Directors accounted for **71.4%**

Independent Non-executive Directors accounted for **42.9%**

Female Directors accounted for **14.3%**

## Director's professional skills



# Board Independence

The Company actively implemented the relevant requirements of the reform of the independent Director system by revising and improving *the Work Rules for Independent Directors* and other systems, which stipulate in detail the appointment criteria, nomination, election and replacement, duties and rights, performance assurance of independent Directors, with a view to giving better play to the roles of independent Directors of "participation in decision-making, supervision and checks and balances, and professional consultation".

The Company has established and implemented a number of mechanisms to ensure that the Board receives independent perspectives and opinions. Independent Directors conduct annual self-inspections on their independence and submit the self-inspection results to the Board. The Board has assessed the independence of independent Directors during the Reporting Period and issued specific opinions. The Company has received annual written confirmation of independence from each of the independent non-executive Directors. The Company considers that all independent non-executive Directors are independent individuals, and the number and background of independent Directors are in compliance with the requirements of the Listing Rules of the places where the Company's shares are listed.

The majority of members of the Audit and Risk Management Committee, the Remuneration and Assessment Committee, and the Nomination Committee under the sixth session of the Board of the Company are independent Directors, who also serve as chairpersons. Three independent Directors, within their authority, fully expressed their opinions and voted prudently from an independent and objective perspective in accordance with the law, and paid attention to the implementation and effect of relevant meeting resolutions, effectively ensuring independence and impartiality.

# Training and Site Visits of Directors

In 2025, the members of the Board actively participated in various trainings held by regulatory authorities such as stock exchanges and listed company associations, with a total participation of 12 times, with 50 participants and total training duration of 76.9 hours. The training covered key issues such as compliance management, ESG and sustainable development, which enhanced the professional knowledge and duty performance capability of Directors.

The Company arranged site visits for the Directors with focuses on the implementation of the national energy security strategy, promotion of green and low-carbon transformation and enhancement of value creation capability. According to the annual work plan of the Board for 2025, the members of the Board on-site visited Zhangzhou Nuclear Power, Shishi Power Plant of Fujian Company and the headquarters of the Company to conduct in-depth investigations on the consolidation of coal power integration, high-quality transformation and development, comprehensive utilization of nuclear energy and ESG governance, and put forward a number of constructive opinions and suggestions.

2025

The members of the Board participated in

**12** various trainings

With

**50** participants

A total training duration of

**76.9** hours

The Directors of the Company conducted a site visit at our subsidiary in the power industry.

# Remuneration and Assessment of Directors and Senior Management

The Company has established and continues to improve the evaluation and management system for Directors and senior management. In 2025, the Company included indicators such as serving the overall strategy, quality and efficiency, innovation-driven development and ESG governance in the management's annual performance assessment, and determined performance-based compensation based on the assessment results.

| Types of indicators | Assessment indicators | Proportion |
|---|---|---|
| Functional guarantee | Production and operation indicators, market value management, brand value enhancement, etc. | Approximately 47.90% |
| Quality and efficiency | Total profits, economic added value, labour productivity of all employees, etc. | Approximately 26.95% |
| Technological innovation | R&D investment, technology output, etc. | Approximately 11.98% |
| ESG governance-related | Safety, health and environmental protection, rural revitalization, account management of SMEs, etc. | Approximately 13.17% |

The Company has optimized the management of remuneration payment for senior management, and explored the establishment of a deferred payment system for the annual performance remuneration of senior management of the Company. The payment progress is linked to risk prevention and control and project completion, and the deferred payment period is generally not less than 3 years. In the case of subsidiaries in an industry that the state or a higher-level authority specifically requires to implement deferred payment, deferred payment shall be implemented according to the regulations.

The Company has established and improved a comprehensive remuneration clawback mechanism for senior management. If the senior manager violates the relevant national laws and regulations, or cause heavy economic losses and significant adverse effects due to the failure to perform or correctly perform the duties, the higher-level authority may, according to the results of Party disciplinary and administrative punishments and determination of liability for asset losses, deduct the annual performance salary and tenure incentive income of the relevant senior manager for the current year, or clawback part or all of the paid annual performance salary. The clawback mechanism applies to senior managers who have resigned or retired.

# ESG Governance

China Shenhua has fully integrated ESG concepts into the corporate strategy system and adheres to the core values of "green development and pursuit of excellence". China Shenhua has also continued to improve ESG management level, deepened effective communication with stakeholders, and gradually established an ESG governance mechanism featuring "four forms and three characteristics" with Shenhua characteristics, so as to promote the Company's sustainable and high-quality development.

In 2025, the Company implemented special actions in key areas such as the identification of issues of dual materiality, ESG rating improvement and climate change management and achieved fruitful results. Systematized, refined and intelligent development of ESG governance reached a new level.

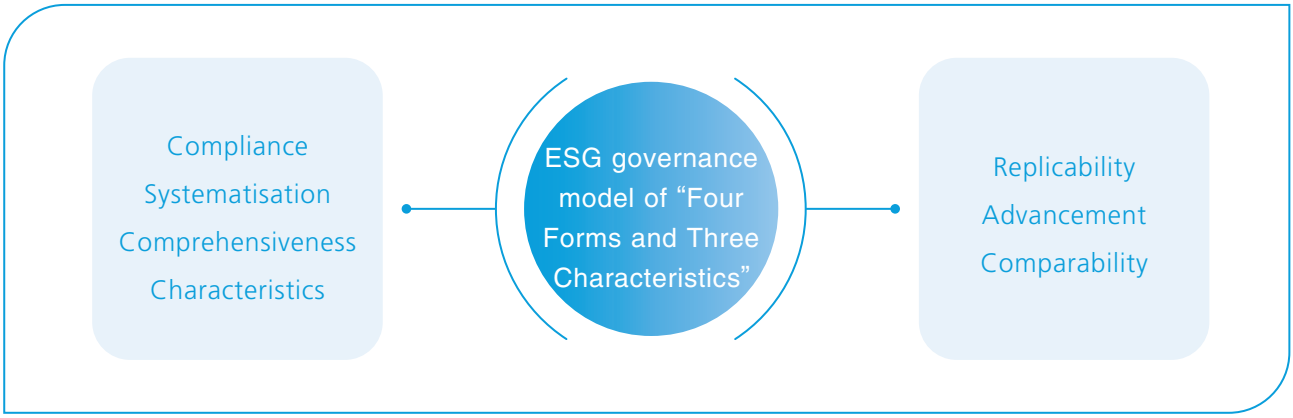
## ESG Governance Philosophy

**Pioneer in Energy Revolution, Ballast for Energy Supply**

| Purpose | Core Values |
|---|---|
| Empower Social Development, Boost Economic Growth | Promote Green Development, Pursue Excellence |

| Sustainable development | Value creation | Everlasting trust | Happy life | Mutual benefit & co-winning |
|---|---|---|---|---|
| Promoting the construction of a clean, low-carbon, safe and efficient energy system | Accelerating the construction of a world-class integrated listed energy company with global competitiveness | Committing to providing more cutting – edge technologies, superior energy and services | Focusing on people's aspirations for a better life, enhancing people's well-being and promoting common prosperity | Leading the way towards higher quality, higher level and more sustainable cooperation in the energy sector |

## ESG Governance Model



# ESG Governance Structure

China Shenhua has established an ESG Governance Structure with distinct layers and clear functions, covering the Board, the management, functional departments of the headquarters and subsidiaries and branches, to ensure efficient ESG management and promote the sustainable development of the Company. In 2025, in order to strengthen the top-level design, overall planning and coordination of ESG work, the Company established an ESG governance work leading group headed by CEO, and set up the office and four special working groups on environment and energy, social contribution, corporate governance and information disclosure. This has improved the working mechanism of "the leading group makes decisions, the office coordinates and supervises, and the working groups implement and provide regular reports and feedback", and laid a solid organisational foundation for the systematization and normalization of ESG work.

China Shenhua's ESG Governance Structure

| | Organisation | Responsibilities | Personnel Composition |
|---|---|---|---|
| Decision-making level | Board | Overall ESG planning and major issues decision-making and deployment. | Directors |
| | Safety, Health, Environment and ESG Working Committee | Supervising the corporate governance of sustainability risks and opportunities, considering and measuring the sustainability risks and opportunities in the Company's business activities, and urging the implementation of skills training on sustainability risks and opportunities. | Executive Directors<br>Non-Executive Directors |
| | Audit and Risk Management Committee | Promoting the establishment of an effective internal control system and participating in the consideration and decision-making of ESG issues such as climate change. | Independent Non-Executive Directors |
| Management level | Senior management | Initiating or deploying ESG-related actions, monitoring work progress, etc. | Senior management, heads of relevant departments of the headquarters |
| | ESG Governance Leading Group | | |
| Implementation level | ESG Governance Office | Overall planning, coordination and implementation of daily ESG management. Organising the preparation of ESG reports. | Relevant personnel of the Corporate Management and Legal Affairs Department of the headquarters and the Office of the Board |
| | Working Group on Environment and Energy, Social Contribution, Corporate Governance and Information Disclosure of the Headquarters | Responsible for the promotion and implementation of ESG strategies and targets of the Company. | Professionals from various departments of the headquarters |
| | Subsidiaries and branches | | Persons in charge and personnel of relevant departments and units responsible for ESG |

# Integrating ESG into Corporate Governance

China Shenhua has always regarded sustainability governance as a core part of its corporate governance system, and achieved in-depth integration of the two at strategy, management and execution levels through institutional arrangements. The Company has established a systematic management mechanism based on ESG objectives, and has incorporated key sustainable development issues such as low-carbon development and environmental protection into its long-term strategic plans and annual business plans, and implemented closed-loop management according to the three-level ESG governance structure of "decision-making level – management level – implementation level".


In terms of supervision and reporting mechanism, the Company has established a regular process for ESG information collection, assessment and disclosure, including quarterly reporting to the management on the daily ESG management progress, and semi-annual reporting to the Audit and Risk Management Committee on the progress of climate risk management and control, and annual reporting to the Board on the ESG work for the current year and the key points of ESG work for the next year. The Safety, Health, Environment and ESG Working Committee and the Audit and Risk Management Committee under the Board perform daily supervision and risk management and control functions respectively, and implement continuous supervision by reviewing the progress of ESG objectives, risk list and annual work key points. At the same time, the independent directors have actively carried out site visits on ESG to further strengthen the independence and professionalism of governance supervision. In 2025, the Board considered a total of 18 ESG-related resolutions. The Safety, Health, Environment and ESG Working Committee also considered the issues such as the main points of ESG work for the year 4 times, the Audit and Risk Management Committee heard 2 reports on climate risk management and control, and considered ESG-related matters 8 times. The Company held two general manager meetings to discuss and promote ESG matters.

**2025**

ESG-related resolutions deliberated by the Board

**18** resolutions

ESG-related resolutions deliberated by the Audit and Risk Management Committee

**8** times

Dedicated meetings of general manager on advancing ESG matters

**2** times

The Company has also deeply embedded ESG performance into its performance assessment system, implemented weighted assessment on ESG indicators for senior management, and established corresponding incentive and restraint mechanisms. Through institutionalised training, professional communication and capacity building, the Company has continued to improve the duty performance capabilities of governance bodies, and formed a complete governance loop of "strategic integration – target management – supervision and reporting – assessment and incentives", so as to promote the integration of corporate governance and sustainable development in the mechanism, achieve integration of processes and culture, and continue to consolidate the governance foundation for long-term high-quality development of the Company. Please refer to the "Corporate Governance" section of this report for the performance indicators and their weights.

strategic integration → target management → supervision and reporting → assessment and incentive

In 2025, China Shenhua comprehensively summarised the implementation results of *the 14th Five-Year Special Plan on ESG Governance*. China Shenhua adhered to strategic guidance and problem-oriented orientation, and formulated the "*China Shenhua 15th Five-Year Special Plan for ESG Governance*", set the goal of "building a world-leading ESG practice model" and formulated a "three-step" approach with supporting measures such as organization, mechanism and capital to achieve strategic closed-loop management. At the same time, the Company strengthened digital empowerment and the application of innovative methods to promote the systematic, sophisticated and intelligent management of ESG work.

| | |
|---|---|
| Improve ESG governance structure | An ESG working group has been established, headed by key lead person, with an office and four special working groups for environment and energy, social contribution, corporate governance and information disclosure. This forms a three-tiered management system of "leading group – office – working groups," clearly defining the division of responsibilities and coordination mechanisms, aiming to provide organizational support for the systematic advancement of ESG work. |
| Establish a climate change management system | The framework for climate change information disclosure has been formulated, *the Management Measures for Addressing the Risks and Opportunities of Climate Change* have been refined, and the responsibilities of departments have been clearly defined. The development of climate scenario analysis methods and processes suitable for our business has also been explored. The analysis and modelling of climate scenarios for 9 pilot entities have been completed, the list of climate risks and opportunities at the Company level has been updated, and climate governance has been continuously improved through the monthly tracking mechanism. |
| Complete the assessment of the dual materiality issue | In accordance with domestic and overseas regulatory requirements, the identification of issues of dual materiality has been systematically carried out. Through questionnaires filled by multiple stakeholders and internal financial data analysis, issues of both impact and financial materiality have been identified, and an ESG dual materiality issue matrix has been established. For detailed assessment process and results, please refer to the section headed "Assessment of Important Issues" of this Report. |
| Promote ESG information disclosure compliance | In accordance with the new ESG regulations, the status of disclosure has been comprehensively sorted out and the gaps have been systematically identified, and a specific improvement plan has been formulated. Through the establishment of a task supervision mechanism, the division of responsibilities and completion time have been clearly defined, and various rectification and optimization work have been progressed in an orderly manner. Some key tasks such as Scope 3 carbon emission calculation, ESG assessment and risk management process optimization, improvement of stakeholder communication mechanism and enhancement of supply chain security have been completed, laying a solid foundation for high-quality compliance disclosure. |
| Improve benchmark rating performance | Through cross-departmental discussions, targeted feedback and regular communication, the Company has actively responded to inquiries from authoritative domestic and international ESG rating agencies, and systematic explanations on issues such as employee health and safety and corporate governance, the rating result has steadily improved. |
| Enhance the impact of sustainability | Through continuous participation in external evaluations and capacity building, as well as by constantly expanding professional capabilities and brand value in the field of sustainable development, nearly 20 ESG practice case studies have been submitted to the State-owned Assets Supervision and Administration Commission of the State Council, industry associations, and mainstream media. Participating in the first ESG Management Innovation Skills Competition of China Energy and winning a number of awards, the internal professional capabilities of ESG and the cultivation of sustainable development culture have been further improved. Throughout the year, a total of 25 authoritative honours in the ESG field were obtained, and the impact of sustainable development was also widely recognized. |
| Consolidate the foundation of ESG data management | Combining regulatory requirements with actual business needs, an ESG governance indicator system covering 1,258 indicators across three levels of ownership has been established. Among them, the online deployment of more than 700 quantitative indicators has been completed, and the names of historical data indicators from 2019 to 2024 have been standardized to achieve comparability of five years of data, thereby providing support for ESG digital management and continuous improvement. |

# Risk and Compliance Management

China Shenhua has thoroughly implemented *the Guidelines for the Comprehensive Risk Management of State-owned Enterprises* issued by the State-owned Assets Supervision and Administration Commission of the State Council and the relevant requirements of domestic and overseas authorities regarding listing supervision, continuously improving its comprehensive risk management system and consolidating the foundation for sustainable development. The Company organizes and carries out a comprehensive risk assessment covering all business areas and functional links every year, systematically identifies and assesses various risks including ESG, determines the annual list of significant risks and formulates specific control measures. Through continuous optimization of internal control and risk management mechanism oriented by risk management and control, the risk prevention capability has been continuously improved, providing a solid guarantee for the stable operation and high-quality development of the Company.

When assessing sustainability risks and opportunities, the Company fully considers the direct and indirect links in the upstream (suppliers, raw materials, logistics, etc.) and downstream (customers, product use, waste disposal, etc.) of the value chain. For example, in the upstream segment, the Company comprehensively evaluates the ESG performance of suppliers, effectively identifies and avoids potential risks, and urges suppliers to thoroughly implement the concept of green development. In the downstream segment, the Company focuses on energy efficiency or social impact at the use stage of products, as well as waste recycling rate or circular economy. During the Reporting Period, there were no significant changes to the Company's business model and activities, the sustainability-related risks and opportunities it faces, or the scope of its value chain.

## Risk and Compliance Governance

China Shenhua strictly complies with *the Company Law of the PRC, the Compliance Management Measures for State-owned Enterprises* and other relevant laws and regulations. It has formulated the management systems such as *the Provisions on Compliance Management, the Guidelines for the Compliance Risk Pre-control of A+H Listed Companies*, and *the Implementation Measures for Compliance Review* to foster compliance culture and insist on operating with integrity, so as to create a standardized and law-based operating environment. The Company has established a risk management organizational structure with clear function and responsibilities and distinct task allocation, and implemented integrated management of various risks including ESG risks.

| Board of Directors | Audit and Risk Management Committee | Management of the Company | Audit Department of the Company |
|---|---|---|---|
| It systematically reviews the Company's internal control and risk management system every year, provides guidance and supervises the establishment and implementation of the risk management system, approves the fundamental risk management system, overall strategy and annual significant risk assessment results, and regularly prepares and discloses internal control assessment reports. | Composed of Directors with professional backgrounds, it provides professional support to the Board in considering on relevant matters. | As the main body responsible for internal control & risk management, it is responsible for studying and reviewing matters related to internal control & risk management, organising the formulation of related rules, work plans and countermeasures for internal control & risk management in various fields and supervising their implementation. | It collaborates with various business and functional departments to jointly oversee the daily risk management, actively cultivates risk control awareness among all employees, and continuously promotes the improvement of the Company's overall risk management level. |

In 2025, the Company launched a campaign to deepen compliance governance. Starting from improving the organizational system, optimizing the institutional system, and implementing the operation mechanism, the Company strengthened the business compliance management in safety production, ecological and environmental protection, bidding and procurement, project investment, engineering construction, capital management, anti-monopoly and anti-unfair competition and other key areas. It strictly controlled the increment of compliance risks and eliminated the existing compliance risks, thereby driving the significant reduction of major compliance risks of the Company at all levels. The Company carried out penetrating assessment on the adaptability and effectiveness of regulation in five aspects, namely corporate governance, control model, operation mechanism, policies & measures and technical means, and steadily promoted the upgrading of internal control & risk management; revised and improved the internal control & risk management manual and internal control evaluation manual, adding articles on the management and control of ESG risk matters such as climate change, privacy protection as well as safety, health and environmental protection. China Shenhua was awarded the Best Practice Case of Internal Control of Listed Companies in 2025 for its Value-added Management Internal Control Evaluation of Large-scale Energy Listed Companies, and won the First Prize of Excellent Practice Achievements in Enterprise Management Innovation in the "Practice Achievements of Enterprise Management Innovation in 2025" by the China Enterprise Evaluation Association, and the Second Prize of the 32nd National Enterprise Management Modernization and Innovation Achievements of the China Enterprise Confederation. During the Reporting Period, the Company had no material violations of laws and regulations.

# Risk Management and Control Process

The Company has established a closed-loop risk management process throughout the year, covering key aspects such as risk identification, assessment, monitoring, early warning and evaluation. Through the operation mechanism of "risk assessment and reporting at the beginning of the year, quarterly significant risk monitoring and early warning, and annual internal control evaluation", the Company has established a closed-loop risk management and continuously improved the overall risk prevention and control resilience and governance level of the Company.


The Company organises a comprehensive risk assessment for the whole year at the beginning of each year. It collects various types of risk-related information in a timely manner according to the strategic objectives and operation and management objectives, and effectively identifies various risks that affect the Company's strategies and operation and management objectives in light of the internal and external environments of the Company. The Company analyses and evaluates the identified risks, including analysing the possibility and conditions of the occurrence of the risks, and assessing the degree of impact of the risks on the achievement of the Company's objectives, so as to determine the risk assessment results.


The Company considers the risk appetite and risk tolerance level to determine risk response strategies, adopts appropriate control measures, and discloses them after the consideration by the Board, and tracks and monitors significant risks and overseas operation risks on a quarterly basis.


The Company has set up an internal control supervision and inspection mechanism to conduct annual evaluation on internal control. The internal control evaluation procedures include formulating the internal control evaluation plan, forming an internal control inspection working group, conducting internal control self-assessment, conducting internal control inspection and evaluation, communicating and identifying internal control deficiencies, rectifying internal control deficiencies, preparing internal control evaluation reports, which shall be considered and disclosed by the Board. The Company reports its annual internal control evaluation and *Internal Control Evaluation Report* to the Board and the Audit and Risk Management Committee each year, and reports the Company's major internal control risk-related matters and solutions in a timely and truthful manner, which are helpful for the Board to evaluate the Company's monitoring and the effectiveness of its risk management.

In order to improve the effectiveness of risk management, the Company has built an internal control and risk management information platform, which is a multi-level and multi-business risk early warning indicator system, to achieve online and intelligent operation with functions such as information collection, risk identification, assessment and analysis, monitoring reports and internal control evaluation. At the same time, the Company has established a real-time reporting and response mechanism for major risk events to ensure early detection and response of risk events, effectively prevent the spread and superposition of risks, and continuously enhance the overall risk resilience of the company.

# Risk and Compliance Objectives

The internal control objectives of the Company are to reasonably ensure the legality and compliance of operation and management, asset safety, the authenticity and integrity of financial reports and related information, to improve the efficiency and effectiveness of operation, and to facilitate the realization of development strategies. In 2025, the Audit and Risk Management Committee of the Board carefully studied the Company's annual internal control evaluation work plan, and truthfully disclosed the internal control evaluation report considered and approved by the Board. After evaluation, during the Reporting Period, the Company found no material or significant deficiencies in its internal control, the risk management and internal control system of the Company were operating effectively, and no material risk events occurred.

# Due Diligence

The Company has formulated and implemented a series of management documents such as the Provisions on *Internal Control and Risk Management, the Manual on Internal Control Risk Management* and *the Risk Monitoring and Early Warning Indicator System*. Through the professional risk management information system, the Company identifies and assesses risks including sustainability-related risks every year, and formulates response mechanism. Through standardized management processes and regular risk control activities, the Company has continuously strengthened its capabilities of risk identification, assessment and response to ensure the effective operation of the risk management system.

The Company carries out due diligence on internal control risks (including sustainability risks) every year. The scope of the due diligence covers all aspects of the Company, and the audit department of the Company organizes each department and each subsidiary and branch to carry out the due diligence, so as to effectively identify various risks affecting the corporate strategy as well as operation and management objectives. The Company identifies the corresponding control measures and responsible entities based on its internal policies, and establishes and improves the internal control risk matrix.

### Audit Department of the Company

It organizes all departments, subsidiaries and branches to identify risks and controls, and establishes and updates an integrated framework for risk classification and business control.

### Each department/subsidiary and branch

It continuously collects internal and external risk-related information in a comprehensive and systematic manner, identifies risks and controls, and revises and improves the internal control risk matrix relating to the department/unit in a timely manner.

By identifying various risks affecting the achievement of corporate strategies and operation and management objectives, the Company has established a risk classification management framework, including 5 first-level risks, 37 second-level risks and 144 third-level risks. In 2025, we assessed the degree of impact and likelihood of impact of each potential risk, and ranked the risks based on their degree of impact on the achievement of objectives of the enterprise. A total of 8 significant annual company-level risks were identified, and relevant countermeasures have been formulated. Please refer to the section headed "Management Discussion and Analysis" in *the 2025 Annual Report* of the Company. The main ESG risks faced by the Company, including but not limited to safety production, environmental protection, climate change, compliance operation and supply chain management, have been incorporated into the existing risk management and control system. For the definition of the time range of the impacts of ESG risks on the Company, please refer to the section headed "Addressing Climate Change" in this report.

# Communication with Stakeholders

China Shenhua identifies various stakeholders based on industry trends, characteristics and development of the Company. In 2025, the Company formulated management systems such as *the Manual on Communication with Stakeholders* to further standardize the management of communication with stakeholders. We respect the legitimate rights of our stakeholders, maintain open, transparent and effective communication with our stakeholders on a regular or irregular basis, listen to their suggestions, respond to and properly handle in a timely manner, and jointly promote the sustainable and healthy development of the Company.

| Stakeholders | Key Issues | Communication Channels | Communication frequency |
|---|---|---|---|
| Government and regulation authorities | Abiding by the law<br>Compliance of operations<br>Energy security<br>Sustainable development<br>Tax payment in compliance with the law<br>Boosting local economy | Inspection and supervision<br>Approvals and audits<br>Communication and reporting<br>Site visits and seminars<br>Think tank cooperation | Monthly/quarterly/annually/ irregularly |
| Shareholders and investors | Compliance of operations<br>Sustainable development<br>Shareholder returns<br>Information dissemination | Information disclosure<br>Website and WeChat official account of the Company<br>Performance briefing<br>Roadshow and communication<br>Cash dividend | Daily/monthly/irregularly |
| Clients | Good faith performance<br>Quality assurance<br>Excellent service | Site visits and surveys<br>Satisfaction surveys<br>Contract fulfilment<br>Dedicated services for major clients<br>Build customer personas | Weekly/Monthly/annually/ irregularly |
| Employees | Company development<br>Management optimization<br>Salary and welfare<br>Career development<br>Health and safety<br>Employee rights protection<br>Humanistic care | Regular training<br>Suggestions and advice<br>Employees' representative conferences<br>Cultural activities<br>Chairman's mailbox<br>Complaint platform | Monthly/quarterly/annually/ irregularly |
| Community | Climate change response<br>Water resource protection<br>Pollution prevention and control<br>Energy conservation and emission reduction<br>Biodiversity<br>Community development<br>Public welfare activities<br>Job creation | Environmental impact assessment<br>Statement and undertaking<br>Environmental data collection and disclosure<br>Community communication<br>Public open day<br>Public welfare activities<br>Rural revitalization<br>Media communication | Daily/monthly/quarterly/ annually/irregularly |

| Stakeholders | Key Issues | Communication Channels | Communication frequency |
|---|---|---|---|
| Industry and partners | Business ethics<br>Transparent procurement<br>Mutual benefit and win-win situation<br>Fair competition<br>Promoting the progress of the industry<br>Driving the development of industrial chain | Contract performance<br>Public procurement, e-procurement<br>Business cooperation<br>Professional training<br>Exchange of experience<br>Technical cooperation | Monthly/quarterly/annually/ irregularly |
| Media and Analysts | Transformation and development<br>Production and operation<br>Significant investment<br>Social responsibility<br>Shareholder return | Performance briefing<br>Press conference<br>Corporate media<br>General meeting<br>Information disclosure<br>Roadshows and networking | Monthly/quarterly/annually/ irregularly |

## Communication methods and results between China Shenhua and capital market investors in 2025

| Communication methods | Communication content and results |
|---|---|
| Performance briefing | During the year, four regular online performance briefings were held in relation to the performance results, and 133 questions raised by investors online were answered. |
| Analyst conference call | After the results presentation, results pre-announcement and major project announcements, analyst conference calls were held to discuss in-depth issues such as company development, sales strategies, project progress and dividend policies. 7 conference calls were organized throughout the year, with an average of approximately 220 participants per call. |
| Performance roadshow | The spring investor visit campaign of 2025 named "Strong Resilience + High Returns" has been launched in Beijing, Shanghai, and Shenzhen. 3 large-scale group meetings were held, 16 institutional investors have been visited, and opinions were exchanged with more than 300 shareholders and investors. |
| Reverse roadshow | The autumn reverse roadshow of 2025 named "Power of Stabilizers – Exploring Shenhua Power's Location Advantages and Guaranteed Mission" was successfully held in Sichuan Energy Tianming Power Plant. More than 70 securities analysts, institutional and individual investors from home and abroad participated in the event. |
| Daily communication | By hosting investor visits and participating in securities firm strategy meetings, the Company achieved two-way information transmission, promoting the alignment of the Company's value with market perception. During the year, more than 220 networking events were held, with over 4,200 investors participating, representing a year-on-year increase of over 20%. |


# Assessment of Important Issues

In accordance with the Company's practice of assessing important issues with a cycle of three years, as well as the requirements of regulatory authorities for assessing financial materiality, and based on a comprehensive understanding of the Company's activities and business relationships, the external objective environment and the major affected stakeholders, in 2025, China Shenhua has carried out the analysis and assessment of important issues to assess the impact and financial materiality of each ESG issue on the Company.

**Establishment of a list of issues**

The list of issues consists of 21 issues set out in the Shanghai Stock Exchange's "*Sustainable Development Guidelines*".

**Assessment of issues of impact materiality**

The Company has conducted an online questionnaire survey to invite internal and external stakeholders to assess the impact materiality of each issue, including internal stakeholders such as Directors, senior management and employees, as well as external stakeholders such as the industry peers and partners, shareholders and investors, customers, communities, governments and regulatory bodies, and finally recovered 822 valid questionnaires. The Company obtained the assessment results of various stakeholders on the issues by weighting the scores from various stakeholders, and identified 9 issues of high materiality, 10 issues of medium materiality and 2 issues of low materiality based on the set score thresholds.

**Assessment of issues of financial materiality**

By identifying risks and opportunities that affect the Company's business operations and capital expenditures, and based on key content disclosed in recent ESG reports and annual reports, as well as the opinions of industry and financial experts, the Company has identified the relevant financial elements of various issues that may arise in the course of the Company's operations and has prepared questionnaires. Questionnaire survey and collection of the average data of financial key indicators related to corporate issues in typical business segments of the Company in the past three years are used to quantitatively assess whether the issues have significant financial impact in its business operations from the bottom up. Finally, 21 quantitative data results of financial impact were obtained, and the financial materiality was ranked according to the level of financial impact. Based on the set impact threshold, 3 issues of high materiality, 14 issues of medium materiality and 4 issues of low materiality were identified.

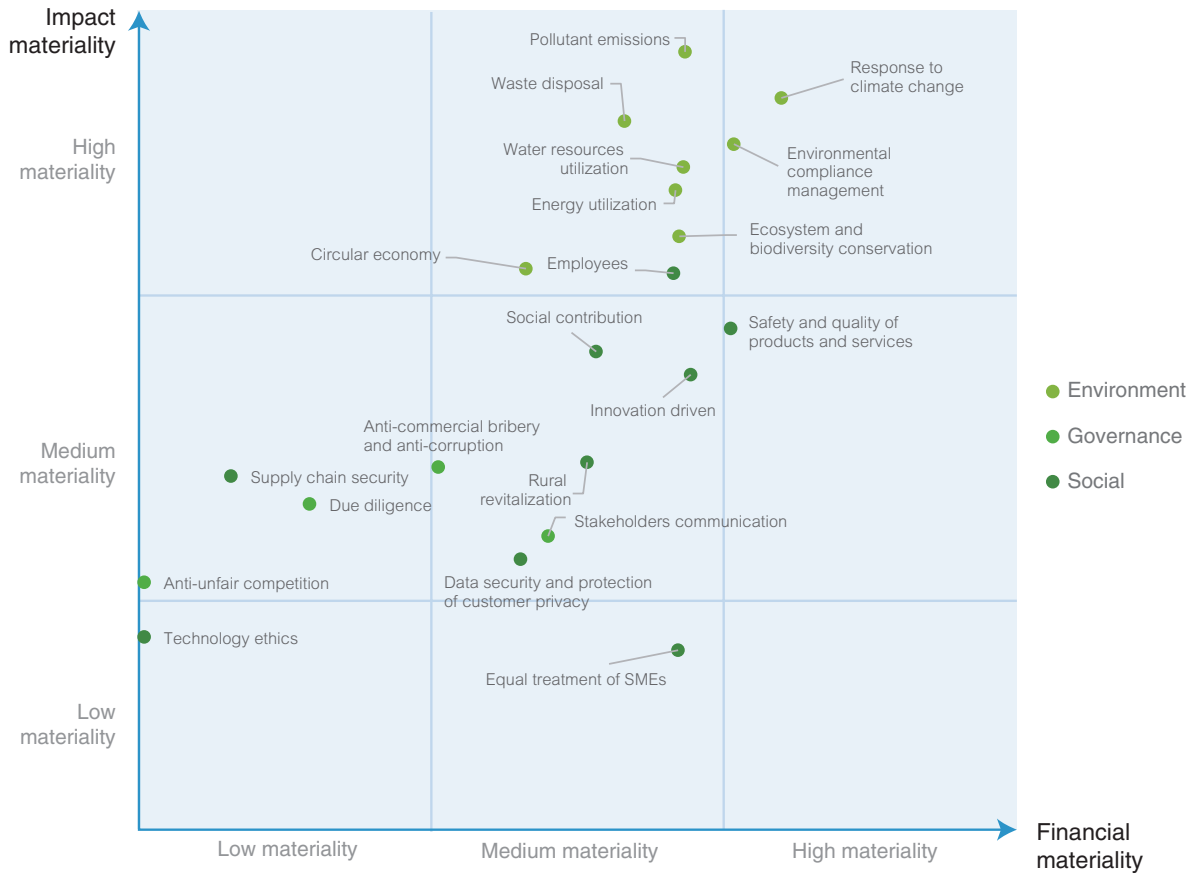
**Integrating impact with financial materiality results**

Based on the results of the impact materiality and financial materiality assessments, a matrix of dual materiality issues was developed and the proposal on the dual materiality issues was submitted to the eighth meeting of the sixth session of the Board of the Company for approval.

**Information disclosure of materiality of issues**

The Company identified and assessed that the issues of dual materiality are response to climate change and environmental compliance management, and the issue of financial materiality is safety and quality of product and service (Safety Production). In this report, the above three issues that are of financial materiality and dual materiality to the Company are disclosed in accordance with the framework of "governance, strategy, risk and opportunity management, indicators and objectives".

China Shenhua's 2025 Sustainable Development Materiality Matrix




# Business Ethics

China Shenhua regards integrity, compliance, and business ethics as the cornerstones of its sustainable development. China Shenhua strictly abides by *the Anti-Unfair Competition Law of the People's Republic of China* and other laws and regulations, adheres to compliant operations and fair competition, opposes any form of commercial bribery, money laundering, monopoly, and unfair competition, and strictly requires all employees and suppliers to be honest, compliant, and uphold business ethics.

## Business Ethics Governance

China Shenhua adheres to the bottom line of business ethics, and has established a full-chain business ethics governance system covering system development, process control, supervision and accountability, to ensure standardized and sustainable operation of the Company.

### Sound compliance management system

In order to fully implement the core philosophy of business ethics and compliant operation, the Company has formulated and implemented such management documents as *the Compliance Management Regulations (Trial)*, *the Integrity and Compliance Manual* and *the Business Ethics Code*, which have been jointly reviewed by the Company's compliance and audit departments. These policies comprehensively cover the headquarters and all subsidiaries and branches of the Company, and explicitly prohibit any form of corruption, bribery, improper transfer of benefits, insider trading and unfair competition.

### Strengthening risk management in the procurement process

The Company deeply embeds business ethics requirements into its business processes. Through the implementation of systems such as *the Procurement Management Regulations (Trial)* and *the Management Measures for Procurement Experts*, the Company has established clear standards of business ethics and compliance for all parties including procurement personnel, agencies, suppliers and bid evaluation experts. The Company strictly prohibits setting unreasonable conditions to exclude or restrict any potential suppliers, so as to ensure the openness, fairness and impartiality of the whole procurement process.

### Strengthening training and supervision mechanism

By providing regular education on occupational discipline and compliance to all employees, organising targeted training, and implementing regular job rotation for key positions, the Company continuously strengthens its awareness of red lines and bottom lines, and establishes an internal and external linkage supervision and constraint network.

### Implement accountability and continuous improvement

The Company manages the whole life cycle of suppliers, and entrusts procurement agencies to review all suppliers, including potential suppliers, for dishonesty, violations of regulations, breach of contract, etc. If any violations are verified, the Company will take corresponding measures in accordance with our policies, including terminating the contracts and taking actions for legal liability, and will promptly report any major matters to the regulatory authorities. The Company regularly reviews and updates the systems and procedures related to business ethics to cope with the ever-changing regulatory requirements and business environment risks.

## Business Ethics Audit

The Company has implemented independent and objective audit supervision on the business ethics management of China Shenhua and its subsidiaries and branches through various forms such as economic responsibility audits and various special audits, covering compliance management, anti-corruption, business ethics management, etc. The Company conducts a special internal control inspection every year, focusing on the formulation and implementation of business ethics policies. The special inspections follow the cycle requirement of achieving 100% coverage of all subsidiaries, branches and business segments at least every three years, and the Company ensures that special audits on business ethics are carried out at least once every three years. The Company engages qualified certified public accountants to audit the effectiveness of the internal control over financial reporting each year, which specifically includes specific assessment on the effectiveness of fraud risk prevention, anti-fraud mechanisms and related internal controls.

In 2025, the Company systematically completed the comprehensive audit of business ethics management in 2024, covering all 16 subsidiaries and branches. *The Special Audit Report on Business Ethics of China Shenhua in 2024* prepared for the audit revealed 26 types of issues in a total of 5 aspects from multiple dimensions. In response to the identified issues, the Company has established a closed-loop rectification mechanism of "checklist + responsibilities + time limit" to urge relevant units to fully implement the rectification, continuously strengthen the awareness of compliance and integrity of all employees, and promote the continuous improvement of the business ethics management system.

# Anti-Commercial Bribery and Anti-Corruption

China Shenhua strictly complies with laws and regulations such as *the Criminal Law of the PRC* and *Provisions on Incorruptible Practice of Executives of State-owned Enterprises*, and supports international codes such as *the United Nations Convention against Corruption*. The Company resolutely opposes any forms of commercial bribery and corruption, further promotes the construction of a clean and probity culture in the new era, supports and maintains a fair and free market competition environment, and strives to create a corporate atmosphere of uprightness, compliance and stability.

## Anti-corruption Management

The Company has established an anti-corruption governance organisational system featuring layered responsibilities and synergies to ensure clear supervisory responsibilities and effective execution.

| Organisations | Functions and roles |
|---|---|
|  Commission for Discipline Inspection of the Company | As the entity dedicated to intra-party supervision, it assists the Party Committee in fulfilling its primary responsibility for comprehensively and strictly governing the Party, and coordinates the promotion of Party conduct and integrity building and anti-corruption work. |
|  Coordination Group for Party Integrity Building and Anti-Corruption | As a cross-functional coordinating body, it promotes the organic integration and coordination between intra-party supervision and audit supervision, financial supervision, legal supervision and business supervision, promotes the integration of supervision into corporate governance, and enhances the effectiveness of supervision and governance. |
|  Office of the Commission for Discipline Inspection | As the administrative body of the Commission for Discipline Inspection of the Company, it is mainly responsible for supervising, enforcing discipline and accountability on Party organizations and members, and undertakes tasks such as supervision and inspection, discipline review, anti-corruption education, and handling complaint letters and visits from the public. |
|  Supervisory entities of each subsidiary and branch | As an extended implementation and landing body, it is equipped with dedicated personnel to ensure that the supervision work is carried out in a standardized and orderly manner. |

The Company has always adhered to the firm stance of "zero tolerance" against corruption, and continued to improve the multi-dimensional anti-corruption system featuring "clear power and responsibility, synergy and interaction, strong communication and rigorous accountability". Based on a sound organisational structure, coupled with robust anti-corruption provisions as the criterion and strict education supervision as the guarantee, it regulates the code of conduct of all employees and supply chain partners to achieve full coverage of anti-corruption supervision without blind spots.

The Company continuously strengthens the construction of self-revolutionary system and regulation system. The Party Committee has formulated and implemented the operational guidelines for the "horizontal to side and vertical to the end" work mechanism for the responsibility of comprehensive and strict Party governance, revised and implemented the list of main responsibilities for comprehensive and strict Party governance, and the list of work measures to persistently promote the normalization and long-term effectiveness of strengthening work style in accordance with the spirit of the Central Committee's Eight-Point Regulation. The Commission for Discipline Inspection of the Company has revised the implementation measures of the "First Agenda" at the disciplinary committee meetings and the work rules of the Disciplinary Committee, and has adopted integrated promotion of daring not to be corrupt, not allowed to corrupt, and not wanting to be corrupt as the basic policy of the fight against corruption and an important strategy for comprehensive and strict the Party Governance in the new era, and has been continuously eliminating the inducements and conditions for corruption.

The Company has established a robust risk management system for integrity and anti-corruption. Under the leadership of the Party Committee, the Company convened regular meetings of Coordination Group for Party Integrity Construction and Anti-Corruption. At these meetings, the Company reviewed the supervision progress of each headquarters department and urged each department to understand the important principle that "all work begins with compliance, all work ends with compliance, and all work operates under supervision." The Commission for Discipline Inspection of the Company has been keeping pace with the times by flexibly improving *the List of Key Tasks for Daily Supervision* of each department, in which 83 supervision tasks were specified, 218 specific businesses were refined, 203 risk points were identified, and 245 preventive measures were formulated.

The Company has always adhered to the principle of putting education first and focusing on prevention. It has carried out multi-level and comprehensive integrity education and training for Directors, senior management and all employees and supply chain of the Company to continuously strengthen integrity awareness and compliance ability, and has also conducted regular education on anti-corruption laws and Party discipline. During the year, the Company organised a month-long anti-corruption education campaign entitled "The First Lesson in Anti-Corruption Education" and "Shenhua with Incorruptibility "and held educational activities on the study, publicity, implementation, and warnings regarding *the Supervision Law*. The Company also urged executives and employees to read books on discipline and law, such as "*Detailed Explanation of Cases and Q&A on Implementing the Spirit of the Central Eight-Point Regulation*." The Company launched a learning activity on *the Disciplinary Measures for Violations of Regulations by Employees of the China Energy*, and held an online test. The Company also actively expanded its anti-corruption warning education venues, organising senior managers, department heads, and key personnel to visit the Beijing Dongcheng District's warning education base for strict Party Governance and to observe trials of duty-related crimes at the Xicheng District People's Court, guiding Party members and executives to reflect on their own conduct.

2025

The Commission for Discipline Inspection held by the Company

**20** anti-corruption education sessions

With a total of more than

**2,300** participants

In 2025, China Shenhua held a total of 2,515 times of integrity education and training, with a total of 55,956 participants, with a total training time of 18,325 hours. The specific training hours for senior management, management of subsidiaries and branches and other employees were 72 hours, 5,136 hours, and 13,117 hours, respectively. A total of 3 anti-corruption training sessions were held at the Board level, with 7 Directors participating, and the total training duration was 27 hours. At the same time, in order to extend integrity management to the supply chain, a total of 267 education and training on integrity were held for suppliers in 2025, with a total duration of 971.7 hours.

2025

China Shenhua held a total of

**2,515** integrity education and trainings

With a total of

**55,956** participants

# Anti-corruption Action

In 2025, the Commission for Discipline Inspection of the Company resolutely implemented the political responsibility of full and rigorous internal party governance, strengthened the promotion of integrity, discipline, and anti-corruption efforts, and provided new and effective support to promote the Company's comprehensive deepening of reforms, thus removing obstacles to achieving high-quality development.

## Regularly promote political monitoring in a specific and precise manner

The Company has perfected the work system of "taking political supervision as the guiding principle and promoting daily and special supervision in an integrated manner," to prevent and reduce corruption at its source. The Company has established an analysis and evaluation indicator system for political ecology, regularly convened political supervision promotion meetings, regularly analysed the situation of full and rigorous internal party governance, reviewed the Company's political ecology, and promoted the implementation of the "Two Responsibilities", completing the evaluation and acceptance of the cancellation of key supervision tasks in 2024 and the effectiveness of key supervision tasks in 2025.

## Conduct routine and long-term supervision

The Company has conducted 13 supervision and inspections of various types, identified 31 problems, and sent work reminders or reminder letters to all responsible departments to urge them to make rectifications. The Company has issued integrity reminder reference materials to the Directors, supervisors and senior management four times, urging them to exercise their rights and fulfil their responsibilities in accordance with regulations. The Company has provided standardised and prudent responses to 138 individuals regarding their job transfers, performance evaluations, and other matters related to Party conduct and integrity. The Company has conducted 84 face-to-face talks, achieving full coverage of reminders and guidance to senior management personnel, department heads, and branch discipline inspection members.

## Strengthen anti-corruption education in all aspects

China Shenhua has been continuously improving the "3456+" anti-corruption education model. With the core content of "three key teams, four thematic educations, five access guarantees, and six key points educations", it focuses on positive education, discipline education, and family tradition education, and warning education. In 2025, the Commission for Discipline Inspection of the Company has launched the campaign of "The First Lesson in Anti-Corruption Education" for five consecutive years, and the month-long anti-corruption education campaign entitled "Shenhua with Incorruptibility "for three consecutive years.

## Strictly investigate and punish corruption issues

The Company has maintained accessible channels for complaints and whistle-blowing, recorded and filed relevant issues and information in a timely manner, and carried out verification work in strict accordance with its responsibilities. The Company also accurately used the "First Form" to timely criticize and educate Party members and executives regarding their inadequate performance of duties and responsibilities. The Company has formulated *the Promoting List of Key Tasks for Governance of Case-Handling Practices*, and earnestly carried out special governance of the responsibility system for proper case-handling, and has always insisted on punishing corruption with a "Zero Tolerance " attitude. If any violations are found, the Company will investigate and take disciplinary action without exception. In 2025, the Company had 9 corruption litigation cases and concluded 6 corruption litigation cases, in which relevant personnel have been punished by law.

## Committed to rectifying the four malpractices and establishing a new atmosphere

The Company has focused on important festivals such as the Spring Festival and the Dragon Boat Festival, and distributed electronic brochures on festival and holiday reminders and integrity reminders. The Company has also launched special supervision on the expenditure and use of "Three Public Expenses", urging Party members and executives to strictly implement the measures to save expenses and reduce waste, and conduct random inspections of the construction projects to prevent unapproved projects and extravagant decoration. The Company has carried out a special inspection on the "strict prohibition of Party members and executives from consuming alcohol in inappropriate manner", covering all departments.

# Whistleblowing Mechanism and Whistleblower Protection

China Shenhua receives whistleblowing reports through letters, in-person visits, and telephone calls, and has published a dedicated whistle-blowing hotline. It strictly implements relevant procedures, handles matters in accordance with management authority, establishes a management ledger and completes registration and management.

The Company adhered to the principles of centralized management, standardized procedures and strict discipline enforcement in the complaint reporting and problem clue management, and established a working mechanism of discipline enforcement supervision, discipline review, and case management coordination and mutual restriction.

The Company has formulated *the Measures for the Protection of Rights and Interests of Whistleblowers (Trial)* and other relevant policies to receive and handle various types of whistle-blowing matters in accordance with regulations, disciplines and laws, so as to ensure the exercise of whistle-blowing rights by whistleblowers in accordance with the law and safeguard the legitimate rights and interests of whistleblowers. Staff members of the Commission for Discipline Inspection of the Company must strictly abide by confidentiality rules. Access to information relating to complaints, reports, and related matters is strictly controlled, and any disclosure of such information or details of case handling is strictly prohibited. No person may access the relevant materials without permission. The Company strictly implements the recusal policy. Managers, reviewers, adjudicators, or their close relatives and stakeholders involved in complaints, reports, and related matters should proactively request recusal to ensure the independence and impartiality of the complaint handling process.

# Anti-Unfair Competition

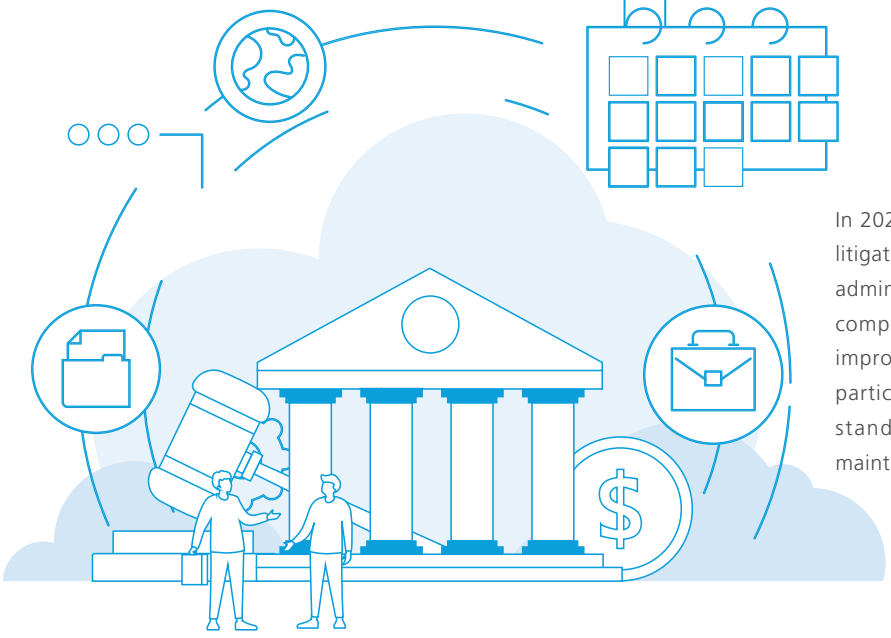
China Shenhua regards maintaining a healthy and orderly market environment as the cornerstone of its sustainable development. It strictly complies with *the Anti-Monopoly Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China* and other laws and regulations, and has formulated *the Compliance Management Regulations, Integrity and Compliance Manual* applicable to the headquarters and its subsidiaries. It also strictly adheres to the business code of conduct, participates in market competition in accordance with laws and regulations, and resolutely resists and opposes any form of unfair competition.

## In terms of anti-monopoly

We are committed to, and strictly enforce, the following practices: we do not enter into any horizontal monopoly agreements with competitors; we do not enter into any vertical monopoly agreements with our trading counterparties; we will never abuse any dominant market position; and we fulfil our obligation to declare concentrations of undertakings in accordance with applicable laws and regulations. Through these measures, we ensure that all market activities are conducted prudently and in full compliance with the legal framework.

## In terms of anti-unfair competition

We strictly abide by the bottom line of business ethics, and explicitly prohibit the following behaviours: any commercial imitation that may cause market confusion; any form of commercial bribery; false or misleading commercial promotions; infringement of others' trade secrets; fabricating and spreading false information to damage the reputation of competitors; and using technical means to engage in unfair competition on the internet.



In 2025, the Company was not involved in any litigation nor was it subject to any significant administrative penalties, arising from unfair competition activities. We will continue to improve relevant management mechanisms, participate in market activities with higher standards of self-discipline, and actively maintain a market order with fair competition.

# Party Building

In 2025, under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Company thoroughly studied the spirit of the 20th CPC National Congress and the spirits of all the plenary sessions of the 20th CPC National Congress. The Company implemented the task of reform and development and energy supply security. Guided by the political construction of the Party, the Company solidly carried out study and education on the spirit of the eight-points code of conduct, improved systems and mechanisms, paid close attention to responsibility fulfilment, improved quality and effectiveness, and strived to achieve new results in comprehensively promoting the Party building of various aspects.

## Strengthening political leadership and enhancing governance effectiveness

The Company adhered to the guidance of the Party's political building, and strictly implemented the "First Agenda" policy of the Party Committee. During the year, the Company convened 44 Party Committee meetings and organized the study of 105 documents of the "First Agenda", ensuring that the instructions of the Party Central Committee were fully implemented in business decision-making and strategic development. In order to enhance the core functions and competitiveness of the company, we have formulated and tracked a list of key tasks, and established an implementation mechanism covering 105 major measures to ensure closed-loop management and effective implementation of various decisions and implementations. At the same time, we have been continuously improving our internal governance, striving to play the leading role of listed companies in the modern economic system, so as to create long-term value for shareholders and the society.

## Consolidating the foundation of Party building and promoting business integration

The Company has continuously improved its Party building system, abolishing 23 policies, revising 3 policies such as *the Administrative Measures for the Assessment and Evaluation of the Party Branch Responsibility for Party Building*, completing the compilation of *the Standard Building of Party Branches*, and systematizing and standardizing 10 fundamental Party affairs processes. Through the long-term mechanism of competition among branches, the Company promoted grassroots party organizations to achieve the Company's strategic objectives and key tasks, and mobilized unified strength to resolve major business challenges. Taking into account the actual needs of reform and development, the Company has implemented the"Socialism Is Achieved Through Hard Work" position-based contribution initiative and continuously cultivated youth brands such as "Youth π" and "Enjoy Books". *The "Red Sails" Micro-Party Class*, which was innovatively produced by the Company, was awarded as the "2025 Outstanding Micro Video Works on Theoretical Publicity Produced by Grassroots Units of Central State-Owned Enterprises", which has effectively promoted the two-way integration and mutual empowerment of Party building and business.

## Deepening the construction of incorruptibility and shaping the company image

The Company has strictly implemented the requirements of full and rigorous self-governance of the Party established a political supervision ledger, and formulated 105 key supervision tasks and corresponding implementation measures. In key business areas, the Company continued to deepen the "Three barriers of Anti-Corruption" mechanism, and strengthened warning education and the building of a clean and probity culture. The Company has revised and perfected *the Checklist for Implementation of the Main Responsibilities of the Party Committee*, systematically promoted the implementation of the spirit of the Central Committee's Eight-Point code of conduct, formed a regular reminder and check mechanism, and promoted the detailed implementation of burden reduction at the grassroots level. In addition, the Company has been focusing on maintaining active communication with various stakeholders. It successfully held the event of "China Shenhua Energy Tour 2025", which received positive comments from all walks of life; it organized the annual selection of advanced models of spiritual civilization and corporate culture to consolidate the achievements in the building of "National Civilized Unit"; continued to optimize the "Eight Libraries" system for public opinion management with a view to improving the ability to early warning, assess and deal with material public opinions and maintain a good image of the Company in the capital market and among the public.

# 02

# Environment

China Shenhua promotes ecological and environmental governance with systems thinking, coordinates industrial optimisation and upgrading, pollution prevention and control, ecological restoration and climate response, and coordinates the implementation of "carbon reduction, pollution reduction, green expansion and growth" to facilitate the building of a beautiful China. We are committed to comprehensively improving the diversity, stability and sustainability of the ecosystems, and actively and steadily promoting the achievement of carbon peaking and carbon neutrality goals.


# Response to Climate Change

China Shenhua firmly implements the national "Dual Carbon" goals and action plans, and follows *the United Nations Framework Convention on Climate Change*, *the Paris Agreement* and other relevant international agreements. In accordance with *the Corporate Sustainability Disclosure Standards No. 1 – Climate (Trial)* issued by the Ministry of Finance, and with reference to the relevant requirements of normative documents such as International Sustainability Standards Board (ISSB) and *the International Financial Reporting Standards No. S2 – Climate-related Disclosures*, the Company has integrated responding to climate change into its overall development strategy, actively carried out the building of climate change management system, and steadily promoted the carbon peaking action. The Company attaches great importance to carbon emission reduction during the development process, and strives to improve the governance performance of climate change-related issues.

## Governance

### Governance structure and personnel

China Shenhua has established an effective and clear climate change governance structure. Relying on the Company's ESG framework, this governance structure comprehensively monitors the impact of climate change issues on the Company's business and operations, systematically carries out climate change risk governance, strategy formulation, information disclosure and other work, promotes the normalization and standardization of climate governance, and gradually improves the Company's climate risk management level to better address climate change.

| Decision-making level | | | |
|---|---|---|---|
| Entities | Board of Directors | Safety, Health, Environment and ESG Working Committee | Audit and Risk Management Committee |
| Personnel composition | Board Members | Executive Directors, Non-Executive Directors | Independent Non-Executive Directors |
| Main responsibilities | It is the highest responsible and decision-making body for climate-related issues. Its main responsibilities include approving the Company's transformation plan to address climate change and its specific implementation measures, the Company's carbon emission reduction targets and supporting action plans during the five-year plan period, and the identification lists of climate change risks and opportunities. | It is the main body responsible for climate change risk management, chaired by a non-executive Director of the Company. Its main responsibilities include reviewing the Company's climate change strategy, understanding and assessing the potential impact of climate change risks, and reviewing climate change risk management matters. | It is the supervisory and support body for climate change risk management, responsible for overseeing the effective operation of the Company's internal control and risk management systems, reviewing the list of climate change risks, urging the Company's management to implement climate risk control responsibilities, and receiving a report on the Company's climate risk and opportunity management every six months. |

| Management level | | |
|---|---|---|
| Department | Senior management | ESG Governance Working Group |
| Personnel composition | Senior management of the Company and the heads of relevant departments at headquarters | |
| Main responsibilities | It is responsible for organising and promoting the work on addressing the risks and opportunities of climate change, and coordinating risk management in its field. The ESG governance leading group of the Company holds meetings from time to time every year, and the senior management responsible for ESG matters holds a special meeting with the general manager every quarter to approve the Company's management system for addressing climate change risks and opportunities, review reports from management departments at headquarters on the progress of carbon peaking actions and carbon emission reduction targets, and guide and supervise the implementation of relevant work. | |

| Implementation level | | | |
|---|---|---|---|
| Entities | ESG Governance Office | Environment and Energy Working Group of the Headquarters | Subsidiaries and branches |
| Personnel composition | Relevant personnel of the Corporate Management and Legal Affairs Department of the headquarters and the Office of the Board of Directors | Relevant professionals of the Planning and Development Department, Coal and Transportation Department of the headquarters | Person in charge, staff of relevant departments and units responsible for ESG |
| Main responsibilities | It is responsible for organising and coordinating the formulation of the Company's annual ESG work plan and work performance targets, and segregating and assigning work to specific departments for execution, as well as preparing and disclosing the annual ESG report. | It is responsible for assessing the risks and impacts of climate change, formulating action plans for mitigating impacts of climate change and implementing specific work, etc. | They are responsible for organizing the establishment of the unit's climate change risk management system, implementing the Company's decisions on addressing climate change, and managing carbon emissions, energy conservation and emission reduction targets. |

## Professional skills and competencies

The climate change management of the Company at all levels are composed of personnel with professional backgrounds in environmental management and risk management. They provide professional support and guidance to the Company in tackling climate change and effectively promote the implementation of relevant work. The Company has formulated and implemented training plans to enhance relevant personnel's professional skills in climate change, providing professional support for the development of climate change response system and optimization of management mechanism. At the same time, the Company dynamically follows the development of domestic and international ESG regulatory policies and climate disclosure requirements, and compiles a "*Climate Change Dynamic Checklist*" every month to ensure that the Company's climate governance keeps pace with the latest policies.

In 2025, we invited external experts to interpret the domestic and overseas climate change information disclosure rules for the Company's directors and relevant staff of the headquarters, and actively participated in the seminars on the formulation of regulatory rules held by the CSRC, stock exchanges and other organisations to ensure that relevant personnel were informed of the latest developments in climate governance and the latest trends in related issues, and to help them acquire the necessary professional knowledge and skills.

## Reporting and monitoring

The Company has established a climate change information reporting and monitoring mechanism, and reports relevant information to the Board and the senior management at least every six months in the form of special reports and progress reports. The Board and the senior management supervise the Company's progress in addressing climate change-related matters by reviewing annual plans, risk lists and control objectives, etc.

In 2025, during the Board meetings, the Board monitored climate-related issues and actively promoted the achievement of carbon peaking goals. The Safety, Health, Environment and ESG Working Committee has considered the annual ESG report of the Company and the progress of planned tasks and targets, etc. The Audit and Risk Management Committee has received two reports on the climate risk management and control by the Company's management, emphasizing the need to pay close attention to the impact of climate risks on the Company's production and operation. In 2025, the Company convened 4 special CEO meetings, at which the quantitative model of climate change risk and measures for the construction of climate change management system were discussed and deployed.

2025

The Company convened

**4** special meetings with the general manager

## Integrating climate-related risks and opportunities into management and decision-making

In formulating development strategies, supervising the implementation of strategies, making decisions on major transactions and risk management, the Company has closely followed the relevant national policies, fully considered the risks and opportunities of climate change, and timely optimised the Company's development strategies and plans. The Company has formulated *the Carbon Peak Action Plan* to clarify the development path and improve the management system to guide high-quality and sustainable development in the energy transition period. At this stage, the Company has not implemented an internal carbon pricing mechanism.

## Remuneration and assessment

The Remuneration and Assessment Committee under the Board of the Company is responsible for reviewing the performance of duties by Directors, CEO and other senior management and conducting annual performance appraisal. In order to contribute to the Nationally Determined Contributions, we have formulated peak carbon and carbon neutrality overall and short and medium-term targets based on our actual conditions. The Board of Directors and the Safety, Health, Environment and ESG Working Committee of the Company regularly supervise the completion of the targets and indicators related to climate change, link the targets on addressing climate change such as "Building Green Mines" with the management's performance, and carry out annual performance appraisal (accounting for approximately 2.6%) to ensure the effective achievement of the set goals.

# Strategies

China Shenhua acknowledges that climate change will bring various physical and transition risks, as well as development opportunities, to our business, and will also have potential financial impacts. We have adopted a method of qualitative scenario analysis to assess the likelihood and degree of impact of risks from the perspective of each value chain, developed a list of climate change risks and opportunities, and formulated detailed countermeasures, which have been approved for implementation by the Board of Directors.

China Shenhua's climate change risks are classified into physical risks and transition risks according to the standards of the Task Force on Climate-related Financial Disclosures (TCFD) of Group of Twenty (G20).

## Climate risk list of China Shenhua

| Physical risks | Time range | Risk level | Business model and value chain impact | Expected financial impact | Response measures |
|---|---|---|---|---|---|
|  Extreme precipitation/ flood risk | Short term | Low to medium | Coal segment: destroyed facilities led to work stoppages and production shutdowns.<br><br>Transportation segment: accidents caused by railway disruptions; berth collapse in ports; vessel delays and cargo damage.<br><br>Power segment: flooding of facilities led to business shutdowns.<br><br>Coal chemical segment: delayed production plan and reduced output. | Increased costs, reduced revenues | Strictly implementing the disaster warning and on-duty system during flood season; adhering to the principle of "checking before, during and after the rain"; formulating emergency plans to ensure safe production. |
|  Typhoon risk | Short term | Low to medium | Coal segment is temporarily not applicable.<br><br>Transportation segment: railway transportation disruptions; port closures and berth collapses; vessels being required to suspend voyages and seek shelter, with associated risks of structural damage.<br><br>Power segment: severe destruction of facilities resulting in suspension of operations; increased safety risks.<br><br>Coal chemical segment: damage to buildings and equipment, resulting impacts on production and operational continuity. | Increased costs, reduced revenues and loss of assets | Enhancing and updating emergency plans, with timely suspension of work and production when required; organizing and deploying emergency response teams; working with meteorological departments to monitor typhoon dynamics in real time. |

| Physical risks | Time range | Risk level | Business model and value chain impact | Expected financial impact | Response measures |
|---|---|---|---|---|---|
|  Extreme heat weather/ heatwave, drought risk | Short term | Low | Coal segment: increased safety risks in outdoor operations; increased spontaneous combustion of coal.<br><br>Transportation segment: personnel suffered from heat stroke; increased demand for equipment cooling; low processing efficiency of high-temperature coal in ports; shallow water channel affected shipping.<br><br>Power segment: safety risks in outdoor operations increased; equipment damage risks increased due to higher operating temperature.<br><br>Coal chemical segment: declining cooling performance of circulating water systems; limitations on production capacity; adverse impacts on equipment operation. | Increased costs, reduced revenues | Strictly implementing the early-warning system; adjusting working hours based on temperature conditions; conducting safety inspections of equipment; and installing additional protective facilities and equipment. |
|  Wildfire (natural fire) risk | Short term | Low | Coal and coal-chemical segments are not currently applicable.<br><br>Transport segment: (railway) the spread of wildfires may damage railway infrastructure, disrupt transport operations, and lead to accidents.<br><br>Power segment: direct damage or burning of equipment, resulting in interruptions to power generation and damage to generator units. | Loss of assets, reduced revenues and increased costs | Conducting fire inspections of power lines and facilities in mountainous areas, clearing vegetation and setting up isolation belts; installing fire protection devices; establishing emergency linkage mechanism with fire rescue and forestry departments. |
|  Extreme cold weather risk | Short term | Low to medium | Coal segment: increased equipment wastage and breakdowns may lead to transportation accidents and affected production.<br><br>Transportation segment: equipment frost damage and personnel frostbite; port ice floes affect efficiency, significantly increasing the workload of de-icing trucks; vessel equipment cannot operate normally.<br><br>Power segment: pipeline freezing may lead to generators shutdown, affecting the supply of electricity, water, and steam.<br><br>Coal chemical segment: frozen instrument pipelines may lead to partial shutdown of the plant. | Loss of assets, increased costs and reduced revenues | Strengthening monitoring and early warning systems, conducting early inspections for cold weather and frost prevention; putting heating facilities into operation; strengthening inspections and special patrols of important systems, and activating emergency plans when necessary. |
|  Water scarcity risk | Medium and long term | Low to medium | Coal segment: reduced production efficiency and decreased coal washing capacity, exacerbate vegetation degradation and hinder ecological restoration in mining areas.<br><br>Transportation segment: disruptions to train operations and rolling-stock cleaning; restrictions on the expansion of railway operations; decreased water depth in port navigation channels and reduced equipment cooling efficiency.<br><br>Power segment: rising equipment operating temperatures, resulting in an increased risk of damage.<br><br>Coal chemical segment: suspension of water-consuming facilities and inadequate water supply for cooling systems resulted in decreased production capacity. | Loss of assets and increased costs | Actively coordinating water resources to improve water supply security; studying water-saving measures and improving water-intensive processes; and constructing water storage ponds to increase water storage capacity. |

| Physical risks | Time range | Risk level | Business model and value chain impact | Expected financial impact | Response measures |
|---|---|---|---|---|---|
|  Risk of rising average temperature | Medium and long term | Low | Coal segment: intensified energy consumption and fire risks impacted equipment operation efficiency.<br><br>Transportation segment: increased probability of rail expansion accidents; overheating and tripping of port equipment; accelerated aging of ship hull.<br><br>Power segment: reduced efficiency of generating units and increased equipment failures.<br><br>Coal chemical segment: energy consumption and fire risks increased, affecting the normal operation of equipment. | Increased costs | Installing intelligent temperature control system in key equipment; optimizing energy dispatching and using energy-saving equipment; strengthening spontaneous combustion monitoring and spray cooling in coal storage areas. |
|  Risk of sea level rise | Medium and long term | Low | Coal and coal chemical segments are not applicable.<br><br>Transport segment: port facilities submerged and damaged due to flooding; shipping vessels forced to adjust sailing routes, leading to increased voyage distance and duration.<br><br>Power segment: inundation of coastal power plant buildings, resulting in damage to generating units and subsequent suspension of operations. | Loss of assets and increased costs | Raising the elevation and reinforcing the seepage prevention of coastal facilities; establishing a long-term monitoring mechanism; jointly assessing risks with meteorological and marine authorities; and developing relocation or adjustment plans in advance. |

| Transition risk | Time range | Risk level | Business model and value chain impact | Expected financial impact | Response measures |
|---|---|---|---|---|---|
|  Policy and legal risk | Medium and long term | Medium to high | Coal segment: high-energy-consumption capacity increasingly phase out, leading to production limitations or shutdowns; substantial pressure to meet upgraded environmental standards.<br><br>Transportation segment: stricter environmental regulations require additional resources to meet environmental impact assessment and green operation requirements.<br><br>Power segment: restrictions on new coal-fired power capacity, with existing units facing pressure for retrofit or phase out; uncertainties arising from requirements such as green electricity certification.<br><br>Coal chemical segment: facing comprehensive constraints such as zero-carbon plant requirements and carbon-footprint calculation, with production restrictions or shutdowns for non-compliance. | Increased costs, reduced revenues and loss of assets | Flexibly tracking policies and optimizing the strategy of the whole industry chain; promoting new energy projects such as photovoltaic and natural gas peak shaving; promoting ultra-supercritical and shore power technologies to achieve green transformation; accessing to low-cost financing such as green credit and special bonds. |
|  Carbon market risk | Short term/ medium term | Medium to high | Coal segment is temporarily not applicable.<br><br>Transportation segment: (shipping) transformation of vessels and the use of green fuel may result in idle capacity.<br><br>Power segment: significant pressure from quota shortfall, requiring supporting carbon capture facilities.<br><br>Coal chemical segment: potential quota shortfall may affect normal operation. | Increased costs and loss of assets | Participating in the carbon market, green electricity and green certificate trading; Boost carbon asset management and financial innovation, and revitalizing carbon assets. |

| Transition risk | Time range | Risk level | Business model and value chain impact | Expected financial impact | Response measures |
|---|---|---|---|---|---|
|  Risk of change in market demand | Medium and long term | Medium to high | Coal segment: accelerating decline in coal demand, leading to passive adjustments in capacity downsizing.<br><br>Transportation segment: (railway) policy led to a decline in freight volume; (port/shipping) traditional bulk cargo demand shrank, requiring transformation to adapt to new demands.<br><br>Power segment: decreasing utilization hours for thermal power units, leading to tighter power-generation margins; increasing volatility in electricity prices.<br><br>Coal chemical segment: weakening demand for conventional products; high-end products constrained by significant technical barriers and slow release of new capacity. | Loss of assets and reduced revenues | Accelerating the layout of new energy industry and promoting low-carbon transformation; building carbon sink forests to reserve carbon assets; expanding new markets such as heat supply and solid waste recycling; increasing revenue through carbon trading, CCER, green certificate, etc. |
|  Risk of increased raw material costs | Short term/ medium term | Medium | Coal segment: increased demand for cleaner raw materials may lead to higher production costs.<br><br>Transportation segment: rising prices of low-sulfur fuel oil and eco-friendly consumables; cost pass-through constrained by price-control mechanisms.<br><br>Power segment: rising costs of raw materials such as coal may lead to supply instability.<br><br>Coal chemical segment: prices of important chemical raw materials increased. | Increased costs and reduced revenues | Entering into a long-term strategic purchase agreement for environmentally-friendly raw materials; establishing a price monitoring and cost sharing mechanism to flexibly adjust pricing; optimizing the ratio of self-produced and procured materials to improve the efficiency of raw material use. |
|  Low carbon technology/ innovation risk | Medium and long term | Medium to high | Coal segment: energy-saving technological upgrades are supporting the segment's transition, however, the immaturity of these technologies may significantly increase governance costs and create risks of asset impairment.<br><br>Transportation segment: technology development carries the risk of failure; operation and maintenance model change.<br><br>Power segment: the integration of low-carbon technologies may reduce power generation efficiency or lead to idle capacity.<br><br>Coal chemical segment: technological updates affect production pace; complex processes may lead to quality flaws. | Increased costs, reduced revenues and loss of assets | Identifying mature technologies and implementing phased piloting before full adoption; strengthening cooperation with industry-university-research bodies to form innovation alliances and reduce R&D costs; using green financial instruments to share and mitigate capital pressure; and establishing an exit assessment mechanism for high-carbon assets. |

| Transition risk | Time range | Risk level | Business model and value chain impact | Expected financial impact | Response measures |
|---|---|---|---|---|---|
|  Risks of concern from stakeholders | Medium and long term | Medium to high | Coal segment: multiple pressures from investors, regulators, community may lead to production suspension.<br><br>Transportation segment: escalating claims from regulators, communities, and investors may impact approvals, operations, and partnerships.<br><br>Power segment: pressure from regulators, investors, users and communities may lead to production cuts and customer loss.<br><br>Coal chemical segment: concerns from governments, environmental organizations, supply chains, and investors may affect approvals, production and cooperation. | Reduced revenues and increased costs | Increasing investment in environmental protection and new energy projects; actively communicating regarding ESG work, strengthening information disclosure and safeguarding corporate image. |
|  Industry reputation risk | Medium and long term | Medium | Coal segment: high-carbon might lead to strict inspection and production suspension and rectification; incomplete information disclosure affects the company image.<br><br>Transportation segment: transporting high-carbon goods may pose reputational risks; failure to meet emission standards may affect qualifications and partnerships.<br><br>Power segment: the high-carbon may lead to negative public opinion and regulatory attention, thus affecting power generation and market share.<br><br>Coal chemical segment: high-carbon production may lead to tightened approvals and load constraints; customers might refuse to purchase. | Reduced revenues and increased costs | Focusing on the high-emission part to promote quantitative emission reduction transformation; carrying out product carbon footprint accounting and green certification to jointly build a low-carbon supply chain; establishing a public opinion early warning and response mechanism, and actively communicating and conveying the determination to transform. |

## List of climate opportunities for China Shenhua

| Opportunity dimension | Possibility | Business model and value chain impact | Expected financial impact | Response measures |
|---|---|---|---|---|
| Resource efficiency | Medium | Coal segment: promoting the upgrading of mining and coal-washing processes, replacing equipment with energy-efficient technologies to reduce unit energy consumption; and optimizing resource allocation to improve coal recovery rates and minimize resource waste.<br><br>Transportation segment: promoting intelligent dispatching systems to optimize transport routes and reduce empty-running rates; replacing vehicle/vessel engines with energy-efficient ones to lower energy consumption per unit of transport volume and reduce operating costs; and advancing the green transformation of transportation equipment.<br><br>Power segment: implementing energy-saving retrofits for thermal power units to improve power generation efficiency; strengthening intelligent dispatching of the power system to reduce line loss rates; promoting the recovery and utilization of waste heat and pressure to improve the overall energy utilization rate.<br><br>Coal chemical segment: optimizing production technology to reduce energy consumption per unit of product; strengthening the recycling of wastewater to reduce fresh water consumption; promoting solid waste recycling and reducing waste disposal costs. | Reduced costs and increased revenue | Building a resource-efficiency monitoring system, conducting regular calculations of energy and water consumption indicators for each segment and setting cost-reduction targets; prioritizing investment in mature energy-saving technology upgrades to secure government subsidies and reduce upgrade costs; carrying out special trainings on resource efficiency to enhance energy-saving awareness of all employees and promoting the implementation of energy-saving measures. |
| Energy sources | High | Coal segment: promoting the implementation of clean and efficient coal utilization technologies to extend the clean coal industry chain; exploring the joint operation model of "coal + new energy" to reduce dependence on fossil energy.<br><br>Transportation segment: expanding the use of clean energy by promoting new energy vehicles and LNG powered vessels; developing supporting infrastructure such as charging stations and hydrogen refueling stations to enhance the clean-energy supply network; and advancing railway electrification to reduce fuel consumption.<br><br>Power segment: increasing the layout of wind power and photovoltaic projects, expanding distributed energy business; promoting the integration of energy storage technology with new energy sources to enhance the capacity for green electricity consumption; exploring emerging energy forms such as hydrogen power generation and biomass power generation to optimize the power supply structure.<br><br>Coal chemical segment: using green electricity and green hydrogen to replace traditional fossil energy to reduce carbon emissions in the production process; exploring the use of industrial by-product hydrogen to optimize the energy supply structure. | Reduced costs and increased revenue | Formulating a clean energy development plan, defining the target for the proportion of clean energy in each segment, and promoting in stages; expanding green financing channels (such as issuing green bonds, applying for green credit) to meet the capital demand for energy transformation. |

| Opportunity dimension | Possibility | Business model and value chain impact | Expected financial impact | Response measures |
|---|---|---|---|---|
| Products and services | Medium | Coal segment: developing high-value-added clean-coal products to meet downstream environmental protection needs, and extending the coal industry chain to provide integrated "coal + carbon-footprint accounting" services to enhance customer loyalty.<br><br>Transportation segment: developing green logistics services to provide a full-process service of "low-carbon transportation solution design + carbon emission accounting + carbon offset"; exploring multimodal transport to reduce carbon emissions from integrated transportation and create a differentiated competitive advantage.<br><br>Power segment: providing customized green power packages for downstream enterprises by increasing the sales volume of green electricity and green certificates; expanding integrated energy services and transforming from "selling electricity" to "selling services".<br><br>Coal chemical segment: developing green chemical products to meet market demand for low-carbon products; promoting product upgrading to enhance product added value and profitability. | Increased revenue | Precisely positioning of customers' low-carbon needs, formulating product and service upgrade plans; strengthening brand building, applying for green product certification, and enhancing market recognition. |
| Market opportunity | Medium | Coal segment: promoting diversified coal utilization, expanding non-power downstream markets to reduce reliance on the traditional coal-fired power segment, and enhancing overall risk resilience.<br><br>Transportation segment: leveraging the advantages of green logistics to expand external customers and increase business scale; participating in the "Belt and Road" green transportation projects to enhance international market competitiveness.<br><br>Power segment: seizing the opportunities presented by green electricity consumption policies to expand the customer base for key green electricity needs such as industry and data centers; exploring cross-border green electricity trading to open up the international green electricity market.<br><br>Coal chemical segment: leveraging the advantages of low-carbon products to expand into overseas markets; participating in green supply chain cooperation to become a low-carbon raw material supplier for downstream enterprises. | Increased revenue | Establishing a market development team to evaluate green-market policies and needs; strengthening partnerships with industry associations and environmental organizations to build channels for engaging prospective customers. |
| Adaptability/ resilience | High | Coal segment: reducing the impact of extreme weather on mining operations through ecological management and facility reinforcement, and supporting renewable energy power supply facilities to improve production continuity.<br><br>Transportation segment: constructing ecological protection belts, meteorological monitoring stations, port breakwaters, and vessel navigation systems to enhance route stability, port disaster resilience, and navigation safety.<br><br>Power segment: reinforcing power plant facilities and building a multi-energy complementary system of "thermal power + new energy + energy storage" to ensure stable power supply under extreme weather conditions.<br><br>Coal chemical segment: constructing rainwater collection and greywater reuse facilities; strengthening equipment insulation and corrosion protection; reducing production constraints caused by drought and extreme environments; and improving equipment stability. | Reduced costs and increased revenue | Strengthening the building of climate adaptability, systematically improving business resilience through technology application (monitoring, preventive measures, multi-energy complementarity) and management optimization (early warning, layout adjustment), ensuring supply chain stability and business continuity, so as to achieve the coordinated development of ecology and economy. |

## Explanation of the lack of quantitative information

In 2025, China Shenhua has deployed and carried out the construction of quantitative analysis model and has achieved solid results. As the Company launched the issuance of A shares and cash payment to purchase relevant coal, pithead coal power, coal-to-oil, coal-to-gas and coal chemical assets held by its controlling shareholder, China Energy Investment Corporation Limited, in August 2025, the Company's asset size and certain industrial business size will change significantly upon the completion of such asset transfer, which will in turn exert a material impact on the quantitative analysis results. After thorough consideration and assessment, the Company did not disclose the quantitative information on the financial impacts and cross-industry indicators related to the risks and opportunities of climate change in 2025 in accordance with the waiver provisions of *the Environmental, Social and Governance Reporting Code* of the Hong Kong Stock Exchange. The Company will resume quantitative analysis and assessment in 2026 and disclose quantitative information no later than the 2026 ESG report.

## Transformation plan and results

Based on the nature of the industry and our own characteristics, we have raised the issue of addressing climate change to the level of corporate strategy. In accordance with *the Action Plan for Carbon Reaching of China Shenhua*, we focused on the development of clean, low-carbon, safe and efficient energy, actively promoted the optimization and upgrading of the industrial structure, and stepped-up efforts in the development and construction of clean and renewable energy projects. At the same time, we explored the layout of strategic emerging industries such as green hydrogen ammonia alcohol, new energy storage and hydrogen, steadily promoted green and low-carbon transformation, and gradually improved climate adaptability.

| Overall goal | Time | Stage |
|---|---|---|
| To achieve carbon peaking by 2030 and carbon neutrality by 2060 | 2021-2030 | Carbon peak stage |
| | 2031-2040 | Peak period and low-carbon development stage |
| | 2041-2060 | Large-scale emission reduction stage |

In 2025, we continued to focus on the green and low-carbon development of electric power, supported by the research and development of low-carbon technologies, promoted the strategic route of carbon peaking of the whole industry chain through a combination of clean energy alternatives, energy-saving and emission-reduction technology implementation, and carbon asset management, and paid the necessary costs in this regard. In the short term (the reporting period and the following year), such costs will not have a material impact on the Company's financial position, operating results, or cash flow.

| No. | Measures | Methods and results | Cost paid |
|---|---|---|---|
| 1 | Promoting the transformation and upgrading of traditional industries | Continuously enhanced the intelligence and ecological performance of coal production, achieving 82% green mine coverage across the Company. Promoted the differentiated and integrated development of thermal power units, ensured the high-quality commissioning of 5.7 GW of new thermal power projects under new standards, and advanced the flexibility upgrades of existing units, further strengthening the safety-net and regulating role of the new power system. Actively expanded transportation services for external non-coal cargo, launching new business lines for fuel oil, soda ash, fertilizers, limestone, and fiberglass, and introduced the first PVC container express train directly connecting to the Guangdong-Hong Kong-Macao Greater Bay Area. | Production and operating capital expenditures and investment in technological upgrading project |

| No. | Measures | Methods and results | Cost paid |
|---|---|---|---|
| 2 | Promoting the deep integration of coal and new energy | Aiming at optimizing the prevention and control measures for project investment risks, the Company has made full use of the existing land resources such as dump sites of open-pit mines, reclamation areas, idle land along railway lines, building roofs to develop and construct photovoltaic projects, and has actively sought external cooperation to increase the proportion of renewable energy installed capacity. In 2025, the Company's newly installed renewable energy capacity reached 259 MW and the renewable energy power generation capacity reached 1.27 billion kWh. As of the end of 2025, the accumulative recovered principal and gains of the new energy industry investment funds and green and low-carbon development investment funds co-established by the Company were CNY767 million and CNY546 million, respectively. | Capital expenditure in new energy projects |
| 3 | Planning ahead for the development of strategic emerging industries | Conducted the research project titled "*Strategic Emerging Industries Development Strategy and Implementation Pathways of China Shenhua*", providing comprehensive guidance for the company's strategic emerging industries development. Carried out research and analysis around innovative new industrial projects such as hydrogen energy "Electricity-Hydrogen-Land-Port", new energy storage technology and smart infrastructure for major hydropower engineering to explore and shape the Company's "second growth curve" for sustainable development. | Investment in science and technology projects |
| 4 | Promoting the transformation of energy-saving and emission-reduction technologies | Continued to optimize production processes, accelerate equipment replacement and transformation, and promote the use of clean energy as a substitute for conventional energy, so as to improve production efficiency and effectively reduce carbon emissions per unit of product. Continued to promote energy-saving and consumption-reducing renovations of coal-fired power units and heating renovation, enhance the coordinated supply capacity of integrated energy products, deepen the application of technologies such as ammonia co-firing and biomass co-firing, and the average coal consumption for power supply was 294 g/kWh. Advanced the fuel substitution process for production equipment. Deployed all-electric equipment in open-pit mines, leading innovation across the industry. Brought hydrogen fuel cell autonomous haul trucks into operation. Maintained a shore-power connection rate of over 95% at company ports. Entered the electric tugboat construction project into the implementation stage. Fully complied with national requirements for green power trading and green certificate transactions, achieving 100% green electricity usage across all business segments. Purchased more than 6,462,000 green power certificates during the year, with a total transaction value of more than CNY 71.00 million. | Investment in technical renovation projects |
| 5 | Optimizing carbon asset management system | The project of climate change management system has achieved solid results, such as the preliminary establishment of a quantitative analysis model for climate scenarios, data accounting of certain Scope 3 carbon emissions and building of a factor library. Gained a comprehensive understanding of carbon emissions and carbon trading details in the thermal power industry, and completed analysis and forecasting of carbon emissions and carbon quota allocations for the 15th Five-Year Plan period. All key emission units successfully completed the settlement of the carbon quota for the third contract performance cycle of the national carbon market, achieving a 100% performance rate. Conducted carbon quota transactions totaling 4.646 million tonnes throughout the year (including purchases and sales), with a transaction value of approximately CNY361 million (excluding tax). | Investment and cost expenditures for project construction |
| 6 | Carbon offset | Through afforestation, land restoration and other means to increase natural carbon sinks, the newly-added green area during the year was 35.83 million square meters, and the converted carbon sinks were approximately 0.146 million tonnes[1]. | Investment in environmental protection |

1 According to the calculation of China Carbon Trading Network (http://www.tanjiaoyi.com/article-4820-1.html), the number of fully grown trees planted per mu (667 square meters) is about 60 to 110, which can absorb about 24.455 tonnes of carbon dioxide a year (base on the median value is 90 trees). The calculation formula of carbon sink is: carbon dioxide absorption = green area (mu) × 24.455. In order to balance the amount of forest land and grassland green area, China Shenhua used 10 plants per mu as the benchmark, and then calculated the converted amount of new carbon sinks during the year.

## Climate scenario analysis

In order to better understand the potential impacts of climate change, in accordance with the requirements of *the Guide No.4 for Self-Regulatory Supervision on Listed Companies of the SSE – Compilation of Sustainable Development Reports* and *the Implementation Guidance for Climate Disclosures under HKEX ESG reporting framework*, and taking into account the factors such as the socio-economic environment, business nature, and geographical location, we selected public climate scenarios, published by the International Energy Agency (IEA), the China Energy and the Network of Central Banks and Supervisors for Greening the Financial System (NGFS), to analyze the risks and opportunities of climate change that the Company may face in five time frames, including 2025, 2030, 2035, 2040 and 2050. The scope of the scenario analysis includes all businesses under our operational control.

### (1) Input data and methods for scenario analysis

#### Scope of analysis

- Based on the survey results of 9 pilot entities, the climate change risks and opportunities faced by each business segment were identified.
- Based on the business and financial data in China Shenhua's consolidated financial statements, the impact of climate change on China Shenhua's financial indicators under each scenario has been calculated.

#### Applied scenarios

- Physical risks: NGFS – Current Policies Scenario, Nationally Determined Contributions Scenario, Below 2°C Scenario, Net Zero 2050 Scenario.
- Transition risks: IEA – Current Policies Scenario, Stated Policies Scenario, Announced Pledges Scenario, Net Zero Emissions Scenario; China Energy – Baseline Scenario, Faster Development of Energy Storage Technology Scenario, Larger-scale CCUS Deployment Scenario.

Reasons:

- The time frames of the selected sources are aligned with China Shenhua's planned time frame.
- The geographical coverage of the selected scenarios is aligned with the regions in which China Shenhua operates.
- The selected scenarios help China Shenhua assess the level of both physical and transition risks, and support China Shenhua's future strategic planning.

## Time frames

- Short-term: 0-1 year, in line with the Company's annual business development plan. We formulate a low-carbon development plan every year, and formulate and timely adjust the annual capital expenditure plan to ensure the completion of annual key tasks and targets.
- Medium-term: 1-5 years, in line with the Company's five-year development plan. We have formulated the Carbon Peak Action Plan based on national strategies and business characteristics, ensuring investment of resources, funds, and human resources, regularly reviewing business development and emission reduction progress, and making necessary revisions.
- Long-term: 5 years and above, in line with the timing of China's dual carbon targets. We conduct long-term planning based on the strategic plan for green and low-carbon development of the energy industry and along a time scale of 5 to 30 years, subject to regular reviews and necessary revisions.

## Assumptions

- Analysed in 2025, the location of the assets is expected to remain unchanged for some time.
- Mitigation measures will remain unchanged.
- China Shenhua's market share will remain unchanged for some time (except for those businesses with clear forecasts).

## Key input parameters and the reasons why they are considered important

- Coal demand – Including China and global demand, which affects the Company's commercial coal sales.
- Coal trading price – Directly affecting the revenue and profit of the Company's coal segment.
- Coal-fired power generation – Including, among others, no emission reduction measures/CCUS emission reduction measures, which affect the Company's coal-fired power sales.
- Carbon price – The Company may pay for greenhouse gas (GHG) emissions.
- Renewable energy capital expenditures – The investment in installed renewable energy capacity may affect the Company's capital expenditures and operating costs.
- Extreme weather – An increase in the frequency of extreme weather may affect the Company's business operations.

## (2) Selection of physical risk scenarios

The Company applies the Current Policies Scenario, the Nationally Determined Contributions Scenario, the Below 2°C Scenario, the Net Zero 2050 Scenario released by the Central Banks and Supervisors Network for Greening the Financial System (NGFS) to analyze physical climate risks. For physical risks, we focus on the impacts of acute and chronic risks under the high emission scenario.

| Selected scenario | Expected temperature rise | Scenario Description | Sources of selected climate scenario parameters |
|---|---|---|---|
| Current Policies Scenario | 3°C | This scenario assumes that only currently enacted and implemented policies are used and GHG emissions are projected to increase till 2080, resulting in a higher physical risk. | NGFS Scenarios Portal |
| Nationally Determined Contributions Scenario | 2.3°C | This scenario covers all committed targets, even no corresponding effective policies are established for these targets. Despite a decrease in total GHG emissions, temperature rise of 2.3°C is expected. | |
| Below 2°C Scenario | 1.8°C | This scenario assumes that climate policies will gradually tighten and the deployment of carbon removal technologies will be relatively limited, with the world achieving net-zero carbon dioxide emissions after 2070. | |
| Net Zero 2050 Scenario | 1.4°C | This scenario assumes that net zero carbon dioxide emissions will be achieved around 2050. Through stringent climate policies and innovative science and technology, global warming will be controlled below 1.5 °C. | |

## (3) Selection of transition risk scenarios

The Company applies the Current Policies Scenario, the Stated Policies Scenario, the Announced Pledges Scenario, and the Net Zero Emissions Scenario mentioned *in the World Energy Outlook* report published by the International Energy Agency (IEA), as well as the China Energy-Baseline Scenario, the Faster Development of Energy Storage Technology Scenario, and the Larger-scale CCUS Deployment Scenario mentioned in *the China Energy Outlook 2025 – 2060* published by China Energy to analyse the possible macro-environment for the Company. Regarding transition risks, China Shenhua focuses on the impact of changes in external policies, markets, technologies and other factors on the Company.

| Selected scenario | Expected temperature rise | Scenario Description | Sources of selected climate scenario parameters |
|---|---|---|---|
| Current Policies Scenario | 2.9°C | This scenario is strictly based on existing policies and regulations that have been implemented or legislated, without considering potential future government actions. A cautious approach is maintained regarding the deployment of new energy technologies. | IEA-World Energy Outlook |
| Stated Policies Scenario | 2.5°C | This scenario considers a broader range of policies, including those that have been formally announced but not yet implemented. The introduction of new technologies is faster than in the Current Policies Scenario. | |

| Selected scenario | Expected temperature rise | Scenario Description | Sources of selected climate scenario parameters |
|---|---|---|---|
| Announced Pledges Scenario | 1.7°C | This scenario assumes that all governments around the world will meet all of their announced climate-related commitments in full and in a timely manner, including long-term net-zero emissions targets and energy access targets. | |
| Net Zero Emissions by 2050 Scenario | <1.5°C | This scenario assumes that the global energy sector will achieve net-zero carbon dioxide emissions by 2050, controlling global warming below 1.5°C. | |
| China Energy-Baseline Scenario | / | This scenario assumes that, under the condition that there is no major damage to the external development environment and domestic economic and social development meets normal expectations, the energy system will evolve in accordance with the general requirements of the "dual carbon" target and relevant policies and planning objectives of the energy industry, and energy technology will be gradually improved, and energy conservation and carbon reduction and transformation will be promoted in an orderly manner. | |
| Faster Development of Energy Storage Technology Scenario | / | This scenario assumes that, based on the baseline scenario of 2024-2035, energy storage technology will achieve a major breakthrough, and "new energy + energy storage" will gain an absolute development advantage in ensuring energy security and promoting low-carbon energy development, forming a huge driving force for the incremental development and existing projects replacement of the energy system. | China Energy-China Energy Outlook 2025 – 2060 |
| Larger-scale CCUS Deployment Scenario | / | This scenario assumes that, based on the 2024-2035 baseline scenario, CCUS will gain absolute development advantages, and that "fossil energy + CCUS" will lay a solid foundation for large-scale application due to its reliability, safety and low cost. | |

## (4) Frequency of analysis and evaluation

China Shenhua has integrated the analysis of climate-related scenarios into its sustainability management mechanism and process, and conducted analysis and assessment of the possible impacts on the operation and business of the Company under different climate scenarios according to the frequency of every 3 to 5 years in the strategic planning cycle. If the Company's business model undergoes significant changes during the period (including asset acquisitions and business transformation), previous estimates become inconsistent with the current situation, or previous assumptions become invalid, scenarios analysis will be conducted again.

## Climate resilience

Through the analysis and simulation of climate-related scenarios, the Company has clarified the possible evolution pattern of future evolution under different economic development and energy use conditions, as well as the corresponding climate change consequences. At the strategic adaptability level, we have set strategic targets to achieve carbon peaking by 2030 and carbon neutrality by 2060. Accordingly, we have formulated a series of goals and action plans such as *the Action Plan for Peak Carbon*, which are adjusted and optimized each year according to the actual situation, with a view to aligning with the target emission reduction path of *the Paris Agreement*. By adapting to changes in policies and market behaviour, we will seize the opportunities brought about by transformation and accelerate the formation of a green innovation ecosystem that is technologically advanced, industry-intensive, and active in application, so as to continue to keep our competitive advantages.

In terms of business adaptability, we have taken into account the differences between different operating regions and different business segments, and strived to improve the resilience and safety of the industrial chain and supply chain, and improve the ability to reallocate, reuse, upgrade or decommission existing assets. These will involve the adjustment and optimization of our business strategies:

### Coal segment

We will promote the transformation and upgrading of coal consumption, strengthen the clean and efficient development and utilization of coal, and build an "ecological mining area, green mine and clean coal", and continue to fully leverage our role as a safety net for energy security.

### Power generation segment

We will deepen the coal-fired power Three Reforms Linkage, strengthen energy conservation and efficiency improvement, improve the peak load, deep load and rapid load change capacity of generating units, and enhance the coordinated supply capacity of integrated energy products such as industrial steam and residential heating. We promote the application of carbon reduction technologies such as mixed combustion of ammonia and mixed combustion of biomass, and promote the industrialization of CCUS. We develop new energy, new energy storage, virtual power plants and smart integrated energy according to local conditions, and explore the deployment of strategic emerging industries such as hydrogen energy and nuclear energy.

### Transportation segment

We will focus on planning the "big transportation structure", promote the application of containers and smart vehicles, improve the transportation capacity of bulk cargo, promote the forming of modern transportation system, smart transportation and contribute to the national strategy of building China with strong transportation network.

### Coal chemical segment

We will adhere to the high-end, diversified and low-carbon development direction of coal chemical industry, focus on the development of key core technologies, and focus on new coal-based materials, high-end chemical products and other high value-added areas. We increase investment in the research and development of low-carbon processing technologies to improve energy efficiency and carbon emission reduction capabilities, thereby enhancing market competitiveness.

We also enhance the capabilities of our assets to withstand extreme weather by developing physical risk mitigation measures. The Company has established a unified standard system for classification, transmission, storage and service of meteorological data on the self-developed meteorological big data service platform, thus realizing unified management of meteorological big data. In addition, the Company is integrated with information from production units, railways and vessels on the GIS platform, and supports subscription to meteorological information in different regions, providing accurate and efficient early warning information for the construction of the first line of defense in disaster prevention and risk reduction.

# Risk and Opportunity Management

## Policies to identify and assess climate-related risks and opportunities

China Shenhua has formulated *the Management Measures for Addressing the Risks and Opportunities of Climate Change*, which specifies the working principles, organization and responsibilities and management process of climate change management, and is constantly updated according to the actual situation. The Company uses climate-related scenario analysis to identify climate-related risks. For the business scope, input data and parameters covered, please refer to the section headed "Climate Scenario Analysis" in this report. For information on the nature, likelihood, and level of impact of these risks, please refer to the "List of Climate Risks and Opportunities" section of this report. For the ranking of climate-related risks compared to other types of risks, please refer to the section headed "Assessment of Important Issues" in this report.

## Processes for identifying, assessing, and monitoring climate-related risks and opportunities

The Company integrates the risks and opportunities of climate change into the overall risk management system. The basic processes mainly include: identification of climate change risks, assessment of climate change risks, control and response to climate change risks, monitoring and reporting of climate change risks, and building information systems for climate change risk management. Compared to the previous reporting period, the Company has not changed the processes and methods used.

| | |
|---|---|
| Identification methods | External professional institutions were engaged to set up a joint project team on addressing climate change to screen climate risks faced by each segment. Relevant departments were engaged to further identify climate-related risks. |
| Assessment methods | A list of climate risks and opportunities is compiled based on the likelihood of risks occurring and their impact on business operations and financing position. |
| Ranking methods | Scenario analysis is used to analyze and rank climate risks, taking into account likelihood, impact, adaptability and resilience. The ranking is approved by the Board after being reviewed by the Audit and Risk Management Committee. |
| Monitoring measures | The communication and reporting system on climate change risk management has been established and reported to the Board on a semi-annual basis. Supervising and evaluating the effectiveness of risk management was carried out on regular basis. |
| Integration into the overall risk management process | The risks and opportunities of climate change have been incorporated into the overall risk management system of the Company. Annual comprehensive risk identification and assessment are organized, and specific climate risk identification and assessment for specific projects are also carried out from time to time. |
| Risk response | Risk acceptance<br>Risk avoidance<br>Risk transfer<br>Risk hedging<br>Risk compensation<br>Risk control |

# Indicators and Objectives

## Climate-related indicators

### (1) Scope 1 and scope 2 GHG emissions

The majority of the underground coal mines of China Shenhua are low-gas mines, which result in less fugitive methane emissions from coal mining activities. At the same time, the coal chemical and shipping businesses of the Company currently account for a relatively small portion, and the railway business has largely realized electrified operation. Therefore, the direct GHG emissions are mainly from the thermal power business, that is, the carbon emissions generated by the combustion of fossil fuels. The Company's carbon emission facilities mainly include boilers, gas turbines and equipment purchased that uses electricity and fuel.

| Scopes | Type of emissions | Sources of emissions |
|---|---|---|
| Scope 1 | Stationary combustion source | GHG emissions from combustion of fuel in combustion equipment (including boilers) and flue gas heated with fossil fuels in desulfurization and denitrification |
| | Mobile combustion source | GHG emissions from diesel, etc, used in vehicles and vessels |
| | Chemical reaction | GHG emissions from chemical reactions in the production process |
| Scope 2 | Purchased electricity | Indirect emissions from electricity used by production equipment and production auxiliary/living facilities |
| | Purchased heat (hot water, steam, etc.) | Indirect emissions from drying and heating of production equipment and production auxiliary/living facilities |

## Accounting standards and methods

The fossil fuel consumption, low-end calorific value, carbon content per unit calorific value, carbon oxidation rate and other parameters used in the GHG accounting of the Company are mainly based on *the Guidelines for Corporate Greenhouse Gas Emissions Accounting and Reporting-Power Generation Facility* issued by the Ministry of Ecology and Environment and the guidelines for accounting methods and reporting GHG emissions of enterprises in key industries such as coal production, chemical production, coal coking and land transportation promulgated by the National Development and Reform Commission. The electricity emission factor is based on the local power grid carbon emission factor standard.

## Reporting scope

We used 100% accounting of the GHG emissions (including Scope 1 and 2) by those the Company has financial control in the PRC.

## Emission data

In 2025, the total carbon emissions of the Company's Scope 1 and Scope 2 are basically flat compared to the same period of last year, which is due to the fact that our core business is still in the development stage and coal production and power generation capacity remain high. This trend was in line with the expectation of the Company's *Carbon Peak Action Plan*. At the same time, we continued to carry out energy conservation and carbon reduction efforts, and reduced direct carbon dioxide emissions by approximately 595,000 tonnes equivalent throughout the year.

2025

Reduced direct carbon dioxide emissions throughout the year

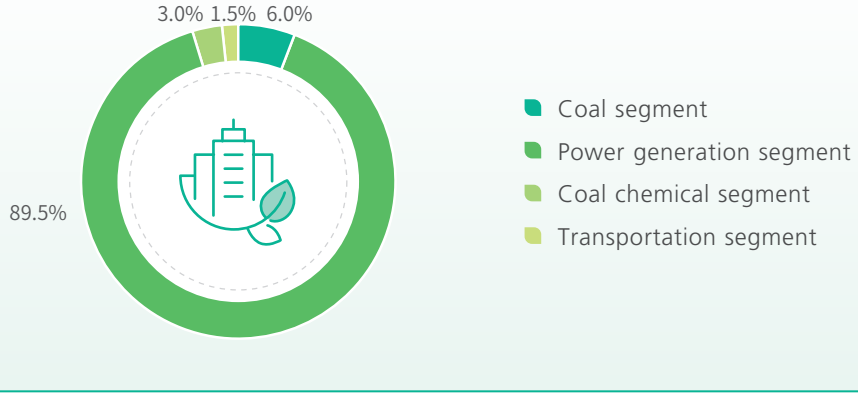
**595,000** tonnes

| Indicators | Units | Definition | Calculation formulas | 2025 |
|---|---|---|---|---|
| Total carbon emission | 10,000 tonnes of $CO_2$ equivalent | The sum of Scope 1 and Scope 2 carbon emissions generated by the Company's production and operation unit (excluding thermal power projects in Indonesia[2]). | Total Scope 1 GHG emissions + Total Scope 2 GHG emissions | 19,982 |
| Of which: total Scope 1 GHG emissions | 10,000 tonnes of $CO_2$ equivalent | Direct GHG emissions | Σ (activity data × emission factor) | 19,674 |
| Location-based total Scope 2 GHG emissions | 10,000 tonnes of $CO_2$ equivalent | Indirect GHG emissions from the purchase of electricity, heat or steam | Σ (activity data × emission factor) | 308 |

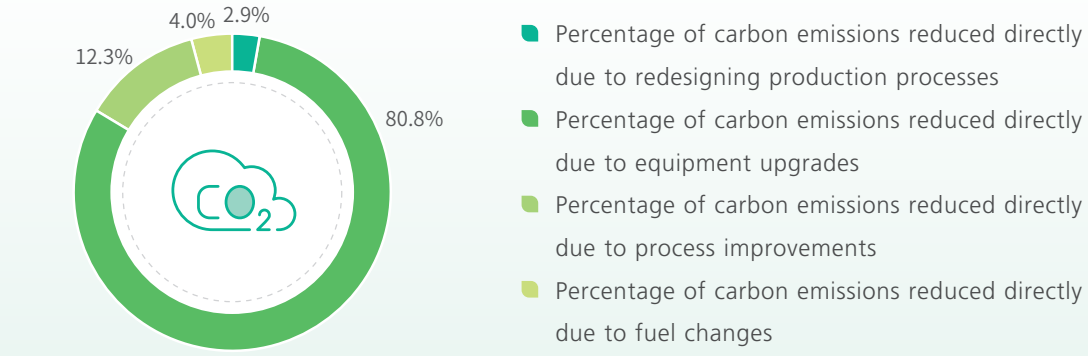
| Indicators | Units | Definition | Calculation formulas | 2025 |
|---|---|---|---|---|
| Carbon emission intensity | tonnes of $CO_2$ equivalent/ CNY10,000 | Carbon emissions per CNY10,000 revenue of the Company | Ratio of total carbon emissions generated by the Company's production and operation unit (excluding thermal power projects in Indonesia) to the Company's operating revenue of CNY10,000 | 6.78 |
| Carbon emission intensity of thermal power generation | g $CO_2$ equivalent/ kWh | Carbon emissions per unit of electricity generated by the Company's thermal power generation | Ratio of total carbon emissions generated by the Company's thermal power plants (excluding thermal power projects in Indonesia) to their total power generation capacity | 823 |

2 In 2025, the Company's thermal power projects in Indonesia generated approximately 14.03 billion kWh of electricity.

## Proportion of total carbon emissions




## Pathways to reduce direct carbon emissions




### (2) Scope 3 GHG emissions

Since 2024, the Company has started accounting of Scope 3 carbon emission data for some categories and incorporate them into the GHG emission management system of the Company. In 2025, the Company has preliminarily completed the accounting of Scope 3 carbon emission data for business travel and other categories and the construction of the application factor database. As a result of the issuance of A shares and the payment of cash for the purchase of relevant assets of coal, pithead coal power, coal-to-oil, coal-to-gas, and coal chemicals held by our Controlling Shareholder, China Energy Investment Corporation Limited, which were initiated by the Company in August 2025, upon completion, the Company's asset size and certain industrial business size will change significantly. After comprehensive consideration and assessment, the Company did not disclose the Scope 3 carbon emission data in accordance with the waiver provisions of *the Environmental, Social and Governance Reporting Code* of the Hong Kong Stock Exchange. The Company will resume quantitative analysis and assessment in 2026 and disclose quantitative information no later than the 2026 ESG report.

## Climate-related targets

In order to effectively respond to the nationally determined contribution targets, we have formulated the overall carbon peaking, carbon neutrality targets, short-term and medium-term targets based on the actual business of the Company. The Board and the Safety, Health, Environment and ESG Working Committee of the Company, as the main bodies of governance responsibility, regularly conduct systematic and regular monitoring and evaluation of the completion of climate change-related targets and indicators to ensure the effective achievement of the set targets.

**Overall target**

To peak carbon dioxide emissions before 2030 and actively explore effective pathways to achieve carbon neutrality before 2060.

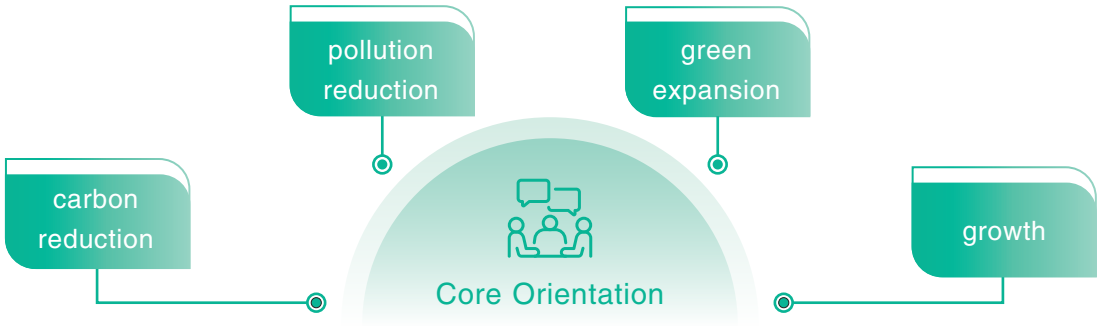
**Short to medium term climate management targets**

| | | |
|---|---|---|
| Indicators used for setting targets | Total carbon emissions of Scope 1 and 2 (10,000 tonnes of $CO_2$ equivalent) | Carbon emission intensity per CNY 10,000 revenue (tonnes of $CO_2$ equivalent/CNY10,000) |
| Purpose of target setting | Control and mitigate GHG emissions to ensure that the company achieves carbon peaking targets on schedule | |
| Applicable business scope | Scope of consolidated reports | |
| Applicable time range – Base year | 2020 | |
| Applicable time range – Target year | 2030 | |
| Target type and content | Absolute target: increase no more than 70% in the target year compared to the base year | Relative target: 6% reduction in the target year compared to the base year |
| Scope of GHG addressed by the target | Scope 1 and 2 $CO_2$ Emissions | |

| | | |
|---|---|---|
| Whether the target includes Scope 3 GHG emissions | No | |
| Whether the target is based on the industrial decarbonization approach | Yes. The Company maintains or improves the productivity of the industry, and at the same time strives to reduce the GHG emissions generated in the production process through systematic and structural technical and management measures. | |
| Progress towards targets for the current year | Increased by 48.1% compared to the base year | Increased by 17.3% compared to the base year |
| Methods and processes for setting and reviewing targets | Led by the strategic planning, business operations and ESG management departments, and in accordance with relevant national policy requirements, the Company's long-term development strategy and five-year development plan, combined with the Company's actual operating data, a draft target was reviewed by the management, then submitted to the Board of the Company for approval and implementation. | |
| Methods for monitoring the progress of target achievement | The Board of the Company reviews the progress against the targets on an annual basis. The Company has incorporated ESG indicators into the annual performance appraisal system of the management and its subsidiaries to promote the achievement of ESG targets. | |
| Whether the targets and their setting are verified by a third party | The total carbon emissions and carbon emission intensity during the Reporting Period (i.e. the progress of the targets) have been independently verified by a third party. | |
| Indicators used to monitor progress towards targets | Scope 1 GHG emission related indicators (e.g. comprehensive energy consumption) and Scope 2 GHG emission related indicators (e.g. electricity consumption). | |
| Related assumptions | The Company estimates the total carbon emissions based on high, medium and low scenarios based on the future development plans of the coal, power, chemical and transportation segments. The above targets are set based on the calculation results of the medium scenario. For example, the power segment, which accounts for the largest share of carbon emissions, is calculated based on a utilization level 200 hours higher than the national average for coal-fired power. Based on the calculated energy saving potential of existing energy-saving and emission reduction projects, it is assumed that the emission intensity of existing projects will decrease by 1% year-on-year from 2021 to 2030. | |

# Discharge of Pollutants

China Shenhua has always adhered to the core orientation of jointly promoting "carbon reduction, pollution reduction, green expansion and growth", and resolutely implemented the national requirements on ecological and environmental protection, and continued to improve the pollution prevention and control system covering all business segments. The Company has comprehensively promoted the systematic treatment of waste gas, waste water and other pollutants, strictly complied with the emission standards to ensure stable and up-to-standard emissions, and spared no effort in safeguarding blue sky, clear water and pure land.




# Pollutant Emission Management

The Company has been in strict compliance with laws and regulations such as *the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution* and *the Water Pollution Prevention and Control Law of the People's Republic of China*, and has established an internal system represented by *the Administrative Measures on the Prevention and Control of Air Pollution*. In order to minimize the risks caused by the pollutants discharged from production activities on the occupational health of employees and the surrounding ecological environment, as well as the adverse effects on the quality of life and health of the surrounding community residents, we have established a pollutant discharge monitoring mechanism covering air and water to strictly control the risk of excessive discharge of pollutants, and take concrete actions to protect occupational health, ecological environment and community well-being. In our daily operations, we continuously strengthen our efforts in air and wastewater treatment and ensure the pollutant concentration and total amount do not exceed the upper limit as approved in the discharge permits. We monitor the emission indicators of air pollutants in real time through automatic sampling, and regularly monitor the discharge of water pollutants through a combination of on-site sampling and automatic sampling, and strengthen the collection, transmission and analysis of key indicators such as air and water quality to ensure the authenticity, validity, and completeness of monitoring data and ensure that all pollutants meet discharge standards in the long term and in a stable manner. In response to heavy pollution weather and similar special periods, the Company has formulated graded emergency plans to clarify the measures for pollutant reduction and production scheduling, and regularly organizes drills to improve emergency response capabilities.

2025

Total sulphur dioxide generated
**1.99** 10,000 tonnes

Total nitrogen oxides generated
**4.25** 10,000 tonnes

Total dust generated
**0.27** 10,000 tonnes

Chemical oxygen demand (COD) in the discharged wastewater
**0.044** 10,000 tonnes

The Company attaches great importance to the potential impact of pollutant discharge on the occupational health of employees and the surrounding community environment. During the reporting period, the Company's production units had controlled the total discharge of the above-mentioned pollutants within the approved and permitted scope. The Company did not receive any major complaints from local community residents or other stakeholders regarding environmental pollution.

As at December 31, 2025, the Group had a total of 45 enterprises that belong to the key units of environmental supervision announced by the environmental protection department (for details, please refer to the 2025 annual report of the Company). The pollutant discharge of the above key units in 2025 is as follows:

| Major Pollutants | Total Emissions (10,000 tons) | Approved Total Emissions (10,000 tons/year) | Excess Emissions (hours) |
|---|---|---|---|
| $SO_2$ | 1.35 | 4.17 | 13 |
| NOx | 2.58 | 4.89 | 118.5 |
| Smoke and dust | 0.19 | 1.11 | 31.5 |
| COD | 0.0143 | 0.0188 | 0 |

Note: Due to the current technical limitations, during the start-up process of thermal power units, the pollution control facilities cannot be operated normally due to insufficient flue gas temperature, which may lead to short-term excessive discharge of pollutants.

# Pollutant Impact Assessment and Management

The Company systematically identifies and assesses the risk sources of pollutant discharge, and has formulated comprehensive prevention and control measures including preventive equipment maintenance, targeted training for personnel and emergency plans to ensure that environmental risks are under control.

## Risk and opportunity assessment related to pollutant emissions

| Risks | | Business impact | Financial impact |
|---|---|---|---|
| Physical risks | Sudden physical risk (such as leaks) | Sudden environmental incidents may result in production suspension and facility outage, requiring emergency response and restoration. | Emergency, compensation and ecological restoration expenses increased; operating income decreased due to production suspension and related fines increased. |
| | Chronic physical risk (such as cumulative effects) | Long-term operation may cause continuous impact on the surrounding environment (water, soil, etc.), resulting in increased operating pressure and possible future expansion restrictions. | Operating costs such as water treatment, ecological maintenance and monitoring continued to increase; and capital expenditures to meet long-term environmental protection requirements increased. |

| | Risks | Business impact | Financial impact |
|---|---|---|---|
| Transition risks | Policy and regulatory risk (stricter emission standards, tightening total emission) | Enhanced environmental protection standards, tightened total emission control, and ongoing environmental transformation and upgrading of production facilities. | Increase in ongoing capital expenditures such as equipment upgrades and technical transformations and higher operating expenses required to meet the new standards. |
| | Compliance and penalty risk (enhanced regulatory enforcement, internalization of environmental costs) | Environmental violations such as excessive emissions, facility failures or management oversights may result in regulatory penalties and operational restrictions. | Direct payment of fines, late fees, and environmental protection taxes; reduced operating revenue due to production restrictions or shutdowns. |
| | Market and reputational risk (environmental performance impacts brand and market access) | Poor environmental performance may damage company image and "green" image, affecting market share, customer relationships and project acquisition. | Decreased sales revenue due to declining competitiveness; increased public relations and marketing costs to rebuild reputation; and possible increases in financing costs. |
| | Technological and competitive risk (lagging behind in technological iteration of clean production and control) | Lagging behind in the adoption and iteration of clean production and pollution control technologies may result in unit environmental protection costs higher than those advanced in the industry. | Decrease in profit due to increase in unit control cost of production; and outdated technology may lead to impairment risk of existing environmental protection assets. |

| Opportunities | Business impact | Financial impact |
| --- | --- | --- |
| Technology and management opportunities (efficient governance and process optimization) | Application of smart and efficient treatment technologies to optimize production process and significantly reduce resource consumption and pollution control costs. | Reduced operating costs; improved capital expenditure efficiency; potential new revenue streams through technology transfer or services. |
| Resource recycling opportunities (waste recycling and circular economy) | Resource utilization of solid wastes (such as coal gangue and fly ash) and wastewater to build a circular economy industrial chain. | Increased revenue from recycled products; reduced costs of raw material procurement and waste disposal; enjoy preferential tax rates. |
| Market and financial opportunities (green brands and policy dividends) | Leveraging outstanding environmental performance to build a green brand which allows Company to gain policy support and market trust, thus achieving a differentiated competitive advantage. | Increased revenue through green premiums; access to low-cost green financing (such as green bonds and credit); and the ability to secure government subsidies and tax cuts. |
| Synergy and innovation opportunities (cross-industry integration and emerging growth points) | Promoting inter-industry integration (e.g. "coal-to-electricity" coupling, green power consumption) and integration with emerging fields such as new energy and carbon sinks to develop new businesses. | Creating new profit growth points; improving the comprehensive utilization efficiency of assets; enhancing business diversification and risk handling capabilities. |

# Reduction of Pollutant Emissions

Taking into account the actual needs of the business, the Company has set specific emission reduction targets for four pollutants during the "14th Five-Year Plan" period. In the future, we will continue to strengthen the monitoring of the emission process, upgrade the treatment technology, and set and implement a new round of quantitative and voluntary emission reduction targets while ensuring the emission standards are met, so as to promote the continuous optimization of emission performance.

| Types of pollutants | Emission reduction targets | | | | | Progress achieved during the Reporting Period | Target achievement status |
|---|---|---|---|---|---|---|---|
| | Base year | Target year | Target nature | Target time scale | Target content | | |
| Air pollutants | 2020 | 2025 | Quantitative | Medium term | $SO_2$ emission performance of thermal power plants reduced by 2% | Year-on-year flat | Target not reached, 13.8% higher than 2020 |
| | | | | | $NO_x$ emission performance of thermal power plants reduced by 2% | Year-on-year flat | Target reached, 7.1% lower than 2020 |
| | | | | | Dust emission performance of thermal power plants decreased by 3% | Year-on-year increase of 2% | Target reached, 5.6% lower than 2020 |
| Water pollutants | | | | | COD emissions decreased by 4% | Year-on-year increase of 18.9% | Target reached, 48.8% lower than 2020 |

| Indicator | Unit | Indicator description | Calculation formula | 2025 |
|---|---|---|---|---|
| $SO_2$ emission performance of thermal power plants[3] | g/kWh | During the Reporting Period, the amount of sulphur dioxide emissions generated per kilowatt hour of electricity produced by the Company's thermal power business | Sulphur dioxide emissions from thermal power plants/thermal power generation | 0.074 |
| $NO_X$ emission performance of thermal power plants | g/kWh | During the Reporting Period, the amount of nitrogen oxides emitted per kilowatt hour of electricity produced by the Company's thermal power business | Nitrogen oxide emissions from thermal power plants/thermal power generation | 0.13 |
| Soot emission performance of thermal power plants | g/kWh | During the Reporting Period, the amount of soot generated per kilowatt-hour of electricity produced by the Company's thermal power business | Soot emissions from thermal power plants/ thermal power generation | 0.0102 |
| COD emissions | tonnes | During the Reporting Period, the total amount of COD discharged from all operating activities of the Company to environmental water through waste water discharge outlets | Σ (COD concentration of each wastewater outlet (mg/L) × corresponding amount of wastewater discharged (tonnes))/1,000,000 | 442.94 |

The Company is committed to promoting source emission reduction, process control and resource utilization through technology upgrading and refined management. In order to clearly demonstrate the specific actions and results of the Company's pollutant treatment, the following table will disclose the types of pollutants covered, the key treatment technologies adopted and the corresponding treatment effects based on the main pollutant emission sources by segment.

3 Pembangkitan Jawa is managed under the BOT model, and its operational data such as power generation are not included in the Company's statistical scope. The emission data of this power plant are not included in the calculation of thermal power exhaust emissions and thermal power emission performance.

| Environmental factors | Sources of pollutants | Types of pollutants covered | Main pollutant treatment technologies, treatment methods and prevention and control measures | Treatment effects |
|---|---|---|---|---|
| Air | Coal segment | Particulate matter (coal dust, fugitive dust) | **Coal dust treatment:** The ground coal-handling trestle has been fully enclosed, and the open-air coal storage yard has been completely enclosed and upgraded. The external transportation carriages are fully enclosed and sprayed with curing agents to suppress dust. **Fugitive dust treatment:** Dust prevention and suppression facilities are set up at construction sites, and exposed ground is fully covered with greenery or hardened. Material storage yards are fully enclosed. | Effective control of fugitive dust in mining areas, achieving "no coal visible during coal mining and transportation" and "no more dust generated after hardening and greening". |
| | Transportation segment | Particulate matter, $SO_2$, NOx | **Clean alternatives:** Small coal-fired boilers along the route have been phased out, and clean heating methods such as electric boilers, ground source heat pumps, and connection to waste heat or municipal pipe networks have been adopted. **Mobile source control:** The use of clean energy-powered non-road mobile machinery has been applied, and the use of shore power for vessels in ports have been installed to reduce fuel emissions during port calls. | Completely eliminate source emissions from stationary coal combustion; effectively reduce mobile source pollution during transportation. |
| | Power segment | Sulphur dioxide, nitrogen oxides, and particulate matter | **Ultra-low emission:** All conventional coal-fired generating units have completed ultra-low emission transformation (high-efficiency desulfurization, denitrification and dust removal). **Source control:** All newly built power plants adopt advanced technology; gas generating units are equipped with low-nitrogen burners and SCR denitrification, and implemented precise ammonia injection renovation. | Atmospheric pollutant emission concentrations of all coal-fired power units have consistently and stably been lower than national limits. |
| | Coal chemical segment | VOCs, $H_2S$, particulate matter | **Exhaust gas collection and treatment:** Exhaust gas is collected through airtight pipes and gas collecting hoods, regenerative thermal oxidizer (RTO), catalytic oxidation and other technologies are used to treat VOCs; wet desulfurization and other technologies are used to treat sulfur-containing exhaust gas. | Emissions of characterisitc pollutants such as VOCs have been effectively controlled, achieving stable compliance with emission standards. |

| Environmental factors | Sources of pollutants | Types of pollutants covered | Main pollutant treatment technologies, treatment methods and prevention and control measures | Treatment effects |
|---|---|---|---|---|
| Water | Coal segment | Suspended solids, COD, fluoride, heavy metals | **Mine water purification and resource utilization:** An underground reservoir and a surface water treatment system have been constructed, and multi-stage purification treatment (such as high-efficiency cyclone and multi-media filtration) has been carried out on mine water. The treated water is used for production reuse, ecological irrigation, afforestation and dust reduction, etc. to achieve resource utilization. | Significantly improving the comprehensive utilization rate of mine water, several mines have achieved "zero external discharge". |
| | Transportation segment | Suspended solids, etc. | **Wastewater treatment and reuse:** A coal-containing wastewater recycling and treatment workshop has been built, and wastewater from the port area and stations is collected and treated in a classified manner. The treated wastewater is reused for dust suppression in the storage yard, greening irrigation, vehicle washing, etc. Coal dust is made into coal cakes for recycling as fuel or chemical raw materials. | Operational wastewater has been collected and reused, significantly saving fresh water resources and reducing the environmental impacts associated with external discharge. |
| | Power segment | Desulfurization wastewater, etc. | **Zero discharge of wastewater:** By adopting processes such as "low temperature flash concentration + high temperature flue gas bypass drying", the desulfurization wastewater is concentrated and dried to achieve zero discharge of wastewater in the plant. | The transformation to zero discharge of desulfurization wastewater has been gradually promoted to reduce the impact on environmental water bodies. |
| | Coal chemical segment | COD, ammonia nitrogen, etc. | **Hierarchical treatment and zero discharge:** Wastewater generated during the production process undergoes biochemical pretreatment (such as A/O process) before entering a water reuse system (using ultrafiltration + reverse osmosis, etc.); high-salinity wastewater enters a salt separation and crystallization unit (using membrane concentration – nanofiltration salt separation – evaporation salt production process) to achieve resource recovery. A closed-loop system of "treatment-reuse-crystallization" is constructed. | High-standard treatment and reuse of wastewater has been achieved and continuous progress has been made towards the goal of "zero discharge". |
| Industrial noise | All segments | Equivalent continuous A-weighted sound pressure level | Low-noise equipment has been selected, mufflers and sound insulation devices have been installed, sound barriers have been set up, and equipment maintenance has been enhanced. | The noise at the factory (site) boundary has been stabilized and complied with national and local standards. |

Case

## The Shuohuang Railway and Baoshen Railway completely phased out coal-fired boilers, creating a green and low-carbon transportation corridor

In order to completely solve the pollution problem caused by decentralized heating along the railway lines, Shuohuang Railway and Baoshen Railway have systematically implemented the clean heating renovation project, completely phasing out coal-fired boilers at all stations and replacing them with diversified clean energy sources such as ground source heat pumps, access to waste heat from power plants, and municipal heating networks. This initiative eradicated the pollution caused by coal burning and led to zero emission of sulfur dioxide. The project also optimized the energy mix and successfully built a green and low-carbon transportation corridor, providing a replicable example for the clean transformation of the industry.

# Waste Treatment

China Shenhua actively promotes the construction of a "zero-waste enterprise" and is committed to reduction, recycling and harmlessness of waste. The Company focuses on source reduction, and reduces waste generation through raw material substitution and process innovation; strengthens comprehensive utilization, and enhances value through technological innovation and industry synergy; We strictly adhere to the bottom line of risk, implements standardized management and control of the whole process of hazardous waste, and systematically reduces the environmental impact caused by solid waste.

## Waste Management

In the daily operation of coal mining and conversion, the Company mainly generates general industrial solid wastes such as coal gangue, fly ash and slag, and hazardous wastes such as waste mineral oil and waste catalysts. The Company strictly follows *the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution of Solid Waste, the Pollution Control Standards for the Storage and Landfill of General Industrial Solid Wastes, the Pollution Control Standards for Hazardous Waste Storage* and other laws, regulations and national standards, and incorporates waste management into its strategy and environmental target system, continuously promotes the reduction, comprehensive utilization and proper disposal of waste at source, and strictly control environment-related risks.

In order to systematically improve the management level, the Company has established a management mechanism covering the whole life cycle of wastes:

### Mechanism Development

Establish a comprehensive system covering all aspects of generation, collection, storage, transportation, utilization, and disposal, clarify responsibilities and standards, and establish supporting systems such as ledgers, public information disclosure, and emergency response.

### Process management

Strictly implement the national standards for classified storage and labelling, standardize the transfer approval and filing procedures, verify the qualifications and technical capabilities of the contractors of waste utilization and disposal, and record the whole process of waste management ledger in detail.

### Risk prevention and control

Carry out regular risk identification and rectification of hidden dangers, and organize special audit and management assessment of waste.

### Emergency management

Develop and file emergency plans, regularly maintain emergency supplies, conduct training and drills, and improve the ability to respond to emergencies.

In 2025, each branch of the Company set up a special working group led by the manager responsible for ecological and environmental protection to systematically formulate plans and proposals. Through quarterly supervision and half-yearly review mechanism, this work proceeded firmly, and the national requirements for the construction of "zero-waste cities" have been integrated into concrete practices. *The Guidelines for the Construction of Zero-Waste Ports* (T/CIN076-2025), a corporate standard led by Huanghua Port has been officially implemented. As the first recommended technical specification covering the whole chain management of port solid waste in China, it provides a systematic solution for solid waste management in the port industry.

In 2025, the total amount of general solid waste generated by the Company's production and operation unit was 55.6192 million tonnes, the total amount of hazardous waste generated in accordance with the "*National Hazardous Waste List (2025 Edition)*" was 21,774.86 tonnes, and the amount of hazardous waste recycled was 10,008.57 tonnes.

| Indicator | Unit | Definition | Calculation formula | 2025 |
|---|---|---|---|---|
| General solid waste generated per CNY 10,000 of output value | tonne/ CNY10,000 | General solid waste generated per CNY 10,000 of output value of the Company's industrial branches | Total general solid waste of industrial branches/gross industrial output value | 2.29 |
| Hazardous waste generated per CNY 10,000 of output value | kg/CNY10,000 | Hazardous waste generated per CNY 10,000 of output value of the Company's industrial branches | Total hazardous waste of industrial branches/gross industrial output value | 0.90 |

## Waste Emission Reduction and Disposal

The Company has set a quantitative target for improving the comprehensive utilization rate of general solid waste during the "14th Five-Year Plan" period based on its actual business conditions. In 2025, the comprehensive utilization rate of general solid waste of the Company reached 92.84%, which has been achieved. In the future, we will continue to strengthen the management of waste disposal process, formulate and implement a new round of quantitative and voluntary waste reduction targets, and improve the efficiency of waste recycling.

| Type of waste | Waste reduction target | | | | | Progress achieved during the Reporting Period | Target achievement status |
|---|---|---|---|---|---|---|---|
| | Base year | Target year | Target nature | Target time scale | Target content | | |
| General solid waste | 2020 | 2025 | Quantitative | Medium term | The comprehensive utilization rate of general solid waste increased by 5 percentage points | Increased 0.02 percentage year-on-year | Increase by 51.64 percentage from 2020 and have met target |

Following the principles of differentiated and refined management, the Company implements classified management and control of various types of wastes, and strictly controls the risk of secondary pollution caused by hazardous wastes.

## Waste emission reduction and disposal measures

### Reduction at source

- **Optimize mining and washing design:** Reduce gangue generation by optimizing mine layout and promoting technologies such as pillarless mining, and construct an underground pre-discharge gangue system to reduce gangue lifting.
- **Upgrade production processes and equipment:** Improve the quality of coal fed into furnaces, optimize operating parameters, implement desulfurization (such as converting sodium-based agents to calcium-based) and high-proportion ammonia in co-fired boilers, and reduce waste generation from the sources.
- **Strengthen green materials management:** Promote green procurement and select non-toxic or low-toxic raw materials; carry out repair and reuse of old materials and paperless office workflow to reduce the source of waste during the usage.

### Resource utilization

- **Promote the large-scale utilization of bulk solid waste:** Realize the utilization of bulk material such as coal gangue and fly ash through underground filling, land reclamation and production of green building materials (such as brick, cement and ceramsite).
- **Achieve recycling for certain waste:** Desulfurization ash, after stabilization treatment, can be used as a raw material for desulfurizing agents or cement retarder; expired denitrification catalysts can be recycled; waste steel, waste copper, waste electrical components, and other metal waste can be recycled and transformed into steel and alloy products.
- **Implement internal resource utilization of hazardous waste:** Use waste mineral oil to make explosives, and realize the closed-loop utilization of hazardous waste within the company.

### Harmless disposal

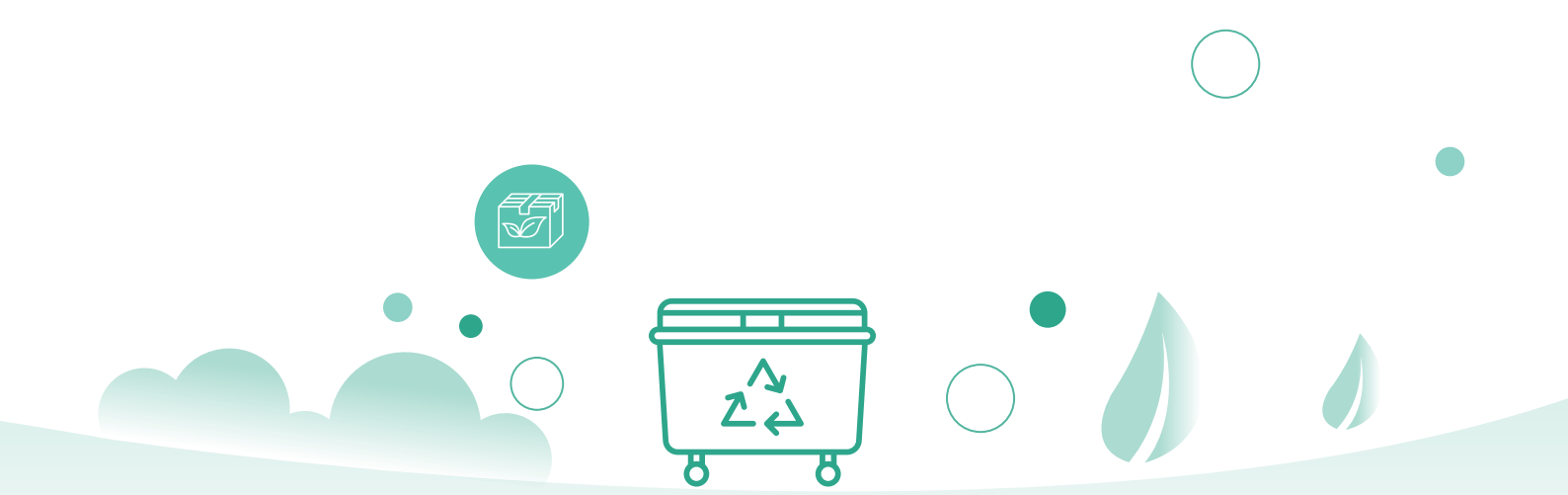
- **Standardize storage and transfer:** Construct standardized hazardous waste temporary storage facilities and implement labelling and monitoring; achieve full traceability by using the ledger system and electronic manifests.
- **Strict Supervision of Final Disposal:** Engage qualified entities to conduct safe disposal, and track and supervise final disposal methods such as incineration, co-processing, or landfilling.

| Indicator | Unit | Definition | Calculation formula | 2025 |
|---|---|---|---|---|
| Comprehensive utilization rate of general solid waste | % | Percentage of comprehensive utilization of the total general industrial solid waste generated by the Company during the Reporting Period. | (Usage of general solid waste/ Amount of general solid waste generated) *100% | 92.84 |
| Hazardous waste recycling volume | Tonne | Total amount of recycled and reused wastes generated by the Company and included in *the National Directory of Hazardous Wastes* during the Reporting Period. | Σ (Internal recycled volume of various hazardous wastes + Recycled volume by qualified contractors) | 10,008.57 |

# Packaging Material Management

The polyolefin and sulphur products of the coal chemical segment of the Company are mainly packaged in woven bags at the time of delivery. To standardize the packaging process, Baotou Coal Chemical has formulated relevant rule such as *the Product Packaging Quality Management Measure*, focusing on strengthening packaging quality control and precise weight management, while continuously promoting the reduction of packaging materials.

| Indicator | Unit | Definition | Calculation formula | 2025 |
|---|---|---|---|---|
| Total amount of packaging materials used | Tonne | The total weight of the packaging materials used in the finished products of the Company's coal chemical segment during the Reporting Period. | Σ (Weight of consumed packaging materials for all types of product) | 4,198.3 |
| Amount of packaging materials used per unit of product | kg/tonne | The weight of the packaging materials used per ton of finished products of the Company during the Reporting Period. | Total packaging material usage in the coal chemical sector/Total weight of coal chemical products | 5.7 |



# Ecosystem and Biodiversity Conservation

Biodiversity is the cornerstone of maintaining the earth's ecological balance and human sustainable development. Following the vision of "achieving harmony between humanity and nature by 2050" proposed by *the United Nations Convention on Biological Diversity* and *the Kunming-Montreal Global Biodiversity Framework*, and actively responding to the relevant requirements of *the China Biodiversity Conservation Strategy and Action Plan* (2023-2030) of the Ministry of Ecology and Environment, we have fully integrated the concept of ecological civilization into our operations, continuously strengthened the protection of natural ecosystems and wildlife, and are committed to improving biodiversity level and promoting the more stable and sustainable development of ecosystems.

## Ecological Governance

By strictly complying with national laws and regulations such as *the Wildlife Protection Law of the People's Republic of China, Forest Law of the People's Republic of China* and *Regulation of the People's Republic of China on Nature Reserves*, as well as the relevant ecological protection regulations of the places where the Company operate, the Company has ensured that all activities are within the ecological red line and permitted range of national land space planning. In order to strengthen internal governance, the Company has issued *the Undertaking on Not Operating in Protected Areas*, and has formulated internal systems such as *the Management Rules for Land Reclamation in the Coal Segment* in accordance with regulations such as *the Land Reclamation Regulations*, and has required all coal production units to prepare and submit *the Plan for Mine Geological Environment Protection and Land Reclamation* for approval, to ensure that the ecological protection and restoration work is carried out in a legal and proper manner.

## Full-cycle Ecological Management and Control

We have established an ecological management and control system that covers the entire life cycle of projects. Adhering to the principle of "primarily relying on natural restoration and supplemented by artificial repair", we have systematically promoted ecological protection and restoration. In the early stage of the project, we systematically carried out feasibility analysis on the ecological environment, and proactively avoided construction-prohibited areas such as national parks, nature reserves, scenic spots and coastline reserves to minimize the ecological impact at the source. During the operation stage, the Company formulates an annual restoration action plan based on the approved proposal, and carries out systematic ecological engineering through self-implementation or entrusting qualified contractors.

We continue to conduct land resource surveys and biodiversity baseline assessments. The Company's practices in land risk management, ecological restoration and biodiversity conservation have been professionally assessed and certified by independent third-party institutions for many times. In 2025, in order to systematically assess the effectiveness of comprehensive ecological treatment projects such as backfilling surface cracks and restoring vegetation in impacted areas, Shendong Coal's Huangyuchuan Coal Mine, Shengli Energy's open-pit mines, third-party professional institutions were commissioned to carry out ecological monitoring, in order to identify potential environmental risks and provide effective data support for the optimization of subsequent ecological restoration plans and environmental management decisions. By the end of 2025, the Company had built a total of 15 national-level green mines and 8 provincial-level green mines, with green mines accounting for 82.1%; two sites, namely Huanghua Port Industrial Tourism Scenic Area and Zhuneng Mine Ecological Tourism Area, has been certified as AAA scenic spots by the Ministry of Culture and Tourism.

By the end of 2025

The Company had built a total of

**15** national-level green mines

Built

**8** provincial-level green mines

With green mines accounting for

**82.1**%

Adhering to the principle of "primarily relying on natural restoration and supplemented by artificial repair", we have been actively constructing a biodiversity conservation network while restoring damaged ecosystems through diversified and systematic ecological projects, which has achieved remarkable results.

### Land reclamation and ecological restoration

We have established a soil and water conservation management system that covers pre-mining, mining, and post-mining operations. By the end of 2025, the Company completed the treatment of land subsidence in underground mines with a total area of 607.64 million square meters, and the reclamation of the dump sites of open-pit mines with an accumulated area of 55.87 million square meters. Vegetation coverage and soil and water conservation functions have been greatly improved. The project of "R&D and Demonstration of Bio-carbon Sequestration Synergetic Soil Structure Reshaping Technology" innovatively researched and developed by Baorixile Energy passed the acceptance test. In the 2,100 square meters test area of the Baorixile Mining Area, the vegetation coverage was increased by 38%-54%, and the soil moisture content was increased by 14%-85%, and the maximum soil organic carbon content increased by 613%. We value the shared benefits of restoration results. For example, Yulin Energy delivered the 350 mu of land reclaimed from the gangue dump and abandoned brick factory after ecological treatment to the villagers for sunflower planting, effectively promoting the synergy between ecological restoration and people's livelihood improvement.

### Systematic conservation of biodiversity

In the restoration area, we scientifically set up drinking water points, ecological corridors and isolation facilities to provide safe living and activity spaces for wildlife, and established a wildlife rescue linkage mechanism to ensure that injured animals receive timely and professional rescue. At the same time, we continued to promote the construction of vegetation system, planting native plants and characteristic species along railway lines and around mining areas to form multi-layer and multi-functional plant populations. This effectively played the role of mitigating wind and dust, noise reduction and isolation, enhanced the connectivity and stability of the ecosystem, and promoted the in-depth integration of the artificial operating environment and the natural ecology.

### Aquatic ecosystem protection and restoration

The Company actively participated in the comprehensive treatment of river basins and protection of water source areas, and carried out relevant technical research. In coastal operating areas, we carried out marine environment monitoring, implemented ecological compensation projects such as stock enhancement and release and planned artificial fish reefs to restore aquatic living resources and build a healthy marine ecosystem.

## Ecological Restoration Objectives and Results

The Company has formulated overall annual targets for land use and ecological restoration. Based on our actual business situation, we have broken down the targets to our affiliated units and systematically promoted various tasks. All of these targets were achieved by the end of 2025.

Target

Achievement

Land use and ecological restoration targets and achievement in 2025

| | |
|---|---|
| The reclamation rate of dump sites of open-pit mines shall reach 99%. | The reclamation rate of dump sites of open-pit mines is 99.7%, and the target has been achieved. |
| The newly added greenery area shall not be less than 30 square kilometres | The newly added greenery area is 35.8 square kilometres, and the target has been achieved. |

| Indicator | Unit | Definition | Calculation formula | 2025 |
|---|---|---|---|---|
| Reclamation rate of dump sites in open-pit mines | % | The ratio of the area of dump sites for which ecological restoration has been completed to the total reclaimable area of the open-pit mines as at the end of the Reporting Period. | (Accumulative reclaimed area of dump sites of open-pit mines/Accumulative area to be reclaimed of dump sites of open-pit mines)*100% | 99.7 |
| Newly added greenery area | 10,000 square meters | The Company's land area with newly formed and stable vegetation cover during the Reporting Period. | Σ Accepted and confirmed newly added greenery area of each individual ecological restoration project during the Reporting Period | 3,583 |

Case

## Shengli Energy takes multiple measures to build a biodiversity home in the mining area

Shengli Energy has been continuously strengthening the restoration and construction of ecological environment, and is committed to improving the ability of wildlife protection and rescue. By implementing measures such as fences and setting up drinking water points, Shengli Energy has created suitable habitats for wild animals, attracting a variety of animals to settle down in mining areas. According to monitoring, more than 80 species of wild animals have been recorded in the area, including steppe fox, Mongolian hare, swan goose, ring-necked pheasant, and Pallas's cat, as well as more than 40 species of birds. In addition, the Company has systematically carried out native plant protection and research. It has compiled *the Plant Atlas of Shengli Open-pit Coal Mine*, which records typical plants such as erect milkvetch, fireweed, gaillardia, pinus sylvestris and spruce and their growth habits, providing a solid basis for the scientific advancement of vegetation restoration and ecological management.

A steppe fox cub at the dump site of Shengli open-pit coal mine

# Environmental Compliance Management

China Shenhua has been in compliance with environmental laws and regulations such as *the Environmental Protection Law of the People's Republic of China*, *the Water and Soil Conservation Law of the People's Republic of China*. The Company has formulated *the Measures for Environmental Compliance Management (Trial)* covering all levels of the company. The measures clearly define environmental responsibilities at all levels, implement systematic management and control over pollutants and waste throughout the entire lifecycle of projects-from construction, production and operations to decommissioning, comprehensively prevent environmental risks and rigorously adhere to the bottom line of compliant operations.

## Governance

The Company integrates the deployment and arrangement of environmental protection and production safety, and has established a sound organisational structure to systematically manage and supervise the impacts, risks, and opportunities related to environmental compliance and production safety.

| Level | Body/Units | Duties and Responsibilities | Members |
|---|---|---|---|
| Decision-making | Board of Directors | Responsible for approving major decisions concerning the Company's ecological and environmental protection and production safety and exercising the highest supervisory authority. | Directors |
| | Safety, Health, Environment and ESG Working Committee | Responsible for overseeing the implementation of the Company's plan for safety, health, environmental protection and ESG. | Executive Directors Non – executive Directors |
| | Audit and Risk Management Committee | Responsible for assessing the effectiveness of the Company's risk management and internal control system. | Independent Non – executive Directors |
| Management | Senior management | Responsible for formulating specific plans and management systems of ecological and environmental protection and organising their implementation. | Senior management personnel |
| Execution | Environment Energy Group | Establish sound organisational and institutional frameworks to fully implement all environmental protection and occupational safety requirements. | Professional staff from relevant departments of the headquarters |
| | Subsidiaries and branches | | Executives in charge and personnel from relevant departments of safety and environmental protection |

## Professional skills and capabilities

The Company appoints Directors and management personnel with relevant knowledge and experience in energy industry, environment and safe production management to provide professional support and guidance for the Company's safety and environmental efforts, effectively driving the execution and implementation of relevant work. The Company formulates and executes training programs to enhance professional skills in safety and environmental protection, providing specialised support for building safety and environmental systems and optimising management mechanisms.

## Reporting and supervision

The Board of Directors oversees progress on safety and environmental matters through reviewing annual plans, the list of risks, and management and control objectives. The management team receives the annual safety and environmental protection work report each year to guide and supervise the implementation of related work. The subsidiaries report the progress of relevant work to departments in charge through statements, special reports, and other forms on a monthly and quarterly basis.

## Integrating safety and environmental protection into management and decision-making

When formulating its development strategies, overseeing strategic implementation, making major transaction decisions, and managing risks, the Company closely tracks relevant national policies and requirements, fully considers safety, environmental risks and opportunities, and dynamically optimises its development strategies and plans.

## Remuneration and assessment

The Company operates its environmental protection responsibility system and production safety responsibility system in tandem, clearly designating the principal person in charge at all levels as the first responsible person for environmental protection and safety within their respective units. By establishing a list of safety and environmental protection responsibilities covering all levels, departments, and positions, we foster a work mechanism characterised by clear delineation of authority and responsibility, alongside efficient coordination. Environmental management and safety and production targets are designated as the binding assessment metrics for the management, with evaluation scores strictly linked to remuneration. Score deductions are applied for major incidents, thereby driving effective implementation and continuous improvement of safety and environmental protection.

In 2025, we focused on strengthening environmental impact audits and systematically conducted special audits and assessments, such as energy conservation monitoring, hazardous waste management assessments, energy audits and waste audits. Concurrently, we advanced external accreditation of our environmental management framework to systematically identify and address environmental management issues.

# Strategy

The Company has established a sound environmental management system, adopting an ecological and environmental compliance policy centred on the core principles of "legal compliance and full-process management". By integrating external regulatory requirements with our operational realities, we have formulated a five-year environmental protection development plan, defining key annual tasks and embedding environmental compliance management requirements into every stage of the Company's construction and operations.

The Company systematically identifies and addresses environmental compliance risks and opportunities in areas such as pollutant discharge, energy utilisation and water resource management (for details, please refer to the sections "Risk and Opportunity Assessment Related to Pollutant Emissions", "Assessment of Risks and Opportunities Related to Energy Utilisation", and "Assessment on Risks and Opportunities Related to Water Resources" of this report), ensuring that operational activities consistently comply with national and local ecological and environmental protection requirements.

By 2025, the Company is committed to systematically improving environmental performance on the basis of sustained compliance, and safeguarding the bottom line of environmental safety. As of the end of 2025, a total of 87 subsidiaries obtained ISO 14001 Environmental Management System certification.

**As of the end of 2025**

A total of **87** subsidiaries obtained ISO 14001 Environmental Management System certification

**Strengthen project compliance management.** We strictly implement the control requirements of the ecological protection redline and territorial spatial planning. New projects are resolutely sited away from ecologically sensitive areas to ensure approval of resources and environmental administrative procedures and review of key contents. We rigidly implement the "three simultaneous" system for environmental protection and water conservation, with actual production aligned with the approval requirement and strengthen source management of M&A projects by way of due diligence on ecological and environmental protection projects as a pre-M&A process. 86 environmental impact assessment projects were conducted throughout the year to systematically prevent ecological risks at the decision-making stage.

**Strictly implement the pollutant discharge license system.** We strictly implement the requirements of the *Measures for the Administration of Pollutant Discharge Permits* and other relevant requirements, ensuring timely application for, renewal of, and modification to pollutant discharge permits. We standardise the declaration, operation, and maintenance of pollution prevention facilities, while diligently carrying out monitoring, record-keeping, reporting and information disclosure. We conduct regular self-monitoring as required and maintain standardised monitoring records.

**Advance the investigation and rectification of problems and hidden hazards.** We will advance the campaign to tackle root causes of ecological and environmental risks and hidden dangers, and establish and improve a dynamic clearance mechanism for problems and hazards. We will focus on the investigation, rectification, acceptance and cancellation of problems and hidden hazards such as incomplete environmental protection procedures for coal mine capacity expansion, insufficient capacity of pollutant treatment facilities, and failure to implement EIA requirements. We conduct "look-back" inspections on the implementation of major hazard rectifications to ensure tangible outcomes.

**Strengthen ecological and environmental monitoring.** We continuously strengthen the online monitoring and control of pollutants from key pollutant discharging entities, reinforce the quality management of monitoring data, and standardise the operation, maintenance, data verification, and labelling of automated monitoring facilities. We implement intelligent analysis of abnormal online monitoring data to enhance risk warning capabilities and drive the transformation and upgrading of information-based and smart supervision.

**Enhance environmental emergency response capabilities.** We develop contingency plans for sudden environmental incidents, complete review and filing procedures, maintain adequate reserves of emergency rescue materials, and conduct regular inspections and maintenance of emergency supplies. Formulate training and drill schedules, conduct regular training and exercises for typical incidents to enhance capabilities in risk assessment, monitoring, warning and emergency response. A total of 540 emergency drills for unexpected environmental incidents were conducted during the year, achieving full coverage across all production units.

# Risk and Opportunity Management

The Company has established a systematic and process-based environmental risk management system, which has been deeply integrated into its internal control and overall risk management framework. Based on the established system and procedures, we organise a comprehensive annual identification and assessment of ecological and environmental risks and carry out specialised risk assessment for major projects or specific operation scenarios, whereby risk level is determined with management and control measures tiered and categorised.

In terms of risk management and control measures, the Company has established a full chain of defense covering prevention, monitoring and emergency response. We have implemented front-end prevention and dynamic monitoring of major environmental risks through strict implementation of regular work, including daily environmental monitoring, inspection and rectification of hidden hazards, and specified safety monitoring. Concurrently, we have conducted data aggregation and online monitoring on the ecological environment protection information platform to enhance management effectiveness. Furthermore, we have conducted significant emphasis on capacity building and cultural fostering, and constantly improve environmental awareness and performance capabilities of all personnel through regular training on environmental regulations and professional skills.

In 2025, a total of 5 units of the Company were subject to 9 cases of administrative penalties imposed by local environmental protection authorities for environmental issues, with fines amounting to CNY1,420,596. The entities above have disclosed environmental information and details of administrative penalties on the websites of their respective local environmental protection authorities in accordance with relevant regulations of the Ministry of Ecology and Environment and requirements of local environmental protection authorities and have completed rectification measures. For specific details, please refer to the websites of the local environmental protection authorities.

# Indicators and Targets

The Company measures, manages and evaluates its performance in addressing the impacts, risks and opportunities related to environmental compliance by setting and tracking key performance indicators and targets. The 2025 environmental compliance management targets have been fully achieved.

Environmental Compliance Management Targets and Completion for 2025

| Targets | Completion |
| --- | --- |
| Prevent major and above ecological and environmental incidents, and curb general ecological and environmental incidents | No major and above ecological and environmental incident occurred, and targets achieved |
| 100% compliance rate of major pollutants discharge under normal operating conditions | Compliance rate of major pollutants discharge under normal operating conditions reaches 100%, achieving the established target |
| 100% compliance rate for the disposal of general industrial solid waste and hazardous waste | Compliance rate for the disposal of general industrial solid waste and hazardous waste reaches 100%, achieving the established target |
| Satisfaction rate of ecological flow to reaches 100% | Satisfaction rate of ecological flow to reaches 100% and targets achieved |

# Energy Utilisation

The Company consistently prioritises efficient and clean energy utilisation, committing to systematically reducing environmental impact while continuously improving energy efficiency. We translate our commitments to energy conservation, emission reduction, and environmental protection into tangible actions and results by establishing energy management systems and policies, strictly performing energy efficiency upgrades and supervisory audits, and implementing energy conservation technology transformations alongside new R&D initiatives.

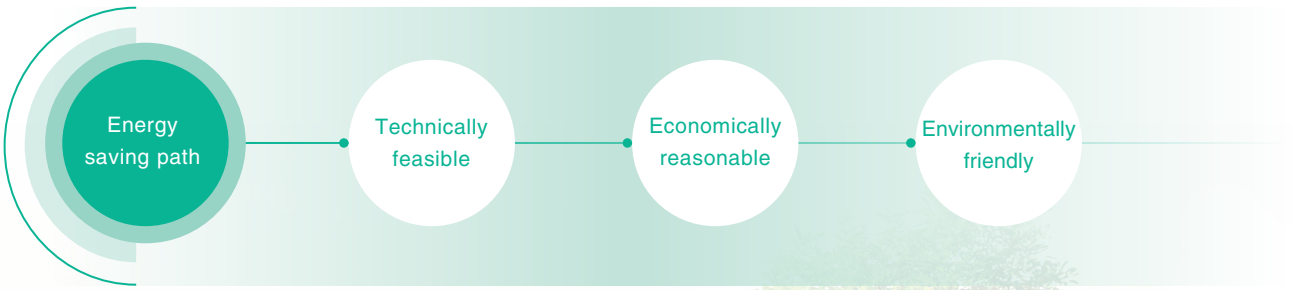
## Energy Management

China Shenhua abides by *the Law of the People's Republic of China on Energy Conservation* and other laws and regulations, adheres to the energy-saving approach of "technically feasible, economically rational, and environmentally friendly". It strives to improve energy utilisation efficiency and reduce energy consumption by means such as strengthening the process management and control over operational technical indicators and deepening energy efficiency benchmarking. In order to ensure the effectiveness of management, the Company has established a hierarchical energy management system, and proactively accepts and cooperates with external energy conservation supervision, energy efficiency verification and energy audit, and makes continuous improvement based on the results. By the end of 2025, 23 units of the Company have obtained ISO 50001 energy management system certification, indicating that the Company has achieved remarkable results in the systematisation, standardisation and internationalisation of energy management.

As of the end of 2025

Number of the units which have obtained ISO 50001 energy management system certification

**23**




# Impact Assessment and Management of Energy Utilisation

In order to ensure the safety and stability of energy supply, the Company evaluates the risks and opportunities of energy utilisation, identifies the main factors affecting energy supply, and formulates response measures including clean energy replacement, equipment maintenance, and emergency response plans to ensure that energy-related risks are under control.

## Assessment of risks and opportunities related to energy utilisation

| Risks | | Business Impact | Financial Impact |
|---|---|---|---|
| Physical Risks | Extreme Weather and Geological Disasters (Affecting Continuity of Energy Supply) | Events such as torrential rain, flooding and extreme temperatures might cause production suspension or disruptions to transport routes, directly impacting the continuity of energy production and supply. | Decrease in operating revenue; increased costs for emergency repairs and facility restoration; potential rise in insurance premiums. |
| | Resources Dependency and Geographical Constraints (Changes in Availability of Specific Resources) | Rising difficulty and costs in acquiring core resources, or constraints imposed by geographical conditions, directly affect the stability and efficiency of production. | Increase in costs for resources acquisition and stockpiling; loss of profit due to decreased production efficiency. |
| | Long-term Changes in Natural Conditions (Affecting the Foundations of Energy Production) | Long-term trends such as climate change and resource depletion lead to deteriorating production conditions and an increased burden on infrastructure maintenance, potentially restricting future capacity expansion. | Increase in long-term operating costs; rise in capital expenditures required to maintain or sustain production. |

| Risks | | Business Impact | Financial Impact |
|---|---|---|---|
| Transition Risks | Policies Risks (Regulatory Standards and Carbon Emission Constraints) | Stricter carbon emission constraints and environmental protection standards, and total volume control policies directly limit the production scale of high-carbon assets and mandate large-scale low-carbon and clean energy transformation initiatives. | Increase in ongoing capital expenditures and operating expenses for compliance; restricted revenue growth due to policy constraints. |
| | Market Risks (Demand Substitution and Cost Pass-through) | Growing downstream market demand for low-carbon energy and products, coupled with competition from new energy sources, exerts long-term pressure on the market share and premium pricing capabilities of traditional high-carbon businesses. | Pressure on revenue growth from core business operations; erosion of market share and product pricing. |
| | Technology Risks (Lags in R&D and Application of Transition Technologies) | Lags in the R&D and application of disruptive or critical technologies essential for low-carbon transition might result in a loss of competitiveness in emerging markets with existing assets vulnerable to obsolescence. | High and uncertain R&D investment; lagging technological roadmaps may lead to impairment of existing assets and incur additional costs for future technological catch-up efforts. |

| Opportunities | Business Impact | Financial Impact |
|---|---|---|
| Technology and Management Opportunities (Improving Energy Efficiency and Optimising Structures) | Through the application of energy-saving technologies, intelligent management systems, and the deployment of distributed clean energy, energy consumption and operating costs across all production stages are systematically reduced. | Direct reduction in energy procurement and operating expenses, enhancing gross profit margins; trading surplus green electricity can generate new revenue streams. |
| Market and Financial Opportunities (Capturing Green Premiums and Accessing Financial Support) | Leveraging superior energy efficiency and environmental performance to build a "green brand, "thereby securing product premiums, government subsidies, and low-cost green financing. | Green premiums directly increase revenue; subsidies, tax incentives, and low-cost financing boost net profit; and market competitiveness is strengthened. |
| Synergy and Innovation Opportunities (Expanding New Businesses and Growth Models) | Driving industrial integration and model innovation, such as "Photovoltaic + Ecological Mine Reclamation" and "Green Hydrogen + Chemicals", to develop new business growth curves and profitability models. | Create diversified new revenue streams from power generation, services, and high-end products; improve the comprehensive utilisation efficiency of assets and enhance returns on investment. |

# Energy Use

The direct energy consumed by the Company in its operation primarily consists of coal, petroleum products and natural gas, while indirect energy consumption is mainly electricity. In the area of clean energy, we primarily use solar, water, wind and biomass resources. In active response to national requirements for green and low-carbon development, the Company has thoroughly implemented the deployment by NDRC and the National Energy Administration for green consumption, and has achieved 100% green electricity consumption across all segments through various means including green certificate trading.

In 2025, the total energy consumption of the Company's production and operating entities was 72,820,800 tonnes of standard coal, and the comprehensive energy consumption per industrial unit output value was 2.96 tonnes/CNY10,000. Details of energy use are as follows:

| Indicators | Unit | Definition of Indicators | Formula | 2025 |
|---|---|---|---|---|
| Direct Energy Consumption | 10,000 tonnes of standard coal | During the reporting period, the total actual volume of main fuels, such as coal, diesel, and natural gas, directly consumed in the Company's production and operations was converted into standard coal. | Σ (Actual consumption of the i type of fuel or energy source × Corresponding conversion coefficient based on the average Low Heat Value) | 7,129.95 |
| Indirect Energy Consumption | 10,000 tonnes of standard coal | During the reporting period, the total actual volume of secondary energy, such as electricity and heat purchased, consumed by the Company was converted into standard coal. | (Purchased electricity × Electricity-to-standard coal conversion coefficient) + (Purchased heat × Heat-to-standard coal conversion coefficient) | 152.13 |
| Total Energy Consumption | 10,000 tonnes of standard coal | During the reporting period, the total of the Company's direct and indirect energy consumption. | Direct energy consumption + Indirect energy consumption | 7,282.08 |
| Comprehensive Energy Consumption per Unit Output Value | Tonne of standard coal/ CNY10,000 | During the reporting period, the amount of energy consumed for every CNY10,000 of industrial output value created by the Company's coal, power, and coal chemical segments. | Total energy consumption/Total industrial output value | 2.96 |

We are vigorously advancing the development and application of renewable energy technologies, such as photovoltaic power generation and biomass energy utilisation. By constructing distributed photovoltaic systems, such as industrial parks, production plants, and railway stations, promoting the substitution of traditional fossil fuels with biomass fuels, and implementing a series of measures, including green energy transformations across our facilities, the proportion of clean energy used has been increasing, which constantly optimises our energy consumption structure and provides solid support for achieving our green and low-carbon development goals. Our clean energy usage is as follows:

| Indicator | Unit | Specific Data | Standard Coal Equivalent Data (10,000 Tonne of standard coal) | Percentage of Total Energy Used |
|---|---|---|---|---|
| Clean Energy Consumption Volume | Billion kWh | 39.18 | 481.54 | 6.6% |

# Energy Conservation

To systematically advance energy conservation and consumption reduction, we have established quantitative medium-term energy-saving targets for our coal, power, and coal chemical business segments, all of which have been successfully achieved.

| Business Segments | Energy Conservation Targets | | | | | Progress Achieved during the Reporting Period | Target Achievement |
|---|---|---|---|---|---|---|---|
| | Baseline Year | Target Year | Nature of Target | Target Timescale | Description of Target | | |
| Coal, Power and Coal Chemical | 2020 | 2025 | Quantitative | Medium-term | Reduction of 0.8% in comprehensive energy consumption per unit of output value | Year-on-year increase of 3.1% | Decrease of 3.0% as compared to 2020, achieved |
| Power | | | | | Reduction of 1% in standard coal for power supply | Year-on-year increase of 0.04% | Decrease of 4.2% as compared to 2020, achieved |

The Company has comprehensively enhanced its energy efficiency through multi-dimensional initiatives, including systematic structural optimisation, technological upgrades, energy substitution, and management enhancement. Specific measures cover many areas including transportation electrification, process improvements, waste heat recovery, energy-saving transformations for equipment, R&D in clean technologies, and renewable energy utilisation. These efforts have effectively reduced energy consumption and carbon emissions from our production and operations.

| Types of Measures | Examples of Specific Initiatives | Effects |
|---|---|---|
| Management of the Phase-out of Obsolete Equipment and Equipment Upgrades | China Shenhua has developed a systematic roadmap for equipment upgrades from 2024 to 2027, with a target of completely phasing out obsolete equipment. | Strategically driving overall energy efficiency improvements to guarantee that all new equipment meets energy efficiency standards. |
| Energy Efficiency Transformation for Major Equipment | China Shenhua has extensively implemented heating transformation, motor variable frequency drives upgrades, and replacement of high-energy-consumption equipment. | Systematically improving energy efficiency across all production stages to directly reduce auxiliary power and the energy consumption of heating and power systems. |
| Process Optimisation and System Refinement | Hanjiacun Coal Preparation Plant implemented an intelligent EPC transformation for its heating and water treatment systems. This upgrade achieved automated washing for water treatment, automatic liquid level control, real-time data monitoring, and precision heating control. | Enhancing water treatment efficiency and water quality stability; achieving water resource conservation and precision management; and realising energy savings and consumption reduction through heating system optimisation. |

| Types of Measures | Examples of Specific Initiatives | Effects |
|---|---|---|
| Optimisation for Transportation and Logistic Structure | **Shuohuang Railway** has completed the electrification of the Huang-Wan Line, replacing internal combustion locomotives with electric locomotives. | It is estimated to reduce annual fuel consumption by approximately 47,600 tonnes and decrease carbon dioxide emissions by 148,000 tonnes, and increase annual transportation capacity by 3 million tonnes. |
| | **Tianjin Port** has optimised its logistics workflows by significantly increasing the proportion of direct coal loading operations. | The direct loading process achieved a 35.10% reduction in energy consumption per tonne. In 2025, this resulted in electricity savings of 2.32 million kWh and a reduction in carbon dioxide emission of 1,245 tonnes. |
| | **Huanghua Port** is advancing the electrification of port vehicles and vessels by constructing supporting charging infrastructure and completing shore power transformation for all berths. | Mitigating fuel consumption and emissions from portside transportation; maximising shore power utilisation rates and minimising emissions from vessels during berthing. |
| Waste Heat, Waste Pressure, and By-product Gas Recycling | **Bayannur Energy** has completed the construction of its Coke Dry Quenching project and successfully recycled methanol plant purge gas for reuse in the coke oven gas system. | Recycling the sensible heat of red-hot coke for power generation, achieving the cascading utilisation and recycling of energy, and reducing the consumption of raw coal gas. |
| R&D and Integrated Application of New Technologies | **Shengli Energy** has successfully developed a hydrogen-powered autonomous heavy-haul mining dump truck, which has passed its acceptance inspection. | Providing innovative solutions for zero-carbon intelligent mine transportation, which serves as a demonstration project of the industry. |
| Renewable Energy Utilisation and Substitution | **China Shenhua** has been extensively developing distributed photovoltaic projects and advancing the cultivation and utilisation of biomass fuels. | Proactively developing site-specific renewable energy to displace fossil fuel consumption. |

# Water Resources Utilisation

Water resources are fundamental strategic resources supporting the Company's operations and development, as well as a critical element for maintaining regional ecological safety and safeguarding public interests. China Shenhua strictly abides by the relevant laws and regulations, such as *the Water Law of the People's Republic of China* and is fully committed to the highest standards of water resources management systems by prioritising water conservation. By continuously optimising the structures of water resources allocation and utilisation, we foster the transition of corporate water usage toward a sustainable model in an intensive, conservative, green, and high-efficiency manner.

## Water Resources Management

The Company has established a multi-level structure of water resource governance:

**The Safety, Health, Environment and ESG Working Committee of the Board of Directors** is responsible for identification of, and reporting to the Board of Directors, risks and opportunities related to water resources, and to make recommendations for addressing the issues.

**The Chief Executive Officer of the Company** shall coordinate and be responsible for strategies and performance related to water management, incorporating it systematically into the overall business planning of the Company.

**Each subsidiary and branch** has established dedicated departments and make sure that the operations are in accordance with systems such as the "*Measures for Water Resource Management*", standardised utilisation and protection of water resources are achieved by formulating specialised planning.

To ensure management effectiveness, the Company has integrated comprehensively water resources and other environmental indicators into the performance evaluations of its subsidiaries and branches, which align directly with the annual performance-based remuneration of the senior management, strengthening the dual mechanisms of incentives and accountability. We formally commend and reward units and individuals for outstanding achievements, continuously facilitating all employees to enhance performance in water resources conservation and recycling efforts.

## Assessment on risks and opportunities related to water resources

| Risks | | Business Impact | Financial Impact |
|---|---|---|---|
| Physical Risks | Drought and Scarcity of Water Resources (Affecting Operational Continuity) | Direct limitations on or interruptions to water supply may compel load decrease or operational suspensions and increase the costs for securing water supply. | Decrease in operating revenue; surge in operating costs due to high-priced water procurement and emergency water logistics; increase in related capital expenditures. |
| | Sudden Water Pollution Incidents (Resulting in Operational Disruption and Damage) | Environmental incidents resulting from accidental discharge or equipment failure may contaminate local water body, triggering mandated operational cessations. | Incurring substantial non-operating expenses for emergency response, environmental remediation, and compensation; decreased revenue due to production halts; exposure to regulatory fines and asset impairment risks. |
| | Chronic Water Quality Deterioration and Decline in Ecological Carrying Capacity (Increasing Long-term Costs and Restricting Development) | Sustained production activities leading to quality deterioration of water source and saturation of environmental capacity, which are continuously escalating treatment complexity and imposing limitations on future growth potential. | Persistent rise in water treatment and operational costs; increase in capital expenditures to meet more stringent standards; restricted future revenue growth. |

| Risks | | Business Impact | Financial Impact |
|---|---|---|---|
| Transition Risks | Policy Risks (Tightening Standards of Regulations) | Policy intensifications, such as tightening water intake quotas and escalating wastewater discharge standards, impose rigid constraints on production scale and environmental compliance. | Chronic increases in capital expenditures and operating expenses to meet new regulations; compliance pressures may restrict business expansion. |
| | Market Risks (Increase in Costs of Water Factors) | The upward trend in water resource fees, water prices, and wastewater treatment charges is directly eroding profits, while negatively impairing economic viability of projects and product competitiveness. | Costs of main business are subject to long-term upward pressure, directly impacting profitability; and additional expenditures may be incurred for securing water supply. |
| | Technology Risks (Uncertainties Arising from Technology Development) | Accelerated iteration of higher energy-efficient water treatment and resource recovery technologies makes existing technology routes and facilities vulnerable to premature obsolescence or heightened pressure for upgrades. | Maintaining competitive technological edge necessitates continuous investment in R&D or facility upgrades, exerting pressure on capital expenditures and heightening the risk of asset depreciation. |

| Opportunities | Business Impact | Financial Impact |
|---|---|---|
| Technologies and Management of Opportunities (Enhancing Efficiency and Recycling) | By deploying technology and management systems, such as smart water, advanced wastewater treatment and recycling, systemic reduction in freshwater consumption and wastewater discharge across the production processes is achieved. | Direct reduction in water procurement costs, water resource taxes, and wastewater treatment charges, while optimising the operating costs structure. |
| Market and Reputational Opportunities (Securing Financial Support and Brand Premiums) | Establishing a green and responsible corporate image with excellent water conservation and reuse performance becomes a key advantage for obtaining policy support, green finance and high-end market access. | Securing low-cost green financing to optimise financial structures; leveraging green branding to safeguard market share and capture product premiums. |

# Water Resources Usage

The Company has established a stable and diversified freshwater supply system in its production and operations. By coordinating utilisation of surface water, groundwater, and municipal pipe networks, there are no difficulties in water intake. The Company strictly implements the water intake permit system and continuously heightens supervision on water intake and usage by means of both special and routine inspections.

To systematically improve water utilisation efficiency and enhance supply resilience, the Company actively expands the utilisation of alternative water sources, which include reclamation of recycled water and rainwater collection, as well as resource recovery treatment of mine water, coal-containing wastewater, and ship ballast water. By establishing emergency contingency plans for water supply interruptions, we reinforce operational resilience while achieving the dual benefits of water conservation and cost control. The Company integrates water-saving practices across the entire lifecycle of management, planning, withdrawal, and operations, building a comprehensive management and implementation framework. We have systematically deployed best practices for water conservation and key technologies tailored to the unique characteristics of each business segment across the entire company.

| Aspects | Specific Measures |
|---|---|
| Water Resources Management | • Establish a three-tier governance structure comprising the Board of Directors, the Chief Executive Officer and subsidiaries, clearly defined responsibilities and reporting mechanisms.<br>• Formulate systems such as *the Measures for Water Resources Management* to enhance standardised management and specialised planning.<br>• Incorporate water resources indicators into the operating performance assessments of all units, link them to senior management performance, and implement incentive and accountability mechanisms. |
| Planning and Design | • Carry out water resources feasibility studies to assess the compatibility between projects and regional water resources carrying capacity.<br>• Develop an assessment system for water resources carrying capacity to ensure that the development intensity remains within elastic limits.<br>• Develop an intelligent water management system to enhance scientific water allocation and control. |

| Aspects | Specific Measures |
| --- | --- |
|  Water Intake | • Strictly comply with legal requirements for water intake permits, and implement controls on planned usage, quotas, total volume, and water-use intensity.<br>• Carry out targeted checking and inspections of water intake and routine supervision.<br>• Advance to dynamic monitoring of groundwater to prevent the risks of over-abstraction.<br>• Expand the utilisation of alternative water sources – including mine water, dewatering water, grey water, ballast water, and desalinated seawater – to promote the principle of "fit-for-purpose water use" and minimise freshwater abstraction. |
|  Water Supply, Storage and Consumption | • Refine water consumption quotas, promote water-saving technologies, and reduce leakage in pipe networks.<br>• Develop a tiered water-use system to promote cascading industrial water use, tiered wastewater recycling, and the resource-based recycling of treated wastewater.<br>• Leverage technological upgrades and refined management, water balance optimisation, intelligent control systems and promotion of water-saving fixtures are systematically implemented, efficiently reducing industrial and residential water consumption. |

| Indicators | Unit | Definition | Formula | 2025 |
|---|---|---|---|---|
| Total Water Consumption | Million Tonnes | The total net water consumption during the reporting period, representing water resources consumed in production and operational activities that are not recoverable or reusable. | Total Water Intake – Total Water Discharge | 256.97 |
| Water Consumption per CNY10,000 Output Value | Tonne/ CNY10,000 | The amount of water resources consumed per CNY10,000 of industrial output value generated by the Company's coal, power, and coal chemicals segments during the reporting period. | Total Water Consumed/Total Industrial Output Value | 10.58 |
| Total Water Intake | Million Tonnes | The total volume of water obtained by the Company during the reporting period, including freshwater and alternative water sources such as recycled water and rainwater. | Intake Volume of Freshwater + Intake Volume of Recycled Water +Intake Volume of Other Alternative Water | 262.61 |
| Percentage of Non-Conventional Water Sources in Total Water Intake | % | The percentage of non-conventional water sources, including alternative water sources such as recycled water, rainwater, in the Company's total water abstraction during the reporting period. | ((Intake Volume of Recycled Water + Intake Volume of Other Alternative Water)/Total Water Intake) *100% | 20.51 |
| Utilisation Rate of Sewage and Wastewater | % | The percentage of treated sewage and wastewater that is recycled and reused during the reporting period. | (Total Recycled Sewage and Wastewater/Total Treated Sewage and Wastewater)*100% | 76.05 |

# Water Resources Conservation

In alignment with its operational needs, the Company established water resources conservation targets under the 14th Five-Year Plan. By 2025, the utilisation rate of sewage and wastewater reached 76.05%.

| Business Segments | Target of Water Resources Conservation | | | | | Progress Achieved during the Reporting Period | Target Achievement |
|---|---|---|---|---|---|---|---|
| | Baseline Year | Target Year | Nature of Target | Target Timescale | Description of Target | | |
| Applicable to all business segments | 2020 | 2025 | Quantitative | Medium-term | Increase the utilization rate of wastewater by 5 percentage points | Year-on-year flat | An increase of 1.21 percentage points over 2020 |

## Case Huanghua Port develops a “Sponge Port” to enable intelligent water recycling

To address the challenges of treating coal-contaminated wastewater at coal terminals and to alleviate freshwater scarcity, Huanghua Port pioneered the concept of a “sponge port” and invested in the construction of an ecological water recycling system comprising “two lakes and three wetlands”. The system transformed previously idle sites into artificial lakes and wetlands and integrates various water pipeline networks through an intelligent management platform. This enables the centralised recovery and purification and optimised allocation of ballast water, coal-contaminated wastewater, and rainwater, facilitating scientific water storage and precise allocation. In 2025, the port recycled and reutilised a total of 4.51 million cubic meters of low-value water, with such water accounting for 99% of total production water consumption, achieving zero discharge of wastewater and largely self-sufficient in water for production, serving as a proven example for water resources recycling for comparable ports.

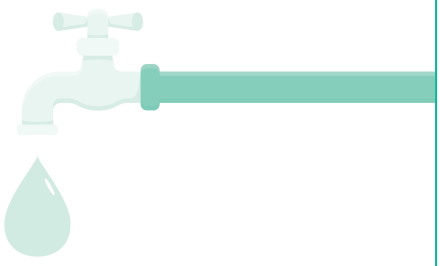
2025

The low-value water recycled and reutilised by the port:

**4.51** million cubic meters

Percentage of low-value water in total production water consumption:

**99%**



# Recycling Economy

China Shenhua proactively implements a development model of recycling economy. Centered on the 3R approach – Reduction, Reuse, and Recycle, the Company systematically integrates the principles throughout the entire production and operational process, and is committed to continuously enhancing efficiency of resources utilisation, reducing the ecological footprint on its operations, and advancing green and sustainable development.

To advance the recycling economy, the Company has established clear and quantifiable management targets. By 2025, the comprehensive utilisation rate of general solid waste and the utilisation rate of sewage and wastewater are targeted to increase by 5 percentage points compared with 2020 levels respectively. In implementing recycling economy practices, the Company has enhanced overall efficiency of resources utilisation through systematic technological innovation and process optimisation, while fostering cross-industry resource recycling linkages.

## Reduction

In advancing resources conservation and efficiency improvement, the Company focuses on consumption reduction and efficiency enhancement across the entire production process. The coal segment adopts advanced mining technologies and continuously improves mining recovery rates through optimised design and precise operational control, thereby reducing environmental disturbance and resources consumption at the source. Power and chemical segment, meanwhile, has effectively lowered unit consumption of fuel, raw materials, and water through ongoing process innovation and equipment upgrades.

# Recycling and Resources Utilisation

In advancing waste valorisation and recycling, the Company is committed to establishing a comprehensive resource recycling and utilisation system, including:

## Comprehensive Utilisation of Solid Waste

The Company comprehensively utilises coal gangue generated from coal mining for brick manufacturing, road construction, and land reclamation in mining areas, while actively exploring its application in high-value building materials. Bulk solid waste generated from power generation and chemical operations, including fly ash, cinder and flue-gas gypsum, is reused at scale in production of cement and new-type wall and construction materials. In addition, the Company has established a classified solid waste classification and recovery system, under which hazardous wastes, such as spent catalysts and waste mineral oils, are subject to standardised resource recovery and disposal.

## Water Resource Closed-Loop Management

The Company has comprehensively strengthened source control for mine water, taking measures such as underground clean-water and wastewater separation to reduce raw water pollution. Treated mine water that meets quality standards is prioritised for underground production processes, including dust suppression during mining and excavation, equipment cooling, and face spraying. Its use is further expanded to industrial cooling and ecological irrigation, ultimately achieving zero discharge of mine water. Concurrently, the Company is advancing zero discharge of wastewater upgrades in the power generation sector and applying high-efficiency water-saving technologies in the chemical segment to comprehensively enhance water reuse rates and recycling.

## Energy Recovery and Utilisation

The Company actively captures coalbed methane (Gas) extracted during coal mining operations and utilises it through technologies such as purification for LNG and CNG production, power generation using low and medium-concentration methane, and oxidation-based power generation from ventilation air methane. The Company has achieved synergy between greenhouse gas emissions reduction and clean energy production, while enhancing the overall efficiency and comprehensive utilisation of energy resources.

Case

## Zhunneng Group establishes a recycling system for coal gangue utilisation

Zhunneng Group has systematically advanced the coordinated management of coal gangue by focusing on reduction at source, process control, and end-use utilisation, forming a recycling economy pathway that integrates coal, power, materials, chemicals, and agriculture. This approach provides a replicable model for the development of "zero-waste mining areas" across similar mining areas. At the mining stage, process optimisation has enabled reduction at source, reducing stripping overburden transportation volumes by more than 15 million cubic meters annually, while maintaining a resource recovery rate consistently above 98%. Generated coal gangue is managed through a graded and quality-based resource recovery system: higher-calorific-value gangue is utilised for power generation, while the remainder is crushed and used for pit backfilling and land reclamation, substituting natural soil and stone materials. The Group has achieved technical breakthroughs in the extraction and reuse of valuable elements, such as aluminum and gallium, from coal gangue. Furthermore, residues from aluminum extraction have been successfully processed into a white mud-based silicon fertiliser with an effective silicon content exceeding 30%, which was piloted in demonstration plots in 2025, showing initial potential for crop yield enhancement and soil improvement.

Conducting process optimisation during the mining phase to achieve reduction at source

Reducing stripping overburden transportation volumes by more than

**15** million cubic meters annually

Maintaining a resource recovery rate of more than **98%**


Looking forward, China Shenhua remains committed to advancing the scope and depth of its recycling economy development through continuous technological innovation and management enhancement. By exploring more efficient, low-carbon, and resilient resource utilisation pathways, the Company aims to support high-quality sustainable growth and contribute to the national "dual-carbon" strategic objectives.

# 03

# Society

China Shenhua embeds its commitment to responsibility throughout the entire process of high-quality development. The Company actively contributes to rural revitalisation and public welfare and charity initiatives, strengthens dialogue with local communities, and advances responsible overseas operations. Through an open approach, China Shenhua creates shared value for society while fostering connectivity with the world. Driven by innovation and a steadfast focus on quality, the Company reinforces its market foundations by ensuring energy supply security, safeguarding data security, and protecting customer rights and interests. In parallel, China Shenhua prioritises safe production, employee well-being, and talent development, thereby enhancing organisational resilience and long-term vitality. Through tangible actions, China Shenhua fulfills the mission and responsibility as a central state-owned enterprise. While accelerating the transition toward higher-quality and more sustainable development, the Company continues to generate strong momentum for a more prosperous and sustainable future.


# Rural Revitalisation

China Shenhua deeply integrates rural revitalisation and the consolidation of poverty alleviation achievements into its corporate social responsibility strategy. Through pragmatic measures such as empowering farmers to increase their income and improving the rural environment, the Company has not only significantly enhanced its brand value and social influence but also established a new paradigm of symbiotic prosperity and synergistic development with the regions it supports.

With the continuous deepening of targeted assistance over the years, Butuo County in Sichuan, Wubao County and Mizhi County in Shaanxi have achieved leapfrog development, and their core needs have been upgraded from the "blood transfusion" model of basic support to a focused "blood production" model that improves the quality of education and medical care, increases industrial efficiency, and generates income for farmers. This transition marks a new stage of development characterised by higher-level cooperation and a greater focus on quality.

In 2025, we invested a total of approximately CNY89.45 million in village revitalisation funds across the three targeted counties, secured CNY700,000 in external assistance funds with 33 projects implemented, benefiting about 65,000 persons among the masses. The purchases and sales of agricultural products from areas lifted out of poverty of approximately CNY30.926 million.

2025

Amount of external assistance funds secured

CNY **700,000**

Number of projects implemented

**33**

Number of beneficiaries among the masses

Approximately

**65,000** persons

## Strengthening Competitive Rural Industries

- In Mizhi County, the Company implemented the "Muguang Initiative" photovoltaic project, generating approximately CNY1.2 million additional annual income, which is used to support students from disadvantaged backgrounds. The project also supported the establishment of Yulin City's first "Dual Carbon" education laboratory. The Company partnered with universities to cultivate premium seed varieties and developed a locally distinctive sandy-soil sweet potato. The construction of constant-temperature storage facilities has further boosted additional annual income by approximately CNY4.50 million.
- In Wubu County, the construction of a corridor-style photovoltaic power station has increased annual income by CNY400,000, which is distributed as village collective dividend to benefit over 7,000 people.
- In Butuo County, the Company established a full industrial-chain ecosystem for black sheep farming, including the construction of a cold-chain logistics center and deep-processing plant, supporting the industry's transformation toward higher value-added processing. In addition, the Company developed forest-based cultivation of Chinese herbal medicines, forming an integrated "cultivation-breeding-processing-sales" closed-loop model. These initiatives have generated annual output value exceeding CNY50 million and secured stable income growth for 9,500 households.

## Deepening Ecological and Environmental Governance

- In Guanjiazui Village, Yangjiagou Town, Mizhi County, we implemented the "China Energy Carbon Sink Forest" construction project, introducing premium varieties of fruits to establish a fruit picking garden of about 145 mu. Once mature, the forest is expected to increase collective annual income for the village by approximately CNY2.1 million.
- The Company implemented a comprehensive environmental improvement project in Bozuo Village, Butuo County, including construction of drainage systems and flood-control embankments, boosting disaster prevention and mitigation capabilities by 300%. 100 portable sanitation units were installed, and waste disposal capacity increased by 40%, benefiting 2,000 residents.

## Enhancing Overall Capabilities of Villages

- The Company organised training for 8,483 grassroots cadres, enhancing their duty performance and service capabilities.
- The Company conducted vocational skills training for 9,309 individuals, covering fields such as e-commerce, farming and husbandry, and emergency first-aid, thereby strengthening their capacity for employment and entrepreneurship.
- The Company prioritised the training of 2,840 rural revitalisation wealth-creation leaders, by leveraging the "lead goose" effect to collective progress toward prosperity of local communities.

## Expanding Employment Pathways for Local Communities

- Through targeted recruitment and labor transfer employment, the Company supported 78 individuals from previously impoverished backgrounds in securing stable employment, including recruitment of 27 college graduates from formerly impoverished families and providing 51 individuals with jobs through labor transfer, thereby boosting household income through employment.
- By implementing a 'theory + practice' training model, the Company has facilitated stable employment for over 2,000 individuals from previously impoverished backgrounds, comprehensively enhancing the efficiency of talent support in driving rural revitalisation.

## Building Salubrious and Harmonious Rural Villages

- A new rural drinking water safety improvement project has been launched in Wubao County, providing safe drinking water to 800 households with 1,400 residents. Ongoing efforts are focused on making Bozuo Village a livable and business-friendly place, addressing deficiencies in facilities such as roads and water supply of rural villages, benefiting 2,000 people.
- In Mizhi County, the Company implemented the demonstration project of "China Energy Harmonious and Beautiful Rural Villages", upgrading four rural cultural and fitness plazas to enrich the spiritual and cultural life of the villagers. In Wubao County, the functions of 12 Party-community service centers were enhanced by establishing one-stop service counter, boosting the efficiency of village-level organizations in handling affairs by 50%. In Butuo County, the Company developed a cultural revitalisation demonstration site in Bozuo Village, constructing a new cultural corridor and a standardised basketball court to expand the venues for community cultural life. By developing featured tourism routes, growth in local catering and accommodation has been driven.

Case

## Shendong Coal's rural revitalisation program was selected as a case of best practice at the 6th Global Call for Poverty Alleviation Case Initiative

At the end of 2025, the case of Shendong Coal, "*Triple-Light Synergy" achieved "Triple Benefits" — Poverty Alleviation Model in Ecologically Fragile Areas of the Loess Plateau*, stood out among 840 global entries and won the "Best Poverty Alleviation Case" award at the 6th Global Call for Poverty Alleviation Case Initiative.

Since 2002, Shendong Coal has provided designated assistance to Mizhi County in Shaanxi Province, with cumulative investment fund CNY192 million. These efforts supported the county's successful exit from the national list of impoverished counties in 2019, directly benefiting more than 60,000 residents. In Mizhi County, the Company has pioneered a series of photovoltaic projects, including the Gaoxigou Agro-Photovoltaic Integration Project, the Yangjiagou Pasture-Photovoltaic Integration Project, and the "Thousand Villages Comprehensive Photovoltaic Demonstration Program", to establish a multi-dimensional development model integrating "photovoltaics + agriculture + ecology + livelihoods." These projects, with a total input of CNY38 million, adopt a circular mechanism of "power generation on the board, and farming and husbandry under the board, and reinvestment of returns into community development", directly achieving an average annual income increase of over CNY150,000 for five villages collectively, while supporting 165 households formerly living in poverty in achieving sustained income growth.

The "Global Call for Poverty Alleviation Case Initiative" is jointly launched by multiple international organisations. Winning cases will be featured on the South-South Cooperation Knowledge Sharing Platform – the China-Foreign Poverty Reduction Case Database and Online Sharing Platform – and promoted globally to provide practical references and solutions for advancing sustainable poverty reduction efforts.


第六届全球减贫案例征集活动

证 书

国家能源投资集团：

贵机构提交的《"三光联动"实现"三重效益"——国家能源集团黄土高原生态脆弱区减贫实践》荣获"第六届全球减贫案例征集活动"最佳减贫案例，并将收录进南南合作减贫知识分享网站——中外减贫案例库及在线分享平台。

特发此证，以资鼓励。

# Social Contribution

China Shenhua consistently advances corporate development alongside social responsibility. Our steadfast commitment to philanthropy is both a heartfelt gesture to give back to society and a strategic choice to empower our own growth. Through these philanthropic engagements, we have not only effectively enhanced our brand reputation and market competitiveness but also established a vital cornerstone for fostering team cohesion and deep rooting our corporate culture, ultimately achieving harmonious integration of business growth and social value. The Company has formulated and implemented *the Administrative Measures for External Donations*, actively supporting the development of education, environment, health, culture, and sports in accordance with our annual philanthropic plans, contributing to the construction of a harmonious society.

In 2025, we focused on the most pressing needs of the people, dedicated to improving living conditions and ensuring winter heating to deliver warmth through practical action. We deepened community development by supporting public welfare venture projects, implementing dedicated donation programs, caring for elderly individuals living alone, and organising voluntary blood donation activities, thereby integrating social responsibility into daily operations. In the face of flood disasters and other emergencies, we responded rapidly with precise assistance to protect lives and property of communities. At the same time, we mobilised our employees to engage in consumption-based assistance initiatives and volunteer services to alleviate local hardships effectively. In recognition of our outstanding contributions to public welfare and community service, several of our units received social honors, vividly demonstrating our pursuit of symbiotic prosperity between the company and society.

The Company actively engages in community co-development and public welfare initiatives through a structured volunteer service framework. By establishing and improving comprehensive volunteer management system, the Company clearly defines roles and responsibilities, standardises service procedures, and implements supporting measures, ensuring that volunteer activities are well-governed, efficiently executed, and consistently delivered, providing a solid foundation for the regular development of volunteer services.

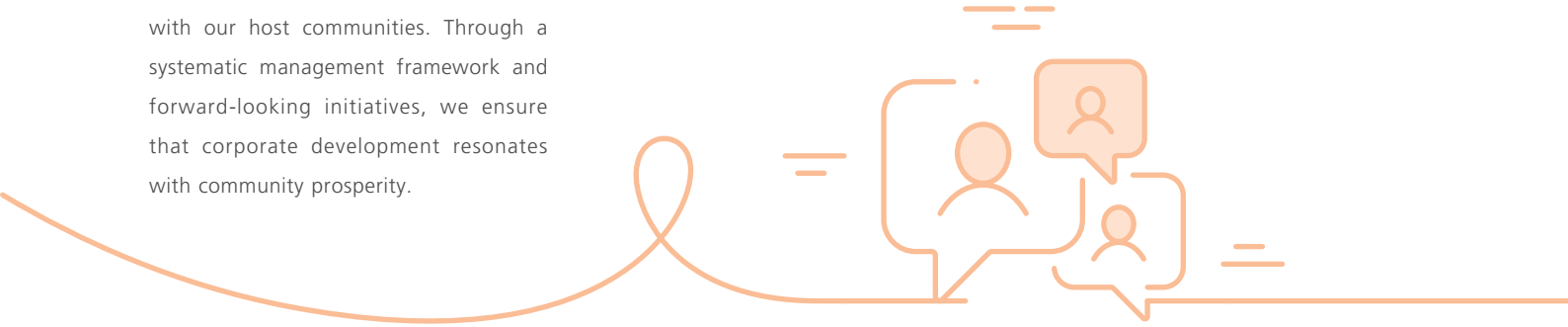
Conducting Volunteer Tree-Planting Initiatives in Desert Areas

Taishan Power assisted in extinguishing a fire on a fishing vessel in nearby waters

| Key Performance | Unit | Formula | 2025 |
|---|---|---|---|
| Social Donations | Million in CNY | Absolute value during the reporting period | 271 |
| Number of Volunteers | person | Absolute value during the reporting period | 13,778 |
| Service Hours of Volunteers | 10,000 hours | Σ (Number of participants per volunteer activity × service hours) | 129,530 |

# Community Communication

China Shenhua is committed to building a relationship of harmonious coexistence with our host communities. Through a systematic management framework and forward-looking initiatives, we ensure that corporate development resonates with community prosperity.



**At the strategic and operational level**

we have issued *the Statement on Local Community Engagement* as our guiding framework, committing to proactively identifying, assessing, and mitigating potential impacts on the community throughout the full lifecycle of our operations. We have established a comprehensive community communication mechanism, respect local cultures and customs, and are dedicated to building a community of mutual trust and shared benefits between the company and the community.

**At the organisational and execution level**

we have established a three-tier management structure with clearly defined roles and responsibilities: in accordance with their responsibilities, the Planning and Development Department, International Business Department and other relevant departments at the headquarters of China Shenhua are responsible for guiding and assisting community engagement activities for both domestic and overseas subsidiaries. Each subsidiary and branch is responsible for coordinating, managing and supervising the assessment; projects (organisations) serve as the implementation entities and responsible entities for community communication and grievance handling in the places where the projects (organisations) are located. They establish community relationship management offices and appoint the staff in charge of community relationship management based on the actual conditions, ensuring that regular, structured and close communication with the community is maintained, integrating the demands of local stakeholders into our decisions-making processes and consideration.

**At the process and compliance level**

we embed community impact assessments deeply into the full lifecycle of our projects. Through systems such as *the Investment Management Measures*, we ensure that community factors are fully considered across all stages from project initiation, design, construction to final acceptance. For overseas operations, we strictly adhere to *the Overseas Compliance Management Measures*. In addition to complying with local laws and regulations, we engage actively through community consultation mechanisms to address mainstream public concerns as well as those raised by non-governmental organisations, minimising disturbances to the local environment and livelihoods, and supporting responsible and sustainable localised development.

# Communication and Complaint Mechanism

| Management Dimensions | Major Measures and Channels | Targets and Commitments |
|---|---|---|
| Institutional Basis | Establishing and implementing *the Guidelines for Community Communication and Grievance Handling in the Operating Sites of the Project (Organisation)*, and *the Public Relations Management Implementation Measures* and other systems. | To provide clear policy and procedural frameworks for community communication and grievance handling, ensuring standardised and consistent management practices. |
| Operational Mechanism | Creating a coordinated and orderly mechanism for community communication and complaint handling to proactively understand and promptly respond to the needs of various community stakeholders, formulating social responsibility policies that align with both the Company and community interests. | To prevent and mitigate potential operational impacts on communities, safeguard their legitimate rights and interests, and build and maintain long-term amicable community relationships. |
| Communication Channel | Maintaining open communication with communities and the public through diversified and regular channels, such as information disclosure, discussions and communications, household visits, communications via dedicated hotlines, and public open days. | To proactively and transparently communicate the Company's operations and responsibility practices to the community, effectively resolving differences and strengthening mutual trust. |
| Grievance Handling | Establishing dedicated channels for receiving, assessing, and promptly responding to community concerns or grievances related to project investment, construction, and operations, and to resolve differences and disputes through consultation in a fair and constructive manner. | To ensure that community opinions and concerns are effectively heard and addressed with fairness, minimising potential adverse impacts and fostering community harmony. |

# Protection of Indigenous Peoples' Rights and Interests

China Shenhua, strictly abides by international norms such as *the United Nations Declaration on the Rights of Indigenous Peoples* and upholds the "principle of free, prior and informed consent (FPIC)", issued publicly *the Indigenous Peoples' Rights and Interests Protection Declaration*, pledging to respect and safeguard all legitimate rights and interests of the community and its residents through regular, transparent and proactive communication, which includes showing full respect for the local cultural heritage, religious beliefs, customs and business etiquette.

China Shenhua integrates the protection of Indigenous Peoples' rights throughout the full lifecycle of its projects. In the early planning stage, the Company proactively engages with key stakeholders, including local governments, community residents, and village collective economic organisations, through field visits, consultation meetings, and in-depth dialogues, ensuring comprehensive disclosure of project scope and potential impacts and enabling fully informed and substantive participation in decision-making. In response to potential risks, the Company develops avoidance, mitigation and compensation measures and enters into benefit-sharing agreements. During the construction, operation, and decommissioning phases, the Company remains respectful of Indigenous cultures and traditions. By establishing a diversified communication mechanism, combining regular briefings and disclosures, both online and offline feedback channels, and a 24-hour emergency hotline, China Shenhua ensures close alignment between project progress and community concerns. At the same time, the Company's overseas branches regularly conduct community visits, facility tours, and cultural exchange activities. On the basis of safeguarding Indigenous Peoples' rights of information access and participation, we continue to enhance service measures and effectively protect their legitimate rights and interests, ultimately promoting sustainable and mutually beneficial outcomes for both project development and the social, economic and environmental well-being of local communities.


Community donation campaign conducted by the Indonesian power plant under the Company

# Regional Economic Contributions

China Shenhua is committed to serving as a key driver of prosperity in its host communities, striving to build a high-quality development ecosystem in which the Company and local communities advance together to achieve symbiotic prosperity.

**In respect of economic empowerment**

we support not only community development by providing stable and reliable clean electricity, but also strengthen local fiscal reserves by taxes and fees in full and in accordance with the law, thereby contributing to the capital pool for regional livelihood programs. At the same time, we harness the unique strengths of local industries by introducing modern technologies and innovative business models to help cultivate distinctive flagship brands with strong market recognition, stimulating the endogenous economic growth momentum of the region.

**In respect of livelihood and well-being**

we precisely align our efforts with community development needs through a dual-track strategy. On one hand, we provide targeted assistance in essential livelihood areas such as education, healthcare, elderly care and public safety. On the other hand, we maintain continuous investment in key areas of residents' concern, including ecological environmental governance, infrastructure upgrades, and cultural and sports activities, which comprehensively enhance the quality of life and sense of happiness for community residents, effectively advancing public welfare.

In 2025, the Company's headquarters and subsidiaries and branches donated approximately CNY146 million to host communities, including around CNY1.73 million from overseas companies. These contributions supported initiatives in livelihood security, educational assistance, cultural heritage preservation, and sports activities, effectively promoting the development and stability of local communities.

2025

The Company's headquarters and subsidiaries and branches donated to host communities approximately

CNY **146** million

Overseas companies approximately

CNY **1.73** million

Case

## Empowering Regional Economic Development Through Diversified Initiatives: A New Chapter of Win-Win Cooperation Between the Enterprise and Local Community

In 2025, Baoshen Railway focused on key areas of rural revitalisation and invested CNY30.1 million in dedicated funds to comprehensively support neighboring counties and townships, covering infrastructure projects including road construction and upgrades to agricultural and pastoral facilities, to address development bottlenecks. At the same time, the company invested in rural elderly care, education, and healthcare improvement programs, and stimulated endogenous rural growth by promoting consumption-based assistance for agricultural and livestock products, thereby driving industrial value enhancement and increasing farmers' incomes. Furthermore, proactively responding to local government needs, the company extended its support to urban development, playing a key role in critical projects such as urban noise control, the image upgrading of passenger stations, and urban greening enhancement, effectively improving urban functional quality and livability, solidifying the foundation for regional economic development and enhancing public well-being through concrete actions, injecting strong momentum into the high-quality development of areas along the railway lines.

# Local Procurement and Employment

The Company has established clear management standards and implementation procedures in the areas of local procurement and employment, in order to better fulfill its social responsibilities and advance its localisation strategy.

## Local Procurement

**Management Philosophy and Measures**

- Institutional Safeguards: The Company has formulated and implemented special management policies, including *the Interim Measures for Local Procurement*, to optimise the full-process procurement system.
- Preferential Policies: For categories of materials with local regional advantages, the Company prioritises procurement from local small and medium-sized enterprises to support the development of local businesses.
- Empowerment and Support: During the tendering and procurement process, the Company provides targeted guidance to local small and medium-sized enterprises, helping them overcome barriers and access supply chain.
- Overseas Practices: Overseas subsidiaries are required to prioritise local partners in supplier selection process, adhere to international standards on safety, health, and environmental protection, and contribute to the empowerment of local industries.

**Achievements and Progress**

The proportion of localised procurement by the Company's overseas subsidiaries was approximately **84.3%**, effectively contributing to the stability and upgrading of local industrial chains.

### Local Employment

**Management Philosophy and Measures**

- Priority Employment: The Company implements a localised employment program that prioritises job opportunities for residents of the host communities and neighboring areas, thereby ensuring livelihood stability.
- Capacity Building: Focusing on talent development, the Company systematically enhances the professional skills and development potential of local employees through collaborations with local universities, donations of training equipment, and conducting skills-training programs.

**Achievements and Progress**

The overall localisation rate of employees in overseas enterprises is approximately **75.3%**, providing strong momentum to the Company's deep localisation of operation and community integration.

## Reduction of Environmental Impact

The Company has issued *the Pledge not to Operate in Protected Areas* and strived to implement resolute measures to minimise environmental disturbance and ecological impact on all types of local conservation areas. Throughout the entire operational process, the Company strictly abided by the laws and regulations related to ecological protection in each region, taking preservation of local ecological security and the promotion of harmonious coexistence between human and nature as its core objectives. During the preliminary stage of project preparation, the Company conducted comprehensive and rigorous ecological feasibility studies on site (and route) selection to resolutely avoid ecological conservation areas and ecologically sensitive areas. Simultaneously, we systematically assess potential ecological impacts to formulate scientifically sound and improved ecological conservation plans and mitigation measures.

# Driven by Innovation

China Shenhua implements the '1331' science and technology innovation strategy, which consists of one philosophy, three emphases and three prohibitions, and one overarching mission. Upholding the work principles of 'advancing with stability, prioritising safety, promoting innovation-driven development, and ensuring high-quality growth, the Company continues to reform and strengthen its science-and-technology innovation systems and mechanisms, focuses on enhancing independent innovation capabilities, strengthening the integration of scientific and technological innovation with industrial development, while reinforcing open collaboration through coordinated innovation among government, industry, academia, research institutions and end-users.

## Technological Innovation Management

China Shenhua adheres to the technological innovation strategy of "supporting the establishment of first-class enterprises, leading the technological progress of the industry, serving the construction of a powerful country in technology and leading the global energy technology", and supports the Company's high-quality development with technological innovation, and is committed to solidifying the foundation of technological innovation management and continuously improving its organisational structure for innovation. The Company's Party Committee is responsible for advancing the construction of the technological innovation system and institutional reforms, conducting pre-review of major strategies, key plans, and significant decisions related to technological development. The Company's management is responsible for driving the implementation of major decisions on science and technology innovation, and for approving relevant innovation management policies, major adjustments and changes to technology projects, and technical standards. The Leading Group for Science, Technology, and Cyber-Information Work is responsible for executing the innovation strategy and coordinating the overall advancement of innovation initiatives. The Technology and Information Department at headquarters oversees the formulation of technology plans, full-process management of technology projects, and the administration of intellectual property. Each subsidiary and branch has established its own innovation governance structure with clearly defined departmental responsibilities. The Company formulates medium-to-long-term technological innovation plans and integrates them into its Five-Year Development Plan. By analysing the global and domestic trends in energy technology and identifying the Company's major innovation needs, we define the direction of key scientific research, the development of critical core equipment, and the implementation of major demonstration projects. The Company also formulates annual technological innovation plans to ensure the orderly advancement of related work. We have established systems such as *the Regulations on Technological Innovation Management* to standardise innovation requirements, constructing a "system + organisation + incentive" trinity for technological innovation management.

# Progress of Technological Innovation

In 2025, the Company formulated the "*Key Points of Technological Innovation and Informatisation*" to organise and optimise technological innovation and informatisation management systems. We advanced breakthroughs in key core technologies, drove improvements in quality and efficiency of technological projects, strengthened intellectual property protection and achievement transformation, advanced digital transformation, and solidified our cybersecurity barriers.

The Company, as a central SOE, continues to deepen collaborative innovation with universities and research institutes. Through joint research with top-tier institutions such as Tsinghua University, Xi'an Jiaotong University, and China University of Mining and Technology, breakthroughs have been achieved in frontier technological fields, including solid particle thermal energy storage and efficient seawater-based hydrogen production. The Company has also partnered with strategic allies like CSSC, CRRC, and the China Academy of Information and Communications Technology to co-establish 'information technology application innovation laboratories' and other collaborative projects. Furthermore, the Company proactively promotes the introduction and absorption of cross-industry technologies and leverages high-end research platforms to cultivate innovative-driven projects, fostering an innovation landscape characterised by a deep integration of industry, universities, research and application, and effectively accelerating the industrial-scale application of scientific and technological achievements.

In 2025, the Company recorded an investment in R&D of CNY4,890 million for the year, accounting for 1.66% of its business revenue; achieved its annual technological innovation targets and delivered a series of significant scientific and technological breakthroughs.

2025

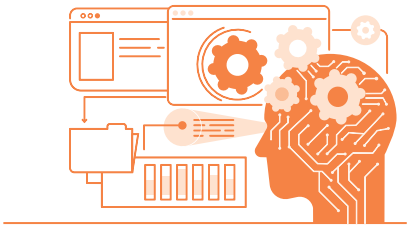
Investment in R&D of

CNY **4,890** million for the year

Accounting for

**1.66** %

of business revenue



| Business Segments | Typical Achievements |
| --- | --- |
| Coal | The achievements of the inertial navigation system project based on the domestic laser and hemispherical resonator, as well as the research and application results of the emergency rescue theory and technology system for mine safety production have been appraised as international leading level. |
| Transportation | The research project Development and Demonstration of an Intelligent Heavy-Haul Railway Shunting System Featuring Cloud Brain, Cloud Control, and Cloud Security was selected for inclusion in the National Railway Administration's 2025 Major Scientific and Technological Achievements Repository; the project Critical Technologies for Heavy-Haul Railway Locomotive Excess Inrush Current Characteristics and Intelligent Phase-controlled Switching was awarded the First Prize of the Invention and Entrepreneurship Award by the China Association of Inventions; the Key Technologies and Applications for Safe Operation of 30,000-Ton Heavy-Haul Trains and Key Technologies and Applications for Operation and Maintenance of 30t Axle Load Railway Infrastructure were awarded the Special Prize and First Prize, respectively, of the Science and Technology Progress Award by the China Communications and Transportation Association; the Intelligent Heavy-Haul Comprehensive Inspection Vehicle received the Silver Award at the 50th International Exhibition of Inventions Geneva; the Key Technologies and Applications of Commercial Cryptography for Intelligent Vessels in 5G Scenarios was awarded the First Prize of 2025 Science and Technology Progress Award by China Institute of Navigation. |
| Power | the 630 MW Ammonia Co-Firing with Coal Power Generation Technology was selected into "Top Ten Scientific and Technological Innovations of Energy Industry in 2024" by the National Energy Administration; the case Efficiency Enhancement Retrofit of the World's First 600MW Subcritical Unit Sets a Benchmark for Sustainable Development was selected as an "Excellent Case of New Quality Productive Forces Development" for 2025 by the China Enterprise Reform and Development Society. |
| Coal Chemical Industry | China Energy Baotou Coal Chemical Coal-to-Olefin Intelligent Manufacturing Demonstration Plant passed acceptance inspection and was selected by the Ministry of Industry and Information Technology as an Excellence-Level Smart Factory for 2025. |

As of the end of 2025, the Company had a total of 4,233 R&D staff, accounting for 4.6% of the total workforce, 1 national key laboratory, and 1 national-level scientific research platform. In 2025, the Company won 2 provincial and ministerial level science and technology awards, 25 significant industry association (society) awards and 11 professional association awards.

As of the end of 2025

A total of **4,233** R&D staff of the Company

Accounting for **4.6%** of the total workforce

Case

### Successful Trial Run of the World's First 35,000-ton Heavy-Haul Grouped Trains

In December 2025, China Shenhua successfully completed the trial run of the world's first 35,000-tonne heavy-haul grouped trains. Through "virtual coupling" technology, the operation control system of heavy-haul grouped trains transforms the traditional hard mechanical coupling between existing 20,000-tonne and 30,000-tonne trains with long and big units into a virtual soft connection. This allows multiple small units to operate autonomously in a "grouped mode' with tight-following intervals, marking a new milestone of departure interval for 10,000-tonne heavy-haul trains of a '3-minute era". The heavy-haul grouped trains control system represents a major original innovation in China's railway technology, fundamentally overcoming long-standing challenges in improving heavy-haul transport efficiency. Looking ahead, this technology is expected to be extended to high-speed rail, urban transit, and conventional railway networks, supporting the global advancement of train control systems toward greater efficiency, safety, and intelligence.


The World's First 35,000-ton Heavy-Haul Grouped Trains

## Digital-Intelligent Integration

China Shenhua has thoroughly implemented the Overall Layout Plan for the Construction of Digital China and the "Five Transformations and Five Modernisations" requirements for digital transformation issued by the State-owned Assets Supervision and Administration Commission (SASAC). Adhering to the principles of Unity, Intensification, Systemisation, and Advancement, the Company fully leverages modern information technologies, such as artificial intelligence and big data, to comprehensively drive its digital-intelligent strategy and promote high-level transformation across the organisation.

In 2025, the Company persists in taking scientific and technological innovation as the guide for digital innovation. We have advanced the integration of new technologies, network connectivity, business synergy, ecological integration, and data intelligence, further accelerating the profound integration of digital information technology with our industrial operations.

## Optimisation of Industrial Internet Architecture

The Company expanded the scope of its industrial digital-upgrade initiatives by accelerating the development of intelligent coal mines, smart power plants, smart transportation and smart chemical operations, and enhancing capabilities in intelligent sensing, automated control, and data-driven analytics, to advance the intelligent production standards across the coal, power, chemical, and transportation segments. The first domestic intelligent shunting system for heavy-haul railways has officially commenced operations at Shuohuang Railway, marking a major milestone in autonomous rail operations. Two achievements, including Integration and Application of All-Space Information Technology in Intelligent Heavy-Haul Railway Operation and Maintenance were selected as typical cases of Digital Transformation in the Transportation Industry. In addition, two achievements from Huizhou Thermal Power, notably the Smart Power Plant Equipment Management System Based on Domestic BIM Promoting Multi-Source Data Integration were awarded the Five-Star Achievement for 2025 Intelligent Power Generation Technology Innovation.

## Expansion of Application of Smart Management Platforms

The Company independently developed a new enterprise think-tank system, significantly enhancing knowledge mining and collaboration efficiency. The project obtained 5 national invention patents and 1 software copyright, with technical paper selected for presentation at the 2025 Asia-Pacific Power Association Conference. The Company also developed and enhanced its digital-intelligent investor relations information system, leveraging digital tools to improve the efficiency of on-site support for investor communications. In addition, the Company advanced its digital-intelligent lean capital-management application project, using digital solutions to optimise capital allocation structures and improve inter-entity financing efficiency.

## Implementation of "AI Plus" Special Action Initiative

The Company is constructing the China Shenhua AI+ Intelligent Comprehensive Platform to high standards, building a "3+N" multi-dimensional enterprise knowledge system to achieve systematic management and high-efficiency operation of knowledge assets. By selecting and implementing AI application scenarios, the Company has officially released the world's first 100-billion-parameter large-scale model for the power generation industry, "Qingyuan". This creates an intelligent decision-making system across the entire power value chain, driving a transition in management from traditional experience to AI-driven digital intelligence. Meanwhile, Shendong Coal has completed the construction of an AI intelligent identification system for gas monitoring boards, achieving full automation and intelligence in gas data collection, identification, storage and report generation.

## Implementation and Construction of Data Governance System and Indicator Data System

Implementing the combination of top-level design with grassroots practice, the Company is unifying data standards and specifications while further tapping the value of data assets. By constructing a full-lifecycle data management mechanism, the Company is breaking down data barriers across all business segments, solidifying the foundation for digital transformation, and fully unleashing the value of data elements as a factor of precise empowerment for business decision-making. The official release of *Information Technology – Technical Requirements for Mine Big Data* (GB/T 46010-2025), the first national standard in the field of mine big data, led by Shendong Coal, marks a new stage of standardised development for China's mine big data sector.

Case

### Two Projects of China Shenhua were selected as 2024 Innovative Development Cases of Leading Enterprises in Digital and Intelligent Transformation

In April 2025, at the 2025 Corporate Digital Innovation Development Conference, China Shenhua was honored with two awards for our outstanding achievements in digital transformation. The China Shenhua Digital Governance Across Three Domains, Setting a New Benchmark for Listed Company Governance project and the Building a New Enterprise Think Tank System Based on the 3+4 Model initiative were both included in the list of 2024 Innovative Development Cases of Leading Enterprises in Digital and Intelligent Transformation.

Focusing on data governance within the scope of China Shenhua's ownership, the project China Shenhua Digital Governance Across Three Domains, Setting a New Benchmark for Listed Company Governance establishes a sustainable management mechanism for the digital governance system across management support, business development and strategic operations, achieving centralised management and efficient utilisation of structured data. The project Building a New Enterprise Think Tank System Based on the 3+4 Model integrates internal and external information resources through a "3+4 Model" to develop an efficient and intelligent think tank system for the company, not only enhancing the standardisation, diversification and integration levels of the report generation system but also strengthening corporate management capabilities for intellectual assets and unstructured data.

## Intellectual Property Protection

China Shenhua has formulated a comprehensive intellectual property management system, establishing a full-lifecycle mechanism covering the application, recognition, management, and transfer of intellectual properties, including patents and technical secrets, while simultaneously refining its system for the research and formulation, publicity and promotion, and execution of corporate technical standards to fully stimulate endogenous innovation vitality. Focusing on the entire value chain of intellectual property acquisition, protection, and application, the Company has implemented various measures to enhance intellectual property management and accelerate the industrialisation of intellectual property, providing a solid guarantee for technological R&D and innovation practices.

## Management throughout the whole life cycle

The Company has fully integrated intellectual property management into the entire lifecycle of scientific research projects, establishing a whole-process intellectual property management system that spans from project initiation and technical R&D to the application of results, while achieving all-around protection and high-efficiency transformation of innovative achievements through in-depth patent analysis, patent exploration and patent layout.

## Strengthening of risk prevention and control

In order to prevent the loss and infringement of intellectual property rights, the Company continuously strengthens its intellectual property risk prevention and control mechanisms. By establishing professional management teams to enhance daily supervision and conducting regular specialised training, we have effectively improved the intellectual property protection awareness and risk identification capabilities of all employees. In 2025, the Company was not involved in any major intellectual property disputes or litigation, demonstrating the effectiveness of our systemic protective measures.

## Stimulation of innovation vitality

The Company has integrated intellectual property output and quality into its technological innovation performance evaluation and award incentive systems, providing rewards for results that achieve patent grant while implementing special incentives for units and individuals that receive national or provincial/ministerial honors, such as the China Patent Award.

## Strengthening of multi-party communication and collaboration

The Company actively encourages its subsidiaries to apply for High-Tech Enterprise certification while enhancing communication and collaboration with government departments and industry associations. We proactively participate in the formulation of national, industrial, and group standards, effectively enhancing the professionalism, quality and economic benefits of our intellectual property management.

2025

| new patents granted to the Company | Including invention patents | newly filed invention patent applications | Cumulative number of granted patents reaching | Number of invention patents reaching |
|---|---|---|---|---|
| 1,229 | 560 | 1,522 | 9,271 | 2,608 |

Currently, China Shenhua's technological innovation and business operations do not involve content related to science and technology ethics; therefore, no relevant technology ethics policies and guiding principles have been formulated and implemented.

# Supply Chain Security

China Shenhua remains committed to strengthening supply chain security by iterative upgrade of supply chain management policies and implementation strategies. The Company has built an all-dimensional supplier risk prevention and control system, accelerated the progress of green supply chain transformation, and proactively responds to the expectations of customers, investors and other stakeholders regarding the development of a responsible supply chain.

## Ensuring Supply Chain Security

To comprehensively enhance supply chain management and risk prevention capabilities, the Company systematically conducts annual full-lifecycle supplier evaluations, covering the entire process from admission reviews, selection for cooperation, and credit rating to performance tracking, comprehensive assessment and cooperation withdrawal. Furthermore, in-depth reviews are carried out on key suppliers, including strategic partners, high-value transaction counterparties and long-term stable partners, to effectively solidify the defense line for supply chain risk control. During the procurement execution process, the Company focuses on advancing full-chain collaborative management, enhancing the foresight and precision of project planning. By leveraging framework agreement procurement models, the Company establishes stable, long-term partnerships while exploring refined operational models such as "e-commerce + front-end warehousing", effectively improving the quality and efficiency of supply chain execution to achieve the dual goals of procurement cost reduction and process risk prevention.

In advancing centralised procurement management, the Company fully utilises information technology to continuously and dynamically update its centralised procurement catalog, gradually expanding its coverage while formulating supporting specialised implementation plans. Comprehensive reviews and strict benchmarking are conducted on a regular basis to unleash the economies of scale in procurement, driving the continuous optimisation of procurement quality and cost-effectiveness. Meanwhile, the Company strictly implements management frameworks such as *the Internal Control Risk Management Regulations*, establishing a regular supervision and inspection mechanism to track and verify the implementation of various procurement lists, ensuring that the entire process is compliant and controlled to effectively mitigate supply chain operational risks.

2025

The Company conducted evaluation on a total of

**15,552** suppliers

**434** suppliers were disqualified due to violations or dishonest conduct.

# Responsible Supply Chain

The Company takes environmental and social risks into consideration at every stage of the supply chain by formulating *the Supplier ESG Management Measures (Trial)* to comprehensively evaluate the ESG performance of suppliers, effectively identify and avoid potential risks and motivate suppliers to deeply implement the concept of green development for jointly building a sustainable supply chain ecosystem. In 2025, we initiated the development of the *China Shenhua Supply Chain ESG Special Action Plan (2026-2028)*. Adhering to the principles of "Systematic Planning, Orderly Advancement, Risk-Oriented, and Deep Synergy," the plan focuses on ESG system construction, risk management, management empowerment, and influence building within the supply chain, with the goal of driving suppliers to further practice green development concepts and jointly build a sustainable supply chain ecosystem.

## In the supplier admission stage

The Company actively encourages suppliers to provide relevant certification and qualifications, such as product quality and safety, occupational health and safety, and environmental management system certifications, as well as supporting documentation for green product certifications. At the same time, suppliers are encouraged to voluntarily disclose their total greenhouse gas emissions and year-on-year changes during the reporting period, which serve as an important reference in the admission assessment process.

## During the procurement execution stage

The Company formulated and implemented *the Green Procurement Measures (Trial)*, which incorporates the core principles of green and low-carbon, energy-saving, and environmentally friendliness into its procurement standards and decision-making processes. In executing procurement activities, we prefer products and service providers that demonstrate outstanding performance in environmental protection and resource efficiency, aiming to leverage green choices at the procurement end to effectively drive sustainable development of the upstream and downstream supply chain.

## During the supplier evaluation and ongoing management stage

The Company has established a regular ESG tracking and assessment mechanism. Specifically, for suppliers in high-risk categories, the Company conducts dynamic evaluations and updates of their ESG performance through organising suppliers to complete *the Supplier ESG Questionnaire* on an ad-hoc basis and performing necessary on-site reviews. We place strong emphasis on collaborative improvement with suppliers, providing timely feedback and targeted recommendations to encourage and support them in continuously enhancing their ESG management performance, thereby jointly building a more resilient and responsible value chain.

## Enhancement of Suppliers' Capability

The Company has established efficient communication channels with suppliers, encouraging their participation in ESG-related training such as business ethics, and engaging in in-depth exchanges on topics including cost reduction and efficiency enhancement, quality improvement, low-carbon technologies, and human rights protection to jointly elevate the level of collaboration. The Company also strictly enforces the "non-differentiated and integrated" management requirements for contractors, incorporating outsourced and entrusted services into the Company's safety management system and conducting targeted rectification for key business areas. In addition, the Company has clearly defined qualification standards for contractors as well as safety and production credentials requirements for personnel, strictly prohibiting illegal subcontracting and unauthorised contract transfer. Through a combination of policy publicity and implementation, targeted training, and supervision and inspection measures, the Company has significantly enhanced supply chain partners' ESG awareness and safety management capabilities, effectively advancing the development of a responsible supply chain ecosystem and laying a solid foundation for collaborative growth between the Company and its partners.

## Anti-Corruption of Supply Chain

China Shenhua strictly adheres to the requirements of *the Tendering and Bidding Law of the People's Republic of China* and other relevant laws and regulations, and has established a comprehensive and structured procurement management system. The Company regularly organises thematic occupational discipline education and professional skills training for procurement personnel, while concurrently implementing management mechanisms such as rotation of key positions, segregation of incompatible duties, and mandatory recusal in cases of conflicts of interest. The Company strictly prohibits all employees from accepting any benefits or gifts that are directly or indirectly related to its procurement activities, ensuring full-process legality, compliance, and transparency through firm and enforceable restrictions. At the same time, the Company upholds the principles of fairness and impartiality in supplier selection, resolutely avoiding unreasonable entry barriers or exclusionary requirements, and refraining from any discriminatory treatment toward any supplier, thereby effectively safeguarding a healthy, orderly, and equitable procurement ecosystem.

China Shenhua firmly opposes any form of unfair competition, corruption, or misconduct that may occur during the procurement activities and in the course of supplier responsibility fulfillment, and works collaboratively with suppliers to promote fair, honest, and integrity-driven procurement practices. The Company has formulated *the Business Ethics Policy (Trial)*, which applies to all suppliers, requiring them to sign *the Commitment to Uphold Business Ethics* upon registration. The policy prohibits all forms of corruption, bribery, and related improper behaviors, and encourages suppliers to file complaints or report potential illegal activities.

# Equal Treatment for SMEs

To solidly prevent and resolve issues of default on amounts owed to SMEs, and to foster an industrial ecosystem of symbiotic prosperity and collaborative development with SMEs, the Company formulated *the Implementation Plan for Preventing and Resolving Issues of Default on Amounts Owed to SMEs*, by which a long-acting management mechanism for eliminating defaults on amounts owed to SMEs has been established, with dedicated contact phone numbers and email addresses published on the website of the Company to ensure smooth communication and feedback channels.

The Company has established a leading group for preventing and resolving issues of default on amounts owed to SMEs that is led by the Chief Executive Officer who is fully responsible for overall planning, organisational leadership and coordinated advancement of this special task. A working task force has been set up under the leading group, with the finance department responsible for comprehensive checking of default on amounts owed to SMEs, setting up detailed record keeping systems, dynamic tracking payment progress and conducting supervision and inspection on the implementation of each process.

In 2025, the Company organised checking and treatment of arrears of enterprise accounts and wage arrears, ensuring timely and full payments to migrant workers and companies without default on agreed payment. As of the end of the Reporting Period, the Company had a balance of trade payables (including bills payable) of approximately CNY41.51 billion, representing approximately 6.6% of the total assets. These amounts are attributable to genuine business transactions during daily operation of the Company that comply with laws and regulations, including purchase of goods and receipt of services. The Company will continue to optimise the process of payment for purchase and strengthen management on trade payables on terms in the contracts, so as to maintain the harmonious and stable cooperation between the Company and the suppliers.

# Safety and Quality of Products and Services

China Shenhua has always prioritised customers' needs and satisfaction by continuously improving product quality and service capabilities. By establishing a comprehensive full-process quality management and control system and optimising the management process for our services, the Company provides customers with high quality products and professional services, effectively safeguarding the legitimate rights and interests of customers while steadily improving customer satisfaction level.

## Production Safety

China Shenhua adheres to the policy of "safety first with precaution and comprehensive management", establishes a long-term management and control mechanism for safe production, prevents and resolves major safety risks at source, curbs the occurrence of accidents, and effectively ensures the safety of the lives of its employees and the people, as well as their occupational health and property safety.

### Governance

The Company coordinates production safety and environmental protection in a unified manner, ensuring aligned planning and implementation. For details regarding governance on production safety, please refer to the "Environmental Compliance Management" section of this report.

## Strategy

China Shenhua strictly implements *the Work Safety Law of the People's Republic of China* and other applicable laws and regulations, formulating medium-and long-term development plans for production safety, and incorporating them into the overall strategic planning of the Company to ensure that safety management is researched, deployed, and implemented in parallel with reform and development efforts. The Company has established a comprehensive system of production safety management covering all essential elements of management of production safety, continuously improving the production safety accountability framework and upholding production safety as the prerequisite, foundation, and guarantee for the development of the Company.

The Company systematically identifies and assesses production safety risks and formulates comprehensive control measures to ensure that overall risks remain manageable and under effective control.

| Risks | | Time Span | Risk Level | Business Impact | Financial Impact |
|---|---|---|---|---|---|
| Physical Risk | Equipment failure and aging | Short term/ medium-term | Medium to low | Resulting in business interruptions or reduced operational efficiency. | Increased costs (repair/replacement expenses and higher insurance premiums) and reduced revenue (due to production losses) |
| | Occupational health and safety incidents | Short term/ medium-term | High | Employee injuries, illnesses, or accidents may result in production interruptions or reduced efficiency, and may trigger shutdown for investigations that disrupt normal operations and delay production schedules. | Increased costs (medical expenses, compensation payments, and fines) and reduced revenue (due to production losses) |
| | Safety accidents (fires, explosion, leakage) | Short term/ medium-term | High | Damaging directly production facilities and equipment, causing injuries or fatalities, and resulting in production interruptions. | Loss of assets (facility damage), increased costs (environmental restoration expenses and compensation), and reduced revenue (due to business interruption losses) |

| Risks | | Time Span | Risk Level | Business Impact | Financial Impact |
|---|---|---|---|---|---|
| Transformation Risk | Technology upgrades and iterations | Short term/ medium-term | High | Requiring capital investment for equipment upgrades and possible modifications to production schedules, resulting in short-term reductions in production efficiency. | Increased costs (due to equipment upgrade investments and employee retraining expenses) |
| | Regulations and policies changes | Short term/ medium-term | Medium | Stricter regulations on production safety may require enhanced protective measures or process upgrades, affecting production schedules. | Increase costs (due to higher compliance expenditures and investments in technological upgrades) |

| Opportunities | Possibilities | Business Impact | Financial Impact |
|---|---|---|---|
| Technology Innovation and Application (e.g., AI and IoT) | High | Optimising production processes to enhance production efficiency and minimise equipment losses. | Increased costs (due to initial investments) and higher revenue (due to long-term cost savings and new product development) |
| Optimization of Safety Management Systems (e.g., Lean Safety, DuPont Safety Culture) | High | Implementing advanced safety management concepts to reduce accident rates and build an intrinsically safe production environment. | Increased costs (training and consulting fees) and higher revenue (due to improved production continuity) |
| Policy Support (e.g., Specialised Subsidies for Production Safety, Tax Incentives) | Medium | Securing government subsidies for safety-related technological upgrades, financial support, and tax incentives to reduce investment in safety. | Increased costs (due to compliance investments) and higher revenue (due to government subsidies and tax reductions) |

In 2025, the Company adhered to the principle of People First and Life First, continued to solve the root causes of accidents, continuously solidified the foundation of safety, effectively prevented and controlled major risks, and ensured the Company's high-quality development with a high level of safety. The Company invested CNY4,059 million in production safety, and the situation of production safety was stable in general.

**Comprehensively enhance production safety management system.** The Company strictly implements the main responsibility and revises and refine various management standards, ensuring safety production accountability at every level. Fundamental safety improvement initiatives will be carried out continuously with comprehensive management optimisation and on-site compliance enhancement. Rigorous safety performance evaluations will be implemented to effectively motivate all employees to fulfill their responsibilities.

**Strengthen the risks control in key areas.** The Company establishes a graded major safety risk inventory and organises the implementation of corresponding control measures. The coal segment promoted key disaster control projects for mine water, fires, gas, rock bursts and slope instability; in the power segment, controlling high-risk activities associated with infrastructure construction will be the focus; in the chemical segment, emphasis will be placed on preventing equipment leaks, fires and explosions, and incidents involving poisoning or asphyxiation as part of process safety management; in the transportation segment, our focus will be on controlling risks such as derailment or overturning of heavy-haul trains in challenging sections, structural fatigue damage of large port machinery, and equipment overturning caused by external factors such as extreme weather.

**Further strengthen the investigation and rectification of potential safety hazards.** The Company establishes ledgers for rectification of potential accident hazards identified through internal inspections and external checks, and maintains archives for major accident hazards. It strengthens mechanisms for the statistical analysis of potential safety hazards and enforces strict accountability procedures for identifying and correcting major potential hazards, with the results incorporated into safety performance evaluations and the safety scoring system for plant or mine managers. An internal reporting reward mechanism for accident hazards is established and refined, with incentive funds allocated.

**Strengthen technological empowerment.** The Company accelerates iteration of safety supervision technologies by applying high-definition video matrices and AI-based behavior analysis modules to enable automatic identification and early warnings of violations. Its emergency response systems are upgraded, and intelligent tools are utilised to enhance the accuracy of emergency management and hazard detection, driving safety management toward greater refinement, standardisation, and intelligent operation.

**Promote the development of safety culture.** The Company conducts regular safety warning and education activities by designating an "Accident Warning Month" and "Accident Warning Day," organising the watching of safety warning videos, and delivering safety-themed briefings to enhance the competency of its employees and management. It continues to strengthen its emergency response system by upgrading the functions of its integrated training base and conducting hands-on emergency drills and practical training to effectively improve its emergency response capabilities.

## Risk and opportunity management

China Shenhua consistently optimises the dual prevention mechanisms for safety risk classification management and control and potential hazards prevention and control, and systematically carries out safety production risk identification and assessment initiatives in line with the mechanism of comprehensive risk management process, defines scientifically safety risk level, implements differentiated dynamic management and control of safety risks in a graded and classified manner, and formulates and implements targeted safety risk control measures.

### Risk classification management and control process and methodology

| | |
|---|---|
| Determining the scope of the risk assessment | Cover all production processes, equipment and facilities, environment, personnel behaviour and management systems. |
| Identification of risk sources | Choose the suitable risk source identification method based on actual conditions of the units, organise and carry out the risk source identification work on an annual basis, form the risk source identification list, and update it regularly. |
| Risk analysis and assessment | Select quantitative or qualitative assessment methods to comprehensively analyse the likelihood of risks, the severity of consequences, control measures and their effectiveness, etc., to determine the risk level and update the risk database. |
| Development of risk control measures | Follow the principle that the higher the risk, the higher the level of management and control, establish a graded safety risk management and control mechanism, formulate risk management and control measures, and implement safety risk management and control responsibilities at each level. |
| Implementation of risk control measures | Make significant safety risk announcements, with "red, orange, yellow and blue" four-colour safety risk spatial distribution maps marking the areas of significant safety risk, and set up safety warning signs. Through risk notification letters and other means, inform the personnel in the workplace of the safety risks. Organise and implement engineering technology, individual protection, education and training, emergency response and other measures to reduce safety risks. |
| Dynamic analysis and assessment of risks | Dynamically track and monitor the implementation of risk control measures, regularly summarise the effectiveness of measures, adjust safety risk control measures in a timely manner, to provide reference for the preparation and revision of management system and emergency plans. Mature risk control measures are applied to improve the production process, optimise the production and operation system, and improve standardised operations. |
| Risk management and control | Formulate management standards and control measures from the aspects of organisation, system, technology, investment, and emergency according to risk characteristics and management and control responsibilities. |
| Investigation and management of potential hazards | Combine daily inspection with regular screening, carry out inspection for major potential safety hazard inspection, establish the potential safety hazards ledger, implement graded supervision and handling on potential hazard control, and remove those pending issue from the ledge once rectification finished. |
| Carry out safety supervision | Carry out hierarchical supervision, classified supervision, and accurate supervision according to functions, risk level and special work every year. |

On 6 October 2025, a vehicle rollback occurred at the Baorixile Energy Open-pit Coal Mine following maintenance, resulting in the death of 1 driver. On 17 October 2025, Shendong Coal's Buertai Coal Mine experienced a wall collapse while the contractors were pouring concrete for the shunting-shed arch, causing death of 3 workers. The responsible personnel involved in both incidents have been held accountable. Following these accidents, the Company conducted a profound reflection on the lessons learned from the accidents, carried out comprehensive inspections to identify and rectify safety loopholes, strengthened operational procedures and safety technical measures, intensified investigations and punishment of unsafe behaviors, and launched targeted safety trainings to prevent the recurrence of similar accidents.

## Indicators and targets

The Company establishes annual production safety targets and promotes safety initiatives by implementing production safety responsibilities, strengthening risks identification and rectification, and conducting safety communication and training initiatives.

### 2025 Safety Production Targets and Achievements

| 2 Accidents Occurred | Completed | Completed |
| --- | --- | --- |
| Eliminate large and above safety accidents and major incidents involving risks, effectively curbs general accidents, strive for "zero death", pursue "zero harm". | Substantial elimination of major accident potential hazards identified in 2024 and in the previous inspections. | Completion of the annual standardisation of safety production construction. |

| Key performance | Unit | Formula | 2025 |
|---|---|---|---|
| Mortality rate per million tonnes of raw coal production | person/ million tons | Number of work-related fatalities/annual raw coal production | 0.011 |
| Investment in safety production | CNY million | Absolute value during the reporting period | 4,059 |
| Days of work suspended due to work-related injuries | day | (Total number of lost workdays *1,000,000)/Total working hours | 4,355 |
| Total recordable injury rate | % | (Number of work-related injuries during the reporting period/Total number of employees at the end of the period)*100% | 0.05 |
| Number of death of Employees | persons | Absolute value during the reporting period | 0 |
| Number of death of contractors | persons | Absolute value during the reporting period | 4 |

# Product Quality Management

The products of China Shenhua mainly include commercial coal, coal chemicals, power and thermal products. The Company strictly abides by *the Product Quality Law of the People's Republic of China* and other relevant laws and regulations, formulates and continuously refines the specialised management systems such as *the Management Measures for Coal Quality* and *the Management Measures for Coal Quality Test by Third Party Entities*, which aims at improving product quality and services, and effectively strengthen the capabilities for identification and control of quality risks.

The Company has established a quality control system across the whole process and continuously enhances product and service quality management by strengthening process management, setting key control points, and reinforcing quality inspections. In 2025, the Company further optimised its coal mining and washing processes to reduce ash, sulfur, moisture, and impurities in commercial coal, thereby stabilising product quality and improving alignment between coal products and market demand. The Company strictly fulfills the quality requirements stipulated in its coal sales contracts for the supply of commercial coal, and ensures strict inspections at every stage from loading at the mine site to shipment at the port, and in particular, at the important stage of discharging and loading at ports, accredited third-party testing institutions are entrusted to conduct the inspections. Coal-chemical companies have established rigorous production procedures, quality standards, and control processes, forming a comprehensive quality inspection system that covers raw material selection, monitoring of intermediate products, and final product testing to prevent non-conforming products from entering the market. Throughout the year, the premium-grade rate of polypropylene products reached 99.72%, and that of polyethylene products reached 99.23%, both significantly exceeding the control threshold of ≥95% and achieving record-high levels.

The Company continues to strengthen its quality management systems and actively advances certifications for quality management, product certification, and service quality management systems.

Loading and outbound transport of commercial coal

Coal-chemical product packaging site

## Product Complaint and Recall

China Shenhua attaches great importance to responding to customer feedback and concerns on products as a core component of its service management and has established a comprehensive, whole-process, closed-loop mechanism for handling product complaints and disputes. All sales entities maintain standardised customer complaint management logs, recording key information such as the complainant's details, specifications of product involved and client claims. In addition, the entire complaint-handling process is dynamically tracked and closed loop managed.

Commercial coal generally does not involve recall procedures, and all disputes over coal quality are negotiated and settled as agreed in the coal sales contract. Unqualified coal-chemical products that are verified and determined to be caused by quality accidents will be recalled or recovered or handled through negotiation with customers strictly in accordance with *the Regulations on Quality Accidents Management*.

In 2025, the Company received 58 complaints about commercial coal and 0 complaints about coal chemicals. All of these complaints have been handled and resolved immediately, which brought the completion rate to 100%. There was no recall of products due to safety and health reasons. There was no litigation in this regard.

2025

The completion rate of complaint

**100%**

# Protection of Customers' rights

China Shenhua strictly abides by the relevant requirements of *the Law of the People's Republic of China on the Protection of Consumer Rights and Interests* and has formulated and implemented *the Management Measures for Sales of Coal to Customers (Trial)*, *the Management Measures for Sales of Coal to Key Accounts (Trial)* and other specified regulations on management, while strictly benchmark various standards related to labels on products and services.

We have been generally improving our comprehensive service capabilities and professional level with respect to pre-sales consultation support, during-sales performance and fulfilment, and after-sales special services and other key aspects through channels such as hotline, letters, visit and exchange, client consultation meetings, and product launch and ordering meetings, effectively protecting customers' legitimate rights and interests, and striving to build a long-term, stable and mutually benefit and win-win strategic cooperative relationship with our customers. In 2025, the Company launched a survey on customer satisfaction, which showed a customer satisfaction of 4.97 (out of a maximum of 5) for commercial coal (internal), 4.96 (out of a maximum of 5) for commercial coal (external) and 100% for coal chemical products.

2025

Customer satisfaction with coal chemical products

**100%**

Diversified Communication Channels

- Hotline Consultation
- On-site Visits
- Correspondence
- Customer Communication Meetings
- Product Presentation and Ordering Sessions

# Data Security and Protection of Customer Privacy

China Shenhua strictly complies with the requirements of *the Cybersecurity Law of the People's Republic of China*, *the Data Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China* and other laws and regulations, adheres to the principles of effective data protection and rational data utilisation, continues to advance network security construction and risk prevention, and steadily improves the security defence level of information system to effectively consolidate the robust barrier for data security and customer privacy protection. In 2025, no material incident of information and network security or leakage of customer privacy information occurred in the Company.

# Data Security

The Company places great importance on data security and coordinates data security management with its overall information technology planning. It has established a standardised data security management mechanism that covers the entire data lifecycle, effectively preventing, controlling, and mitigating security risks to data assets during the digitalisation process. The Company safeguards data security comprehensively by exerting synergistic efforts across three dimensions – policies, technologies and operations.

### Establish and refine a comprehensive data security organisational structure

The Company's leading group for science, technology, and cybersecurity oversees and coordinates cybersecurity efforts, deliberates on related major matters, and resolves key issues encountered in cybersecurity management. The Company's Technology and Information Department is responsible for implementing cybersecurity decisions and deployments as well as coordinating data security management across the organisation. Each department at the Company's headquarters serves as the responsible unit for data management within its respective business domain and is tasked with organising and conducting data security management specific to its area of responsibility.

### Improve data categorisation, classification and sharing security protection system

The Company establishes a sound institutional system for data categorisation, classification, sharing, and security protection, while defining the catalogue of important data and strengthening its protection. In accordance with the overall principle of "who's in charge is responsible, and who's using is responsible," the Company clarifies the division of duties and ensures the implementation of data security responsibilities.

### Deepen the construction of data-sharing protection system

The Company has established clear security mechanisms governing data collection and storage, transmission and sharing, development and utilisation, and privacy protection, ensuring that the data is secure and controllable across the entire data lifecycle.

### Strengthen data security monitoring

Relevant technical tools for data security protection such as data security review, access control, encryption and desensitisation, and event traceability are used to empower data security management with technologies. We have established a 7×24-hour security monitoring and operation centre, and data security risk investigation, treatment of hidden dangers and notification of warning are conducted on regular basis to realise regular management and control of risks.

## Protection of Customer Privacy

China Shenhua attaches great importance to the protection of customer privacy. The trading group has formulated specified management measures such as *the Administrative Measures for Coal Sales Customers (Trial)* and *the Administrative Measures for Key Customers in Coal Purchase and Sales (Trial)*. Baotou Coal Chemical has formulated management documents such as *the Implementation Rules for Confidentiality Management of Information Provided to External Parties* to clearly define access permissions to and providing procedures of information, defining the disclosure of customer information as a strictly prohibited red-line violation. The Company strictly enforces refined control requirements for customer data. In the data collection stage, only information necessary for business operations is collected with resolute prohibition on collecting non-essential information; in the data usage stage, the confidentiality principle of "access and use as necessary for work" and the management and control principles of "phasal access to core business secrets and handled by dedicated personnel" are strictly abide by to consolidate confidentiality responsibilities in data usage at every level; in the data storage stage, cybersecurity precautionary and protective capabilities are strengthened, with regular special training on confidentiality knowledge, and comprehensive inspections are conducted to eliminate potential information security hazards.

# Employees

China Shenhua regards talent as one of the core driving forces for the sustainable development of the company. Starting from the creation of a diverse, inclusive, safe, and comfortable sustainable workplace ecosystem, the Company safeguards the life safety and physical and mental health of its employees, continuously improves the employee recruitment and remuneration system, refines stratified and categorised employee training and development plans, shows earnest care for employees' work and life needs, and comprehensively safeguards the legitimate rights and interests of its employees.

## Recruitment and Employment of Employees

The Company strictly abides by the laws and regulations, including *the Labour Law of the People's Republic of China* and *the Labour Contract Law of the People's Republic of China,* and other laws and regulations, scientifically formulating medium-to-long-term human resource plans centered on strategic development goals and establishing management systems such as *the Personnel Management Measures* and *the Remuneration Management Measures*, ensuring comprehensive and well-coordinated development of its human resources management framework.

The Company continuously optimises its market-oriented employment mechanisms and has established a standardised, scientific, open and inclusive recruitment process to precisely introduce high-quality talents with strong industry competitiveness and technical capabilities, thereby enhancing the overall effectiveness and quality of recruitment. The Company firmly prohibits all forms of employment discrimination and ensures that all candidates who meet the job requirements are provided with equal opportunities for interviews and a fair platform for competition. Any violations or misconduct arising during the recruitment process are subject to strict accountability in accordance with the policies of the Company.

The Company dynamically optimises labor quota standards, scientifically formulates employment plans, strictly controls overall staffing levels, and promotes standardised position system to encourage employees to become multi-skilled, thereby continuously improving work efficiency and overall workforce productivity.

In 2025, various units of the Company continued to deepen the reform of the "three systems," optimising the structure of the talent pool through diversified recruitment channels, with the number of new employees hired during the year reaching 2,387.

# Protection of Employees' Rights and Human Interests

China Shenhua has established a labour union in accordance with the law to effectively safeguard the legitimate rights and interests of our employees, covering various dimensions such as labour economics, democracy and politics, spiritual and cultural rights and social rights in accordance with laws. The Company enters into labour contracts and position agreements with its employees in compliance with laws, specifying clearly their job responsibilities and rights and obligations to enable comprehensive protection of their employment rights and interests. Overseas entities that hire international and local employees must also strictly comply with the laws and regulations of the host country (region), as well as internationally recognised human rights standards, and respect the rights of all employees.

The Company strictly complies with the national *Regulations on Prohibition of Child Labour* and the relevant laws and regulations of the countries (regions) in which it operates, resolutely prohibits employment of child labour and forced labour, implements a sound and standardised labour supervision and inspection mechanism, and carries out specified supervision and inspection of labour management on a regular or occasional basis to prevent and control risks of compliance. At the same time, the Company has set up comprehensive emergency response plan for the matter of child labour, with the work of the individuals involved terminated immediately once such case is identified and reporting procedures will be implemented strictly in accordance with relevant laws and regulations. For contractors or suppliers who violated the laws by using child labour, the Company will take firm measures including contract termination and report to and file with the public security authority in accordance with the local legal requirements. In 2025, the Company did not have any case of child labour or forced labour.

China Shenhua actively practices international human rights standards and norms, such as *the Universal Declaration of Human Rights*, and strictly abides by *the Labor Law of the People's Republic of China*, *the Law of the People's Republic of China on the Protection of Rights and Interests of Women*, and *the Law of the People's Republic of China on the Protection of Disabled Persons*, among other laws and regulations, to prevent any acts that disregard or trample upon human rights. The Company has formulated a *Special Policy on Human Rights Protection and Anti-Violence and Conflict* covering all employees, contractors, suppliers, and other business partners, clearly defining the Company's core commitments and responsibility boundaries in the fields of human rights protection, anti-violence, and anti-conflict, and explicitly requiring that all business operations and activities must strictly follow the human rights-related legal provisions and industry standards of the operating locations. The Company proactively mitigates potential violence risks in the workplace and business activities, resolutely eliminates any behavior that may violate human rights, and has established a full-process risk response mechanism and infringement remedy procedure to consolidate a robust comprehensive defense for safeguarding the legitimate rights and interests of relevant subjects.

In 2025, the Company continued to advance the development of human-rights risk identification and protection systems, and established a protection structure focused on key areas including medical care, health, rest, labor protection, and retirement benefits based on the management frameworks such as *the Labor and Employment Management Measures*. Meanwhile, the Company systematically promoted employee training on human-rights protection, effectively enhancing employees' awareness and capacity for safeguarding their own rights.

2025

| Human rights training in the Company | Cumulative number of training participants | Total training duration |
|---|---|---|
| **225** sessions | **33,065** persons | **419,400** hours |

# Democratic Management

China Shenhua integrates democratic management deeply into its corporate governance system, promoting full coverage of trade union organisations across the headquarters and all levels of its subsidiary entities, and fully leveraging the role of trade unions as a bridge connecting the Company and its employees. The Company has established and refined a democratic management system centered on the workers' congress, regularly collecting proposals from employee representatives on topics such as production and operations, corporate management and care for employees. The status of motions filing, supervision, and implementation is reported at the subsequent workers' congress, while motions that are not filed receive timely explanations and responses. The Company has also built a diversified democratic communication framework through channels such as the Chairman's mailbox, employee forums and field visits, ensuring comprehensive and unimpeded expression of employee appeals. Feedback and suggestions collected are followed up item by item to ensure effective rectification, transforming employee insights into a driving force for the Company's sustainable development.

# Diversity, Equality and Inclusion

China Shenhua is dedicated to building a diverse, inclusive, fair, and impartial workplace environment, firmly upholding the concept of equal employment. The Company values the worth and dignity of every employee and is committed to fostering a workplace environment which is free from bias and discrimination for all staff members.

The Company explicitly rejects any form of discriminatory treatment of employees due to any differences in nationality, ethnicity, gender, age, religious belief, pregnancy or maternity status, physical disability, or any other dimension, and prevents such factors from hindering employees' career development. At the same time, the Company is committed to building a diversified workforce by adopting flexible employment models as needed and strictly implementing a recusal mechanism for close relatives of employees, to ensure at the institutional level that every employee enjoys equal career development opportunities and fair, reasonable compensation.

The Company complies with *the Special Provisions on Labor Protection for Female Employees* and other laws and regulations, having established a female employees' committee to strengthen the protection of women's rights and support their development. It places great emphasis on the recruitment and appointment of female employees, safeguards equal rights in position competition, and ensures fair career-development pathways for women. It actively promotes programs such as the "Women's Contributions to New Achievements" initiative to inspire women's enthusiasm for work and their creative potential. The Company strictly implements "four periods", which provide protections for female employees during pregnancy, maternity leave, nursing periods, and maternity insurance benefits, while enforcing regulations concerning prohibited types of labor for female employees. Regular specialised health examinations and knowledge-sharing sessions for female employees are organised, along with cultural and motivational activities, to support the physical and mental well-being of women employees.

The Company endeavors to identify suitable positions for persons with disabilities and provides employment opportunities that align with their physical conditions and work capabilities. At the same time, the Company attaches great importance to supporting and managing existing employees with disabilities, offering timely assistance such as living allowances and care subsidies to help ensure the stability of their employment.

| Key performance | Unit | Formula | 2025 |
|---|---|---|---|
| Percentage of female employees | % | (Total number of female employees at the end of the reporting period/Total number of employees at the end of the reporting period)*100% | 14.2 |
| Percentage of minority employees | % | (Total number of ethnic minority employees at the end of the reporting period/Total number of employees at the end of the reporting period) *100% | 6.0 |
| Employment of disabled persons | person | Absolute value during the reporting period | 244 |

## Employees' Remuneration and Benefits and Care

China Shenhua strictly abides by *the Labour Law of the People's Republic of China* and other relevant laws and regulations, formulating management systems such as *the Remuneration Management Measures* to refine a market-oriented remuneration distribution mechanism that is clear in orientation, precise, flexible, standardised and efficient, thereby fully leveraging the incentive role of remuneration distribution.

**Regarding remuneration incentives**

the Company adheres to a benefit-and efficiency-oriented approach. In line with the principles of strengthening incentives and maintaining reasonable gaps, the Company continues to deepen reform to its income distribution system and optimise the structure of income distribution. Performance-based remuneration policy applied to all staff, with increased efforts to link remuneration to unit performance and individual assessment results. The Company continuously refines the distribution mechanism, where remuneration is determined by job value and performance contribution, leveraging the incentive role of remuneration to stimulate the staff's work enthusiasm for the company.

**Regarding the insurance and benefits**

the Company earnestly ensures full and compliant contributions to employees' social insurance and housing provident fund, and additionally provides commercial insurance coverage such as liability insurance for directors and senior management, critical illness insurance for employees, and group accident insurance, thereby strengthening a multi-tiered protection system for its workforce. The Company has established and refined its working-hours management and leave policies, clearly defining standards for working hours and various leave entitlements to safeguard employees' work-rest balance. At the same time, the Company implements inclusive welfare measures, including heatstroke and cooling subsidies in summer and heating subsidies in winter, to enhance employees' quality of life and overall well-being.

In 2025, the Company integrated initiatives to enhance employees' quality of life with the "Delivering Tangible Benefits for Employees" campaign, strengthening employees' sense of gain and well-being through multiple dimensions. The Company will continue to advance the development of reading-friendly workplaces, employee libraries, and wellness stations, complemented by diverse initiatives such as health lectures and psychological counseling, thereby deepening the implementation of the "Healthy China Shenhua" program. It will further strengthen its festive-care system by organising traditional holiday visits and related activities, with a focus on caring for model workers, employees facing sudden illness, retirees, and those who remain on duty during holidays, enabling they truly feel the company's warmth and care. The Company actively promotes work-life balance, strictly safeguarding employees' legitimate rights to leave, recuperation, and other benefits, and organising a variety of cultural and sports activities to enrich employees' lives. It also carried out publicity programs on the delayed-retirement policy and provided training on individual income-tax final settlement, while organising the replacement and activation of third-generation social security cards, striving to address the urgent concerns that matter most to employees.

## Occupational Health and Safety

China Shenhua strictly complies with *the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and other laws and regulations, and has established an occupational disease prevention and control management system that integrates the concept of employee health throughout the Company's development processes, effectively reducing occupational hazards in the workplace and lowering the risk of occupational diseases. The Company coordinates occupational health with production safety management in unified planning, inspections, implementation and assessment. Each production unit has established a leading group for occupational-hazard prevention headed by the chairman, set up dedicated management bodies, and assigned full-time or part-time occupational health personnel to ensure that responsibilities are clearly defined and that occupational disease prevention measures are implemented effectively, strengthening accountability in occupational-health management.

In 2025, the Company input approximately CNY732.37 million in occupational health initiatives, and the contribution to work-injury insurance and safety production liability insurance amounted to CNY235.92 million. The rate of regular assessment and testing of occupational disease hazards at workplaces, the rate of utilisation of personal protective equipment for employees at workplaces, the rate of occupational health examination for employees who have been exposed to hazards, and the rate of coverage of occupational injury insurance were all 100%.

2025

The Company invested approximately CNY **732.37** million in occupational health initiatives

The contribution to work-injury insurance and safety production liability insurance amounted to CNY **235.92** million

The regular assessment and testing rate of occupational disease hazards at workplaces, the utilisation rate of personal protective equipment for employees at workplaces, the occupational health rate of employees exposed to occupational hazards, and the coverage rate of work-related injury insurance all reached **100**%

### Continue to advance the development of a healthy enterprise

The Company consolidates and enhances the achievements of healthy-enterprise development, summarises and promote the experience gained, and advances the promotion of exemplary cases, distinctive practices, and effective outcomes to fully leverage the demonstrative and leading role of typical cases.

### Strengthen compliance management and standards-based governance of workplaces

The Company conducts supervision and monitoring of occupational disease hazard factors at key units to strictly maintain these factors below prescribed limits. It vigorously promotes the application of advanced and applicable technologies for dust suppression, poison prevention, and noise reduction. In coal mines, long-pressure short-extraction and negative pressure induction technologies are fully implemented; in thermal power and chemical segments, vibration and noise reduction measures for steam turbines and compressors, as well as the enclosed renovation of coal conveying systems are advanced; and transportation segments strictly implement management measures for the coal dust suppressant spraying.

### Comprehensively strengthen occupational health monitoring

The Company conducts daily monitoring, protective equipment management, and occupational health examinations, ensuring the effective analysis and application of examination results. High-quality protective equipment is selected to maintain the "last line of defense" for labor protection.

### Strengthen initiatives to support employees' mental health

The Company focuses on providing mental health education for personnel in arduous regions, special occupations and critical positions, offering psychological counseling services to timely alleviate employee stress and prevent production safety accidents caused by mental health. The Company strictly implements policies for employees with occupational diseases, including job reassignment, examinations, medical treatment and rehabilitation, ensuring the protection and maintenance of the health rights and interests of its workforce. Throughout the year, the Company conducted 1,644 occupational disease prevention publicity or occupational health warning education activities.

# Employees Development and Trainings

China Shenhua has formulated and issued *the Regulations on Management of Employee Education and Training* and other special management systems to establish a scientific and systematic talent cultivation and training management system in combination with corporate management characteristics and the actual situation of employees' career development. The Company has taken multiple measures to open up dual channels for employees' career development and promotion, continuously iterated and optimised employee training courses and development models, to fully improve employees' comprehensive knowledge and professional skills level, and to steadily solidify the foundation for building a high-quality talent pool.

## Employee training

The Company upholds the philosophy of growing together with its employees, focusing on corporate strategy, key operational priorities, and employees' career-development needs to develop scientifically designed annual and special training plans. It strengthens learning and training in emerging knowledge and skills such as the digital economy and artificial intelligence, and meticulously selects training courses on deepening reform, ESG development trends and enhancement recommendations, as well as leadership and execution capabilities to continuously refine the knowledge system required for effective performance. The Company tracks the progress and completion of training programs, maintains and improves its employee-training records, and further optimises the training system and content based on feedback.

## Training Objectives of China Shenhua for 2025

### Objectives of system building

The Company has improved its "Comprehensive Training" management framework characterised by "unified planning, tiered management, categorised implementation, and collaborative synergy" while refining the training model that integrates online and offline learning with theoretical and practical application. It has also optimised the closed-loop management mechanism for training demand research, program formulation, and implementation evaluation, and has revised and improved the employee education and training management measures and its supporting systems to achieve full training coverage for core positions and key personnel groups.

### Objectives for capability enhancement

The Company focused on core areas such as political theory, professional skills, and safety management, organising various types of training throughout the year to cover all staff, completing the implementation of set training plans, and driving a steady increase in the pass rates for employee professional title evaluations and occupational skill certifications; it conducted targeted political capability training for management, empowerment training for new talents, and job skill enhancement training for grassroots employees, helping the workforce adapt to the Company's strategic development needs such as "coal-power integration."

### Objectives of talent development

The Company has enhanced the development of three talent teams - "distinguished experts, national-level master craftsmen, and young talents" - while implementing the three-year action plan for talent development and unblocking three career development pathways: management (M), professional and technical (T), and skills (S). It has also advanced professional practice projects for engineering masters and doctoral students, supporting employees in academic advancement and professional qualification certification, and implementing rewards and incentives for staff who obtain professional titles or vocational qualification certificates, thereby constructing a multi-tiered talent development hierarchy.

### Objectives of business empowerment

The Company adhered to the principle of "demand-oriented and targeted training" focusing on core businesses such as production safety, technological innovation, and digital transformation to conduct job-specific competency enhancement programs and specialised training for safety and environmental protection. Through "learning by competing", such as labor competitions and skills contests, the Company has driven the transformation of training fruits into practical productivity, supporting the achievement of its production and operation objectives.

In 2025, the Company tapped into the potential of internal trainers while expanding the pool of external training resources, adopting various methods such as classroom lectures, live online seminars, and workshops to increase the forms of employee training.

2025

| Amount of training investment for the year approximately | Cumulative number of training participants | Total training duration | Employee training coverage rate |
|---|---|---|---|
| CNY375.3 million | 1,159,000 persons | 10,141,000 hours | 96.9% |

## Career development

The Company has coordinated the development of various talent teams and formulated *the Implementation Plan for Strengthening Talent Work in the New Era* and *the Three-Year Talent Development Action Plan (2023-2025)*. Employees are encouraged to pursue advanced academic degrees and professional skills certifications. Educational qualifications, academic degrees, and professional technical titles are included among the eligibility criteria for open competitions for relevant positions, as well as for career advancement. For employees who newly obtain professional qualifications, such as certified public accountant or legal practice licenses, the Company will grant certain rewards, which may be used to cover expenses related to their studies or skill enhancement. Adhering to the principles of fairness with democracy and merit-based selection, the Company adopts a dual-track talent strategy that emphasizes both external recruitment and internal development. It continues to improve the selection system for young talent and has established triple-sequence promotion pathways, namely management, professional and skills tracks, to provide broad development space for all types of talent and to maximise the potential of every employee.

The Company places great emphasis on the selection, exchange, and practical training of young cadres. In 2025, 13 cadres participated in lateral exchanges with the headquarters of China Shenhua; 3 young cadres were recommended to the headquarters of China Energy, 2 young cadres to other central state-owned enterprises, and 1 young cadre was dispatched to Qinghai for temporary assignment. To further broaden career experience and enhance managerial capabilities, the Company also selected 12 cadres from grassroots units for temporary posts at the headquarters.

# Appendix I: Table of ESG Performance

| Primary indicators | Secondary indicators | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Greenhouse gas emissions | Total carbon emissions (10,000 tonnes of carbon dioxide equivalent) | 19,190 | 19,937 | 19,982 |
| | Including: Scope I (10,000 tonnes of carbon dioxide equivalent) | 18,879 | 19,656 | 19,674 |
| | Scope II (10,000 tonnes of carbon dioxide equivalent) | 311 | 281 | 308 |
| | Carbon emission intensity (tonnes of carbon dioxide equivalent/ CNY10,000 revenue) | 5.59 | 5.89 | 6.78 |
| | Mine gas extraction (10,000 $m^3$) | 4,303.59 | 4,458.47 | 4,837.53 |
| | Mine gas utilisation (10,000 $m^3$) | 3,439.72 | 3,427.53 | 3,516.98 |
| Exhaust gas | Total sulfur dioxide emissions (10,000 tonnes) | 2.27 | 2.22 | 1.99 |
| | Sulfur dioxide emission of thermal power (10,000 tonnes) | 1.47 | 1.63 | 1.63 |
| | Sulfur dioxide emission performance of thermal power (g/kWh) | 0.069 | 0.074 | 0.074 |
| | Total nitrogen oxide emissions (10,000 tonnes) | 4.82 | 4.78 | 4.25 |
| | Nitrogen oxide emission of thermal power (10,000 tonnes) | 2.74 | 3.02 | 2.84 |
| | Nitrogen oxide emission performance of thermal power (g/kWh) | 0.13 | 0.13 | 0.13 |
| | Total soot emissions (10,000 tonnes) | 0.36 | 0.34 | 0.27 |
| | Soot emission of thermal power (10,000 tonnes) | 0.207 | 0.22 | 0.22 |
| | Soot emission performance of thermal power (g/kWh) | 0.0098 | 0.0100 | 0.0102 |
| Wastewater | Chemical oxygen demand (10,000 tonnes) | 0.044 | 0.037 | 0.044 |
| | Output of sewage and wastewater (million tonnes) | 145.87 | 143.27 | 139.77 |
| | Including: Output of industrial wastewater (million tonnes) | 28.57 | 27.24 | 26.97 |
| | Output of mine (pit) water (million tonnes) | 107.34 | 107.09 | 102.15 |
| | Output of domestic wastewater (million tonnes) | 9.96 | 8.95 | 10.65 |
| | Utilisation amount of sewage and wastewater (million tonnes) | 108.43 | 108.95 | 106.03 |
| | Including: Utilisation amount of industrial wastewater (million tonnes) | 26.72 | 24.82 | 24.17 |
| | Utilisation amount of mine (pit) water (million tonnes) | 75.34 | 77.48 | 74.56 |
| | Utilisation amount of domestic wastewater (million tonnes) | 6.38 | 6.64 | 7.57 |
| | Utilisation rate of sewage and wastewater (%) | 74.33 | 76.05 | 76.05 |
| | Including: Utilisation rate of industrial wastewater (%) | 93.51 | 91.11 | 89.61 |
| | Utilisation rate of mine (pit) water (%) | 70.19 | 72.35 | 72.99 |
| | Utilisation rate of domestic wastewater (%) | 64.03 | 74.20 | 71.09 |

| Primary indicators | Secondary indicators | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| General solid waste | Output of general solid waste (10,000 tonnes) | 6,028.06 | 6,150.21 | 5,561.92 |
| | Including: Output of gangue (10,000 tonnes) | 4,237.61 | 4,105.11 | 3,463.64 |
| | Output of fly ash (10,000 tonnes) | 1,188.08 | 1,347.55 | 1,430.10 |
| | Output of cinder (10,000 tonnes) | 319.00 | 356.70 | 334.47 |
| | Output of flue-gas gypsum (10,000 tonnes) | 190.74 | 272.57 | 256.78 |
| | Output of general solid waste per CNY10,000 output value (tonne/CNY10,000) | 2.57 | 2.46 | 2.29 |
| | Discharge of general solid waste per CNY10,000 output value (tonne/CNY10,000) | 0.36 | 0.18 | 0.16 |
| | Utilisation amount of general solid waste (10,000 tonnes) | 5,174.63 | 5,708.97 | 5,163.42 |
| | Including: Utilisation amount of gangue (10,000 tonnes) | 3,831.83 | 3,977.74 | 3,420.62 |
| | Utilisation amount of fly ash (10,000 tonnes) | 965.16 | 1,207.45 | 1,253.50 |
| | Utilisation amount of cinder (10,000 tonnes) | 207.41 | 288.04 | 248.37 |
| | Utilisation amount of flue-gas gypsum (10,000 tonnes) | 164.69 | 211.75 | 215.26 |
| | Comprehensive utilisation rate of general solid waste (%) | 85.84 | 92.82 | 92.84 |
| | Including: Utilisation rate of gangue (%) | 90.42 | 96.90 | 98.76 |
| | Utilisation rate of fly ash (%) | 81.24 | 89.60 | 87.65 |
| | Utilisation rate of cinder (%) | 65.02 | 80.75 | 74.26 |
| | Utilisation rate of flue-gas gypsum (%) | 86.35 | 77.69 | 83.83 |
| | General solid waste discharge (10,000 tonnes) | 853.43 | 441.24 | 398.49 |
| Hazardous waste | Output of hazardous waste (tonne) | 60,160.67 | 66,101.23 | 21,774.86 |
| | Output of hazardous waste per CNY10,000 output value (kg/CNY10,000) | 2.57 | 2.63 | 0.90 |
| | Disposal rate of hazardous waste (%) | 93.47 | 99.29 | 91.33 |
| Energy consumption | Direct energy: Total coal consumption (10,000 tonnes) | 7,737.48 | 9,344.90 | 9,640.31 |
| | Total oil consumption (10,000 tonnes) | 44.70 | 39.00 | 34.30 |
| | Total natural gas consumption (100 million $m^3$) | 8.38 | 8.81 | 10.41 |
| | Indirect energy: Total electricity consumption (100 million kWh) | 189.27 | 196.91 | 255.44 |
| | Comprehensive energy consumption (10,000 tonnes of standard coal) | 6,716.45 | 7,440.62 | 7,282.08 |
| | Comprehensive energy consumption per CNY10,000 output value (tonne standard coal/CNY10,000) | 2.74 | 2.87 | 2.96 |
| | Standard coal consumption for power supply (g/kWh) | 294.90 | 292.90 | 294.00 |

| Primary indicators | Secondary indicators | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Water resources | Total water intake (million tonnes) | 246.46 | 260.51 | 262.61 |
| | Including: Total fresh water (million tonnes) | 151.70 | 208.93 | 208.75 |
| | Including: Land surface water (million tonnes) | 129.20 | 182.67 | 177.75 |
| | Underground water (million tonnes) | 8.62 | 13.03 | 18.27 |
| | Tap water (million tonnes) | 13.88 | 13.23 | 12.73 |
| | Recycled water (million tonnes) | 85.06 | 33.31 | 33.35 |
| | Other alternative water (million tonnes) | 9.70 | 18.27 | 20.51 |
| | Water consumption per CNY10,000 output value (tonne/CNY10,000) | 9.91 | 10.28 | 10.58 |
| | Proportion of the consumption of recycled water and other alternative water sources in the total water consumption (%) | 38.45 | 19.80 | 20.51 |
| | Water savings (10,000 tonnes) | 1,360 | 915 | 1,505.44 |
| Environmental protection input | Environmental protection input (CNY100 million) | 23.39 | 37.68 | 49.66 |
| | Including: Ecological construction input (CNY100 million) | 8.65 | 19.12 | 14.59 |
| Ecological protection | New green area (10,000 square metres) | 2,275 | 2,870 | 3,583 |
| | Carbon sink conversion volume of newly increased green area (10,000 tonnes) | 9.3 | 11.7 | 14.6 |
| Product responsibilities | Percentage of products recalled for safety and health reasons in the total products sold or delivered (%) | 0 | 0 | 0 |
| | Number of complaints related to products and services | 0 | 66 | 58 |
| | Number of recalled products (tonnes) | 0 | 0 | 0 |
| Technological innovation | Capital investment in research and development (CNY100 million) | 44.53 | 41.48 | 48.90 |
| | Number of patents obtained | 763 | 637 | 1,229 |
| | Number of invention patents obtained | 241 | 237 | 560 |

| Primary indicators | Secondary indicators | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Safety and health | Input for safe production (CNY100 million) | 26.33 | 45.55 | 40.59 |
| | Mortality rate per million tonnes of raw coal production (person/million tonnes) | 0.0058 | 0.0061 | 0.011 |
| | Number of serious accidents and above | 0 | 0 | 1 |
| | Number of deaths due to production safety accidents (person) | 2 | 2 | 4 |
| | Including: Death of employees (person) | 2 | 2 | 0 |
| | Death of contractors (person) | 0 | 0 | 4 |
| | Death ratio of employees due to production safety accidents (person/hundred persons) | 0.0024 | 0.0024 | 0 |
| | Death ratio of contractors (person/hundred persons) | 0 | 0 | 0.0071 |
| | Total number of work-related injuries (person) | 7 | 21 | 42 |
| | Days of work suspended due to work-related injuries (day) | 764 | 7,739 | 4,355 |
| | Total recordable injury rate (%) | 0.008 | 0.03 | 0.05 |
| | Occupational health input (CNY100 million) | 6.47 | 6.81 | 7.32 |
| | New occupational diseases (case) | 21 | 12 | 21 |
| | Employee health examination coverage (%) | 100 | 100 | 100 |
| Employee development | Total number of employees (person) | 83,439 | 83,351 | 91,392 |
| | Including: Male employees (person) | 70,886 | 71,326 | 78,429 |
| | Female employees (person) | 12,553 | 12,025 | 12,963 |
| | Including: Contract staff (person) | 83,439 | 83,351 | 91,392 |
| | Including: Senior management (person) | 203 | 226 | 229 |
| | Middle management (person) | 2,566 | 2,697 | 2,773 |
| | General level employees (person) | 80,670 | 80,428 | 88,390 |
| | Including: Employees aged 29 or under (person) | 11,446 | 12,416 | 13,882 |
| | Employees aged 30-39 (person) | 33,192 | 30,211 | 30,671 |
| | Employees aged 40-49 (person) | 21,926 | 23,609 | 27,267 |
| | Employees aged 50 or above (person) | 16,875 | 17,115 | 19,572 |

| Primary indicators | Secondary indicators | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| | Including: Chinese Mainland (person) | 82,824 | 82,937 | 90,960 |
| | Hong Kong, Macao and Taiwan regions (person) | 3 | 3 | 2 |
| | Other countries and regions (person) | 612 | 411 | 430 |
| | Percentage of ethnic minority employees (%) | 5.16 | 5.30 | 6.04 |
| | Number of newly-employed employees during the year (person) | 3,054 | 2,745 | 2,387 |
| | Percentage of localised employees in the overseas enterprises (%) | 74.3 | 75.7 | 75.3 |
| | Number of part-time contract staff (person) | 0 | 0 | 0 |
| | Number of labour dispatch staff (person) | 13,274 | 12,480 | 12,194 |
| | Labour contract coverage rate (%) | 100 | 100 | 100 |
| | Percentage of employees joining trade union (%) | 100 | 100 | 100 |
| | Number of complaints on labour issues (case) | 6 | 7 | 14 |
| | Rate of complaints processed on labour issues (%) | 100 | 100 | 85.7 |
| | Number of employees turnover (person) | 1,149 | 534 | 792 |
| | Percentage of employees turnover (%) | 1.36 | 0.64 | 0.86 |
| | Including: Percentage of male employees turnover (%) | 1.21 | 0.62 | 0.88 |
| | Percentage of female employees turnover (%) | 2.20 | 0.75 | 0.72 |
| | Including: Percentage of employees aged 29 or under turnover (%) | 2.20 | 1.39 | 1.12 |
| | Percentage of employees aged 30-39 turnover (%) | 0.60 | 0.59 | 0.53 |
| | Percentage of employees aged 40-49 turnover (%) | 0.67 | 0.54 | 0.93 |
| | Percentage of employees aged 50 or above turnover (%) | 4.72 | 0.31 | 1.09 |
| | Including: Percentage of employees in Chinese Mainland turnover (%) | 1.35 | 0.61 | 0.84 |
| | Percentage of employees in China Hong Kong, Macao and Taiwan regions turnover (%) | 0 | 0 | 33.33 |
| | Percentage of employees in other countries and regions turnover (%) | 2.08 | 6.59 | 4.02 |

| Primary indicators | Secondary indicators | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| | Total training sessions for employees (time) | 31,144 | 36,323 | 34,658 |
| | Total number of trainees (person) | 81,828 | 82,052 | 88,603 |
| | Including: Number of male employees trained (person) | 69,554 | 70,062 | 76,222 |
| | Number of female employees trained (person) | 12,274 | 11,990 | 12,381 |
| | Including: Number of senior management trained (person) | 203 | 226 | 228 |
| | Number of middle management trained (person) | 2,535 | 2,687 | 2,761 |
| | Number of general level employees trained (person) | 79,090 | 79,139 | 85,614 |
| | Total training hours (10,000 hours) | 971.98 | 912.50 | 1,014.14 |
| | Including: Training hours of male employees (10,000 hours) | 830.24 | 796.49 | 892.75 |
| | Training hours of female employees (10,000 hours) | 141.74 | 116.01 | 121.39 |
| | Including: Training hours of senior management (10,000 hours) | 4.54 | 3.31 | 3.14 |
| | Training hours of middle management (10,000 hours) | 46.71 | 39.21 | 40.00 |
| | Training hours of general level employees (10,000 hours) | 920.73 | 869.98 | 971.00 |
| | Proportion of employees trained (%) | 98.07 | 98.44 | 96.95 |
| | Including: Training proportion of male employees (%) | 98.12 | 98.23 | 97.19 |
| | Training proportion of female employees (%) | 97.78 | 99.71 | 95.51 |
| | Including: Training proportion of senior management (%) | 100 | 100 | 99.56 |
| | Training proportion of middle management (%) | 98.79 | 99.63 | 99.57 |
| | Training proportion of general level employees (%) | 98.04 | 98.40 | 96.86 |
| | Training hours per person (hour) | 118.78 | 111.21 | 110.97 |
| | Including: Average training hours of male employees (hour) | 119.37 | 113.68 | 113.83 |
| | Average training hours of female employees (hour) | 115.48 | 96.75 | 93.64 |
| | Including: Average training hours of senior management (hour) | 223.63 | 146.26 | 137.00 |
| | Average training hours of middle management (hour) | 184.26 | 145.94 | 144.24 |
| | Average training hours of general level employees (hour) | 116.42 | 109.93 | 109.85 |
| | Total number of employed professional and technical personnel (person) | 8,348 | 10,341 | 10,703 |

| Primary indicators | Secondary indicators | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| | Proportion of employed professional and technical personnel (%) | 10.00 | 12.41 | 11.71 |
| | Total number of skilled workers (person) | 47,056 | 45,326 | 46,240 |
| | Proportion of skilled workers (%) | 56.40 | 54.38 | 50.60 |
| | Employee productivity rate (Profit before tax/Total number of employees at the end of the period) (CNY10,000/person) | 104.48 | 102.93 | 88.70 |
| Community contributions | Social contribution value per share (CNY/share) (ASBE) | 8.78 | 8.76 | 8.21 |
| | Social contribution value per share (CNY/share) (IFRS) | 9.03 | 8.95 | 8.28 |
| | Social donations (CNY million) | 438 | 2,507 | 271 |
| | Total tax amount (CNY million) | 66,312 | 63,572 | 58,475 |
| | Cumulative cash dividends (CNY million) | 447,032 | 491,935 | 511,406 |
| | Number of volunteers (person) | 8,647 | 10,665 | 13,778 |
| | Total time of volunteer service (hour) | 37,949 | 123,083 | 129,530 |
| Supply chain management | Total number of compliance suppliers (unit) | 137,367 | 143,530 | 147,336 |
| | Including: Chinese Mainland (unit) | 137,204 | 143,508 | 147,234 |
| | Hong Kong, Macao and Taiwan regions of China (unit) | 129 | 3 | 40 |
| | Asia (excluding China) (unit) | 14 | 14 | 8 |
| | Europe (unit) | 15 | 3 | 38 |
| | America (unit) | 2 | 2 | 16 |
| | Africa (unit) | 0 | 0 | 0 |
| | Oceania (unit) | 3 | 0 | 0 |

# Appendix II: Indicators Index of ESG

## Indicators Index of HKEX ESG Reporting Guide

| Main categories, levels, general disclosure and key performance indicators | | | Page |
|---|---|---|---|
| A. Environment | | | |
| Aspect A1: Emissions | General disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to waste gas emissions, discharges into water and land, and generation of hazardous and non hazardous waste. | P59/P68 |
| | A1.1 | The types of emissions and respective emissions data. | P64/P142 |
| | A1.3 | Total hazardous waste produced and intensity. | P69/P143 |
| | A1.4 | Total non-hazardous waste produced and intensity. | P69/P143 |
| | A1.5 | Emissions targets set and steps taken to achieve them. | P63-67 |
| | A1.6 | How hazardous and non-hazardous wastes are handled, and a description of reduction targets set and steps taken to achieve them. | P69-71 |
| Aspect A2: Use of Resources | General disclosure | Policies on the efficient use of resources, including energy, water and other raw materials. | P80/P88 |
| | A2.1 | Direct and/or indirect energy consumption by type in total and intensity. | P84/P143 |
| | A2.2 | Water consumption in total and intensity. | P93/P144 |
| | A2.3 | Energy use efficiency targets set and steps taken to achieve them. | P85-87 |
| | A2.4 | Whether there is any issue in sourcing water that is fit for purpose, water efficiency targets set and steps taken to achieve them. | P91/P94 |
| | A2.5 | Total packaging material used for finished products and per unit produced. | P71 |
| Aspect A3: Environment and Natural Resources | General disclosure | Policies on minimising the issuer's significant impact on the environment and natural resources. | P72/P75 |
| | A3.1 | The significant impacts of activities on the environment and natural resources and the actions taken to manage them. | P72-79 |
| B. Society | | | |
| Aspect B1: Employment | General disclosure | information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | P133-137 |
| | B1.1 | Total workforce by gender, employment type, age group and geographical region. | P145 |
| | B1.2 | Employee turnover rate by gender, age group and geographical region. | P146 |
| Aspect B2: Health and Safety | General disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. | P137-138 |
| | B2.1 | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. | P145 |
| | B2.2 | Lost days due to work injury. | P145 |
| | B2.3 | Occupational health and safety measures adopted, and how they are implemented and monitored. | P138 |

| Main categories, levels, general disclosure and key performance indicators | | | Page |
|---|---|---|---|
| Aspect B3: Development and Training | General disclosure | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. | P139-141 |
| | B3.1 | The percentage of employees trained by gender and employee category. | P147 |
| | B3.2 | The average training hours completed per employee by gender and employee category. | P147 |
| Aspect B4: Labour Standards | General disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour. | P133 |
| | B4.1 | Measures to review employment practices to avoid child and forced labour. | P134 |
| | B4.2 | Steps taken to eliminate such practices when discovered. | P134 |
| Aspect B5: Supply Chain Practices | General disclosure | Policies on managing environmental and social risks of the supply chain. | P120 |
| | B5.1 | Number of suppliers by geographical region. | P148 |
| | B5.2 | Practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. | P120-122 |
| | B5.3 | Practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. | P120-122 |
| | B5.4 | Practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. | P120-122 |
| Aspect B6: Product Responsibility | General disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. | P129-130 |
| | B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons. | P144 |
| | B6.2 | Number of products and service-related complaints received and how they are dealt with. | P130 |
| | B6.3 | Practices relating to observing and protecting intellectual property rights. | P118 |
| | B6.4 | Quality assurance process and recall procedures of products. | P130 |
| | B6.5 | Consumer data protection and privacy policies, how they are implemented and monitored. | P131 |
| Aspect B7: Anti-corruption | General disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. | P28 |
| | B7.1 | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases. | P30 |
| | B7.2 | Preventive measures and whistle-blowing procedures, how they are implemented and monitored. | P30-31 |
| | B7.3 | Anti-corruption training provided to directors and staff. | P29 |
| Aspect B8: Community Investment | General disclosure | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. | P104 |
| | B8.1 | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). | P104-112 |
| | B8.2 | Resources contributed (e.g. money or time) to the focus area. | P104 |

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| | 6 | Energy use | P80-87 |
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| | 10 | Social contribution | P104-106 |
| | 11 | Driven by innovation | P113-119 |
| | 12 | Scientific and technological ethics | P119 |
| | 13 | Supply chain security | P120-122 |
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| | 19 | Communication with stakeholders | P23-24 |
| | 20 | Anti-commercial bribery and anti-corruption | P28-31 |
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# Appendix III: GRI Index

| | |
|---|---|
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| GRI 1 used | GRI 1: Foundation 2021 |

| GRI standard | Disclosure item | Position |
|---|---|---|
| GRI 2: General disclosure 2021 | | |
| The organisation and its reporting practice | | |
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| 2-2 | Entities included in the organisation's sustainability reporting | P2 |
| 2-3 | Reporting Period, frequency and contact point | P2-3 |
| 2-4 | Restatements of information | P2 |
| 2-5 | External assurance | P157 |
| Activities and workers | | |
| 2-6 | Activities, value chain and other business relationships | P7 |
| 2-7 | Employees | P133/P145 |
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| Governance | | |
| 2-9 | Governance structure and composition | P12 |
| 2-10 | Nomination and selection of the highest governance body | 2025 Annual Report |
| 2-11 | Chair of the highest governance body | P12 |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | P6/P17/P18/P20 |
| 2-13 | Delegation of responsibility for managing impacts | P6/P17/P20 |
| 2-14 | Role of the highest governance body in sustainability reporting | P6/P17 |
| 2-15 | Conflicts of interest | P14 |
| 2-16 | Communication of critical concerns | P23-24 |
| 2-17 | Collective knowledge of the highest governance body | P13 |
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| 2-19 | Remuneration policies | P15 |

| GRI standard | Disclosure item | Position |
|---|---|---|
| 2-20 | Process to determine remuneration | 2025 Annual Report |
| 2-21 | Annual total compensation ratio | – |
| Strategy, policies and practice | | |
| 2-22 | Statement on sustainable development strategy | P6/P16 |
| 2-23 | Policy commitments | Company Website |
| 2-24 | Embedding policy commitments | P18 |
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| 2-29 | Approach to stakeholder engagement | P23 |
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| GRI 3: Material Topics 2021 | | |
| 3-1 | Process to determine material topics | P25 |
| 3-2 | List of material topics | P26 |
| 3-3 | Management of material topics | P25 |
| GRI 201: Economic Performance | | |
| 201-1 | Direct economic value generated and distributed | P8 |
| 201-2 | Financial implications and other risks and opportunities due to climate change | P39-44 |
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| GRI 205: Anti-corruption | | |
| 205-1 | Operations assessed for risks related to corruption | P30 |
| 205-2 | Communication and training about anti-corruption policies and procedures | P28-29 |
| 205-3 | Confirmed incidents of corruption and actions taken | P30 |

| GRI standard | Disclosure item | Position |
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| 206-1 | Legal actions for anti-competitive behaviour, anti-trust, and anti-monopoly practices | P32 |
| GRI 301: Materials | | |
| 301-1 | Materials used by weight or volume | P68 |
| GRI 302: Energy | | |
| 302-1 | Energy consumption within the organisation | P47/P143 |
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| 303-2 | Management of water discharge-related impacts | P59-60/P66 |
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| GRI 304: Biodiversity | | |
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| 304-3 | Habitats protected or restored | P72-74 |
| GRI 305: Emissions | | |
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| 305-2 | Energy indirect (Scope 2) GHG emissions | P55/P142 |
| 305-4 | GHG emissions intensity | P55/P142 |
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| 306-3 | Waste generated | P69/P143 |
| 306-4 | Waste diverted from disposal | P71/P143 |
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| GRI standard | Disclosure item | Position |
|---|---|---|
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| 308-2 | Negative environmental impacts in the supply chain and actions taken | P120-121 |
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| GRI 402: Labour Relations | | |
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# Appendix IV: Independent Limited Assurance Report

KPMG Huazhen TongZi No. 2600150

To the board of directors of China Shenhua Energy Company Limited:

**Report on selected information in China Shenhua Energy Company Limited's Environmental, Social and Corporate Governance Report (hereinafter referred to as "ESG Report") as of and for the year ended 31 December 2025.**

## Conclusion

We have performed a limited assurance engagement on the following information in China Shenhua Energy Company Limited (CSEC)'s ESG Report as of and for the year ended 31 December 2025 (hereafter referred to as the "assured sustainability information"):

| | |
|---|---|
| Total carbon emissions | For the year ended 31 December 2025 |
| Carbon emission intensity | For the year ended 31 December 2025 |
| Total sulfur dioxide emissions | For the year ended 31 December 2025 |
| Total nitrogen oxide emissions | For the year ended 31 December 2025 |
| Total soot emissions | For the year ended 31 December 2025 |
| Chemical oxygen demand | For the year ended 31 December 2025 |
| Output of sewage and wastewater | For the year ended 31 December 2025 |
| Utilisation amount of sewage and wastewater | For the year ended 31 December 2025 |
| Output of general solid waste | For the year ended 31 December 2025 |
| Output of hazardous wastes | For the year ended 31 December 2025 |
| Total natural gas consumption | For the year ended 31 December 2025 |
| Comprehensive energy consumption | For the year ended 31 December 2025 |
| Total water consumption | For the year ended 31 December 2025 |
| Amount of environmental protection input | For the year ended 31 December 2025 |
| Number of patents obtained | For the year ended 31 December 2025 |
| Number of invention patents obtained | For the year ended 31 December 2025 |
| Number of serious and above accident | For the year ended 31 December 2025 |
| Number of deaths due to production safety accidents | For the year ended 31 December 2025 |
| Total number of employees | As of 31 December 2025 |
| Number of female employees | As of 31 December 2025 |
| Employees turnover rate | As of 31 December 2025 |

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that CSEC's assured sustainability information as of and for the year ended 31 December 2025 is not prepared, in all material respects, in accordance with the standards set out in the appendix to this report.

Our conclusion on the assured sustainability information does not extend to any other information that accompanies or contains the assured sustainability information and our assurance report (hereafter referred to as "other information"). We have not performed any procedures as part of this engagement with respect to the other information.

## Basis for conclusion

We conducted our engagement in accordance with *International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under this standard are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## Restriction on use

This report is made solely to you, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Our conclusion is not modified in respect of this matter.

## Responsibilities for the assured sustainability information

The directors of CSEC are responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the assured sustainability information that is free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria for preparing the assured sustainability information and appropriately referring to or describing the criteria used; and
- preparing the assured sustainability information in accordance with the standards set out in the appendix to this report.

Those charged with governance are responsible for overseeing CSEC's assured sustainability information reporting process.

## Inherent limitations in preparing the assured information

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

## Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the assured sustainability information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to you.

## Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the assured sustainability information that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the assured sustainability information and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, we:

- interviewing the employees of relevant departments of CSEC engaged to provide the assured sustainability information;
- implementing analytical procedures on the assured sustainability information;
- carrying out sampling inspection on the assured sustainability information;
- performing recalculation on the assured sustainability information; and
- other necessary procedures.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

KPMG Huazhen LLP

Beijing, China
March 30 2026

# Appendix: Standards

The assured sustainability information of China Shenhua Energy Company Limited's Environmental, Social and Corporate Governance Report (hereafter referred to as "ESG Report") is prepared in accordance with the related requirements of the Guidelines on Self-Regulation of listed companies No. 14 – Sustainability Report (Trial) of Shanghai Stock Exchange and the Environmental, Social and Governance Reporting Guide as set out in Appendix C2 to the Main Board Listing Rules of HKEX.

## Total carbon emissions (10,000 tonnes of carbon dioxide equivalent):

The total carbon emissions disclosed in the ESG Report refers to the sum of the total amount of carbon emissions of Scope 1 and Scope 2 of the production and operation enterprises (excluding Indonesia thermal power projects) affiliated to CSEC.

## Carbon emission intensity (tonnes of carbon dioxide equivalent/CNY10,000 revenue):

The carbon emission intensity disclosed in the ESG Report refers to the ratio of the total carbon emissions generated by the production and operation enterprises (excluding Indonesia thermal power projects) affiliated to CSES to the company's CNY10,000 revenue.

## Total sulfur dioxide emissions (10,000 tonnes):

The total sulfur dioxide emission disclosed in the ESG Report refers to sulfur dioxide emissions of production and operation enterprises affiliated to CSEC.

## Total nitrogen oxide emissions (10,000 tonnes):

The total nitrogen oxide emissions disclosed in the ESG Report refers to nitrogen oxide emissions of production and operation enterprises affiliated to CSEC.

## Total soot emissions (10,000 tonnes):

The total soot emissions disclosed in the ESG Report refers to soot emissions of production and operation enterprises affiliated to CSEC.

## Chemical oxygen demand (10,000 tonnes):

The chemical oxygen demand disclosed in the ESG Report refers to chemical oxygen demand of production and operation enterprises affiliated to CSEC.

### Output of sewage and wastewater (million tonnes):

The output of sewage and wastewater disclosed in the ESG Report refers to total amount of output of sewage and wastewater of production and operation enterprises affiliated to CSEC including industrial wastewater, mine (pit) water and domestic sewage.

### Utilisation amount of sewage and wastewater (million tonnes):

The utilisation amount of sewage and wastewater disclosed in the ESG Report refers to the total utilisation amount of sewage and wastewater used by the production and operation enterprises affiliated to CSEC, including reused industrial wastewater, mine (pit) water and domestic wastewater.

### Output of general solid waste (10,000 tonnes):

The output of general solid waste disclosed in the ESG Report refers to the solid waste generated by the production and operation enterprises affiliated to CSEC, including general industrial solid wastes such as coal gangue, fly ash, cinder, and flue-gas gypsum.

### Output of hazardous wastes (tonnes):

The output of hazardous wastes disclosed in the ESG Report refers to the amount of hazardous wastes generated by the production and operation enterprises affiliated to CSEC that meets the requirements of the Directory of National Hazardous Wastes (Version 2025).

### Total natural gas consumption (100 million $m^3$):

The total natural gas consumption disclosed in the ESG Report refers to the total amount of natural gas consumed by the production and operation enterprises affiliated to CSEC.

### Comprehensive energy consumption (10,000 tonnes of standard coal):

The comprehensive energy consumption disclosed in the ESG Report refers to the sum of direct energy consumption and indirect energy consumption of production and operation enterprises affiliated to CSEC.

### Total water consumption (million tonnes):

The total water consumption disclosed in the ESG Report refers to the total amount of water resources taken from outside by the production and operation enterprises affiliated to CSEC, including total fresh water, recycled water and other alternative water.

### Environmental protection input (CNY100 million):

The amount of environmental protection input disclosed in the ESG Report refers to the total input of CSEC in the field of environmental protection, including ecological construction input and pollution control input.

### Number of patents obtained:

The number of patents obtained disclosed in the ESG Report refers to the number of patents authorized by the China National Intellectual Property Administration (or the corresponding patent administration department) of CSEC in 2025.

### Number of invention patents obtained:

The number of invention patents obtained disclosed in the ESG Report refers to the number of invention patents authorized by the China National Intellectual Property Administration (or the corresponding patent administration department) of CSEC in 2025.

### Number of serious accidents and above:

The number of serious accident and above disclosed in the ESG Report refers to the number of workplace accidents involving three or more regular employee fatalities that occurred at CSEC in 2025.

### Number of deaths due to production safety accidents (person):

The number of deaths due to production safety accidents disclosed in the ESG Report refers to the number of regular employees and contractor employees of CSEC who died in the workplace due to workplace accidents in 2025.

### Total number of employees (person):

The total number of employees disclosed in the ESG Report refers to the total number of regular employees of CSEC as of 31 December 2025, excluding labor dispatch employees.

### Number of female employees (person):

The number of female employees disclosed in the ESG Report refers to the total number of regular female employees of CSEC as of 31 December 2025, excluding labor dispatch employees.

### Employees turnover rate (%):

The employees turnover rate disclosed in the ESG Report refers to the ratio of the number of employees who voluntarily resigned from CSEC in 2025 to the sum of the total number of employees at year-end and the number of employees who left.

# Appendix V: Definitions

| Abbreviation | Full Name |
|---|---|
| China Shenhua/the Company/we | China Shenhua Energy Company Limited |
| The Group | The Company and its subsidiaries |
| China Energy | China Energy Investment Corporation Limited |
| Shendong Coal | China Energy Shendong Coal Group Co., Ltd. |
| Zhunneng Group | China Energy Zhunneng Group Co., Ltd. |
| Baorixile Energy | China Energy Baorixile Energy Co., Ltd. |
| Trading Group | China Energy Trading Group Limited |
| Baoshen Railway | China Energy Baoshen Railway Co., Ltd. |
| Shuohuang Railway | China Energy Shuohuang Railway Development Co., Ltd. |
| Huanghua Harbour Administration | China Energy Huanghua Harbour Administration Co., Ltd. |
| Tianjin Harbour Administration | China Energy (Tianjin) Harbour Administration Co., Ltd. |
| Baotou Coal Chemical | China Energy Baotou Coal Chemical Co., Ltd. |
| Sichuan Energy | China Energy Sichuan Energy Co., Ltd. |
| Taishan Power | China Energy Yudean Taishan Power Co., Ltd. |
| Shengli Energy | China Energy Beidian Shengli Energy Co., Ltd. |
| Yulin Energy | China Energy Yulin Energy Co., Ltd. |
| Huizhou Thermal | China Energy (Huizhou) Thermal Power Co., Ltd. |
| Pembangkitan Jawa | PT. Shenhua Guohua Pembangkitan Jawa Bali |
| Bayannur Energy | Shenhua Bayannur Energy Co., Ltd. |
| SSE | Shanghai Stock Exchange |
| HKEX | The Stock Exchange of Hong Kong Limited |
| Listing Rules | The Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited |
| ASBE | The latest Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China and the related application guidelines, interpretations and other related requirements |
| IFRS | International Financial Reporting Standards issued by the International Accounting Standards Committee |
| Articles of Association | Articles of Association of China Shenhua Energy Company Limited |
| CNY | Renminbi, unless otherwise specified |

# Feedback from Readers

China Shenhua values your opinions on the Company's endeavours on environmental, social and governance and this ESG Report. Your opinions and advice will add momentum to the continual improvement of this Report.

Please fax this sheet to +86-10-58131814 or email it to ir@csec.com after you have answered the following questions.

1. Is there any topic that you are concerned about but is not covered in this Report? If so, please write down the issue(s) that you are concerned about.

_____

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2. Which part(s) of this Report are you most concerned about?

_____

_____

_____

_____

_____

You are welcome to provide personal particulars if you wish:

Name: _____

Occupation: _____ Organisation: _____

Telephone: _____ Fax: _____

Email: _____ Postal code: _____

Contact address: _____

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中国神华能源股份有限公司
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