HBEG



2025

Environmental, Social, and Governance Report

Hubei Energy Group Co., Ltd.



About This Report

This Environmental, Social, and Governance (ESG) Report is intended to provide a comprehensive and impartial overview of the Company's philosophy, policies, and accomplishments in the environmental, social, and governance domains, with the aim of delivering clear, precise, and valuable ESG information to stakeholders.

Basis for Preparation

This Report has been prepared in accordance with the *Work Plan for Improving the Quality of Listed Companies Controlled by Centrally Administered State-owned Enterprises (SOEs)* issued by the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council, the *Corporate Sustainability Disclosure Standards - Basic Standards (for Trial Implementation)* issued by the Ministry of Finance, and the *Code of Corporate Governance for Listed Companies* issued by the China Securities Regulatory Commission (CSRC). It also takes into account the requirements set out in the *Self-Regulatory Guidelines No. 1 for Companies Listed on Shenzhen Stock Exchange - Standardized Operation of Companies Listed on the Main Board and the Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (for Trial Implementation),* and the *Self-Regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange - Preparation of Sustainability Reports.* The report is compiled following the principles of materiality, consistency, and objectivity. In addition, it references the *GRI Sustainability Reporting Standards* (GRI Standards) issued by the Global Reporting Initiative (GRI) and actively responds to the United Nations Sustainable Development Goals (SDGs).

Reporting Scope

This Report is an annual report covering the period from January 1, 2025 to December 31, 2025. To enhance comparability and forward-looking relevance, certain contents have been appropriately traced back to previous years or extended to subsequent years as necessary. The policies and data presented in this Report cover Hubei Energy Group Co., Ltd (HBEG) and its subsidies, and the reporting scope is consistent with that of the company's *Annual Report 2025*.

Reliability

The data contained in this Report are mainly sourced from the Company's *Annual Report 2025* and other relevant documents. Unless otherwise indicated, all currency amounts mentioned in this Report are expressed in RMB . The Company confirms that this Report contains no false record or misleading statement, , and has been released following approval by the Board of Directors.

Terms of Address

For ease of presentation and readability, Hubei Energy Group Co., Ltd. is hereinafter referred to as "HBEG", "the Company" or "we" in this Report, depending on the context. Subsidiaries of HBEG are generally denoted in abbreviated forms, a full list of names and corresponding abbreviations is provided in the Appendix: "Directory of Principal Entities".

Availability

This Report is prepared in both simplified Chinese and English and is published in PDF format. It can be accessed and downloaded from HBEG's official website (www.hbny.com.cn) and http://www.cninfo.com.cn/. In case of any discrepancy in the understanding of the content between the Chinese and English versions, the Chinese version shall prevail.

CONTENTS

About This Report 01
Message from the Chairman 04
About HBEG 06
Key Performance Data 10
Contribution to the U.N. Sustainable Development Goals for 2030 12
Materiality Assessment on Topics 14
Communication with Stakeholders 16
ESG Governance 19
Topic I: Exploring New Paths Towards Carbon Neutrality 24
Topic II: Fulfilling the Mission as a Pioneer in Energy Supply Guarantee 30
Topic III: Opening a New Chapter with Innovation and Digital Intelligence 34

46/ E **Deepening the Ecological Foundation** Painting a Low-Carbon Landscape

Environmental Management 48
Combating Climate Change 50
Pollutant Emissions and Waste Disposal 58
Ecosystem and Biodiversity Protection 64
Resource Utilization and Circular Economy 66

70/ S **Fulfilling Social Responsibilities** Conveying the Warmth of Energy

Employees 72
Occupational Health and Safety 77
Social Contribution and Responsibility 84
Suppliers and Customers 88

94/ G **Driving Reform Breakthroughs** Pursuing Excellence

Corporate Governance 96
Business Conduct 100
Investor Relations and Information Disclosure 102

Appendix

Annual performance 104
List of Internal ESG-Related Policies within the Company 107
Indicator Index List 109
Directory of Principal Entities 110
Assurance Report 111
Feedback 114



Message from the Chairman

ESG-Driven Leadership: Building a Sustainable Future Together

We extend our sincere gratitude to all stakeholders and the broader community for their continued trust and in Hubei Energy Group Co., Ltd.!

2025 marked the concluding year of the 14th Five-Year Plan and HBEG's 20th anniversary. Guided by the national carbon peaking and carbon neutrality goals, and based on our functional positioning as the "Hubei Provincial Energy Security Platform" and the "CTG Integrated Energy Development Platform", we fully, faithfully, and comprehensively implemented the new development philosophy and registered solid new progress in high-quality development.

We advanced green development and reinforced our low-carbon trajectory. Following the dual carbon guidance, we accelerated the construction of a modern energy system, drove a full-scale green transformation, and upheld ecological conservation through concrete actions. In 2025, we actively expanded the scale of our renewable energy portfolio, adding 317.4 MW of controllable renewable capacity and 977.4MW of total installed capacity The Qiyue Mountain Phase I renovation - Hubei's first "replacing small with large" capacity-upgrade project was commenced and achieved full-capacity grid connection within the same year. Clean energy generation reached 19.511 TWh, an increase of 11.49% year-on-year, equivalent to reducing carbon dioxide emissions by 16.0576 million tonnes, sulfur dioxide by 1,502.35 tonnes, and nitrogen oxides by 2,438.88 tonnes, further underscoring our eco-environmental benefits. Simultaneously, we accelerated the clean and low-carbon retrofitting of thermal power assets, unlocking the potential of existing units for energy savings, carbon reduction, and efficiency enhancement, therby further raising the green and-low-carbon performance of our conventional energy assets. Besides, we intendified development of integrated intelligenty energy and promoted the implementation of emerging business models, including renewable energy testing and maintenance, as well as "zero-carbon" parks. The Wuhan Asia-Europe Logistics Park, the first "zero-carbon" logistics park in Central China, was officially put into operation, expeding the formation of a green industrial ecosystem. In addition, we coordinated biodiverdity conservation and climate response efforts to advance harmony between humanity and nature, galvanizing broad synergy for the Beautiful China inititive.

With responsibility as our anchor, we solidify the energy cornerstone of social development. In the past year, we fully embraced our mission to serve local communities and enhace public wellbeing, leveraging our corporate strengths to address essential needs and demonstrating our commitment as a state-owned enterprise to energy security and shared prosperity. We rose to the challenge of record-breaking power demand. During the summer peak season, Hubei's electricity load hit new highs on four seperate occasions. In response, we maximised generation and supply, pushing our provincial maximum output beyond 10GW, an all-time record. Notably, with only 14% of the province's installed capacity, we served 18% of its electricity load. For the whole year, we generated 42.701 TWh of electricity, supplied 5.848 million tonnes of coal, 1.4997 million tonnes of thermal energy, and 1.849 billion m3 of natural gas, delivering a robust energy backbone for the region's high-quality economic and social development. Meanwhile, we sedrved as a stabiliser for economic growth. Our annual investment exceeded RMB 7.4 billion, with tax payments surpassing RMB 2.5 billion. We drove the efficient and high-quality execution of key infrastructure projects, including the Jiangling Power Plant, Luotian Pingtanyuan Pumped Storage Project, Nanzhang Zhangjiaping Pumped Storage Project, and Changyang Qingjiang Pumped Storage Project. We also created over 10,000 flexible local jobs, achieving synchronous progress in promoting growth and stabilizing employment. In addition, we served as an enabler of common prosperity. Our social responsibility programmes totalled 44 initiatives,m with RMB 35.3768 million invested and RMB 5.88 million allocated to consumption-based poverty alleviation, effectively transforming our corporate growth into robust support for rural revitalization.

With innovation as our wings, we activate the internal driving force for enterprise development. Over the past year, we successfully completed all tasks under the SOE reofrm deepening and upgrading initiative, steadily improving our modern corporate governance system. This earned us the highest "Benchmark" rating among "Double-Hundred Enterprises" from the State-owned Assets Supervision and Administration Commission of the State Council for two consecutive years. We were also awarded an "A" (Excellent) rating for information disclosure among main board listed companies at the Shenzhen Stock Exchange for the 2024-2025 period. At the same time, we enhanced our full-chain ESG management system and issued the ESG Indicator Management Manual, continuously driving ESG practices towards greater standardisation, systematisation, and routine integration. We leveraged our contral role in innovation, promoted the in-depth integration of technological and industrial innovation, and seen a new high in the number of granted patents. We also advanced "AI+" application pilots across multiple fields such as hydropower, thermal power, wind power and photovoltaic power. Throughout the year, 16 new technological achievements were commercialized, with both IP applications and grants reaching an all-time high. We also won 5 sci-tech awards at provincial, ministerial, and national industry association levels, marking a significant surge in our technological achievements.

Dreams inspire our pursuit, and action delivers excellence. The year 2026 marks the first year of the 15th Five-Year Plan. With our goal set on becoming a first-class regional integrated energy service provider, we will uphold integrity, fdrive innovation, and forge ahead with resolve. We will continue to integrate ESG principles into our corporate strategy, value creation, and governance. On the great journey of advancing national rejuvenation and building a strong country through Chinese modernization, we will strive to deliver a strong performance as a central energy SOE in the new era.

We sincerely look forward to joining hands with all sectors of society, embarking on a new journey together, and jointly creating a brighter future for sustainable development!

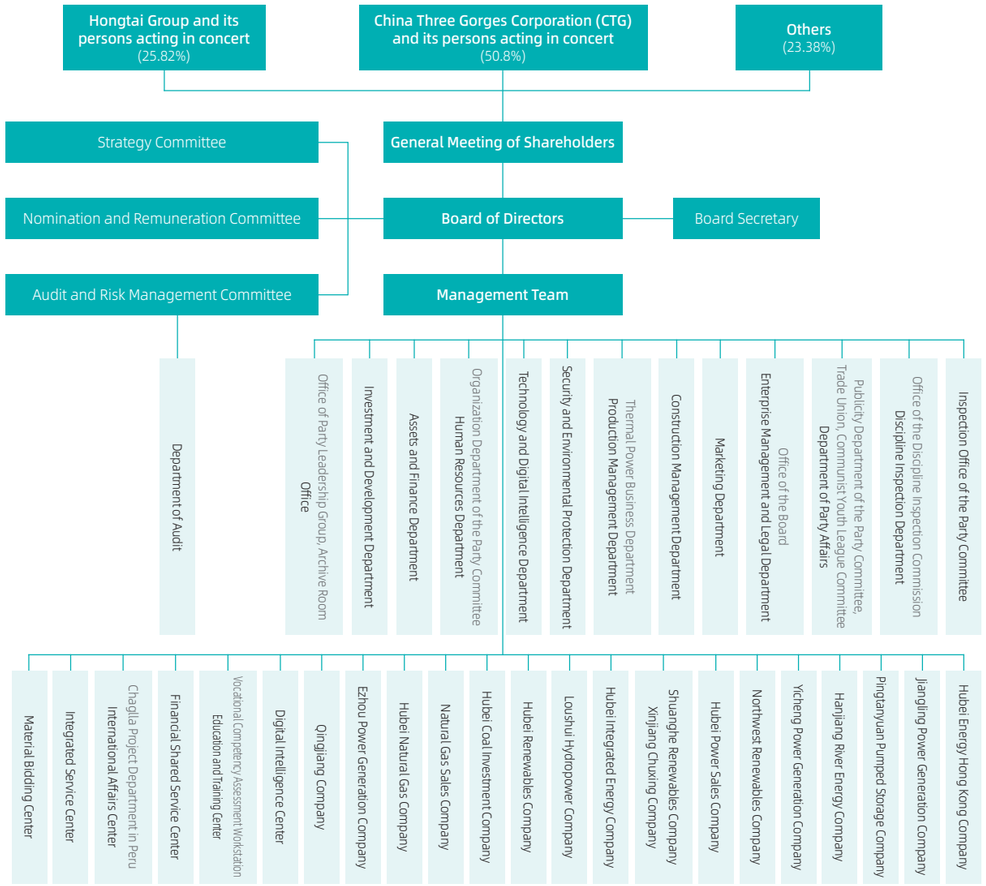
Zhang Long
Hubei Energy Group Co., Ltd.
Board Chairman



About HBEG

Company Profile

Hubei Energy Group Co., Ltd. was founded in February 2005 by the merger of the former Hubei Qingjiang Hydropower Investment Company and Hubei Electric Power Development Company and was listed on the main board of the Shenzhen Stock Exchange in 2010 with the stock code 000883. HBEG has fully capitalized on its dual role as the Hubei Province Energy Security Platform and the CTG Integrated Energy Development Platform. It has built two key energy hubs (i.e., a hydropower base in western Hubei and a thermal power base in eastern Hubei), and developed two province-wide supply networks for natural gas and coal. It has now formed a comprehensive energy portfolio that includes hydropower, thermal power, wind, solar power, coal, gas, and energy storage. With continuous growth in scale, operational efficiency, strategic function, and value contribution, it has become the largest energy and power company in Hubei Province. By the end of 2025, HBEG's controllable installed capacity was 19.2771 GW, of which HBEG's controllable installed capacity within the province was 15.8093 GW, accounting for 13.56% of the province's total installed power generation capacity (excluding the installed generation capacity of the Three Gorges Hydropower Plant).



Equity Structure and Organization Chart of HBEG[1]

Note: [1] In 2025, HBEG adjusted its organization chart, reducing the number of functional departments from 15 to 14.

Mission and Vision



Honors

"Benchmark" Level in Special Assessment for the "Double Hundred Action" of Central SOEs
State-owned Assets Supervision and Administration Commission (SASAC) of the State Council

First Prize of 2025 Annual High-Quality Project of Power Safety Culture Development
China Electrical Equipment Management Association

First Prize of Hydropower Science and Technology Progress Award
Hydropower Engineering Society

Second Prize of Science and Technology Progress Award
People's Government of Hubei Province

Second Prize of Technology Invention Award
China National Association for Automation in Petroleum and Chemical Industry

Second Prize of Changjiang Science and Technology Award
Changjiang Technology and Economy Society

Third Prize of Electric Power Science and Technology Progress Award
Chinese Society for Electrical Engineering

Title of National Workers Pioneer of Hubei Province
Hubei Provincial Federation of Trade Unions

Hubei Provincial May Day Labor Certificate
Hubei Provincial Federation of Trade Unions

Advanced Unit for Work Safety of CTG
China Three Gorges Corporation

Business Overview



Hydropower

Our total hydropower installed capacity stands at **4.6573** GW, primarily comprising the Qingjiang Shuibuya Cascade Hydropower Station, Geheyan Hydropower Station, Gaobazhou Power Station along the Qingjiang River, as well as medium- and small-scale hydropower plants like Jiangpinghe and Dongping hydropower plants, and Chaglla Hydropower Station in Peru.

Thermal power

Our total installed capacity of thermal power stands at **7.29** GW, mainly comprising Ezhou Power Plant, Donghu Gas Turbine Power Plant, Chuxing Power Plant, Yicheng Power Plant and Jiangling Power Plant.





Renewable energy

Our total installed capacity of renewable energy stands at **7.3298** GW, including **1.5196** GW of wind power, **5.7242** GW of photovoltaic power and **86** MW of energy storage.

Pumped storage

HBEG plans to build pumped storage power stations in three areas (eastern Hubei, western Hubei, and northwestern Hubei) close to the power load center. To be specific, Pingtanyuan, Changyang, and Zhangjiaping pumped storage power stations have installed capacities of **1.4** GW, **1.2** GW, and **1.8** GW respectively.



Coal

Phase I Wharf of Jingzhou Coal Rail-Water Transportation, Storage, and Distribution Base has 6 berths of 3,000-ton class (capable of accommodating 5,000-ton class vessels), including 2 import berths and 4 export berths. It handled 5.381 million tons of coal throughout the year, with an annual cargo handling capacity of 22.356 million tons.

Natural gas

HBEG manages 675 km of long-distance transmission pipelines, 317.94 km of medium-pressure urban gas pipelines, and 4 urban gas companies, aiming to establish a robust natural gas management and supply platform for Hubei Province.

Key Performance Data

Economic Performance

Generation output	42.701 TWh	A decrease of 3.04 %
Total installed capacity	19.2771 GW	An increase of 5.34 %
Total profits	RMB 3.529 billion	An increase of 26 %
Return on equity	5.34 %	A decrease of 0.19 percentage point
Asset-liability ratio	55.84 %	A decrease of 2.79 percentage points
Overall labor productivity	RMB 2.201 million/person	An increase of 12.6 %
Cash-to-revenue ratio	118.4 %	

Environmental Performance

Proportion of circulating water use	98.09 %	An increase of 0.26 percentage point
Investment in ecological and environmental protection	RMB 392.5384 million	An increase of 112 %
Green certificates issuance	5.5652 million	An increase of 46.45 %
Green electricity trading volume	265 GWh	An increase of 22.12 %
Clean energy power generation	19.511 TWh	An increase of 11.49 %
Proportion of installed capacity of clean energy	62.18 %	
Average coal consumption for thermal power generation	308.37 g/kWh	

Compliance rate for all atmospheric pollutant emissions from thermal power plants 100 %

Social Performance

R&D investment	RMB 536 million	
Granted patents	177 patents	An increase of 0.14 %
Invention patents	52 patents	An increase of 15.56%
Patent applications	357 applications	An increase of 7.00 %
Of which invention patents	188 patents	An increase of 20.21 %
Customer satisfaction rate	99 %	Employee satisfaction rate of 100 %
Employees trained	Over 70,000 employees	100 % training coverage rate for managers and employees
Achievement rate for electricity trading plans	100 %	

Governance Performance

100 % participation rate of employees in anti-corruption and anti-commercial bribery training

0 incident of unfair competition

A renewed "A" (Excellent) rating for information disclosure among main board listed companies at the Shenzhen Stock Exchange

33 % proportion of independent directors

33 % proportion of directors with a doctoral degree





Contribution to the U.N. Sustainable Development Goals for 2030

The U.N. Sustainable Development Goals (SDGs) for 2030 serve as a key guiding framework for the Company's efforts in energy transition and sustainable development. For the Company's actions in response to the U.N. Sustainable Development Goals (SDGs), please refer to the relevant sections on environmental, social, and governance in this Report.

Response to the U.N. Sustainable Development Goals for 2030

Sustainable development goals	Our actions	Corresponding chapters
1 NO POVERTY	■ Supporting rural revitalization through charitable donations and consumption support initiatives ■ Providing employment opportunities to society	■ Employees ■ Social Contribution and Responsibility
2 ZERO HUNGER	■ Strengthening employment assistance for vulnerable groups and further enhancing industrial support	■ Social Responsibility and Contribution
3 GOOD HEALTH AND WELL-BEING	■ Strengthening work safety, conducting regular health checks and occupational safety training for employees to prevent occupational diseases, and safeguarding employees' physical and mental well-being	■ Employees ■ Occupational Health and Safety
4 QUALITY EDUCATION	■ Continuing to carry out public education initiatives to promote educational equity ■ Establishing a sound employee education and training system to support employee career development	■ Employees ■ Social Contribution and Responsibility
5 GENDER EQUALITY	■ Ensuring equal remuneration for equal work, caring for female employees, and providing equal career development opportunities	■ Employees
6 CLEAN WATER AND SANITATION	■ Optimizing water resource use structure, promoting recycling of sewage and wastewater, and improving the water use efficiency	■ Resource Utilization and Circular Economy ■ Pollutant Emissions and Waste Disposal
7 AFFORDABLE AND CLEAN ENERGY	■ Vigorously developing renewable energy businesses, actively advancing the construction of pumped storage projects, and continuously optimizing the energy structure	■ Topic I: Exploring New Paths Towards Carbon Neutrality ■ Combating Climate Change ■ Resource Utilization and Circular Economy
8 DECENT WORK AND ECONOMIC GROWTH	■ Providing equal employment opportunities and competitive compensation ■ Promoting employment in both domestic and overseas communities	■ Employees ■ Suppliers and Customers ■ Social Contribution and Responsibility
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	■ Increasing investment in R&D, putting more efforts in technological innovation, and continuously advancing digital transformation	■ Topic III: Opening a New Chapter with Innovation and Digital Intelligence
10 REDUCED INEQUALITIES	■ Prioritizing employee equality and diversity, prohibiting child labor and forced labor, and forbidding all forms of discrimination	■ Employees
11 SUSTAINABLE CITIES AND COMMUNITIES	■ Ensuring the secure and stable energy supply and promoting economic stability ■ Fostering long-term, stable, and harmonious partnerships with communities	■ Topic II: Fulfilling the Mission as a Pioneer in Energy Supply Guarantee ■ Social Responsibility and Contribution
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	■ Actively participating in the carbon trading market, developing green certificate and green electricity markets, and advocating green procurement as well as certification of green, low-carbon products and services	■ Suppliers and Customers ■ Environmental Management
13 CLIMATE ACTION	■ Proactively responding to climate change and consistently promoting energy conservation and carbon reduction	■ Topic I: Exploring New Paths Towards Carbon Neutrality ■ Combating Climate Change
14 LIFE BELOW WATER	■ Ensuring ecological flow at hydropower plants to meet the downstream environmental water needs and restore threatened important fish populations through stock enhancement initiatives	■ Ecosystem and Biodiversity Protection
15 LIFE ON LAND	■ Conducting in-situ or ex-situ conservation of key species	■ Ecosystem and Biodiversity Protection
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	■ Improving corporate governance, enhancing compliance management, and advancing anti-corruption and anti-bribery measures	■ Corporate Governance ■ Business Conduct
17 PARTNERSHIPS FOR THE GOALS	■ Strengthening communication and cooperation to achieve mutual benefit for all stakeholders	■ Communication with Stakeholders ■ Investor Relations and Information Disclosure ■ Corporate Governance

Materiality Assessment on Topics

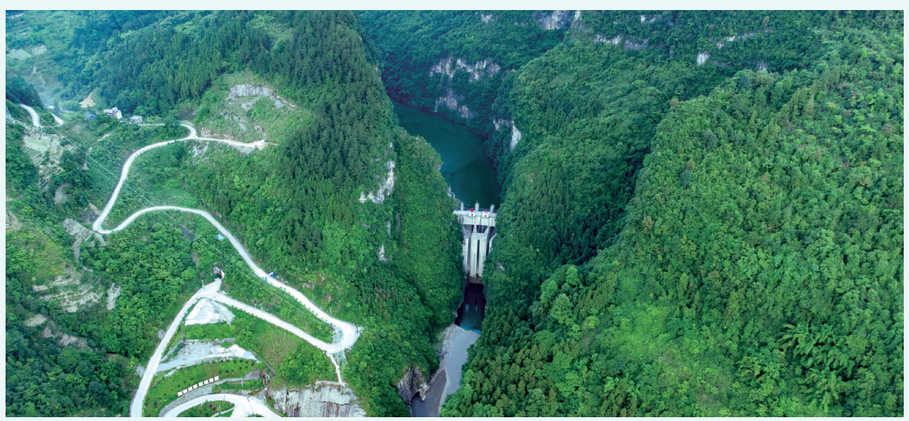
Review of Material Topics

In accordance with the requirements of the *Self-Regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange - Preparation of Sustainability Reports,* if there are no significant changes in the disclosure entity's business model, or the policy and natural environments it faces, the disclosure entity will not be required to identify and analyze material topics annually. To obtain more consistent and reliable identification results and communicate the progress of ESG efforts to internal, external stakeholders in a comprehensive and accurate manner, HBEG, after careful discussion and analysis, decided to adopt the materiality assessment results of the previous year, and not to update the identification and analysis of material topics in 2025. This decision was made by combining the guiding principles of the document with its own business reality, and referring to the practices of excellent industry peers.

Information Disclosure and Continuous Improvement

The Company strictly fulfills its information disclosure obligations in compliance with laws and regulations and adheres to the principle of combining comprehensive coverage with highlighting key points. Based on the results of materiality assessment and business practices, and in accordance with the "Governance - Strategy - Impact, Risk, and Opportunity Management - Metrics and Targets" framework, it conducts structured disclosure of topics with high financial materiality and targeted disclosure of topics with high impact materiality.

The Company strengthens the monitoring and management of ESG risks and opportunities on all fronts. Relying on its risk control and assessment system, the Company formulates special action plans, and sets clear timetables and target guidelines. Besides, it regularly tracks domestic and international ESG policies, industry trends, stakeholder feedback, and performance data to dynamically adjust the list of topics, improve the topic identification and disclosure processes, and revise relevant management systems.





Environmental dimension

1. Combating climate change
2. Pollutant emissions
3. Waste disposal
4. Ecosystem and biodiversity protection
5. Environmental compliance management
6. Utilization of energy
7. Utilization of water resources
8. Circular economy
9. Low-carbon transition

Social dimension

10. Rural revitalization
11. Social contribution
12. Innovation-driven development
13. Science and technology ethics
14. Supply chain security
15. Equal treatment of SMEs
16. Product and service safety and quality
17. Data security and customer privacy protection
18. Employees
19. Energy supply guarantee
20. Work safety
21. Community relations

Governance dimension

22. Due diligence
23. Communication with stakeholders
24. Anti-commercial bribery and anti-corruption
25. Anti-unfair competition
26. Risk control and compliance management
27. Composition of the boards of directors, supervisors, and senior executives, and compensation management



Communication with Stakeholders

Stakeholder Communication System Development

The Company has established a multi-dimensional and regular stakeholder communication mechanism. Through official websites, investor relations platforms, social media and other channels, it has built an information disclosure system covering financial performance and ESG work progress. Its ESG reports are available in both Chinese and English versions to meet the needs of global communication. Through channels such as ESG reports, annual/semi-annual reports, and special reports, the Company has regularly disclosed ESG policies, practices and summaries of key topics to the public, so as to enhance the transparency of information disclosure and interactive effectiveness.

Disclosure content	Disclosure channel	Disclosure frequency
■ ESG practice ■ ESG policy	■ Official website of the Company ■ Official WeChat public account of the Company ■ http://www.cninfo.com.cn/ ■ Official website of Shenzhen Stock Exchange ■ Performance briefing ■ SSE E-interaction Platform	In real time
■ Key ESG topics	■ ESG information declaration to rating agencies ■ Performance briefing	Monthly/quarterly/annually
■ Summary of ESG practices ■ Summary of key ESG topics	■ ESG report ■ Annual report/semi-annual report ■ Special report	Annually/semi-annually

Communication Practices

Stakeholder	Key focuses	Ways of communication	Response from the Company	Communication highlights in 2025
Government departments and regulatory agencies	■ Law and discipline observance ■ A driver for the local economy ■ Energy supply guarantee ■ Energy safety	■ Participation in relevant meetings ■ Work reporting ■ Information submission ■ Policy consultation	■ Strengthening compliance management ■ Ensuring energy supply ■ Engaging in strategic cooperation ■ Promoting energy conservation and emission reduction	■ We participated in key meetings such as Hubei Energy Work Conference, on which we delivered presentations and shared experiences on energy supply guarantee, project development, and green transformation ■ We attended the "Two Lakes Dialogue" (the East Lake in central China and Lake Geneva in western Europe) held in Montreux, Switzerland, to discuss a new chapter of international cooperation between Hubei and the world in green, low-carbon and sustainable development ■ We visited energy regulatory authorities and participated in the research and site visits organized by local governments to proactively engage in the work and strengthen communication
Shareholders and investors	■ Strategic planning ■ Risk management ■ Sustainable development ■ Return on investment	■ Shareholders' meeting ■ Information disclosure ■ The Company's website	■ Disclosing information in a timely and accurate way ■ Fulfilling social responsibilities ■ Striving to improve performance Generating corporate profits	■ We held **5** shareholders' meetings at which **13** proposals were deliberated ■ We received an "**A**" (Excellent) rating for information disclosure among main board listed companies at the Shenzhen Stock Exchange for the 2024-2025 period ■ We reported a total profit of RMB **3.529** billion
Employees	■ Salary and welfare ■ Employee rights protection ■ Career development	■ Labor contract ■ Staff and Workers' Representative Congress ■ Labor union activities ■ Education and training	■ Complying with the terms of labor contracts ■ Improving the compensation and employee rights protection system ■ Perfecting the system of Staff and Workers' Representative Congress ■ Carrying out trade union activities ■ Providing a platform for career development	■ We signed labor contracts with all employees, maintaining a **100**% contract signing rate ■ We launched special care programs providing warmth, cultural enrichment, and health support, allocating nearly RMB **900,000** in subsidies and benefiting over **4,000** employee visits ■ We pioneered online training programs for the first batch of **7** categories of professional qualifications ■ For the first time, we hosted our staff sports meeting by region, attracting over **400** participant entries and driving a **35**% increase in the participation rate compared to previous years ■ We hosted **4** sessions of the "Energy Lecture Hall" covering topics such as "AI Three Gorges • Creating the Future", power trading, work safety, and lean management

Stakeholder	Key focuses	Ways of communication	Response from the Company	Communication highlights in 2025
Customers	■ Honest performance of contracts ■ Quality services ■ Quality assurance	■ Signing contracts and agreements	■ Enhancing production and project quality management ■ Ensuring a safe and stable supply of energy and electricity	■ We were the first enterprise in the province to obtain AAA rating for **8** consecutive years in the operational evaluation of market entities ■ We conducted a customer satisfaction survey with a **99**% satisfaction rate
Suppliers and partners	■ Mutual benefit and win-win cooperation ■ Transparent procurement ■ Business ethics ■ Sustainable supply chain	■ Signing contracts and agreements ■ Holding communication and discussion sessions ■ Conducting correspondence and official communications ■ Launching supplier training	■ Honest performance of contracts ■ Transparent procurement ■ Establishment of long-term partnerships	■ We held discussions with partners on topics such as digital transformation on energy, coal-electricity integration, energy supply guarantee, and collaboration on renewable energy projects to advance mutually beneficial cooperation
Industry	■ Upholding fair competition ■ Promoting industry advancement ■ Driving the development of the industry chain	■ Joining industry associations ■ Participating in discussions and exchanges ■ Taking part in standard compilation	■ Engaging in competition and cooperation ■ Promoting mutual benefit and win-win cooperation ■ Advancing technological progress	■ We received **5** technological achievement awards at the provincial, ministerial, and national industry association levels
Local communities	■ Rural revitalization ■ Public welfare donation ■ Driving community development	■ Conducting surveys and research ■ Organizing discussion and exchange sessions	■ Implementing social responsibility projects ■ Carrying out consumption support initiative for rural revitalization ■ Organizing public welfare and volunteer activities	■ We carried out **48** volunteer service activities, engaging over **500** young volunteers, accumulating more than **600** service hours, and benefiting nearly **2,000** beneficiaries ■ We held the "Love Consumption to Support Farmers and Boost Agriculture" campaign, with an investment of over RMB **2** million

Due Diligence

We conduct due diligence on all aspects of our operations and all core businesses, covering areas such as investment and development, engineering construction, production and operation, environmental and social impacts, governance structure, and supply chain management. Through internal data monitoring, field visits, interviews and communication with stakeholders, we identify key ESG topics that exert material impacts on the Company's operations, so as to conduct sustainability risk management. We also integrate sustainability risk management into our daily risk management workflows to identify potential risks and develop response measures, embedding ESG risk prevention and mitigation across all stages and the entire process of our operations.

ESG Governance

Governance Structure

The Company has integrated ESG principles into its corporate governance framework and established a comprehensive, clearly tiered, well-defined, and efficiently operating ESG governance structure, which clearly assigns responsibilities to all departments at all levels, and improves institutional procedures, providing organizational support to ensure the effective implementation of the ESG work.

Decision-making level	Board of Directors	The highest governing body responsible for ESG work and top ESG decision-making body
	Strategy Committee under the Board of Directors	Reviewing ESG strategies, goals, plans, and policies; overseeing the progress of ESG work; and evaluating and reviewing the annual ESG report and submitting it to the Board of Directors for approval
Management level	ESG Working Group	Formulating and improving ESG strategies, goals, plans and related policies; organizing, coordinating and supervising the implementation of ESG tasks; and guiding the information collection for the annual ESG report
Executive level	Corporate Office	Coordinating and promoting ESG management; maintaining the ESG indicator system and policy issue database; tracking external ESG policy trends and providing recommendations; and organizing ESG-related activities of the Company
	Functional departments	Implementing ESG work plans and tasks; establishing relevant special management systems; completing annual ESG goals as planned; collecting and submitting relevant ESG information; and supporting ESG information disclosure

Work Objectives and Plans

Core Tasks

To support the national carbon peaking and carbon neutrality goals, accelerate the Company's green transformation, and actively integrate into the development of a new power system

To build an inclusive, safe, and harmonious development system for employees and communities, and promote fairness and mutual benefit of the value chain

To improve the ESG governance mechanism, strengthen compliance and internal control management, enhance information transparency and risk resilience, and ensure the Company's high-quality development

Specific Goals

Environmental

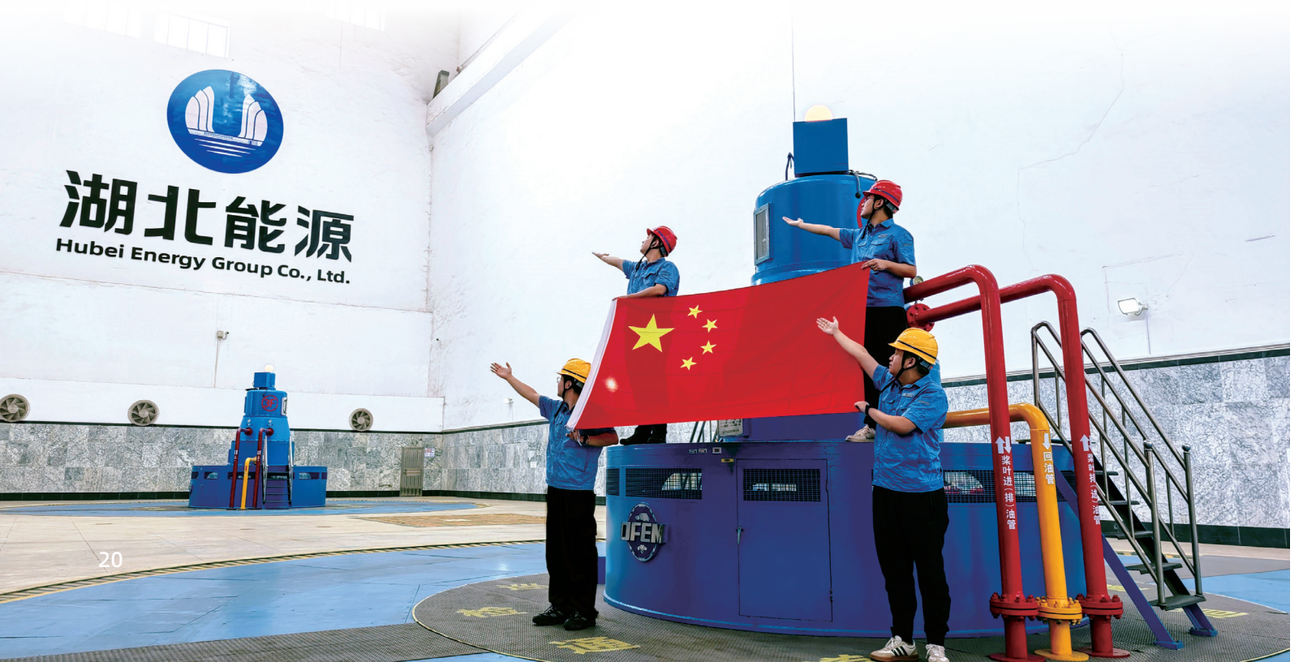
- To ensure **zero** occurrence of general or above sudden environmental incidents
- To ensure **zero** penalties for ecological and environmental protection violations
- To ensure that under normal operating conditions, NO_x, SO_2, and particulate matter emissions from thermal power plants meet the requirements of pollutant discharge permits
- To ensure that the compliance rate of ecological water release flow from hydropower plants meets regulatory requirements
- To ensure that the disposal of general industrial solid waste and hazardous waste meets environmental protection requirements

Social

- To achieve a minimum labor productivity of RMB **2** million per employee
- To attain an overall satisfaction rate of **95**% in education and training programs
- To provide no less than RMB **5** million in the consumption support initiative for rural revitalization
- To ensure that **100**% of suppliers sign the integrity commitment
- To ensure **zero** general or above work safety liability accident

Governance

- To improve the modern corporate governance system with Chinese characteristics
- To deepen the market-oriented operation mechanism
- To enhance management efficiency on all fronts



Work Plan

Sound ESG management

- To optimize the Company's governance structure, further embed ESG principles into the Company's production and operation management, and ensure that all departments and subsidiaries carry out ESG responsibilities in accordance with their roles and management authority
- To continuously improve the ESG policy framework and develop dedicated policies for key ESG topics
- To closely monitor domestic and overseas ESG-related policies and trends to improve the transparency and compliance in ESG information disclosure
- To actively organize training programs with a focus on ESG-related business areas

ESG action improvement

Accelerating green transformation

- To continuously promote the structural transformation of power business, build a clean, low-carbon, multi-energy complementary, flexible and efficient power industry structure, and enhance energy security capability and sustainable development level
- To vigorously develop clean coal power businesses to improve the energy utilization efficiency and reduce carbon emission intensity
- To focus on the goal of green and low-carbon development, balance safety, quality, construction period and cost, and efficiently advance the construction of pumped storage projects

Deepening the fulfillment of responsibilities

- To actively advance all-round rural revitalization and integrate into and contribute to community development
- To strengthen employee training and development to continuously improve employee satisfaction
- To uphold the principles of fairness and integrity to deepen mutually beneficial cooperation with suppliers and partners

Improving corporate governance

- To strengthen risk and internal control management to enhance the Company's development resilience
- To deepen the development of law-based enterprises and consolidate the foundation of compliance management
- To continuously improve governance systems and enhance the effectiveness of corporate governance

Work Practices

System Construction

We implemented our *Environmental, Social Responsibility, and Corporate Governance (ESG) Management Measures,* issued the ESG indicator management manual, and continuously advanced the standardized, systematic, and institutionalized development of ESG management, to improve the ESG management system covering the entire business chain.

Capability Building

Strengthening organizational leadership

We introduced independent directors with an energy economics background at the Board level to provide forward-looking research and professional guidance for decision-making on major ESG topics.

Improving training systems

We built a hierarchical training system covering the Board of Directors, the Management and employees in key positions, invited experts in the energy and power industry to give training lectures on cutting-edge industry information and trends, and enhanced the professional skills and capabilities of teams in sustainable development.



Enhancing ESG performance ratings

- ☑ Wind, a domestic authoritative rating agency, upgraded our ESG rating from A to AA, the highest rating in the power industry
- ☑ We were included into the 2025 China's Top **200** Energy Listed Companies for Sustainability (ESG) evaluated by China Energy Research Society
- ☑ We were recognized as a Leading Enterprise in the Public Utilities and Environmental Protection Category in the *Steady Progress: China ESG Leaders Annual Report* released by SynTao Green Finance.

Strengthening communication and exchanges

In April 2025, we attended the "Two Lakes Dialogue" (the East Lake in central China and Lake Geneva in western Europe) held in Montreux, Switzerland to discuss a new chapter of international cooperation between Hubei and the world in green, low-carbon and sustainable development.

In September 2025, we participated in the parallel forum "ESG Innovation Empowers Green Development in the Capital" at the 2025 Beijing Green Development Forum.

Mechanism Development

Information reporting mechanism

Under the leadership of the Company's Board of Directors, the ESG Working Group coordinates and supervises departments in formulating ESG work plans, takes the lead in convening ESG-related meetings, where departments exchange and discuss ESG highlights and existing problems, and timely reports the plans, progress and effectiveness of sustainable development matters to the Strategy Committee and the Board of Directors.

Supervision and assessment mechanism

The responsibilities of the Strategy Committee under the Board of Directors for overseeing the ESG work are clearly defined through regulations. The ESG Working Group reviews the Company's list of material topics, assesses related risks, opportunities, and impacts, and collects and examines ESG data and information to ensure alignment with reporting standards. The ESG report is released only after being reviewed by the ESG Working Group, discussed in advance by the Party Committee, and approved by the Board of Directors.

Incentive mechanism

ESG performance indicators such as workplace safety, environmental protection, legal compliance, and anti-corruption are incorporated into the executive performance evaluation system, and indicators such as workplace safety and eco-environmental protection are included into the key indicators of the annual performance assessment of affiliated second-tier companies. Assessment results are directly linked to the performance bonuses for senior executives and affiliated enterprises, establishing a robust evaluation and incentive mechanism that ties ESG performance to employees' compensation.

Topic I Exploring New Paths Towards Carbon Neutrality

Governance

We have formulated the *Management Measures for Preliminary Work of Renewable Energy Projects* to standardize preliminary project management. In accordance with external policies and project progress, we have timely held special promotion meetings for renewable energy projects to analyze and coordinate problems and difficulties in project implementation. We have also developed the implementation plan for the "Four Strengthenings and Four Modernizations" initiative for the renewable energy business, clarifying key tasks and work measures for each stage, and driving the improvement of renewable energy business management levels.

Fully Promoting Integrated Hydro, Wind, Solar and Energy Storage Projects

The connection of Daya Wind Power Project to the transmission line of Jiangpinghe Hydropower Station passed the power grid connection check. The Hefeng Integrated Hydro, Wind, Solar and Energy Storage Project will serve as the application scenario for "Key Technology R&D of Panoramic Dynamic Verification for Large-Scale Integrated Hydro, Wind, Solar, and Energy Storage Control Systems", a major science and technology project in Hubei Province, to carry out demonstration applications.

Accelerating the Construction of Low-Carbon (Zero-Carbon) Parks

We obtained the development rights for 2 zero-carbon counties (districts), namely Suizhou High-Tech Zone and Xiangzhou District of Xiangyang. 2 low-carbon (zero-carbon) park projects were completed and put into operation. The Wuhan Asia-Europe Logistics Park Project was included into the Typical Cases of Zero-Carbon Park Integrated Energy Projects 2025 by China Electricity Council (CEC).

Continuously Expanding External Market Development

We focused on supporting works for the Northern Shaanxi-Hubei ±800 kV UHVDC transmission project, and actively strived for the supporting renewable energy index of 1.4 GW for the Phase II of the Northern Shaanxi-Hubei ±800 kV UHVDC transmission project. We accelerated the layout of overseas clean energy by focusing on countries participating in the "Belt and Road Initiative" and member states of the Shanghai Cooperation Organization (SCO), prioritizing the acquisition of incremental new energy resources through greenfield development.

Continuously Strengthening the Collaborative Application of Operation and Maintenance

We strengthened the collaborative application of intelligent monitoring systems, unmanned inspection equipment and regional centralized control centers, and explored the construction of a new operation and maintenance mode of "remote centralized monitoring, on-site unattended operation, and regional independent maintenance".

Strategy

We actively expand our renewable energy business to shape a strategic core growth engine. We promote lean production on all fronts to continuously enhance management efficiency. Leveraging the construction of major projects such as coal-fired power and pumped storage, we actively strive for renewable energy development quotas and high-quality resources to drive the large-scale development of renewable energy projects. Meanwhile, we focus on cities including Xiangyang, Yichang, Enshi, Ezhou, Huanggang, and Jingzhou, focusing on building integrated clean energy bases that achieve multi-energy complementarity among "wind, solar, hydro, thermal and storage".

Impact

Classification	Impact description	Stakeholder	Impact scope
Positive impact (+)	■ **Economy:** Our strategy will promote the Company's investment growth, installed capacity expansion, and revenue increase, and drive local economic development. ■ **Society:** Our strategy will drive the optimization and upgrading of the energy structure, reduce reliance on traditional fossil energy, and mitigate the negative environmental impact during energy production and consumption. The construction and operation of renewable energy projects will provide more employment opportunities for local residents, and improve their living standards. It will also promote social harmony and stability, and meet the people's growing needs for a better life. ■ **Environment:** Our strategy will reduce greenhouse gas emissions, improve air quality, and protect the ecological environment. Our strategy will promote the efficient utilization of renewable energy, reduce energy waste and environmental pollution, and make positive contributions to achieving the goals of carbon peak and carbon neutrality.	■ Local governments ■ Partners ■ Local communities ■ Customers	■ Upstream of the value chain ■ Enterprise operation ■ Downstream of the value chain
Negative impact (-)	■ Due to insufficient adjustable resources in the power grid, the connection of large-scale and high-proportion renewable energy may affect the safe and stable operation of the power grid	■ Local governments ■ Partners ■ Local communities ■ Customers	■ Enterprise operation ■ Downstream of the value chain

Risk

Classification	Factor	Description	Responding strategy	Impact cycle[2]	Impact scope
Policy risk	Adjustment of national energy policies	■ Influenced by policies such as the market-oriented reform of feed-in tariffs for renewable energy, predicting electricity prices for incremental projects has become difficult, complicating investment decisions. Meanwhile, some existing projects may fall into losses	■ Pay close attention to policy changes such as the market-oriented reform of feed-in tariffs for renewable energy, and timely adjust strategic planning and investment decisions ■ Actively participate in green electricity trading and carbon emission reduction trading to convert the advantages of clean energy into economic benefits	Short-to-medium term	Operational assets
Market risk	Intensified competition in the renewable energy market	■ There are numerous competitors in the renewable energy market, making it difficult to acquire high-quality resources	■ Strengthen high-level engagement and leverage the construction of the Company's major projects to secure local government support and lock in high-quality resources ■ Adapt to the reform of the electricity market and improve the return on investment of renewable energy projects	Mid-term	Operational products
	Shortage of energy and land resources	■ Land use policies continue to tighten, restricting the development space for renewable energy	■ Optimize the project development sequence and prioritize the development of projects with superior resource conditions ■ Strengthen the application of new technologies, promote intensive development of renewable energy, and intensively utilize land resources	Mid-term	Operational products
External environmental risk	Grid accommodation constraints	■ With the large-scale connection of renewable energy into the power grid, the grid accommodation constraints have become more prominent, leading to an increase in the renewable energy curtailment rate	■ Integrate resources such as distributed photovoltaic, energy storage power stations, and industrial controllable loads; participate in the auxiliary power service market through intelligent dispatching; provide peak shaving and valley filling services for the power grid; and continuously improve the operational performance of existing power projects	Short-to-medium term	Operational products
	Inadequate external supporting infrastructure	■ Demands for external supporting infrastructure lead to an increase in non-technical costs of project development	■ Strengthen coordination with local governments to secure the landing of supporting renewable energy resources for major projects such as newly built pumped storage and thermal power projects, to reduce the non-technical costs of project development	Mid-term	Operational assets

Note: [2] Short-term: within 1 year; mid-term: 1-5 years; long-term: more than 5 years.

Opportunity

Classification	Factor	Description	Responding strategy	Impact cycle	Impact scope
Strategic opportunity	National strategic planning direction	■ The Outline of the 15th Five-Year Plan explicitly proposes that the total installed capacity of wind power and solar power will reach 3.6 TW by 2035. Over the next decade, renewable energy installed capacity is projected to maintain a rapid growth momentum.	■ Strengthen situation analysis and policy research, solidly carry out the research and compilation of the master plan and thematic plans for the "15th Five-Year Plan", and set rational target boundaries to ensure the leading role of planning	Long-term	Operational goals
Policy opportunity	Policy support for renewable energy consumption	■ In 2025, the state introduced new policies from the dimensions of price mechanism, market rules, and integrated development to promote renewable energy consumption, and the consumption pressure was expected to ease in the future	■ Strengthen policy tracking and research, and organize the formulation of relevant policy plans	Medium-to-long term	Operational assets
Development opportunity	Core platform advantages	■ As the core platform for the strategic cooperation between Hubei Province and China Three Gorges Corporation, it possesses both the resource integration capability of central SOEs and the local coordination capability of local state-owned enterprises	■ Strengthen coordination with provincial and municipal governments to secure high-quality project resources, with a total target of acquiring 300 MW of renewable energy resources in 2026	Mid-term	Corporate management
	Comprehensive existing business structure	■ Leveraging the pattern of multi-energy synergy and complementarity among wind, solar, hydro, thermal, and storage, along with the advantage of a high proportion of regulating power sources, it provides strong support for the development of the renewable energy business	■ Intensify the development of renewable energy projects; increase the proportion of clean energy installed capacity and power generation; enhance the capacity for renewable energy consumption and system regulation; and continuously optimize the energy structure	Long-term	Operational products
	Provincial policy support	■ Hubei Province clearly supports the Company in participating in the development of the power source base at the sending end of the third DC (Direct Current) transmission channel to Hubei	■ Actively strengthen collaboration with energy authorities and design institutions at the national level, in Hubei Province, and in the sending-end provinces, and make every effort to secure the development rights of the base	Long-term	Operational products

Impact, Risk, and Opportunity Management

Simultaneous improvement in quality and efficiency of renewable energy projects

We actively advanced the resource acquisition, grid connection and commissioning of renewable energy projects. Throughout the year, **317.4** MW of renewable energy were connected to the grid, with **977.4** MW of new installed capacity. The **2.1** GW photovoltaic base of Phase I of the Northern Shaanxi-Hubei ±800 kV UHVDC transmission project was fully commissioned, and the Qiyue Mountain Phase I renovation project, the first national-level wind power renovation demonstration project in Hubei Province, achieved full-capacity grid connection within the year.

Remarkable achievements in "Two New" businesses

HBEG Renewable Energy Technology Co., Ltd., a subsidiary of HBEG, obtained the CMA qualification for power grid-connection testing, was recognized as a "small-to-designated-size" enterprise in Wuhan East Lake High-Tech Development Zone, and was designated as a provincial-level "Technology-based SME".

Steady progress in pumped storage hydropower

At the Luotian Pingtanyuan Pumped Storage Project, the works transitioned from powerhouse excavation to concrete pouring, and the main dam of the upper reservoir completed embankment filling. At the Changyang Qingjiang Pumped Storage Project and Nanzhang Zhangjiaping Pumped Storage Project, main powerhouse excavation has been initiated. The Xiakoutang Hydropower Project passed the acceptance upon completion.

Metrics and Targets

In recent years, the Company has steadfastly advanced its green and low-carbon transition, continuously optimized its power mix, and steadily increased the installed capacity of renewable energy and clean energy. Leveraging the peak-shaving capacity from the flexible retrofitting of coal-fired power plants, newly built coal-power projects, and pumped storage projects, it has accelerated the development of supporting renewable energy resources, and promoted the complementary development of wind, solar, and thermal power, as well as the integrated development of wind, solar, and storage, with remarkable results achieved in its green transition.

Metrics

Total installed capacity of renewable energy
7.3298 GW

Proportion of total installed capacity
38.02 %

Total installed capacity of clean energy
11.9871 GW

Steady increase from last year
317.4 MW

Installed capacity of various energy types in 2025

Targets

- ☑ In accordance with national policies and guidelines, the Company will continue to increase R&D investment and build a high-quality innovation ecosystem. By 2030, it will develop a number of industry-influential key technologies, demonstration projects and new business forms, so as to enhance its scientific and technological innovation capability and digital capability on all fronts.
- ☑ The Company aims to increase its holding installed capacity of renewable energy to over **11.4** GW by 2030, accounting for **38**% of the total.

Topic II Fulfilling the Mission as a Pioneer in Energy Supply Guarantee

Governance

Governance Structure

The Company has established an energy supply guarantee governance structure featuring "leadership by the Energy Supply Guarantee Leading Group + oversight by the Production Management Department + execution by subordinate power generation units".

Energy Supply Guarantee Leading Group	Implementing the work arrangements of higher authorities; formulating special energy supply guarantee plans for the summer and winter peak periods; strengthening overall coordination and organizational dispatch; and resolving major issues arising during the energy supply guarantee process
Production Management Department	Undertaking daily management and coordination of energy supply guarantee; guiding the subordinate units in their supply guarantee efforts; organizing special inspections on supply guarantee; and coordinating the resolution of various issues
Affiliated power generation units	Establishing special supply guarantee teams to implement specific measures

Working Mechanism

During important periods each year, such as summer peak, winter peak, Two Sessions, National Day, and Spring Festival, HBEG formulates special supply guarantee plans, establishes an Energy Supply Guarantee Leading Group with its main leaders as the group leader, and clarifies the division of supply guarantee responsibilities, emergency response procedures, and key work arrangements to ensure the normalized and standardized supply guarantee efforts.

HBEG held **2** special meetings on ensuring power supply during the summer peak and heat supply for this winter and next spring.

Strategy

Facing the profound transformation of the energy industry under the guidance of the national carbon peaking and carbon neutrality goals, HBEG, which is driven by digitalization and intelligence, seizes policy dividends, continues to make efforts in renewable energy layout and emerging business expansion, and accelerates the cultivation of new quality productive forces. In response to the current characteristics of the energy supply-demand landscape, i.e., overall balance coupled with peak-hour shortages, we firmly shoulder our mission as Hubei Province Energy Security Platform. We coordinate coal-fired power to ensure the base load, hydropower to meet peak demand, and renewable energy to expand incremental supply, enhancing our capacity to increase and stabilize supply on all fronts. Through these efforts, we fully play our role as the "ballast stone" and "pillar" in energy guarantee. Anchored in the goal of becoming an integrated energy service provider "underpinned by electricity, oriented toward clean and low-carbon development, and characterized by smart and efficient operations", we are deepening reform and innovation, injecting strong "HBEG momentum" into safeguarding national energy security and driving high-quality development.

Impact

Classification	Impact description	Stakeholder	Impact scope
Positive impact (+)	■ Ensure the stable electricity supply for industrial production and residents' daily life in Hubei Province and surrounding areas, and support regional economic and social development ■ Contribute to the development of new power systems and promote the transformation of energy structure	■ Local governments ■ Local communities ■ Customers	■ Enterprise operation ■ Downstream of the value chain
Negative impact (-)	■ The pressure of ensuring energy supply may result in greater use of high-carbon energy and higher carbon emissions in the short term ■ Energy supply interruptions may affect supply chain stability		

Risk

Classification	Impact description	Responding strategy	Impact cycle	Impact scope
Extreme weather risk	■ Extreme weather events (such as floods, droughts, cold waves) cause damage to power generation facilities or insufficient output	■ Improve emergency supply guarantee plans for unexpected situations such as extreme weather and equipment failures ■ Reserve critical spare parts and emergency power generation resources to enhance rapid response capabilities	Short-term	Asset operation
Market risk	■ Fluctuations in the electricity market affect the economic efficiency of supply guarantee	■ Leverage comprehensive energy advantages of HBEG	Short-to-medium term	Asset operation

Opportunity

Factor	Impact description	Responding strategy	Impact cycle	Impact scope
Policy opportunity	■ The National Development and Reform Commission has established a "capacity + electricity" dual revenue mechanism, which provides power generation enterprises with a major opportunity to stabilize expected revenue and revitalize existing assets, especially benefiting power projects with flexible regulation capabilities	■ Seize the policy window to accelerate the flexibility transformation of existing coal-fired power units and obtain capacity tariff compensation and ancillary service market revenue ■ Actively deploy emerging regulating power sources, optimize the power mix, and build a multi-energy complementary system of "wind, solar, hydro, thermal, and storage" to better meet the needs of the new power system	Short-to-medium term	Asset operation
Technological opportunity	■ Application of new energy storage and intelligent dispatching technologies improves supply guarantee efficiency and flexibility	■ Explore cooperation with leading digital technology enterprises ■ Realize efficient production across power source types relying on digital platforms	Mid-term	Operational products

Impact, Risk, and Opportunity Management

Special mechanism

Formulating specialized response plans for high-level risks (e.g., specialized anti-freezing measures for equipment prior to the winter peak, and equipment inspections and fuel reserves ahead of extreme weather), and establishing a dynamic risk monitoring mechanism.

Risk identification

Conducting regular supply guarantee risk screenings, with the focus placed on equipment reliability, meteorological and hydrological forecasting, fuel supply, and policy changes.

Supply guarantee

Continuously optimizing the generation mix, and balancing the expansion of renewable energy installed capacity with the upgrade of supply guarantee capabilities of traditional coal and hydropower, to enhance the peak-shaving and reserve capacities of generating units; reviewing the effectiveness of supply guarantee efforts on the regular basis; and updating the risk list and response measures, and integrating them into the annual supply guarantee plan



Metrics and Targets

Metrics

- ☑ Maximum output in Hubei Province exceeds **10** GW
- ☑ With **14**% of the province's installed capacity, it undertakes nearly **18**% of the electricity load
- ☑ Controllable installed capacity ranks first in Hubei Province

2026

Targets

- No unplanned unit outage during critical supply guarantee periods
- No equipment outage or damage caused by coal or gas shortage

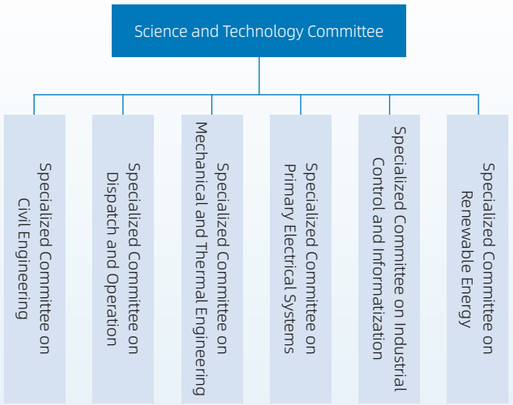
Topic III Opening a New Chapter with Innovation and Digital Intelligence

In strict compliance with laws, regulations and policy requirements such as the *Law of the People's Republic of China on Scientific and Technological Progress,* the *Outline of the National Medium- and Long-Term Program for Science and Technology Development,* the *14th Five-Year Plan for National Science and Technology Innovation,* and the *Implementation Guidelines on Advancing High-Quality Energy Development Through "Artificial Intelligence +",* the Company attaches great importance to and solidly advances scientific and technological innovation, maintaining steady growth in R&D investment and improving institutional and systemic safeguards. It is driving steady improvements in innovation efficacy, the capacity for breakthroughs in key technologies in core fields, and the commercialization rate of scientific and technological achievements, striving to achieve new breakthroughs in empowering industrial transformation, and upgrading and leading the development of emerging fields.

The Company actively advocates green technology and integrates the concept of sustainable development into technological innovation. It is committed to ensuring compliance of all technological activities with ethical standards and respecting data privacy and security. Its scientific research activities do not involve ethically sensitive areas of science and technology.

Governance

Organizational Structure



The Science and Technology Committee is established with **6** specialized committees.

Specifications

The Company has issued **5** science and technology management measures, including the *Scientific and Technological Work Management Policy,* the *Work Management Measures of the Science and Technology Committee (for Trial Implementation),* the *Scientific Research Project Management Measures,* the *Management Measures for Commercialization of Scientific and Technological Achievements (for Trial Implementation),* and the *Rules for Evaluation and Reward of Technological Innovation Results.*



Working Mechanism

Establishing a regular meeting mechanism for technological innovation

We held regular meetings to timely study and arrange key tasks, solve major problems in technological innovation, summarize and promote experience and good practices.

Improving the assessment mechanism for technological innovation

The special item "technological innovation" was added to the *Annual Performance Assessment Methods for Affiliated Enterprises,* incorporating technological innovation and digitization into performance assessments. According to the principle of "overall arrangement and classified assessment", the technological innovation assessment was included in the annual assessments of 14 subsidiaries and the performance assessment of the management teams during the term of office from 2025 to 2027, covering main business and highlighting key indicators such as R&D investment, completion rate of scientific research projects, and the "Climbing Plan" for intellectual property rights.

Setting up a leadership responsibility system for scientific research projects

Key scientific research projects were led and managed by main heads of various subordinate units, leaders in charge of science and technology and senior executives, who were responsible for promptly analyzing and solving key and difficult problems during the project implementation process.

Improving the incentive mechanism for technological innovation

We further defined the mechanism for recovering the benefits of R&D investment and the reward mechanism for scientific and technological achievements, strengthened incentives and guidance for technological innovation, and organized our second conference for rewarding science and technology innovation achievements and the 2022-2024 intellectual property. Throughout the year, we distributed RMB **1,094,000** in rewards for technological innovation.

Strategy

Development Goals

Guided by a core strategy of innovation-driven development, we will optimize the allocation of R&D funds to ensure the high-quality completion of national and provincial-level research projects. Our goals include commercialization of at least 10 achievements, deepened application of AI in core business scenarios, and accelerated development of smart stations. By refining our innovation system and enhancing incentives, we will foster a culture of company-wide innovation, thereby establishing a robust technological foundation for our high-quality growth in the upcoming "15th Five-Year Plan".

Key Fields

Aligned with our strategic vision, we will follow a unified, four-pronged approach. Grounded in on-the-ground operational needs, we will identify and develop projects with precision. Our focus will be on critical domains such as optimal reservoir operation, enhanced thermal power efficiency, and intelligent renewable energy operation & maintenance. This will drive a synergy between technological solutions and development demands, enabling a strategic shift from reactive adaptation to proactive leadership and from isolated breakthroughs to a comprehensive, systematic approach.

Development Plans

We will strengthen the overall planning and leading role of the Technology and Digital Intelligence Department, and enhance top-level design. We will incorporate scientific and technological innovation into performance appraisal, improve the value-of-results-centered evaluation system, and fully implement innovation responsibilities. Through enhanced industry-academia-research collaboration, we will partner with universities and research institutes to tackle major challenges and cultivate top-tier talent, aiming for breakthroughs in provincial-level innovation platforms. By maintaining a pragmatic, results-focused approach, we will streamline the achievement commercialization process to ensure that our technological achievements are effectively implemented and deliver tangible value.

Impact

Classification	Impact description	Stakeholder	Impact scope
Positive impact (+)	■ Advance technological upgrading in the industry and improve energy utilization efficiency ■ Promote digital transformation; improve production and management efficiency; enhance competitiveness; and drive industrial upgrading ■ Improve the intelligence level of the production process, reduce the risks of manual operations, and enhance work safety	■ Partners ■ Suppliers ■ Employees	■ Upstream of the value chain ■ Enterprise operation ■ Downstream of the value chain
Negative impact (-)	■ Exert an impact on traditional energy business models and cause changes in some job responsibilities ■ R&D and application of new technologies may face risks of intellectual property disputes.	■ Partners ■ Suppliers ■ Employees ■ Shareholders	■ Upstream of the value chain ■ Enterprise operation ■ Downstream of the value chain

Risk

Classification	Factor	Description	Responding strategy	Stakeholder	Impact cycle	Impact scope
Technical risk	Digital and intelligent transformation	■ New intelligent technologies, digitalization and artificial intelligence are accelerating the transformation of the energy industry. Failure to adapt to the pace of technological iteration will affect market competitiveness and profitability	■ Conduct more market surveys and technology trend analyses ■ Optimize the R&D direction of technologies, and accelerate technological updates and iterations	■ Shareholders ■ Customers ■ Investors	Short-to-medium term	Operational products
Operational risk	Uncertainty in input and output of technological innovation	■ The output and application of technological innovation cannot meet expectations, resulting in wastage of input resources and affecting the Company's short-term profitability.	■ Optimize the R&D process, strengthen project feasibility analysis, and establish a risk assessment mechanism ■ Integrate technological innovation achievements closely with specific industries and industrial chains	■ Shareholders ■ The Management ■ Employees	Short-to-medium term	Operational products

Opportunity

Classification	Factor	Description	Responding strategy	Impact cycle	Impact scope
Policy opportunity	Policy support for technological innovation	■ The strong support of the country for technological innovation is conducive to obtaining more policy funding support and enhancing the Company's scientific research capabilities.	■ Actively apply for national and local science and technology projects, and strive to obtain policy support	Medium-to-long term	Operational assets
Talent opportunities	Talent introduction and cultivation	■ The emphasis on technology talents can enhance the Company's innovation capability and strengthen its technological reserves.	■ Strengthen the cultivation of technology talents, optimize incentive mechanisms, and attract high-level talents	Medium-to-long term	Operation
	Foreign cooperation	■ Cooperation with universities and research institutions can enhance the Company's technological strength and accelerate the transformation of achievements.	■ Promote industry-university-research cooperation, participate in the establishment of innovation alliances, and share resources and technologies	Medium-to-long term	Operation



Impact, Risk, and Opportunity Management

Improving Digital and Intelligent Infrastructure

Data center

We built a next-generation data center leveraging the Dongyue Temple Data Center, and completed the development and launch of the cloud platform, big data platform, and Internet of Things (IoT) platform to achieve unified development and shared use of self-controlled network and information infrastructure.

Video surveillance

We upgraded and transformed our integrated video surveillance platform to cover key production sites, construction project sites, and main office areas.

Integrated platform

We built a company-wide integrated platform for production and operation management, integrating the production management systems of various production units to address the lack of digital applications in key business areas.

Digital systems

We launched and conducted trial operations for the financial sharing system, the centralized coal procurement information system, the auxiliary decision-making system for power trading, and the digital system for engineering construction, enhancing the digital support capabilities for production, construction, operation, and management.

Enhancing the Development of Big Data System

We built an enterprise-level big data platform and deployed and conducted trial operations of the big data platform on our cloud platform. We continuously promoted the real-time access of production data, achieving an access rate of **98**%. Meanwhile, we systematically initiated the construction of a reliability management system based on real-time data and collected reliability information for our hydropower, thermal power, and renewable energy power stations. We established an integrated data asset catalog to aggregate measurement metadata and structured metadata. In addition, we continuously advanced data governance, conducted data resource inventories, and sustained regular data quality management.

Case

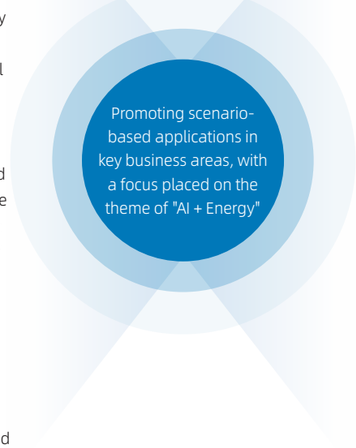
Deepening "AI+" Intelligent Business Application

Hydropower

Qingjiang Company developed digital applications such as a smart dispatch assistant for hydropower regulation and operation, a 3D visualization platform for dam safety management, and a unit condition monitoring system, achieving digital and intelligent empowerment of hydropower production and operation. The digital twin control room for hydropower regulation and operation and related models for the smart brain will be connected to the CTG AI capability base by the end of the year.

Renewable energy

Huangshi Yunshan Wind Farm utilized robots for intelligent patrol inspections in the booster station and conducted research on wind power prediction models.



Thermal power

Using artificial intelligence video surveillance and recognition technology, Ezhou Power Generation Company built an intelligent patrol platform, deploying 33 types of algorithms and applying 29 types in actual scenarios. Yicheng Power Generation Company piloted 7 types of AI vision algorithms and applied 2 types, achieving intelligent monitoring and alerting for work safety of thermal power.

New forms of energy business

Hubei Integrated Energy Company analyzed optimal operation models for hybrid microgrid energy storage in the construction of low-carbon (zero-carbon) parks and proposed a hybrid integer programming solution based on an improved artificial bee colony (IABC) algorithm.

Metrics and Targets

2025 Targets and Achievements

Technology innovation metrics and targets in 2025	Achievements
To achieve R&D investment intensity for trading revenue of no less than **0.3**% To achieve R&D investment intensity for other operating revenue of no less than **3.07**%	R&D investment intensity for trading revenue: **0.84**% R&D investment intensity for other operating revenue: **3.54**%
To ensure **100**% completion rate of provincial/municipal and Group-level annual scientific research tasks	Completion rate of scientific research tasks: **100**%
To realize the commercialization of no less than **2** new scientific and technological achievements To earn no less than RMB **10,000** in terms of revenue from commercialized scientific and technological achievements	Newly added commercialized scientific and technological achievements: **16** Income from commercialization of scientific and technological achievements: RMB **48,840**
To achieve the metrics and targets of the 2025 "Climbing Plan" for intellectual property rights	The Company's cumulative achievements: Patents granted: **177** (completion rate: **186.31**%) Invention patents granted: **52** (completion rate: **108.3**%) Patent applications: **357** (completion rate: **152.22**%) Invention patent applications: **188** (completion rate: **163.48**%) International PCT applications: **2** (completion rate: **200**%) The filing of **4** national patent-intensive products completed
To undertake and participate in no less than **1** national-level scientific research project	For the first time, we undertook (participated in) **1** National Science and Technology Major Project and **1** National Natural Science Foundation Project respectively, and undertook **4** provincial/ministerial level scientific research projects

Case 1

2025 Hubei Provincial Major Science and Technology Project: "Key Technology Verification Project of Water-Wind-Solar-Storage Control System"

The project was led by China Three Gorges Corporation ("CTG") and co-applied by 7 entities including HBEG. On June 25, 2025, the Department of Science and Technology of Hubei Province and CTG signed the *Task Book for Hubei Provincial Science and Technology Plan Project*. The project is divided into 6 sub-projects covering five aspects: dynamic modeling of co-evolution, virtualization of monitoring and control systems, multi-modal scenario generation, enhanced security engine, platform development and demonstration application. HBEG undertakes subproject No. 6 "Demonstration Application of the Panoramic Dynamic Verification Platform for Large-Scale Water-Wind-Solar-Storage Control Systems" and takes charge of the overall research efforts.





Case 2

2026 National Science and Technology Major Project for Smart Grid: "Ultra-Long-Distance Interconnection, Regulation and Transmission Technology for Remote Renewable Energy Bases"

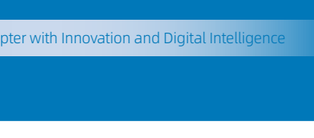
The project was led by State Grid Hubei Electric Power Co., Ltd. In this project, HBEG participates in the research and implementation of subproject No. 5 "Demonstration of Interconnected Power Grid Engineering with High-Proportion Renewable Energy Regulation Capacity", focusing on undertaking tasks related to renewable energy stations and energy storage, applying key technologies and core equipment developed in subprojects No. 1-4, deploying energy storage cluster control systems, and building interconnected power grid demonstration projects.

Case 3

Fully Supporting Huairou Laboratory and Undertaking Key R&D Tasks of National Major Projects on Renewable Energy Regulation

The Company signed a *Dual-Employment Agreement* with the Renewable Energy Research Center of Huairou Laboratory, and assigned 1 full-time researcher to work at the center, taking the lead in the development of two core platforms. The Company initiated and implemented the project "Micrometeorology-Driven High-Precision PV Power Forecasting", applying the latest research results to pilot stations and achieving a closed loop of research and application. Qingjiang Company actively responded to scientific research needs, fully supported the major projects of Huairou Laboratory, and provided high-quality data support for hydropower stations. Hubei Renewables Company took the initiative to provide verification scenarios and assisted Huairou Laboratory in carrying out the verification of photovoltaic power prediction algorithms.

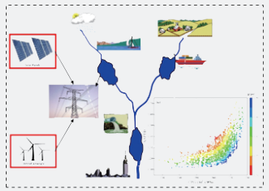
Key Technologies for Renewable Energy Regulation:
Micro-Regional Meteorological and Hydrological Elements, and Real-Time Control System for Core Equipment of Wind, Solar and Hydropower Station Clusters



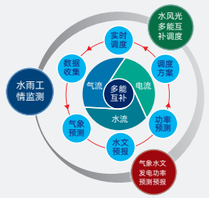
Key technology for high-precision prediction of renewable energy in micro-regions



Key technology for intelligent dispatching of renewable energy station clusters



Key technology for reliable equipment control



Integrated general industrial software for renewable energy regulation

Medium and Long-Term Goals

2026 targets

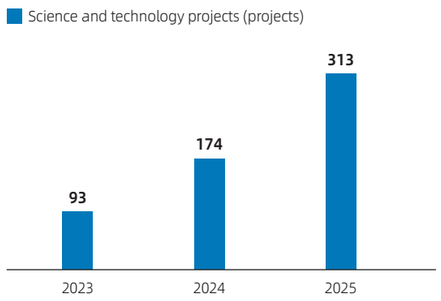
- ☑ To undertake no less than **2** new provincial/municipal-level scientific research projects
- ☑ To ensure **100**% completion rate of provincial/municipal and Group-level annual scientific research tasks
- ☑ To commercialize no less than **10** new scientific and technological achievements, and earn no less than RMB **50,000** from such commercialization
- ☑ To apply for no less than **2** provincial-level scientific and technological innovation platforms and **2** company-level scientific and technological innovation platforms respectively

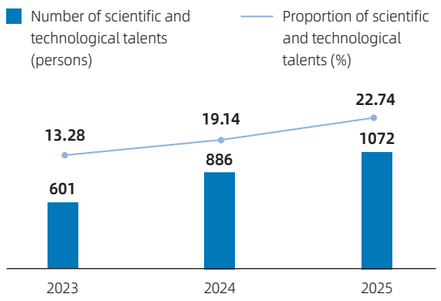
2030 targets

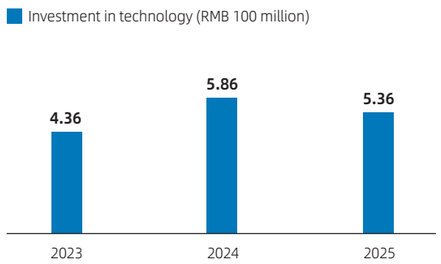
- ☑ To maintain the Company's technology R&D investment intensity at above **3**% and reach the leading level among enterprises of the same type
- ☑ To establish **1-2** high-level innovation platforms at or above the provincial/municipal level, implement **2-3** demonstration projects with industry influence, and attain breakthroughs in and master a batch of forward-looking technological achievements that support industrial upgrading
- ☑ To fully establish a technological innovation system characterized by "intelligence, greening, and digitalization", enhance the full-chain technical support capabilities covering hydropower, thermal power, renewable energy, pumped storage and other businesses, and ensure the mature operation of the deep integration mechanism of industry, academia, research and application

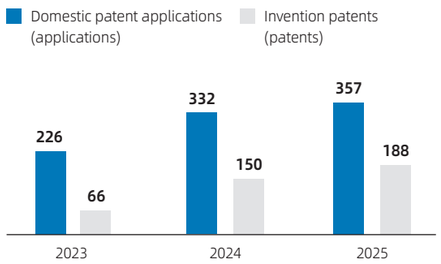
Technological Performance and Innovation Achievements

Technological performance data

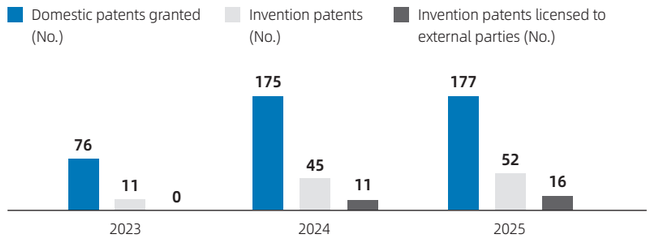








In 2025, the number of IP applications and grants reached **a historic high**



5 technological achievement awards at the provincial, ministerial, and national industry association levels

Award name	Awarding institution	Award time	Award level
Key Technologies for Optimal Regulation and Control of Collaborative Power Generation of Generator Units Operated by Giant Hydropower Stations in the Upper Reaches of the Yangtze River	Science and Technology Progress Award	People's Government of Hubei Province	2025.1	**Second Prize**
Key Technologies for Seepage and Control of Jiangpinghe Extra-High Concrete Face Rockfill Dam	Hydropower Science and Technology Progress Award	Hydropower Engineering Society	2025.1	**First Prize**
Intelligent Diagnosis of Oil and Gas Pipeline Network Facilities and Key Technologies and Applications for Safety Early Warning	Technology Invention Award	China National Association for Automation in Petroleum and Chemical Industry	2025.1	**Second Prize**
High-Precision Intelligent Simulation of Wind Farms and Key Technologies and Applications for Intelligent Operation and Maintenance	Electric Power Science and Technology Progress Award	Chinese Society for Electrical Engineering	2025.1	**Third Prize**
Safety and Accurate Monitoring of Ultra-High Face Rockfill Dams and Key Technologies for Efficient Operation and Maintenance of Hydropower Plants	Changjiang Science and Technology Award	Changjiang Technology and Economy Society	2025.1	**Second Prize**



01

Deepening the Ecological Foundation

Painting a Low-Carbon Landscape

Contribution to the U.N. Sustainable Development Goals (SDGs)



Upholding the core concept of prioritizing the natural ecosystem and green development, we integrate the "carbon peaking and carbon neutrality" strategy deeply into the overall business development of the enterprise. With ecosystem protection as our baseline and a clean, low-carbon transition as our core mission, we actively advance energy restructuring, resource circulation, and climate resilience to forge an energy future where humanity and nature coexist in harmony.

1.1 Environmental Management

We proactively align our corporate development with the Beautiful China initiative. Fully, accurately and comprehensively implementing the new development philosophy, we strictly abide by the *Environmental Protection Law of the People's Republic of China* and relevant laws and regulations on environmental management, and promote the normalization and long-term effectiveness of ecological and environmental protection. By fortifying our defenses against environmental risks, we lay a solid groundwork for sustainable development, ensuring that economic growth goes hand in hand with ecological well-being.

Environmental Management System

We have built an eco-environment management system with mutual support and coordination among ISO14001 Environmental Management System, environmental management mechanism, comprehensive risk management and internal control system and environmental emergency management system. We have also established a leading group for ecological and environmental protection to lead and coordinate our efforts in ecological and environmental protection. In addition, we strictly implemented the responsibility system for ecological and environmental protection, and integrated ecological and environmental protection and management into the entire life cycle and all aspects of business activities.



GB/T 24001-2016/ISO14001 Environmental Management System Certificate ▶

Environmental Monitoring

We have established a comprehensive intelligent data management platform for real-time monitoring of air pollution emissions from thermal power plants and ecological flow of hydropower plants. Four thermal power enterprises installed the Continuous Emission Monitoring System (CEMS). With CEMS, the real-time data on atmospheric pollutant emissions were transmitted online to automatic monitoring and management systems for local pollution source, and environmental information was made public as required and subject to public supervision. We fully ensure environmental flows to meet the water demands downstream. Except for Sanliping and Dongping Hydropower Stations, where water level gauges are installed due to the overlap between tail water and downstream power plant reservoirs, all other hydropower stations have installed ecological flow monitoring and control facilities to realize online monitoring and control.

Legitimacy and Compliance in the Environmental Field

We have formulated the *Management Measures for Environmental Compliance Assessment*. Under this framework, we regularly update our *List of Applicable Laws, Regulations and Normative Documents for Ecological and Environmental Protection,* conduct item-by-item inspections, and generate an annual compliance assessment report.

We strictly adhere to the Environmental Impact Assessment (EIA) regulations and secure all necessary approvals before breaking ground. We maintain a strict policy against commencing any construction without prior approval.

Environmental Risk Prevention and Control

We have incorporated environmental risks into our comprehensive risk management system, and adopted the PDCA management method to identify risks, develop plans, implement measures and make continuous improvements. We identify key environmental risk factors based on regulatory compliance, pollutant generation and impact, as well as energy and resource consumption, and formulate tailored risk management strategies for each.



Risk assessment and prevention of environmental incidents

We identify environmental factors across our production and operational activities, compile a register of significant environmental factors, and conduct thorough evaluations to establish corresponding goals, targets, and management plans. In 2025, we formulated 50 environmental protection plans and implemented monthly tracking inspections, dynamic analyses and closed-loop control.

Overview of the emergency plan for emergent environmental incidents

We have formulated the *Emergency Plan for Emergent Environmental Incidents*. We conduct environmental risk identification, assessment, and prevention, while regularly organizing training and emergency drills to enhance our response and management capabilities, thereby building a robust defense mechanism for environmental safety.

2025

Investment in ecological and environmental protection
RMB **392.5384** million

Payment of environmental protection tax
RMB **17.8397** million

Environmental Protection Training

We organized training on the emergency plan for emergent environmental incidents of HBEG. We also participated in the specialized training on ecological and environmental protection management organized by CTG. The sessions covered the identification, evaluation, and control of environmental factors, case studies on typical issues in technical supervision, operational training for the technical supervision module of the Environmental Information Management System, as well as the key content and relevant requirements from the Central Ecological and Environmental Protection Inspection.

Research and Application of Environmental Protection Technologies

Xiangyang Yicheng Power Generation Company has successfully commissioned a continuous carbon emission monitoring system. Leveraging direct flue gas measurement technology, this system establishes an online monitoring network across all major plant units. It enables minute-level continuous data collection and real-time analysis of CO_2 concentration and flow, ensuring "real-time monitoring, accurate accounting, and dynamic management" of carbon emissions. This marks a pivotal step forward in the digital management of carbon assets.

Environmental Management Targets and Achievements

2025

- Approval rate for the environmental impact assessment of construction projects: **100**%
- All atmospheric pollutant emissions from thermal power meet the emission permit requirements
- The ecological flow discharge of hydropower operations meet the environmental requirements
- Zero incidents of environmental violations or criminal offenses
- Zero major administrative penalties or criminal prosecutions related to pollutant emissions
- Zero environmental accountability incidents
- Zero environmental emergency incidents

1.2 Combating Climate Change

We are fully committed to the national "carbon peaking and carbon neutrality" strategy and strictly adhere to international frameworks such as the *United Nations Framework Convention on Climate Change* (UNFCCC) and the *Paris Convention.* Aligned with the climate-related disclosure requirements of the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (for Trial Implementation)* and *Self-Regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange - Preparation of Sustainability Reports,* we have established a comprehensive climate response system to proactively address the opportunities and challenges posed by climate change.

Governance

Board of Directors

Approve the Company's strategies and goals for combating climate change, and supervise the implementation of measures related to tackling climate change in the Company's development plan

Strategy Committee

Assist the Board of Directors in top-level design of strategic planning related to climate change, and assist the Board of Directors in supervising, assessing and addressing policies, measures and performance goals related to sustainable development, including climate change

Management Level

Integrate climate change related policies into the daily operations of the Company, evaluate, manage and supervise the implementation of climate change agenda, and promote the implementation of decision-making matters

Each Department

Identify, plan and implement specific implementation plans for addressing climate change risks, set relevant indicators and goals, and submit them to the Company's decision-makers for approval

Strategy

Analysis of Climate Change Adaptability

The potential impacts and risks of climate change on the Company's business primarily include transition risks associated with the shift to a low-carbon economy, as well as physical risks arising from climate impacts. Taking into account factors such as the socio-economic environment, business operations, and geographical locations, the Company has conducted a climate change adaptation analysis. This analysis evaluates the business under two distinct climate scenario assumptions: a low-emission scenario (based on RCP2.6 from the IPCC Sixth Assessment Report) and a high-emission scenario (RCP8.5[3]).

Main factor	Specific factor	Low-emission scenario (RCP2.6)	High-emission scenario (RCP8.5)
Physical factor	Average temperature	By 2100, the global average temperature will rise by 1.4° C (1.0° C-1.8° C).	By 2100, the global average temperature will rise by 4.4° C (3.3° C-5.7° C).
	Sea-level rise	By 2100, the global average sea level will rise by 0.28 to 0.55 m.	By 2100, the global average sea level will rise by 0.63 to 1.01 m.
	Precipitation	The change in precipitation patterns is relatively small, with some areas experiencing an increase in precipitation and some areas experiencing a decrease.	The precipitation pattern undergoes significant changes, with most regions around the world affected by droughts and floods, and the risk of droughts and floods increase significantly.
	Extreme weather	The frequency and intensity of extreme weather events increase, but the magnitude is relatively small and the impact is relatively controllable.	The frequency and intensity of extreme weather events increase significantly, with more severe impacts.
Transformation factor	Climate-related policy	Stringent emission reduction policies are implemented globally, with the majority of countries and regions actively setting and advancing carbon neutrality initiatives.	Some countries and regions fail to strictly implement carbon neutrality plans, and the implementation of international climate conventions encounter significant obstacles.
	Domestic energy structure	The energy structure undergoes the low-carbon transformation, with a significant increase in the proportion of renewable energy such as wind and solar power, which will have an impact on the traditional thermal power industry.	The energy structure is still dominated by fossil fuels, and the proportion of domestic non-fossil fuels in primary energy consumption remains the same as the current level.
	Domestic greenhouse gas emission	By 2030, the carbon dioxide emissions per unit of GDP will decrease by more than 65% compared with that in 2005, achieving the goal of peaking carbon emissions.	From 2030 onwards, domestic greenhouse gas emissions will continue to rise.
	Domestic carbon trading price	The carbon trading price will rise to several times the current price.	The carbon trading price will remain basically the same as the current price.
	Low-carbon technologies	The demand for low-carbon technologies increases.	The demand for low-carbon technologies slows down.

Note: [3] Please refer to the sixth climate assessment report - Climate Change 2023 issued by the Intergovernmental Panel on Climate Change (IPCC) of the United Nations. RCP8.5 indicates that by the end of this century, global carbon dioxide concentrations will be 3-4 times higher than that during the Industrial Revolution. RCP2.6 indicates that countries around the world are working together to actively address climate change, and that by the end of this century, carbon emissions will be negative.

Identification of Climate Risks

We proactively identify climate risks, evaluating their impact intensity and time horizon on corporate assets. Physical risks are assessed on a five-point scale (including Low, Medium Low, Medium, Medium High, High), while transition risks are rated on a three-point scale (including Low, Medium, High). Furthermore, we identify climate-related opportunities based on specific scenarios.

List of physical risks related to climate change

Risk category	Risk dimension	Risk name	Financial impact	Climate scenario	Impact cycle	Asset impact intensity	Responding strategy
Climatic disaster	Asset-side and operation-side	Drought	■ Result in a decrease in water inflow and a decrease in hydropower revenue; affect the daily water consumption of thermal power generation, reduce operational efficiency, and thus lower the revenue of thermal power plants	RCP2.6	Short-term	Medium low	■ Timely pay attention to the drought in the river basin where the hydropower station is located; develop emergency plans to maintain the safety storage of the reservoir; strengthen collaboration with hydrological and meteorological agencies as well as engineering construction contractors to optimize reservoir scheduling and maximize power generation through water conservation; develop new technologies to reduce water consumption of thermal power plants and improve water resource utilization efficiency
				RCP8.5	Long-term	Medium	
Climate change	Asset-side and operation-side	Drought	■ Lead to the suspension of investment projects in hydropower, pumped storage and thermal power plants or decline in their returns	RCP2.6	Short-term	Low	■ Conduct a thorough investigation of water resources before investments made in a project; avoid areas with water scarcity as much as possible at the time of selection of a project site; adopt water-saving measures; and promote the recycling of water resources
				RCP8.5	Long-term	Medium low	
Climatic disaster	Asset-side and operation-side	Heat wave	■ Reduce operational efficiency, and increase operational and labor costs	RCP2.6	Short-term	Medium	■ Pay attention to meteorological orange and red warnings; formulate effective heatstroke prevention and cooling measures; and carry out emergency control from multiple aspects and dimensions such as adjusting working hours, preparing emergency supplies, and personnel protection
				RCP8.5	Long-term	Medium	
Climatic disaster	Asset-side and operation-side	Flood	■ Affect the construction project schedule and facility safety; affect coal transportation in thermal power plants, and thereby reduce revenue of power generation; and cause spilled water and affect the power generation of hydropower stations	RCP2.6	Short-term	Medium	■ Strengthen the science-based operation of reservoirs for flood control, reasonably set the target of water-level drawdown before the flood season, and coordinate the project construction period; for individual flood events, pre-release water to lower the reservoir level based on forecasts, maximizing the utilization of rain and flood resources.
				RCP8.5	Long-term	Medium	
Climatic disaster	Asset-side and operation-side	Flood	■ Affect the construction project schedule and facility safety; result in policy impacts on power generation and production scheduling; lead to an overload of thermal power generation capacity	RCP2.6	Short-term	Low	■ Enhance safety risk controls by conducting targeted inspections for climate-related hazards; institutionalize the assessment and mitigation of risks; and regularly carry out emergency training, early warning dissemination, and drills for natural disasters.
				RCP8.5	Long-term	Medium low	

List of transformation risks and opportunities related to climate change

Category of risks or opportunities	Dimension	Designation	Financial impact	Impact cycle	Impact intensity	Responding strategy
Risk and opportunity related to policies and laws	Operation-side	Climate policy	■ The country puts forward higher requirements for greenhouse gas emissions from enterprises, which will increase management costs ■ Government regulatory authorities are actively promoting the formulation of various policies and regulations to address climate change	Medium- and long term	Low	■ Pay attention to the update of policies related to climate change and market changes in the energy industry, adjust strategic planning in a timely manner, and accelerate the layout of clean thermal power
Risk and opportunity related to policies and laws	Operation-side	Rise in carbon market prices and tightening of carbon quotas	■ Increase the operating costs of thermal power; increase the revenue of carbon trading business	Medium- and long term	Low	■ Continuously strengthen the green power development and green certificate trading, promote energy conservation and consumption reduction, and reduce carbon emissions ■ Actively participate in the carbon trading market; accelerate the development and reserve of carbon emission reduction projects; employ various measures to lower compliance costs; and ensure effective fulfillment of carbon market obligations ■ Deepen strategic cooperation and capital operation, and expand carbon trading business
Risk and opportunity related to policies and laws	Operation-side	Increased requirements for information disclosure	■ The regulatory and mandatory disclosure of climate-related financial information may result in poor quality information due to a lack of historical data	Short-term	Medium	■ Incorporate climate risks into ESG management, disclose relevant data in a timely manner, and strengthen the Company's ESG digitalization and management
Market risk and opportunity	Asset-side and operation-side	Rising financing threshold brought by green finance	■ Increase the financing costs of thermal power enterprises; reduce the financing costs of green and low-carbon industries	Medium- and long term	Low	■ Strengthen the management of controllable costs and enhance the ability for the continuous development of business; strengthen the layout of clean energy and increase the proportion of clean energy; consolidate and expand new businesses such as virtual power plants, new type of energy storage, integrated smart energy, and zero-carbon industrial parks
Market risk and opportunity	Operation-side	Rise in the prices of coal and natural gas	■ The supply of high-quality coal and natural gas is tight, with high and volatile prices, resulting in an increase in product costs.	Medium- and long term	Medium	■ Continuously strengthen market analyses and assessments, maintain communication and coordination with relevant regulatory authorities and upstream suppliers, and timely grasp and actively respond to market changes; strengthen the research on policies related to coal price and electricity price linkage, natural gas price and electricity price linkage, etc., and optimize production and operation strategies in a targeted manner; strengthen the signing and performance of medium and long-term contracts, lock in gains, and reduce risks

Category of risks or opportunities	Dimension	Designation	Financial impact	Impact cycle	Impact intensity	Responding strategy
Market risk and opportunity	Operation-side and product-side	Risk of market-based trading of electricity quantity and electricity prices	■ The water inflow for hydropower generation and coal prices are difficult to predict due to climate change and policy impacts. So there is a downward risk in market-based electricity prices, which affects returns	Medium- and long term	Medium	■ Strengthen communication and coordination with energy authorities, power grid companies, and market entities; enhance market research and policy analysis, and formulate marketing strategies in a science-based way; strengthen the development and application of auxiliary decision-making software for electricity trading; strive to acquire and maintain high-quality customers, and ensure stable electricity quantity and electricity prices
Technical risk and opportunity	Operation-side and product-side	Changes in low-carbon renewable energy technologies and market demands	■ The proportion of renewable energy applications gradually increases, coal consumption decreases, and operating revenue drops off ■ There is a need to keep up with the development of new technologies, continuously invest in technological reserves, and increase technological costs. The transition to lower-emission products, technologies and services requires additional costs	Medium- and long term	Medium	■ Promote R&D and innovation in energy conservation and consumption reduction technologies, and strengthen the deployment of integrated energy utilization projects; ■ Intensify the research of innovative technologies and strengthen the strategic deployment in the energy industry
Reputation risk and opportunity	Operation-side	Requirements of stakeholders	■ If there are behaviors that are detrimental to the environment and climate change or relatively outdated response measures, it may affect the Company's reputation, cause loss of investors and customers, and ultimately affect the Company's performance	Long-term	Low	■ Actively engage with stakeholders on climate action and ESG initiatives, enhance information disclosure, and safeguard a strong corporate reputation



Impact, Risk, and Opportunity Management

We incorporate climate risks into the Company's comprehensive risk management system. We conduct a full assessment of the potential financial impacts arising from relevant risks and opportunities, formulate response measures, and steadily strengthen our capacity to address climate change. We effectively mitigate the adverse impacts of climate change by optimizing the energy structure, enhancing infrastructure resilience, and advancing the R&D of clean technologies. Meanwhile, we actively seize the opportunities presented by climate action by vigorously developing renewable energy, driving green technological innovation, and fostering green finance cooperation, to contribute to the national carbon peaking and carbon neutrality goals.

Environmental Rights Trading

In the 2024 national carbon market allowance trading

An overall revenue increase of the Company
RMB **5.5793** million

Enhanced development of green certificates and green electricity

Green electricity traded
265 GWh

Green certificates issued throughout the year
5.5652 million

Completion of the allowance surrender for the 2024 Compliance Year (in the 3rd Compliance Period) of the national carbon market by affiliated thermal power enterprises

100% compliance for 2024



Green and Low-Carbon Action

Green building renovation

We have implemented rooftop photovoltaic renovation for office buildings and equipment/facility buildings of Ezhou Power Plant and Yicheng Power Plant to optimize the power consumption rate of production plants.

Environmental public welfare

The Company actively engages in environmental initiatives, promoting green lifestyles and low-carbon values to foster a strong sense of environmental awareness and social responsibility among our employees. In 2025, we organized nearly 20 volunteer activities, marking key occasions such as Arbor Day (March 12) and World Water Day (March 22).

Case

Employees from Ezhou Power Generation Company, Hubei Natural Gas Company, Hubei Coal Investment Company, and the Hubei Renewables Company joined forces to plant over 900 trees and flowers (representing 10+ species) and cleared more than 10 km of riverbanks. Through these efforts, they acted as environmental pioneers–enhancing both the Company's operational environment and the surrounding communities, while working together to protect our green homeland.

Green office

Office electricity consumption

The Company's headquarters at the Energy Building has successfully transitioned to 100% green electricity for all external office power needs. To further enhance efficiency, we upgraded traditional lighting to energy-saving LEDs and introduced an intelligent lighting system in public areas. By precisely scheduling the operation of electrical equipment, we have achieved refined control and highly efficient power utilization.

Office water consumption

We have established a daily water meter reading recording and data analysis mechanism to timely investigate abnormal water consumption and take countermeasures, effectively improving water resource utilization efficiency.

Waste disposal

We strictly adhere to detailed waste sorting requirements for both household and kitchen waste. All waste is handed over to fully qualified professional vendors for compliant collection and proper disposal.

Green and low-carbon enterprise certification

Two projects constructed and operated by our affiliated Hubei Integrated Energy Company–the "Source-Grid-Load-Storage" low-carbon park at Wuhan Asia-Europe Logistics Park, and the low-carbon transition demonstration project at CICT's FiberHome Tech Park–were both recognized as typical energy-saving and carbon-reduction cases in Wuhan. Notably, the Han-Ou International Logistics Park Project was selected as one of the "2025 Typical Cases of Zero-Carbon Park Comprehensive Energy Projects" by the China Electricity Council, ranking among the 16 national benchmark projects.



Metrics and Targets

2025 Target Achievement

- In 2025, the Company's clean energy power generation reached 19.511 TWh, an increase of 11.49%. It was equivalent to reducing emissions of 16.0576 million tons of carbon dioxide, 1,502.35 tons of sulfur dioxide, and 2,438.88 tons of nitrogen oxides4.
- In 2025, carbon dioxide emissions were 19.0759 million tons[5], lower than 21.7670 million tons in 2024.
- Carbon dioxide emissions from thermal power plants

Unit: 10,000 tons

Scope 1 emissions	2023	1662.16
	2024	2176.70
	2025	1905.99
Scope 2 emissions	2023	3.43
	2024	1.74
	2025	1.60
Greenhouse gas emissions	2023	1665.59
	2024	2178.88
	2025	1907.59

Goals of Climate Action

The Company aims to increase its holding installed capacity of renewable energy to over 11.4 GW by 2030, accounting for 38% of the total. Meanwhile, affiliated thermal power enterprises will complete the 2026 allowance surrender and further expand into carbon-related trading–including green certificates and green power–as well as carbon footprint management.

Note: [4] According to the *Annual Development Report on China's Electric Power Industry 2025* by China Electricity Council, the national carbon dioxide emissions per unit of thermal power generation is 823 g/kWh, and the national emission intensities of soot, sulfur dioxide, and nitrogen oxides per unit of thermal power generation are 13 mg/kWh, 77 mg/kWh, and 125 mg/kWh respectively.

[5] In accordance with the *Guidelines for the Accounting and Reporting of Greenhouse Gas Emissions from Power Generation Facilities* issued by the Ministry of Ecology and Environment, the verification of 2025 carbon emissions is scheduled to be completed by June 2026.

1.3

Pollutant Emissions and Waste Disposal

Waste Gas Treatment

We strictly comply with laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*. Our Ezhou Power Plant, Yicheng Power Plant, Donghu Gas Turbine Power Plant, and Chuxing Power Plant are all equipped with Continuous Emission Monitoring Systems (CEMS). Meanwhile, the Jiangling Power Plant, currently under construction, is being built with synchronized denitrification, dust removal, and desulfurization facilities. All flue gas pollutant emissions from our thermal power units fully meet the ultra-low emission standards. In 2025, the operational rate of dust removal and desulfurization facilities maintained 100%. There were no incidents of significant impact on surrounding communities caused by waste gas emissions.

Pollutant Discharge Information

Flue gas pollutant emissions from the Company's thermal power units

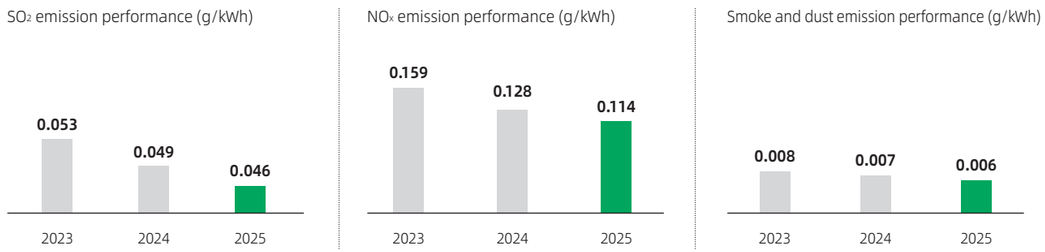
Designation	Type of major pollutants and characteristic pollutants	Name of major pollutants and characteristic pollutants	Mode of discharge	Pollutant emission standards implemented	Excessive emission status
Ezhou Power Plant	Atmospheric pollutants	Sulfur dioxide, nitrogen oxides, smoke and dust	Flue gas is discharged into the atmosphere through chimneys after treatment by dust removal, denitration, and desulfurization facilities	Ultra-low emission standards	In 2025, all pollutant emissions met the requirements of the pollutant discharge permit
Yicheng Power Plant	Atmospheric pollutants	Sulfur dioxide, nitrogen oxides, smoke and dust	Flue gas is discharged into the atmosphere through chimneys after treatment by dust removal, denitration, and desulfurization facilities	Ultra-low emission standards	In 2025, all pollutant emissions met the requirements of the pollutant discharge permit
Chuxing Power Plant	Atmospheric pollutants	Sulfur dioxide, nitrogen oxides, smoke and dust	Flue gas is discharged into the atmosphere through chimneys after treatment by dust removal, denitration, and desulfurization facilities	Ultra-low emission standards	In 2025, all pollutant emissions met the requirements of the pollutant discharge permit
Donghu Gas Turbine Power Plant	Atmospheric pollutants	Sulfur dioxide, nitrogen oxides, smoke and dust	Low-nitrogen combustion method, discharged into the atmosphere through chimney	Special emission limits for gas turbine units stipulated in the *Emission Standard of Air Pollutants for Thermal Power Plants* (GB13223-2011)	In 2025, all pollutant emissions met the requirements of the pollutant discharge permit

2023-2025 emissions of waste gas pollutants

Unit: ton

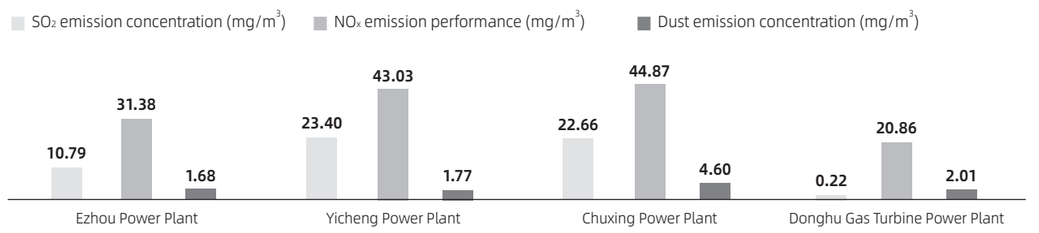
SO_2 emissions	2023	1045.94
	2024	1315.10
	2025	1074.22
NO_x emissions	2023	3175.62
	2024	3382.05
	2025	2632.63
Smoke and dust emissions	2023	167.92
	2024	187.07
	2025	149.26

2023-2025 emission intensity of waste gas pollutants



Pollutants Emission Intensity

2025 emission concentrations of waste gas pollutants by plant[6]



Note: [6] Ezhou Power Plant, Yicheng Power Plant and Chuxing Power Plant implemented ultra-low emission standards, with emission concentrations of smoke and dust, sulfur dioxide and nitrogen oxides not exceeding 10 mg/m³, 35 mg/m³ and 50 mg/m³, respectively. Donghu Gas Turbine Power Plant adopted the special emission limits of the *Emission Standard of Air Pollutants for Thermal Power Plants* (GB13223-2011), with emission concentrations of dust, sulfur dioxide and nitrogen oxides not exceeding 5 mg/m³, 35 mg/m³ and 50 mg/m³, respectively.

Wastewater Treatment

We strictly comply with laws and regulations such as the *Water Pollution Prevention and Control Law of the People's Republic of China*. Upholding the concept of green and low-carbon development, we fully implement our primary responsibility for water pollution prevention and control. We implement targeted water pollution prevention and control measures tailored to the types, processes, and operational characteristics of each power plant. There were no incidents of significant impact on surrounding communities caused by wastewater discharge.

- Ezhou Power Plant, Yicheng Power Plant, and Chuxing Power Plant (namely, three coal-fired facilities) have established comprehensive water treatment systems in strict compliance with the requirements of "rain-sewage diversion and clean-contaminated water separation". These include domestic sewage treatment systems, industrial wastewater treatment stations, coal-laden wastewater treatment stations, and desulfurization wastewater treatment systems. By implementing classified treatment for various types of industrial wastewater and domestic sewage, we ensure effective water reuse.
- The Jiangling Power Plant, currently under construction, is designed based on the principles of "rain-sewage diversion, clean-contaminated water separation, classified treatment, and recycling", achieving a zero liquid discharge (ZLD) target.
- Treated wastewater from Donghu Gas Turbine Power Plant is transferred to the Tangxunhu Wastewater Treatment Plant, with no direct discharge into the external environment. Following the update of its pollutant discharge permit in 2025, the Chemical Oxygen Demand (COD) and ammonia nitrogen discharge concentrations comply with the plant's reception standards. Monitoring results confirm that these levels remain significantly below the regulatory limits.

Wastewater discharge from Donghu Gas Turbine Power Plant

		2023	2024	2025
Wastewater discharge (10,000 tons)		17.28	33.55	29.73
Wastewater discharge intensity (kg/kWh)		0.22	0.34	0.23
Wastewater pollutant discharge volume	Ammonia nitrogen discharge (tons)	0.36	0.65	0.93
	COD discharge (tons)	4.12	8.07	13.65
Wastewater pollutant discharge concentration	Actual discharge concentration of ammonia nitrogen (mg/L)	2.30	1.93	3.13
	Permitted discharge concentration limit of ammonia nitrogen (mg/L)	45	45	30
	Actual discharge concentration of COD (mg/L)	23.30	24.06	45.92
	Permitted discharge concentration limit of COD	500	500	400

Remarks: At Donghu Gas Turbine Power Plant, wastewater flow is continuously monitored online using flow meters, while wastewater quality undergoes manual testing once a month. Monthly emissions of COD and ammonia nitrogen are calculated by multiplying the concentration from the monthly manual test by the corresponding online flow data.

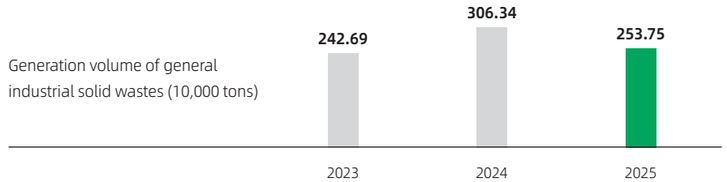
Solid Waste

We strictly comply with laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution by Solid Wastes*, and proactively promote the resource utilization of various solid wastes. Our affiliated thermal power enterprises adhere to the principles of "reduction, resource recovery, and harmless disposal". We rigorously implement measures for the classified collection, disposal, and comprehensive utilization of solid wastes, ensuring full compliance with industrial solid waste management requirements. There were no incidents of significant impact on surrounding communities caused by solid waste discharge.

Disposal of General Solid Wastes

In accordance with the requirements of laws and regulations, we have classified, collected, stored and transferred industrial wastes for disposal. Our affiliated thermal power plants have strengthened the comprehensive utilization of major solid wastes. Besides, we have established emergency storage equipment and facilities for temporary stacking and storage of by-products during the off-season to avoid environmental pollution.

2023-2025 disposal of general solid wastes

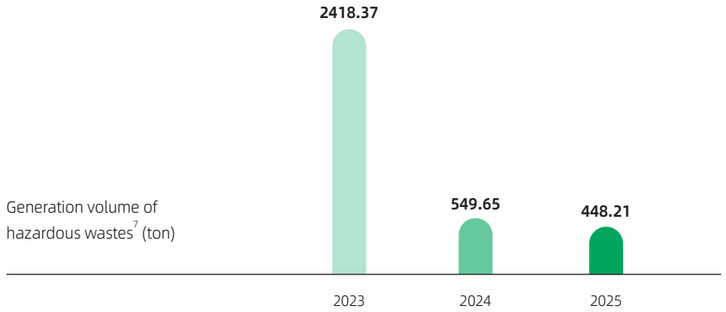


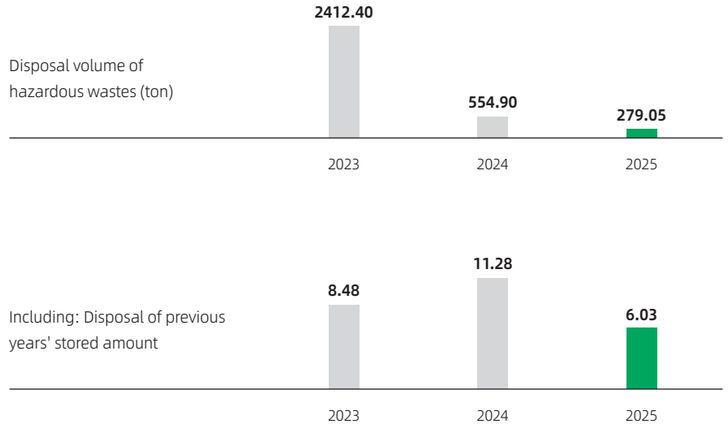


Disposal of Hazardous Wastes

All affiliated enterprises have established comprehensive hazardous waste management systems, strengthening supervision throughout the entire waste handling process. We strictly standardize the collection and storage of hazardous waste, and entrust qualified third-party agencies to ensure its proper disposal.

2023-2025 disposal of general solid wastes





Note: [7] In October, the unit overhaul at Ezhou Power Plant generated 174 tons of hazardous wastes that have not yet been disposed of. These wastes have been properly stored in designated facilities in accordance with the *Standards for Pollution Control on the Storage of Hazardous Wastes* (GB18597-2023) and are scheduled for disposal in 2026. All other hazardous wastes generated have been 100% disposed of.

Management of Other Pollutant Emissions

Our affiliated enterprises have stepped up noise control efforts, and noise emissions fully comply with the limits specified in the *Emission Standard for Industrial Enterprises Noise at Boundary.*



1.4

Ecosystem and Biodiversity Protection

Biodiversity Protection Management

Strictly complying with laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, we integrate biodiversity protection requirements into the entire lifecycle of project development and daily operations. We refrain from conducting any activities within ecological conservation red lines, while conducting in-depth surveys to fully understand local biodiversity status and trends. This provides a scientific basis for formulating targeted protection measures.

Biodiversity Protection Measures

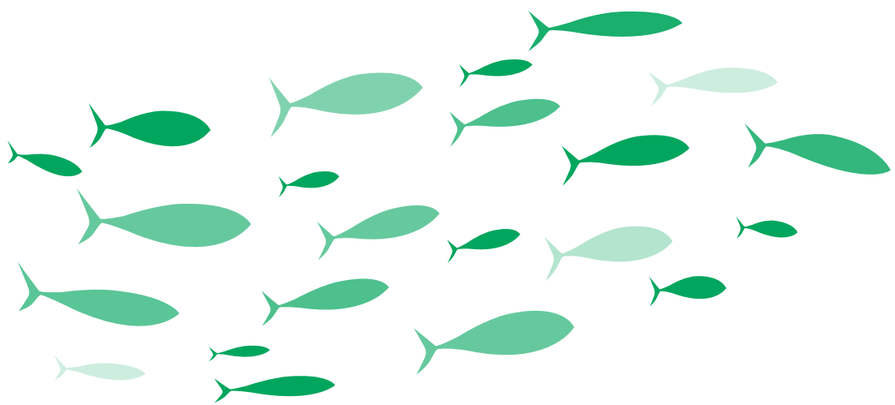
We strictly enforce the environmental impact assessment (EIA) management system for construction projects, completing all relevant approval procedures and rigorously implementing the ecological protection measures specified in EIA documents and official approvals.

No operations are located within ecological conservation red lines, and thus no shutdowns or relocations have been mandated.

Aquatic Life Protection at Jiangpinghe Hydropower Station

Jiangpinghe Hydropower Station has actively optimized its operational mode by adopting stratified water intake technology. This approach effectively regulates the temperature of discharged water, significantly mitigating the adverse impacts of cold water on the downstream aquatic ecosystem. The station continues to advance ecological initiatives, such as fish stocking, which have proven vital for aquatic habitat restoration, stabilizing local fish populations, and maintaining the basin's overall ecological balance.

Notably, in 2025, the station conducted **two** fish stocking campaigns, releasing a total of **546,400** fingerlings of various species.





Ex-situ conservation and breeding of endemic and rare plants at Luotian Pingtanyuan Pumped Storage Power Station

Luotian Pingtanyuan Pumped Storage Company has solidly advanced the ex situ conservation and breeding of 20 species of rare and unique plants. By establishing a normalized and refined management system alongside scientifically formulated maintenance plans, the company has effectively ensured the survival and healthy growth of transplanted ancient trees and rare species, such as Cymbidium faberi. These efforts have continuously improved terrestrial biodiversity protection and safeguarded regional ecological diversity. Furthermore, the company has comprehensively strengthened the management of terrestrial ecosystems. To mitigate key disturbances like construction noise on wildlife habitats, systematic noise prevention measures have been implemented. Through traffic control, equipment noise reduction, and optimized construction scheduling, the project has minimized its impact on surrounding wildlife and the ecological environment, effectively safeguarding regional ecological security and maintaining natural balance.

Ecological Restoration at the Photovoltaic Power Station of Phase I of the Northern Shaanxi-Hubei ±800 kV UHVDC Transmission Project

Adhering to the core objective of soil erosion prevention, the photovoltaic power station of Phase I of the Northern Shaanxi-Hubei ±800 kV UHVDC transmission project strictly follows the principles of "surface control, minimal ground disturbance, ecological restoration, and regulatory oversight." Through scientific planning, the station has planted Sabina vulgaris in woodland areas and sown herbaceous species such as Astragalus adsurgens, Cynodon dactylon, Medicago sativa, and Stipa capillata in grasslands. These measures have significantly increased vegetation coverage, effectively maintained windbreak and sand-fixation functions, and comprehensively enhanced ecological protection. This initiative earnestly implements the integrated ecological management concept of "forest-solar and grass-solar complementarity".

1.5

Resource Utilization and Circular Economy

Utilization of Energy

We strictly comply with laws and regulations such as the *Law of the People's Republic of China on the Conservation of Energy,* and have issued the *Measures for Energy Saving and Emission Reduction Monitoring and Statistical Management.* By standardizing statistical ledgers for energy conservation and carbon reduction, we incorporate these targets into our annual performance assessments and integrate energy-saving requirements throughout the entire power production process. In 2025, we actively advanced new energy development and further optimized our energy mix, achieving a continuous increase in the proportion of clean energy installed capacity. We have also actively promoted the development and construction of renewable energy projects, including solar and wind power, to optimize our business structure. As a result, the installed capacity of clean energy increased by 317.4 MW compared to the previous year.

Total energy consumption and intensity



Energy Conservation Achievements

In 2025, the Company added 317.4 MW of new energy installed capacity. The share of thermal power generation dropped from 60.18% in 2024 to 54.24%, leading to a year-on-year decrease in the Company's comprehensive energy consumption.

Case

Xinjiang Chuxing Company implemented a high-voltage variable frequency drive (VFD) retrofit for its forced draft fans. By adjusting the motor speed, the company achieved precise control over the fan output power. Upon completion, the retrofit is expected to save **6.676** GWh of electricity annually, equivalent to reducing standard coal consumption by **820.3** tons.

Utilization of Water Resources

We strictly comply with laws and regulations such as the *Water Law of the People's Republic of China* and the *Administrative Measures for Water Withdrawal Permits.* In our production and construction activities, we fully consider the carrying capacity of both water resources and the water environment. We also continuously optimize production processes, strengthen water usage monitoring, prioritize water recycling, and minimize consumption losses, thereby constantly improving our overall water resource utilization efficiency.

Honors

Units 1 and 2 of Jiangpinghe Hydropower Station are both 3A-class units


荣誉证书
湖北能源集团股份有限公司江坪河水电站1、2号机组：
荣获电力行业40-299MW混流式优胜机组对标
（2024年度）
AAA级
二〇二★年七月

Optimal Operation of Reservoirs

We have been promoting the continuous optimization of reservoir operation strategies by our hydropower production entities. Guided by the 2025 operational plans for major reservoirs and the unit operation modes designated for the flood season, we proactively plan water levels for critical periods, such as month-end and the pre-flood season. By coordinating medium-to-short-term reservoir level management with real-time unit dispatch, we ensure the optimal utilization of both generation head and water resources.

In 2025, the Qingjiang cascade hydropower plants achieved a total incremental power generation of **649** million kWh through water conservation, representing a cumulative generation increase of **9.95**%. Specifically, the incremental generation rates for the Shuibuya, Geheyan, and Gaobazhou plants were **14.1**%, **6.0**%, and **6.8**%, respectively.

Water Management in Thermal Power Plants

Within our affiliated thermal power plants, condenser cooling water accounts for over **98**% of the total water intake. Newly constructed units predominantly employ cooling towers. Specifically, the Phase III of Ezhou Power Plant, Donghu Gas Turbine Power Plant, Yicheng Power Plant, and the Jiangling Power Plant currently under construction all utilize the cooling tower circulating mode for unit cooling, resulting in a significant reduction in both water intake and water resource consumption.

Case

Chuxing Power Plant implemented an optimization project for the regular blowdown drainage recovery of Unit 2. A waste heat recovery system was installed, which includes adding a water seal to the vent pipe of the regular blowdown flash tank. Waste steam from the vent was then diverted from a tap below the water seal into a mixing heat exchanger. Additionally, a branch was tapped from the condensate header at the condensate pump outlet to introduce condensate as a cooling medium for the waste steam and drainage. This project effectively recovers heat from waste steam and high-temperature drainage, providing replicable practical experience for waste steam recovery in thermal power plants.

2023-2025 total water consumption data



Circular Economy

Goals and Plans for Circular Economy

Implement the Extended Producer Responsibility (EPR) system and explore circular economy models tailored to the energy sector; advance research on key technologies, including high-efficiency energy storage and renewable energy integration; develop low-carbon process technologies–such as energy waste recycling, waste heat recovery for power generation, and Carbon Capture and Storage (CCS)–to transform energy waste into resources and reduce emissions; prioritize renewable resources to minimize reliance on natural reserves; mitigate the environmental footprint of waste to drive sustainable development.

Resource Conservation and Efficient Utilization

Introduce advanced energy production technologies to optimize energy conversion efficiency; utilize intelligent monitoring systems for real-time tracking of energy usage to minimize waste; continuously advance the development and application of clean energy technologies by strengthening R&D, deployment, and promotion; explore circular economy models tailored to the energy industry by aligning closely with the Company's specific business characteristics.

Recycling of decommissioned renewable energy equipment

In 2025, Ezhou Power Plant repurposed 244 decommissioned photovoltaic (PV) modules of four different models sourced from the Hubei Renewables Company. These modules were installed in the roof's overhead space to form a power-generating string system. The electricity generated was fed into the low-voltage ring main unit in the plant's administrative area, effectively supplementing the facility's daily operational power needs. Since its implementation, the project has delivered an annual power supply of approximately 90 MWh, achieving the recycling of retired materials and injecting fresh green momentum into sustainable development.

Comprehensive utilization of by-products from thermal power plants

Our affiliated power plants–Ezhou Power Plant, Yicheng Power Plant and Chuxing Power Plant–signed an agreement on sales of general solid wastes with third-party companies to send all the desulfurized gypsum, coal ash and slag generated to cement plants, brick factories, etc. for comprehensive utilization.





02

Fulfilling Social Responsibilities

Conveying the Warmth of Energy

Contribution to the U.N. Sustainable Development Goals (SDGs)



We have embedded social responsibility into our corporate DNA, defining our character through our commitment to national strategies and public well-being. We are deeply committed to the comprehensive revitalization of rural areas, the development of vibrant communities, the holistic growth of our employees, and fostering win-win partnerships. By building a value chain rooted in integrity and cultivating an ecosystem with openness, we ensure that every step of our high-quality development journey lays a solid foundation for social progress.

2.1

Employees

Employee Recruitment and Employment

The Company upholds standardized employment practices, actively fostering local employment stability and driving income growth for residents. We robustly safeguard employees' rights and development through comprehensive social security coverage, skills training, and a work safety system.

Compliance with Systems and Regulations

Strictly abiding by laws and regulations such as the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China,* we have conscientiously implemented the *Guidelines for Labor Employment Compliance* and the *Labor Contract Management Measures,* and established a diversified employment system covering all employees, dispatched workers, and project cooperation personnel in accordance with policies such as the *14th Five-Year Plan for Promoting Employment.*

Fair and Compliant Recruitment

The Company strictly implements compliant, fair, and transparent recruitment procedures. We have established clear policies and standardized workflows covering every stage–from job posting and screening to evaluation and hiring. By utilizing structured interviews and quantitative scoring, we ensure full-process oversight. We strictly adhere to non-discrimination principles, eliminating the influence of irrelevant factors such as gender, age, and ethnicity. Furthermore, recruitment results are publicly disclosed to ensure fairness, compliance, and credibility, thereby enhancing the quality of our talent acquisition and corporate brand image.

Our decisions regarding recruitment, remuneration, and promotion are free from bias based on religious belief, race, nationality, gender, or marital status. The Company maintains a strict prohibition against the use of child labor, forced labor, or any form of compulsory labor.

Safeguards for Legal Rights and Interests

The Company's employees are mainly on long-term labor contracts, providing stable support for core business and operations. The Company has signed labor contracts with all employees, maintaining a **100**% contract signing rate.

In full compliance with applicable laws and regulations, the Company employs labor dispatch and outsourced project personnel for certain non-core or seasonal positions to flexibly adapt to business fluctuations. For flexible workers, including migrant workers and project-based staff, we clearly stipulate wage payment methods in their contracts. Additionally, we have established dedicated wage accounts for migrant workers and conduct regular inspections of project fund disbursements to safeguard their rights and interests. **Notably, in 2025, the Company had no instances of outstanding payments to private enterprises or wage arrears for migrant workers.**

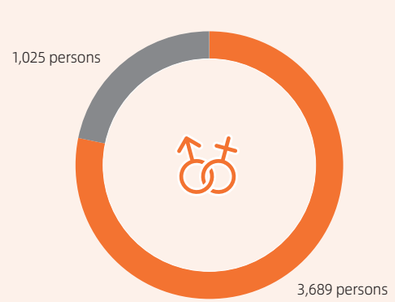
The Company's overseas operations are primarily concentrated in Peru, where we prioritize localized employment. We currently employ over 120 local staff, strictly adhering to local labor laws and ensuring full compliance in contract execution, payroll, and social security contributions.

Job Creation

The Company employs a dual recruitment strategy combining campus and experienced hires, while ramping up efforts to attract professionals in high-demand fields to support key projects. We also reserve 5% of our annual hiring quota for veterans. In 2025, we hired 210 fresh graduates, 40 experienced professionals, and 5 demobilized military officers. Furthermore, through major construction projects such as the Jiangling Power Plant, Luotian Pingtanyuan Pumped Storage, and Changyang Qingjiang Pumped Storage, we have generated over 10,000 flexible job opportunities for migrant workers.

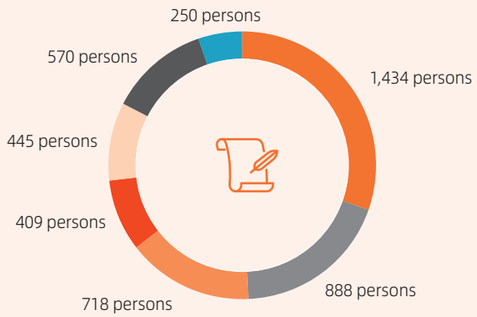
Employee Composition Data

As of the end of 2025, the Company had a total of **4,714** employees, including **697** from ethnic minorities; The employee turnover rate was **1.62**%, with employee attrition controlled within a reasonable range.



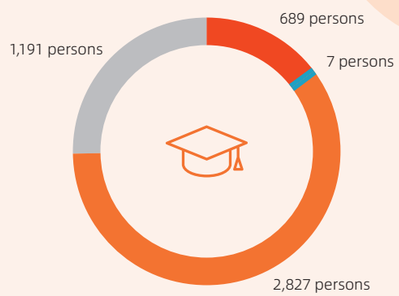
Gender composition

Male
Female



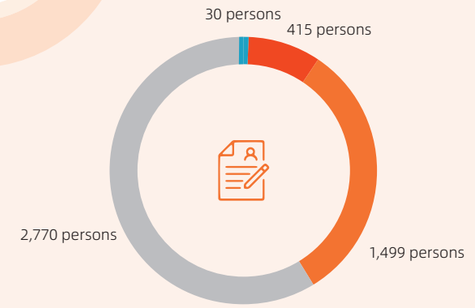
Age composition Average age: 37.75 years old

Under 30 years old
31-35 years old
36-40 years old
41-45 years old
46-50 years old
51-55 years old
56 years old and above



Education background

Doctor's degree
Master's degree
Bachelor's degree
College diploma or lower



Professional title evaluation

Senior professional title
Associate senior professional title
Intermediate professional title
Junior professional title or below

Employee Compensation and Benefits

Compensation and Performance

The Company has established a comprehensive compensation framework that guarantees a stable monthly base salary, supplemented by performance-linked monthly or quarterly bonuses. We also conduct annual performance reviews to determine year-end incentives. To ensure all employees are paid on time and in full, we implement quarterly wage monitoring to track payroll progress and promptly identify any irregularities across all subordinate units.

Social Insurance

The Company provides social insurance for all employees, with a coverage rate of **100**%. No labor dispute cases occurred in 2025.

Statutory Leave

In accordance with the *Labor Law of the People's Republic of China* regarding working hours, rest and leave, the Company provides compensatory time off or overtime pay for employees who worked beyond regular hours due to business needs. The Company has formulated the *Employee Attendance and Leave Management Measures* to strictly enforce statutory and welfare leave policies. These include paid annual leave, marriage and bereavement leave, home leave, maternity and paternity leave, as well as parental care and childcare leave.

Employee Grievances

The Company has established a robust grievance mechanism supported by an independent disciplinary inspection department and a dedicated inspection office. Dedicated staff are assigned to address employee grievances, following strict confidentiality and feedback procedures. This ensures the privacy of all information and the timely resolution of issues, providing employees with a reliable and effective channel for communication.

Staff and Workers' Representative Congress

The Company convened the 5th Session of the 3rd Staff and Workers' Representative Congress, gathering **23** employee proposals and achieving a **100**% satisfaction rate in their resolution. We effectively leveraged the joint meeting mechanism to conduct key governance tasks, including the appointment and removal of employee supervisors and the review of the corporate welfare fund system. Our "Employee Suggestion Platform" proves highly effective, processing over **60** suggestions with a **100**% adoption rate. Trade unions at all levels actively promote transparency in corporate affairs by disclosing over **300** items in compliance with regulations, thereby fully safeguarding employees' rights to information, participation, expression, and oversight.

Career Development and Training

Job Architecture

The Company has established a comprehensive job grading system, primarily structured into three distinct tracks: Management, Professional, and Consulting. Each track features clear orientation, well-defined rules, and dynamic adjustment mechanisms. In 2025, we introduced a new Skilled track to stimulate innovation and ignite the intrinsic motivation of our skilled workforce. This initiative fosters a virtuous cycle where employees enhance their skills and increase their earnings, driving mutual growth and operational efficiency for the enterprise.

Career Development

Guided by the principles of "vertical grading, horizontal classification, standardized management, and seamless mobility", we have established robust career pathways across three core tracks: Management, Technical Skills, and Professional Expertise. We are intensifying merit-based selection, giving priority to employees who deliver exceptional results in critical projects and those demonstrating dedication in challenging assignments. By implementing a pre-assessment mechanism for competitive selection, we have achieved a **97.2**% competitive appointment rate for managerial roles–a **4.5**% increase year-over-year. Furthermore, through structured skill certifications and professional title reviews, we provide clear avenues for career growth, significantly enhancing our employees' sense of professional fulfillment and belonging.

Staff Training

We have developed the *2025 Employee Education and Training Plan* to execute key training initiatives, featuring lectures delivered by renowned experts, university professors, and key technical personnel. We organized 43 centralized training sessions with a total of **955** participations from middle-level and senior management. Furthermore, we conducted the first cohort of core youth talent training (Phase II), alongside the "Young Marxists Project" aimed at enhancing the professional competencies of Youth League cadres. To bolster expertise in power trading, we held specialized skill-upgrading workshops and established a rotation program, regularly selecting frontline power marketing staff for professional training at the Power Trading Operation Center. Additionally, we hosted four sessions of the "Energy Lecture Hall" covering topics such as "AI Three Gorges • Creating the Future", power trading, work safety, and lean management. We also pioneered online training programs for the first batch of **7** categories of professional qualifications.

An overall satisfaction rate of 95 % in education and training programs

In 2025, the Company conducted training through a combination of offline and online methods, with centralized rotation training and independent organization by subordinate units carried out in parallel. Throughout the year, training sessions registered over **70,000** attendees.

In 2025, the Company's training expenses amounted to RMB **9.3421** million.

By organizing various forms of employee training targeting different groups, each employee can receive professional training based on their job positions, achieving a **100**% employee training coverage rate.

Honors received:

- Hubei Renewables Company was awarded the "Hubei Provincial May Day Labor Certificate"
- The Boiler Inspection Team of the Maintenance Department of Ezhou Power Generation Company and the Huangpi Receiving Station of Hubei Natural Gas Company were respectively awarded the title of "Hubei Provincial Workers' Vanguard"
- Zhang Jinjing from Qingjiang Company was selected as a "Jingchu Craftsman" training candidate and was honored as "Model Worker" of Yichang City
- Zong Tao from Yicheng Power Generation Company was honored as "Model Worker" of Xiangyang City
- Yang Xueyi from Ezhou Power Generation Company was awarded the "Ezhou Municipal May Day Labor Medal"
- Tang Xiaochun from Ezhou Power Generation Company was honored as "Outstanding Technical Expert in the Power Industry" by the China Electricity Council (CEC)
- Ezhou Power Generation Company was rated as an "Advanced Collective" of China Three Gorges Corporation for the year 2024
- The Hydraulic Turbine Team of the Mechanical Maintenance Department of Qingjiang Maintenance Company was rated as a "Red Flag Team" of China Three Gorges Corporation for the year 2024
- Yan Qun from Hubei Integrated Energy Company was honored as the "March 8th Red Banner Holder" of the third session of China Three Gorges Corporation

Employee Care and Support

Enhancing Family Happiness

We organized employees to participate in the "Jinan Fanghua - Family Education" Q&A session. The event addressed common family challenges, aiming to boost overall family well-being.

Supporting Employees in Need

Building on our routine care initiatives–such as the "Three Congratulations", "Four Seasons of Care", and "Five Mandatory Visits" programs–we launched special campaigns to "Deliver Warmth, Culture, and Health." We allocated nearly RMB **900,000** in subsidies, benefiting over **4,000** employee instances. Priority was given to staff in remote and overseas locations, including the Xinjiang Chuxing Company, Ruoqiang Project, Northwest Renewables Company, and the Chaglla Hydropower Station in Peru. Furthermore, by leveraging the Trade Union's "110" special fund, we provided over RMB **100,000** in aid to **15** employees facing severe hardships or critical illnesses. These efforts have continuously strengthened our employees' sense of happiness and belonging.

Caring for Female Employees

In strict accordance with the *Regulations on Population and Family Planning of Hubei Province,* we protect the rights and interests of female employees such as maternity leave, parental leave and breastfeeding leave. We have always celebrated International Women's Day and the "Women's Rights Protection Month" with a series of dedicated initiatives. To support our female workforce, we provide comprehensive health check-ups and screenings for breast and cervical cancer, purchase special health insurance, and raise the standard for health and hygiene allowances. With a total investment of over RMB **1.2** million, we have taken concrete steps to effectively safeguard the unique rights and well-being of our female employees.

Caring for Retirees

The Company remains deeply committed to the well-being of our retirees. During major holidays such as the Spring Festival and the Double Ninth Festival, we extend our warmest greetings and deliver care packages to them. We actively stay updated on their daily lives and sincerely value their feedback and suggestions regarding the Company's development.

Paying Attention To the Mental Health of Employees

Driven by our "Happy Energy" initiative, we have enriched employees' cultural and spiritual lives and encouraged positive, healthy work-life habits. Our goal is to provide comprehensive support for the physical and mental well-being of our workforce.

Case



3rd Staff Sports Meeting of HBEG

For the first time, HBEG hosted its staff sports meeting by region, attracting over **400** participant entries and driving a **35**% increase in the participation rate compared to previous years. Meanwhile, its subordinate units have made diverse cultural and sports activities a regular practice. Notably, Xinjiang Chuxing Company and Hubei Integrated Energy Company launched the "Weight Management Year" campaign to address employee health needs. Additionally, the Company headquarters, along with Ezhou Power Generation Company and Yicheng Power Generation Company, organized New Year runs and garden parties to foster a joyful and festive atmosphere.

2.2

Occupational Health and Safety

Governance

Management System

Upholding the principle of "People First and Life First", we are firmly committed to safe development philosophy. We strictly adhere to the policy of "safety first, prevention foremost, and comprehensive management", effectively balancing development with security. By proactively mitigating major risks at the source, we aim to resolutely curb all types of production safety accidents.

Guided by the principle that "safety management is mandatory for industry, business, and production operations", and following the rule that "those in charge take the lead", we have strictly enforced the primary safety responsibilities of all operational units. We have strengthened classified and hierarchical risk control in work safety, implemented full-staff and whole-process safety supervision, and are fully committed to building an fundamentally safe enterprise.

Management Policy

We have established over **20** institutional policies to strengthen our management framework. Key regulations include the *Work Safety Management Measures, Emergency Management Measures, Regulations on the Reporting and Investigation of Work Safety Accidents, Safety Risk Liability Fund Management Measures, Management Measures for All-Staff Work Safety Responsibility System, Measures for Classified Control of Safety Risks and Hazard Identification & Rectification, Operation and Monitoring Measures for Quality, Environment, Occupational Health, and Safety Management System, Management Measures for Labor Protection Equipment.*



Safety knowledge training

Strategy

Strategic guidance Building a strong safety defense

The safe development philosophy is deeply embedded into our overall development strategy, promoting a positive cycle of high-quality development and high-level safety.

Strictly adhere to the red line Strengthening safety responsibilities

We strictly adhere to the principle that safety management is mandatory for industry, business, and production operations. We have solidified safety responsibilities across all sectors and at every level, ensuring a comprehensive safety network that leaves no gaps–covering every aspect horizontally and reaching down to the grassroots vertically.

Systematic advancement Achieving intrinsic safety

Driven by the Three-Year Action Plan to Address Root Causes of Work Safety, we are continuously focusing on enhancing safety awareness, solidifying the chain of responsibility, and refining the dual prevention mechanism. Our efforts aim to systematically elevate safety management capabilities and steadily strengthen the foundation of intrinsic safety.

Impact

Classification	Impact description	Stakeholder	Impact scope
Positive impact (+)	■ Through rigorous safety management, we ensure the stability and security of energy supply, and reduce economic and social losses caused by safety accidents	■ Government departments and regulatory agencies ■ Shareholders and investors ■ Employees ■ Customers ■ Suppliers and partners ■ Local communities	■ Upstream of the value chain ■ Enterprise operation ■ Downstream of the value chain
Negative impact (-)	■ Inadequate work safety management may lead to potential safety hazards, pose risks to employees' occupational safety and health, and cause losses to business operations and local development.		

Risk

Classification	Factor	Description	Responding strategy	Impact cycle	Impact scope
Policy risk	Changes in relevant policies on work safety	■ Failure to promptly comply with the latest national or local work safety policy requirements, resulting in fines or administrative sanctions. ■ Delays in project approvals hinder business development.	■ Closely monitor changes in national work safety policies, and promptly adjust strategic plans and update internal management systems ■ Strengthen communication with government authorities	Medium-to-long term	Operational assets
Reputation risk	Negative media coverage	■ Safety incidents may trigger negative media coverage, damaging the Company's brand image	■ Strengthen information disclosure and increase transparency	Short-to-medium term	Operation
Management risks	Challenges in safety management	■ Ongoing construction projects and unit maintenance operations are characterized by numerous and widely dispersed worksites. These operations involve a high volume of hazardous tasks, extensive outsourcing, and a large workforce, leading to intertwined and overlapping safety risks	■ Solidify and enforce safety responsibilities, implement meticulous control measures, shore up weak links, continuously improve safety management, and strengthen the foundation of work safety	Short-to-medium term	Operational products

Opportunity

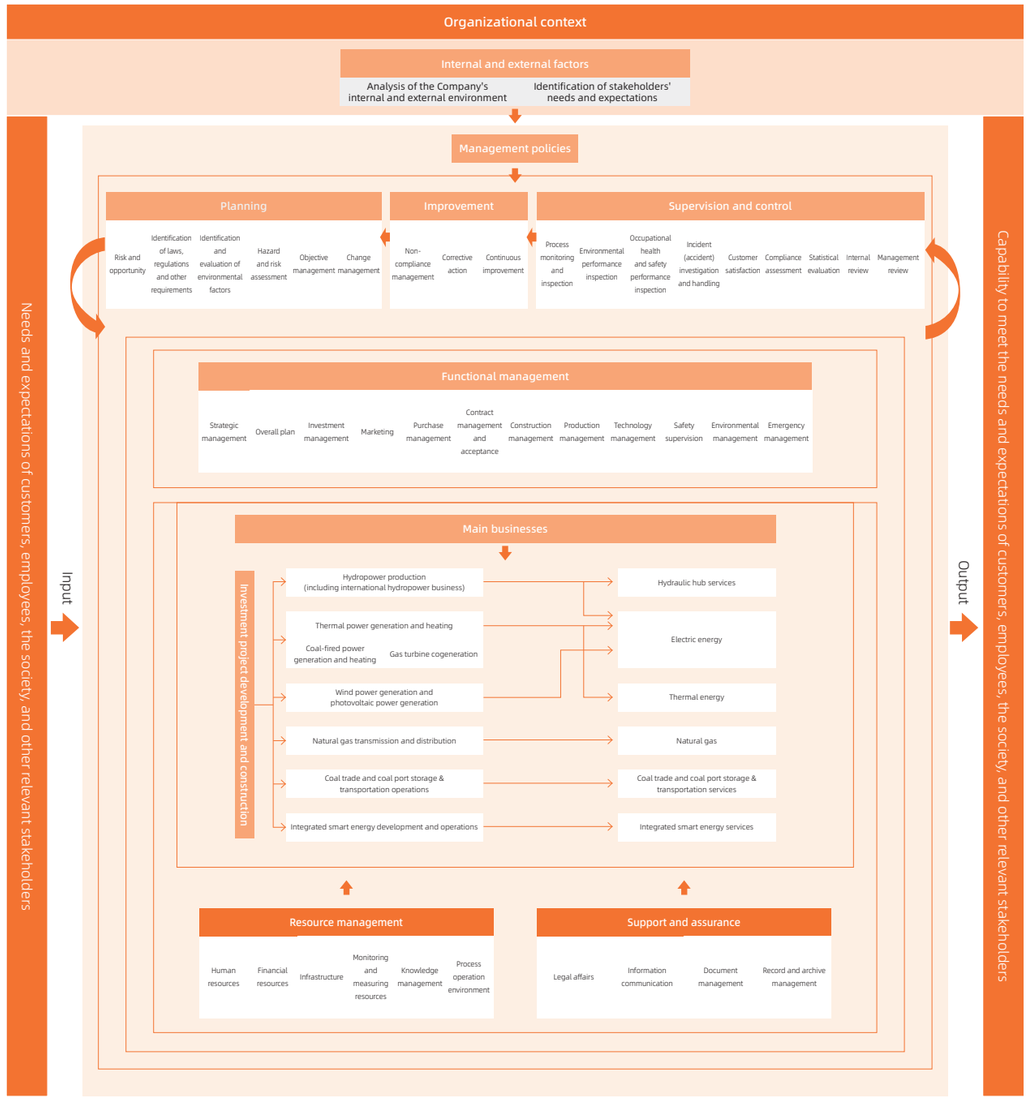
Classification	Factor	Description	Responding strategy	Impact cycle	Impact scope
Policy opportunity	Formulation of industry standards	■ Participation in the formulation of industry standards in the field of work safety helps enhance the Company's influence and voice in the industry	■ Actively join the working groups for formulating industry standards and contribute to standard formulation ■ Timely summarize and share the Company's safety management experience	Medium-to-long term	Operation
Technological opportunity	Technical innovation	■ Leverage digital technologies to improve the efficiency of safety management	■ Strengthen technological innovation and collaborate with leading digital technology companies ■ Establish a work safety management platform	Medium-to-long term	Operational products



Impact, Risk, and Opportunity Management

In accordance with the *Guidelines for Comprehensive Risk Management of Central SOEs* and the *Basic Norms for Internal Control of Enterprises* along with supporting guidelines, we have conducted full-process oversight and management of products and services in line with internal business management and risk control requirements.

Management Process



Management Measures

Emergency management development: We promptly issued early warnings to ensure robust prevention and preparedness, releasing over **20** meteorological alerts. We also strengthened the capacity of our emergency response teams by organizing training for Emergency Rescuer certifications, establishing specialized repair crews, and completing the emergency capability assessment for all stations. Furthermore, we guided subordinate units in conducting innovative emergency drills. Throughout 2025, more than **600** drills involving over **8,000** participants were carried out across all levels, including **20** joint exercises with government departments at or above the county level.

Safety risk prevention and control: Grounded in our business characteristics and actual work safety conditions, we identified production risks in accordance with GB/T 13861, continuously updating and refining our risk database. We adopted methods such as the LEC to assess risk levels and implemented effective controls across multiple dimensions. Through a comprehensive, whole-process screening organized across all departments and units, we identified **17,741** safety risks, including **254** high-priority risks. A hierarchical control list was subsequently established to ensure that mitigation measures are strictly implemented for each risk.

Safety risk prevention and control	Protective measures
Operating environment	We implement specialized protection for high-temperature work environments, dust and harmful gas environments, and noise environments.
Equipment and facilities	Safety devices such as guardrails, safety nets, emergency stop buttons, and leakage protection are installed on production equipment. Emergency rescue facilities, including fire extinguishers, fire hoses, emergency lighting, first-aid kits, and stretchers, are fully equipped. All items undergo regular inspection and maintenance to ensure operational readiness.
Personal safety	Compliant personal protective supplies such as safety helmets, safety belts, protective gloves, and earplugs are distributed to everyone concerned. Professional personal protective equipment such as air respirators and gas detection alarms are provided for workers engaged in special operations.

Safety inspection and rectification

In 2025, the Company conducted a total of **131** safety audits across various subordinate units, released **20** safety inspection bulletins and **16** inspection notices, identifying **507** issues and providing **98** recommendations for improvement.

The Company was recognized as **Advanced Unit for Work Safety of CTG**

Hazard identification and rectification

The Company has institutionalized hazard screening and rectification, and rigorously carried out initiatives such as the Work Safety "Thunderbolt" Campaign, the full-chain special inspection on fall prevention, and the special inspection and rectification of natural gas safety.

The "Zero Hazard" pilot project at the Zaoyang Xinglong Photovoltaic Power Station of Hubei Renewables Company received the **First Prize** for the 2025 Premium Project in Electric Power Safety Culture Construction by the China Electric Power Equipment Management Association.

Safety education and training

The Company organized comprehensive education and training on work safety, relevant laws, regulations, standards, and emergency response skills. Key initiatives included the promotion and implementation of the National Master Emergency Plan, the Company's safety supervision protocols for outsourced operations and special emergency plans, safety management training for suspended platform operations, the "Energy Lecture Hall" series on work safety, internal auditor training for the Integrated Management System, and warning education sessions focusing on common hazards in construction and past incident case studies.

Management of interested parties

The Company issued the *Measures for Safety Supervision and Management of Outsourced Business (Trial),* bringing over 440 outsourcing entities and tens of thousands of personnel into its unified safety management system. By implementing the "Five Controls" to tackle safety challenges, the Company comprehensively strengthened whole-process management–covering contracting, admission, implementation, rewards and penalties, as well as credit evaluation. Consequently, we imposed RMB 1.8788 million in penalties, granted RMB 73,000 in rewards, assigned 244 penalty points, and removed 122 personnel, successfully enhancing the quality and efficiency of outsourced safety management.

Occupational health management

The Company conducted dynamic identification of occupational disease hazards based on the *Classification Catalog of Occupational Disease Hazard Factors,* with a particular focus on newly constructed, expanded, and renovated projects, as well as technological upgrades and technology introduction projects. The Company has established occupational health records and conducted regular health checks in accordance with the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases,* and the *Technical Guidelines for Occupational Health Surveillance,* with no suspected occupational diseases identified.

2025

Occupational health and safety management systems certification

We have obtained the Occupational Health and Safety Management System certificate and maintained its effectiveness.



ISO45001 Occupational Health and Safety Management Systems Certificate ▶

Metrics and Targets

2025

Targets and achievements

- ☑ Zero general or above work safety liability accidents
- ☑ Achievement of the "double zero" goal in work safety
- ☑ In 2025, the work safety investment of production and operation entities was RMB **147.1303** million, and the work safety investment in engineering construction projects was RMB **102.7797** million

2026

Targets

Zero general or above work safety liability accidents



2.3

Social Contribution and Responsibility

The Company strictly comply with the Charity Law of the People's Republic of China, the Law of the People's Republic of China on Donations for Public Welfare, among other relevant laws and regulations. It has formulated the Management Measures for Fulfilling Social Responsibility Projects and developed an annual work plan for social responsibility to actively promote the implementation of social responsibility projects. In 2025, the Company implemented 44 social responsibility projects, and invested a total of RMB 35.3768 million, including RMB 5.88 million in consumption support initiative for rural revitalization.

Rural Revitalization

Continuously Enhancing the Effectiveness of "Endogenous Capacity Building"

The Company has fully leveraged the leading role of industrial revitalization in driving comprehensive rural revitalization, effectively accelerating the shift from "reliance on external aid" assistance to "endogenous capacity building". In Liangzui Village, Xiangzhou District of Xiangyang, we built a vegetable sorting center, establishing a stable sales channel with an average daily throughput of over 25,000 kg. In Jianggang Village, we established the Xiaohe Wanwan Handicraft Workshop, pioneering an "intangible cultural heritage + tourism" agritourism model that has breathed new life into the village. We also provided ongoing support for infrastructure and industrial development in Lilou Village, Bigang Village, the Jinzhai area, and other places, effectively converting external assistance into a sustainable driver of endogenous rural growth.

Supporting the Development of Basic Education by Virtue of "Caring for and Nurturing the Young" Program

Closely aligning with national strategies and the needs of people's livelihoods, we have consistently leveraged "Caring for and Nurturing the Young" program as a bridge for enterprise-local integration. Based on the actual conditions of subsidiaries' locations, we have focused on supporting the construction of the kindergarten in Muyu Town, Shennongjia Forestry District. These efforts are designed to improve school facilities, optimize the educational environment, and effectively promote the high-quality development of regional basic education.



Xiaohe Wanwan Handicraft Workshop in Jianggang Village


Kindergarten in Muyu Town, Shennongjia Forestry District


Children receiving education in spacious and bright classrooms

Sustaining the "Love Consumption to Support Farmers and Boost Agriculture" campaign

The Company has integrated rural revitalization efforts with employee holiday benefit programs, mobilizing employees to purchase agricultural and sideline products from targeted regions and thereby stimulating demand for these goods. A total of RMB **2** million have been invested in the "Love Consumption to Support Farmers and Boost Agriculture" campaign.

Public Welfare and Volunteer Activities

The Company has continuously advanced its public welfare and volunteer initiatives by establishing a "Four-Entry" volunteer service framework, which extends our reach into schools, communities, villages, and online groups. Through diverse activities such as educational outreach, tree planting, science popularization, and community assistance, we actively engage in internal corporate services, public cultural promotion, and comprehensive community governance. These efforts are dedicated to consistently enhancing the Company's social reputation.

2025

The Company mobilized over **500** young employees to participate in **48** volunteer activities.

These initiatives served nearly **2,000** individuals–including residents near our local operations, left-behind children by migrant parents, persons with disabilities, and the elderly–accumulating over **600** hours of service.

The funds invested in volunteer services amounted to RMB **26,000**.

Case

On October 20, 2025, the Company hosted over 80 teachers and students from Huangji Primary School for an event themed "Exploring Green Ezhou Power Plant: A Journey into the World of Electricity." This interactive visit to our plant are a green thermal power exploration event integrating science popularization, hands-on experience, and interactive engagement. Guided by young volunteers, the students learned about power generation processes and environmental initiatives. They also participated in engaging activities, including a VR electrical safety simulation and a DIY hand-cranked generator workshop. These experiences offered the group a firsthand look at the technological charm of the modern power industry, reshaping their perception of green thermal power and strengthening the bond between the local community and our enterprise.



Theme activity: "Exploring Green Ezhou Power Plant: A Journey into the World of Electricity"

Community Relations

Strengthening Community Relations Management

We prioritize local procurement and hiring, striving to build long-term, stable, and harmonious partnerships with communities. By conducting regular surveys, community visits, and stakeholder dialogues, we gain deep insights into local needs. This allows us to precisely allocate resources toward initiatives in ecological protection, infrastructure improvement, livelihood support, and cultural welfare, ultimately fostering a strong and lasting bond with the communities we serve.

Case



HBEG's case - *Chaglla: The "Green Hydropower Station" Deep in the Andes,* was successfully selected as an Outstanding Case in the "Green Development and ESG Practices" category of the 2025 (8th) China Corporate International Image Building Awards. Since taking over the Chaglla Hydropower Station in 2019, the Company has remained committed to integrating clean energy with ecological conservation. Actively embracing an international development philosophy, it has strived to build a power station that is ecologically sound, socially beneficial, and a beacon of hope for the future. The Chinese and Peruvian teams have conducted in-depth field research in surrounding communities. Through a series of CSR initiatives and "small yet beautiful" community projects–ranging from building public fish ponds and roads, rescuing rare orchids, and cleaning up the Huallaga River, to emergency disaster relief, school upgrades, and cultural exchange programs–they have significantly boosted local socio-economic development. These vivid practices under the Belt and Road Initiative have established a trustworthy, respectable, and endearing image of Chinese energy enterprises in Peru.

Science-Based Project Site Selection

The Company strictly adheres to laws and regulations such as the *Land Administration Law of the People's Republic of China* and the *Measures for the Administration of Pre-Examination of Land for Construction Projects,* ensuring full compliance with statutory approval procedures for construction land. All projects under construction have legally obtained the necessary permits, including the Opinion on Land Use Pre-examination and Site Selection, the Construction Land Planning Permit, and the State-owned Land Use Certificate (Real Estate Title Certificate). This ensures the legality and scientific rigor of our site selection right from the outset. Furthermore, we rigorously follow national policies on territorial space use control and ecological protection. During the site selection phase, we proactively identify and steer clear of sensitive zones, such as cultivated land, ecological conservation red lines, nature reserves, water source protection areas, and cultural heritage sites to minimize environmental and social impacts.

Overseas Responsibility

Risk: Overseas projects are exposed to uncertainties such as changes in hydrological conditions, market price fluctuations, and increasingly stringent local regulatory requirements, which impose higher demands on the stability of project operations and risk management capabilities.

Opportunity: The growing demand for clean energy development in countries along the "Belt and Road" Initiative has created significant opportunities for the Company to steadily advance its international operations and accumulate overseas operational experience.

In 2025, the Company bolstered its operational management and compliance frameworks, keeping overall risks well within a controllable range. Our overseas operations have provided positive support to the Company's business model and long-term value creation capabilities. Notably, the ESG initiatives at the Chaglla Hydropower Station were featured in an authoritative case compilation, earning widespread recognition and acclaim.

Throughout the reporting period, our overseas business maintained stable operations with **no major social or environmental incidents attributed to project activities**–a testament to the proactive and responsible global image of Chinese energy enterprises.

Overseas Operation Management

The Company has strengthened centralized coordination and end-to-end management of its overseas projects, driving standardized and efficient operations by focusing on critical areas such as work safety, power generation, equipment maintenance, and market trading. For our overseas hydropower assets, we prioritize generation efficiency by optimizing unit operations and reservoir dispatching to maximize hydropower utilization, steadily advancing international cooperation in clean energy. During the reporting period, the Chaglla Hydropower Station delivered approximately **2.236** TWh of annual power supply, achieving an availability rate of **93.515**%. With all key performance indicators successfully met, the station has provided stable, clean power that supports the optimization of the local energy mix and fosters regional economic and social development.

Overseas Safety and Compliance

In 2025, the Company's controlling subsidiary, the Chaglla Project Company in Peru, successfully obtained multiple management system certifications. This achievement reflects the continuous improvement in the standardization and procedural rigor of our overseas operations, as well as the ongoing refinement of our overseas compliance management system. Throughout the reporting period, we intensified the monitoring and mitigation of legal risks. As a result, no new legal disputes arose, and overall overseas compliance risks remained well within a controllable range.

Localization of Overseas Employees

The personnel structure of the subsidiary EGH is dominated by local employees, with Chinese expatriates concentrated in key positions. As of the end of 2025, there were **137** employees on the payroll, including **126** local employees, representing a localization rate of approximately **91.97**%. Chinese and local staff collaborate closely to ensure smooth project operations, effectively fostering local talent development and experience sharing, and sustaining a stable localization rate.

Overseas Community Development

Deepening community communication and engagement: We have established a regular communication mechanism with local communities, fostering positive interactions through daily liaison and sharing updates on operational activities. By promptly addressing public concerns, we effectively promote harmonious integration and mutual growth between the project and the community. Throughout the reporting period, no disputes or conflicts with surrounding communities occurred.

Active participation in community public welfare: We focus on improving local livelihoods and ecological protection. In line with the specific context of our overseas hydropower projects, we actively support community public welfare initiatives to the best of our ability.



EGH carries out environmental protection class activities in local communities

2.4

Suppliers and Customers

Supply Chain Security and Management

The Company strictly complies with the *Law of the People's Republic of China on Tenders and Bids*, its implementation regulations, and relevant policies issued by the National Development and Reform Commission (NDRC) and the State-owned Assets Supervision and Administration Commission (SASAC). We are committed to ensuring that the entire bidding and procurement process remains open, fair, and impartial. We actively promote the digitalization, standardization, and transparency of the supply chain, and improve internal management systems. Besides, we clarify control requirements for the entire supply chain process, and refine the control framework to ensure compliance throughout the supply chain management process, thereby building a solid legal foundation for safeguarding supply chain security and stability and driving sustainable development.

In 2025, a total of **5,801** suppliers cooperated with the Company.

Geographic distribution, number, and proportion of suppliers

- **Jilin Province** (28, 0.48%)
- **Chongqing Municipality** (36, 0.62%)
- **Shaanxi Province** (161, 2.78%)
- **Xinjiang Uygur Autonomous Region** (108, 1.86%)
- **Shanghai Municipality** (161, 2.78%)
- **Fujian Province** (28, 0.48%)
- **Sichuan Province** (175, 3.02%)
- **Hunan Province** (102, 1.76%)
- **Shanxi Province** (40, 0.69%)
- **Qinghai Province** (5, 0.09%)
- **Beijing Municipality** (382, 6.59%)
- **Hebei Province** (124, 2.14%)
- **Heilongjiang Province** (19, 0.33%)
- **Guangxi Zhuang Autonomous Region** (8, 0.14%)
- **Henan Province** (290, 5.00%)
- **Yunnan Province** (33, 0.57%)
- **Tianjin Municipality** (55, 0.95%)
- **Inner Mongolia Autonomous Region** (9 0.16%)
- **Guangdong Province** (244, 4.21%)
- **Jiangxi Province** (46, 0.79%)
- **Ningxia Hui Autonomous Region** (10, 0.17%)
- **Hainan Province** (1, 0.02%)
- **Shandong Province** (239, 4.12%)
- **Liaoning Province** (52, 0.90%)
- **Gansu Province** (10, 0.17%)
- **Hubei Province** (2872, 49.51%)
- **Zhejiang Province** (114, 1.97%)
- **Guizhou Province** (9, 0.16%)
- **Jiangsu Province** (341, 5.88%)
- **Anhui Province** (99, 1.71%)

Supplier Selection and Management

The Company has strengthened centralized coordination and end-to-end management of its overseas projects, driving standardized and efficient operations by focusing on critical areas such as work safety, power generation, equipment maintenance, and market trading. For our overseas hydropower assets, we prioritize generation efficiency by optimizing unit operations and reservoir dispatching to maximize hydropower utilization, steadily advancing international cooperation in clean energy. During the reporting period, the Chaglla Hydropower Station delivered approximately **2.236** TWh of annual power supply, achieving an availability rate of **93.52**%. With all key performance indicators successfully met, the station has provided stable, clean power that supports the optimization of the local energy mix and fosters regional economic and social development.

Access

The Company strengthens supplier access management and dynamically refines risk early warning mechanisms to safeguard the stable supply of key materials. These efforts drive continuous improvements in corporate creditworthiness and supply chain synergy.

Incentive

The Company upholds the open solicitation of suppliers, conducts targeted training, and establishes an "incentives for excellence" mechanism. These initiatives foster fair market competition and efficient resource allocation, contributing to a healthy industrial ecosystem and enhancing social recognition.

Compliance

The Company integrates ESG principles into its supply chain management system, guiding partners to strictly adhere to environmental compliance, advance carbon reduction and efficiency, and implement green procurement. This strategy bolsters the development of a low-carbon supply chain and provides strong support for the national carbon peaking and carbon neutrality goals.



Supply Chain Security Management

The Company considers supply chain security and stability a core pillar of its operations. By strengthening resource integration and digital management, deepening supplier partnerships, and leveraging smart platforms alongside lean inventory management, we enhance response efficiency and resilience. This enables a strategic shift from passive support to active optimization, providing robust backing for energy supply guarantee and sustainable development. Overall, using supply chain security as a key fulcrum, the Company drives positive value from internal risk prevention to external value creation, building a sound development ecosystem characterized by security, efficiency, sustainability, and synergy.

Business model

Leveraging digital platforms to achieve full-process online closed-loop management, the Company promotes a model of "platform-based operation and digital collaboration", accelerating its transformation into a supply chain value integrator. Strategically, the Company embeds supply chain security into its core strategy, aligning it with major initiatives to help build a new energy security system.

Development goals

The Company improves assessment and risk prevention mechanisms, shifting from "passive response" to "proactive prevention" to enhance the certainty of achieving its goals.

Value creation

The Company continuously refines its management and evaluation mechanisms, optimizes resource allocation, and enhances procurement efficiency and effectiveness.

Supply Chain Risk Management

The Company attaches great importance to supply chain risk management by establishing a comprehensive risk prevention and control system. We clearly define assessment indicators and key control nodes, taking multiple measures to enhance supply chain resilience. Notably, no supply-related incidents impacted safe production in 2025, effectively safeguarding operational safety.

By strengthening supplier management and emergency support mechanisms, we ensure stable production and customer satisfaction, making supply chain security a key driver of the enterprise's high-quality development.

Whole-Process Supply Chain Management

The Company strengthens whole-process supply chain management by strictly controlling supplier access and implementing dynamic, full-lifecycle evaluations with hierarchical classification. We unify material coding standards and leverage the smart supply chain platform to achieve fully online, closed-loop digital operations for core businesses. These efforts comprehensively enhance the standardization, intensification, and intelligence of the supply chain, effectively ensuring the safe and stable supply of materials.

Furthermore, we are extending our supply chain focus from internal management optimization to multi-dimensional collaborative value creation across economic, social, and environmental dimensions.

Sustainable Development of Supply Chain

The Company integrates sustainable development principles into its supply chain management, building a modern system that is green, efficient, and collaborative. We strictly enforce supplier qualification reviews and bidding selection, while establishing a dynamic, full-lifecycle assessment mechanism. By applying these evaluation results directly to the bidding process, we guide upstream and downstream partners to jointly embrace sustainable practices, thereby supporting the Company's high-quality and sustainable growth.

Equal Treatment of SMEs

The Company strictly complies with laws and regulations such as the *Law of the People's Republic of China on Promoting Small and Medium-Sized Enterprises* and the *Regulations on Ensuring Payments to Small and Medium-Sized Enterprises*. As of the end of the reporting period, the Company's accounts payable balance (including notes payable) stood at RMB **2.705** billion, accounting for **2.7**% of total assets. Furthermore, the Company and its holding subsidiaries have publicly confirmed via the National Enterprise Credit Information Publicity System that there are no overdue outstanding payments to SMEs.

Product and Service Quality

Strictly adhering to laws and regulations such as the *Electric Power Law of the People's Republic of China,* the *Regulations on Power Supply and Consumption,* and the *Quality Management Systems–Requirements (ISO 9001),* the Company has established a full-process quality control system. Our core products and services primarily encompass electricity generation and supply, as well as integrated energy services (including distributed energy and energy storage services). Key quality indicators focus on the operational performance of power generation equipment and the reliability of power supply.

Management Measures

The Company has established a full-process control system characterized by "pre-event prevention, in-process control, and post-event improvement", covering equipment procurement, commissioning, and production quality monitoring.

We enforce strict quality supervision across our diverse business activities–including hydropower, coal-fired power, gas-fired CHP, wind and photovoltaic power, natural gas transmission and distribution, coal trading, storage and transportation at ports, as well as integrated smart energy operations. This is achieved through robust mechanisms for quality information reporting, supervision and inspection, and performance evaluations linked to rewards and penalties.

System Development

The Party Committee Secretary and General Manager are the Company's chief quality officers and hold overall responsibility for the Company's quality management. The Deputy General Manager in charge of quality work assists the chief quality officers in implementing applicable quality laws and regulations, standards, and management rules, coordinating the Company-wide management of quality work, and taking leadership responsibility for the centralized management of quality work. Each department is involved in quality management according to its responsibilities and assumes corresponding management duties. Each subordinate unit within the Company is the primary entity responsible for its own quality-related work.

The Company strictly adheres to internal regulations such as the *Quality Management System (Trial), Regulations on Reporting and Investigation of Quality Incidents, Measures for Quality Supervision and Management (Trial),* and *Measures for Quality Rewards and Punishments*. These systems comprehensively cover every stage from product production to service delivery.

Notably, no major liability accidents caused by power quality occurred in 2025.


CCCI
质量管理体系认证证书
注册号：02120Q11203R1L
湖北能源集团股份有限公司
统一社会信用代码：91420000271506551H
注册地址：湖北省武汉市武昌区徐东大街 96 号
办公/生产地址：湖北省武汉市洪山区徐东大街 73 号德润大厦
质量管理体系符合标准
GB/T 19001-2016/ISO 9001:2015
认证范围如下：
本部职能管理、投资项目开发建设、水电电力生产（含库坝管理、水库调度）、燃煤发电与供热、燃机燃电联产、风力发电及光伏发电、天然气输配、煤炭贸易与煤港储运经营
多现场组织认证概况及附件（1）
证书有效期至 2026 年 4 月 21 日
认证范围评定结果经由认证机构的行政许可、资质许可、强制性认证的，证书与原批准同时使用有效。
在正常维保和监督审核的情况下，与年度监督保持通知一并使用有效。
本证书信息可在国家认证认可监督管理委员会官方网站（www.cnca.gov.cn）上查询。
湖北认证中心有限公司
签发日期：2023 年 8 月 23 日
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Post-Sales Service

The Company has established an ESG working group responsible for strategic decision-making and resource coordination, clearly defining the processes and division of labor for product sales and after-sales services. We proactively engage with upstream and downstream partners through transparent communication, striving to fully address customer needs while openly discussing objective challenges to foster mutual understanding and support. By integrating after-sales service throughout the entire sales lifecycle, we promptly respond to customer needs and provide timely market and policy insights, alongside regular disclosures of product pricing and volume. Furthermore, key after-sales indicators–such as "green power and green certificates", "customer satisfaction", "carbon quota compliance", "environmental parameters", and "power generation"–are incorporated into performance appraisals. This approach aims to strengthen our competitive edge and drive product value creation through exceptional after-sales service.

Customer Rights Protection

The Company has formulated the *Customer Management Measures in Marketing Activities* to standardize operational protocols and responsibilities, strengthening the management of upstream and downstream clients to enhance both service quality and brand value. We improve communication channels by conducting on-site visits, as well as online and telephone follow-ups, to monitor electricity consumption and ensure accurate load forecasting. Furthermore, we proactively communicate power industry policies, maintain open complaint channels, and promptly address inquiries and requests. As a result, the Company achieved a record of zero customer complaints during the reporting period.

2025

The affiliated Hubei Power Sales Company accurately aligns with user needs and maintains strong customer relationships through refined trading strategies. Acting as an agent for **136** clients, it achieved a customer satisfaction rate of **99**%. Notably, the company became the first enterprise in the province to secure an **AAA** rating in the Market Entity Operation Evaluation for **eight** consecutive years.

Data Security and Customer Privacy Protection

Data Security

The Company has formulated the *Data Security Management Measures (Trial)* to continuously enhance its data security management system. We have strictly implemented classified and tiered data management requirements by establishing a comprehensive data classification and grading catalog. To enhance organization-wide security awareness, we conduct regular education and training on data security, confidentiality, and personal information protection. Furthermore, we organize supervision and inspections, carry out risk assessments, and issue *Data Security Assessment Report* for the integrated data platforms. All identified risks and vulnerabilities are subject to immediate rectification. During the reporting period, no data security incidents occurred.

Protection of Customers' Privacy

Following the principles of "unified coordination, tiered management, and information resource sharing", the Company strictly adheres to the *Customer Management Measures in Marketing Activities* and the contracts signed with customers to protect customers' privacy. Customer information is collected through legal, compliant, reasonable, and reliable channels. Access to and use of customer information also follows relevant regulations strictly. The Company experienced no incidents of customer information leakage during the reporting period.



03

Driving Reform Breakthroughs

Pursuing Excellence

Contribution to the U.N. Sustainable Development Goals (SDGs)



We are well aware that an outstanding enterprise cannot thrive without excellent governance. Adhering to the philosophy of "integrity, compliance, and value creation", we continuously deepen the state-owned enterprise (SOE) reform and strive to establish a modern enterprise system with Chinese characteristics that features modern governance, stable operations, and vibrant dynamism. With governance as the "soul" and development as the "essence", we enhance efficiency through standardized operations, boost vitality through reform and innovation, and lead the enterprise towards a new journey of high-quality development.

3.1

Corporate Governance

We continuously improve our governance system and build a modern governance framework, prioritizing compliance operations and effective risk management. By strengthening internal and external collaboration and fostering a fair and transparent business environment, we provide the momentum for the creation of long-term corporate value.

Organizational Structure and Functions

In accordance with the *Company Law of the People's Republic of China* and other relevant laws and regulations, the Company has established a corporate governance framework composed of the General Meeting of Shareholders, the Board of Directors, and the Senior Management. This framework creates an operational mechanism defined by the mutual coordination and checks and balances among the body of authority, the decision-making body, the supervisory body, and the executive body.

In 2025, the Company optimized its governance framework by amending its *Articles of Association* to abolish the Board of Supervisors. Concurrently, the Company strengthened the functions of the Board's Audit and Risk Management Committee, embedding supervision into core processes. These initiatives reinforce financial control and enhance both the quality and efficiency of decision-making.

General Meeting of Shareholders

The General Meeting of Shareholders is the highest authority of the Company. All shareholders enjoy equal rights per share and exercise voting rights equally in accordance with their capital contribution ratio and the *Articles of Association*. Meetings are organized and convened in strict accordance with requirements to safeguard shareholders' rights and equal treatment of all shareholders. In 2025, **5** shareholders' meetings were held, with **13** proposals deliberated and a 1**00**% approval rate.

Board of Directors

The Board of Directors serves as the Company's key decision-making body and the supreme authority for ESG management. It is accountable to the General Meeting of Shareholders and is responsible for executing resolutions. The Board fulfills its mandate to "set strategy, make decisions, and prevent risks", operating in compliance with regulatory requirements while safeguarding the interests of stakeholders. The Company enhances governance and decision-making effectiveness through a diversified composition of the Board. Candidates for directorship undergo review by the Nomination and Remuneration Committee and deliberation by the Board of Directors before being elected by the General Meeting of Shareholders.

The Company has established the position of independent directors and provides them with full support to perform their duties. Independent directors currently comprise one-third of the Board membership. They play a vital role in decision-making, supervisory checks and balances, and professional advisory functions, thereby safeguarding the Company's overall interests and protecting the legitimate rights and interests of minority shareholders.

Board of Directors composition: 9 to 11 members Current composition: **9** members	Internal directors: **3**	External directors (appointed by shareholders): **3**	Independent directors: **3**

In 2025, the Board convened 9 meetings, on which the directors deliberated 60 proposals with a 100% approval rate.

Special committees

The Board of Directors has established three special committees: the Strategy Committee, the Audit and Risk Management Committee, and the Nomination and Remuneration Committee. The Strategy Committee analyzes the Company's medium- and long-term strategies and provides recommendations. The Audit and Risk Management Committee is responsible for supervision and verification, including the coordination of internal and external audits. The Nomination and Remuneration Committee evaluates candidates for directors and senior executives and offers recommendations. Each special committee is composed primarily of external directors to leverage their professional expertise and support the Board's decision-making. In 2025, the Audit and Risk Management Committee held **7** meetings with **21** proposals reviewed; the Nomination and Remuneration Committee held **5** meetings with **8** proposals reviewed; the Strategy Committee held **2** meetings with **3** proposals reviewed. The approval rate for all proposals was **100**%.

Senior executives

The senior executives of the Company implement the resolutions of the Board of Directors and safeguard the interests of the Company and its shareholders. Currently, the Company has **4** senior executives who are not directors, including **3** Deputy General Managers and **1** Chief Accountant who also serves as the Board Secretary.

Compensation Management

The Company has formulated the *Management Measures for Remuneration of Senior Executives (Trial)*. Remuneration for senior executives is strictly enforced in accordance with performance assessment results. Their remuneration consists of annual salary and term-based incentives. Annual salary comprises a basic salary and performance-based salary, with the latter accounting for no less than **60**% of the total.



Compliant Operation

Compliance Management Mechanism

In 2025, the Company revised 6 compliance management regulations to fortify the corporate compliance management system. Currently, 13 compliant operation regulations are in effect. The Company has solidified the "1+3+N" compliance management system, which utilizes the basic compliance management regulations as the "root", the three compliance management lists as the "trunk", and specific regulatory standards and specialized work guidelines as the "branches and leaves".

Compliance Management System

The Company upholds the overall leadership of the Party Committee regarding legal and compliance initiatives, supported by the active roles of the Board and Management. The Company has implemented the primary responsible person mechanism for rule-of-law development, and established an organizational system for compliance management led by main heads of the unit, spearheaded by the general counsel (Chief Compliance Officer), centrally managed by the Enterprise Management and Legal Department, and collaboratively executed by relevant departments. A Compliance Committee has been established to coordinate work and deliberate on major issues. Furthermore, the working system for Chief Compliance Officers has been fully optimized, with 28 officers appointed across the Company and subsidiaries to participate in key decision-making and conduct reviews.

The "three lines of defense" collaborate effectively to ensure compliance: departments serve as the "First Line of Defense" with dedicated compliance officers; the Enterprise Management and Legal Department acts as the "Second Line of Defense", overseeing system development and reviews; and the Discipline Inspection Department functions as the "Third Line of Defense", ensuring supervision and enforcement.

Compliance Management Mechanism

The legal and compliance review mechanism is embedded into systems and management processes to achieve full coverage. Dedicated compliance officers in each department are responsible for the review of their own departments, and no operational activities may proceed without this approval. The Enterprise Management and Legal Department employs multi-faceted review methods supported by digital workflows. For significant decisions, a formal legal and compliance review opinion, signed by the Chief Compliance Officer, is mandatory.

Preventive mechanism

The Company has established a compliance risk identification, assessment, and early warning mechanism to identify risks, develop risk lists, and prompt rectification. It has embedded legal and compliance reviews into operational processes, achieving a 100% review rate.

In-process control mechanism

The Company has established mechanisms for managing compliance risk incidents and rectifying violations.

Post-hoc evaluation mechanism

The Company has established mechanisms for accountability for violations and assessment of compliance management. It has integrated compliance management into performance assessment with a weight of 3%, and used the assessment results as an important basis for staff assessment, leadership appointments and selection of outstanding personnel.



Risk Management

Risk Identification and Early Warning

The Company conducted comprehensive risk assessments using methods such as questionnaire surveys, interviews, and specialized risk stress tests. It solicited feedback on adjustments to the risk control list from various departments and subordinate units. By leveraging the risk control list and the results of major risk assessments from the past three years, it identified 11 risk points and conducted questionnaire surveys.

From the two dimensions of risk likelihood and impact degree, the Company invited participants–including the Management of the Company, Mid-Level & Senior Management at the Headquarters, and the Management of secondary subsidiaries–to score these risk points, followed by a comprehensive ranking of the results. A total of 135 questionnaires were distributed, with 115 collected, resulting in an 85.2% response rate, all of which were valid.

The Company required secondary subsidiaries to carry out project assessments and risk screenings for their own major projects. In accordance with established standards, major projects such as the cascade hydropower stations in the Qingjiang River were selected for in-depth evaluation. Following evaluation and deliberation by the Board of Directors, key outcomes such as the *Results of the 2025 Assessment of Major Operational Risks* were finalized.

Risk Control and Monitoring

The Company clarified the risk control responsibilities for the *Results of the 2025 Assessment of Major Operational Risks* among specific departments and units. It dynamically monitored changes in risks and indicators, implemented prevention and control measures in real time, and reviewed performance at the end of the year to ensure that major risks remain controllable.

Risk Reporting and Management

The *2025 Annual Report on Forecasting and Assessment of Major Operational Risks of Hubei Energy Group Co., Ltd.* was reviewed and approved at the 6th meeting of the 10th Board of Directors, monitoring risk control progress on a quarterly basis. The Company disclosed material governance risk information through annual and semi-annual reports on the securities market and publicized administrative penalties via the National Enterprise Credit Information Publicity System.

3.2

Business Conduct

Anti-Commercial Bribery and Anti-Corruption

Management System

We strictly abide by relevant international treaties, laws, regulations and regulatory documents such as the *United Nations Convention against Corruption*, the *Criminal Law of the People's Republic of China*, and the *Oversight Law of the People's Republic of China*. We implement our rules and regulations including the *Compliance Management Measures* and the *Compliance Management Rules for Anti-Commercial Bribery in Overseas Operations (Trial)*.

Operating in accordance with the *Constitution of the Communist Party of China* and other intra-Party regulations, our Disciplinary Inspection Committee has reviewed and revised existing policies to meet the requirements for full and rigorous governance over the Party. A series of institutional documents were formulated and updated from 2024 to 2025, such as the *Special Assessment Measures for Disciplinary Inspection Committee Secretaries (Disciplinary Inspection Members) of Affiliates* (ENJ [2024] No. 1), providing institutional guarantee for anti-commercial bribery and anti-corruption efforts.

S/N	Document name	Document No.	Issue date
1	*Management Measures for Deliberation of the Disciplinary Inspection Committee*	END [2019] No. 14	2019.3.14
2	*Supervision and Inspection Measures for Implementation of the Guiding Principles from the Eight-point Decision of the CPC Central Committee on Improving Party Conduct and Its Implementation Rules*		
3	*Implementation Opinions on Motivating and Protecting Managers and Employees to Take Responsibility, Work and Start up Enterprises*	ENJ [2021] No. 8	2021.4.22
4	*Procedures for the Disciplinary Inspection Organization of HBEG to Clear the Names of Falsely Accused Managers*	ENJ [2021] No. 10	2021.4.25
5	*Implementation Measures for Serious Investigation and Punishment of Falsely Accused and Framed Acts by the Disciplinary Inspection Organization of HBEG*		
6	*Nomination and Inspection Measures for Disciplinary Inspection Committees and Disciplinary Inspection Organization Leaders of Affiliates*	ENJ [2021] No. 12	2021.4.29
7	*Implementation Measures for Integrity Education Talks (Trial)*	END [2023] No. 112	2023.9.16
8	*Implementation Rules for Integrity Talk Procedures*	END [2023] No. 113	2023.9.20
9	*Special Assessment Measures for Disciplinary Inspection Committee Secretaries (Disciplinary Inspection Members) of Affiliates*	ENJ [2024] No. 1	2024.3.19

Management Measures

Learning, education and training

In 2025, the Company organized 2 intensive rotation training sessions for managers, featuring special courses on improvement of Party conduct and anti-corruption as well as the spirit of the eight-point decision on improving Party and government conduct. A total of 316 managers participated, achieving a 100% coverage rate. The Company also held special warning education meetings and issued special bulletins on warning education to strengthen awareness through case studies.

"Mega-Supervision" mechanism

In 2025, centering on key areas such as grassroots Party building and the improvement of Party conduct and anti-corruption, the Company organized relevant functional departments to conduct 22 joint supervision inspections. This initiative promoted the integration of integrity supervision with business operational oversight.

Whistleblower protection

The Company compiled the *Work Guidelines for the Handling of Petitions, Reports, and Clue Issues*, refining a full-cycle management model to protect the rights of whistleblowers. Whistleblowers' rights are protected in accordance with regulations and laws, with strict confidentiality maintained regarding whistleblowers' information and reported content. All reports are accepted or all investigations are conducted without disclosing the whistleblowers' information.

Key supervision

Seven key projects in engineering construction, investment, and M&A were selected to conduct "reporting on responsibility and integrity" sessions for the heads of the project's Party organizations. Additionally, screenings were conducted to identify issues related to non-duty-related violations of laws and regulations among employees.

"Integrity-Oriented Enterprise" initiative

The Company formulated the *Implementation Plan for Building an Integrity-Oriented Enterprise*, embedding integrity-oriented governance into critical areas including Party spirit and conduct education, key project construction, and grassroots team management. "Micro-lectures on Discipline and Law" were held to ensure that knowledge of discipline and law is deeply internalized by employees.

Corruption risk assessment

The Company identifies, analyzes, and evaluates potential commercial bribery and corruption risks based on business characteristics and operational environment in all respects. It prioritizes oversight of corruption risk points in engineering construction, tender procurement, and renewable energy resource acquisition, while identifying emerging corruption risk patterns to strengthen effective monitoring mechanisms, thereby providing robust safeguards for its sustainable and sound development.

Anti-Unfair Competition

We strictly adhere to regulations regarding anti-commercial bribery and anti-corruption. We are committed to improving resource allocation efficiency, reducing operational costs, and enhancing the ability to maintain and increase the value of state-owned capital. Furthermore, we promote fair competition, protect employee rights, and help uphold good industry practices. **In 2025, we incurred no lawsuits or penalties resulting from unfair competition.**

Management system

The *Proposal on Revising the "Company Compliance Management Measures"* was reviewed and approved at the 10th meeting of the 10th Board of Directors. This policy standardizes the competitive order of overseas projects, strictly prohibiting unauthorized project intervention, cut-throat competition, and unauthorized commitments. The Company established mechanisms for monthly monitoring of overseas compliance risks and quarterly reporting of commissions for overseas projects. In 2025, no related risks were identified.

Overseas risk prevention

The Company implemented the *Compliance Management Rules for Anti-Commercial Bribery in Overseas Operations (Trial)*, embedding anti-bribery requirements into the entire process of overseas business. In 2025, the Company supported EGH in obtaining ISO 37001 Anti-bribery Management System and ISO 37301 Compliance Management System certifications, thereby enhancing the professionalism and standardization of overseas compliance management.



3.3

Investor Relations and Information Disclosure

Investor Relation Management

Deeply committed to an "investor-centric" development philosophy, we have formulated the *Action Plan for Dual Improvement of Quality and Returns* and actively implemented the corresponding special initiative. We have continuously enhanced the quality and investment value of the listed company, optimized the corporate governance structure, and improved internal control systems. Meanwhile, we have elevated the quality of information disclosure, strengthened investor relations management, and effectively safeguarded the legitimate rights and interests of the vast majority of shareholders.

Management Policy

We have formulated rules and regulations such as the *Investor Relations Management Policy, Information Disclosure Management System,* and *Internal Reporting System of Important Information*. The Board Secretary holds overall responsibility for the Company's investor relations management. The Board Office serves as the executive department for these tasks, conducting investor relations activities under the leadership of the Board Secretary. When a material information event is likely to occur or has already occurred, all departments and controlled (and affiliated) subsidiaries must promptly provide an advance notice or report to the Board Chairman and the Board Secretary. Relevant materials regarding such material information must be submitted to the Board Secretary or to Board Office staff authorized by the Secretary for review and assessment.

Management Mechanism

We have established a rational, consistent, and stable dividend mechanism. We operate a business mechanism characterized by a diversified equity structure, standardized shareholder behavior, effective internal constraints, and efficient and flexible operations. Furthermore, we maintain a corporate governance mechanism defined by statutory rights and responsibilities, transparent accountability, coordinated operations, and effective checks and balances.

Transparency of Information Disclosure

We strictly fulfill our information disclosure obligations and continuously optimize the content of information disclosure with a focus on investor needs. In 2025, we issued **156** information disclosure materials and **82** announcements (including **4** periodic reports and **78** temporary announcements), communicating our major decisions and development achievements without subsequent corrections, supplements or material errors. We received an **"A" (Excellent) rating** for information disclosure among main board listed companies at the Shenzhen Stock Exchange for the 2024-2025 period.

We have established a multi-tiered communication mechanism with shareholders, utilizing channels such as the SSE E-interaction Platform, WeChat official accounts, shareholders' meetings, performance briefings, and regular financial performance reports, while strictly fulfilling information disclosure obligations. These measures ensure that shareholders have a comprehensive and accurate understanding of the Company's status.

Creditor's Equity

As of December 31, 2025, the Company has issued the interbank market bonds worth RMB **4.55** billion. It has maintained excellent financial position and stable and sufficient cash flow. It has ensured financial leverage at a relatively low level in the industry, with no defaults. Furthermore, it has had a good reputation in the capital market, and continued to maintain **AAA** entity credit rating. It has had smooth financing channels that enabled the reduction in comprehensive funding costs through secure, reliable financing portfolios.

Appendix

Annual performance

Economic performance	Unit	2023	2024	2025
Operating revenue	RMB	18,668,672,883.26	20,030,698,490.80	17,466,946,716.57
Total profits	RMB	2,273,626,824.12	2,802,555,818.62	3,528,675,488.38
Asset-liability ratio	%	57.83	58.63	55.84
Earnings per share	RMB	0.27	0.28	0.29
Taxes Paid	RMB	1,515,890,381.13	2,017,789,129.92	2,579,933,468.74
Total power generation	100 GWh	357.45	440.40	427.01
Clean energy power generation	100 GWh	158.10	175.22	195.11
Total installed capacity of power generation	10 MW	1521.58	1829.97	1927.71
Total installed hydropower capacity	10 MW	465.73	465.73	465.73

Environmental performance	Unit	2023	2024	2025
Environmental protection input	RMB 10,000	34265.52	18550.75	39253.84
Comprehensive energy consumption	10,000 tons of standard coal equivalent/year	42.4561	50.5332	47.0742
Coal consumption (standard coal equivalent)	10,000 tons	572.62	747.03	653.99
Average standard coal consumption for power supply	g/kWh	308.05	302.48	308.37
Natural gas consumption	100 million m^3	1.86	2.41	3.05
Energy consumption per RMB 10,000 of output value	ton of standard coal equivalent/RMB 10,000	0.2186	0.2422	0.2573
Fresh water consumption	10,000 tons	2507.76	3193.11	2759.44
Circulating water consumption	10,000 tons	108482.87	144232.51	141987.48
Proportion of circulating water consumption	%	97.74	97.83	98.09
Water consumption per RMB 10,000 of output value	m3/RMB 10,000	12.91	15.30	15.08
Wastewater discharge	10,000 tons	17.28	33.55	29.73
Wastewater discharge intensity	kg/kWh	0.22	0.34	0.23
Discharge of ammonia nitrogen in wastewater	ton	0.36	0.65	0.93

Environmental performance	Unit	2023	2024	2025
COD discharge	ton	4.12	8.07	13.65
Actual discharge concentration of ammonia nitrogen	mg/L	2.3	1.93	3.13
Actual discharge concentration of chemical oxygen demand	mg/L	23.3	24.06	45.92
Smoke and dust emissions	ton	167.92	187.07	149.26
Sulfur dioxide emissions	ton	1045.94	1315.10	1074.22
Nitrogen oxide emissions	ton	3175.62	3382.05	2632.63
Smoke and dust emission performance	g/kWh	0.008	0.007	0.006
Sulfur dioxide emission performance	g/kWh	0.053	0.049	0.046
Nitrogen oxide emission performance	g/kWh	0.159	0.128	0.114
General industrial solid waste generation	10,000 tons	242.69	306.34	253.75
Utilization rate of general industrial solid wastes	%	100.00	100.00	99.22
Hazardous waste generation	ton	2418.37	549.65	448.21
Disposal volume of hazardous waste	ton	2412.402	554.903	279.050
Scope 1 emissions	10,000 tons	1662.16	2176.70	1905.99
Scope 2 emissions	10,000 tons	3.43	1.74	1.60
Greenhouse gas emissions	10,000 tons	1665.59	2178.88	1907.59

Social performance	Unit	2023	2024	2025
Total number of employees	persons	4526	4629	4714
Including: female employees	persons	1065	1020	1025
Male employees	persons	3461	3496	3689
Number of ethnic minority employees	persons	668	678	697
Number of overseas employees	persons	140	124	126
Proportion of female managers	%	7.5	7.9	7.8
Social insurance coverage rate	%	100	100	100
Labor contract signing rate	%	100	100	100
Employee turnover rate (voluntary)	%	1.04	0.98	1.62

Social performance	Unit	2023	2024	2025
Competition rate for managerial positions	%	69.2	92.9	97.2
Employee satisfaction rate	%	100	100	100
Labor issues and complaints handling rate	%	100	100	100
Input in employee training	RMB 10,000	921.6	836.5	934.2
Employee training coverage rate	%	92	100	100
Number of employees receiving training	persons	61990	66840	71130
Major safety accident	times	0	0	0
Number of work-related fatalities among employees	persons	0	0	0
Local procurement ratio	%	40.6	49.4	49.5
Total number of work-related injuries	persons	0	0	0
Lost days due to work injury	days	0	0	0
Employees with newly added occupational diseases	persons	0	0	0
Employee health examination rate	%	100	100	100
Support and assistance investment	RMB 10,000	2481.55	1038.90	3537.68
Funds for consumption support initiative for rural revitalization	RMB 10,000	622	533	588
Accumulated number of authorized patents throughout the year	patents	76	174	177
Customer satisfaction rate	%	100	100	99
Governance performance	**Unit**	**2023**	**2024**	**2025**
Number of Board meetings	meetings	11	9	9
Number of directors	persons	8	9	9
Number of female directors	persons	1	0	0
Number of independent directors	persons	3	3	3
External audit fees	RMB 10,000	216.65	185	131.41
Information disclosure documents published	copies	194	143	156

List of Internal ESG-Related Policies within the Company

Policy name	Corresponding GRI disclosure item
Articles of Association	GRI 102: General Disclosures
Rules of Procedure for General Meeting of Shareholders	GRI 102: General Disclosures GRI 103: Management Measures
Rules of Procedure for the Board of Directors	GRI 102: General Disclosures GRI 103: Management Measures
Working Rules of the Strategy Committee of the Board of Directors	GRI 102: General Disclosures
Internal Reporting System of Important Information	GRI 102: General Disclosures
Information Disclosure Management System	GRI 102: General Disclosures
Related Transaction Management System	GRI 102: General Disclosures
External Donation Management System	GRI 203: Indirect Economic Impacts
Compliance Management Measures	GRI 205: Anti-Corruption GRI 308: Supplier Environmental Assessment GRI 419: Socioeconomic Compliance
Tax Administration Measures (Trial)	GRI 207: Tax
Measures for Energy Saving and Emission Reduction Monitoring and Statistical Management	GRI 302: Energy
Management System of Ecological Environment Protection	GRI 303: Water and Effluents GRI 304: Biodiversity GRI 305: Emissions GRI 306: Waste GRI 307: Environmental Compliance

Policy name	Corresponding GRI disclosure item
Environmental Factors Identification, Evaluation, and Management Methods	GRI 303: Water and Effluents GRI 304: Biodiversity GRI 305: Emissions GRI 306: Waste GRI 307: Environmental Compliance
Environmental Protection Plan and Statistical Management Measures	GRI 303: Water and Effluents GRI 304: Biodiversity GRI 305: Emissions GRI 306: Waste GRI 307: Environmental Compliance
Management Measures for Corporate Environmental Compliance Assessment	GRI 307: Environmental Compliance
Employee Recruitment Management Measures	GRI 401: Employment
Labor Contract Management Measures	GRI 401: Employment
Employee Attendance and Leave Management Measures	GRI 401: Employment
Management Measures for Employee Welfare Fees	GRI 401: Employment
Management Measures for Occupational Health and Safety Performance Monitoring and Compliance Evaluation	GRI 403: Occupational Health and Safety
Work Safety Management Measures	GRI 403: Occupational Health and Safety
Management Measures for All-Staff Work Safety Responsibility System	GRI 403: Occupational Health and Safety
Measures for the Management of Rewards and Punishments for Work Safety	GRI 403: Occupational Health and Safety
Employee Education and Training Management Measures	GRI 404: Training and Education
Safety Education and Training Management System	GRI 404: Training and Education

Indicator Index List

Dimension	Topic	Corresponding chapters
Environmental	Combating Climate Change	Combating Climate Change
	Pollutant Emissions	Pollutant Emissions and Waste Disposal
	Waste Disposal	Pollutant Emissions and Waste Disposal
	Ecosystem and Biodiversity Protection	Ecosystem and Biodiversity Protection
	Environmental Compliance Management	Environmental Management
	Utilization of Energy	Resource Utilization and Circular Economy
	Utilization of Water Resources	Resource Utilization and Circular Economy
	Circular Economy	Resource Utilization and Circular Economy
Social	Rural Revitalization	Social Contribution and Responsibility
	Social Contribution	Social Contribution and Responsibility
	Innovation-Driven Development	Topic III
	Science and Technology Ethics	Topic III
	Supply Chain Security	Suppliers and Customers
	Equal Treatment of SMEs	Suppliers and Customers
	Product and Service Safety and Quality	Suppliers and Customers
	Data Security and Customer Privacy Protection	Suppliers and Customers
	Employees	Employees Occupational Health and Safety
Governance Related to Sustainable Development	Due Diligence	Materiality Assessment on Topics
	Communication with Stakeholders	Materiality Assessment on Topics Investor Relations and Information Disclosure
	Anti-Commercial Bribery and Anti-Corruption	Business Conduct
	Anti-Unfair Competition	Business Conduct

Directory of Principal Entities

S/N	Full name	Abbreviation
1	Hubei Qingjiang Hydropower Development Co., Ltd.	Qingjiang Company
2	Hubei Energy Group Ezhou Power Generation Company, Ltd.	Ezhou Power Generation Company Ezhou Power Plant
3	Hubei Province Natural Gas Development Co, Ltd.	Hubei Natural Gas Company
4	Hubei Province Natural Gas Development & Sales Co., Ltd.	Natural Gas Sales Company
5	Hubei Province Coal Investment & Developing Co., Ltd.	Hubei Coal Investment Company
6	Hubei Energy Group Renewables Development Co., Ltd.	Hubei Renewables Company
7	Hubei Energy Group Loushui Hydropower Co., Ltd.	Loushui Hydropower Company
8	Hubei Energy Integrated Energy Investment Co., Ltd.	Hubei Integrated Energy Company
9	Xinjiang Chuxing Energy Development Co., Ltd. Hubei Energy Group Shuanghe Renewables Development Co., Ltd.	Xinjiang Chuxing Company Chuxing Power Plant Shuanghe New Energy Company
10	Hubei Energy Group Power Sales Co., Ltd.	Hubei Power Sales Company
11	Hubei Energy Group Northwest Renewables Development Co., Ltd.	Northwest Renewables Company
12	Hubei Energy Group Xiangyang Yicheng Power Generation Co., Ltd.	Yicheng Power Generation Company Yicheng Power Plant
13	Hubei Energy Group Hanjiang River Energy Development Co., Ltd.	Hanjiang River Energy Company
14	Hubei Energy Group Luotian Pingtanyuan Pumped Storage Co., Ltd.	Pingtanyuan Pumped Storage Company
15	Hubei Energy Group Jiangling Power Generation Co., Ltd.	Jiangling Power Generation Company Jiangling Power Plant
16	Hubei Energy International Investment (HK) Co., Ltd.	Hubei Energy Hong Kong Company
17	Empresade de Generación Huallaga S.A.	EGH

Assurance Report

中诚信绿金 CCXGF

Independent Assurance Statement on
2025 ESG Report of Hubei Energy Group Co., Ltd.

Independent Assurance Statement

China Chengxin Green Finance Technology (Beijing) Ltd. ("CCXGF") was commissioned by Hubei Energy Group Co., Ltd. ("HBEG" or "the Reporting Organization") to conduct assurance of the sustainability information disclosed in the 2025 ESG Report of Hubei Energy Group Co., Ltd. (the "ESG Report") and present the assurance results to the ESG report users through this Independent Assurance Statement.

(I) Independence and Competence

CCXGF is an independent third-party institution specializing in green financial services. The assurance team comprises ESG professionals with comprehensive understanding of AA1000AS v3 and requisite ESG assurance capabilities. Neither CCXGF nor team members have business relationships with HBEG's directors or senior executives. Internal firewalls ensure no conflicts of interest, guaranteeing assurance independence.

(II) Responsibilities of HBEG

The responsibilities of HBEG are prepared in accordance with the *Work Plan for Improving the Quality of Listed Companies Controlled by Centrally Administered State-owned Enterprises (SOEs)* issued by the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council, the *Corporate Sustainability Disclosure Standards - Basic Standards (for Trial Implementation)* issued by the Ministry of Finance, and the *Code of Corporate Governance for Listed Companies* issued by the China Securities Regulatory Commission (CSRC). They make reference to the requirements of the *Self-Regulatory Guidelines No. 1 for Companies Listed on Shenzhen Stock Exchange - Standardized Operation of Companies Listed on the Main Board and the Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (for Trial Implementation),* and the *Self-Regulatory Guidelines No. 3 for Companies Listed on Shenzhen Stock Exchange - Preparation of Sustainability Reports* issued by the Shenzhen Stock Exchange. They are also compiled in line with the principles of materiality, consistency, and objectivity. At the same time, the report refers to the *GRI Sustainability Reporting Standards* ("GRI Standards") and actively responds to the United Nations Sustainable Development Goals (SDGs). It adheres to the assurance scope and content agreed upon with the assurance institution, providing the latter with the documentation required for the assurance process. Furthermore, an appropriate management and monitoring system for assurance performance indicators has been established. This ensures that the assurance performance data remain consistent across various disclosure documents following the assurance.

(III) Responsibilities of the Assurance Institution

CCXGF's responsibilities are to conduct an assurance of relevant matters within the scope of the ESG Report of the Reporting Organization in accordance with assurance standards and the agreed assurance content and scope, reasonably evaluate the assurance content through internal control procedures, and issue an independent assurance statement to the Board of Directors of the Reporting Organization. This statement is issued solely for this purpose and for no other.

(IV) Primary Assurance Criteria

CCXGF primarily conducted a "Type-2 Moderate Assurance" of the 2025 ESG Report of HBEG in accordance with the AA1000AS v3 standard.

(V) Assurance Content and Scope

- Based on the assurance type and depth, the assurance assessed the extent to which HBEG's ESG Report adheres to the four AA1000 assurance principles (Inclusivity, Materiality, Responsiveness, and Impact);
- The assurance evaluated the reliability and quality of specific performance information within the Report;

- The assurance boundary generally aligns with the consolidated reporting scope of the Reporting Organization, with adjustments to the boundaries of some performance data.

(VI) Assurance Procedures

To ensure the effective implementation of the assurance tasks, CCXGF developed an assurance plan and schedule. The assurance was conducted with an objective attitude, primarily involving the following procedures:

- Assessment of the processes by which the Reporting Organization adheres to the AA1000 principles, and inspection of stakeholder management practices and business processes based on communications and supporting materials collected;
- Sampling inspection of the reliability and quality of selected specific performance information;
- Recalculation of selected specific performance information; and
- Other work deemed necessary by CCXGF.

(VII) Conclusions

CCXGF conducted a "Type-2 Moderate Assurance" of the sustainability information disclosed in the Reporting Organization's ESG Report in accordance with the AA1000AS v3 standard, and reached the following conclusions:

Compliance with AA1000 (2018) Principles in the ESG Report

- Inclusivity: HBEG has identified internal and external stakeholders, including government departments and regulatory authorities, shareholders and investors, employees, customers, suppliers and partners, industries and local communities. HBEG has established multi-dimensional and effective communication channels, fully guaranteed stakeholders' right to know and right to participate, and integrated relevant feedback into its own practices and management improvement. The ESG Report is substantially in line with the requirements of the Inclusivity principle.
- Materiality: HBEG has identified topics with a material impact on the company in phases, and disclosed the results of the priority assessment in the report. The ESG Report is substantially in line with the requirements of the Materiality principle.
- Responsiveness: HBEG has responded to important topics of concern to stakeholders in the ESG Report. The ESG Report is substantially in line with the requirements of the Responsiveness principle.
- Impact: HBEG has systematically identified and analyzed the impacts, risks and opportunities of relevant activities on its own business and the external environment, focusing on key topics such as energy supply guarantee, technological innovation, and low-carbon transition. HBEG has established relevant indicators and targets, and continuously monitored the progress of topics. The ESG Report is substantially in line with the requirements of the Impact principle.

Quality of Specific Performance Information in the ESG Report

- Scope 1 greenhouse gas emissions (including Ezhou Power Generation Company, Hubei Integrated Energy Company, Xinjiang Chuxing Company, and Yicheng Power Generation Company)
- Scope 2 greenhouse gas emissions (including Ezhou Power Generation Company, Hubei Integrated Energy Company, Xinjiang Chuxing Company, and Yicheng Power Generation Company)

- Greenhouse gas emissions (including Ezhou Power Generation Company, Hubei Integrated Energy Company, Xinjiang Chuxing Company, and Yicheng Power Generation Company)
- Comprehensive energy consumption[1] (including Qingjiang Company, Ezhou Power Generation Company, Hubei Renewables Company, Loushui Hydropower Company, Hubei Integrated Energy Company, Xinjiang Chuxing Company, Shuanghe Renewables Company, Northwest Renewables Company, Yicheng Power Generation Company, and Hanjiang River Energy Company)
- Clean energy power generation (including Qingjiang Company, Hubei Renewables Company, Loushui Hydropower Company, Hubei Integrated Energy Company, Shuanghe Renewables Company, Northwest Renewables Company, Hanjiang River Energy Company, and EGH)
- Disposal volume of hazardous wastes (including Ezhou Power Generation Company, Hubei Integrated Energy Company, Xinjiang Chuxing Company, and Yicheng Power Generation Company)
- Generation volume of general industrial solid wastes (including Ezhou Power Generation Company, Hubei Integrated Energy Company, Xinjiang Chuxing Company, and Yicheng Power Generation Company)
- Total number of work-related injuries (on a consolidated basis for Hubei Energy Group Co., Ltd.)
- Lost days due to work injury (on a consolidated basis for Hubei Energy Group Co., Ltd.)
- Number of female employees (on a consolidated basis for Hubei Energy Group Co., Ltd.)
- Proportion of female directors (on a consolidated basis for Hubei Energy Group Co., Ltd.)
- Employee turnover rate (voluntary) (on a consolidated basis for Hubei Energy Group Co., Ltd.)
- Employee satisfaction rate (on a consolidated basis for Hubei Energy Group Co., Ltd.)
- Customer satisfaction rate (on a consolidated basis for Hubei Energy Group Co., Ltd.)

No material errors were found during the assurance of the above specific performance information.

(VIII) Limitations

- Due to the absence of internationally recognized and universal standards for evaluating and measuring non-financial information, different but acceptable evaluation methods and measurement techniques may affect the comparability of data across different institutions.
- CCXGF did not conduct assurance on other key performance indicators beyond those stated in the assurance statement.
- This assurance only involved interviews with and document verification from relevant department managers of HBEG, and did not involve external stakeholders.

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China Chengxin Green Finance Technology (Beijing) Ltd.
April 23, 2026

[1] For total energy consumption reporting, data for all thermal power plants include both office and operational energy consumption, while data for all hydropower and new energy plants include only operational energy consumption.

Feedback

Is there any information in this Report that you are concerned about but do not find in the report? If any, write it down what you are concerned about.

Which parts of the Report are you most interested in?

If you are interested, please leave your contact information.

Name: _____

Occupation: _____

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