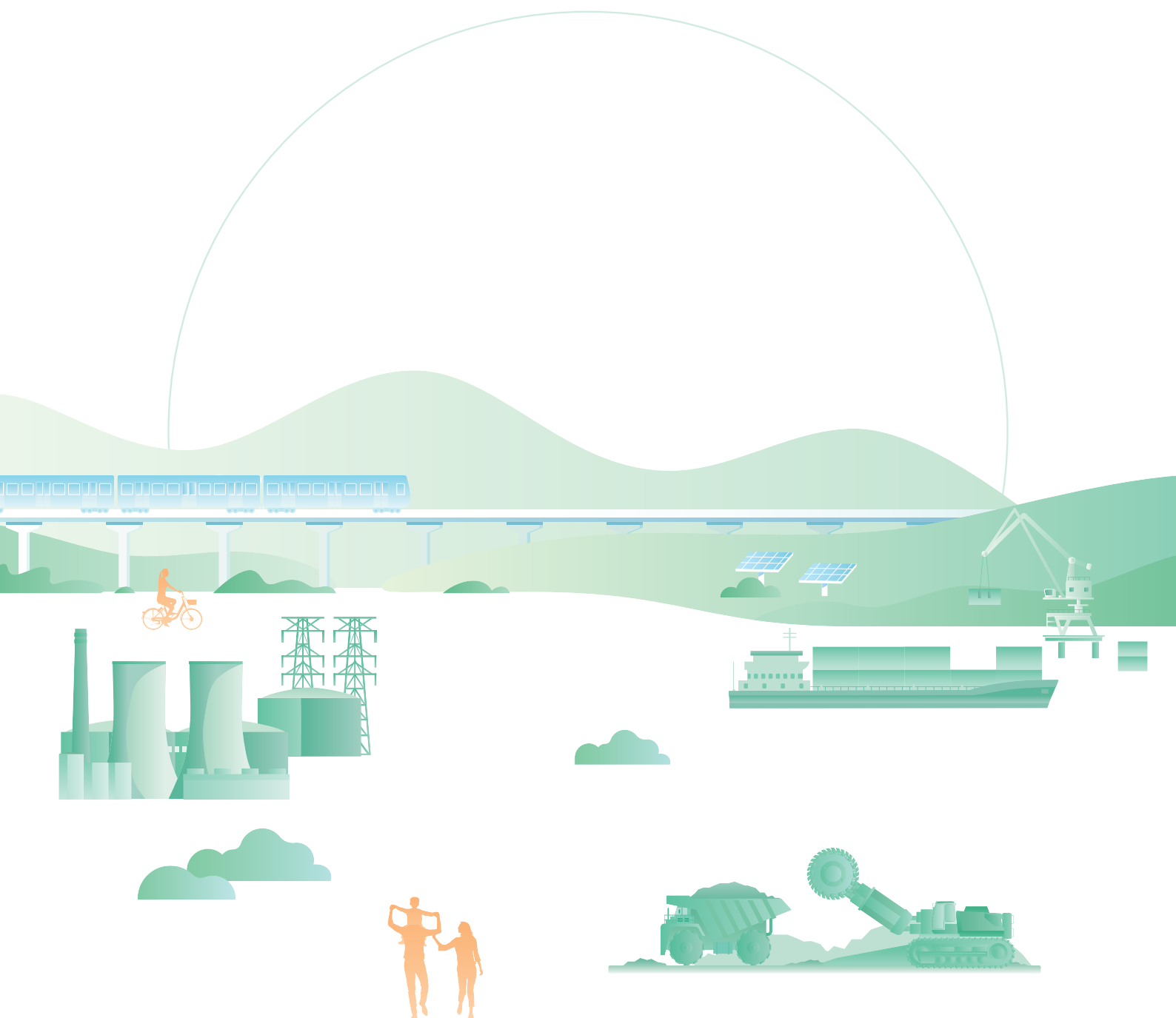




中国神华能源股份有限公司
CHINA SHENHUA ENERGY COMPANY LIMITED

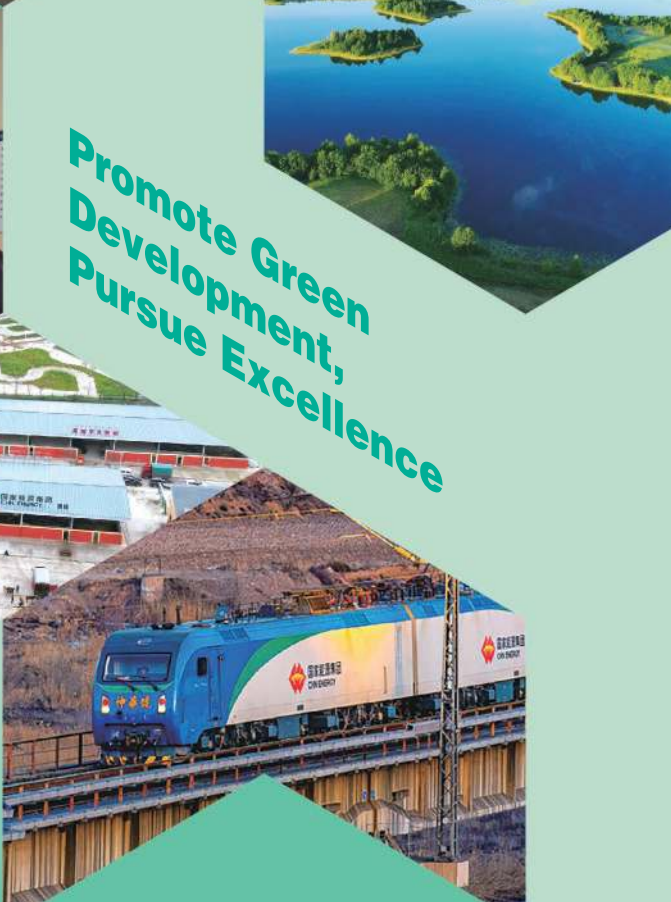
(a joint stock limited company incorporated in the People's Republic of China with limited liability)

Stock Code: 01088



2024

**Environmental, Social and
Governance Report**



Promote Green
Development,
Pursue Excellence

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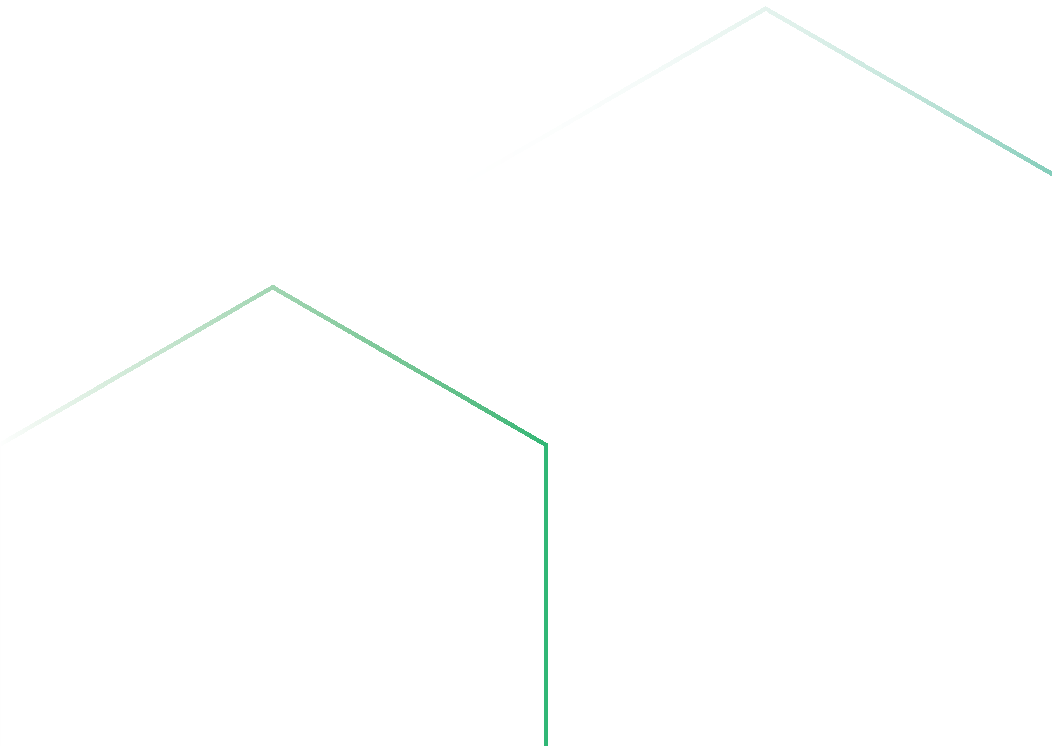
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About this Report



The report mainly introduces the core values and policies of China Shenhua in the aspects of environmental, social and governance (“ESG”), as well as the practice and performance in 2024. The report aims at enhancing communication with all stakeholders to jointly promote the sustainable development of the Company and society. The compilation of this report may not be entirely satisfactory due to various objective constraints. Readers are welcome to put forward their comments and suggestions by completing the Feedback from Readers attached to this report. The Company will improve and enhance the report on a best effort basis in the future.



Reporting Period

The report is an annual report. The reporting period is from 1 January 2024 to 31 December 2024. Certain contents have been retrospectively reviewed and extended in accordance with the principle of information consistency.



Scope of the Report

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



Basis for Preparation

The report is prepared in accordance with the requirements of the Environmental, Social and Governance Reporting Guide as set out in Appendix C2 to the *Main Board Listing Rules* of HKEX, with reference to the *Guidelines on Self-Regulation of Listed Companies No. 14 – Sustainability Report (Trial) of Shanghai Stock Exchange* and the requirements of the GRI Standards of the Global Sustainability Standards Board (the “GSSB”). The section of Response to Climate Change was partially prepared with reference to the HKEX *Guidelines on Information Disclosure of Climate*.



Reporting Principles

Materiality principle: This report focuses on matters that may have material effects on stakeholders and the Company on the basis of the evaluation results of material ESG issues approved by the Board of the Company.

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

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

Consistency principle: Unless otherwise stated, there are no significant adjustments to the scope of disclosure in this report as compared with the Company's ESG reports from previous years, and a consistent statistical methodology has been used to disclose 3-year comparisons for the key quantitative ESG indicators in order to reflect trends in performance levels.



Reporting Language

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



Assurance Information

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



Availability of the Report

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

Message from the Board

2024 marks the 20th anniversary of the United Nations Global Compact's proposal of the ESG concept. The Chinese government has intensively issued a series of ESG-related policies. Regulatory agencies, such as the China Securities Regulatory Commission, have promoted the establishment of unified information disclosure standards, showing that ESG has been attached with great importance and actively promoted. 2024 is also the 20th anniversary of the establishment of China Shenhua. We actively respond to the State's call to action, regarding ESG as an important constituent of corporate development, promoting high-quality development and high-robustness protection, continuing to enhance corporate governance and maintaining a trend of seeking progress while ensuring stability and improving quality while making progress, and further enhancing our sustainable development capabilities.

Anchoring the green and low-carbon goals to assist in building a beautiful China.

We have maintained the strategic focus on green and low-carbon development and formulated a low-carbon development work plan for 2024 to solidly promote the carbon peak initiative. We adhere to the integration of coal development and utilisation with ecological governance and follow the route of "developing gold and silver mountains of energy, recreating green waters and green mountains of the environment" to enhance the diversity, stability and sustainability of the ecosystem. 84% of the Company's coal mines have been recognised as green mines. Heidaigou Open-Pit Coal Mine and Ha'erwusu Open-Pit Coal Mine have obtained the 5A certification, the highest level for green mine construction. The Zhunneng Mine Ecological Tourism Area has been rated as a 4A grade national tourist attraction. Huanghua Harbour Administration has been awarded the title of "Asia-Pacific Green Port" again, and Baotou Coal Chemical has won the title of "National Green Factory of the Petroleum and Chemical Industry" in 2024. Upgrading of processes, technologies and equipment was promoted to accelerate the transformation of traditional industries into green and low-carbon sectors. All industries have carried out large-scale equipment renewal actions. The use of green and low-carbon transportation equipment such as carbon fibre composite railway freight vehicles was promoted. Mobile machinery and operating vehicles such as mining trucks and railway locomotives were transformed to use new energy alternatives. The energy-saving transformation of coal-fired power systems was advanced to improve efficiency. Co-combustion experiments of ammonia energy and biomass were carried out in coal-fired power plants. Carbon emission intensity per unit product has maintained a downward trend, and 100% green electricity consumption has been achieved in all sectors. We continue to expand effective investment and steadily promote the development of new quality productive forces, with the annual R&D intensity reaching 1.2%. The Company has established a special leading group on accelerating the development of strategic emerging industries and promoted an orderly landscape for emerging industries such as energy storage, carbon capture and utilisation, and hydrogen energy. As of the end of 2024, new energy projects for external commercial operations with a capacity of 761 MW have been put into production, and the share of operating revenue from emerging industries has reached 5.9%. The construction of a resource recycling system has been accelerated to start building a "zero-waste group". Refined management, effective recycling and efficient utilisation of waste are promoted to enhance the level of disposal and utilisation for solid and hazardous wastes. The prevention and control of unorganized emissions of particulates and in-depth treatment of air pollutants from coal-fired boilers are strengthened so as to step up our efforts to overcome difficulties in the prevention and control of air pollution. The electric power and chemical industries have actively set demonstration enterprises that utilise recycled industrial wastewater and basically achieved zero wastewater discharge.

Focusing on reform and innovation tasks to improve the standards of corporate governance.

We focus on the modernisation of the corporate governance system and governance capabilities, coordinate and promote reforms such as improving the quality of central enterprises' listed companies, and continuously improve the Company's operating mechanism. The Company's Board of Directors has completed re-election for a new term, and the "three meetings" have been functioning efficiently and in compliance with regulations. We have been awarded the Best Practice Awards for Corporate Governance and Board of Directors by the China Association for Public Companies again for consecutive years. We actively embrace the latest ESG regulatory rules at home and abroad, deploy special actions such as improving ESG governance system, improving climate change management system and studying Scope 3 of carbon emissions in advance, and use information disclosure as a starting point to promote the Company's ESG governance to a new level. We have established and improved the "11257" market value management work system. The Company's comprehensive market value has recorded positive growth for four consecutive years, and its brand value has been ranked No.1 among listed energy companies. We actively connect with the capital markets, and have carried out the "report + return" visiting activities for investors in spring and the "high quality + new momentum" reverse roadshow activities in autumn, and communicated with more than 4,000 investors throughout the year. The Company has been rated Grade A in the SSE's information disclosure work evaluation for 11 consecutive years and has been awarded titles of honours including China Media Group's "China Top 100 ESG Listed Company Pioneers", the first prize of National Enterprise Management Modernisation Innovation Achievement and Forbes China's "2024ESG50".

Actively fulfilling corporate responsibilities and promoting economic and social development.

We have always considered energy security as a top priority and have effectively supported the "progress" of economic development with the "stability" of energy supply, firmly safeguarding the bottom line of ensuring people's livelihood, power generation and heat supply. We continue to consolidate the foundation for increasing coal production, and the output of self-produced coal has maintained a high level of more than 27 million tonnes per month. The Xinjie No. 1 Well and Xinjie No. 2 Well projects have been approved by the National Development and Reform Commission. We continue to improve the peak power supply capacity, with an average monthly power generation of more than 18.6 billion kWh, and the Huizhou Thermal Power Phase II gas-fired cogeneration unit has been put into operation at a high standard. We continue to enhance our energy transportation capabilities, coordinate the coal supply of internal and external users, fulfil the medium – and long-term contracts in terms of quantity, price, quality and timing, and achieve a new high level in integrated operation. We adhere to shared development, making every effort to protect people's livelihood and serve the society, build stable and harmonious community relations, and play an exemplary leading role in providing public services, promoting rural revitalisation, responding to emergencies and achieving common prosperity. We adhere to the people-oriented development concept, continue to consolidate the foundation of safe production management, improve the occupational health management system, respect the dignity and rights of employees, and promote the common growth of employees and enterprises. We fully implement the strategy of scientific and technological innovation. The Company has established a leading group for science and technology and cybersecurity work, increased efforts to tackle issues of key core technologies, accelerated industrial intelligence empowerment, participated in the establishment of the Guoneng Science and Technology Achievement Transformation Investment Fund. World-first projects such as the 30,000-tonne heavy-haul railway have been successfully put into operation. Transformation practices such as rapid coal quality inspection have become industry models.

We have experienced twenty years of hard work, twenty years of brilliant achievements and twenty years of reforms. China Shenhua was born in the era of reform and opening-up, and it will continue to write a new chapter of deepening reforms in the new era on a new journey. In 2025, we will pay more attention to improving the relationship between energy supply security capabilities and the green and low-carbon transformation and development efficiency, strengthening integrated and coordinated development, developing new quality productive forces in the energy field, improving the level of digitalization and green development and striving to enhance the core competitiveness of the enterprise to comprehensively promote high-quality, high-efficiency and sustainable development of the Company.

Statement of the Board

The Board of the Company is the highest responsible and decision-making institution for ESG matters, which takes full responsibility for the Company's ESG strategies and reports, and overseas ESG-related matters that may affect the Company's business or operation, shareholders and other stakeholders. The Safety, Health, Environment and ESG Working Committee of the Board is responsible for supervising the implementation and performance of ESG key issues and making recommendations to the Board to ensure the integration of ESG concepts and the Company's strategies. The Audit and Risk Management Committee of the Board of Directors promotes the establishment of an effective internal control system for the Company and participates in the deliberation and decision-making on ESG matters such as climate change.

The Company attaches great importance to ESG governance and continues to develop the ESG governance system. The Company regularly conducts analysis and assessment of material ESG issues and identification of ESG risks based on the internal and external environment of development and the results of communication with stakeholders. The Board considers and determines material ESG issues and ESG risk list, takes them as the key work to manage and supervise, ensures that ESG concepts are integrated into the Company's development strategies, and implemented in production, operation and management activities, in order to promote the Company's economic development, social equity, and environmental sustainability.

The Company has established an ESG target management mechanism covering major indicators such as carbon emissions, pollutant emissions, energy consumption and water resources management, and the Board reviews the progress of those targets annually. The Company has incorporated ESG indicators into the annual performance appraisal system of the management and its affiliated units to promote the achievement of the Company's ESG targets and improve the Company's ESG performance.

This report discloses the details of the progress and effectiveness of the ESG work of China Shenhua in 2024, and it was considered and approved at the Board meeting on 21 March 2025. The Board and all the Directors of the Company guarantee that the report does not contain any false representation, misleading statement, or material omission, and bear legal liabilities for the truthfulness, accuracy and completeness of the content hereof.

About China Shenhua

Profile of the Company

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

China Shenhua is the A+H shares flagship listed company under China Energy. Its H shares and A shares were listed on HKEX and SSE on 15 June 2005 and 9 October 2007, respectively. By the end of 2024, the Company had assets of CNY661.4 billion, with a total market capitalisation of USD114.4 billion and a total of 83,000 employees.

Major Business Segments

The Company had coal resources of **34.36** billion tonnes and recoverable coal reserve of **15.09** billion tonnes. Approved production capacity reaches **350** million tonnes, representing approximately **8%** of national capacity. The Company has built **2** national-level intelligent demonstration coal mines, **22** provincial-level intelligent coal mines, **19** intelligent coal preparation plants, **36** intelligent longwall mining working faces, **63** tunnelling working faces and **4** open-cut intelligent stripping working faces. The Company has also built **14** national-level green mines and **7** provincial-level green mines, with the production capacity of green mines and intelligent mines at leading national level.

Total installed capacity of power generation reaches **46,264** MW, including **43,184** MW of coal-fired power, **2,194** MW of gas-fired power, **125** MW of hydropower and **761** MW of photovoltaic power. The Company continues to deploy the construction of high-quality thermal power projects and plans to implement flexibility transformation, heating transformation, and low-carbon transformation. **100%** of coal-fired power generation units have achieved desulfurization and denitrification, and **100%** of conventional coal-fired power generation units have achieved ultra-low emissions. In the new energy sector, the Company has steadily developed "photovoltaic +" mining area governance, distributed photovoltaic and centralised photovoltaic projects, and actively responded to the construction requirements of new power systems. The Indonesian clean coal-fired power projects have become a model and benchmark for Chinese companies to "go global".

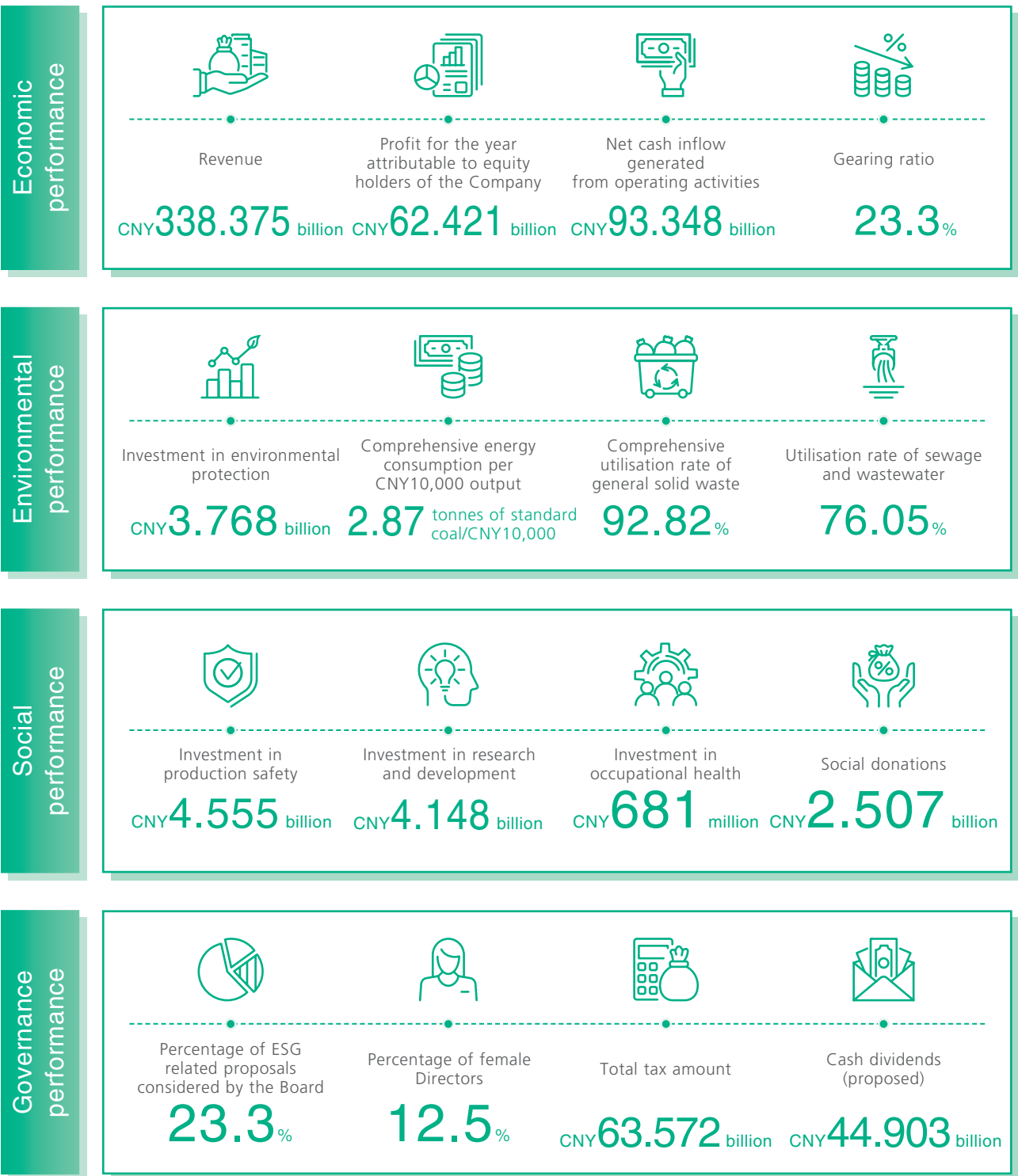
With a total operating mileage of **2,408** kilometres, an annual transportation capacity of **530** million tonnes, more than **800** locomotives and more than **50,000** self-provided railway freight vehicles at its disposal, it is the second largest railway operator in China. It is committed to promoting informatization and digitalization of railway construction and operation. The Company has jointly developed electric locomotives with the largest power in the world, completed the construction of the first intelligent service line for operation and maintenance in the domestic railway industry, successfully launched the world's first **25,000**-tonne heavy-haul train based on LTE broadband mobile communication technology, conducted trial operation of China's first high-power hydrogen energy shunting locomotive. The intelligent driving of **30,000**-tonne heavy-haul trains has filled the domestic gaps.

It owns **three** professional companies, namely Huanghua Harbour Administration, Tianjin Harbour Administration and Zhuhai Harbour Administration, with a designed throughput capacity of **270** million tonnes per year. Huanghua Port is an important seaport for transporting coal from west to east and from north to south in China. It is a leader in the application of dust control technology and intelligent control of coal loading at coal terminals. Its labour productivity and per capita profit rank first among domestic ports. It is the first professional dry bulk port in China that has won the title of five-star "China Green Port" and the "China Environmental Excellence Award".

It owns **40** cargo vessels with a deadweight capacity of **2.24** million dwt and an annual transportation capacity of **54** million tonnes. All self-owned vessels can connect to the shore power facilities. The routes cover more than **200** power generation enterprises and coal emergency reserve bases located in coastal and riverside provinces and cities such as Huanghua, Tianjin and Qinhuangdao. Its fleet size and profitability rank among the forefront of shipping enterprises nationwide.

Baotou Coal Chemical is the world's first coal-based methanol-to-olefins industrial demonstration project with main products of polyethylene, polypropylene and a small number of by-products. Its production capacity is approximately **600,000** tonnes/year, and the construction of a **750,000** tonnes/year coal-to-olefins upgrade demonstration project has been commenced. Bayannur Energy has a coking production capacity of **1.2** million tonnes/year.

Key Performance in 2024



Major ESG Honors in 2024

China Shenhua's ESG development has been recognised both domestically and internationally. It has participated in the "2024 China Brand Value Evaluation Information" assessment, ranked No. 5 in the energy and chemical sector with a brand value of CNY224.636 billion, and has **ranked No. 1 among energy listed companies for consecutive years**. It was selected by the Fortune China ESG Influence List and Forbes China ESG50 List for two consecutive years, and was **awarded honorary titles such as China's Top 100 Enterprises and China Ethical Enterprise**.

Media and Social Awards:

 Shanghai Stock Exchange 2023-2024 Information Disclosure Work Evaluation Grade A	 China Association for Public Companies 2024 Best Practice Cases of Board of Directors and Sustainable Development of Listed Companies
 China National Coal Association Outstanding CSR Report Release for Enterprises in the Coal Industry of China	 China Media Group China Top 100 ESG Listed Company Pioneers (2024) Ranking List
 Energy Journal ESG Corporate Governance Pioneer Award	 Securities Times Tianma Award for Investor Relations Management of Hong Kong Shares Listed Companies
 People's Daily Haiwainet/All-China Environment Federation 2024 ESG100 Index List of Chinese Enterprises	 National Enterprise Management Modernisation Innovation Achievement Review Commission First Prize of 31st National Enterprise Management Modernisation Innovation Achievement

Major ESG Ranking Grades:

China Securities Index	Wind	MSCI	S&P	CDP
AA	AA	BB	43/100	Climate Change C Water Security B-





Governance related to Sustainability

China Shenhua constantly improves and upgrades modern corporate governance systems and capabilities with Chinese characteristics, adheres to standard corporate governance as the cornerstone of sustainable development, integrates ESG concepts into corporate culture, striving to build a governance mechanism with “legal and transparent rights and responsibilities, coordinated operations, and effective checks and balances”. During the year, the Company continued to improve governance efficiency, protected the legitimate rights and interests of investors and made continuous efforts in building a corporate governance model for state-owned enterprises.



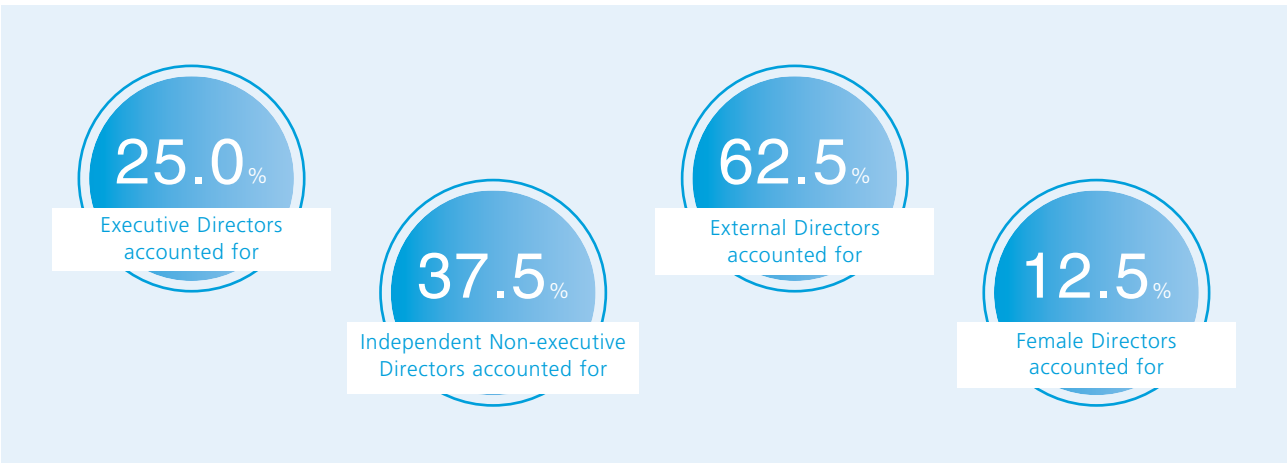
Corporate Governance

China Shenhua has established a comprehensive corporate governance structure in compliance with *the Company Law of the People's Republic of China* and other relevant laws and regulations as well as the regulatory requirements of the place where the Company is listed. The general meetings of shareholders, the Board of Directors, the Supervisory Committee and the management of all levels perform their respective duties to ensure the sound operation of the Company.

Please refer to the “Corporate Governance and Corporate Governance Report” section in the 2024 Annual Report of the Company for disclosure details of the Company’s corporate governance performance in 2024. The following is a partial summary:

Board Diversity

In 2024, the Company completed the re-election of the Board of Directors and the Supervisory Committee, and elected Mr. Lv Zhiren as chairman of the Board and Mr. Tang Chaoxiong as chairman of the Supervisory Committee. The Board appointed Mr. Zhang Changyan as the Chief Executive Officer of the Company. As of the end of 2024, the sixth session of the Board of Directors of China Shenhua consisted of 8 Directors. The Directors were drawn from diverse industries across the Chinese Mainland and the Hong Kong Special Administrative Region. The knowledge structure, professional fields and work experience of the Directors were diversified and complementary, of which Executive Directors accounted for 25.0%, Independent Non-executive Directors accounted for 37.5%, External Directors accounted for 62.5% and Female Directors accounted for 12.5%.



The sixth session of the Board of Directors has updated the composition of each special committee, of which, the Safety, Health, Environment and ESG Working Committee was chaired by the Company’s Chief Executive Officer, with one Non-executive Director and one Employee Director serving as members.

Operation of the Board

In 2024, the Board of Directors of the Company earnestly implemented all resolutions passed by the general meetings in strict accordance with the resolutions and authorizations of the general meetings, so as to ensure the standardised operation of all activities of the Board of Directors. All Directors exercised their duties and powers in a regulated manner, attended general meetings, performance briefings and investor communication meetings, and made full use of their professional knowledge and skills to make scientific decisions on major issues of the Company. During the year, 11 Board meetings were held, at which 11 reports were heard and 60 proposals were considered. The Board of Directors held a strategy seminar in 2024 to discuss and analyse the situation and tasks faced and make arrangements for the preparation of the Company's "15th Five-Year Plan".

During the year, we held

11 Board meetings

Heard

11 reports

Considered

60 proposals

Board Independence

In 2024, the Independent Non-executive Directors of the Company actively participated in various meetings and took part in the discussion and deliberation of proposals by performing their rights and obligations conferred by laws and regulations, *the Articles of Association*, *the Working Rules for Independent Directors* and the rules of procedure of relevant Board committees, and expressed independent opinions independently, objectively and fully and voted prudently in accordance with the law, and paid attention to the implementation and effects of the resolutions of relevant meetings.

Training and Research of Directors

In 2024, members of the Board of Directors participated in training sessions held by regulatory authorities such as stock exchanges and associations for listed companies with a total training duration of 63 hours, which effectively improved the knowledge and performance capabilities of the members of the Board of Directors.

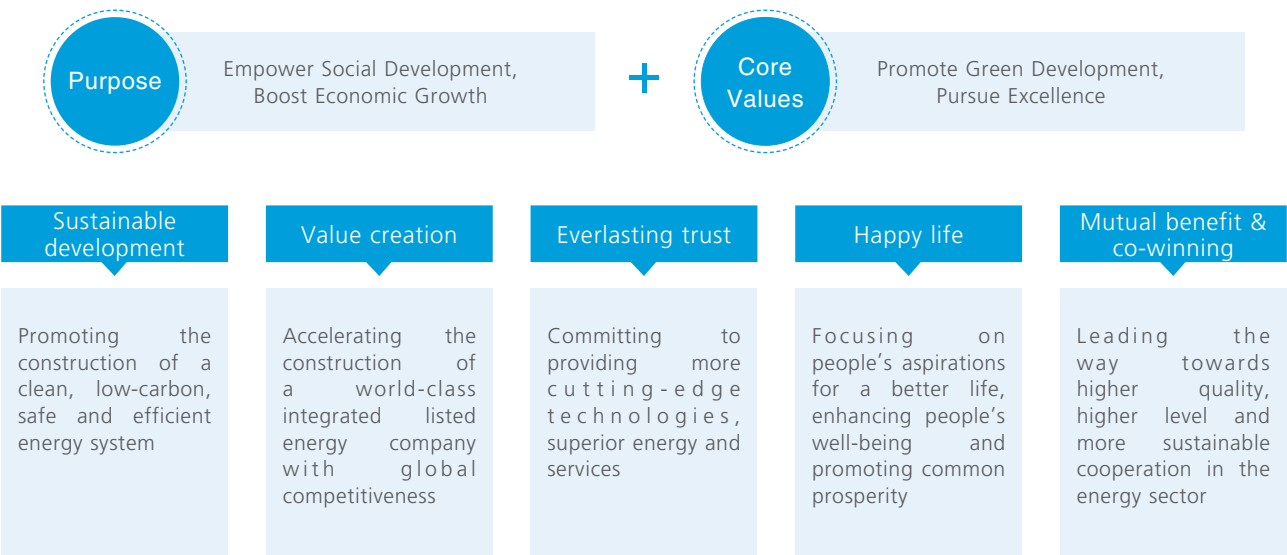
In order to further safeguard the energy security, accelerate the promotion of green and low-carbon development, and continuously improve the value creation capability, the Board of Directors organised and launched special research on major issues according to the 2024 annual work plan, including on-site inspections on units such as Shengli Energy, Baorixile Energy and the headquarters of the Company. The Board also conducted research on safe production, joint operation of coal-fired power and new energy, acquisition of resources, progress of capital injection and ESG governance, and put forward a number of important opinions and suggestions.

ESG Governance

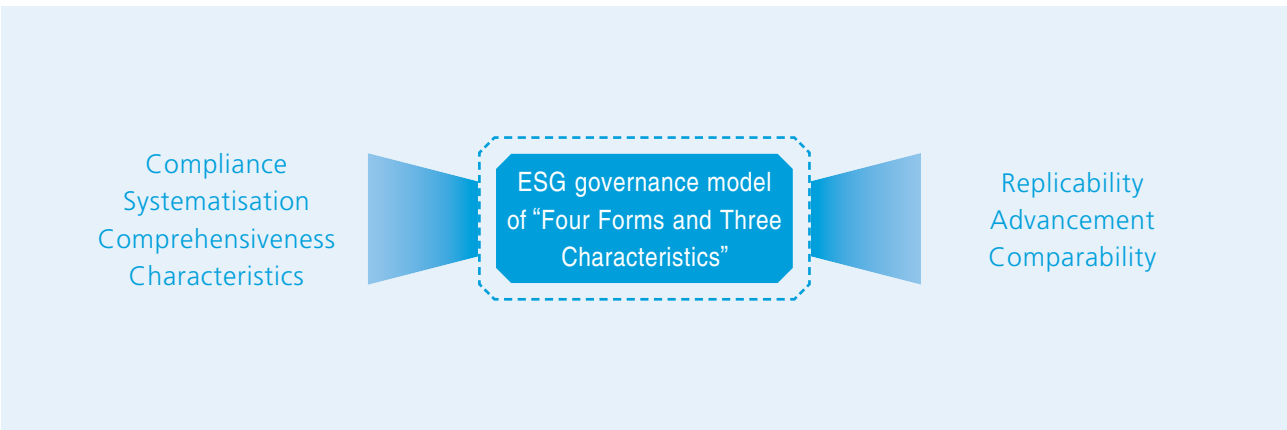
China Shenhua has integrated the ESG philosophy into its corporate development strategies. By adhering to the core values of “green development and pursuit of excellence”, China Shenhua has continued to promote the improvement of ESG management capabilities and strengthen communication with stakeholders, so as to create an ESG governance model of “four forms and three characteristics” with Shenhua’s characteristics.

ESG Governance Philosophy

Pioneer in Energy Revolution, Ballast for Energy Supply



ESG Governance Model



ESG Governance Structure

China Shenhua has established an ESG governance structure with distinct layers and clear functions, covering the Board of Directors, the management, functional departments of the headquarters, subsidiaries and branches, to ensure efficient ESG management and promote the sustainable development of the Company.

Level	Organisation	Responsibilities	Personnel Composition
 Decision-making level	Board of Directors	Overall planning and major decision-making and deployment of ESG.	Members of the Board of Directors
	Safety, Health, Environment and ESG Working Committee	Overseeing the Company's governance of sustainability risks and opportunities, considering and measuring sustainability risks and opportunities in business activities, and promoting the skill training in sustainability risks and opportunities.	
	Audit and Risk Management Committee	Promoting the establishment of an effective internal control system for the Company and participating in deliberations and decision-making on ESG matters such as climate change.	
 Management level	Senior management	Initiating or deploying ESG-related actions, supervising work progress, etc.	Senior management personnel, heads of relevant departments of the headquarters
	Low-carbon Development Leading Group		
 Implementation level	ESG Governance Office	Coordinating and promoting the implementation of daily ESG management work. Organizing and preparing the ESG reports.	Relevant personnel of the Corporate Management and Legal Affairs Department of the headquarters and the Office of the Board of Directors
	Safety and Environmental Protection Group, Social Contribution Group and Corporate Governance Group of the headquarters	Responsible for the promotion and implementation of the Company's ESG strategies and goals.	Professionals from relevant departments of the headquarters
	Subsidiaries and branches		Persons in charge and personnel of relevant departments and units responsible for ESG

ESG Governance Structure of China Shenhua

Integrating ESG Strategies into Business Operations

Integrating ESG factors into development planning and investment budget: Our goal is to build a world-class, listed energy company with global competitiveness. We are committed to a strategic plan that actively promotes the green and low-carbon development of our economy, society and industrial structure. We have incorporated investments in safety and environmental protection, energy-saving and emission reduction transformation and new energy projects development into the decision-making process for our annual capital expenditure budget to ensure that both new projects and daily operations align with ESG considerations.

Integrating ESG control into business target system: In accordance with the relevant national laws and regulations and the requirements of domestic and international ESG regulatory rules, we have formulated ESG control targets in four aspects for 2020-2025, including carbon emissions, pollution prevention and control, energy use and water efficiency with reference to the “Dual Carbon Goals” of China and the Sustainable Development Goals (SDGs) of the United Nations. For specific targets and progress of 2024, please refer to the section headed “Environment” in this report.

Integrating ESG management into corporate governance system: We have established an ESG information reporting and monitoring mechanism, and report relevant information to the Board and management at least every six months in the form of project reports, progress reports, etc. The Board and management supervise the progress of ESG-related matters of the Company by approving annual plans, risk lists, control objectives, etc. In 2024, the Board considered and reviewed a total of 14 ESG-related resolutions; the Safety, Health, Environment and ESG Working Management Committee considered and reviewed matters such as the annual major ESG focuses twice; the Audit and Risk Management Committee considered and reviewed matters such as the list of climate changes risks and opportunities 2 times and convened 2 CEO Thematic Meetings to discuss and promote ESG matters; and the Company’s Independent Non-executive Directors conducted one special research on ESG governance.

Integrating ESG risks into the overall risk management system: Please refer to the section headed “ESG Risks and Opportunities Management” in this report.

Integrating ESG performance into the remuneration assessment system: The Remuneration and Assessment Committee reviews the performance of duties of Directors, Supervisors, Chief Executive Officer and other senior executives and conducts annual performance assessment for them. The annual performance assessment plan for the Company’s Executive Directors and management for 2024 included a total of 43 appraisal indicators in six categories at which ESG-related indicators had an aggregate score of 66 points, accounting for approximately 34.7% of the basic assessment score in total. We have established a salary clawback provision. For those who fail to satisfy the assessment indicator requirements or are involved in any one-vote veto matter or violations of regulations and disciplines, the responsible personnel will be deducted performance-based remuneration, fined, or subject to other corresponding penalties.

Integrating ESG knowledge into employee training system: We appoint Directors with a background in the energy industry and professional knowledge in environmental and social management to provide professional support and guidance for the Company’s ESG efforts. In 2024, we invited experts to interpret ESG policies and best practices 3 times, and participated in 17 activities and seminars on ESG rules such as “ESG and Sustainability” organised by regulatory bodies, industry associations and social organizations, ensuring that the Board, management and relevant personnel had sufficient professional skills and capabilities.

ESG Project Initiatives

In 2024, in accordance with China Shenhua’s *Measures for the Management of Environmental, Social and Corporate Governance (Trial)*, the “14th Five-Year” Plan for ESG Governance and other systems and plans, the Company continued to deepen the construction of ESG systems and mechanisms. A number of ESG initiatives were launched, such as the optimisation of index database and ESG rating benchmarking improvement, establishment of a climate change response system, analysis and research on Scope 3 carbon emissions, upgrade of ESG information system, and ESG project research on subsidiaries to further enhance the Company’s ESG governance capability and promote the standardisation and intelligence of ESG management.

ESG Risks and Opportunities Management

China Shenhua has implemented *the Guidelines for Comprehensive Risk Management of Central Enterprises* issued by the SASAC of the State Council and the relevant requirements of listed companies on risk prevention and control, and continuously strengthened its risk management capabilities to ensure sustainable development of the enterprise. The Company carries out a comprehensive risk assessment covering a full range of risks every year, including the identification, assessment and management of ESG-related risks, and constantly improves the construction of internal control risk management system in a risk management and control-oriented approach.

Risk Management

The Company has established a risk management organizational structure with clear functions and division of labour to manage comprehensive risks including ESG risks. The Board reviews the Company's internal control risk management system annually, supervises the establishment and implementation of the internal control risk management system, considers and approves the basic internal control risk management system and strategies and the annual significant risk assessment results, and finally prepares and discloses the internal control assessment report. The Audit and Risk Management Committee is staffed with professional Directors to provide advice and suggestions for the decision-making of the Board. The Audit Department of the Company and relevant departments are responsible for the daily management of internal control risks, jointly creating a corporate culture with awareness of internal control and risk management and promoting the improvement of the Company's internal control and risk management standards.

The Company has formulated documents such as *the Internal Control Risk Management Regulations*, *the Internal Control*

Risk Management Manual and *the Risk Monitoring and Early Warning Index System*, applying the internal control risk management information system to continuously improve the Company's risk management capability with active risk management activities and standardised risk management procedures.

In 2024, the Company reviewed and listed the major ESG risks it faced, including but not limited to safety production, environmental protection, climate change, compliant operation and supply chain management. These risks and their prioritization are all included in the 8 identified significant risks with the approaches adopted to address these risks. Please refer to the "Management Discussion and Analysis" in the Company's 2024 Annual Report. For the definition of the impact time spans of ESG risks on the Company, please refer to the section headed "Response to Climate Change" in this report. The Company will conduct a dual materiality issue analysis in 2025 to assess the financial impact of ESG risks.



Risk Management Process

China Shenhua has established a comprehensive internal control supervision and inspection mechanism, and carries out a comprehensive risk assessment including ESG risks every year, which covers 7 work processes: formulating an assessment plan, forming inspection working groups, conducting self-assessment, conducting inspection and assessment, communicating and identifying deficiencies, rectifying deficiencies, and preparing an assessment report.



Annual Assessment Work Process of Internal Control Supervision and Inspection Mechanism

In addition to the annual internal control assessment, the Company's internal control and risk management procedures also include four other procedures, namely risk assessment and reporting at the beginning of the year, quarterly significant risk monitoring, daily internal control risk review and special internal control supervision and inspection, which together constitute an integrated closed-loop risk management mechanism. The Company formulates special risk control measures for the major risks identified annually and quarterly, and continues to track and monitor major risk management and control and the disposal of major risk events on a quarterly basis to ensure that all measures are implemented in place, and all major risks are properly handled and scheduled in advance.

The Company has also established an internal control risk management information platform and a risk early warning indicator system, and realised the online and intelligent practice of business functions such as information collection, risk early warning, risk assessment, management improvement, monitoring and reporting, and internal control assessment, and enhanced the monitoring of risk indicators. We have also established a reporting mechanism for major risk events and formulated response plans to prevent the spread and superposition of major risks.

Risk Management Objectives

China Shenhua regards risk management as an important part of the Company's sustainable operation and has set four "guaranteed" objectives. The Company adopts annual internal control effectiveness assessment, significant risk assessment and other measures to ensure the realisation of risk management objectives. In 2024, the Board earnestly studied the Company's annual internal control evaluation work plan, and truthfully disclosed the internal control evaluation report reviewed and approved by the Board. Upon assessment, the Company found no material and significant deficiencies in its internal control, and the risk management and internal control systems of the Company operated effectively with no significant risk event during the year.

There are four guaranteed objectives of risk management:



Communication with Stakeholders

China Shenhua identifies various stakeholders based on industry dynamics as well as the characteristics and development of the Company. We respect the legitimate rights of stakeholders, maintain open, transparent and effective communication with them, listen to their suggestions, respond to them in a timely manner and properly handle the suggestions to jointly promote the sustainable and healthy development of the Company.

Stakeholders	Key Issues	Communication Channel
 Government and regulators	Abiding by the law Compliance of operations Energy security Sustainable development Tax payment in compliance with the law Boosting local economy	Inspection and supervision Approval and audit Communication and reporting Research and discussion
 Shareholders and investors	Compliance of operations Sustainable development Income returns Unimpeded information	Information disclosure Website and WeChat official account of the Company Performance briefing Roadshow and communication Cash dividend
 Clients	Good faith performance Quality assurance Excellent service	Visit and research Satisfaction survey Contract performance
 Employees	Remuneration and benefits Protection of rights and interests of employees Career development Health and safety Humanistic care	The Employees' Congress Cultural activities Regular training Chairman mailbox
 Community	Response to climate change Water resource protection Pollution prevention and control Energy conservation and emission reduction Biodiversity Community development Public welfare activities Job creation	Environmental impact assessment Declaration and commitment Collection and disclosure of environmental data Community communication and exchanges Open day Public welfare activities Rural revitalisation Media communication

Stakeholders	Key Issues	Communication Channel
 Industry and partners	Business ethics Transparent procurement Mutual benefit and win-win result Fair competition Promoting industry progress Promoting the development of the industrial chain	Contract performance Public procurement and e-procurement Business cooperation Special training Exchange of experience Technical cooperation



The Company organised 2024 Spring “Report + Return” investor visits.

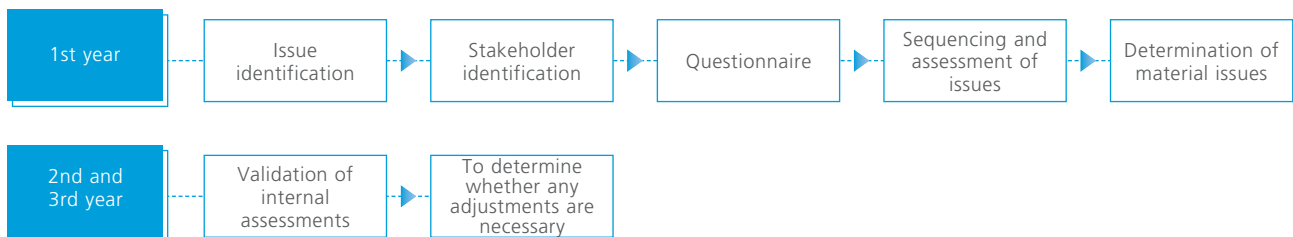
The Company organised 2024 Autumn “High Quality + New Momentum” reverse roadshow.



Evaluation of Material Issues

In the absence of significant changes in the internal and external environments, China Shenhua currently implements a material issue evaluation process on a three-year cycle, i.e. a comprehensive evaluation of material issues is conducted in the first year, and the results of the assessment are validated in the second and third year to determine whether any adjustments are necessary.

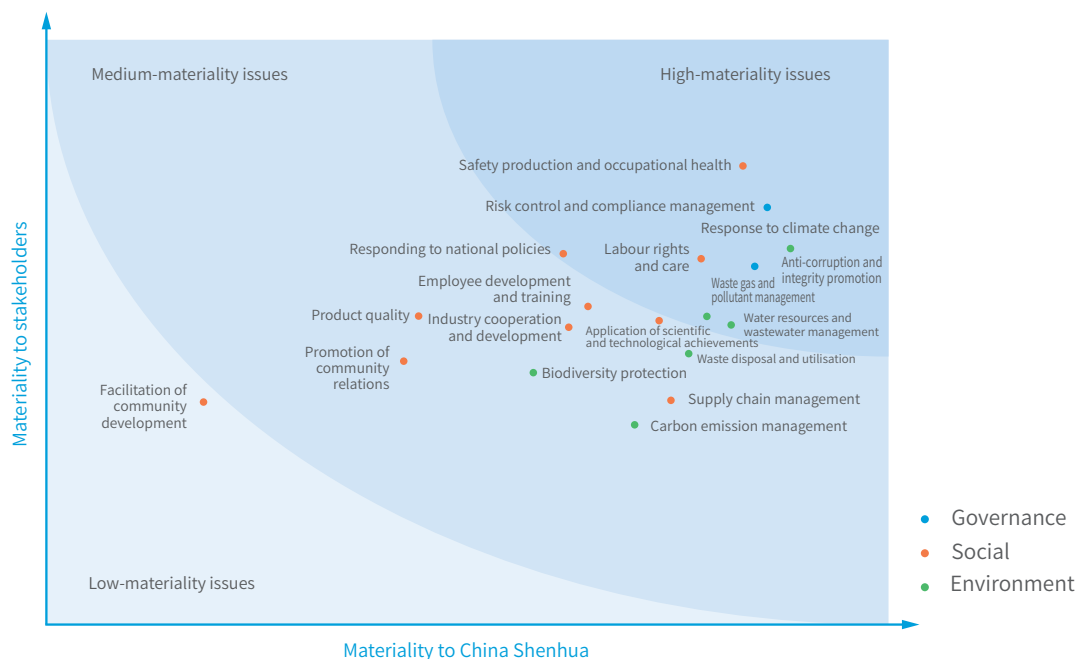
Process for Evaluation of Material Issues



In 2022, China Shenhua identified and screened the list of ESG issues relevant to the Company in accordance with the established work process, organised internal assessments from two dimensions, namely the concern by stakeholders and the impact on China Shenhua, and drew a matrix of material issues. Material issues were then selected and reported to the Board of Directors for review and approval, and were taken as the goal and direction of action of our ESG management work. In 2024, after assessment and validation, no adjustments were made to the assessment results of the previous year's material issues.

In order to better assess the impact of material ESG issues on the Company's development, especially the financial performance, China Shenhua will start the dual materiality analysis in 2025 to identify and evaluate ESG issues that have material impact on and are financially significant to the Company, and disclose them in the 2025 ESG Report.

ESG Material Issues Matrix of China Shenhua in 2024



Integrity and Compliance

China Shenhua strictly complies with *the Company Law of the People's Republic of China*, *the Measures for Compliance Management of Central Enterprises* and other relevant laws and regulations and has formulated *the Compliance Management Provisions*, *the Guidelines on Compliance Risk Prevention and Control of A+H Listed Companies* and *the Implementation Measures for Compliance Review* and other management systems in order to practice the compliance culture, adheres to the integrity of operation and creates a standardised and legal operating environment.

In 2024, the Company continued to improve the organizational structure of integrity and compliance, in which the Board takes responsibility and departments of the headquarters and subsidiaries of the Company implement, promoting all departments and enterprises at all levels to integrate the concepts and requirements of integrity and compliance into the Company's development strategies and daily production and operation management. We dynamically optimised and improved *the List of Powers and Responsibilities for Decision-making Matters (Revised Fourth Edition)*, which lists 179 items in 12 categories of decision-making matters in total for each decision-making body. The OA system was deployed to be strongly integrated with the listed items to standardise the business decision-making process. *The Trial Implementation Plan for the Establishment of a World-class Law-based Enterprise* was formulated to promote the comprehensive upgrading of legal compliance work and enhance legal support and protection capability. *The Implementation Measures for Compliance Risk Management and Control* were formulated to complete the implementation of the management and control mechanism for compliance risk before, during and after events. *The Measures for the Administration of Overseas Compliance* were formulated to strengthen the awareness of compliance and self-discipline of overseas businesses as well as to prevent and control overseas compliance risks. During the Reporting Period, no material violations of laws and regulations by the Company occurred.



In 2024, the Company was awarded honorary titles, including the “Top 500 Creditworthy Enterprises of China”, “Top 500 Creditworthy Listed Companies of China” and “Five-star Integrity Enterprise” jointly awarded by China Enterprise Reform and Development Society and China Cooperative Trade Enterprises Association.



Anti-Commercial Bribery and Anti-Corruption

China Shenhua strictly abides by the laws and regulations, including *the Criminal Law of the People's Republic of China* and *Several Provisions on Integrity in the Employment of State-owned Enterprise Leaders*, supports *the United Nations Convention against Corruption* and opposes any form of commercial bribery and corruption acts, deeply promotes the building of an integrity culture in the new era, supports and maintains a fair and free market competition environment, and strives to create a clean and upright corporate atmosphere.

Anti-Corruption Governance

The Company has established an anti-corruption governance structure with clear subjects, organic synergy, transmission at all levels and strong accountability. The Commission for Discipline Inspection of the Company is the designated body for internal Party supervision, assisting the Party Committee in promoting comprehensive and strict governance of the Party, strengthening the building of Party practice, and organising and coordinating anti-corruption work. The Company set up a coordination group for the building of Party practice, clean governance and anti-corruption to promote the organic connection and mutual coordination between intra-party supervision and the supervision of audit, finance, law and business. The Office of the Commission for Discipline Inspection is the functional department for the Company's disciplinary inspection and carries out specific tasks such as supervision and inspection, enforcement of discipline and accountability, anti-corruption education, handling written complaints and offence reporting. Each subsidiary has set up a supervision body with designated staff to carry out work in accordance with laws, regulations and disciplinary rules.

The Company adopts a "zero tolerance" attitude towards corruption acts, and has formulated and continuously improved the management systems, including *Implementation Measures for Strengthening Supervision*, *Management Measures for Written Complaints and Problem Leads*, *Measures for Issue Clue Management*, *Measures for Implementation of Interviews*, to regulate the employees and corporate acts. The relevant systems cover all institutions, personnel and supply chains of the Company.

The Company regularly carries out comprehensive risk identification and assessment, including compliance risks such as commercial bribery and corruption. *The List of Key Tasks for Daily Supervision* is revised and rolled out, making continuous improvements to the overall supervision structure covering all objects of supervision, business scope, supervision risks and the whole chain of supervision processes. In 2024, 6 corruption litigation cases occurred in the Company, 1 corruption litigation case concluded and the relevant personnel was subject to legal punishment.

Protection for Whistle-Blowers

China Shenhua protects the legitimate rights and interests of whistleblowers. It has formulated and implemented *the Measures for the Protection of Rights and Interests of Whistleblowers and Accusers (Trial)* and other measures. In accordance with the principle of "who is in charge is responsible for the protection of whistle-blowers", the reported matters are handled in accordance with the laws, regulations and disciplinary rules, in order to safeguard the whistle-blowers to exercise their reporting rights in accordance with laws, protect the legitimate rights and interests of the whistle-blowers, and fully enable the positive effects of whistle-blowing in facilitating anti-corruption work and the healthy development of enterprises.

The Company's whistle-blowing channels include written complaints in the form of letters, reports in person and telephone reports, and the telephone number and contact information for reporting cases are disclosed to the public. The Company adheres to the principles of centralized management, standardised procedures and strict discipline for the management of written complaints and leads provided for problems. The staff of the Commission for Discipline Inspection handle the complaints according to their management authority and establish management records for registration and task management. A working mechanism is established to realise the coordination and checks between disciplinary supervision, disciplinary review, and case management.

According to the confidentiality system, the staff of the Commission for Discipline Inspection strictly control the scope of the knowledge about complaints, reports and the details of the problem. It is strictly forbidden to leak the problem information and the handling method to outsiders. Nobody shall access the problem information without approval. When a complaint letter or information of the problem involves the management personnel, review and adjudication personnel, or their close relatives or interested parties, they shall apply for recusal on their own initiative.

Business Ethics Management

China Shenhua insists on operating in compliance with regulations and fair competition, and strictly abides by *the Anti-unfair Competition Law of the People's Republic of China* and other laws and regulations in the course of production and operation. It opposes any forms of commercial bribery, money laundering, monopoly, false publicity and unfair competition, and strictly requires all employees and suppliers to abide by business ethics.

The Company has formulated *the Provisions on Compliance Management (Trial)*, *the Integrity and Compliance Manual* and *the Business Ethics System* for the headquarters and its subsidiaries, which clearly stipulate the business ethics standards on commercial bribery, money laundering, corruption,

unfair competition acts, inside information management for all employees and suppliers. These policies have been inspected by the compliance and audit departments for the Company to implement a business ethics management and supervision mechanisms on such basis. The Company follows *the Provisions on Procurement Administration (Trial)*, *Administrative Measures for Procurement Experts* and other systems, requiring purchasers, procurement agencies, suppliers and bid evaluation experts to abide by business ethics and avoids imposing restrictions or excluding potential suppliers under unreasonable conditions, while at the same time establishing the mechanisms of vocational discipline education and training and job rotation of key personnel to ensure compliance and fairness in procurement work.



Business Ethics Review

The Company exercises audit supervision on China Shenhua and its subsidiaries through the implementation of economic responsibility audits and various special audits. The audit scope includes business ethics management and other aspects, and the audits will cover all subsidiaries and business segments every three years, while business ethics audits and special audits will be conducted at least once every two years. In 2024, the Company conducted a special audit on the business ethics standards and management conditions of the headquarters and its subordinate production and operation units. The main audit contents include the formulation of business ethics standards, supplier/customer management, financial asset management, inside information management, complaints and whistle-blowing, accountability and training.

The Company engages certified public accountants to audit the effectiveness of the internal control over financial reports every year, including consideration of corruption and fraud, and assessment of the effectiveness of internal control to prevent corruption and fraud. The Company conducts annual special inspections on internal control including the formulation and implementation of business ethics policies. The special inspections cover 100% of all subsidiaries and business segments at least every three years. From 2022 to 2024, 54% of subsidiaries underwent multiple inspections. Improvement measures were formulated for deficiencies identified during the inspections, and rectification responsibilities were clarified.

Training and Promotion

In 2024, we held various training and publicity campaigns on business ethics and anti-corruption for the Company's Directors, Supervisors, senior management and all employees, as well as supply chain personnel, so as to foster a clear and clean integrity culture and a transparent and incorrupt business environment.



The Handbook on Integrity Practices in State-owned Enterprises (latest version) was distributed to Directors, Supervisors and senior management, and 4 issues of integrity reminder reference materials were delivered on a quarterly basis to remind and facilitate them to exercise powers in accordance with laws and regulations. The activity of "First Lesson of Integrity Education" has been organised for 4 consecutive years, and the monthly activity of "Integrity Nature and Clean Shenhua" has been held for 2 consecutive years. cadres and employees were organised to undergo on-site alert education at the Strict Party Governance Alert Education Base to guide the cadres and employees to build self-discipline and deepen the awareness for refusing corruption.



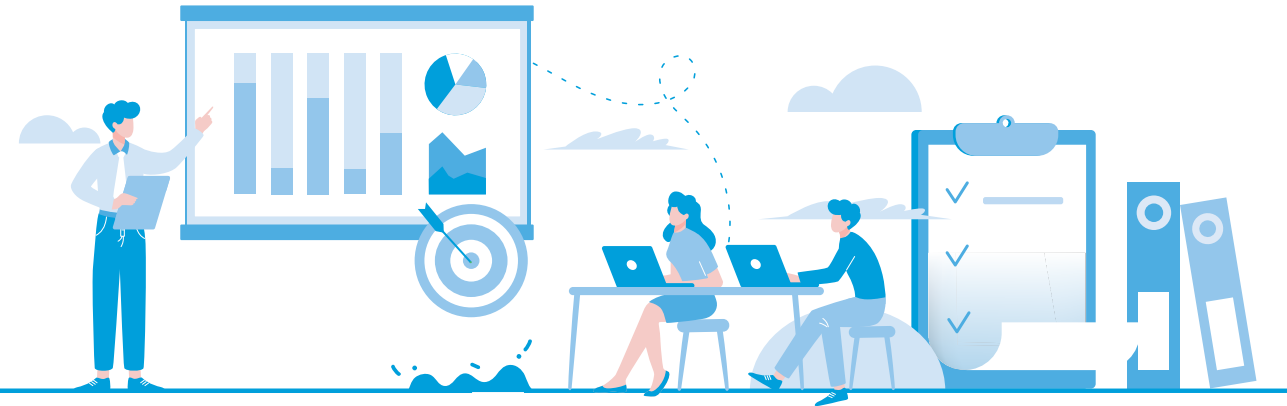
We enhance the atmosphere of compliance culture by conducting business ethics training for employees and supply chain personnel through online and offline platforms. We organised employee business ethics training activities for 12,816 people throughout the year, with a total training time of 149,620 hours. We also organised supply chain business ethics training activities for 3,425 people, with a total training time of 5,210 hours.

Integrity Education and Training provided by the Company in 2024

Target personnel for training	Number of persons trained	Number of training sessions	Total training time (hours)	Percentage of trained personnel(%)
Directors and supervisors	15	4	101	100
Senior management personnel	6	15	73	100
Management personnel of subsidiaries	1,521	1,118	6,292	52.14
Other employees	44,506	2,523	21,389	55.34
Supply chain personnel	1,123	275	738	–

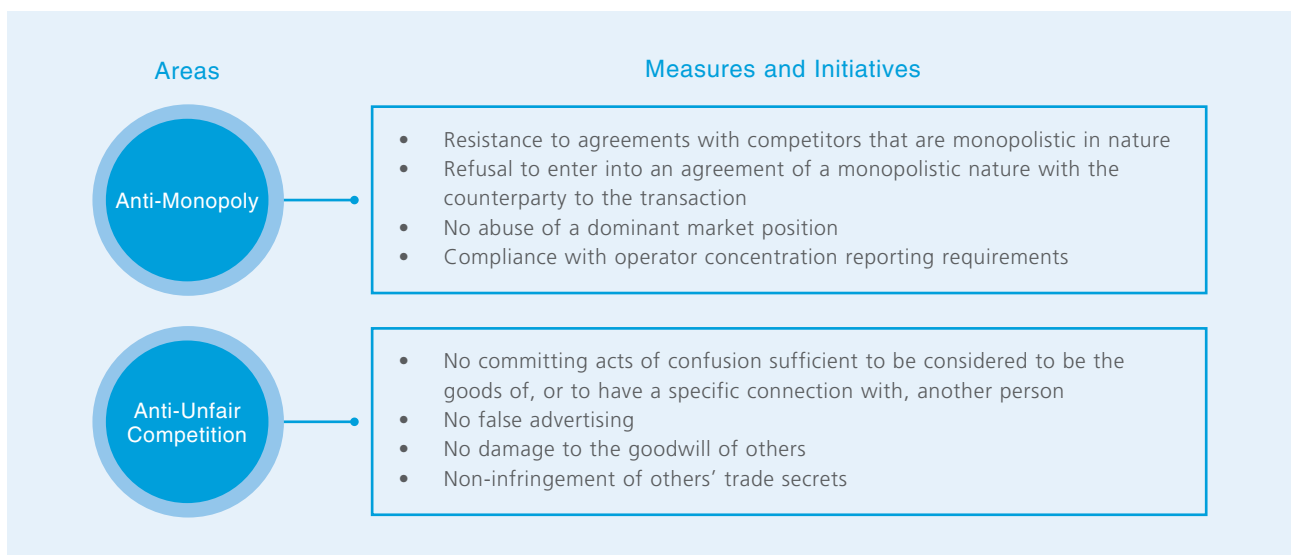


The headquarters of the Company organised visits to the Strict Party Governance Alert Education Bases in Shunyi District and Haidian District, Beijing.



Anti-Unfair Competition

China Shenhua strictly abides by *the Anti-Monopoly Law of the People's Republic of China*, *the Anti-Unfair Competition Law of the People's Republic of China* and other laws and regulations, and has formulated *the Compliance Management Provisions* and *Integrity and Compliance Manual* covering the headquarters and its subsidiaries so as to strictly follow the code of business conduct, participate in market competition in accordance with laws and regulations, and oppose any form of unfair competition. In 2024, the Company was not subject to any litigation or significant administrative penalty due to unfair competition.



Party Building

In 2024, the Company's Party Committee thoroughly studied and implemented the central idea of the Third Plenary Session of the 20th CPC Central Committee, issued *the Work Plan for Fully Implementing the Central Idea of the Third Plenary Session of the 20th CPC Central Committee*, unswervingly pushed forward and deepened the reform in the direction guided by General Secretary Xi Jinping and was awarded Grade A in the Annual Party Building Work Assessment at the Group Level, ranking among the top. Adhering to the principles of big-picture thinking, strict standards, strong deterrence and seeking practical results, the Company formulated a detailed "2+5" work list, identified 49 specific tasks, and organised three "Exploring Red Army March and Boosting Morale" trips for Party members in order to vigorously promote the study and education of Party discipline through in-depth and practical work. As a result, the ideals, beliefs and party spirit for all of the Party members and cadres have been significantly improved, the awareness of discipline and rules has been significantly enhanced, and the spirit of being entrepreneurial and taking responsibility has been significantly boosted. Continuing to polish the Party building brand of "Socialism can be achieved by earnest work", the Company promoted the in-depth integration of the Party building and business work through branch competition and establishment of "Pioneer Team of Party Members" and "Demonstration Positions of Party Members". In terms of resource succession, technological innovation, future industries, capital management and efficiency creation, and ESG brand creation, the Company fully played the role of Party branches as a bastion and the vanguard and exemplary role of Party members. We strengthened the development of spiritual civilisation and corporate culture, formulated a three-year plan for spiritual civilisation development, held the moral lecture event of "Morality Guidance and Model Power", and carried out voluntary service activities such as voluntary tree planting. The influence of the golden brand of "Youth π" continued to increase.



The Company was awarded the Shanghai Securities News Golden Quality Award for the **"Outstanding Party Building"**

Recognised the **"2024 Book Aroma Enterprise"** title in the Book Aroma Beijing initiative





Environment

China Shenhua actively assists the construction of a Beautiful China, adheres to the integrated protection and systematic management of mountains, rivers, forests, fields, lakes, grass and sands, makes overall plans for industrial restructuring, pollution control, ecological protection and combating climate change, synergistically promotes carbon reduction, pollution reduction, green expansion and economic development, enhances of the diversity, stability and sustainability of ecosystems, and actively and steadily promotes the realisation of carbon peak and carbon neutrality.



Response to Climate Change

China Shenhua firmly implements the national goal and action plan of “dual carbon”, complies with relevant international agreements including *the United Nations Framework Convention on Climate Change* and *the Paris Agreement* with reference to the proposals under Climate-related Disclosures (IFRS S2) of the International Sustainability Standards Board (ISSB) by incorporating the response to climate change into the overall development strategy, actively carrying out the construction of climate change management system, steadily promoting the carbon peaking action, paying attention to carbon emission reduction in the development process and striving to improve the governance performance of climate change-related issues.

Governance

China Shenhua has built an efficient and clear climate change governance framework with reference to the HKEX's *Guidance on Climate Disclosures*, the TCFD framework and other documents. The climate governance framework relies on the Company's ESG framework to comprehensively supervise the impact of climate change issues on the Company's business and operations, and systematically implement climate change risk governance, strategy formulation, information disclosure and other tasks in order to promote the normalization and standardisation of climate governance and gradually upgrade the climate risk management for better preparation for the climate change.

Level	Governing Body		
 Decision-making	Board		
	Safety, Health, Environment and ESG Working Committee		Audit and Risk Management Committee
 Management	Senior Management		Low-Carbon Development Leading Group
 Execution level	ESG Governance Office	Safety and Environmental Protection Group of the Headquarters	Relevant ESG departments and units in our subsidiaries and branches

The Board is the top decision-making body in charge of climate-related issues. Its main responsibilities include examining and approving the Company's climate change management strategy, the Company's mid – and long-term climate change management plans and annual plans, and the Company's climate change risk management and control goals. The Board reviews the Company's ESG report annually and ensures that the content of the report complies with the disclosure requirements of the Listing Rules. In 2024, the Board held a strategic seminar to study and analyse issues of the Company's high-quality development such as coal industry development and construction of a new power system in the context of “dual-carbon”.

The Company has also included climate change-related issues in the scope of work of the specialised committees under the Board. **The Safety, Health, Environment and ESG Working Committee** is the main organisation in charge of climate change risk management, chaired by the Executive Director and Chief Executive Officer of the Company, and its main duties cover reviewing the Company's climate change strategy, understanding and assessing the possible impact of climate change risks, and reviewing the content of climate change risk management, etc. In 2024, the committee considered the Company's annual ESG report and the progress of the planned tasks and objectives, etc. **The Audit and Risk Management Committee** is the supervisory and support body for climate change risk management, responsible for supervising the effective operation of the Company's internal control and risk management system, reviewing the list of climate change risks, urging the Company's management to implement the responsibility of climate risk management and control, and listening to the report of the Company's management of climate risks and opportunities on a half-yearly basis. In 2024, the committee reviewed the annual ESG report, the list of the Company's climate change risks and opportunities which are derived and segmented from the perspective of value chain.

The Company's senior management and the Low-carbon Development Leading Group are the leadership organizations of climate change risk management, make arrangements and plans for the Company's climate change risk management work, and organise and coordinate risk management work under responsibility. In 2024, the Chief Executive Officer's Office Meeting of the Company approved *the 2024 Low Carbon Development Work Programme*, deploying the annual promotion targets and work measures; two thematic meetings of the Chief Executive Officer were held to study and deploy the construction of climate change management system and measures for benchmarking and improvement.

The main duties of the Safety and Environmental Protection Group of the headquarters of the Company include assessing the impact of climate change risks, formulating action plans to mitigate the impact of climate change and implementing specific tasks, etc. **The ESG Governance Office** organises and coordinates the formulation of the Company's annual ESG work plan and performance targets, and decomposes them for implementation. **Each subsidiary and branch** organises and establishes the risk management system of their own, implementing the Company's decisions involving climate change, and strictly managing carbon emissions and energy conservation and emission reduction goals.

The Company's climate change management departments at all levels are composed of personnel with professional backgrounds in environmental management and risk management. In 2024, we invited external experts to interpret the domestic and overseas climate change information disclosure rules for the Company's Directors and relevant staff of the headquarters, and actively participated in regulatory rule-making seminars organised by the CSRC and the stock exchanges to ensure that relevant personnel would understand the then situation of climate governance and the updated trends in related issues, helping them acquire the necessary professional knowledge and skills.

The Company's climate change governance is similar to its ESG governance in terms of its information reporting methods, reporting frequency, monitoring mechanism, and measures and methods for integrating climate risks and opportunities into its strategy implementation. Please refer to the section headed "Integrating ESG Strategies into Business Operations" in this report. In 2024, the Board of the Company monitored climate-related issues and actively promoted the implementation of the targets in the carbon peaking stage during the Board meetings. In August 2024, the Audit and Risk Management Committee heard the report of the Company's management on climate risk management and control in the first half of the year, and emphasized the need to pay close attention to the impact of climate risks on the Company's production and operation. In December, the Audit and Risk Management Committee reviewed the Company's list of climate risks and opportunities for 2025.

The Safety, Health, Environment and ESG Working Committee

is the main organisation in charge of climate change risk management

The Audit and Risk Management Committee

is the supervisory and support body for climate change risk management

The Company's senior management and the Low-carbon Development Leading Group

are the leadership organisations of climate change risk management

The Safety and Environmental Protection Group

is mainly responsible for assessing the impact of climate change risks, formulating action plans to mitigate the impact of climate change, and implementing specific tasks, etc.

The ESG Governance Office

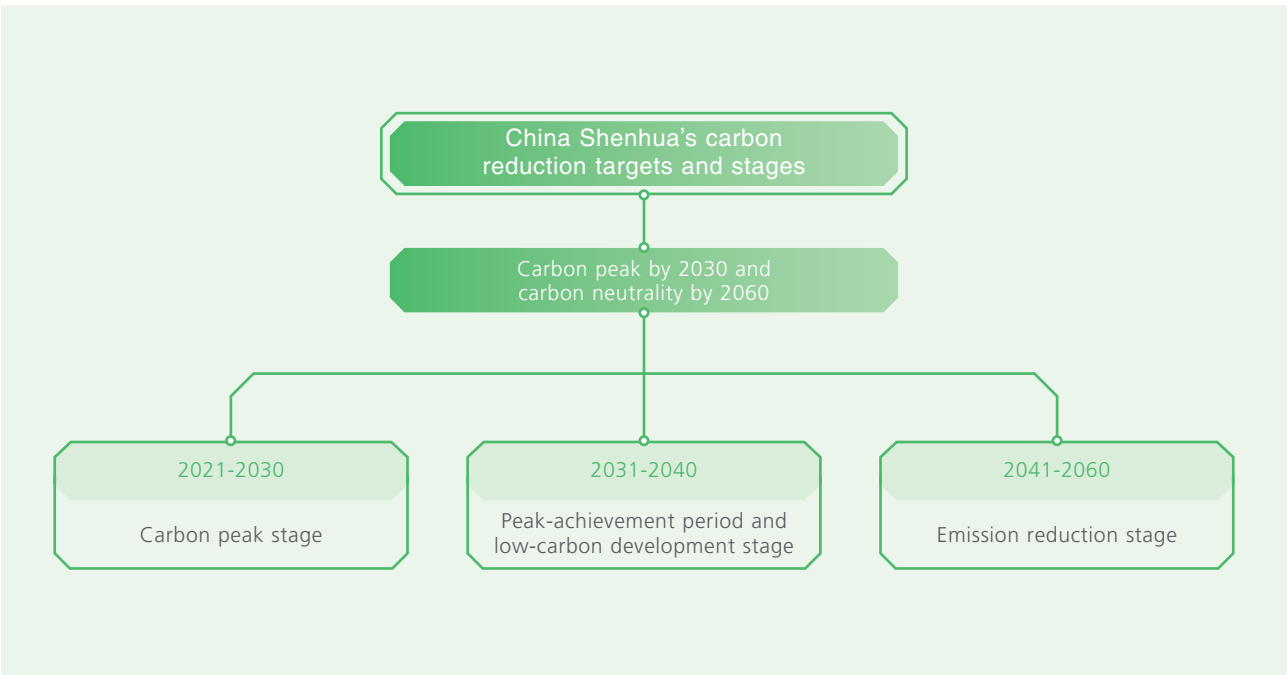
organises and coordinates the formulation of the Company's annual ESG work plan and performance targets

Each subsidiary and branch

organises and establishes the risk management system of their own, implementing the Company's decisions involving climate change, and strictly managing carbon emissions and energy conservation and emission reduction goals.

Strategy

China Shenhua recognises that climate change will bring various physical risks, transformation risks and development opportunities to our business, as well as potential financial impacts. Based on the characteristics of the industry and our own characteristics, we have elevated the issue of addressing climate change to the strategic level of the Company. In 2022, the Company formulated *China Shenhua’s Action Plan for Peaking Carbon Emission*, pursuant to which a *Low Carbon Development Work Programme for the Year* is prepared yearly to gradually improve our climate adaptability and steadily promote our carbon peaking.



These programs and targets are guided by the national “dual-carbon” target, and are in line with the Company’s business plan and long-term carbon reduction and transformation strategy, which take into account energy security and low-carbon development and market energy demand development trend, protect the bottom line of energy security, and push forward the carbon peak work in an orderly and prudent manner.

Carbon reduction transformation actions and results

Pursuant to *the 2024 Low Carbon Development Work Programme for the Year*, we continued to focus on the green and low-carbon development of power generation with the support of R&D of low-carbon technologies for pushing forward along the strategic route of carbon peaking of the whole industry chain through a combination of methods including clean energy substitution, energy conservation and emission reduction technology implementation and carbon asset management.

Management System Optimisation

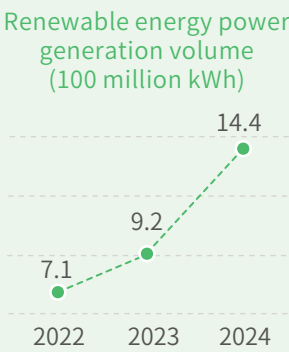
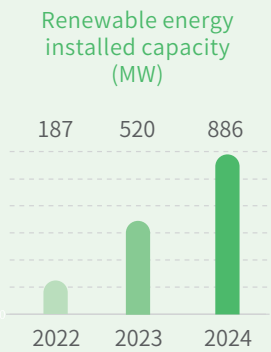
Based on risk management and response basics, we deployed the climate change management system construction projects to further clarify the management mechanism and flow and explored the establishment of a quantitative analysis model for climate scenarios. We carried out a research project on Scope 3 carbon emissions data management and disclosure strategies, defined the statistical boundaries of the upstream and downstream value chain, and developed a phased disclosure plan based on scientific principles to enhance the Company's climate change governance.

Clean, efficient and low-carbon development of core industries

We continue to improve the ecological level of coal production, and the Company's green mines account for 84%. The gas-fired cogeneration unit and other units of Huizhou Thermal Power Phase II commenced operation, adding 1,244 MW of gas-fired power generation capacity. Baotou Coal Chemical won the title of national "Green Factory in the Petroleum and Chemical Industry" in 2024.

Stable development of renewable energy

We develop and construct photovoltaic projects by making full use of the existing land resources such as dump sites of open pit mines, reclamation areas, idle land along railway lines and factory roofs, and actively seek external cooperation to increase the proportion of installed capacity of renewable energy. In 2024, the Company added 366 MW of renewable energy installed capacity, and the power generation volume of renewable energy exceeded 1 billion kWh. As of the end of 2024, the new energy industry investment fund and green and low-carbon development investment fund co-founded by the Company completed investments in a total of 47 projects, and the size of invested and acquired new energy installed capacity reached 7.07 GW.



Development of clean fuel substitutes

We have promoted the use of clean energy to replace traditional energy. Equipment such as the first domestic electric dump truck for mining and the pure electric bucket-wheel coal mining system was put into use successively; the transformation of the Huangwan Railway through electrification was completed; and the first green methanol vessel commenced formal operation; electric boilers were widely used to replace coal-fired boilers on a large scale. A number of important breakthroughs were achieved in hydrogen energy technology. The first hydrogen-electric hybrid unmanned mining truck in China passed the whole-process road test, and the first 2,400-KW high-power hydrogen energy shunting locomotive completed the 10,000-tonne loading test. The national requirements for green power trading and green certificate trading were implemented, and 100% green power application throughout the entire industry was achieved.

Technical transformation for energy saving and emission reduction

We continue to optimise production techniques, accelerate the replacement and transformation of equipment to improve production efficiency and have effectively reduced carbon emissions per unit of product. The “the linkage of three types of technical reforms” of coal-fired power generating units have been promoted. In 2024, energy-saving and consumption reduction transformations were completed for 21 units, flexibility transformations were completed for 9 units, and heating transformations were completed for 6 units, and the average coal consumption for power supply was reduced to 292.90 g/kWh. Applications of low carbon and carbon reduction technologies such as co-combustion with ammonia and co-combustion with biomass are promoted. Taishan Power has successfully carried out the co-combustion test with ammonia on the 600MW coal-fired generating units under high-load power generation conditions; Shengli Power Plant has completed the experiment of “co-combustion with cow dung” for the first time on large-scale coal-fired power generating units in China, and the Shaliu co-combustion project of Jinjie Energy has formally commenced operation.

R&D and demonstration of CCUS technology

The CCUS R&D Centre of Jinjie Energy has adopted the technology R&D + production and maintenance model to establish the CCUS operational management system, and has developed the CCUS equipment management system to facilitate an institutionalized, normalized and standardised management system of CCUS. Key technologies for low energy consumption and low-cost carbon capture have been developed and have overcome difficulties, and the acceptance of the CCUS million-tonne coupling integration project and the verification of a self-developed new absorbent have completed verification. We promote the application of “end-point carbon fixation” technology and has completed the third stage test of the CO₂ mineralized solid waste brick-making project. The annual carbon dioxide capture and production amounted to 26,000 tonnes.

Business management of carbon assets

We standardise the carbon emission management and data quality control standards of various industries, and deepen the tracking, accounting, statistics and supervision of carbon emission data. Our key emission entities completed the settlement of the carbon quota in the third contract performance cycle of the national carbon market with a 100% performance rate. For the full year, a total of 7.585 million tonnes of carbon quota were traded and the transaction amount was about CNY0.65 billion (tax exclusive). During the Reporting Period, the Company was not subject to any rectification, investigation or punishment imposed by the relevant authority due to the settlement issues of carbon emission rights.

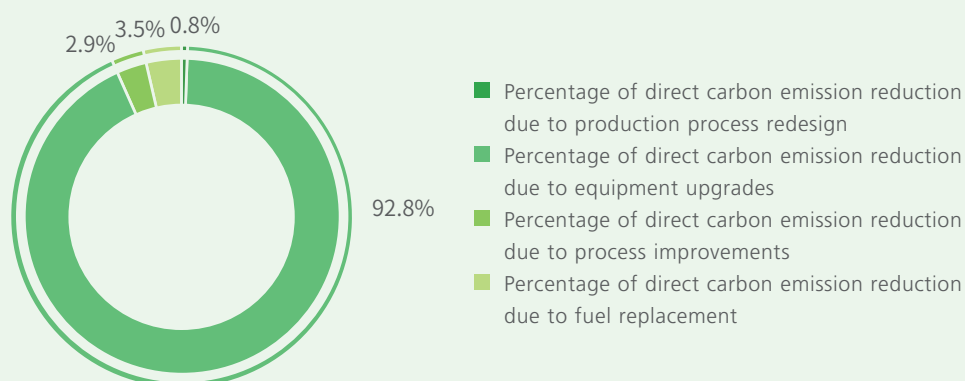
Carbon offsetting

We have increased natural carbon sinks by means of afforestation and land reclamation. During the year, the newly added greenery area was 28.7 million square metres, and the equivalent capacity of carbon sinks was approximately 117,000 tonnes.

In August 2024, the first 220-tonne pure electric automated dump truck for mining purposes in China completed the installation at the Baorixile Open-pit Mine and entered the commissioning stage. Compared with fuel vehicles of the same tonnage, each vehicle can annually reduce energy costs by 40% and reduce carbon emissions by 800 tonnes, with a saving of CNY1.5 million.

The meteorological big data service platform independently constructed by Digital Intelligence has established a unified standard system for classification, transmission, storage and service of meteorological data, and realised unified management of meteorological big data. The system has access to 4 major categories and 26 subcategories of weather service data, with the highest accuracy of 1 km × 1 km and the highest frequency of 6 minutes. The system is integrated with the information of production units, railways and vessels on the GIS platform to support subscriptions of weather information in different regions and provide refined weather information to the subsidiaries. Since the online launching of this platform, it has played a key role in responding to typhoons, providing accurate and efficient early warning information for building the first line of defence for disaster prevention and mitigation.

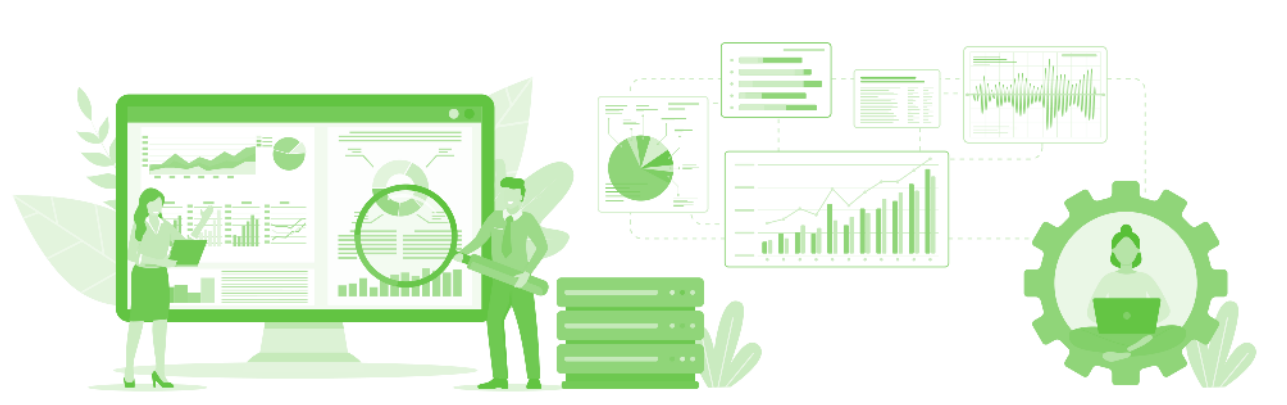
Results of Direct Carbon Emission Reduction



Analysis of Climate Scenarios

In order to better understand the potential impacts of climate change, we refer to the HKEX's *Guidance on Climate Disclosures*, and comprehensively consider factors such as the socio-economic environment, business nature and geographical location, and select the public climate scenarios published by the International Energy Agency (IEA) and the Central Banks and Supervisors Network for Greening the Financial System (NGFS) to conduct qualitative analysis on the climate change risks and opportunities that may be faced by the Company.

China Shenhua's risk categories of climate change are classified into physical risks and transition risks based on the criteria related to climate change of the Task Force on Climate Related Financial Disclosures (TCFD).



Physical risks: The Company analyses physical climate risks by applying the current policies scenario, nationally determined contributions scenario and net zero 2050 scenario released by the Central Banks and Supervisors Network for Greening the Financial System (NGFS). For physical risks, we focus on the impacts of both acute and chronic risks under high-emission scenarios.

Selected scenarios	Expected increase in temperature	Description of scenario	Source of parameters in selected climate scenario
Current Policies Scenario	3°C	This scenario assumes only the policies that have been enacted and implemented by March 2024 will be used, and greenhouse gas emissions are expected to grow until 2080.	NGFS Scenarios Portal
Nationally Determined Contributions Scenario	2.3°C	This scenario assumes all the policies committed under the United Nations Framework Convention on Climate Change (UNFCCC) will by March 2024 be implemented. Greenhouse gas emissions decline, but still lead to an increase in temperature by 2.3°C.	
Net Zero 2050 Scenario	1.4°C	This scenario sets the goal of achieving net zero carbon dioxide emissions around 2050. Through strict climate policies and innovative scientific technologies, global warming will be controlled below 1.5°C.	

Transition risks: The Company applies the stated policies scenario, announced pledges scenario and net zero emissions by 2050 scenario mentioned in *the World Energy Outlook* report issued by the International Energy Agency (IEA) to analyse the macro environment that the Company may face. For transition risks, China Shenhua focuses on the impact of changes in, among others, external policies, markets, and technologies.

Selected scenarios	Expected increase in temperature	Description of scenario	Source of parameters in selected climate scenario
Stated Policies Scenario	2.4°C	This scenario assumes a business-as-usual basis and reflects the current policy setting, based on a policy-by-policy assessment of the energy-related policies already in place and in the process of formulation by various authorities and governments of various countries around the world as of the end of August 2024. This provides a benchmark for assessing potential outcomes (and limitations) of recent developments in energy and climate policies.	IEA-World Energy Outlook 2024
Announced Pledges Scenario	1.7°C	This scenario assumes that governments of various countries will fulfil all of their announced climate-related commitments in full and in a timely manner, including long-term net-zero emission targets and energy access targets.	
Net Zero Emissions by 2050 Scenario	< 1.5°C	This scenario assumes that the global energy sector achieves net zero CO ₂ emissions by 2050, limiting global warming to within 1.5°C.	

We adopt the method of qualitative scenario analysis to assess the likelihood and impact of risk occurrence from the perspective of each value chain, to constitute a list of climate change risks and opportunities and formulate countermeasures in detail for approval by the Board of Directors for implementation.



List of Climate Change Risks of China Shenhua

Transition Risk	Risk Nature		Risk Impact – Each Value Chain				
	Time Span	Risk Level	Coal Sector	Transportation Sector	Power Sector	Coal-to-chemicals Sector	Response to Risk
 Extreme precipitation/flood	Short-term	Medium to low	[Business operation] Triggering shutdown, production suspension & decline in coal quality	[Business operation] Lower traffic efficiency and occurrence of safety incidents	[Business operation] Disruption of business operation and higher safety risks	[Business operation] Delays in production plans	Strictly implement the disaster weather warning and prevention management system, and adhere to the 24-hour duty system during the flood season; formulate emergency plans for extreme precipitation to ensure safe production.
			[Finance] Higher costs, lower income	[Finance] Higher costs, lower income	[Finance] Higher costs	[Finance] Lower income	
 Typhoon	Short-term	Medium to low	[Business operation] Production facility damages, higher safety risks, lower efficiency	[Business operation] Lower traffic efficiency, higher safety risks	[Business operation] Suspension of business operation, higher safety risks	[Business operation] Equipment loss, disruption in normal production	Assess climate risks in advance; improve emergency plans to enhance disaster response capabilities; and add defence equipment and facilities for extreme weather.
			[Finance] Higher costs, lower income, asset losses	[Finance] Asset losses, lower income	[Finance] Higher costs, lower income	[Finance] Higher costs, asset losses	
 Extreme hot weather/heatwave, drought	Short-term	Low	[Business operation] Lower efficiency, higher safety risks	[Business operation] Higher energy consumption, higher safety risks	[Business operation] Higher safety risks	[Business operation] Disruption of normal operation of equipment	Implement shift system; overhaul equipment in time; improve early warning mechanism.
			[Finance] Higher costs, lower income	[Finance] Higher costs	[Finance] Higher costs	[Finance] Lower income	

Transition Risk	Risk Nature		Risk Impact – Each Value Chain				Response to Risk
	Time Span	Risk Level	Coal Sector	Transportation Sector	Power Sector	Coal-to-chemicals Sector	
 Extreme cold weather	Short-term	Medium to low	[Business operation] Lower efficiency, equipment loss	[Business operation] Disruption of normal operation, higher safety risks	[Business operation] Disruption of power generation unit operation	[Business operation] Disruption of normal production	Optimise energy-saving and environmental protection facilities and increase investment in extreme weather protection equipment and facilities; strengthen monitoring in unusual weather conditions to ensure operational safety.
			[Finance] Asset losses, higher costs, lower income	[Finance] Higher costs	[Finance] Higher costs, lower income	[Finance] Higher costs, lower income	
 Water scarcity	Medium to long-term	Medium to low	[Business operation] Higher safety risks leading to difficulty in resources deployment	[Business operation] Poor transportation because of restricted business expansion	[Business operation] Higher risk of equipment damage during operation	[Business operation] Disruption of normal production	Advance the efficiency of water resource utilisation, improve and phase out water-intensive processes; publicise water-saving concept and raise water-saving awareness.
			[Finance] Higher costs	[Finance] Higher costs	[Finance] Asset losses, higher costs	[Finance] Higher costs	
 Rising average temperature	Medium to long-term	Low	[Business operation] Interfering with the resource allocation of business premises, business and supply chain	[Business operation] Interfering with the resource allocation of business premises, business and supply chain	[Business operation] Interfering with the resource allocation of business premises, business and supply chain	[Business operation] Interfering with the resource allocation of business premises, business and supply chain	Actively develop new energy projects; strengthen the monitoring and management of energy consumption.
			[Finance] Higher costs	[Finance] Higher costs	[Finance] Higher costs	[Finance] Higher costs	
 Sea level rise	Medium to long-term	Low	Irrelevant at this moment	[Business operation] Damage to port facilities and reduced operational capacity	[Business operation] Damage to equipment, causing system shutdown	Irrelevant at this moment	Assess and update the risk of sea level rise regularly; establish cooperation with the climate authorities and other agencies; formulate emergency response plans.
				[Finance] Higher costs, asset losses	[Finance] Asset losses, higher costs		

Transition Risk	Risk Nature		Risk Impact – Each Value Chain				Response to Risk
	Time Span	Risk Level	Coal Sector	Transportation Sector	Power Sector	Coal-to-chemicals Sector	
 Policy and legal risks	Medium to long-term	Medium to high	[Business operation] Adjustment in strategy and equipment upgrade by corporates in response to lower coal demand	[Business operation] Additional resource investment to fulfil regulatory requirements	[Business operation] Affecting market expansion, leading to equipment shutdown or transformation	[Business operation] Greater pressure of research and development and innovation in technologies	Pay attention to the update of policies involving climate change and adjust strategic planning in a timely manner; strengthen the development of renewable energy; promote the optimisation and transformation of existing units; promote the application of carbon emission reduction technologies.
			[Finance] Higher costs, lower income	[Finance] Higher costs	[Finance] Higher costs, lower income	[Finance] Higher costs	
 Carbon market risk	Short-term/ Medium-term	Medium to high	[Business operation] Difficulty in financing because of probable requirement of purchasing carbon credits	[Business operation] Probable requirement of purchasing carbon credits	[Business operation] Affected facility usage	[Business operation] Potential carbon quota gap	Emphasis on carbon asset management and development; participate in green power trading, green certificate trading, carbon emission quotas trading and others.
			[Finance] Higher costs	[Finance] Higher costs	[Finance] Higher costs	[Finance] Higher costs	
 Risk of change in market demand	Medium to long-term	Medium to high	[Business operation] Production cuts because of fall in coal demand	[Business operation] Lower shipping volume and lower sales volume	[Business operation] Lower market share in power generation market	[Business operation] More competition as lower product demand	Accelerate the layout of new energy industry, expand heating and other markets, and promote the diversification of energy structure; reserve carbon assets and increase income through carbon trading and other businesses.
			[Finance] Lower income	[Finance] Lower income	[Finance] Lower income	[Finance] Lower income	
 Low carbon technology risk	Short-term	Medium to high	[Business operation] Greater pressure in technological innovation and industry transformation	[Business operation] Increase in demand for low-carbon transformation and the introduction of energy-saving and consumption-reducing equipment	[Business operation] Requirement for purchases of energy-saving and consumption-reducing equipment	[Business operation] Greater risk of coal chemical technology R&D	Carry out research on carbon emission reduction and carbon sink technologies, promote R&D and innovation in energy-saving technologies, implement clean energy alternatives, and improve energy efficiency.
			[Finance] Higher costs	[Finance] Higher costs	[Finance] Higher costs	[Finance] Higher costs	
 Stakeholder concern risk	Medium to long-term	Low	[Business operation] Decline in investor confidence	[Business operation] Formation of negative public sentiment	[Business operation] Probable administrative penalties because of excessive pollutant or inaccurate carbon emission data	[Business operation] Impact on brand image due to probable administrative penalties	Increase investment in environmental protection equipment and push forward the construction of new energy projects; actively communicate with stakeholders on response to climate change and safeguard the corporate image.
			[Finance] Lower income	[Finance] Higher costs	[Finance] Higher costs	[Finance] Higher costs	

List of Climate Opportunities of China Shenhua

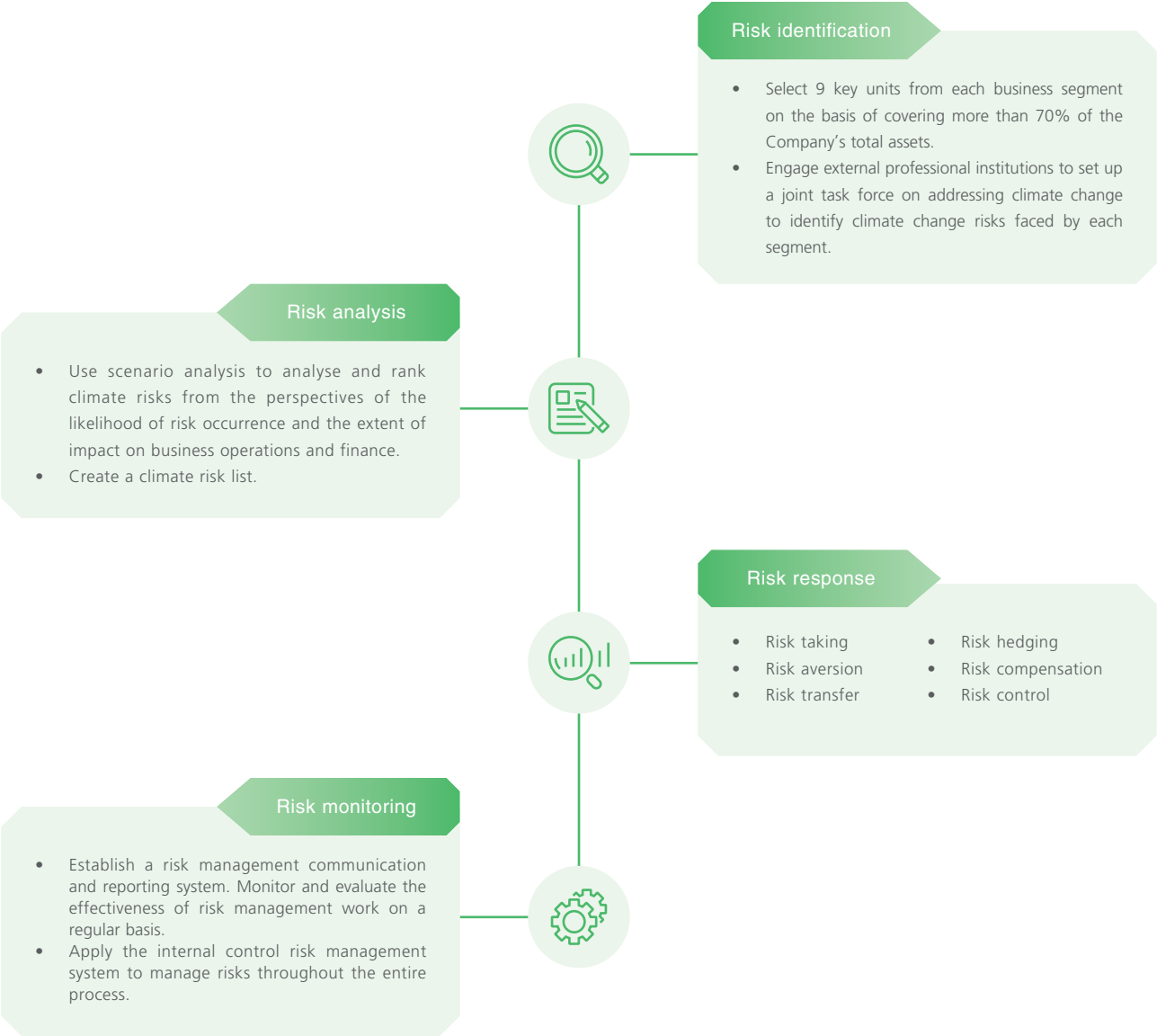
Opportunity Dimension	Possibility	Opportunity Impact – Each Value Chain				Response
		Coal Sector	Transportation Sector	Power Sector	Coal-to-chemicals Sector	
Resource efficiency	Medium	Promote process upgrade and equipment replacement	Reduce operating costs and promote green transformation	Promote energy-saving management in electricity	Strengthen waste disposal and waste-water recycling	Actively develop green energy; increase investment in R&D of clean energy and new energy, and promote equipment upgrades.
Energy sources	High	Promote the implementation of advanced clean and efficient coal utilization technologies	Promote the application of clean energy and equipment upgrades	Promote the arrangement and coordination of clean energy projects and promote participation in carbon market	Reduce carbon dioxide emissions and initiate energy-saving and emission-reduction projects	Intensify efforts to tackle problems in the field of clean and low carbon, and support the green and low-carbon transformation and development of enterprises.
Products and services	Medium	Promote the supply and development of clean coal products to establish a complete clean coal industry chain	Promote the establishment and enrichment of service network and develop green logistics services, renewable energy power generation and other businesses	Adjust the energy structure with high weighting of clean energy, reduce carbon emission intensity, and achieve low-carbon transformation	Demand for high-end and diversified products emerges in the market, which is conducive to improving profitability	Expand the R&D of clean utilisation technologies, actively invest in new energy such as wind power, and establish a carbon emission management and monitoring system.
Market opportunities	Medium	Enhance competitiveness, promote diversified coal utilisation and strengthen risk resilience	Build a good corporate image and shoulder social responsibilities to enhance competitive advantages	Promote external opportunities such as technological innovation and industrial upgrades	Promote energy conservation and emission reduction targets to reduce production costs	Intensify efforts in the integration of coal resources, accelerate the layout of new energy industry, and carry out major scientific and technological research projects.



Risk Management

We incorporate climate change risks into the Company’s comprehensive risk management system for management purposes, and have developed a comprehensive process, which is continuously updated according to the actual situation, for identification, assessment and monitoring of climate change risks. Based on national policies and regulations, industry development trends and listing rules, we have assigned relevant departments of the headquarters and subsidiaries to identify possible climate change risks with reference to their own operations and regularly report relevant matters to the Board.

Climate risk management process and methods



Indicators and Targets

To assist the Intended Nationally Determined Contribution targets, we have set overall, short-term and medium-term targets for carbon peak and carbon neutrality according to the actual business situation of the Company. The Company's Board of Directors and the Safety, Health, Environment and ESG Working Committee regularly supervise the fulfilment of targets and indicators involving climate change, link up the "Implementation of Dual Carbon Goals" with the performance of the management of the Company, and conduct performance appraisals on an annual basis to ensure that the established goals are achieved.

Overall target: To reach the peak of carbon dioxide emissions by 2030 and actively explore effective pathways to achieve carbon neutrality by 2060.

Medium – and short-term management targets and completion status

Indicators	Medium-term target	Short-term target	Progress during the Reporting Period	Progress of achieving target
Total carbon emission of Scope 1 and Scope 2 (10,000 tonnes of CO ₂ equivalent)	Increase by no more than 70% in 2030 as compared to 2020	Total carbon emissions are controlled at no more than 200 million tonnes in 2024	Increase by 3.9% year-on-year	- Increase by 47.8% as compared to 2020 - Annual target is completed
Carbon emission intensity per CNY10,000 of income (tonnes of CO ₂ equivalent/CNY10,000)	Decrease by 6% in 2030 as compared to 2020	–	Increase by 5.4% year-on-year	Increase by 1.9% as compared to 2020

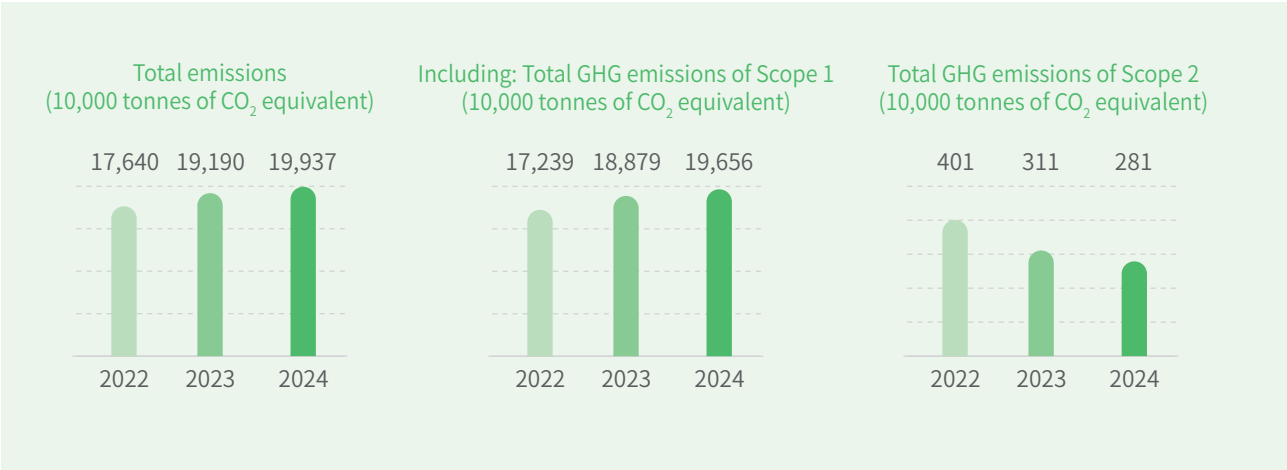
Explanation: According to the future development plan of the coal, electric power, chemical industry, transportation and other sectors, the Company calculates the total carbon emissions based on high, medium and low scenarios. The above-mentioned targets are formulated as per the calculation results of the medium scenario. For example, the power sector with the largest proportion of carbon emissions is calculated by 200 hours higher than the national average utilisation level of coal-fired power. According to the calculation of energy-saving potential of existing energy-saving and emission reduction projects, it is assumed that the emission intensity of existing projects will decrease by 1% year by year from 2021 to 2030.

The vast majority of the underground coal mines owned by the Company are low gas mines, with less fugitive methane emissions from the coal mining activities. Given that the Company's coal chemicals and shipping businesses represent a relatively small portion of the total volume, and our railway operations are largely electrified, direct greenhouse gas emissions are mainly generated by our thermal power generation business, from the combustion of fossil fuels. The primary sources of carbon emissions include boilers, gas turbines and purchased equipment that consumes electricity and fuel. In 2024, the Company carried out accounting of 100% greenhouse gas emissions in China within our financial control in accordance with the reporting standards or technical specifications under *the Corporate Greenhouse Gas Emission Accounting Methods and Reporting Guidelines – Power Generation Facilities* released by the Ministry of Ecology and Environment.

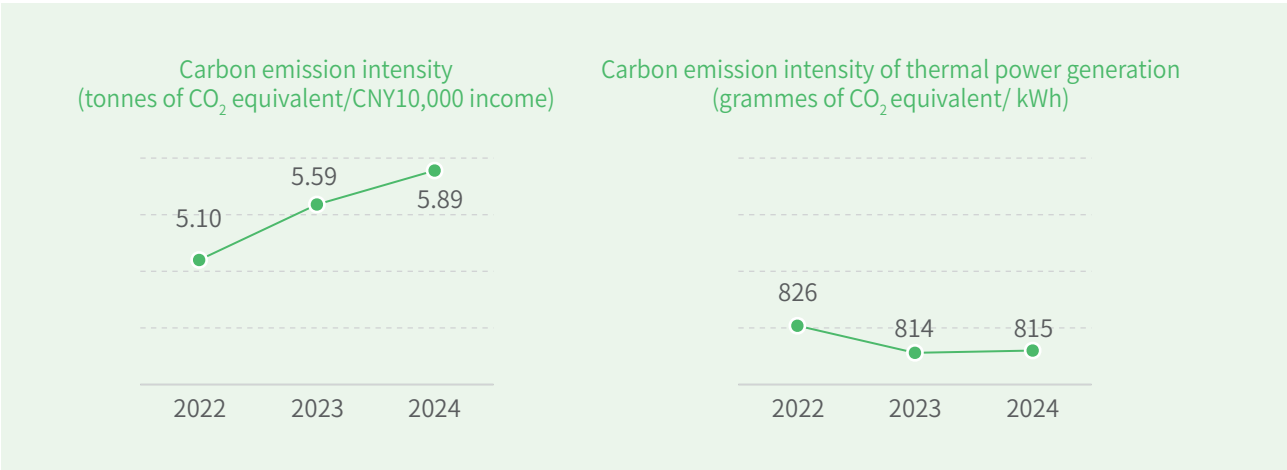
In 2024, the Company's total carbon emissions of Scope 1 and Scope 2 continued to show a rising trend as our core business was still in the development stage with coal production and power generation volume keep on growing. This trend is in line with the expectations of the Company's *Carbon Peak Action Plan*. Meanwhile, due to our continuous efforts on energy saving and carbon reduction, the direct carbon dioxide emissions were reduced by approximately 523,000 tonnes of CO₂ equivalent throughout the year, and the carbon emission intensity per unit of product, such as the emission per kilowatt-hour, to remain stable in general.

In 2024, we continued to conduct research on the accounting system for Scope 3 carbon emissions. It is expected that phased results will be achieved in 2025, and the relevant data and information will be gradually disclosed.

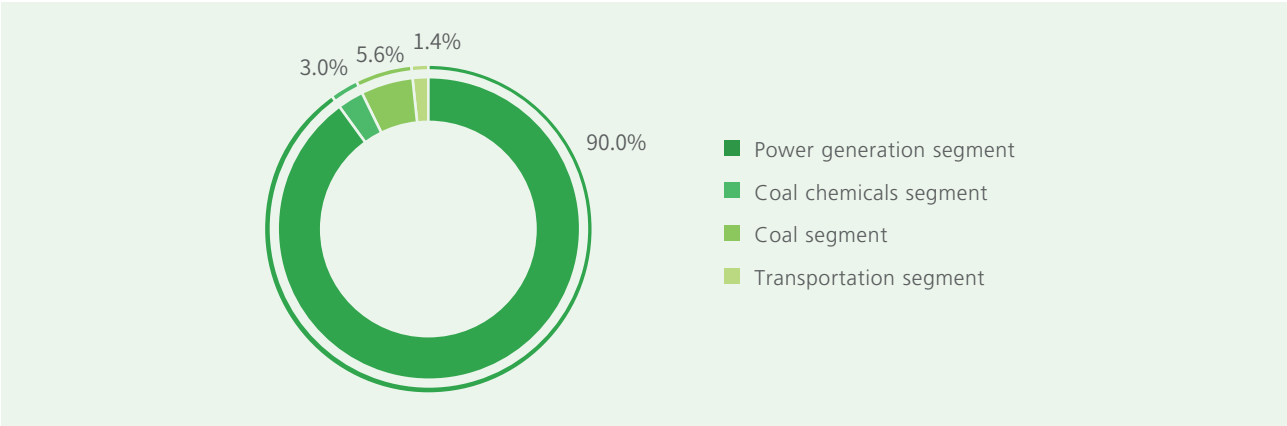
Total carbon emissions¹



Carbon emission intensity²



Percentage of total carbon emissions



1 The statistics in this chart do not include thermal power projects in Indonesia. The Company's thermal power projects in Indonesia generated approximately 14.83 billion kWh of electricity in 2024.

2 The statistics in this chart do not include thermal power projects in Indonesia. The statistics of total carbon emissions and intensity for 2023 are restated according to the data verified by third parties.

Discharge of Pollutants

China Shenhua firmly implements the increasingly stringent ecological and environmental protection regulations, adheres to the concept of coordinated advancement in carbon reduction, pollution reduction, green expansion and economic growth, and continues to improve the pollution prevention and control system. The Company promotes comprehensive treatment of waste gas and wastewater in all aspects, strictly controls the pollutant discharge standards, ensures that the discharges has met the standards, and goes all out to fight the battle of protecting blue skies and clear waters.

Management of pollutant discharge

The Company abides by laws and regulations, including *the Law of the People's Republic of China on the Prevention and Control of Air Pollution* and *the Law of the People's Republic of China on the Prevention and Control of Water Pollution*, and formulates management systems such as *the Air Pollution Prevention and Control Management Measures* to strictly control the emission concentration and total amount in accordance with the pollutant discharge permit, and continuously advances the treatment of air pollutants and sewage to ensure stable and standard discharges.

For air pollution control, we have adopted the following measures:



For sewage treatment, each of the Company's operating plants and mines strictly monitors and records the amount of sewage generated and various parameters. With self-built sewage treatment facilities, appropriate sewage treatment technologies and reuse methods are selected to improve the recycling rate of sewage and ensure that the discharged sewage meets the national environmental protection standards, thereby protecting the water quality of the drainage areas where the operations are located.

The Company’s industrial wastewater discharge mainly comes from coal mining. Transformation projects of power plants and coal chemical plants are implemented gradually to achieve zero discharge of wastewater. For example, Taishan Power adopts the solution of “low temperature flash evaporation for concentration + high temperature extended bypass drying”, in which desulfurized wastewater goes through a series of treatment processes such as aeration, heat exchange, flash evaporation for concentration and atomization drying to achieve zero discharge of wastewater; Baotou Coal Chemical applies condensed water from reverse osmosis in the reuse water system, and takes multiple treatment steps such as membrane desalination, weight loss by concentration, salt separation and quality crystallisation to realise comprehensive desalination of highly salted wastewater and achieve the goal of zero discharge of wastewater.

The Company has built underground reservoirs in the mined-out areas of coal mines, equipped with a surface water treatment system, and carried out tertiary purification treatment of mine water. Water resources are recycled through methods such as production reuse, domestic and miscellaneous uses and ecological irrigation. China Energy Baorixile Energy Co., Ltd. continues to transform and upgrade the sewage treatment workshops. The mine water treatment workshop adopts highly efficient hydrocyclone and multi-media filtration in the purification process, while the domestic sewage treatment workshop adopts biochemical+MBR membrane technology. The treated water is mainly used for greening, firefighting and water spraying to reduce dust in the plant area without discharging to external areas.

Huanghua Harbour Administration independently builds a coal dust recovery and treatment workshop to collect dust, coal dust and coal-water mixture generated in the course of coal loading and unloading, storage and washing, and turn them into coal cakes with a water content of about 30%, which are used as fuel or chemical raw materials. According to the monitoring data in 2024, through the comprehensive dust control technology throughout the whole process, the dust concentration at the site of port operation area has been reduced by more than 98%, and the average concentration of total suspended particulates (TSP) at the plant zone of Huanghua Harbour Administration was 74.89µg/m³, which is only one-tenth of the plant zone concentration limit (1.0mg/m³) stipulated in the *Integrated Emission Standards for Air Pollutants*. In 2024, a total of 27,000 tonnes of coal cakes were produced, achieving a win-win situation for both ecological and economic benefits.

Reduction in discharge of pollutants

In order to prevent the pollutants discharged from production activities from causing threats to the occupational health of employees and the surrounding ecological environment, as well as adverse effects on the quality of life and health of the surrounding community residents, we have strengthened the monitoring of air pollutants and water pollutants, and strictly controlled the risk of excessive discharge of pollutants.

The Company focuses on the establishment of an automatic monitoring system for air pollution sources, improves the collection, transmission, statistics and analysis system of ecological and environmental data, and conducts monitoring work independently to ensure the authenticity, effectiveness and integrity of the original records and management ledger data. In addition, the Company has formulated environmental emergency management plans for special time periods, such as major events and heavily polluted weather, and detailed emergency plans for pollutant reduction and production organisation under different emergency levels, and regularly conducts emergency drills.

Regarding the possible environmental impacts caused by wastewater, the Company has conducted a comprehensive and systematic analysis to identify potential environmental risks. Based on the results of risk assessment, we have formulated a series of risk prevention and mitigation measures, including regular inspection and maintenance of equipment, enhanced staff training and education, and the development of emergency plans to ensure that quick action can be taken when an emergency occurs.

Risk prevention and mitigation measures



Inspect and maintain equipment on a regular basis



Enhance training and education for employees



Develop emergency plans

In 2024, the total pollutant discharges from the Company's production units were kept within the limits set by national and local regulatory authorities. Except that the flue gas temperature of some coal-fired power generating units did not meet the conditions for the commissioning of the denitrification system in the short-term during the start-up and shutdown periods, the discharge of major pollutants such as sulphur dioxide, nitrogen oxides, soot and chemical oxygen demand under normal operating conditions of the Company met the standards.

Pollutants	Major detection indicators	Frequency of detection	Sampling and samples	Detection and analysis method
Air pollutants	SO ₂ , NO _x , soot	Real time detection	Automatic sampling	Determination of particulate matter in exhaust gas from stationary pollution sources and sampling methods for gaseous pollutants (GB16157-1996), etc.
Water pollutants	COD	Once every 1-4 hours	Automatic and on-site sampling	Potassium dichromate method
	Fluoride and heavy metals, etc. in mine water	Once every month	On-site sampling	Ion chromatography HJ/T 84-2015, determination of 65 elements in water quality by inductively coupled plasma mass spectrometry HJ700-2014, etc.

Pollutant discharge management targets and completion status

Pollutant	Indicator	Target	Progress during the Reporting Period	Realised progress of target
Air pollutants	SO ₂ emission performance of thermal power	Decrease by 2% in 2025 as compared to 2020	Increase by 7.2% year-on-year	Increase by 13.8% from 2020
	NO _x emission performance of thermal power	Decrease by 2% in 2025 as compared to 2020	Unchanged year-on-year	Decrease by 7.1% from 2020
	Soot emission performance of thermal power	Decrease by 3% in 2025 as compared to 2020	Increase by 2.0% year-on-year	Decrease by 7.4% from 2020
Water pollutants	COD discharge	Decrease by 4% in 2025 as compared to 2020	Decrease by 15.9% year-on-year	Decrease by 60.0% from 2020

Key Performance in 2024

Total SO₂
emissions (10,000
tonnes)
2.22

Total soot
emissions (10,000
tonnes)
0.34

Total NO_x
emissions (10,000
tonnes)
4.78

Chemical oxygen
demand (tonnes)
365.74

Waste Treatment

China Shenhua is actively building itself as a “Zero-waste Enterprise”. Following the principles of source reduction, value re-engineering, green and low-carbon development, and through various means such as raw material substitution, process transformation, technology upgrade, and recycling, it continues to promote the reduction at source and recycling of solid wastes, minimise the amount of landfill and minimise the environmental impact of solid wastes.

Waste management

Wastes are inevitably generated during coal mining and conversion, mainly including general solid wastes such as coal gangue, fly ash and cinder and hazardous wastes such as waste mineral oil and waste catalysts. The Company strictly complies with *the Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, *the Standard for Pollution Control on General Industrial Solid Waste Storage and Landfill*, and *the Standard for Pollution Control on Hazardous Waste Storage* and other laws and regulations and national standards, and upholds the principles of reduction, recycling and harmless treatment. In practice, the Company has incorporated waste management into its corporate strategy and environmental target management system, and strengthened scientific and technological innovation research, project initiation and achievement transformation, and information technology support in related fields, striving to reduce the generation and discharge of wastes and strictly control the environmental risks of wastes.



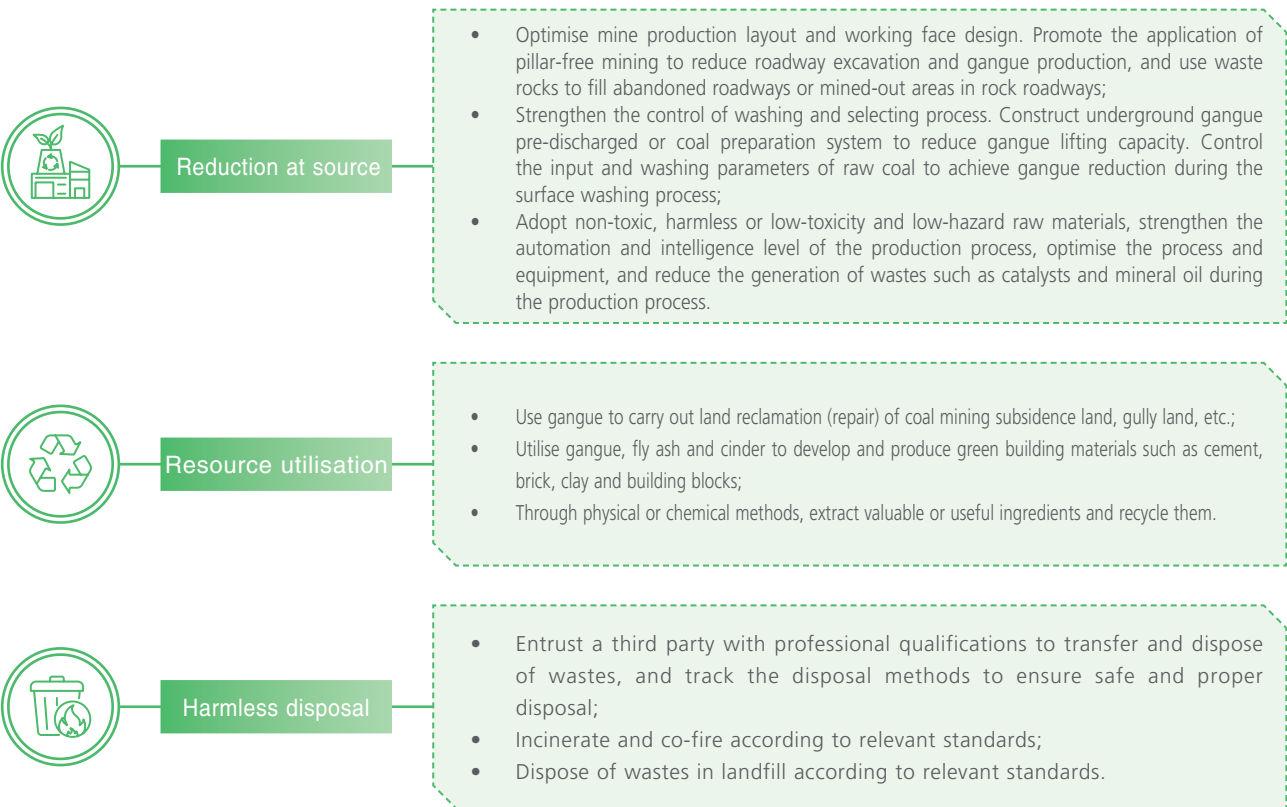
Relying on the advantages of its whole coal-based industry chain, the Company explored the synergetic utilisation of solid waste and initiated pilot work on the construction of a “Zero-waste Group” in 2024. Each of its subsidiaries and branches has set up a leading team for the construction of a “Zero-waste Group” headed by the person responsible for ecological and environmental protection to formulate construction plans, implement proposals and annual work plans, which are deployed and promoted on a quarterly basis and systematically summarised every six months, integrating into the national construction of “Zero-Waste Cities” through practical actions. Units such as Taishan Power and Huizhou Thermal have been awarded the honorary titles of “Zero-waste Enterprise/Factory” by the province and city where they are located, or have been listed as typical cases.



Solid waste management mechanism		
System construction	Establish and improve the waste management system	Establish a responsibility system for environmental pollution prevention and control in the whole process of waste generation, collection, storage, transportation, utilisation and disposal, as well as ledger management, information disclosure, emergency management and other systems. These systems incorporate organizational responsibilities, management requirements, assessment, etc.
	Storage management	- General solid wastes are classified and stored according to <i>the Pollution Control Standard for Storage and Landfill of General Industrial Solid Wastes</i>; - Hazardous wastes are classified and stored according to their hazard characteristics, and their storage areas and containers comply with the requirements of <i>the Pollution Control Standards for Hazardous Waste Storage</i>; - All kinds of pollutants generated during storage comply with national pollutant discharge (control) standards and other requirements, and self-monitoring is carried out in accordance with laws, the original monitoring records are kept and storage facilities are inspected regularly.
Process management	Label management	- At the storage sites of general solid wastes, labels or placards shall be attached or posted according to the environmental protection standards; - The containers and packaging materials of hazardous wastes, as well as the facilities and sites for collection, storage, transportation, utilisation and disposal of hazardous wastes, shall be labelled and stamped as hazardous wastes according to regulations.
	Transfer management	- For the transfer of general solid wastes, environmental protection procedures shall be performed according to relevant requirements; - The transfer of hazardous wastes shall go through the national hazardous waste information management system and the operation transfer sheet shall be truthfully filled in; - The inter-provincial transfer, storage and disposal of solid wastes must be submitted to and approved by the local competent ecological and environmental authorities; the inter-provincial use of solid wastes must be filed with the local competent ecological and environmental authorities.
	Disposal management	In order to entrust the utilisation and disposal of industrial solid wastes in accordance with the law, the qualifications and technical capabilities of the entrusted party shall be verified, and a written contract shall be signed according to law, and the pollution prevention and control requirements shall be clearly stated in the contract.
	Ledger management	In accordance with <i>the Guidelines for the Formulation of General Industrial Solid Waste Management Ledger (Trial)</i> and <i>the Technical Guide for the Formulation of Hazardous Waste Management Plan and Management Ledger</i> or local regulations, the Company truthfully records the whole process of waste management ledger.
	Risk identification and hidden danger investigation and rectification	A list of general solid wastes and hazardous wastes has been established, and hidden dangers are identified on a regular basis to implement the rectification of hidden dangers.
Risk identification and management	Environmental management and assessment of hazardous wastes	In accordance with the requirements of <i>the National Work Plan for Standardised Environmental Management and Assessment of Hazardous Waste during the 14th Five-Year Plan Period</i> , the Company conducts standardised environmental management and assessment.
Emergency management	Emergency management	- Formulate emergency plans for environmental emergencies and keep files as required; - Maintain and inspect emergency supplies on a regular basis, and conduct targeted emergency training and emergency drills.

Waste disposal

We treat different types of wastes with different hazards and different risk levels in a differentiated manner. In particular, general solid waste is committed to realising resource recycling in accordance with the principle of resource utilisation; hazardous waste is strictly controlled in accordance with the principle of compliance with laws and regulations to eliminate the possibility of secondary pollution. The Company carries out annual risk assessments on the generation, storage and disposal of wastes, regularly inspects the hazardous waste warehouses and general solid waste storage points and rectifies the problems identified.



Waste Discharge Reduction and Disposal Measures



Waste management targets and completion status

Indicator	Target	Progress during the Reporting Period	Progress of achieving target
Comprehensive utilisation rate of general solid wastes	Increase by 5 percentage points in 2025 as compared to 2020	Increase by 7 percentage points year-on-year	Increase by 51.6 percentage points comparing to 2020

Key performance	2024
General solid waste generation (10,000 tonnes)	6,150.21
General solid waste generation per CNY10,000 output (tonne/CNY10,000)	2.46
General solid waste comprehensive utilisation rate (%)	92.82
Hazardous waste generation (tonnes)	66,101.23
Hazardous waste generation per CNY10,000 output (kg/CNY10,000)	2.63
Hazardous waste recycling and utilisation (tonnes)	6,905.64

The Company's coal chemical business segment involves the use of product packaging materials, mainly woven packaging bags for polyolefin products and sulfur products. Baotou Coal Chemical has formulated *the Regulations on Product Packaging Quality Management* and other systems to strictly ensure the packaging quality and strictly control the packaging weight, and actively promote the reduction of quantity of packaging materials.

Use of Packaging Materials for Coal Chemicals



Ecosystem and Biodiversity Conservation

Biodiversity is the foundation of the life support system on Earth and is essential to maintain ecological balance and human well-being. In line with *the United Nations Convention on Biological Diversity* and *the China Biodiversity Conservation Strategy and Action Plan (2023-2030)* issued by the Ministry of Ecology and Environment, we have firmly established the concept of ecological civilisation of respecting, adapting to and protecting nature. We incorporate biodiversity conservation throughout the entire process of our operations. We are committed to protecting the natural ecological environment, taking care of wildlife, and making unremitting efforts to enhance the diversity, stability and sustainability of the ecosystem.

Biodiversity Conservation and Management

In order to protect biodiversity, the Company has issued *the Pledge not to Operate in Protected Areas*, and strictly abides by *the Wildlife Protection Law of the People's Republic of China*, *the Forest Law of the People's Republic of China*, *the Regulations of the People's Republic of China on Nature Reserves* and the laws and regulations related to biodiversity in the places where it operates. During the site selection and route planning of its projects, the Company strictly puts forward the feasibility analysis of the ecological environment, never breaches the red lines of ecological protection and follows requirements for national land and space planning and control for staying away from construction-prohibited areas, such as nature reserves, scenic spots and the Yangtze River coastline protection area. The Company actively carries out biodiversity surveys and assessments in the area where its projects are located, records the species of animals and plants in detail, analyzes the ecological characteristics of the area, and provides scientific and reasonable solutions for the protection of regional biodiversity.

In terms of strengthening reclamation of land after coal-mining operations, based on laws and regulations such as the *Land Administration Law of the People's Republic of China*, *the Regulation on Land Reclamation* and *the Implementation Measures for the Regulation on Land Reclamation*, China Shenhua has formulated its management systems, including *the Detailed Management Rules for Land Reclamation in the Coal Industry*. The Company performs in-depth investigations and assessments on land resources and optimises the allocation of land resources. At the same time, the Company vigorously promotes the construction of green mines, monitors and assesses the natural resources such as water, soil and vegetation in different areas such as mine disturbance areas and subsidence areas, and carries out comprehensive ecological restoration to improve the quality of the ecological environment and the stability of the ecosystem.



Ecological Environment Rehabilitation

Upholding the principles of respecting, conforming to and preserving nature, we adhere to the concepts of giving priority to the protection of natural ecological environment and mainly resorting to natural rehabilitation, strengthen efforts in prevention and protection in respect of water and soil erosion, thereby achieving a shift from excessive intervention and exploitation to natural rehabilitation and recovery, so as to protect the bottom line of security of the natural ecological environment and enhance the water and soil conservation capability of the ecological system.

Each of our subsidiaries and branches engaging in the coal industry has prepared the Programme for Mining Geological Environment Protection and Land Reclamation that is submitted to the natural resources department for review, formulates the annual land reclamation plan and the design scheme for engineering projects, and undertakes on its own or entrusts the third-party agency to carry out the land reclamation work.

Measures for Water and Soil Conservation in Coal Mining Areas

Prevention of water and soil erosion before mining



We have carried out the construction of windbreaks and sand fixing that control movements of wind and sand, providing support for our vegetation initiatives in the future. We have implemented the fertilization on soil to enhance the content of organic elements in the soil and improve the structure of soil. We have implemented various engineering measurements including Salix sand barrier and chemical sand barrier, widely sowed grass seeds, and planted shelterbelts on both sides of roads and around farmland.

Prevention of water and soil erosion in mining



By adopting various techniques of protective exploitation such as fill mining, water-preserved mining and coal mining without pillars, we have achieved the control of surface with less intervention of farmland and fewer generation of coal gangue. We have expanded the area of farmland through land reclamation and earthing vegetation using coal gangue. Strengthened efforts have been made in managing water and soil conservation for our production and construction projects through topsoil stripping and ad-hoc protective measures, thereby ensuring the compliance of our production and construction projects with laws and regulations.

Prevention of water and soil erosion after mining



We have initiated the rectification actions for the land and conducted formation works for mine-disturbed zones. Considering the requirements for vegetation on the reclamation land, we have initiated crack filling and restoration works for sunken zones. We have initiated land reclamation that is supported by irrigation and drainage works. We have conducted rational selection of local species and pioneer species, ensuring effective implementation of our vegetation measures.

By the end of 2024, the Company had operated 14 collieries that were included in the national green mine list, and 7 collieries that were included in the provincial green mine list, with green mines accounting for 84%. In 2024, Heidaigou Open-Pit Coal Mine, Ha'erwusu Open-Pit Coal Mine and Shengli Energy obtained the 5A certification, the highest level for green mine construction. The Zhunneng Mine Ecological Tourism Area was rated as a 4A grade national tourist attraction. Huanghua Harbour Administration was awarded the title of "Asia-Pacific Green Port" again, and Baotou Coal Chemical won the title of "Green Factory of the Petroleum and Chemical Industry" in 2024.

Biodiversity Monitoring and Protection

The Company has been strengthening its efforts in scientific research of biodiversity protection by implementing research, monitoring and evaluation for biodiversity in a phased manner, thereby ensuring area-based conservation and ex situ conservation of rare animals and plants, as well as fish breeding and releasing activities, so as to protect local ecological civilisation and achieve harmony with nature.

Biodiversity monitoring

To have a better understanding of biodiversity and protect biodiversity in the places where we operate, we have implemented a biodiversity monitoring base construction project. Through installing monitoring devices and manual research, details of animal tracks and plant succession have been recorded and monitoring reports have been prepared to provide rational basis and guidance for biodiversity preservation efforts.

Water source conservation

We have actively responded to the call for river habitat restoration in national policies. Based on the concept of development of an ecologically clean small watershed, we have initiated technical research and engineering demonstration of ecological function and landscape restoration. We have conducted in-depth research on effect and mechanism of various bioengineering initiatives on the functions of the surface water, ensuring a healthy and stable ecological system of surface water.

Terrestrial flora and fauna protection

The subsidiaries of the Company engaging in the coal industry have achieved full coverage of land reclamation without any blind areas, realising the “landform reshaping, soil reconstruction, vegetation reconstruction, landscape restoration, biodiversity reorganisation and protection” and effectively enhancing the biomass in regional communities. The companies engaging in transportation, power and coal chemicals have conducted greening works in factories and routes, installed artificial nest boxes and insulated shrouds and built the bridge and culvert for animal migration to promote the blending of appearance of facilities and the natural environment, thereby continuously improving the environment for animals and plants to breed and live.

For more than 30 years, we have implemented a number of management and construction works for ecological rehabilitation to improve local ecological environment, with outstanding effects on ecological rehabilitation. As commissioned by Shendong Coal, Chinese Research Academy of Environmental Sciences has conducted research and evaluation on biodiversity in Shendong Mines and prepared *the Report on Research and Evaluation on Biodiversity in Shendong Mines*, with the following key conclusions: Shendong Mines have improved 53.6% of the desert ecosystem with the vegetation cover rate increased from 3%-11% at the initial stage to over 57%; the diversity of species has been increased from 16 to 134; the overall rating of biodiversity has jumped to Grade B, with rating of Grade A in several regions. Eight ecological function zones have been established in Zhunge'er Mines, with an increase in vegetation cover rate from 25% to over 80%, attracting several dozens of wildlife species that seek places for inhabitation and breeding, including Mongolian gazelle, owl and ruddy shelduck. More than 80 types of special species such as swift fox, lepus tolai, swan goose and Phasianus colchicus, more than 40 species of birds and 127 species of plants have been recorded in Shengli Mine. Greening works and maintenance have been regularly conducted in Baorixile Mine for continuous development of an ecological demonstration zone in the open-cut mine, with a greening rate of over 98% for its dumping site and achieving 100% greening for areas suitable for reclamation.

Aquatic fish protection

The Company’s enterprises along the coasts, rivers and lakes continue to conduct fish breeding and releasing activities to ensure the ecological flow and ecological balance of the water system.



Fish breeding and releasing activities by Lianjiang Power and Beihai Power along the coasts in 2024

The completion of the first microalgae-based carbon fixation system in China took place at Baorixile Mine in October 2024. Microalgae are microscopic algae that can only be identified under a microscope. Microalgae can convert the carbon dioxide into the air to biomass through photosynthesis. Its carbon fixation rate is 10 to 50 times of normal terrestrial plants. The system combines microalgae carbon fixation techniques and ecological restoration techniques for the mines, and conducts sizable ecological restoration with carbon dioxide as culture medium released from degradation of mine water and agricultural and animal husbandry solid waste. The construction of the system commenced on 27 May 2024, and a demonstration project of 50,000 square meters has been developed. It produces active liquid of 150 tonnes and 100 tonnes of humus soil with rich nutrients per month. The crop growth rate has increased by 20% in an experimental field with microalgae liquid.

Indicators and Targets

China Shenhua had met all targets of protection of ecosystem and biodiversity in 2024. Please refer to the section headed “Compliance with Regulations for Environmental Protection” of the Report for details.

Key performance	2024
Accumulated treatment area for sunken land in the process of underground coal mining ('0000 sq.m.)	56,446
Accumulated reclamation area for dumping site of the open-cut mines ('0000 sq.m.)	5,421

Compliance with Regulations for Environmental Protection

China Shenhua has been in compliance with the *Environmental Protection Law of the People's Republic of China* and other national and local environmental protection laws and regulations by establishing and improving its environmental management system, so as to implement actions of environmental pollution management and environmental protection at a high standard.

Environmental Management System

In terms of management, the Board of Directors and the Safety, Health, Environment and ESG Working Committee are responsible for reviewing the Company's major decisions related to ecological environmental protection. The management of the Company is responsible for formulating ecological environmental protection work plans and management systems, and supervising the implementation of ecological environmental protection work. All levels of units establish sound organisation and management systems for ecological environmental protection, and promote overall execution of various tasks of environmental protection.

The Company has developed a sound environmental management system. We have formulated the Five-Year Development Plan of Environmental Protection, taking into account both external regulatory requirements and actual conditions of the Company. We have clarified our key tasks for the year by integrating environmental protection requirements into the whole process of the Company's development and operation. We have implemented the environmental protection responsibility system, by which the main heads of units at all levels are the first responsible person for the environmental protection work of the unit. By constructing a list of environmental protection responsibilities covering all levels, departments and positions, we have been promoting the formation of a work pattern with specific responsibilities, joint management and joint efforts. We have set specific medium-term and annual targets for management, by which the fulfilment of these targets will be considered in the performance appraisals for the management, ensuring effective implementation and continuous improvement of the relevant measures.

In 2024, we actively promoted the external accreditation for the environmental management system as part of our continuous efforts in improving our capability of environmental management. By the end of 2024, a total of 87 members of the Company obtained ISO 14001 environmental management system certification.

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Environmental Risk Management

The Company has integrated the environmental risk into the internal control and risk management system. The Company has been improving a sound ecological environment risk early warning mechanism. According to the risk control system and process, the comprehensive environmental risk identification and assessment are organised every year. Special risk identification and assessment of specific projects are carried out irregularly to determine the risk level when necessary, and corresponding measures are adopted. The Company conducts potential hazard investigation and management every year and organises special safety inspections on ecological security so as to prevent major environmental risks arising from the production and operation. Meanwhile, the Company has established an information system for ecological environmental protection, which is subject to bottom-up and level-by-level review, to achieve information resource sharing and online monitoring to ensure the complete and reliable management of data.

Environmental Assessment

The Company strictly implements the "Three Lines One Permit" (TLOP) policy (Red line for ecological conservation (RLEC), Bottom line for environmental quality (BLEQ), Upper-limit line for resource use (ULRU), and a list of environmental permits for human activities (LEP)) for its construction projects in monitoring and management of the ecological environment, so as to avoid damages caused to the ecological environment and infringement upon the red line for regulation and management.

We implement strict systems and requirements for the ecological environment management covering the whole process from site selection, construction completion, production and operation, and emergency management to exit from the project. The Company regularly carries out environmental monitoring to minimise and prevent negative impact on the environment. In 2024, the Company conducted a total of 76 environmental impact assessment projects.

Cultural Cultivation and Accident Prevention

The units of the Company regularly organise training activities on laws, regulations and knowledge and skills related to ecological environmental protection, to improve employees' awareness, management capacities and professional skills on ecological environment protection. Meanwhile, the units of the Company have been continuously improving the ecological environment risk emergency management system by formulating *the Emergency Plan for Environmental Emergency* which has been filed with the local ecological environment management department, and organising emergency drills for ecological environment events every year to ensure that the Company can effectively prevent and handle various environmental emergencies timely. 4 ecological safety inspections and 470 emergency drills for environmental events were conducted in 2024, covering all production units. These efforts have enhanced the Company's ability of environmental protection risk prevention and control.

In 2024
We conducted
4
ecological safety inspections and
470
emergency drills for environmental events



Emergency drills for the environmental event of oil tank leakage of road maintenance machinery by Railway Equipment at Suning section

Indicators and Targets

In 2024, the Company had no major or above ecological environment emergencies. For details of information on pollutant discharge by units of the Company listed under *the Legal Disclosure System of Environmental Information* and administrative penalties by local ecological environment management departments, please refer to the section headed "Environmental and Social Responsibility" in the 2024 Annual Report of the Company.

Environmental Management Targets and Completion for 2024	
Targets	Completion
1. Eliminate major and above ecological environment emergencies, and kerb general environment emergencies.	No ecological environment emergencies occurred.
2. The discharge rate of main pollutants under normal working conditions to reach 100%. The standard disposal rate of general industrial solid waste and hazard waste to reach 100%. To further raise the overall utilisation rate of general industrial solid waste.	Completed.
3. Rate of reclamation of dumping site of open-cut mine to reach 99%; rate of treatment area for sunken land in the process of underground coal mining to reach 99%; satisfaction rate of ecological flow to reach 100%.	Completed.

Energy Use

On the way of promoting its sustainable development, China Shenhua has been pursuing efficiency and clean energy use to minimise impacts on the environment and improve the efficiency of energy use. We have been exploring new ways of energy management, optimising the energy structure and promoting green energy, to effectively fulfil our commitment to energy conservation and emission reduction and environmental protection.

Energy Management

China Shenhua abides by *the Law of the People's Republic of China on Energy Conservation* and other laws and regulations, adopts measures that are feasible, reasonable and affordable in terms of technology, economy and environment, respectively, strengthens the process management of its operational technology indicators, and carries out energy-efficiency benchmarking activities to reduce consumption, minimise losses and effectively utilise energy in a rational manner.

The direct energy used by the Company mainly includes coal, oil and natural gas; the indirect energy used by the Company mainly includes electricity. In the area of clean energy, the energy we use mainly includes solar, water, wind and biomass. In 2024, the total consumption of renewable energy by the Company was 24,500 tonnes of standard coal. The Company has thoroughly implemented the requirements by NDRC and the National Energy Administration for green consumption, and has achieved 100% green electricity consumption across all segments through various means including green certificate trading.

By the end of 2024, a total of 23 members of the Company obtained ISO 50001 energy management system certification.



Reducing Energy Consumption

The Company has been actively implementing optimisation and improvement programs focusing on energy-saving process and equipment reformation, R&D, promotion of new energy-saving technologies and adjustments to its energy structure to achieve enhanced energy-saving technologies. See the section headed "Response to Climate Change" in this Report for details.

The Company is implanting *the Action Plan for Promoting Large-scale Equipment Renewals and Consumer Goods Trade-ins* issued by the State Council. We have adhered to the principles of energy-saving, consumption-reducing and smart environmental protection in our planned actions of replacing equipment for 2024-2027. We plan to realise replacement of equipment across all segments that has reached the end of life and is subject to elimination by 2027, and realise 100% energy-saving for all major equipment we have newly purchased.

We fully leverage opportunities arising from the National Energy Saving Publicity Week and National Low Carbon Day, and actively create a publicity atmosphere for energy conservation and carbon reduction by means of knowledge training and multi-media thematic publicity, enhancing the awareness of energy saving among the employees and the general public.

Management Targets for Energy Use and Completion

Indicators	Targets	Progress during the Reporting Period	Progress of Achieving the Targets
Comprehensive energy consumption per CNY10,000 output	Decrease by 0.8% in 2025 as compared to 2020	Increase by 4.7% year-on-year	Decrease by 5.9% as compared to 2020
Standard coal consumption for power supply	Decrease by 1% in 2025 as compared to 2020	Decrease by 0.7% year-on-year	Decrease by 4.6% as compared to 2020

Key performance	2024
Comprehensive energy consumption per CNY10,000 output (tonne/CNY10,000)	2.87
Standard coal consumption for power supply (g/kWh)	292.90



Water Resource Utilisation

Water resources are essential resources in the Company’s operation and a valuable asset in safeguarding ecological balance and public interest. China Shenhua abides by relevant laws and regulations such as *the Water Law of the People’s Republic of China*, implements the most rigid protection and utilisation system for water resources. We place top priority on water saving and optimise the allocation of water resources, thereby realising a fundamental change from an extensive and low-efficiency style to an intensive and energy-saving one in water resource utilisation.

Water Resources Management

The Company has established a comprehensive structure of water resource governance. The Safety, Health, Environment and ESG Working Committee makes recommendations to the Board of Directors on risks and opportunities related to water management. The Chief Executive Officer of the Company shall be responsible for strategies and performance related to water management, and incorporate water management into the overall business planning of the Company. The Company has established a sound water resource management system, by which all subsidiaries and branches have their designated water resource management teams and formulate the measures for water resource management and other management systems for saving and conservation of water resources. We also formulate planning for water to rationally utilise and protect water resources.

The Company incorporates the implementation of responsibility for ecological environmental protection target, including water resource management indicators, into the scope of business performance assessment and evaluation of subsidiaries and branches, and recognises and rewards units and individuals with outstanding work performance. In addition, the annual performance salary of the Company’s senior management is linked to the fulfilment of environmental protection targets, including water resource management, to better facilitate performance improvement in water resource conservation and recycling efforts.

The best water-saving measures and techniques adopted by the Company across all of its operations in 2024 include but are not limited to the following:

Water utilisation in compliance with laws and regulations



Based on reports on water resources analysis and the relevant requirements stipulated in certificates and approvals, we improved the water management system, implemented the plans, quotas, consumption and intensity of water utilisation. We advanced the dynamic monitoring of underground water for the prevention of excessive exploitation of underground water.

Coordination of water resources utilisation



We coordinated the utilisation of mine water, dredging water, municipal reclaimed water, vessel ballast water and seawater after desalination; we coordinated channels of water utilisation including production, household and ecology and coordinated water quality and water volume, so as to realise utilisation of best water in the best way and using water in a water-saving manner.

Water saving promotion in production activities



We improved the standard system for water consumption quota in our production activities, promoted clean production and water-saving production processes, to reduce the leakage rate of water supply pipeline networks, and to reduce the use of fresh water. We implemented the construction of water recycling facilities for recycling and cascade utilisation of water resources.

Establishment of the water capacity evaluation system



We have fully considered the capacity of water resources and the water ecological environment, and carried out production within the capacity of water resources. We have established the water resource management system to realise efficient water consumption, rational allocation and strong control.

Risk Management on Water Resources

The Company conducts a comprehensive water resources risk analysis based on the actual situation of each operating site, effectively identifies the major water resources risks, which mainly include policy and legal risks, financial risks, operating risks, reputation risks and natural disaster risks. We formulate countermeasures to prevent shortage, waste and pollution of water resources. At the same time, the Company actively promotes communication and cooperation with water resources stakeholders, and proposes targeted responses to potential conflicts, so as to jointly protect local water resources.

Water resources risk	Effects	Countermeasures
 Policy and legal risks	Companies may be subject to penalties, disruption in operations or damage to reputations when they do not keep abreast of adjustments to policies or fail to comply with laws and regulations.	Monitor laws and regulations of national and local governments related to management of water resources and prevention and management of pollution of water resources, to prevent the risks of expiration of water intake permits and exceeding planned water intake, ensuring compliance with requirements under relevant policies during our operation.
 Financial risks	Fluctuations in water price and waste of water resources may increase our cost and affect our profit.	Assess our investment in the management of water resources and water consumption for our products; monitor the fluctuations in costs related to water resources and conduct relevant financial planning and budget management; implement water-saving measures to reduce the expenses.
 Operating risks	Malfunction or insufficient management related to equipment and facilities may cause disruption in production, waste of water resources and pollution.	Perform testing and maintenance of water facilities on a regular basis to ensure normal operation. Establish a sound management system for water resources and raise the awareness of water saving among our employees, so as to enhance efficiency of water consumption.
 Reputation risks	Unsatisfactory management of water resources may cause damage to the Company's reputation and negative perception, which may undermine the confidence in our Company among consumers and investors.	Enhance communication and cooperation with stakeholders such as governments, communities and environmental protection groups to jointly promote the development of the Company's management on water resources, demonstrate our achievements in management on water resources and enhance public trust.
 Natural disaster risks	Geological hazards such as earthquake and landslide would cause damage to our facilities of water resources, and disruption in supply or pollution related to water resources. Extreme climate events such as flooding and drought would cause threat to our water resources security.	Strengthen the capabilities of water resources facilities against earthquake and flooding. Conduct risk assessment and strengthen the efforts in risk management. Formulate disaster plans for quick recovery of water supply and prevention of pollution.

We obtain fresh water resources from surface water, underground water and municipal pipe network; we are committed to increasing the consumption of recycled water and other alternative water to further enhance the efficiency of water resources utilisation. At present, we have stable sources of water intake and no risk of difficulty in water intake.

Management Targets for Water resources and Completion

Indicators	Targets	Progress during the Reporting Period	Progress of achieving the targets
Utilisation rate of sewage and wastewater	Increase by 5 percentage points in 2025 as compared to 2020	Increase by 1.7 percentage points year-on-year	Increase by 1.2 percentage points as compared to 2020

Key performance	2024
Total water consumption (million tonnes)	260.51
Water consumption per CNY10,000 output (tonne/CNY10,000)	10.28
Proportion of alternative water sources in the total water consumption (%)	19.80
Utilisation rate of sewage and wastewater(%)	76.05

Recycling Economy

China Shenhua is committed to the practice of the concept of recycling economy. By implementing the principle of 3R (Reduction, Reuse and Recycle), we have been improving the resource utilisation efficiency and minimizing impacts on the environment, promoting the sustainable development of the Company.

Reduction



Reuse



For solid waste, the Company uses the gangues generated during the mining to produce bricks and land reclamation; we use by-products such as fly ash, cinder and flue-gas gypsum generated during power and chemical production to produce building materials.



For water resources management, the Company has raised the standards for overall management of mine water, and explored their possible application in various areas of recycling such as production use, domestic use and ecological irrigation, so as to reduce the demand for fresh water resources. Meanwhile, we have promoted zero wastewater discharge from power generation and the application of water-saving techniques in chemical production, realising the reuse of wastewater.



We have used the coalbed methane (gas) extracted during our colliery mining activities for purification in producing LNG, CNG, used medium and low-concentration gas for power generation and production of LNG, and used VAM for oxidation and power generation, improving resource utilisation for gas and reducing the emission of greenhouse gas.

Recycle

We have established the sorted recycling system for solid waste to ensure resource utilisation of hazardous waste such as waste catalyst, waste mineral oil and waste lead acid battery.

For wastewater generated in the production process, we have raised the standards for management and carried out projects of comprehensive utilisation, realising recycling and reuse of wastewater.

Through the implementation of measures for recycling economy, China Shenhua has achieved outstanding results in resource utilisation efficiency and environmental protection. For the waste recycling utilisation amount of the Company in 2024, please see the sections headed Waste Disposal, Water Resource Utilisation and Resource Utilisation in this report. In the future, we will continue to deepen our practice of recycling economy, explore more innovative ways of resources utilisation to contribute to our efforts in achieving sustainable development goals.





Society

China Shenhua continues to consolidate and expand its integrated advantages, proactively fulfilling its responsibilities. The Company has made significant contributions through practical actions in various areas, including advancing rural revitalisation, engaging in public welfare and charity, implementing community communication, deepening overseas development, insisting on innovation-driven development, improving product quality, safeguarding customer rights, enhancing data security, ensuring supply security, strengthening safety production, promoting employee well-being, and supporting employee growth, demonstrating the responsibility and mission of a central state-owned enterprise through concrete actions, accelerating our high-quality development, and contributing efforts to creating a brighter future.



Rural Revitalisation

China Shenhua considers supporting rural revitalisation and consolidating the achievements of poverty alleviation as a key part of its corporate social responsibility, integrating it into both strategic planning and practical actions. By implementing measures such as increasing farmers’ incomes and improving rural environments, the Company has effectively enhanced its brand image and social influence while achieving mutual progress and integration with the regions it assists.

Under the Company’s continued support over the years, the targeted assistance provided to Butuo County in Sichuan Province, as well as Wubu County and Mizhi County in Shaanxi Province, has yielded significant progress in their economic and social development through their persistent efforts. The focus of needs of assistance has gradually shifted from basic support to more quality- and efficiency-oriented measures, aiming to further enhance education and healthcare standards, drive industrial development, and increase farmers’ incomes. In 2024, following a work organisation system of “headquarters coordination, subsidiaries and branches as primary implementers, and stationed cadres for execution,” the Company developed an annual rural revitalisation plan. This plan involved allocating funding budgets, setting performance targets, and prioritising key projects. The Company placed greater emphasis on promoting thriving industries, creating more employment opportunities, and helping farmers achieve sustained income growth. These efforts have been implemented steadily and systematically to advance rural development, improve rural management, and achieve agricultural and rural modernisation as well as shared prosperity.

In 2024, we invested a total of approximately CNY106 million in village revitalisation funds across the three targeted counties, secured CNY600,000 in external assistance funds with 34 projects implemented, benefiting 220,000 people among the masses. The purchases and sales of agricultural products from areas lifted out of poverty of approximately CNY40.61 million. In addition to the targeted assistance in the three counties, the headquarters of China Shenhua and its 16 subsidiaries and branches continued to carry out local assistance work in 2024, donating approximately CNY130 million to support the local government in steadily advancing rural revitalisation.





Safeguarding the baseline tasks and consolidating the results of poverty eradication.

- Supporting the improvement of education quality. With a total investment of nearly CNY110 million, Yisa Middle School in Temuli Town, Butuo County, was fully completed and put into operation in September 2024, greatly improving the school conditions in the county. An investment of CNY4.03 million was made to purchase 316,648 copies of teaching and learning materials for primary and secondary schools across Butuo County in 2024.
- Improving medical and health conditions. Special programmes such as the ‘Red Ribbon of Love’ and the ‘Send a Doctor to the Rural Area’ programme have been carried out to raise the level of grass-roots medical and health services, disease prevention and control in townships and villages, to the benefit of local people of all ethnic groups. Cancer screenings were offered to approximately 9,000 women aged 35-64 and 12,000 households lifted out of poverty in Wubu County, aiming to raise awareness of self-care among women.
- Promoting stable employment for the masses. Through assistance project support and the construction of the Company’s industrial projects, 29 people from families lifted out of poverty have been recruited for near and stable employment, and 120 people have been helped to realise transfer employment.



Focusing on industrial assistance and enhancing the quality and effectiveness of industrial wealth creation.

- Cultivating rural characteristic industries. The Company implemented the Butuo County Black Sheep Intelligent Breeding Project, and vigorously supported the development of the county's black sheep industry. A new Mizhi County millet aerospace breeding base and the intelligent water-fertilizer integration project have been built, which can drive 21 households lifted out of poverty to increase their income. An ancillary facility construction project for about 2,000 mu of green pear base in Wubu County was implemented, which can drive 280 households lifted out of poverty to increase their incomes.
- Creating a model product of scientific and technological assistance to farmers. A new 3.63 MW photovoltaic power generation demonstration project in Mizhi County was built, helping 10 villages lifted out of poverty to increase their income with the model of "power generation on the board and planting under the board". The Company invested CNY1 million to promote the application in Butou County of "all-plastic constant temperature drinking water tanks and forest fire prevention water storage system" produced by China Energy's new coal-based environmentally friendly material, which greatly improved the conditions of poultry and livestock breeding and enhanced the reliability of the fire prevention water storage tanks.
- Deepening and expanding consumption-based assistance. Agricultural products from regions lifted out of poverty were purchased and sold through e-commerce platforms such as the central state-owned enterprise consumption platform and Huicai Mall, supporting each county in creating a series of geographically branded products like Mizhi apples and Wubu green pears.



Focusing on the needs of the masses and helping to build a harmonious and beautiful countryside.

- Implementing infrastructure upgrade. The Company constructed five convenience bridges across rivers in Bozuo Village, Butuo County, and implemented environmental sanitation and protection projects, benefiting 581 households. The Company continued to implement the rural drinking water safety guarantee project, establishing water supply facilities for 4 towns and 6 villages in Wubu County, ensuring that over 2,000 people in 1,000 households have access to safe drinking water.
- Consolidating ecological management achievements. The Company supports counties in implementing ecological management and conservation projects that protect the environment while promoting surplus labour transfer and employment. The Company continued the carbon sink forest project at Guanjiazui Village, Mizhi County, planting over 67,000 trees, including Chinese pines, hawthorns, and spruces, to create a complete ecological system. Once mature, the forest is expected to generate an annual carbon sink income of CNY1.1 million. We launched high-standard farmland construction projects covering 8,450 mu in Wubu County and Butuo County, ensuring a harmonious balance between farmland development and wetland ecosystems.
- Implement quality enhancement projects. Adopting the approach of "filling what the cadres lack and providing what the people need," the Company focused on cultivating a team skilled in agriculture, dedicated to rural areas, and passionate about serving farmers. Throughout the year, the Company organised training for grassroots cadres, rural revitalisation leaders, and skilled workers, reaching a total of 20,220 participants.
- Strengthening Party leadership. Shendong Coal and Sichuan Energy have established six Party branches in partnership with the counties they support. They have invested in the upgrading village Party service centers, equipping them with integrated media equipment, activity facilities, books, and other resources, to fully leverage the political and organizational role of grassroots organizations in driving rural revitalisation.

The black sheep, a unique and high-quality breed native to Butuo County, Sichuan Province, has received national geographical indication product certification and was honoured as one of the “Top Ten Livestock and Poultry Breeds with Exceptional Genetic Resources” by the Ministry of Agriculture and Rural Affairs in 2022. In recent years, Sichuan Energy, the main body responsible for rural revitalisation, has invested over CNY35 million in assistance funds, helping Butuo County further cultivate and expand the black sheep industry, an industry with distinctive competitive advantages. Sichuan Energy has partnered with Northwest A&F University to deeply explore the genetic resources of the black sheep, promoting the rapid expansion of high-quality breeding flocks. The initiative has helped establish a core breeding farm and a black sheep industry centre for the black sheep industry for Butuo County, supporting 52 specialised breeding cooperatives and numerous individual farmers, effectively enhancing the scale of operations. By leveraging modern scientific technologies, real-time data on the growth of black sheep is collected and analysed to enhance intelligent farming practices. Tailored to local conditions, a black sheep trading centre and a cold chain service centre have been established to facilitate nationwide sales. Currently, Butuo County has a stock of 269,400 black sheep, with an annual turnover of 171,000 sheep, providing strong support for developing a modern, efficient, and exemplary agricultural industry.

Butuo County has a stock of

269,400 black sheep

Annual turnover of

171,000 sheep



The black sheep trading centre in Butuo County, built with the Company's assistance

Social Contribution

China Shenhua adheres to its original intention, not only forging ahead on the path of steady corporate development but also persevering in its dedication to public welfare and charitable initiatives, giving back to society with a warm and sincere heart. Public welfare and charitable activities not only reflect the fulfilment of social responsibilities but also help enhance the Company's brand image, strengthen market competitiveness, foster employee cohesion, and promote the development of corporate culture.

Public Welfare

The Company has devoted itself to charity and public welfare for a long time, and formulated *the Management Measures for External Donation*. In line with its annual public welfare and charity activity plans, the Company actively supports the development of social education, environment, health, culture, sports and others, contributing to the creation of a harmonious society.

In 2024, prioritising the most pressing needs of the people, we built roads and bridges, constructed housing and water supply systems, improved healthcare services, developed high-standard farmland, and provided winter warm coal, all with dedication and care to enhance local livelihoods. We focused on community education by organising public welfare classes, supporting schools, donating supplies, and offering financial assistance to help more students have access to quality education. We devoted ourselves to emergency rescue and disaster relief efforts and assisting those in distress, assisting local authorities in various emergency response tasks such as flood control and firefighting. We provided supplies to disaster-affected communities, safeguarding people's lives and property. We supported the construction of social, cultural and sports facilities, ensuring the smooth execution of related activities and injecting momentum into social harmony and progress.

The Company adheres to the tenet of "dedication, love, unity and mutual assistance," actively participating in community construction and public welfare activities through volunteer services. The Company has formulated *the Measures for the Management of Volunteers* to clarify the rights and obligations, service guarantee measures and service scope of volunteers, so as to provide solid guarantee for orderly organisation and implementation of volunteer services.



Volunteers of Overseas Company
serve at community eldercare station



Volunteers from Cangdong Power guard
"Autism children"

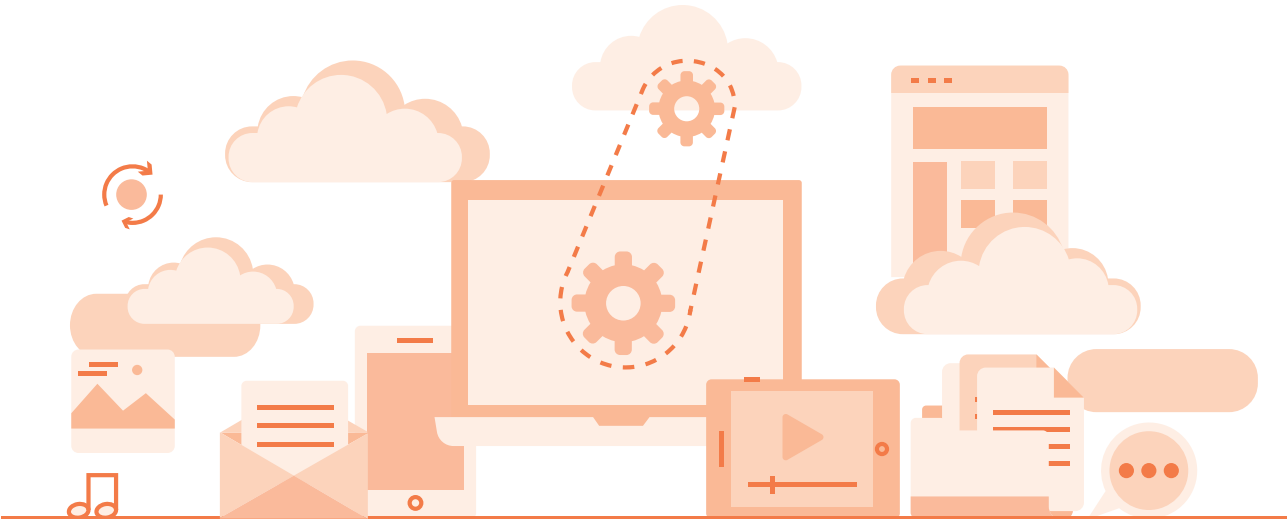
Key performance	2024
Social donations (CNY100 million)	25.07
Number of volunteers (person)	10,665
Service hours of volunteers (10,000 hours)	12.31

Community Communication Management

China Shenhua has issued *the Statement on Local Community Engagement*, actively identifying, assessing and mitigating the potential impacts of operational activities on surrounding communities during business operations. The Company continuously improves community communication mechanisms, respects community cultural customs and behaviors, and collaborates to create a favourable situation for the joint development of the enterprise and the community.

In accordance with their responsibilities, the Planning and Development Department, International Business Department and other relevant departments at the headquarters of China Shenhua are responsible for guiding and assisting community engagement activities for both domestic and overseas subsidiaries. Each subsidiary and branch is responsible for organising, implementing and managing the assessment of community communication and grievance handling. New (expanded) projects (organisations) serve as the implementation entities and responsible entities for community communication and grievance handling in the places where the projects (organisations) located. They establish community relationship management offices and appoint the person in charge of community relationship management based on the actual conditions, maintain close contact with the community, and ensure that the needs and interests of local stakeholders are better considered in various decisions and activities.

We implement *the Investment Management Measures (Trial)*, *the Overseas Investment Management Measures (Trial)* and other systems to standardise the community impact assessment procedures for new (expansion) projects, covering aspects such as project approval, investment decision-making, design management, engineering implementation and environmental protection acceptance. Our overseas companies, in accordance with *the Overseas Compliance Management Measures of the Company*, strictly adhere to the ecological and environmental protection laws and regulations of the country (region) where they operate. Through community affairs consultation mechanisms, the Company considers mainstream public opinion and the demands of relevant non-governmental organisations, minimising the impact of construction and operations on the local environment and livelihoods.



Communication and complaint mechanism

The Company has established the *Guidelines for Community Communication and Grievance Handling in the Operating Sites of the Project (Organisation)*, the *Public Relations Management Implementation Measures* and other management systems to create a coordinated and orderly mechanism for community communication and complaint handling, thereby strengthening amicable relations with local communities. The Company proactively understands and promptly responds to the needs of various community stakeholders, formulating social responsibility policies that align with both the company and community interests, protecting the interests of the community from infringement. Through information disclosure, discussions and communications, face-to-face visits, telephone and email communications and public open days, the Company introduces the community and the general public to its responsibility performance, promptly addresses community concerns or complaints related to project investment and development, construction and operation, effectively resolves differences and disputes, and enhances the community's understanding and trust in the Company.

Protection of indigenous peoples' rights and interests

In accordance with the *United Nations Declaration on the Rights of Indigenous Peoples* and based on the principle of free, prior and informed consent (FPIC), China Shenhua issued the *Indigenous Peoples' Rights and Interests Protection Declaration*, pledging to safeguard the legitimate rights and interests of the community and its residents through regular, transparent and proactive communication, and respecting and protecting human rights, as well as fully respecting the local cultural heritage, religious beliefs, customs and business etiquette.

Throughout the life cycle of its projects, from pre-planning, construction and operation to the final exit stage, the Company has always maintained a high level of respect for the culture and traditions of the indigenous peoples, listened carefully to their voices and firmly defended their legitimate rights and interests. The Company is committed to avoiding or mitigating possible negative impacts on indigenous peoples and providing appropriate compensation when needed. Prior to the establishment of new operations, the Company conducts in-depth communication and consultation with indigenous peoples to ensure that they are informed of the details of the project in advance and are able to participate in it effectively. The Company takes specific measures to protect the rights and interests of indigenous peoples and addresses their concerns in order to gain their understanding and support. The free, prior and informed consent of indigenous peoples is the cornerstone of the Company's project investment decisions. Once an agreement has been reached, the Company will work closely with the indigenous peoples, adhering to the FPIC principles throughout the process, and contributing to the promotion of sustainable social, economic and environmental development in the local community. The Company's overseas branches regularly visit communities to engage in friendly dialog with indigenous peoples and invite them to visit production facilities to enhance mutual understanding. The Company respects the indigenous peoples' rights of information and participation, makes every effort to protect their rights and interests during the project's life cycle, and strengthens the friendship between Chinese and foreign employees through cultural exchange activities.



Overseas companies carry out activities such as traditional holiday community visits and international children painting competition

Regional economic contributions

We actively promote the in-depth integration of corporate investment with the economic development of the community, and utilise the synergies of “joining hands with local communities for shared development” to promote mutual growth. The Company is committed to providing local communities and people with stable and clean energy supply and services, paying full taxes, mining royalties, and licensing fees to local governments in accordance with the law, increasing local governments’ financial revenue, and implementing social welfare programs for the benefit of the communities. The Company actively explores the development potential of local characteristics and traditional industries, and introduces modern technologies and commercialized development models to build a special industry brand.

We focus on solving urgent problems regarding social welfares in terms of education improvement, medical care and health, childcare and elderly care, as well as the safety of life and property. We strive to enhance the well-being of the communities through means such as comprehensive environmental management, infrastructure construction, and cultural and sports activities to address issues of public interest in the communities. In 2024, the Company’s headquarters and its subsidiaries donated a total of approximately CNY31.99 million to the local communities, of which approximately CNY2.27 million was donated by overseas companies, to carry out projects such as livelihood protection, education assistance and cultural inheritance, which favorably supported the development and stability of the communities. In 2024, the Company donated a total of CNY2.137 billion to the government of the Inner Mongolia Autonomous Region through the CHN Energy Foundation for the comprehensive ecological management of the region, supporting local ecological protection efforts.

2024

the Company’s headquarters and its subsidiaries donated a total of

CNY **31.99** million

Of which: overseas companies donated

CNY **2.27** million

In June 2024, the Guangdong Energy Transportation and Sale Association promulgated *the Decision on Recognising the Advanced Units and Advanced Individuals of Supply Guarantee in Energy Industry of Guangdong Province in 2023*, among which, Qingyuan Power was awarded the title of the “Advanced Unit of Supply Guarantee in the Energy Industry in Guangdong Province in 2023”.

As a key power source for the power grids of northern and central Guangdong, the first phase of Qingyuan Power Plant transmits 10 billion kilowatt-hours of clean and efficient power every year, significantly easing the pressure on power load in the Greater Bay Area and making a solid contribution to the local economic development.

Local procurement and employment

The Company has formulated management systems such as *the Local Procurement Policy (Trial)* to actively optimise the local procurement process and provide equal opportunities for local suppliers. For materials with geographical advantages, it prioritizes procurement from local small and medium-sized enterprises according to the needs of the actual operation sites. The Company continuously improves the transparency of the supply chain, provides guidance to local small and medium-sized enterprises in the bidding and procurement process, minimizes the barriers that these enterprises may face in joining the supply chain, and improves the sustainability of the supply chain. The Company’s overseas branches follow international safety, health and environmental protection standards, and prioritize local suppliers to support the development of local industries and economies.

2024

Proportion of localised procurement amount of overseas branches of the Company was approximately

56.8%

The Company creates as many employment opportunities as possible for the people of the communities where it operates. Through the implementation of the localised employment plan, the priority is given to job seekers from local or adjacent communities, and the emphasis is placed on the cultivation of local talents, thereby further securing livelihoods and stabilising communities. In 2024, Pembangkitan Jawa selected six outstanding young Chinese and Indonesian employees for new middle-level management roles and trained five Indonesian central control chiefs and six deputy chiefs. This initiative strongly supported the Company's talent development goal of 'localising' Indonesian talent and 'internationalizing' Chinese talent. Additionally, in the NORMA100 rating system assessment by the Indonesian Ministry of Labour, Pembangkitan Jawa earned an 'Excellent' rating for its exceptional compliance with local labour laws and its commitment to safeguarding employee rights.

2024

The Company provided
1,622 employment opportunities for the local communities

The percentage of localised employment was

75.7 %

Reduction of environmental impact

The Company has issued the *Pledge not to Operate in Protected Areas* and strived to reduce the impact on and interference with the environment of the local conservation areas, strictly abided by the laws and regulations related to ecological protection in each place of operation, and protected local ecological civilisation, so as to achieve harmony with nature. The Company strictly carries out ecological environment feasibility analysis on site selection (route selection), avoids ecological conservation areas or ecological sensitive areas, evaluates the impact on the ecological environment, and proposes corresponding protection measures.

In July 2024, nearly 60 environmental advocates from organizations such as the Environment and Forestry Bureau of Banten Province of Indonesia, State Electricity Corporation of Indonesia, together with 20 Chinese and Indonesian student representatives, participated in an open day event on mangrove conservation organised by Pembangkitan Jawa with the theme "Protecting the only green home of mankind, realising the coexistence and co-prosperity of man and nature", which demonstrated to the society the achievements and experience of the enterprise in mangrove conservation.



Guests at the open day event planting mangrove saplings

Driven by Innovation

Adhering to the philosophy of “innovation is the responsibility of an enterprise”, China Shenhua has been exploring and practicing in the field of coal-based energy, striving for breakthroughs in major core technologies, continuously deepening the transformation of scientific and technological achievements, optimising and perfecting the building of its talent team, and contributing to the country’s energy security and sustainable development.

Technological Innovation Management

China Shenhua adheres to the technological innovation strategy of “supporting the establishment of first-class enterprises, leading the technological progress of the industry, serving the construction of a powerful country in technology and leading the global energy technology”, and supports the Company’s high-quality development with technological innovation by perfecting the management mechanism of technological innovation, reinforcing the coordinated allocation of technological innovation resources, and carrying out the special supervision and inspection of technological innovation programs.

The Company focuses on the forefront of science and technology and promotes the practical application of innovative achievements. Based on the principle of “increasing benefits, improving efficiency and ensuring safety”, the Company has set up directions for its scientific and technological research, focusing on increasing research and development efforts in the fields of new energy development, multi-energy complementation, energy storage technology, and the intelligent development, clean utilisation and intelligent green transportation of coal, as well as in the high-end low-carbon coal chemical industry, while promoting synergistic innovation across the whole industrial chain of “coal, electricity, chemicals and transportation”.

In 2024, the Company formulated *the Key Points of Technological Innovation and Informatization for 2024* to organise and promote the implementation of the annual key tasks of technological innovation, to empower the innovative development of the energy industry, to support the construction of a modernized industrial system, and to accelerate the development of the new quality productive forces. The Company formulated a well-established budget management and utilisation plan for research and development funds to ensure that the funds are in place. The Company invested CNY4.148 billion in research and development for the year, accounting for 1.23% of the revenue from its main business, completing its annual technological innovation target.



Strengthening the construction of the technological innovation system



The Company has strengthened the organisation and leadership of technological innovation, set up a leadership team for technological and network information work to coordinate and facilitate the Company's efforts in technological innovation. *The Provisions for the Management of Technological Innovation Work* was formulated to clarify the organizational responsibilities of the management, the assigned administrative departments, the affiliated scientific research institutes, industrial companies, and grass-roots units, and to improve the management mechanism of technological projects. The Science and Technology Assessment Centre of the Ministry of Science and Technology of the PRC was commissioned to conduct a diagnosis and physical examination of the Company's work on the management of scientific and technological innovation and achievement transformation from the perspectives of system construction, decision-making process, innovation ecosystem, process control, and achievement transformation, and to put forward suggestions for governance improvement.

Focusing on the Company's existing industries and emerging strategic industries, the Company has intensified its technological research in areas such as green and intelligent development and clean and efficient utilisation of coal, intelligent and green transportation, and the high-end multi-dimensional low-carbon coal chemical industry. The "Research and Engineering Verification of the Key Technology for the Co-combustion of Ammonia in the 600MW Coal-fired Boiler" project was implemented. It was included in the National Energy Administration's list of the first set of major technical equipment in the field of energy (the third batch). It pioneered in the industry by achieving 20% ammonia-mixed combustion in 600MW coal-fired boilers under full-load conditions, providing valuable data and experiential references for the industry to conduct ammonia-mixed combustion. This achievement was recognised as one of the "Top 10 Scientific and Technological Innovations in the Energy Industry in 2024" by the National Energy Administration. The results of the "Research and Application of the Technology of Operation Control System for Heavy-haul Train Groups" filled the gap in 35,000-tonne heavy-haul transportation in the world rail transportation industry.



Promoting technological innovation to produce results

Promoting deep integration of industry, academia and research



We continue to strengthen our alliance with national strategic technological forces such as national laboratories, national scientific research institutes, high-level research universities, and leading technology companies to establish high-level innovation consortiums, and to carry out research and development projects and realise the sharing of results by leveraging on their talents and technologies. The "Key Laboratory of the MIIT for General Technology for Safe and Reliable Measurement and Evaluation of Industrial Control System" was set up by the Digital Intelligence China Energy Information Control Company and the China Software and Integrated Circuit Platform of the MIIT. The new intelligent heavy-haul electric locomotive jointly developed by Shuohuang Railway and CRRC Zhuzhou Electric Locomotive Co., Ltd. was included in the list of "Top 10 National Important Assets of State-owned Enterprises in the Year of 2024" published by the News Centre of the State-owned Assets Supervision and Administration Commission of the State Council.

The Company leverages the application and integration capabilities of industrial companies, focusing on "pioneering" and "first-of-their-kind" industrialisation projects and the application of first-of-its-kind equipment. The Company fostered an open and innovative ecosystem for research and development, application and transformation, and prioritised promoting the internal transformation and application of independent innovations such as the "Rapid Detection of Coal Quality Based on Fusion Spectroscopy". Six of the Company's subsidiaries, as limited partners, have collectively invested CNY120 million of their own funds to establish a Sci-Tech Innovation Seed Fund, focusing on scientific research projects within China Energy that are in the critical phase of transformation from technological breakthroughs to product development.



Enhancing the application of research outcomes

As of the end of 2024, the Company had a total of 3,628 R&D staff, accounting for 4.4% of the total workforce, one national key laboratory, and five national-level scientific research platforms. In 2024, the Company won 2 provincial- and ministerial-level science and technology awards, 22 significant industry association (society) awards, 9 professional association awards and 28 other municipal-level awards.

In September 2024, China's first unmanned 10,000-tonne heavy-haul train successfully completed its trial run on the Shuohuang Railway, marking a new breakthrough from autonomous driving to unmanned driving in the country's heavy-haul railway sector. The unmanned heavy-haul train for this trial consists of 108 carriages, with a total length of approximately 1.3 kilometers and a total weight of 10,800 tonnes. From key technologies to management and control modes, it has achieved full autonomy and control. After the mass promotion and application of this unmanned driving technology, it is expected that the average operating speed of the train will increase by 1.7 km/h, average traction energy consumption will decrease by 2.9%, and labour costs will be reduced by approximately CNY12 million per year. This advancement will significantly improve the transportation efficiency of the "West-East coal transport" and effectively reduce logistics costs.



In December 2024, Baotou Coal Chemical's "Million-Tonne-Grade Coal-to-Olefins Full-Process Domestic Production Line" was selected in the document titled the "First Batch of Projects in the Central Enterprise Technology Achievement Application and Expansion Programme" jointly issued by the State-owned Assets Supervision and Administration Commission of the State Council, the Ministry of Industry and Information Technology, and the National Energy Administration. This marks the national authoritative recognition of the Baotou Coal-to-Olefins Upgraded Demonstration Project in terms of the application of technological innovation achievements and industrial demonstration. The Baotou Coal-to-Olefins Upgraded Demonstration Project relies on the innovation and upgrading of the Phase I factory. The project will conduct a full-process patent technology domestication demonstration, with the domestication rate of equipment increased to over 98%. By synchronizing with new energy planning and construction, the project will achieve deep coupling of coal chemical industry with green electricity, green hydrogen and green oxygen, leading the high-end, diversified and low-carbon development of the modern coal chemical industry.



Key performance	2024
Investment in research and development (CNY100 million)	41.48
Percentage of Investment in research and development of revenue from our main business (%)	1.23
Number of invention patents applied in our main business (number)	2,048

Digital Transformation

China Shenhua focuses on the goal of building an intelligent enterprise as its core, centers on the main responsibilities and principal businesses, follows the five major digital transformation strategic paths of “platform-based development, intelligent production, digital operations, ecological collaboration and industrial chain coordination” and deeply promotes the introduction of new technologies, the connection of networks, the convergence of businesses, the fusion of ecology and the collaborative intelligence of data, to drive the reinvention of businesses in all aspects, reshape the industrial chain with digitalization and restructure the business model.

In 2024, the Company continued to develop the data governance system and establish the indicator data system. We have started with sorting out our existing data assets and implementing standard management and control to take stock of the data assets under the self-developed system. Innovative tools such as metadata survey, data distribution analysis and data supply chain management are used to establish the data fusion model for the entire industrial chain. Research and development are carried out to formulate the long-term management mechanism for the “three domains” (planning, production and operation, and finance) indicator system to enhance the accuracy, consistency, agility and openness of indicators. In 2024, the Company has achieved fruitful results in digital transformation and intelligent production.

Platform-based development

The Company has promoted the establishment of intelligent production and operation platforms, and continued to implement the digital transformation of “visible, controllable and manageable” production sites. Data awareness platform and holistic view for multivariate data management and control have been established to realise centralised management and efficient use of data. A digital and intelligent treasury and financial management system and a whole-process online treasury management and control system have been established to realise a high degree of synergy between industry and wealth and between industry and finance. The establishment of projects, such as the “Investor Communication and Support Information System” and the “ESG Intelligent Management Platform”, has started to further improve the informatization level of related businesses.

Intelligent production

The in-depth integration between informatization and industrialization is accelerated to drive intelligent upgrading of the entire industry. Breakthroughs have been made in mastering key technologies such as intelligent coal mining, intelligent tunneling, and unmanned truck driving. Jiujiang Power and Shouguang Power have been selected into the “5G Factory List of 2024” issued by the Ministry of Industry and Information Technology. Huizhou Thermal Phase II project, being one of the first to apply domestic BIM technology in its construction, has been completed and commenced production. The first pilot test of “heavy-haul train group operation” was successful, and the assembly of the first new intelligent heavy-haul electric locomotive in China has been completed.

Digital operations

The project of “Establishing the Strategic Development and Business Operation Data System” has been organised and implemented and the construction of the Company’s data management and control platform has been promoted to support the application of business operational data scenario. The project “Research and Application of the Company’s Digital Operation System Based on Robust Data Strategy” has won the third prize of the 2024 Shuzhi Cup Data Management Innovation and Application Competition held by the China Federation of Electronics and Information Industry, and the “Strategic Development Dataset” has obtained the Data Intellectual Property Right Registration Certificate awarded by the Beijing Intellectual Property Protection Centre.

In October 2024, the China Federation of Electronics and Information Industry announced the assessment results of the Data Management Capability Maturity Model (DCMM). Railway Equipment was awarded Data Owner (Party A) Quantitative Management Level (DCMM Level 4) certification and became the first enterprise in the domestic railway freight sector to obtain the Level 4 certification. Digital Intelligence was awarded the Information Technology Service Provider (Party B) Quantitative Management Level (DCMM Level 4) certification and became the first technology-based enterprise within the Company’s system to obtain this certification.

The data management capability maturity assessment model is China’s first national standard in the field of data management. It is led and organised by the Ministry of Industry and Information Technology and is the most authoritative data management capability assessment and certification system in China. It is divided into five levels (from low to high): initial level (1), managed level (2), robust level (3), quantitative management level (4), and optimised level (5), which are applicable to two categories of targets, namely, data owners and IT service providers.

Intellectual Property Protection

China Shenhua strictly abides by *the Anti-unfair Competition Law of the People's Republic of China* and other relevant laws and regulations, and has formulated management systems such as the Administrative Measures for Intellectual Property Rights to strengthen the acquisition, protection and application of intellectual properties, and promote the commercialisation and industrialization of intellectual properties, providing strong support for R&D and innovation.

The Company is committed to promoting the construction of a national model intellectual property enterprise, continuously deepens the implementation of intellectual property strategies, and has established working mechanisms for the application, recognition, management, transfer of intellectual properties such as patents and technical secrets, and the research and formulation, publicity and implementation of corporate technical standards to stimulate innovation vitality. The Company actively promotes the recognition of its subsidiaries as high-tech enterprises, strengthens the communication and cooperation with ministries and industry associations, and actively participates in the preparation of national, industry and group standards to improve the efficiency and quality of intellectual property management.

The Company fully implements intellectual property management throughout the whole life cycle of scientific research projects. When some enterprises carry out major science and technology projects, they appoint IP engineers to establish an IP work system covering the whole process and the whole life cycle from project initiation, technology research and development to application of results, and conduct in-depth patent analysis, exploration of patents and arrangement of patents. In 2024, the Company obtained 637 newly authorised patents, including 237 invention patents, and the number of new applications for invention patents has increased by 1,113, bringing the cumulative number of authorised patents to 8,042 and the number of invention patents to 2,048.

2024
637 newly authorised patents
Including **237**
invention patents
8,042 authorised patents
in total
2,048 invention patents
in total



In order to prevent the loss and infringement of intellectual property rights, the Company has strengthened the management and risk prevention of intellectual properties, and risk prevention measures are integrated into every part of scientific research, production and operation. The Company's headquarters and subsidiaries are equipped with professional IP management personnel to strengthen daily management, and special trainings are held regularly to enhance the awareness of IP protection. As a result of these measures, the Company was not involved in any IP litigation cases in 2024.

In addition, the Company has promoted the transformation and cultivation of scientific and technological achievements and integrated the standardised evaluation system into the whole process of scientific and technological innovation management. Taking the effectiveness of intellectual property rights as an important basis for evaluating and awarding technological innovations, we reward entities and individuals who have been granted patents and awarded China Patent Awards to motivate all employees to actively participate in the protection and innovation of intellectual properties.

Currently, the technology innovation and business of China Shenhua do not involve any content related to technology ethics, and therefore no relevant policies and guiding principles on technology ethics have been formulated and implemented.

Supply Chain Security

China Shenhua continues to improve the level of supply chain security. Through optimising management policies and strategies, we strengthen supplier risk management and promote the green transformation of supply chain to meet the requirements of stakeholders such as customers and investors for responsible supply chain.

Supplier Management

The Company implements access and exit management, short list management, performance management and untrustworthy list management on suppliers, and does not restrict or exclude potential suppliers with unreasonable conditions, nor discriminate against potential suppliers, so as to ensure the healthy development of the supply chain.

The Company actively promotes the digital transformation of supply chain management. By leveraging the Company's unified supplier management information system, electronic supplier archives have been established to record comprehensive and real-time information on, among others, supplier registration, procurement participation, contract performance, performance, rewards and punishments, and realise electronic management and information sharing throughout the whole life cycle of suppliers. In 2024, the Company introduced the new technology of artificial intelligence to improve the intelligence level of supply chain management, and a supply chain big data platform was established to achieve in-depth analysis of supply chain data and provide scientific basis for decision-making. In 2024, the Company evaluated 15,744 suppliers in total, and 45 suppliers were disqualified due to violations or dishonest acts.

Supply Chain Risk Management

The Company's comprehensive audit and annual internal control assessment cover the entire life cycle of supplier access, selection, credit rating, contract performance, evaluation and exit. The Company generally adopts statistical sampling and non-statistical sampling methods to conduct audits on suppliers, ensuring the effectiveness of the assessment. Particular attention will be paid to audits of key suppliers such as strategic suppliers, large-value transactions and long-term cooperation.

The Company has formulated a list of key points and a list of prohibitions in procurement operations and has conducted supervision and inspection on these matters to ensure that procurement activities are carried out in accordance with laws and regulations, and to reduce the risks of supply chain. In addition, for procurement projects with budget exceeding CNY1 million, the Company requires that all project contents, subcontracting proposals and the reasons thereof must be comprehensively considered at the early planning stage to ensure the objectivity, rigour and compliance of procurement methods.

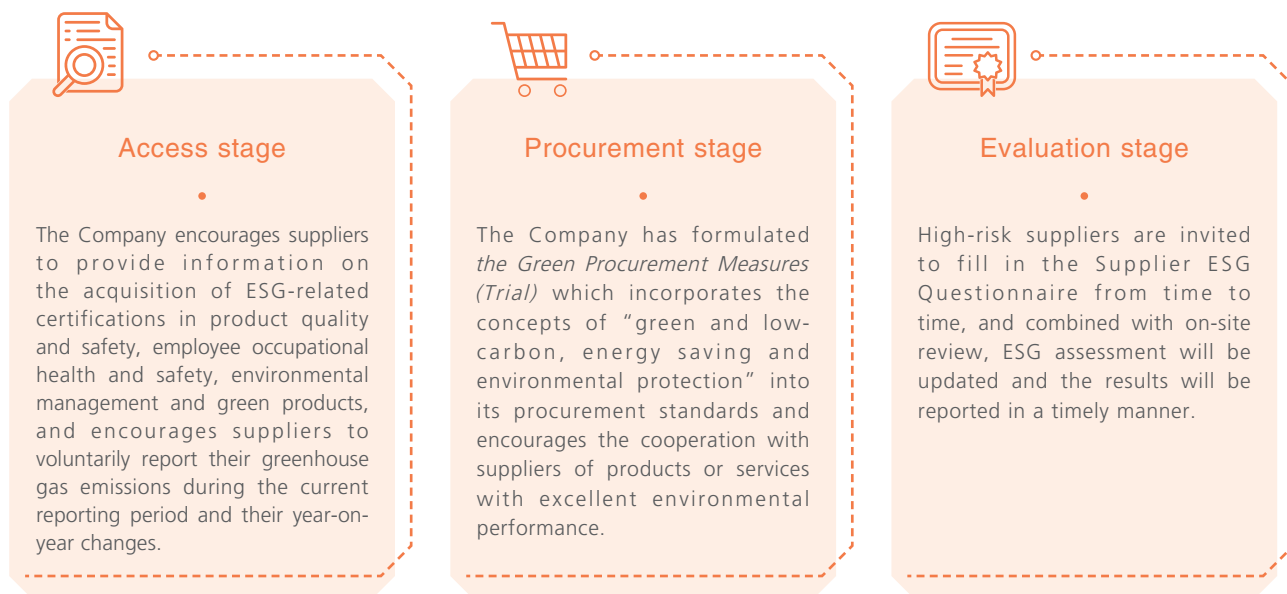
In the course of promoting intensive procurement, the Company has formulated a detailed implementation plan, constantly updated the centralised procurement catalogue, expanded the variety and scope of centralised procurement, and conducted comprehensive stocktaking regularly to strictly implement the unified work requirements of the Company. Meanwhile, the Company uses information technology means to carry out all-round management of the centralised procurement process to achieve economies of scale in procurement, improve procurement quality and reduce costs.

Compliance in Procurement

The Company has established a comprehensive procurement management system in strict compliance with *the Bidding Law of the People's Republic of China* and other relevant laws and regulations. We actively carry out education and training on work discipline for employees, and implement the rotation of personnel in key positions, the segregation of duties and responsibilities for incompatible posts and the recusal system for avoiding conflict of interests. The Company expressly prohibits employees from accepting any benefits, directly or indirectly, related to the Company's business to ensure that procurement activities are always in compliance with laws and regulations. Meanwhile, the Company does not restrict or exclude potential suppliers through unreasonable conditions and does not discriminate against any potential suppliers.

Responsible Procurement

The Company takes environmental and social risks into consideration at every stage of the supply chain by formulating *the Supplier ESG Management Measures (Trial)* to comprehensively evaluate the ESG performance of suppliers, effectively identify and avoid potential risks and motivate suppliers to deeply implement the concept of green development for jointly building a sustainable supply chain ecosystem.



Training and Communication of Suppliers

The Company has established effective communication channels with suppliers and encourages suppliers to participate in ESG-related trainings such as business ethics sessions organised by the Company. Suppliers are encouraged to participate in communication and discussions on issues such as cost reduction, service quality improvement, low-carbon technology and human rights protection to jointly improve the level of cooperation.

Establishing Supply Chain Integrity

China Shenhua sanctions against any unfair competition and corruption acts in the course of procurement and during the performance of suppliers and works with suppliers to promote fair and honest procurement activities. The Company has formulated the *Business Ethics Policy (Trial)* to cover all suppliers and requires all suppliers to sign the “Commitment to Abiding by Business Ethics” at the time of registration. Any form of corruption and bribery behaviors is prohibited, and suppliers are encouraged to complain or report potential illegal activities. The Company continuously optimises the supplier structure by introducing incentives for trustworthiness and punishment mechanism for dishonesty.

2024

The signing rate of the “Commitment to Abiding by Business Ethics” for newly admitted suppliers by the Company

reached **100%**

Equal Treatment for SMEs

To effectively prevent and resolve issues of default on amounts owed to SMEs, and to realise an ecological development with interdependence and complementarity between large companies and SMEs, the headquarters of the Company have formulated *the Implementation Plan for Preventing and Resolving Issues of Default on Amounts Owed to SMEs*, by which a long-acting mechanism for eliminating defaults on amounts owed to SMEs has been established, with phone numbers and email addresses for which published on the website of the Company. The headquarters of the Company have formed a leading group for preventing and resolving issues of default on amounts owed to SMEs that is led by the Chief Executive Officer of the Company who is responsible for overall planning, organisation and coordination of the relevant tasks. The finance department of the Company is responsible for investigation of default on amounts owed to SMEs, setting up recordkeeping systems, tracking the payments and conducting supervision and inspection over these issues.

The Company has issued *the Notice on Reporting Cases of Default on Amounts Owed to SMEs*, by which the Company will be kept informed of any case of default on amounts owed to SMEs by its subsidiaries and branches, ensuring promptly and effective handling of these cases. In 2024, the headquarters of the Company organised investigation and treatment of “default on payments to enterprises and employees”. Through a comprehensive identification of all contracts and based on terms of the contracts related to payments, the headquarters of the Company had conducted investigation on potential risks of defaulting payments to employees, ensuring timely and full payments to workers and enterprises without default on agreed payment.

As of the end of the Reporting Period, the Company had a balance of trade payables (including bills payable) of approximately CNY38.2 billion, representing approximately 5.8% of the total assets. These amounts are attributable to genuine business transactions that comply with laws and regulations during daily operation of the Company, including purchase of goods and receipt of services. The Company will continue to optimise the process of payment for purchase and strengthen management on trade payables on terms in the contracts, so as to maintain the harmonious and stable cooperation between the Company and the suppliers.

Safety and Quality of Products and Services

China Shenhua has always prioritized customers’ needs and satisfaction by continuously improving product quality and services. The Company strictly controls product quality and improves the management process for our services, providing customers with high-quality products and services, effectively protecting the interests of customers and improving customer satisfaction.

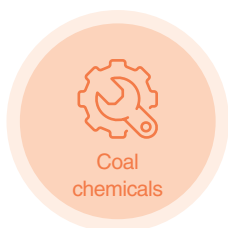
Product Quality Management

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

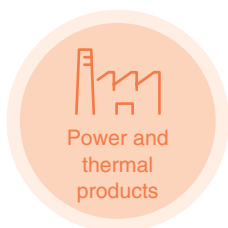
The Company conducts strict management and control on product quality throughout the whole process from production, transportation to sales, ensuring satisfactory product quality. As of the end of 2024, all 41 second- and third-tier units of the Company engaging in the sales of coal and coal chemical products obtained ISO9001 quality management system certification granted by third-party credential verification organizations, achieving a 100% certification rate.



The Company has established a standardised quality test process to ensure strict inspection throughout the whole process from transportation at mines, discharging at ports to loading at ports. The testing for each step, and in particular discharging at ports and loading, are conducted by leading third-party testing organizations. The Company has incorporated the qualification rate for loaded coals and quality deviation rate for purchased coal into the performance appraisal system, with adjustments made to weighs in light of different structures of coal supply. Meanwhile, the Company has introduced the special quality assessment on performance of loading supervision at stations, which is a measure of encouraging improvement in management on purchase of commercial coal and handling of commercial coal at ports.



The Company has established a strict procedure for production process, quality standards and quality control, thereby establishing a sound quality testing system that covers the selection of raw materials, control of intermediate products and inspection of finished products, so as to ensure that all products sold are in compliance with or better than the requirements stipulated by the qualifying standards.



The Company has been improving the power quality and process quality, strengthening equipment safety operation and daily maintenance management to ensure safe and stable operation of the units, and effectively reduce unplanned outage accidents.

In 2024, the “spectrum-based quick coal quality testing” technique that was jointly developed by the Company and China Electronics Technology Group was successfully applied as a model along the industrial chain from coal production, power, transportation to chemicals, representing a move towards AI control on coal quality of the Company.

With this technique, various indicators of 6mm coal such as calorific value, total sulfur, ash content and total water can be detected online. It takes just 2 minutes to obtain the testing results after sampling for the whole train's coal, as compared to at least 8 hours in traditional testing cycle. The representativeness of the samples has experienced an exponential increase, as the largest testing volume of coal for a single train exceeds 1 tonne, representing 1 million times of that for 1g coal. Meanwhile, the testing process is automatic, i.e. it can be conducted without manual operation, representing a fundamental change to the complicated process under the traditional mining, production and testing mode.

In 2024, Baotou Coal Chemical exported 7 types of polyolefin products, registering an increase of 9,100 tonnes year on year. The products were sold to 20 countries in America, Africa and Southeast Asia. By the end of 2024, the total export sales amounted to 240, 000 tonnes.

Considering the huge customer demand in global markets, Baotou Coal Chemical has been working on building quality and innovative brands. It has been optimising its production, improving performance of the product and strengthening its efforts in development and production of new products. It has also been actively engaged in accreditation for its products by completing the three certifications of FDA, RoHS and state standard method for polypropylene resin L5E89-1. The quality of all products has met the requirements under SGS testing standards and the requirements for food and packing materials. The company has obtained the certification from the PRC and globally recognised accreditation, laying a solid foundation for the expansion of the market coverage for its polyolefin products.

Product Complaint and Recall Protection for Interest of Customers

The Company attaches great importance to customers' feedback on the products and has accordingly established comprehensive system for handling complaints and disputes. All marketing units have established comprehensive records for customer complaints, which record details including information of the complainants, the object of complaint and specific requirements. The handling of complaint will be monitored during the whole course. In handling the complaint, the Company ensures timely and appropriate communications with the customers. For complaints falling within the terms of the contracts, we strictly abide by requirements under the contracts and regulations of the Company in handling the complaints; for those that do not fall within the scope of contracts, the marketing units will actively negotiate with the customers for an agreed resolution. If the users complain that the product has quality problems, the production technology department will organise an investigation on the product quality, and the unqualified products that are determined to be caused by quality accidents will be recalled or handled through negotiation in accordance with *the Regulations on Quality Accidents Management*. When the complaint has been settled, the marketing units will maintain documentation for the complaint, which shall include documents generated during the process, letter from the client and the report on investigation. These documents will be submitted to the heads of the respective departments. Furthermore, we will make in-depth conclusion for the process of handling complaints, so as to continuously improve our customer services.

Commercial coal generally does not involve recall procedures, and all disputes over coal quality are negotiated and settled as agreed in the coal sales contract. In 2024, the Company received 64 complaints about commercial coal and 2 complaints about coal chemicals. All of these complaints have been handled and resolved immediately, which brought the completion rate to 100%. There was no recall of products due to safety and health reasons. There was no litigation in this regard.

The Company strictly abides by *the Law of the People's Republic of China on the Protection of Consumer Rights and Interests* and has formulated *the Management Measures for Sales of Coal to Customers (Trial)*, *the Management Measures for Sales of Coal to Key Accounts (Trial)* and other management measures. We strictly abide by the applicable requirements related to services and labels on products. We have been improving our comprehensive service capabilities and professional quality with respect to pre-sales consultation, in-sales performance and fulfilment, and after-sales special services and other key aspects through channels such as hotline, letter, visit and exchange, client meetings, and product ordering meetings, effectively protecting customers' legitimate rights and interests, and striving to build a long-term, stable and win-win cooperative relationship with our customers. In 2024, the Company launched a survey on customer satisfaction, which showed a customer satisfaction of 99.9% for commercial coal (power industry), 96.2% for commercial coal (non-power industry) and 95.0% for coal chemical.

The Company has maintained the long-term and stable cooperations with leading research institutions in the coal industry of the PRC and well-known experts in the areas of boiler combustion, coal gasification and coal quality testing. We possess competitive strength in terms of pre-sales, in-sales and after-sales technical services, which means we can provide technical services that cover the whole process to maintain close communications with customers on technical matters, by which we can identify and address the issues arising from using our coal by the customers, providing technical support for safety in the use of our coal. In 2024, the Company organised in-house and external experts in technology exchanges with 15 customers.

Data Security and Protection of Customer Privacy

The Company strictly complies with *the Cybersecurity Law of the People's Republic of China* and *the Data Security Law of the People's Republic of China* and other laws and regulations, adheres to the overall national security concept, continues to promote network security construction and risk prevention, and continuously improves the security defence capability of information system to consolidate the defence line of data security. In 2024, no material incident of information and network security or leakage of customer privacy information occurred in the Company.

Data Security

Establishing the data security management system

During the data collection stage, measures such as *the Management Measures for Information Collection and Submission* have been formulated to collect relevant information in accordance with the principle of minimizing the scope of knowledge. During the data usage stage, measures such as *the Management Measures for the Confidentiality of Information Provided to External Parties* are formulated to strictly implement a three-level confidentiality review and approval procedures, record the process of access to and use of data, and sign confidentiality commitments, when necessary. During the data storage stage, measures such as *the Confidentiality Management Measures* have been formulated to implement closed-loop management of the entire process on data carriers, and put in place technical precautionary measures to prevent any unauthorized access and data leakage.

Establishing the data security technology system

By making full use of the Company's existing internet applications and mobile APPs, unified authentication, unified protection, unified monitoring and unified management are achieved. Relevant technical tools such as data security review, access control, encryption and desensitization, and event traceability are used to ensure data security and control throughout the entire life cycle of data. In conjunction with existing technical measures such as situational awareness, terminal management and control, and automatic banning, a proactive data security defence system has been established.

Establishing the data security operation system

We have established a 7×24-hour security monitoring and operation command centre for the whole system, which realises the monitoring, management and control of the whole process of security incidents, and data security risk investigation, treatment of hidden dangers and notification of warning are conducted on regular basis.

Protection of Customer Privacy

The Company strictly abides by the laws and regulations including *the Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, strictly complies with applicable regulations on service and product labelling, adheres to the "customer-centric and market-oriented" principles, and practically protects the reasonable, legitimate and legal rights and interests of the customers. The Company attaches great importance to the protection of customer privacy. The Trading Group has formulated management measures such as *the Administrative Measures for Coal Sales Customers (Trial)* and *the Administrative Measures for Key Customers in Coal Purchase and Sales (Trial)*, and Baotou Coal Chemical has formulated management measures such as *the Implementation Rules for Confidentiality Management of Information Provided to External Parties* to stipulate information rights and usage specifications, and leakage of customer information is strictly prohibited. During the data collection stage, other information that is not required pursuant to customers' business needs will not be collected. In the data usage stage, the principle of confidentiality to "access and use as necessary for work" and the management and control principles of "phasal access to core business secrets and handled by dedicated personnel" are upheld to fulfil the obligations of confidentiality in data usage. Cybersecurity precautionary and protective measures are implemented during the data storage stage and trainings on confidentiality knowledge are organised to eliminate any potential deficiencies in data security.

Employees

China Shenhua has always believed that talents are the cornerstone of a strong enterprise, strictly abides by national laws and regulations and puts employees' physical and mental health and safety in first priority. It strives to provide a safe and comfortable working environment, creates an inclusive, open, diverse and equal workplace atmosphere and comprehensively safeguards the legal rights and interests of employees. We offer competitive package of salaries and benefits in the industry, continuously optimise employees' training programs and pave smooth career paths for advancement to fully support the growth and development of employees. Meanwhile, we care about the work and life of our employees, strive to satisfy their pursuit of a better life and try to achieve harmony and unity between corporate values and personal values of employees.

Recruitment and Employment of Employees Protection of Employees' Rights and Interests

The Company adheres to the principle of equal employment, strictly abides by the laws and regulations, including *the Labour Law of the People's Republic of China* and *the Labour Contract Law of the People's Republic of China*. *The Personnel Management Measures* and *the Remuneration Management Measures* are revised and improved; employment plans are formulated based on the Company's development strategy; resources are reasonably allocated, and the recruitment process is managed in an orderly and standardised manner to enhance recruitment efficiency, ensure recruitment quality and the selection of outstanding talents. During the talent selection process, the Company prohibits any discrimination and prejudice in the forms of language, behaviour and decision-making. Any candidate who meets the job requirements will have an equal opportunity for interview. Any misconduct during the recruitment process shall be subject to accountability strictly in accordance with the Company's policies.

The Company improves the market-oriented employment mechanism continuously that allows entry and exit. Recruitment information has been released widely through various channels such as online recruitment, campus recruitment, on-site recruitment and internal recommendation to match accurately with recruitment resources. We strictly implement the headcount standard, optimise the establishment of job position system and standardise employment behaviour in accordance with the laws, create a legal and compliant, fair and impartial, mutually helpful and friendly workplace, fully protect legitimate rights and interests of employees, prevent and eliminate employment risks to achieve a harmonious and stable labour relationship.

China Shenhua has established a labour union in accordance with the law to safeguard the legitimate rights and interests of our employees, including labour and economic rights, democratic and political rights, spiritual and cultural rights and social rights that employees are entitled to in accordance with the law. The Company enters into labour contracts and job agreements with its employees in compliance with the law, specifying their job duties and protecting their labour rights and interests.

The Company strictly complies with the national *Regulations on Prohibition of Child Labour* and the legal requirements of the countries (regions) in which it operates, resolutely prohibits the use of child labour and forced labour, implements a labour supervision and inspection system, and carries out supervision and inspection of labour management on a regular or occasional basis as necessary to prevent and control related risks. The Company has set up remedies for child labour, stopping the work of child laborers as soon as they are found and reporting them in accordance with relevant laws and regulations, seriously dealing with contractors or suppliers who use child labour, taking measures to safeguard the Company's interests by terminating their contracts, etc., and reporting to the police in accordance with the laws of the locations where they operate. In 2024, the Company did not have any incidents of child labour or forced labour.



Democratic Management

The Company continues to deepen the democratic management of enterprises, the headquarters and affiliated enterprises at all levels to set up labour union organizations, strengthen the institutionalization and standardisation of the labour union management, and play the role of labour union in the bridge between the enterprise and employees. The Company establishes multiple democratic communication channels, such as the chairman’s mailbox, employee talks, and visits and exchanges, to smooth the channels for reflecting demands, listens to the voices of employees, and makes improvements based on the collected suggestions, so as to promote the harmony of the enterprise. Actively implementing the democratic management system with the Employee Council as the main form, it has realised the full coverage of the Employee Council in the grassroots enterprises. The Company has established a sound labour contract system and signed labour contracts with all employees. In 2024, the Company completed the signing of the annual collective agreement, and the employee coverage rate reached 100%.

2024
Coverage rate of annual
collective agreement signing
reached **100%**

Protection of Human Rights

China Shenhua supports *the Universal Declaration of Human Rights* and other international norms and standards on human rights, and strictly abides by *the Constitution of the People’s Republic of China, the Criminal Law of the People’s Republic of China, the Labour Law of the People’s Republic of China, the Labour Contract Law of the People’s Republic of China* and other laws and regulations, etc. China Shenhua formulates *the Human Rights Protection and Anti-Violence and Conflict Policy* applicable to all employees, contractors, suppliers and other business partners, which clarifies China Shenhua’s commitment to and responsibility for human rights protection and anti-violence and conflict. We respect human rights and anti-violent conflict norms and laws in the place of operation when conducting business activities and activities related to business operations, proactively prevent potential violence in the workplace and in business practices, eliminate all behaviors that may result in human rights abuses, and establish a process-wide response and remediation procedure. In 2024, the Company conducted human rights training 213 times, with a cumulative total of 34,331 people and a total training duration of 468,500 hours.

Diversity, Equality and Inclusion

The Company actively fosters an inclusive and diverse working environment, committed to creating a friendly and equal working environment. It adheres to equal employment principles and firmly opposes any form of discrimination based on nationality, gender, age, race, religion, pregnancy, disability, or any other factor. The Company ensures that these factors do not hinder an employee’s development. The Company continuously promotes workforce diversification, strengthens the management of the challenge system in recruitment regarding close relatives, and provides employees with fair and equitable career development opportunities and remuneration.

The Company effectively protects the rights and interests of female employees and cares for the development of female employees, strictly implements the regulations on maternity leave and lactation leave and regular physical examination system for female employees actively encourages female employees to participate in the democratic management of the enterprise and carries out a series of caring activities for female employees. In addition, the Company focuses on promoting the employment of local residents, women, ethnic minorities and university students, and endeavors to increase employment opportunities in local communities.

Key performance	2024
Percentage of female employees (%)	14.43
Percentage of minority employees (%)	5.30
Employment of disabled persons (people)	208

Remuneration and Benefits

The Company strictly abides by *the Labour Law of the People's Republic of China* and other national laws and regulations, ensures full payment of employees' social insurance and housing provident fund, and provides liability insurance for Directors, Supervisors and senior management, critical illness insurance for employees, group accident insurance, etc., to further strengthen the protection system for employees. The Company clearly defines the management regulations of employees' working hours and various types of vacations and protects employees' work and vacation rights. We provide perfect welfare protection, covering heat stroke prevention expenses, heating expenses, etc., and are committed to improving the quality of life of our employees.

The Company continues to optimise its remuneration management system and remuneration structure to ensure that all employees are provided with market-competitive remuneration levels, with emphasis on tilting towards front-line employees, key core positions and talents in urgent need, and tilting towards departments and individuals with outstanding performance appraisals. At the same time, the Company continues to guide the relevant departments to do a proper distribution of scientific and technological achievements and other collective rewards, tilting more towards employees who have made great contributions, and giving better play to the role of remuneration incentives.

Employee Care

The Company deeply implements the people-centred development concept, carries out employee inclusive services on a daily basis and with focuses on festivals, organises and carries out traditional festival activities such as "Spring Delivery of Health" and "Summer Delivery of Refreshment", which enhances the sense of gain, happiness and security of the employees. We have strengthened services for specific groups, consoling model workers, employees with sudden illnesses, retired employees and those who stick to their posts during festivals, etc., so as to let the employees actually feel the care from the Company. Caring for female employees, the Company regularly organises and holds meetings of the Women's Work Committee to study and deploy women's work and establishes mother and baby rooms. For the in-depth implementation of the "Healthy Guoneng" project, the Company opened the "Health Hut", organised health lectures and Chinese medicine clinics to popularize health knowledge and enhance employees' awareness of self-care. The Company established the "Staff Bookstore" to facilitate the construction of a learning-oriented enterprise. We advocate work-life balance among employees, guarantee their rights of vacation and recuperation, organise various cultural and sports activities, and carry out the 2024 "United Together, True to Our Mission" series of activities to enrich the spare time life of employees.

In 2024, China Shenhua's headquarters and its subsidiaries built "Health Hut" to effectively improve the health and happiness index of employees. The "Health Hut" is a multi-functional health testing equipment integrating self-help testing, independent consultation, electronic prescription and self-help drug purchase, and is characterized by self-help, openness and sharing. Daily self-service can complete the consultation and tests on height, weight, blood pressure, blood oxygen, blood sugar and other physiological indicators.



Launching Ceremony of "Health Hut" in China Shenhua Headquarters

Occupational Health and Safety

China Shenhua always adheres to the red line of safety, strengthens the production safety management system, pushes forward the special rectification activities for production safety, implements safety risk management, continuously improves the capacity of emergency management, attaches great importance to the occupational health and skills training of employees, and comprehensively safeguards occupational health and safety, so as to create a safe and stable environment for the sustainable development of the enterprise.

Safety Production

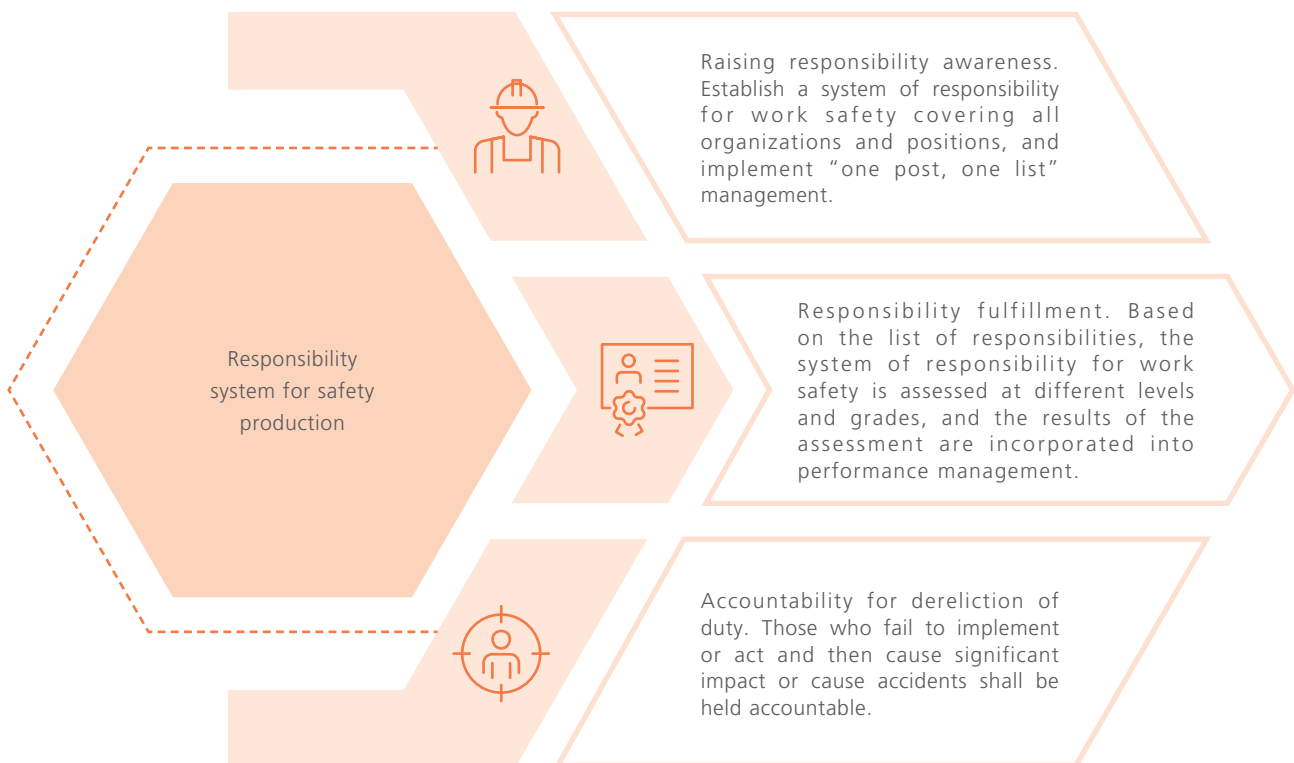
China Shenhua adheres to the policy of “safety first with precaution and comprehensive management”, establishes a long-term mechanism for safety production, prevents and resolves major safety risks at source, prevents and reduces accidents, and ensures the safety of the lives of its employees and the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



Safety Management System

The Safety, Health, Environment and ESG Working Committee of the Company's Board oversees the implementation of the Company's safety management strategic plan and reports to the Board. The chairman and the chief executive officer (president of plants and mines) of the Company's headquarters and affiliated units at all levels are the first person responsible for production safety, as the director of the production safety committee at all levels, deploying and guiding the work of production safety, studying and coordinating the major issues of production safety and supervising the implementation of the rectification and treatment of major accidents and hidden dangers. Production-oriented units shall arrange the safety director and set up an independent safety inspection department, while non-production-oriented units should set up a specialized safety inspector, and coordinate the production safety supervision and management work. Production business departments are fully equipped with professional and technical management personnel around the scope of responsibilities and the needs of production safety tasks, so as to provide support and guarantee for production safety work.

The Company implements *the Law of the People's Republic of China on Work Safety* and other laws and regulations, establishes a management system covering all elements of the work safety management system, and continuously improves the work safety responsibility system to provide systematic guarantee for the smooth implementation of safety management.



Safety Management Measures

China Shenhua adheres to the principle of “people foremost and life foremost”, integrates development and safety, consolidates responsibilities at all levels, focuses on “eliminating hidden accidents and solving problems at the root”, continues to solve the root causes of accidents, continuously strengthens the foundation of safety, and effectively prevents and controls major risks. We will accelerate the construction of a first-class safety production management system, resolutely implement the “standards in place, responsibilities in place, implementations in place, assessments in place”, and ensure the Company’s high-quality development with a high level of safety.

In 2024, the Company took the construction and implementation of the production safety management system as the mainstay, emphasized the implementation of the responsibility of production safety and the prevention, control and management of major risks and hidden dangers, carried out the in-depth management on production safety root causes, continued to strengthen the foundation of production safety and improved the quality and capability of cadres and employees. In 2024, the Company invested CNY4.555 billion in production safety, and the situation of production safety was stable in general.

Strengthen the construction of systems in the field of work safety

Launch the pilot construction of a work safety management system that is complete in its elements, operates autonomously, dynamically meets the standards and is subject to continuous improvement; continuously carry out the work of “establishing, revising and abolishing” production safety rules and regulations, and promote the systematization of safety management, systematization of processes, process formalization and form informatization.

Strengthen the implementation of safety production responsibility

Dynamically improve the safety production responsibility system and “one post, one list” covering all personnel including contractors, continuously implement the production safety point management on all employees, and link safety points to performance appraisal, job promotion, and evaluation of excellence. In 2024, the affiliated enterprises of the Company conducted safety supervision and inspection on suppliers and contractors for 1,046 times.

Strengthen the safety control in key areas

Targeting at key areas, major hidden dangers, major disasters, and weak links, the annual remediation plan will be promoted on a monthly basis, and the special remediation work will be done on a continuous basis. Improve the criteria for recognising high-risk operations and strengthen the video monitoring of the whole process of high-risk operations. Implement the requirements of “non-discriminatory and integrated” management of contractors and carry out special inspections of contractor safety management. Comprehensively assess the current status of system equipment and facilities, formulate targeted enhancement programs, and promote the elimination of defects and transformation and continuous improvement. In 2024, the affiliated enterprises of the Company carried out special safety inspections for 827 times, covering all production enterprises, and basically eliminating the major hidden danger found in 2023 and in previous inspections.

Continuously strengthening the foundation of safety management

Promoting the construction of work safety standardisation, expand the scope of enterprises that have reached the first level of work safety standardisation in various industries and cultivate them. Strictly implement administrative measures for the extraction and use of production safety expenses and safeguard the investment in production safety. Strengthen the safety management of work teams and enhance the safety management capability of work teams.



Increase efforts to promote safety through science and technology

Strengthen basic research and technological research and development in the areas of major disaster-causing mechanisms, accident occurrence and development laws, disaster monitoring and early-warning technologies, and emergency rescue technologies and equipment. Further expand the scope of application of technologies such as 5G+, intelligent equipment, intelligent monitoring, violation identification and electronic fence. Improve the functions of the online safety monitoring platform and the emergency command platform, and enhance the command, decision-making, processing and feedback capabilities.

Continuously enhance the emergency management capacity

Promote the Shuohuang Railway, Baotou Coal Chemical emergency rescue team construction, make up for the shortcomings of the existing mine emergency rescue equipment, and build a "12-hour rescue protection circle". Continue to carry out emergency rescue skills competition to improve the capabilities through races instead of practice. In 2024, subsidiaries of the Company carried out emergency rescue drills for security incidents for 223 times.

Enhance the staff quality and capability

Safety culture construction activities and innovative practices such as "Accident Alert Month" were carried out to infiltrate safety culture into all aspects, so that the concept of safety culture can be gradually transformed into the conscious actions of employees. 3,834 safety production training activities were held in 2024.

Strictly assess of production safety

The Company implemented a safety production reward and punishment assessment mechanism of "hierarchical management, tiered assessment and covering all employees". Each unit and each department have signed the 2024 safety target responsibility agreements. Safety performance is linked to the salary of management. In principle, the proportion of safety performance salary for the management shall not be less than 30%, and the proportion of safety-related salary for the leadership of grassroots production units shall not be less than 40%.

Safety Risk Management

The Company consistently optimises the dual prevention mechanisms for safety risk classification management and control and potential hazard prevention and control, and carries out safety risk identification and assessment in line with the comprehensive risk management process, determines the corresponding safety risk level, manages it in a graded and classified manner, implements differentiated dynamic management of safety risks, and formulates and implements the corresponding safety risk control measures.

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

Accident and potential hazard investigation and management process and methodology	
Developing potential hazard investigation programme	At the beginning of each year, we formulate an annual work programme for the investigation of potential accidents, and refine the work tasks on the monthly, quarterly, and annual basis.
Determining the scope of the potential hazard investigation	Potential hazards investigation covers all process systems, infrastructure, technical equipment, operating environment, prevention and control measures.
Choosing a potential hazard screening method	Daily investigation, regular investigation based on the daily work of the team and posts, special investigation, and investigation in a certain range or in a certain field for the specific potential hazards.
Conducting a potential hazard investigation	Adopt methods such as visual inspection, test, measurement, technical inspection, record verification, etc., to organise all levels, positions and contractors to carry out accident potential hazard investigation, and record accident potential hazard investigation accounts in a graded and classified manner.
Potential hazard reporting and whistle-blowing	Establish an internal reporting and rewarding mechanism for potential accidents and hazards, encourage practitioners to take the initiative to report potential accidents and hazards and to report violations of laws and regulations, and provide material rewards and commendations to those who have made contributions.
Managing potential hazards	Formulate management measures for potential accidents one by one, to ensure that the potential hazard management programme covers the “five implements” of the responsibility, measures, funds, time limit and plan. For the major hidden dangers that have long treatment cycle, high safety risk, complex technical solutions, list them as major tasks to manage and supervise. After the completion of the treatment of potential accidents and hazards, organise graded acceptance, and cancel the task when it is completed to ensure that the loop is closed. The investigation and treatment of potential accidents and hazards are communicated to employees through staff meetings, information bulletin boards and other means to ensure that employees have the right to know.

In January 2024, a malfunction in the Yulin Energy Guojiawan Coal Mine ground heater operation resulted in 1 fatality. In September 2024, Shendong Coal Baode Colliery suffered a sideways slide when removing a cable liquid pipe trough bracket, resulting in 1 fatal case. The level of 2 accidents is a general accident, and the relevant responsible persons have been dealt with. After the accident, the Company deeply learnt the lessons from the accident, comprehensively investigated the safety loopholes, deepened the operating procedures and safety and technical measures, increased the investigation and punishment of unsafe behaviors, and strengthened the safety responsibility. In addition, the Company carried out targeted safety training to further enhance the safety awareness and skills of employees to prevent the occurrence of similar accidents.

Indicators and Targets



Long-term goal of safety production

Strive to achieve zero death of employees (including contractors).

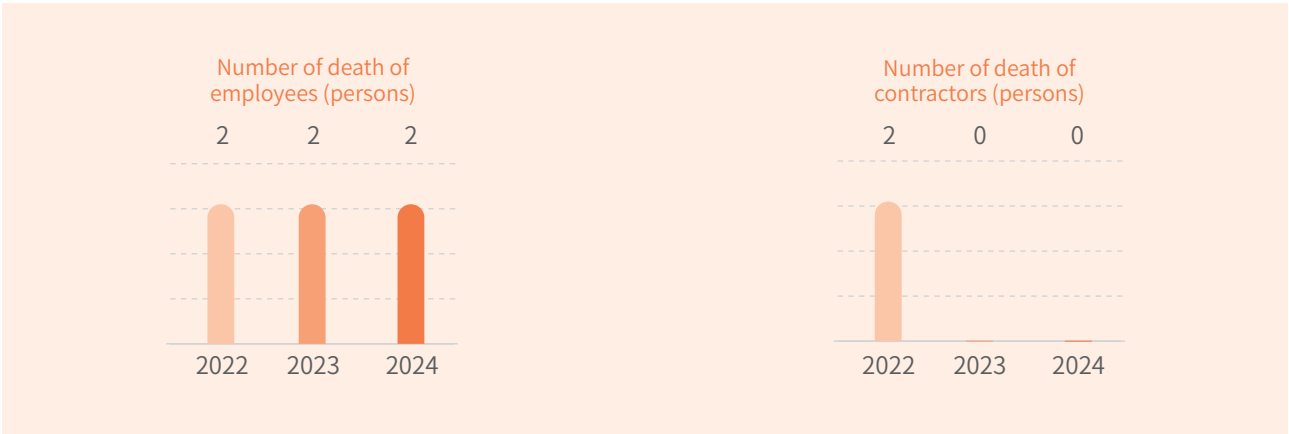


Medium-term goal of safety production

The mortality rate per million tonnes of raw coal production continues to be lower than 0.008 and decreases year by year.

2024 Safety Production Targets and Achievements		
	Targets	Achievements
1.	Eliminate large and above average safety accidents and major incidents involving risks, effectively curb general accidents, strive for “zero death”, pursue “zero harm”.	There were no accidents of a large magnitude or above. Two general accident occurred.
2.	Basic elimination of major accident potential hazards identified in 2023 and in the previous inspections.	Completed.
3.	Completion of the annual standardisation of safety production construction.	Completed.

Key performance	2024
Mortality rate per million tonnes of raw coal production	0.0061
Investment in safety production (CNY100 million)	45.55
Total recordable injury rate (%)	0.03



Safeguarding Occupational Health

The Company strictly abides by *the Law of the People's Republic of China on Prevention and Control of Occupational Diseases* and other laws and regulations, formulates the management system for the prevention and control of occupational diseases, and ensures that occupational health is deployed, inspected, implemented and assessed together with the work of production safety in accordance with the principle of "occupational health and safety production shall be managed together". Each production unit has set up a leading group for the prevention and control of occupational disease hazards with the chairman as the head, set up a management organisation for the prevention and control of occupational disease hazards, equipped with special (part-time) managers for occupational health, and promoted the decomposition and implementation of the prevention and control of occupational disease work in the "whole process, all-round, all-level" manner to ensure that the responsibility is assigned to the person and the responsibility is assigned to the post.

The Company continues to improve the mechanism, guarantee investment, strengthen the supervision, and pressurize the responsibility of occupational health management, so as to integrate the concept of health of the whole staff into the whole process of the enterprise development. It promotes the upgrading and transformation of occupational disease hazard protection project management, vigorously, orderly and effectively reduces the degree of occupational disease hazards in the workplace and reduces the risk of occupational disease incidence, so as to realise the mutual promotion and simultaneous improvement of occupational health, physical health and mental health of all employees, and provide support and guarantee for the high-quality development of the enterprise.

In 2024, the Company vigorously promoted the construction of healthy enterprises and comprehensively improved the level of occupational health management. The Company invested about CNY681 million in occupational health throughout the year, and the rate of regular assessment and testing of occupational disease hazards at workplaces, the rate of utilisation of personal protective equipment for employees at workplaces, the rate of occupational health examination for employees who have been exposed to hazards, and the rate of coverage of occupational injury insurance were all 100%.

Improving the operating environment in workplaces



Continuously carry out the identification of occupational disease hazards, and regularly commission organizations with appropriate qualifications to test and evaluate occupational disease hazards in workplaces. We have strengthened the management of workplaces in compliance with the standards, actively promoted advanced and applicable technologies such as dust reduction, silencing and anti-virus, eliminated outdated processes and equipment, and strengthened the on-site control of serious occupational disease hazards such as dust, chemical poisons, noise and electromagnetic radiation. We have strengthened regular testing and daily monitoring of occupational disease hazards, formed monthly accounts of testing records, and made annual declarations of occupational disease hazards to the relevant local authorities. In addition, the Company also pays attention to emerging occupational disease hazards, conducts research on emerging occupational hazards, systematically identifies and evaluates work-related disease factors, and researches and formulates a catalogue of work-related diseases and safeguard measures.

Strengthening the management of occupational health supervision



We have strictly implemented classification and grading control measures for the prevention and treatment of occupational diseases, improved occupational health management organizations, equipped them with professionals, implemented their supervisory responsibilities, and standardised the management of occupational health guardianship. We have strictly implemented the occupational health examination before and during employees take office and when employees leave their jobs, paid the work injury insurance and work safety liability insurance on time and in full, and protected the relevant rights and interests of employees. We have strictly controlled the occupational health examination and ensured that the rate of medical examination of the employees reaches 100%. In accordance with the principle of "one person, one file, one disease, one strategy", the Company has established files for employees suffering from occupational diseases, and actively carried out review, diagnosis and rehabilitation treatment.

Implementing a "big health" management system



We have strengthened occupational mental health management and built "psychological counselling rooms" and "health huts" for employees, to improve their health and well-being. We have created a culture of health, carried out various forms of physical and mental health group empowerment activities, and motivated employees to establish correct health concepts and lifestyles. We have organised occupational health training for employees before and during their employment and strengthen the popularization of health knowledge. The Company selects individual protective equipment based on merit and guards the "last line of defence" for labour protection. In 2024, the Company carried out occupational disease prevention and control publicity or occupational health warning and education activities for 1,948 times.

Key Performance	2024
Occupational health investment (CNY100 million)	6.81
Investment in occupational injury insurance (CNY10,000)	6,085.57
Investment in workplace safety liability insurance (CNY10,000)	1,535.19
Number of people covered by workplace safety liability insurance (person)	66,801

Career Development and Training

China Shenhua has formulated *the Regulations on Management of Employee Education and Training* and other management systems to establish a scientific and effective management system for talent cultivation and training in combination with management characteristics and the actual situation of employees, taken various measures to open up avenues for employees' career development and grade promotion, continuously optimised employee training, to fully improve employees' knowledge and skills, and to enhance the quality of the construction of the talent team.

Talent cultivation

The Company attaches importance to the capacity building of employees in terms of their political quality and ability to perform their duties, and carries out diversified training to comprehensively improve their working ability and business level and help the Company's development. At the same time, we encourage our employees to obtain degrees, take title examinations and obtain qualifications to promote the mastery of advanced knowledge and skills, and to enhance their personal capabilities and vision.

China Shenhua Training Targets in 2024



In 2024, the Company focused on key work tasks and talent team building needs, formulated annual training plans, tapped the potential of internal trainers, expanded the scope of external trainers, and adopted a variety of methods, such as classroom lectures, live lectures, seminars and exchanges, to enrich the forms of employee training. The Company invested about CNY385 million in training funds for the whole year, an increase of 20.7 percent year-on-year. The total training hours amounted to 9.1250 million hours, and the coverage rate of employee training was 98.44%.

The annual investment in training amounted to approximately

CNY **385** million

The total training hours amounted

to **9.1250** million hours

China Shenhua Employee Training Priorities in 2024

Political quality training	We carried out training on the study and implementation of the spirit of the 20th CPC National Congress and all previous plenary sessions, education on Party spirit and integrity, construction of political culture, and the internal regulations of the Party that leading cadres should be aware of, in order to improve the political quality of employees and leading cadres.
Training in high-quality enterprise development	We conducted training on science and technology innovation, state-owned enterprise reform, new quality productive forces, knowledge of governance of listed companies, and promoted the adaptation of employees to the ever-changing market environment and the needs of enterprise development.
Performance training	We carried out training on confidentiality knowledge, public opinion management and compliance management to enhance employees' ability to effectively maintain corporate information security, properly handle public relations, strictly comply with laws and regulations, and comprehensively improve their professionalism and overall competitiveness.



The Sixth Specialized Training of China Shenhua Headquarters Focuses on the Logic and Path of Market Value Management

Career development

We actively improve the management system of position levels and standardise the qualification conditions and organizational procedures for the promotion of employees. We have implemented the requirements for the construction of the “three teams” of management, professionalism and skills, set up differentiated promotion channels, unimpeded talent development channels, and promoted talent exchanges between the headquarters and grassroots enterprises. At the same time, we continue to improve the dual-wheel drive mechanism of remuneration incentives and performance appraisal, organise annual and quarterly appraisals, deeply tap the potential of talent resources, and implement the adjustment at the end of the grade and the exit mechanism for incompetence.

The Company attaches great importance to the selection and exchange and training of young cadres. Taking the headquarters of the Company as an example, in 2024, 4 young cadres were promoted in rank, and 2 young cadres with excellent performance were promoted to important positions in subsidiaries and branches; 2 young cadres were selected and sent to grass-roots enterprises for training, and 7 grass-roots cadres were organised to work in the headquarters to enrich their working experience and improve their management abilities.

In 2024, the Company continued to promote the construction of key talent teams such as chief scientists (engineers), chief experts (outstanding engineers), scientific and technological novices, and young scientific and technological innovation pioneers, and set up a broader talent development platform. Taking the Company's headquarters as an example, as of the end of the Reporting Period, 21 experts and young technical backbones were selected to join the expert workshop, 43 people included in the China Energy's “Registered Engineer” talent pool, 5 people selected for the Master and Doctor of Engineering Enterprise Mentor Pool, and 49 people became the members of the expert pool of the title evaluation.

Appendix I: Table of ESG Performance

Primary indicators	Secondary indicators	2022	2023	2024
Greenhouse gas emissions	Total carbon emissions (10,000 tonnes of carbon dioxide equivalent)	17,640	19,190	19,937
	Including: Scope I (10,000 tonnes of carbon dioxide equivalent)	17,239	18,879	19,656
	Scope II (10,000 tonnes of carbon dioxide equivalent)	401	311	281
	Carbon emission intensity (tonnes of carbon dioxide equivalent/CNY10,000 revenue)	5.10	5.59	5.89
	Mine gas extraction (10,000 m ³)	3,886.96	4,303.59	4,458.47
	Mine gas utilisation (10,000 m ³)	3,286.04	3,439.72	3,427.53
Exhaust gas	Total sulfur dioxide emissions (10,000 tonnes)	1.73	2.27	2.22
	Sulfur dioxide emission of thermal power (10,000 tonnes)	1.25	1.47	1.63
	Sulfur dioxide emission performance of thermal power (g/kWh)	0.065	0.069	0.074
	Total nitrogen oxide emissions (10,000 tonnes)	4.52	4.82	4.78
	Nitrogen oxide emission of thermal power (10,000 tonnes)	2.31	2.74	3.02
	Nitrogen oxide emission performance of thermal power (g/kWh)	0.12	0.13	0.13
	Total soot emissions (10,000 tonnes)	0.30	0.36	0.34
	Soot emission of thermal power (10,000 tonnes)	0.158	0.207	0.22
	Soot emission performance of thermal power (g/kWh)	0.0083	0.0098	0.0100
Wastewater	Chemical oxygen demand (10,000 tonnes)	0.075	0.044	0.037
	Output of sewage and wastewater (million tonnes)	141.37	145.87	143.27
	Including: Output of industrial wastewater (million tonnes)	27.94	28.57	27.24
	Output of mine (pit) water (million tonnes)	105.11	107.34	107.09
	Output of domestic wastewater (million tonnes)	8.31	9.96	8.95
	Utilisation amount of sewage and wastewater (million tonnes)	104.83	108.43	108.95
	Including: Utilisation amount of industrial wastewater (million tonnes)	25.87	26.72	24.82
	Utilisation amount of mine (pit) water (million tonnes)	73.91	75.34	77.48
	Utilisation amount of domestic wastewater (million tonnes)	5.05	6.38	6.64
	Utilisation rate of sewage and wastewater (%)	74.15	74.33	76.05
	Including: Utilisation rate of industrial wastewater (%)	92.56	93.51	91.11
	Utilisation rate of mine (pit) water (%)	70.32	70.19	72.35
	Utilisation rate of domestic wastewater (%)	60.71	64.03	74.20

Primary indicators	Secondary indicators	2022	2023	2024
General solid waste	Output of general solid waste (10,000 tonnes)	5,395.23	6,028.06	6,150.21
	Including: Output of gangue (10,000 tonnes)	3,777.99	4,237.61	4,105.11
	Output of fly ash (10,000 tonnes)	1,063.03	1,188.08	1,347.55
	Output of cinder (10,000 tonnes)	282.34	319.00	356.70
	Output of flue-gas gypsum (10,000 tonnes)	190.28	190.74	272.57
	Output of general solid waste per CNY10,000 output value (tonne/CNY10,000)	2.38	2.57	2.46
	Discharge of general solid waste per CNY10,000 output value (tonne/CNY10,000)	0.89	0.36	0.18
	Utilisation amount of general solid waste (10,000 tonnes)	3,386.21	5,174.63	5,708.97
	Including: Utilisation amount of gangue (10,000 tonnes)	2,228.75	3,831.83	3,977.74
	Utilisation amount of fly ash (10,000 tonnes)	819.43	965.16	1,207.45
	Utilisation amount of cinder (10,000 tonnes)	181.77	207.41	288.04
	Utilisation amount of flue-gas gypsum (10,000 tonnes)	153.68	164.69	211.75
	Comprehensive utilisation rate of general solid waste (%)	62.76	85.84	92.82
	Including: Utilisation rate of gangue (%)	58.99	90.42	96.90
	Utilisation rate of fly ash (%)	77.08	81.24	89.60
	Utilisation rate of cinder (%)	64.38	65.02	80.75
	Utilisation rate of flue-gas gypsum (%)	80.77	86.35	77.69
Hazardous waste	General solid waste discharge (10,000 tonnes)	2,009.02	853.43	441.24
	Output of hazardous waste (tonne)	53,193.24	60,160.67	66,101.23
	Output of hazardous waste per CNY10,000 output value (kg/CNY10,000)	2.34	2.57	2.63
	Disposal rate of hazardous waste (%)	97.04	93.47	99.29

Primary indicators	Secondary indicators	2022	2023	2024
Energy consumption	Direct energy: Total oil consumption (10,000 tonnes)	40.37	44.70	39.00
	Total natural gas consumption (100 million m3)	8.31	8.38	8.81
	Indirect energy: Total electricity consumption (100 million kWh)	170.68	189.27	196.91
	Comprehensive energy consumption (10,000 tonnes of standard coal)	6,041.39	6,716.45	7,440.62
	Comprehensive energy consumption per CNY10,000 output value (tonne standard coal/CNY10,000)	2.64	2.74	2.87
	Standard coal consumption for power supply (g/kWh)	297	294.90	292.90
Water resources	Total water consumption (million tonnes)	179.92	246.46	260.51
	Including: Total fresh water (million tonnes)	129.18	151.70	208.93
	Including: Land surface water (million tonnes)	105.05	129.20	182.67
	Underground water (million tonnes)	12.41	8.62	13.03
	Tap water (million tonnes)	11.72	13.88	13.23
	Recycled water (million tonnes)	26.13	85.06	33.31
	Other alternative water (million tonnes)	24.61	9.70	18.27
	Water consumption per CNY10,000 output value (tonne/CNY10,000)	7.53	9.91	10.28
	Proportion of the consumption of recycled water and other alternative water sources in the total water consumption (%)	28.20	38.45	19.80
	Water savings (10,000 tonnes)	546	1,360	915
Environmental protection input	Environmental protection input (CNY100 million)	38.43	23.39	37.68
	Including: Ecological construction input (CNY100 million)	12.35	8.65	19.12
Ecological protection	New green area (10,000 square metres)	4,545	2,275	2,870
	Carbon sink conversion volume of newly increased green area (10,000 tonnes)	18.5	9.3	11.7

Primary indicators	Secondary indicators	2022	2023	2024
Product responsibilities	Percentage of products recalled for safety and health reasons in the total products sold or delivered (%)	0	0	0
	Number of complaints related to products and services	0	0	66
	Number of recalled products (tonnes)	0	0	0
Technological innovation	Capital investment in research and development (CNY100 million)	54.04	44.53	41.48
	Number of patents obtained	900	763	637
	Number of invention patents obtained	208	241	237
Safety and health	Investment in safety production (CNY100 million)	18.79	26.33	45.55
	Mortality rate per million tonnes of raw coal production (person/million tonnes)	0.00588	0.0058	0.0061
	Number of serious accidents and above	0	0	0
	Number of deaths due to production safety accidents (person)	4	2	2
	Including: Death of employees (person)	2	2	2
	Death of contractors (person)	2	0	0
	Death ratio of employees due to production safety accidents (person/hundred persons)	0.0024	0.0024	0.0024
	Death ratio of contractors (person/hundred persons)	0.0070	0	0
	Total number of work-related injuries (person)	33	7	21
	Days of work suspended due to work-related injuries (day)	3,692	764	7,739
	Total recordable injury rate (%)	0.04	0.008	0.03
	Occupational health input (CNY100 million)	5.57	6.47	6.81
	New occupational diseases (case)	42	21	12
	Employee health examination coverage (%)	100	100	100

Primary indicators	Secondary indicators	2022	2023	2024
Employee development	Total number of employees (person)	83,029	83,439	83,351
	Including: Male employees (person)	70,029	70,886	71,326
	Female employees (person)	13,000	12,553	12,025
	Including: Contract staff (person)	83,029	83,439	83,351
	Senior management (person)	234	203	226
	Middle management (person)	3,229	2,566	2,697
	General level employees (person)	79,566	80,670	80,428
	Including: Employees aged 29 or under (person)	10,187	11,446	12,416
	Employees aged 30-39 (person)	35,580	33,192	30,211
	Employees aged 40-49 (person)	21,007	21,926	23,609
	Employees aged 50 or above (person)	16,255	16,875	17,115
	Including: Chinese Mainland (person)	82,585	82,824	82,937
	Hong Kong, Macao and Taiwan regions (person)	2	3	3
	Other countries and regions (person)	442	612	411
	Percentage of ethnic minority employees (%)	5.31	5.16	5.30
	Number of newly-employed employees during the year (person)	2,963	3,054	2,745
	Percentage of localised employees in the overseas enterprises (%)	89.1	74.3	75.7
	Number of part-time contract staff (person)	0	0	0
	Number of labour dispatch staff (person)	13,189	13,274	12,480
	Labour contract coverage rate (%)	100	100	100
	Percentage of employees joining trade union (%)	100	100	100
	Number of complaints on labour issues (case)	10	6	7
	Rate of complaints processed on labour issues (%)	100	100	100
	Number of employees turnover (person)	1,173	1,149	534
	Percentage of employees turnover (%)	1.41	1.36	0.64

Primary indicators	Secondary indicators	2022	2023	2024
	Including: Percentage of male employees turnover (%)	1.17	1.21	0.62
	Percentage of female employees turnover (%)	2.56	2.20	0.75
	Including: Percentage of employees aged 29 or under turnover (%)	1.54	2.20	1.39
	Percentage of employees aged 30-39 turnover (%)	0.73	0.60	0.59
	Percentage of employees aged 40-49 turnover (%)	0.66	0.67	0.54
	Percentage of employees aged 50 or above turnover (%)	3.63	4.72	0.31
	Including: Percentage of employees in Chinese Mainland turnover (%)	1.40	1.35	0.61
	Percentage of employees in China Hong Kong, Macao and Taiwan regions turnover (%)	33.33	0	0
	Percentage of employees in other countries and regions turnover (%)	0.90	2.08	6.59
	Total training sessions for employees (time)	26,207	31,144	36,323
	Total number of trainees (person)	81,125	81,828	82,052
	Including: Number of male employees trained (person)	68,232	69,554	70,062
	Number of female employees trained (person)	12,893	12,274	11,990
	Including: Number of senior management trained (person)	233	203	226
	Number of middle management trained (person)	3,175	2,535	2,687
	Number of general level employees trained (person)	77,717	79,090	79,139
	Total training hours (10,000 hours)	932.45	971.98	912.50
	Including: Training hours of male employees (10,000 hours)	776.79	830.24	796.49
	Training hours of female employees (10,000 hours)	155.66	141.74	116.01
	Including: Training hours of senior management (10,000 hours)	3.65	4.54	3.31
	Training hours of middle management (10,000 hours)	44.17	46.71	39.21
	Training hours of general level employees (10,000 hours)	884.64	920.73	869.98
	Proportion of employees trained (%)	97.71	98.07	98.44

Primary indicators	Secondary indicators	2022	2023	2024
	Including: Training proportion of male employees (%)	97.43	98.12	98.23
	Training proportion of female employees (%)	99.18	97.78	99.71
	Including: Training proportion of senior management (%)	99.57	100	100
	Training proportion of middle management (%)	98.33	98.79	99.63
	Training proportion of general level employees (%)	97.68	98.04	98.40
	Training hours per person (hour)	114.94	118.78	111.21
	Including: Average training hours of male employees (hour)	113.85	119.37	113.68
	Average training hours of female employees (hour)	120.73	115.48	96.75
	Including: Average training hours of senior management (hour)	156.65	223.63	146.26
	Average training hours of middle management (hour)	139.12	184.26	145.94
	Average training hours of general level employees (hour)	113.83	116.42	109.93
	Total number of employed professional and technical personnel (person)	11,980	8,348	10,341
	Proportion of employed professional and technical personnel (%)	14.43	10.00	12.41
	Total number of skilled workers (person)	50,107	47,056	45,326
	Proportion of skilled workers (%)	60.35	56.40	54.38
	Employee productivity rate (CNY10,000/person)	119.96	111.19	108.22
Community contributions	Social contribution value per share (CNY/share) (ASBE)	9.39	8.78	8.76
	Social contribution value per share (CNY/share) (IFRS)	9.55	9.03	8.95
	Social donations (CNY million)	531	438	2,507
	Total tax amount (CNY million)	71,825	66,312	63,572
	Cumulative cash dividends (CNY million)	402,129	447,032	491,935
	Number of volunteers (person)	9,870	8,647	10,665
	Total time of volunteer service (hour)	117,544	37,949	123,083

Primary indicators	Secondary indicators	2022	2023	2024
Supply chain management	Total number of compliance suppliers (unit)	118,611	137,367	143,530
	Including: Chinese Mainland (unit)	117,896	137,204	143,508
	Hong Kong, Macao and Taiwan regions of China (unit)	314	129	3
	Asia (excluding China) (unit)	172	14	14
	Europe (unit)	132	15	3
	America (unit)	83	2	2
	Africa (unit)	2	0	0
	Oceania (unit)	12	3	0

Notes:

1. Pembangkitan Jawa is managed under BOT mode, whose operational data including power generation is excluded from the Company. The emission data of Pembangkitan Jawa is not taken into consideration when calculating emission performance of air pollutants from thermal power.
2. Intensity indicators related to output value in the environmental scope listed in the table above are emission (consumption) volume of gross unit production value of industrial enterprises (CNY10,000).
3. Total water consumption = total fresh water + recycled water + other water
4. Upon measurement and calculation based on the China Carbon Trading Network (<http://www.tanjiaoyi.com/article-4820-1.html>), the planting number for adult woods per mu (667 square meters) is about 60 to 110 strains, which can absorb about 24.455 tonnes of CO₂ per year (taking the median of 90 trees). Then the calculation formula of carbon sink is: carbon dioxide absorption volume = green area (mu) × 24.455. In order to balance the green area scale of woodland and grassland, China Shenhua sets the benchmark of 10 plants per mu, and calculates the carbon sink conversion volume of newly afforested area over the years.
5. Days of work suspended due to work-related injuries = (total number of working days suspended * 1,000,000)/total number of working hours. Source of calculation formula: OHSAS 18001 (number of lost working days per million working hours)
6. Employee productivity rate = profit before tax/total number of employees

Appendix II: Indicators Index of ESG

Indicators Index of HKEX ESG Reporting Guide

Main categories, levels, general disclosure and key performance indicators			Page
A.Environment			
Aspect A1: Emissions	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to waste gas and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	P29/P45/P48
	A1.1	The types of emissions and respective emissions data.	P98
	A1.2	Scope 1 and Scope 2 greenhouse gas emissions and intensity.	P44
	A1.3	Total hazardous waste produced and intensity.	P51
	A1.4	Total non-hazardous waste produced and intensity.	P51
	A1.5	Emissions targets set and steps taken to achieve them.	P47/P51
	A1.6	How hazardous and non-hazardous wastes are handled, and a description of reduction targets set and steps taken to achieve them.	P49-50
Aspect A2: Use of Resources	General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	P58/P60
	A2.1	Direct and/or indirect energy consumption by type in total and intensity.	P100
	A2.2	Water consumption in total and intensity.	P62
	A2.3	Energy use efficiency targets set and steps taken to achieve them.	P59
	A2.4	Whether there is any issue in sourcing water that is fit for purpose, water efficiency targets set and steps taken to achieve them.	P60
	A2.5	Total packaging material used for finished products and per unit produced.	P51
Aspect A3: Environment and Natural Resources	General disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	P52
	A3.1	The significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P53
Aspect A4: Climate Change	General disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	P30
	A4.1	The significant climate-related issues which have impacted, and those which may impact, the issuer and the actions to manage them.	P32-41

Main categories, levels, general disclosure and key performance indicators			Page
B.Society			
Aspect B1: Employment	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	P85-87
	B1.1	Total workforce by gender, employment type, age group and geographical region.	P102
	B1.2	Employee turnover rate by gender, age group and geographical region.	P103
Aspect B2: Health and Safety	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	P95
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	P94
	B2.2	Lost days due to work injury.	P94
	B2.3	Occupational health and safety measures adopted, and how they are implemented and monitored.	P95
Aspect B3: Development and Training	General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	P96
	B3.1	The percentage of employees trained by gender and employee category.	P103
	B3.2	The average training hours completed per employee by gender and employee category.	P103
Aspect B4: Labour Standards	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour.	P85
	B4.1	Measures to review employment practices to avoid child and forced labour.	P85
	B4.2	Steps taken to eliminate such practices when discovered.	P85

Main categories, levels, general disclosure and key performance indicators			Page
Aspect B5: Supply Chain Practices	General disclosure	Policies on managing environmental and social risks of the supply chain.	P79
	B5.1	Number of suppliers by geographical region.	P105
	B5.2	Practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	P79
	B5.3	Practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P80
	B5.4	Practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P80
Aspect B6: Product Responsibility	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	P81
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	P83
	B6.2	Number of products and service-related complaints received and how they are dealt with.	P83
	B6.3	Practices relating to observing and protecting intellectual property rights.	P78
	B6.4	Quality assurance process and recall procedures of products.	P82-83
	B6.5	Consumer data protection and privacy policies, how they are implemented and monitored.	P84

Main categories, levels, general disclosure and key performance indicators			Page
Aspect B7: Anti-corruption	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	P23
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	P23
	B7.2	Preventive measures and whistle-blowing procedures, how they are implemented and monitored.	P23-24
	B7.3	Anti-corruption training provided to directors and staff.	P26
Aspect B8: Community Investment	General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	P70
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	P66-73
	B8.2	Resources contributed (e.g. money or time) to the focus area.	P72

Indicators Index of SSE Self-discipline Regulatory Guidelines for Listed Companies No. 14 – Sustainability Reporting (Trial)

Dimension	No.	Issues	Page
Environment	1	Response to climate change	P30
	2	Discharge of pollutants	P45
	3	Waste Treatment	P48
	4	Ecosystem and biodiversity conservation	P52
	5	Compliance with regulations for environmental protection	P56
	6	Energy use	P58
	7	Water resource utilisation	P60
	8	Recycling economy	P62
Society	9	Rural revitalisation	P66
	10	Social contribution	P69
	11	Driven by innovation	P74
	12	Scientific and technological ethics	N/A
	13	Supply chain security	P79
	14	Equal treatment for SMEs	P81
	15	Safety and quality of products and services	P81
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Governance related to sustainability	18	Due diligence	P17
	19	Communication with stakeholders	P19
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	21	Anti-unfair competition	P27

Appendix III: GRI Index

Instruction

China Shenhua reported the information cited in this GRI content index from 1 January 2024 to 31 December 2024 with reference to GRI standards

GRI 1 used

GRI 1: Foundation 2021

GRI standard	Disclosure item	Position
GRI 2: General Disclosure 2021		
The organisation and its reporting practice		
2-1	Organisational details	P7
2-2	Entities included in the organisation's sustainability reporting	P2
2-3	Reporting Period, frequency and contact point	P2/P3
2-4	Restatements of information	P2
2-5	External assurance	P116
Activities and workers		
2-6	Activities, value chain and other business relationships	P7
2-7	Employees	P85/P102
2-8	Workers who are not employees	P102

GRI standard	Disclosure item	Position
Governance		
2-9	Governance structure and composition	P15
2-10	Nomination and selection of the highest governance body	2024 Annual Report of the Company
2-11	Chair of the highest governance body	P12
2-12	Role of the highest governance body in overseeing the management of impacts	P6/P12/P15/P17/P21/P30
2-13	Delegation of responsibility for managing impacts	P6/P15/P30
2-14	Role of the highest governance body in sustainability reporting	P6/P15
2-15	Conflicts of interest	P86
2-16	Communication of critical concerns	P19-20
2-17	Collective knowledge of the highest governance body	P13/P31
2-18	Evaluation of the performance of the highest governance body	2024 Annual Report of the Company
2-19	Remuneration policies	2024 Annual Report of the Company
2-20	Process to determine remuneration	2024 Annual Report of the Company
2-21	Annual total compensation ratio	—

GRI standard	Disclosure item	Position
Strategy, policies and practice		
2-22	Statement on sustainable development strategy	P6/P14
2-23	Policy commitments	Company website
2-24	Embedding policy commitments	P16
2-25	Processes to remediate negative impacts	P18/P22/P83/P85
2-26	Mechanisms for seeking advice and raising concerns	P15/P70/P83/P86
2-27	Compliance with laws and regulations	P22
2-28	Membership associations	—
2-29	Approach to stakeholder engagement	P15-16
2-30	Collective bargaining agreements	P86
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	P21
3-2	List of material topics	P21
3-3	Management of material topics	P21
GRI 201: Economic Performance		
201-1	Direct economic value generated and distributed	P8
201-2	Financial implications and other risks and opportunities due to climate change	P38-41
201-3	Defined benefit plan obligations and other retirement plans	P87

GRI standard	Disclosure item	Position
GRI 204: Procurement Practices		
204-1	Proportion of spending on local suppliers	P72
GRI 205: Anti-corruption		
205-1	Operations assessed for risks related to corruption	P23
205-2	Communication and training about anti-corruption policies and procedures	P26
205-3	Confirmed incidents of corruption and actions taken	P23
GRI 206: Anti-competitive Behaviour		
206-1	Legal actions for anti-competitive behaviour, anti-trust, and anti-monopoly practices	P27
GRI 301: Materials		
301-1	Materials used by weight or volume	P51
GRI 302: Energy		
302-1	Energy consumption within the organisation	P100
302-3	Energy intensity	P100
302-4	Reduction of energy consumption	P34/P59
302-5	Reductions in energy requirements of products and services	P34/P59
GRI 303: Water Resources		
303-1	Interactions with water as a shared resource	P60
303-2	Management of water discharge-related impacts	P60
303-3	Water withdrawal	P62
GRI 304: Biodiversity		
304-2	Significant impacts of activities, products and services on biodiversity	P52
304-3	Habitats protected or restored	P52/P55

GRI standard	Disclosure item	Position
GRI 305: Emissions		
305-1	Direct (Scope 1) GHG emissions	P44
305-2	Energy indirect (Scope 2) GHG emissions	P44
305-4	GHG emissions intensity	P44
305-5	Reduction of GHG emissions	P35
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	P98
GRI 306: Waste		
306-1	Waste generation and significant waste-related impacts	P48
306-2	Management of significant waste-related impacts	P49
306-3	Waste generated	P50
306-4	Waste diverted from disposal	P50
306-5	Waste directed to disposal	P50
GRI 308: Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	P80
308-2	Negative environmental impacts in the supply chain and actions taken	P79-80
GRI 401: Employment		
401-1	New employee hire rate and employee turnover rate	P102/P103
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	P87
GRI 402: Labour Relations		
402-1	Minimum notice periods regarding operational changes	—

GRI standard	Disclosure item	Position
GRI 403: Occupational Health and Safety		
403-1	Occupational health and safety management system	P95
403-2	Hazard identification, risk assessment, and incident investigation	P95
403-3	Occupational health services	P95
403-4	Worker participation, consultation and communication on occupational health and safety	P95
403-5	Worker training on occupational health and safety	P95
403-6	Promotion of worker health	P95
403-9	Work-related injuries	P96
403-10	Work-related ill health	P95
GRI 404: Training and Education		
404-1	Average hours of training per year per employee	P103
404-2	Programs for upgrading employee skills and transition assistance programs	P96
GRI 405: Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	P12/P86
GRI 406: Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	P85
GRI 413: Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	P70
GRI 418: Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	P83

Appendix IV: Independent Limited Assurance Report

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

Report on selected information in China Shenhua Energy Company Limited's Environmental Social and Governance Report as of and for the year ended 31 December 2024.

Conclusion

We have performed a limited assurance engagement on the following information in China Shenhua Energy Company Limited (CSEC)'s Environmental, Social and Governance ("ESG") Report as of and for the year ended 31 December 2024 (hereafter referred to as "the assured sustainability information"):

Total carbon emissions	For the year ended 31 December 2024
Carbon emission intensity	For the year ended 31 December 2024
Total sulfur dioxide emissions	For the year ended 31 December 2024
Total nitrogen oxide emissions	For the year ended 31 December 2024
Total soot emissions	For the year ended 31 December 2024
Chemical oxygen demand	For the year ended 31 December 2024
Output of sewage and wastewater	For the year ended 31 December 2024
Utilisation amount of sewage and wastewater	For the year ended 31 December 2024
Output of general solid waste	For the year ended 31 December 2024
Output of hazardous wastes	For the year ended 31 December 2024
Total natural gas consumption	For the year ended 31 December 2024
Comprehensive energy consumption	For the year ended 31 December 2024
Total water consumption	For the year ended 31 December 2024
Amount of environmental protection input	For the year ended 31 December 2024
Number of patents obtained	For the year ended 31 December 2024
Number of invention patents obtained	For the year ended 31 December 2024
Number of serious and above accident	For the year ended 31 December 2024
Number of deaths due to production safety accidents	For the year ended 31 December 2024
Total number of employees	As of 31 December 2024
Number of female employees	As of 31 December 2024
Employees turnover rate	As of 31 December 2024

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that CSEC's assured sustainability information as of and for the year ended 31 December 2024 is not prepared, in all material respects, in accordance with the Criteria set out in the appendix to this report.

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

Basis for conclusion

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

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

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

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

Restriction on use

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

Responsibilities for the assured sustainability information

The directors of CSEC are responsible for:

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

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

Inherent limitations in preparing the assured information

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

Our responsibilities

We are responsible for:

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

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

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

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

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

KPMG Huazhen LLP

Beijing, China

March 21 2025

Appendix: Standards

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

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

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

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

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

Total sulfur dioxide emissions (10,000 tonnes):

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

Total nitrogen oxide emissions (10,000 tonnes):

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

Total soot emissions (10,000 tonnes):

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

Chemical oxygen demand (10,000 tonnes):

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

Output of sewage and wastewater (million tonnes):

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

Utilisation amount of sewage and wastewater (million tonnes):

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

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

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

Output of hazardous wastes (tonnes):

The output of hazardous wastes disclosed in the ESG report refers to the amount of hazardous waste generated by the production and operation enterprises affiliated to CSEC that meets the requirements of the Directory of National Hazardous Wastes (Version 2021).

Total natural gas consumption (100 million m³):

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

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

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

Total water consumption (million tonnes):

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

Environmental protection input (CNY100 million):

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

Number of patents obtained:

The number of patents obtained disclosed in the ESG report refers to the number of patents authorized by the China National Intellectual Property Administration (or the corresponding patent administration department) of CSEC in 2024.

Number of invention patents obtained:

The number of invention patents obtained disclosed in the ESG report refers to the number of invention patents authorized by the China National Intellectual Property Administration (or the corresponding patent administration department) of CSEC in 2024.

Number of serious accidents and above:

The number of serious accident and above disclosed in the ESG report refers to the number of workplace accidents involving three or more regular employee fatalities that occurred at CSEC in 2024.

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

The number of deaths due to production safety accidents disclosed in the ESG report refers to the number of regular employees and contractor employees of CSEC who died in the workplace due to workplace accidents in 2024.

Total number of employees (person):

The total number of employees disclosed in the ESG report refers to the total number of regular employees of CSEC as of December 31, 2024, excluding labor dispatch employees.

Number of female employees (person):

The number of female employees disclosed in the ESG report refers to the total number of regular female employees of CSEC as of December 31, 2024, excluding labor dispatch employees.

Percentage of employees turnover rate (%):

The employees turnover rate disclosed in the ESG report refers to the ratio of the number of employees who voluntarily resigned from CSEC in 2024 to the sum of the total number of employees at year-end and the number of employees who left.

Appendix V: Definitions

Abbreviation	Full Name
China Shenhua/the Company/we	China Shenhua Energy Company Limited
The Group	The Company and its subsidiaries
China Energy	China Energy Investment Corporation Limited
Shendong Coal	China Energy Shendong Coal Group Co., Ltd.
Zhunneng Group	China Energy Zhunneng Group Co., Ltd.
Baorixile Energy	China Energy Baorixile Energy Co., Ltd.
Trading Group	China Energy Trading Group Limited
Shuohuang Railway	China Energy Shuohuang Railway Development Co., Ltd.
Railway Equipment	China Energy Railway Equipment Co., Ltd.
Huanghua Harbour Administration	China Energy Huanghua Harbour Administration Co., Ltd.
Tianjin Harbour Administration	China Energy (Tianjin) Harbour Administration Co., Ltd.
Zhuhai Harbour Administration	China Energy Zhuhai Harbour Administration Co., Ltd.
Baotou Energy	China Energy Baotou Energy Co., Ltd.
Baotou Coal Chemical	China Energy Baotou Coal Chemical Co., Ltd.
Sichuan Energy	China Energy Sichuan Energy Co., Ltd.
Taishan Power	China Energy Yudean Taishan Power Co., Ltd.
Jiujiang Power	China Energy Shenhua Jiujiang Power Co., Ltd.
Cangdong Power	China Energy Hebei Cangdong Power Co., Ltd.
Shouguang Power	China Energy Shouguang Power Generation Company Limited

Abbreviation	Full Name
Qingyuan Power	China Energy Qingyuan Power Generation Co., Ltd.
Beihai Power	China Energy Guangtou Beihai Power Generation Co., Ltd.
Shengli Energy	China Energy Beidian Shengli Energy Co., Ltd.
Huizhou Thermal	China Energy (Huizhou) Thermal Power Co., Ltd.
Pembangkitan Jawa	PT. Shenhua Guohua Pembangkitan Jawa Bali
Lianjiang Power	China Energy (Lianjiang) Gangdian Co., Ltd.
Bayannur Energy	Shenhua Bayannur Energy Co., Ltd.
Overseas Company	China Shenhua Overseas Development and Investment Co., Ltd.
Digital Intelligence	China Energy Digital Intelligence Development (Beijing) Co., Ltd.
SSE	Shanghai Stock Exchange
HKEX	The Stock Exchange of Hong Kong Limited
Listing Rules	The Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
ASBE	The latest Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China and the related application guidelines, interpretations and other related requirements
IFRS	International Financial Reporting Standards issued by the International Accounting Standards Committee
Articles of Association	Articles of Association of China Shenhua Energy Company Limited
CNY	Renminbi, unless otherwise specified

Feedback from Readers

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

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

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

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

You are welcome to provide personal particulars if you wish:

Name:

Occupation:

 Organisation:

Telephone:

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