



兖矿能源
YANKUANG ENERGY



2025

Environmental, Social and Governance Report

兖矿能源集团股份有限公司
YANKUANG ENERGY GROUP COMPANY LIMITED

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Report Overview

Yankuang Energy Group Company Limited (“Yankuang Energy” , “the Company” or “we”) actively fulfils the social responsibility and would like to publish our Environmental, Social and Governance report (hereinafter referred to as “ESG report”) to share with all sectors of society our performances and commitments to ESG practices, hoping to further increase our mutual trust and cooperation and to promote the sustainable development of the Company and the society.

The Board and all directors guarantee that the report contains no false, misleading statement, or major omission. They will assume individual and joint liability for the authenticity, accuracy, and completeness of the report.

Reporting Entity

The reporting entity, Yankuang Energy and its subsidiaries, remains consistent with that disclosed in the accompanying *2025 Annual Report* (the “*Annual Report*”).

Reporting Period

The reporting period is from 1 January 2025 to 31 December 2025. Some content disclosed herein may fall outside of this range.

Reporting Principles

Materiality: Stakeholders are invited to identify and assess related ESG material issues of the Company. The Board of Directors has reviewed the assessment results and disclosed them in this report.

Quantitative: This report discloses quantitative data related to the environment and society, accompanied by the standards and methodologies used for the statistics and calculation.

Consistency: The data disclosed in this report apply statistical methodologies consistent with those of previous years.

Preparation Basis

The report is prepared based on the relevant requirements of the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies - Sustainability Report (Trial)* (“Sustainability Reporting Guidelines”), the *Guidelines for Share Repurchase, Guidelines for Standardized Operation (revised in May, 2025)*, and the *Environmental, Social and Governance Reporting Code* (“ESG Reporting Code”) issued by Hong Kong Exchanges and Clearing Limited (“HKEX” or “Hong Kong Stock Exchange”) and other related requirements, with reference to the *Sustainability Reporting Guidelines* of Global Reporting Initiative (“GRI”), the *Guidance on Social Responsibility* (ISO 26000:2010) of International Organisation for Standardisation (“ISO”), etc.

Data Source

The financial data¹ of 2025 involved in this report is primarily based on the *2025 Annual Report*. In case of any inconsistency of the data contained therein with the Annual Report, the Annual Report shall prevail. Other major data of the Company are calculated according to national regulations or industry standards. Unless otherwise specified, the monetary amounts involved in this report are denominated in Renminbi (RMB).

Report Release Form

The report is released in both print and electronic form. The electronic version is accessible through the websites of Shanghai Stock Exchange (www.sse.com.cn), the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company website (www.ykenergy.com/www.yanzhoucoal.com.cn).

Report Language

The report is published in simplified Chinese, traditional Chinese, and English. In case of ambiguity, the simplified Chinese version shall prevail.

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¹ The financial data in the simplified Chinese version of the report is sourced from the Company's A-share annual report, while those in the traditional Chinese and English versions are sourced from the Company's H-share annual report.

Message from the Chairman

We recognise that time is of the essence, and we are acting with purpose. For Yankuang Energy, 2025 is a pivotal year as we conclude the 14th Five-Year Plan, lay the groundwork for the 15th Five-Year Plan, and advance our journey toward becoming a world-class enterprise. Amid multiple challenges—including cyclical volatility in energy markets and intensifying industry competition—we have adhered to the principle of high-quality development and remained steadfast in our commitments to customers, employees, shareholders, and society. Staying true to our founding mission as a state-owned enterprise, we have shouldered our responsibility to ensure reliable energy supply. Through determined efforts and pragmatic action, we have strengthened our foundations and forged new pathways forward, delivering solid performance marked by resilience and improved quality despite adverse conditions.



Chairman Mr. Li Wei

This year, we focused our collective efforts on stabilising operations and maintained our industry-leading comprehensive strength. Upholding firm confidence in development, we responded to market dynamics through strategic review and careful refinement of operational strategies, further consolidating the quality of our growth and our influence in the sector. The Company achieved annual saleable coal production of 182 million tonnes, chemical product output of 9.77 million tonnes, and power generation of 7.5 billion kWh. Total assets reached RMB 451.97 billion, sales income amounted to RMB 133.34 billion, and net profit attributable to shareholders of the Company stood at RMB 8.52 billion. The Company received the Tianma Award and Golden Bull Award, and was honoured as “Best Listed Company” and “Most Valuable HK-Listed Company”. It ranked 45th on the “China’s Top 100 Listed Companies” list and 63rd on the “Top 100 China (Global) Listed Companies” list, and maintained the highest industry rating under both MSCI ESG Ratings and Wind ESG assessments.

This year, we strengthened our industrial strategy and reinforced competitive advantage through diversified, integrated development. Focusing on five major industries including mining, high-end chemicals and new materials,

high-end equipment manufacturing, intelligent logistics, and new energy—we accelerated resource integration and project implementation, enhancing our competitive edge across the industry chain. In mining, we expanded capacity and increased output, and finalised equity transfer of Xibei Mining and the Moolarben coal mine. In chemicals, we reinforced and extended the industry chain, completing 33 technical upgrade projects and promoting a series of value-added downstream initiatives. In equipment manufacturing, we enhanced scale and capability by acquiring 100% equity in Shandong Energy Equipment Group’s High-End Hydraulic Support Company. The acquisition of CFH GmbH, a German company, was efficiently completed alongside the establishment of its Shandong branch and the launch of locally produced equipment, significantly facilitating the acquisition and application of advanced technologies. In logistics, we enhanced integration and improved quality, forming a logistics network covering 17 provinces and municipalities nationwide. Dongping Lugang achieved profitability from the outset of operations, and both Yankuang Logistics and Wbtech were recognised as national “Class 5A Logistics Enterprises”. In new energy, we made determined progress in securing resources, injecting new momentum into the Company’s green and low-carbon transition.

This year, we advanced reform efforts to enhance modern corporate governance effectiveness. Guided by principles of streamlined operations and empowered control, we completed organisational restructuring for the logistics business segment and Yulin regional units, establishing an operational mechanism featuring centralised oversight, shared resources, and hierarchical management. We further advanced the “Six Upgrades through Six Lean Management Measures” management model and implemented the “Ten Strengthening Actions and Ten Efficiency Gains” cost-control measures, leveraging lean management to unlock internal potential and drive value creation. Committed to standardised and efficient operations, we revised the Company’s Articles of Association and 18 supporting policies, ensuring full implementation of the “six statutory authorities” across subsidiary boards. The Company has received the Golden Round Table Award for “Best Board of Directors” 15 times. We also optimised approval, decision-making, and key business management processes for overseas subsidiaries, establishing an integrated compliance management model that aligns state-owned asset supervision, listed company governance, and overseas regulatory requirements.

This year, we enhanced operational efficiency through disciplined innovation and built strong momentum via core technology breakthroughs. Focused on intelligent, green, and high-efficiency development, we sustained increased research and development (R&D) investment and accelerated technology commercialisation, using innovation to overcome production bottlenecks and empower industrial upgrading. The Company’s intelligent mining capabilities has placed firmly among industry leaders. We have promoted the application of intelligent air distribution and high-efficiency dust removal technology and equipment in fully mechanised mining faces. Besides, we have established two models of intelligent heading faces based on “dual inertial navigation + total station positioning” and “central-axis positioning” approaches. Roof-bolting and shotcrete robots are now in routine operation. The Company is undertaking China’s national 1,000-metre-deep mine engineering pilot, having developed an integrated prevention and control system combining monitoring, early warning, stress relief, and support. Multiple technology applications have achieved significant progress, with two key innovations, namely “Mechanisms of Rockburst Induction and Digital-Intelligent Prevention” and “Ultra-Large-Scale Coal Slurry Gasification”, awarded Second Prize in the inaugural China Coal Society (CCS) Science and Technology Awards.

This year, we prioritised people and safeguarded livelihoods, fostering a supportive and inclusive workplace. Upholding the principle that people and life come first, we reinforced governance of major hazards, advanced production safety standardisation, and enhanced grassroots safety capabilities, maintaining our safety baseline and sustaining industry-leading safety performance. We advanced reform of industrial workforce development, progressed the establishment of our “Craftsmen College”, and saw ten skilled employees awarded honours including “Qilu Great Craftsmen” and “Qilu Chief Technician”. Employee-led innovation and efficiency initiatives delivered substantial results. We upheld our commitment to basic livelihood protection, addressed staff concerns with dedication and empathy, and maintained regular support programmes including hardship assistance and welfare visits. Throughout the year, we organised over 600 caring service events and arranged rehabilitation and vacation initiatives for over 5,500 employees, further fostering an inclusive and respectful working environment.

This year, we acted with a sense of national responsibility and fulfilled our role as a state-owned enterprise. Keeping the nation’s strategic priorities in view, we efficiently delivered energy supply during critical peak-demand periods such as summer and winter, ensuring stable and reliable energy provision for public welfare. We co-hosted the 13th National Mine Rescue Skills Competition to a high standard, securing first place in the overall team category and ten individual event titles. Committed to ecological priority and sustainable development, we completed reclamation of 469.1 thousand mu (a unit of area, 1 mu equals to 666.67 m²) of coal mining subsidence area. We actively advanced relocation and resettlement for local villages, supporting residents’ smooth transition into new community settlements. Proactively integrating into regional economic collaboration, we continued to drive project investment and employment creation, contributing RMB 20.18 billion in taxes during the year and further enhancing the Company’s social reputation and public trust.

We remain steadfast in our pursuit of long-term, high-quality development. 2026 marks the first year of China’s 15th Five-Year Plan, and it is also a pivotal year for Yankuang Energy as we accelerate progress toward becoming a world-class enterprise. At this new stage of development, we will continue to follow the guide of the new development philosophy, work closely with stakeholders from all sectors of society, stay true to our founding purpose, fulfil our responsibilities, and strive to deliver greater value for customers, employees, shareholders, and the wider community, writing a new chapter in Yankuang Energy’s journey of high-quality growth.

Board Statement

The Board of Directors of the Company is the highest responsible and decision-making body for ESG matters and assumes full responsibility for the Company's ESG strategy and its implementation and supervision. It is responsible for formulating and reviewing the vision, targets and strategies of its ESG management, to assess the Company's ESG management as well as risks and opportunities. The Sustainable Development Committee established under the Board assists the Board in carrying out ESG governance and information disclosure, and convenes at least once a year to discuss important ESG matters.

The Company carries out regular materiality assessments for ESG topics, and identifies issues of great materiality to corporate development. The Board of Directors of the

Company regularly reviews the importance assessment of ESG topics, discusses key areas and major opportunities for ESG risk management and control, and defines ESG management policies and strategies. The Company has set ESG targets related to operation, in the fields of pollutant emissions reduction, greenhouse gas emissions reduction, and energy and water conservation, and employee safety and occupational health. The Board of Directors oversees and reviews the action plan and completion status of the targets.

This report discloses the progress of the Company's ESG work in 2025 in detail and has been reviewed and approved by the Board of Directors on 27 March, 2026.

About Yankuang Energy

Yankuang Energy, a controlled subsidiary of Shandong Energy Group Co., Ltd., was listed in Hong Kong, New York, and Shanghai in 1998, and its overseas controlled subsidiary, Yancoal Australia, was listed on the Australian Stock Exchange and the HKEX, respectively in 2012 and 2018. In 2024, the Company acquired SMT Scharf AG, making Yankuang Energy the only energy company in China that has been listed domestically and globally on six exchanges. As of 31 December 2025, the Company's total capital stock was 10.037 billion shares and its total assets were RMB 451.97 billion, with 90,921 employees.

Driven by the mission of "Developing green energy to lead energy revolution", the Company actively practises the national "Dual Carbon" strategy, makes great efforts to uphold integrity and innovation, and accelerates the transformation and upgrade, so as to advance towards a world-class sustainable mining conglomerate with the leading development of the clean energy. Pursuing the new development philosophy, Yankuang Energy places equal emphasis on external expansion and internal enhancement, and on industrial operation and capital operation. Five major industries were established, including mining, high-end chemicals and new materials, high-end equipment

manufacturing, intelligent logistics and new energy. With a focus on its core business, the Company is advancing the development of intelligent and green mines, enhancing its chemical brand, and developing international platforms for high-end equipment manufacturing and intelligent logistics, while fast-tracking the acquisition of new energy project resources. In line with the globalisation of economy and capital flow, the Company has been making breakthroughs in the aspects of enterprise scale, brand strength, social status, and industry influence, witnessing great efforts in implementing industrial extension, regional deployment, and capital expansion.

Relying on robust operation, strong international competitiveness and leading actions in social responsibility fulfilment, the Company has been gaining favourable niche in the domestic and foreign capital markets. Yankuang Energy has won the "Best Board of Directors" of Chinese Boards of Listed Companies "Gold Round Table Prize" 15 times, and was the first enterprise in China that passed the ESG management system certification. The Company won the "National Quality Award" three times.

Management of Sustainable Development



Responsibility philosophy

With the mission of “Developing green energy to lead energy revolution” , the vision of “To build a comprehensive clean energy service provider and a world-class enterprise” , Yankuang Energy adheres to the core values of “Safe, Innovation, Green, Accountable, Excellent” . During the process of pursuing high-quality development, the Company puts concrete efforts in its responsibility practices in ESG, and creates shared values with customers, employees, shareholders, suppliers, partners, and other stakeholders in the society.

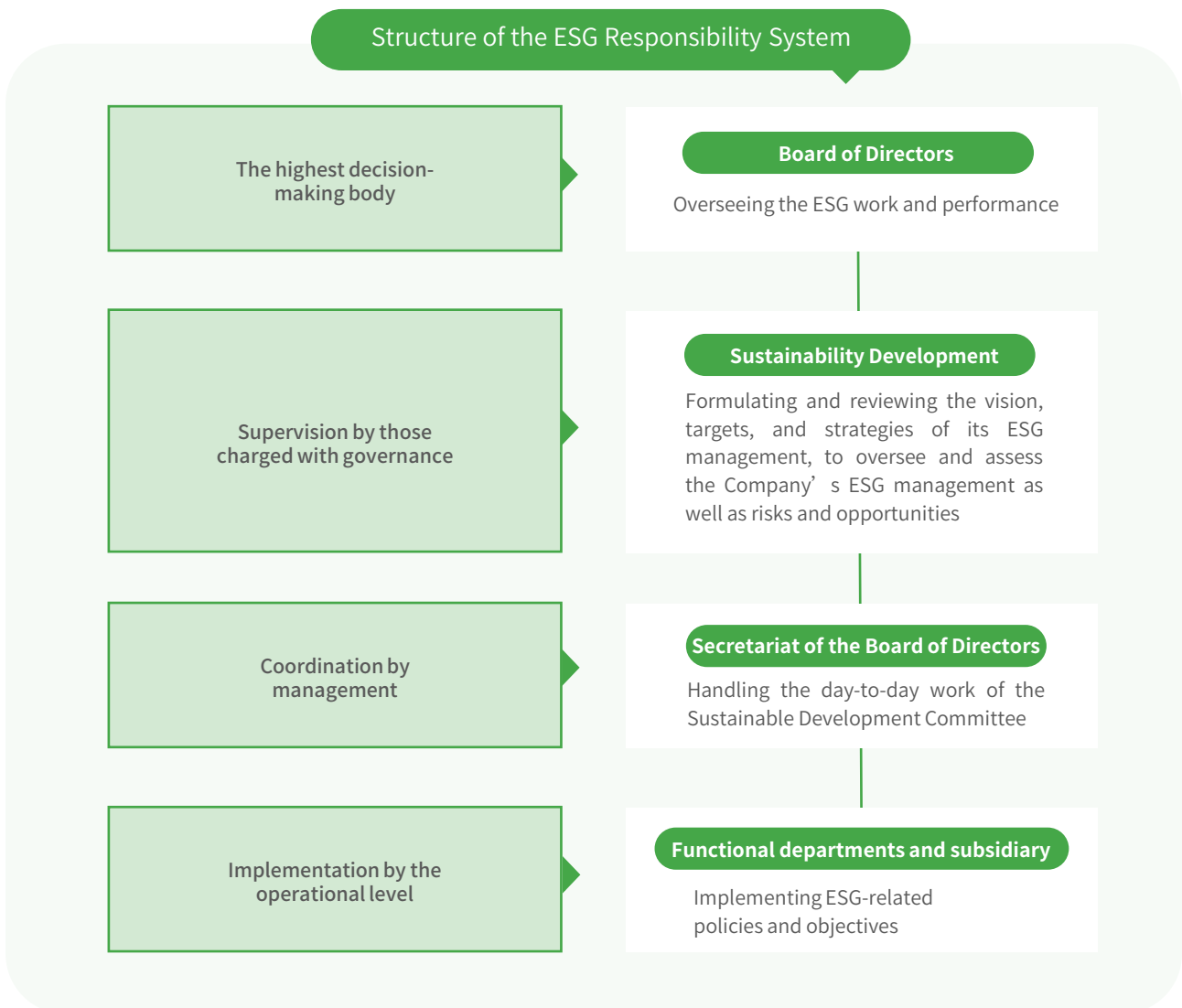
ESG Framework of Yankuang Energy



In 2025, the Company was selected among the “Top 50 ESG Best Practices” by New Fortune, maintained the highest ESG ratings in China’s coal sector from both MSCI and Wind, and received recognitions including “Outstanding Enterprise for CSR Reporting” from the China National Coal Association (CNCA) and “ESG Practice Benchmark Case” from China Times.

Responsibility system

The Company has established a robust ESG management system and governance structure to ensure that material ESG issues are integrated in its regular operation and management.



The Sustainable Development Committee is composed of three directors, and headed by an independent director with expertise in ESG to oversee and provide guidance on the Company's ESG work. The Company regularly invites senior industry experts to conduct training covering ESG development trends, best practices and professional skills. Through these efforts, we ensure that management and relevant personnel have the ESG knowledge and practical ability required for the implementation and supervision of company strategies and policies.

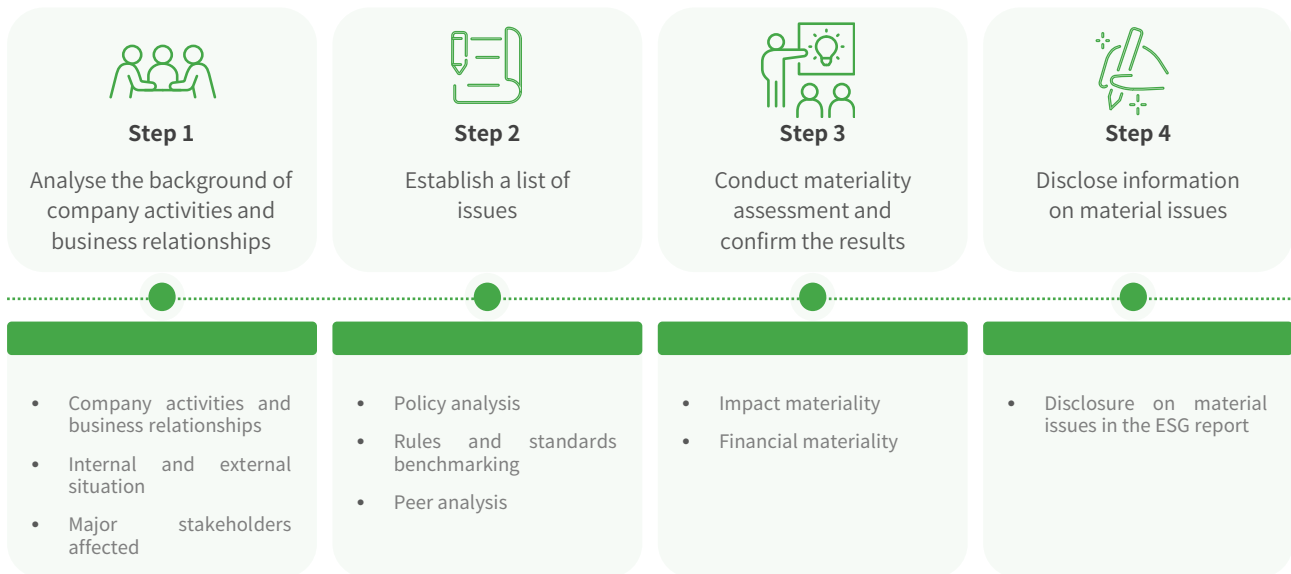
The Sustainable Development Committee arranges regular meetings every year to listen to management' s reports on ESG matters, and discuss topics like the developments in ESG policies, the result of materiality assessment, ESG risks and opportunities, internal controls, progress of targets, and the status of information disclosure. The Committee also provides suggestions to the Board of Directors to ensure that the ESG-related impacts, risks and opportunities are integrated in the Company' s decision-making. A work plan will be formed at the meeting accompanied by the allocation of resources. The Secretariat of the Board of Directors is responsible for collecting, collating and preparing relevant reporting materials to keep the Committee informed of the Company' s ESG work. During the reporting period, the Sustainable Development Committee convened one meeting to review the ESG management status of the Company. The Company' s 2024 Environmental, Social and Governance Report was reviewed and approved at the meeting.

The Company scores the achievement of the above management targets every year, and the results will be reflected in the performance-based pay of management personnel. In case of significant negative environmental, safety and climate incidents, the performance score of the responsible person will be deducted based on the severity of the incident. In accordance with the *2025 Safety and Environmental Protection Performance Assessment Scheme*, the Company links the performance of risk and opportunity management related to climate, environmental protection and safety management with the performance-based pay of CEO, senior management and other management personnel of all units of the Company at all levels. Quantitative and qualitative performance targets are set to support the assessment.

For details about the Sustainable Development Committee, please refer to the *Rules of the Sustainable Development Committee of the Board of Directors*.

Materiality assessment

Every year, the Company carries out a company-wide materiality assessment on sustainability issues through the following procedures:



Step 1: Analyse the background of company activities and business relationships

When conducting materiality assessment, the Company first analyses the background of all management activities and business relationships. This includes interviewing the managers of all relevant functional departments and subsidiaries to understand the business types, geographical location, staff status, products and services, market conditions and other information. In addition, an analysis is conducted on internal and external policies, risk assessment reports and ESG standards to understand the current situation of sustainable development, opportunities and challenges. The Company engages with stakeholders through various channels, including but not limited to information disclosure, general meeting of shareholders, satisfaction surveys, discussion meetings and questionnaire surveys, to understand their concerns and ensure their engagement in the Company's sustainable development.

| Stakeholders | Major communication channels | Matters of concern (Top 6) |
|------------------------------------|---|--|
| Government and regulatory agencies | Relevant meetings, information submissions, work reports, supervision and review | Employee Safety and Occupational Health, Pollutant Discharge, Waste Treatment, Environmental Compliance Management, Safety and Quality of Products and Services, Anti-Commercial Bribery and Anti-Corruption |
| Shareholders/ Investors | General meeting of shareholders, road shows, information disclosure, investor hotline | Employee Safety and Occupational Health, Environmental Compliance Management, Anti-Commercial Bribery and Anti-Corruption, Response to Climate Change, Safety and Quality of Products and Services, Employee Rights and Benefits |
| Suppliers/ Partners | Business negotiations, business exchanges, supplier assessment | Supply Chain Security, Equal Treatment to Small and Medium-Sized Enterprises, Anti-Commercial Bribery and Anti-Corruption, Employee Safety and Occupational Health, Safety and Quality of Products and Services, |
| Customers | Service hotline, discussion meetings, on-site visits, satisfaction survey | Safety and Quality of Products and Services, Innovation-Driven, Employee Safety and Occupational Health, Response to Climate Change, Environmental Compliance Management, Anti-Commercial Bribery and Anti-Corruption |
| Employees | Employee congress, employee satisfaction survey, meetings | Employee Safety and Occupational Health, Employee Rights and Benefits, Employee Development, Anti-Commercial Bribery and Anti-Corruption, Environmental Compliance Management, Pollutant Discharge |
| Communities | Publicity activities, discussion meetings, on-site visits and investigations | Contribution to Society, Rural Revitalisation, Energy Supply Security, Waste Treatment, Pollutant Discharge, Employee Safety and Occupational Health |

Step 2: Establish a list of issues

Based on an in-depth analysis of the macro policies and laws and regulations in the places where we operate, we ensure that the issues identified meet both regulatory requirements and international best practices. With reference to the SSE Sustainability Reporting Guidelines, the HKEX ESG Reporting Code, and other domestic or overseas sustainability standards, the Company carries out an extensive benchmark analysis to understand how best-performing peers identify and prioritise material issues. A summary of highly concerned issues is then created to revise the issue list.

Step 3: Conduct materiality assessment and confirm the results

The Company conducts the materiality assessment and the prioritisation of issues identified based on the impact materiality and financial materiality of the issues. Impact materiality measures whether a company's performance on a given issue has a significant economic, social and environmental impact. Financial materiality measures whether each issue is expected to have a significant impact on the company's business model, business operations, development strategy, financial position, operating results, cash flows, financing methods and costs in the short, medium and long term². In accordance with regulatory requirements, the Company determines the thresholds for the identification of impacts, risks and opportunities, and defines the logic for their prioritisation. The factors considered in this process include the risk assessment standards, the actual production and operation conditions, and the views or feedback of stakeholders and experts. The assessment results thus obtained serve as the basis for future strategic decision-making and resource allocation.

When assessing the impact of sustainability issues, the Company considers the scale, scope, irremediability and likelihood of impact:

| Factors | Description |
|-----------------|---|
| Scale | The magnitude of the impact (e.g., high, moderate and low). |
| Scope | The extent of the impact (e.g., substantial, moderate and minimal). |
| Irremediability | The difficulty in offsetting or repairing the damage (negative effects only) (e.g., impossible, moderately difficult with time and cost required, and relatively easy). |
| Likelihood | The probability of occurrence of the impact (e.g., almost certain, possible, and unlikely). |

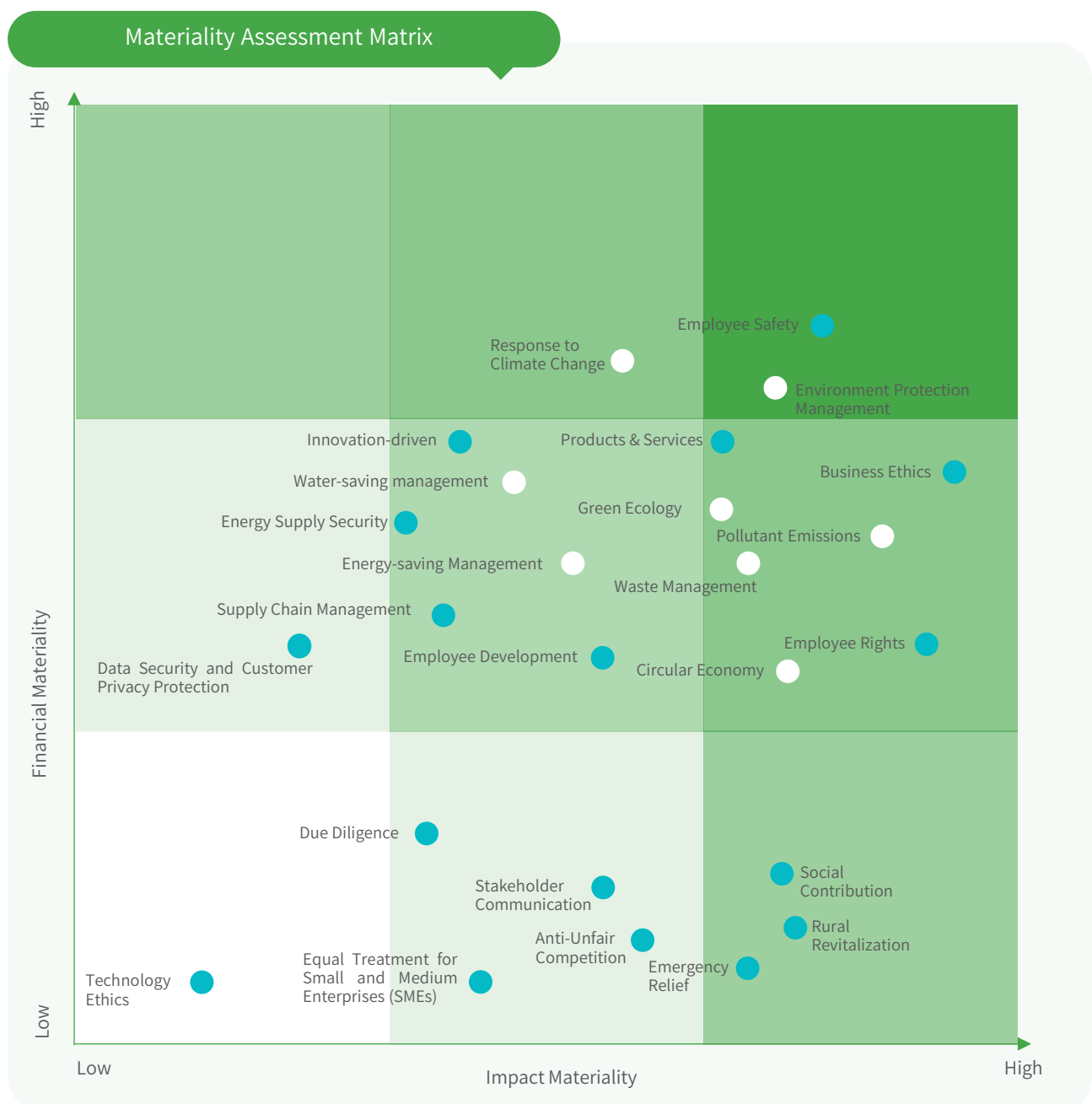
When assessing the risks and opportunities of sustainability issues, the Company considers the severity and likelihood of impact:

| Factors | Description |
|------------|--|
| Severity | The impact level of risks and opportunities (e.g., high, medium and low). |
| Likelihood | The probability of occurrence of risks and opportunities (e.g., almost certain, possible, and unlikely). |

² The time horizon is defined as: short-term: within one year; medium-term: 1 to 5 years; and long-term: over 5 years. This is aligned with the Company's strategic development plan, industry characteristics, nature of risks and opportunities, and resource allocation plan.


Step 4: Disclose information on material issues






The Company presents results of the materiality assessment in a two-dimensional matrix on “Financial Materiality - Impact Materiality”. From the matrix, the Company has identified that issues of “Employee Safety and Occupational Health”, “Environmental Compliance Management” and “Response to Climate Change” are of financial materiality; issues including “Employee Safety and Occupational Health”, “Environmental Compliance Management” and “Product and Service Safety and Quality” are of impact materiality. Thus, issues of “Employee Safety and Occupational Health” and “Environmental Compliance Management” are of both financial and impact materiality.



Response to United Nations Sustainable Development Goals (UN SDGs)

Yankuang Energy actively responds to 17 UN SDGs.

| UN SDGs | Our actions | Indicators |
|---|--|--|
|  <p>Goal 1 End poverty in all its forms everywhere</p> | <p>We implemented rural revitalisation and donations</p> | <p>Total investment in public welfare projects and external donations, Total investment in poverty alleviation and rural revitalisation projects, Social contribution per share</p> |
|  <p>Goal 2 End hunger, achieve food security, improve nutrition and promote sustainable agriculture</p> | <p>We supported residents with channels to increase their income</p> | <p>Total investment in public welfare projects and external donations, Total investment in poverty alleviation and rural revitalisation projects, Tax paid, Social contribution per share</p> |
|  <p>Goal 3 Ensure healthy lives and promote well-being for all at all ages</p> | <p>We organised training on work safety and occupational health among employees to ensure production safety</p> | <p>Number and rate of work-related deaths due to major accident, Lost work time due to work-related injuries, Employee safety training coverage, Percentage of occupational-disease incidence, Screening rate of occupational diseases</p> |
|  <p>Goal 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p> | <p>We provided various employee training, and activities such as “Golden Autumn Student Aid”</p> | <p>Proportion of trainees, Per capita training time</p> |
|  <p>Goal 5 Achieve gender equality and empower all women and girls</p> | <p>We offered equal employment and development opportunities for female employees</p> | <p>Total headcount by gender, Per capita training time, Proportion of trainees, Voluntary turnover rate of employees</p> |
|  <p>Goal 6 Ensure access to affordable, reliable, sustainable and modern energy for all</p> | <p>We established and improved the water conservation management system, and promoted the projects for the reuse of reclaimed water and mine water</p> | <p>Recycled water volume, Total water consumption, Density of water consumption</p> |
|  <p>Goal 7 Ensure access to affordable, reliable, sustainable and modern energy for all</p> | <p>We safeguarded the supply of energy products, provided high-quality energy products and developed the new energy business</p> | <p>Saleable coal output, Power generation output, PV power generation, PV installed capacity</p> |

| UN SDGs | Our actions | Indicators |
|---|--|---|
|  <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p> | <p>We maintained excellent operation performance, supported legal employment, protected the rights and interests of employees, and provided talent cultivation programme</p> | <p>Sales income, Total headcount, Voluntary turnover rate of employees, Proportion of trainees, Per capita training time, Employee satisfaction</p> |
|  <p>Goal 9 Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation</p> | <p>We established intelligent working face and mines, implemented strategic transformation and carried out management and technology innovation</p> | <p>Number of management innovation achievements, Number of scientific and technological achievements, Number of achievements under certification, Number of achievements up to world's leading level, Number of provincial and ministerial technical innovation awards, Number of patents approved</p> |
|  <p>Goal 10 Reduce inequality within and among countries</p> | <p>We established a fair mechanism for compensation distribution and promotion, as well as a fair system for negotiation</p> | <p>Employee satisfaction</p> |
|  <p>Goal 11 Make cities and human settlements inclusive, safe, resilient and sustainable</p> | <p>We carried out activities such as heart-warming volunteering, emergency relief and community care</p> | <p>Total investment in public welfare projects and external donations, Total investment in poverty alleviation and rural revitalisation projects, Social contribution per share</p> |
|  <p>Goal 12 Ensure sustainable consumption and production patterns</p> | <p>We optimised the industrial deployment and resource development in a reasonable manner, deepened emission management, and promoted energy saving and consumption reduction</p> | <p>Sulphur dioxide (SO₂) emissions, Nitrogen oxides (NO_x) emissions, Volatile organic compounds (VOCs) emissions, Particulate matter emissions, Hazardous waste disposed, Density of hazardous waste, Disposal rate of hazardous waste in compliance, General solid waste generated, Density of general solid waste, Wastewater discharged, Total water consumption, Density of water consumption, Comprehensive energy consumption, Energy consumption by category</p> |
|  <p>Goal 13 Take urgent action to combat climate change and its impacts</p> | <p>We adjusted industrial structure, developed green innovative technologies, developed clean energy construction, continuously implemented carbon reduction measures, and promoted the demonstration construction of clean coal chemical industry</p> | <p>Total greenhouse gas emissions, Density of greenhouse gas emissions, PV power generation, PV installed capacity</p> |

| UN SDGs | Our actions | Indicators |
|---|---|---|
|  <p>Goal 14 Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p> | <p>We reduced wastewater discharge and treated water pollution</p> | <p>Chemical oxygen demand ("COD") emissions, Ammonia nitrogen emissions, Wastewater discharged, Hazardous waste disposed, Disposal rate of hazardous waste in compliance</p> |
|  <p>Goal 15 Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p> | <p>We actively performed the obligation of subsidence area restoration, made solid efforts in building green mines and implementing ecological management, and protected the biodiversity</p> | <p>Treatment area of coal mining subsidence land</p> |
|  <p>Goal 16 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p> | <p>We worked to improve corporate governance, strengthen internal control, improve risk management, and promote anti-corruption</p> | <p>Number of concluded corruption lawsuits, Anti-corruption training sessions, Percentage of directors, management and staff attending anti-corruption training, Percentage of suppliers accepting anti-corruption policies, Complaint settlement rate</p> |
|  <p>Goal 17 Strengthen the means of implementation and revitalise the global partnership for sustainable development</p> | <p>We established a smooth communication channel between the Company and interest parties, and understand their concerns</p> | <p>Tax paid, Corporate credit rating, Total investment in public welfare projects and external donations, Total investment in poverty alleviation and rural revitalisation project, Social contribution per share, Contract fulfilment rate, Percentage of suppliers accepting anti-corruption policies, Percentage of suppliers implementing suppliers' management policies, Number of valid complaints, Complaint settlement rate</p> |

GOVERNANCE



25 - Tai
Implementation of QC activity,
toward a Brighter Future for the World

01 Compliance Operation

Good corporate governance is the cornerstone of a company's sustainable development. Yankuang Energy advances standardised corporate governance as one of its core missions. Prioritising risk management and internal control, the Company aims to create an honest and ethical business environment and achieve compliance and stable operation.



Respond to ESG Material Issues

- Anti-commercial bribery and anti-corruption, Anti-unfair competition

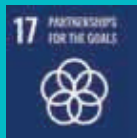
Respond to HKEX ESG indexes

- B7 Anti-corruption

Respond to SSE ESG indexes

- Communication with stakeholders, Anti-commercial bribery and anti-corruption, Anti-unfair competition

Respond to UN SDGs

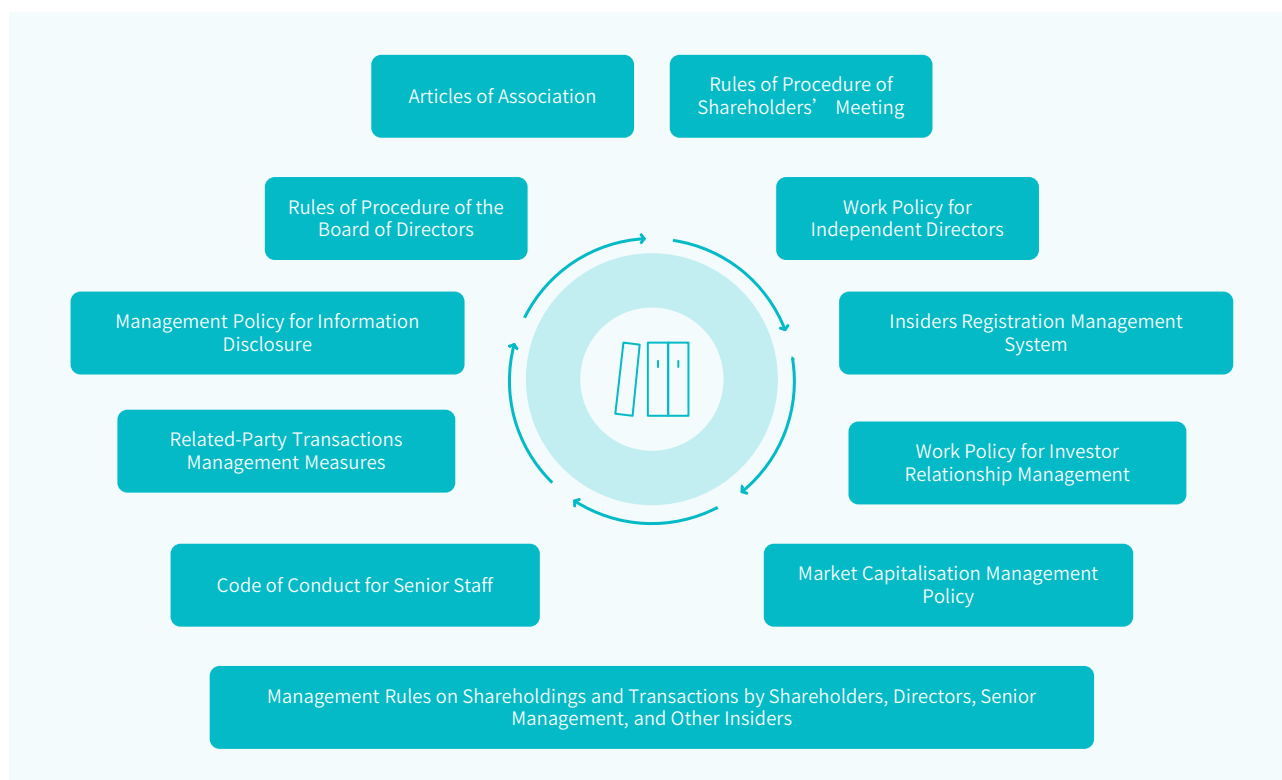


Corporate governance

The Company complies with the *Company Law of the People's Republic of China* and the *Securities Law of the People's Republic of China*, and other regulatory provisions of listing bodies, constantly improving the modern governance system and continuously improving its corporate governance capacity.

Governance system

In accordance with the listing rules, the Company improves the construction of governance systems such as institutional setup, evaluation and assessment to achieve standardised operation. We have formulated and implemented a series of policies as follows. In 2025, the Company formulated the *Market Capitalisation Management Policy* and revised 18 core governance documents, including the *Articles of Association*, *Management Policy for Information Disclosure*, and *Related-Party Transactions Management Measures*, further strengthening and standardising our corporate governance framework.



The Company closely monitors the rule-of-law and standardisation developments in the securities market and continues to strengthen our corporate governance framework. In 2025, Yankuang Energy fully implemented the reform to abolish the Board of Supervisors, with supervisory responsibilities transferred to the Audit Committee, achieving dual improvements in governance layer optimisation and decision-making efficiency. The Company now operates under a corporate governance structure comprising the Shareholders' Meeting, the Board of Directors, and management, establishing a mechanism characterised by statutorily defined roles and responsibilities, coordinated operations, and effective checks and balances. The Company integrates governance mechanisms of six listing platforms around the world. We continuously build and improve the governance system with "Yankuang characteristics", combining the supervision of state-owned assets with listing regulations, while promoting the coordination between domestic governance and overseas control. This establishes a sound framework for the Company's stable development and helps the governance system to operate in a standardised and coordinated manner.

In 2025, the Company held one Shareholders' Meeting and eight Board meetings, approving key matters relating to corporate reform, development, and governance compliance. All meetings and voting procedures are in accordance with laws and regulations and the relevant provisions of the *Articles of Association*, and the voting results are legal and valid, providing a solid foundation for the standardised operation and high-quality development of the Company.

With excellent performance in board governance, in 2025, the Company won the "Best Practice of the Board of Directors" awarded by China Association for Public Companies. The Company also won the "Golden Round Table Award" for the Best Board of Directors of Listed Chinese Companies 15 times.



Board diversity

The Company has established five special committees of the Board of Directors, including the Audit Committee, the Nomination Committee, the Remuneration Committee, the Strategy and Development Committee, and the Sustainable Development Committee. Each committee is entrusted with specific and detailed responsibilities and obligations, and gives full play to its role in the Company's strategic decision-making and standardised operation, so as to promote the Company's sustainable and stable development.

Recognising the importance of the Board members, the Company selects directors based on multiple factors, such as their gender, age, cultural and educational background, professional experience, skills, and years of service, along with considerations of the actual conditions and demands, so as to achieve diversification of the Board of Directors and promote the diversified and balanced points of view, experience and perspectives. The Company has also built a high-level expert think tank to improve the ability to deal with complex environments and achieve high-quality and sustainable development. The Company also reviews and adjusts the Board composition annually, as appropriate, to better align with evolving business needs.

Board diversity information

As of 31 December 2025

| Position | Number of directors | Term of service | Number of directors | Age | Number of directors |
|------------------------------------|---------------------|-----------------------------------|---------------------|------------------------|---------------------|
| Executive director | 2 | 0-4 years | 9 | 46-50 years old | 2 |
| Non-executive director | 5 | 5-9 years | 2 | 51-55 years old | 4 |
| Independent non-executive director | 4 | 10 years or more | 0 | 56-60 years old | 3 |
| | | | | 61 years old and above | 2 |
| Gender | Number of directors | Directorship with other companies | Number of directors | | |
| Male | 10 | 0-1 company | 9 | | |
| Female | 1 | 2-5 companies | 2 | | |

Introduction on specialty of Board of Directors

| Professional background | Number of directors | Description |
|-------------------------|---------------------|---|
| Risk management | 5 | <p>Mr. Li Wei has served as the CEO and Chief of Safety Supervision Bureau of the former Yankuang Group.</p> <p>Mr. Wang JiuHong has served as the Chairman of the Board and CEO of Yankuang Energy (Ordos) Co., Ltd. He has also served as the Chairman of the Board of Inner Mongolia Mining (Group) Co., Ltd.</p> <p>Mr. Liu Jian has served as Deputy CEO overseeing safety and risk management at the Company. He has also served as the CEO of the Company.</p> <p>Mr. Liu Qiang has served as Deputy CEO overseeing safety and risk management at LunanChemicals, as well as its Chairman of the Board and CEO.</p> <p>Mr. Zhu Limin has served as Deputy Director of the Enforcement Division of the China Securities Regulatory Commission and Chief Compliance Officer of China Securities Co., Ltd.</p> |
| Law | 1 | Mr. Huang Xiaolong holds a Master of Laws. |
| Finance | 2 | <p>Mr. Zhang Haijun is a senior accountant.</p> <p>Mr. Woo Kar Tung, Raymond, has worked in investment banking at ING, CITIC Securities, and Credit Suisse.</p> |
| Environment | 1 | Ms. Zhu Rui takes a position in the Sustainable Development Committee and serves as the Director of the ESG and Social Innovation Research Centre at Cheung Kong Graduate School of Business. |
| Energy | 7 | <p>Mr. Li Wei has served as the CEO of former Yankuang Group. He is currently the Chairman of the Board of Shandong Energy Group and the Company.</p> <p>Mr. Wang JiuHong has served as the Chairman of the Board and CEO of Yankuang Energy (Ordos) Co., Ltd. He has also served as the Chairman of the Board of Inner Mongolia Mining (Group) Co., Ltd. He is currently the CEO of the Company.</p> <p>Mr. Liu Jian has served as the CEO at the Company.</p> <p>Mr. Liu Qiang has served as the Deputy CEO at former Shandong Energy Chemicals. He has also served as the CEO and Chairman of the Board at Lunan Chemicals.</p> <p>Mr. Huang Xiaolong is currently a Director and Secretary to the Board of Directors of the Company.</p> <p>Mr. Su Li has served as the CEO Assistant and the Director of the Human Resources Department at the Company. He is the current Employee Director and Chairman of the Labour Union of the Company.</p> <p>Mr. Gao Jingxiang has served as Deputy Head of the Mining Engineering Department at China University of Mining & Technology. He is currently a member of the Commission 1 of the International Society for Mine Surveying (ISM).</p> |

Notes: As of 31 December 2025,

1.Mr. Wang JiuHong and Mr. Huang Xiaolong were executive directors, while Mr. Li Wei, Mr. Liu Jian, Mr. Liu Qiang, Mr. Zhang Haijun and Mr. Su Li were non-executive directors.
2.Mr. Wang JiuHong, Mr. Liu Qiang, Mr. Su Li, Mr. Huang Xiaolong and Mr. Gao Jingxiang did not hold position as directors of other companies. Mr. Li Wei, Mr. Liu Jian, Mr. Zhang Haijun, Mr. Woo Kar Tung, Raymond, held positions as directors of one other external company. Ms. Zhu Rui held positions as a director of two other companies. Mr. Zhu Limin held positions as a director of three other companies.

Board capacity building

The Company places strong emphasis on building the capabilities of Board members. Each year, we deliver targeted training programmes for directors on listed company rules and specialised knowledge, reinforcing compliance operations and enhancing professional competence. All directors participate in continuing professional development to refresh their knowledge and sharpen their skills, ensuring they can make meaningful contributions to the Board.

In 2025, the Company organised three specialised training sessions for directors and senior executives, featuring in-person instruction by leading legal practitioners, to comprehensively strengthen the compliance capabilities of this “key minority”. We also hosted an on-site workshop on board governance, showcasing our distinctive governance practices through experience sharing, case studies, and interactive training, which was fully recognized by regulators and participants.

Further details on director training are provided in Chapter 5, “Corporate Governance, Environment and Society” of the *Company’s 2025 Annual Report*.

Investor relations

The Company maintains a proactive investor relations approach and actively manages engagement with shareholders. In accordance with listing rules and regulatory requirements across our listing jurisdictions, we continue to refine our investor relations governance framework and operational mechanisms, including the formulation of the *Work Policy for Investor Relationship Management*. Through these efforts, we have established efficient workflows to foster constructive dialogue with capital markets. In 2025, we further enhanced our proactive investor relations model by instituting a regular communication mechanism with key shareholders, conducting 71 roadshows, five earnings briefings, and three reverse roadshows, engaging over 470 institutional investors and more than 2,000 individual investor participants.

Conducting **71** roadshows **5** earnings briefings **3** reverse roadshows

engaging over **470** institutional investors and more than **2,000** individual investor participants



Guided by the principle of “shareholder primacy and shared value”, we have streamlined our interim dividend distribution process and implemented interim dividend distribution for two consecutive years. Since our listing 28 years ago, we have maintained an uninterrupted record of cash dividend payments, with total distributions amounting to RMB 86.8 billion.

total distributions amounting to RMB **86.8** billion

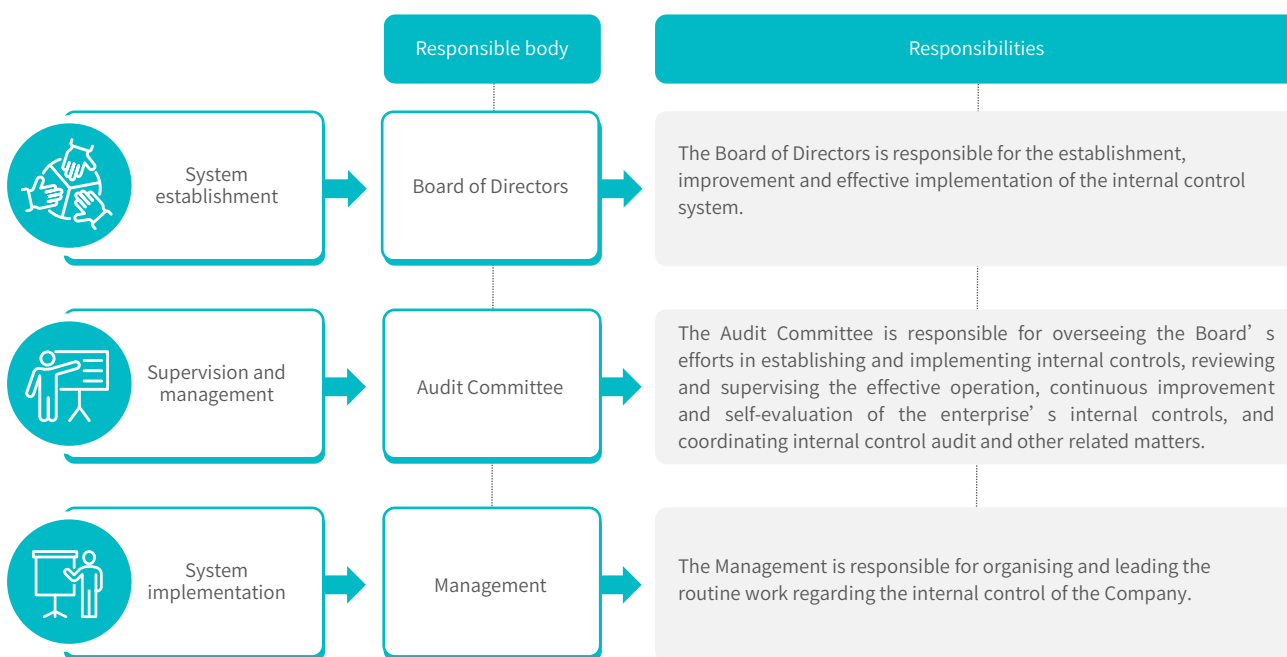


Internal control

The Company has always highly valued the internal control. With strict abidance to the regulatory requirements for listing such as the *Guidelines No. 1 of Shanghai Stock Exchange for Self-Regulation of Listed Companies* and the *Listing Rules* of Hong Kong Stock Exchange, the Company has formulated policies such as the *Standard for Enterprise Internal Control*. The Company has developed and applied a digital information platform for internal control. This development enables the digitalisation and systematisation of internal control evaluation, daily internal control monitoring, and operational risk early-warning. As a result, digitalisation of internal control management is enhanced.

The Company has clearly defined the roles and responsibilities of the Board of Directors, the Audit Committee, and the Management in the internal control system, and ensured the effective operation of the internal control system. In addition, the Company has set up a dedicated organisation responsible for the implementation of internal control system construction and daily supervision and management.

Responsibilities of Internal Control System



The Company conducts self-assessment on the establishment of the internal control system annually. We also engage annual audit accountants to audit the compliance and effectiveness of the internal control system. The self-assessment report and the annual auditor's report on internal control issued by the independent auditor are disclosed in public for the review and supervision of all stakeholders³.

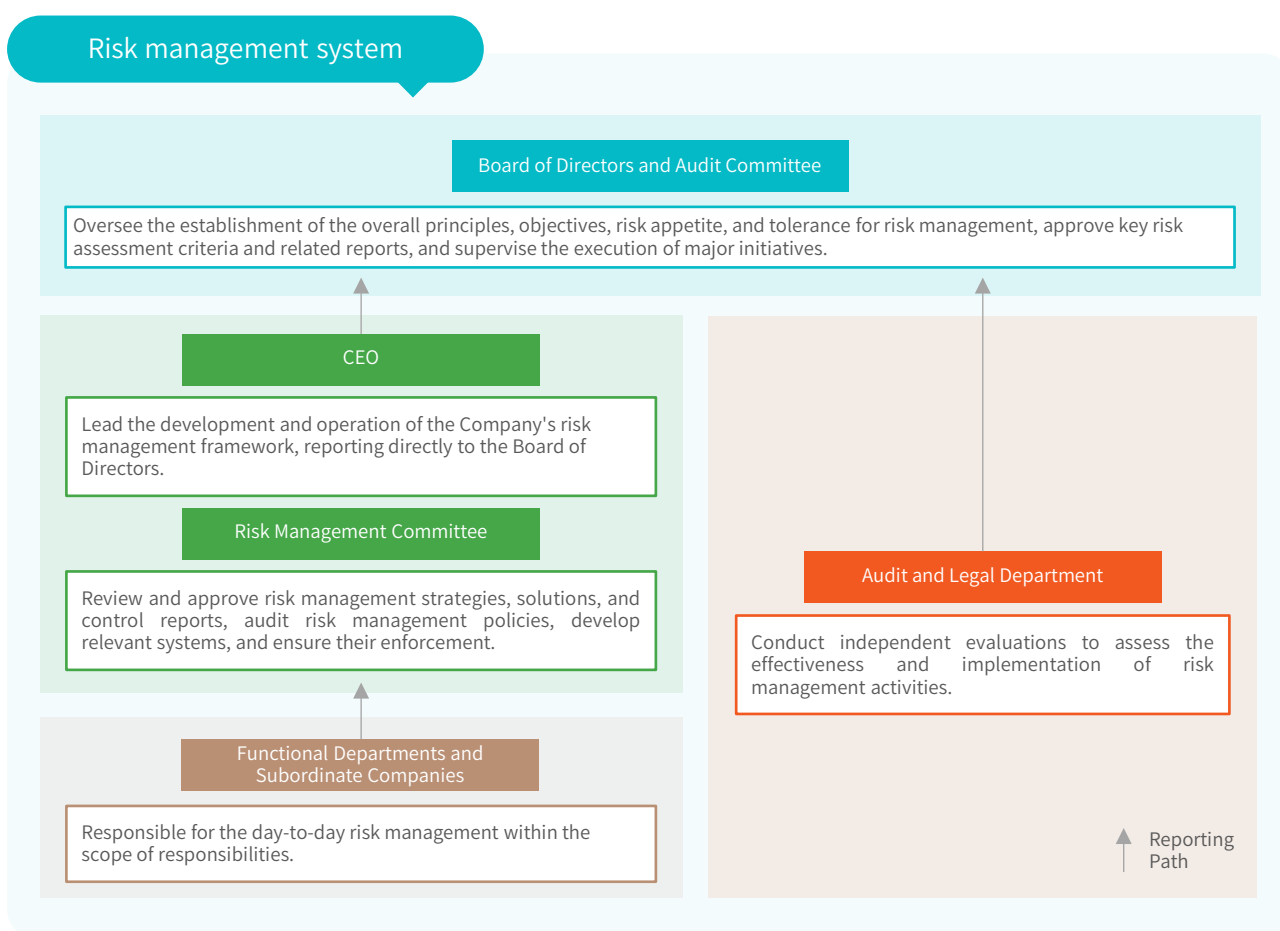
According to the assessment, the Board of Directors regarded that the company's internal control system is sound and effective. There was no significant deficiency in the design or implementation of our internal control.

In 2025, the annual auditor's report on internal control issued by the independent auditor concluded that we had maintained an effective internal control in all major aspects under the *Basic Standards on Internal Control of Enterprises*, the *Enterprise Internal Control Guidelines*, and other related provisions of the Ministry of Finance of the People's Republic of China jointly with four other ministries.

3. Please refer to *Internal Control Evaluation Report and Internal Control Audit Report*.

Risk management

The Company follows the *Enterprise Risk Management Framework* of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and has established a relatively complete organisational system for risk management and risk control mechanisms.



Identification and assessment

The Company has formulated the *Comprehensive Risk Management Rules*. We identify and assess risk events within the Company and its subsidiaries annually, and conduct re-evaluation and revision of risk events identified in the previous year. This ensures the dynamic and effective nature of the risk identification process. Every year, the Company carries out risk assessments through questionnaires and management interviews. In accordance with the risk assessment criteria, the assessments are carried out from two perspectives: the probability of occurrence and the impact severity. This helps to identify the major annual risks and create a risk map, which supports strategic planning, implementation and major decision-making. In 2025, the Company identified 8 significant risks, 5 overseas risks and 6 key ESG risks and opportunities covering safety, environmental protection and climate change.

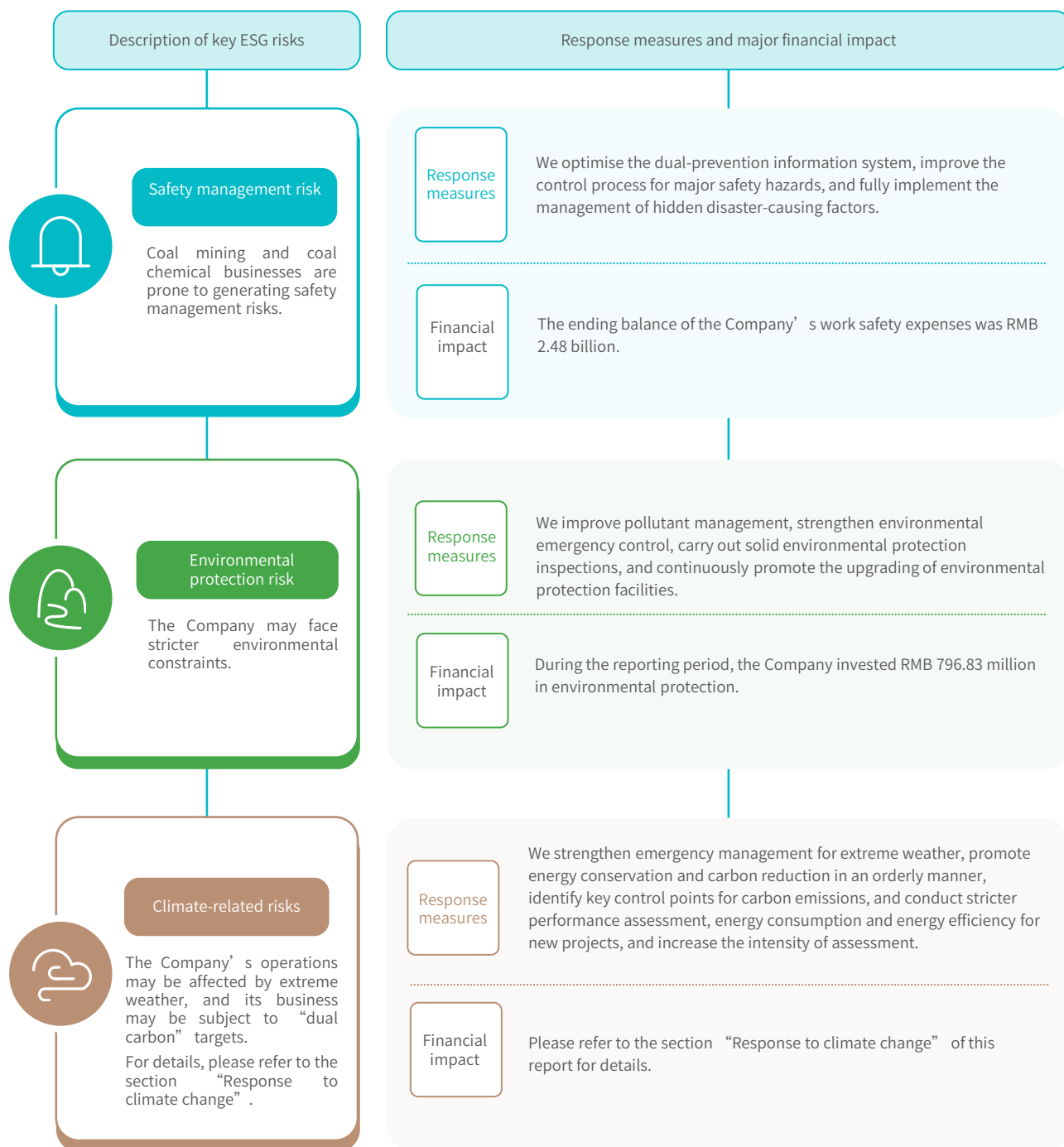
Response and monitoring

In response to the significant risks identified, the Company clarifies the risk appetite and tolerance, and formulates practical risk management strategies based on the internal and external environment and development strategies. Each subsidiary formulates and implements risk response plans based on the Company's risk management strategy and its own actual situation, and regularly tracks the implementation of the response plans. Based on the implementation status, the Audit and Legal Department prepares *Reports on Major Risk Management and Control* on a quarterly basis and reports to the Board of Directors and the Audit Committee.

The Company identifies risk factors in key business activities. Based on the big-data platform, the Company monitors and issues early warnings for risk indicators in key business activities, management activities, and production and operation activities. For risk indicators with abnormal changes, we formulate and implement response plans. In 2025, the Company identified 3 quantifiable indicators for ESG risk early warning and monitoring to further improve the system for significant risks.



Key ESG risks, response measures and major financial impact



The above financial impact data may be related to accounts such as "R&D expenses, fixed assets/costs, and management expenses" in the 2025 annual report.

Risk culture building

The Company incorporates the construction of a risk culture into its development strategy. Risk management education is conducted regularly for directors (including non-executive directors), senior management, and all employees by levels. This is aimed at enhancing their awareness of risk prevention and cultivating a scientific concept of risk management. When developing new products or services, the Company takes risk assessment and management as crucial steps to ensure that new products and services are in line with the overall risk management strategy. The Company conducts annual risk management assessments for its functional departments and subsidiaries. Units and individuals that achieve risk management goals and obtain excellent assessment results will be awarded. Those failing the assessment will receive financial penalties. The company promptly tracked and monitored regulatory developments. As of the end of 2025, the Company has cumulatively compiled and released 162 issues of "Compliance Updates", analysing cases and interpreting new regulations, thereby enhancing the compliance risk awareness of all employees.

Business ethics





The Company complies with the *Law of the People's Republic of China against Unfair Competition*, the *Anti-money Laundering Law of the People's Republic of China* and the *Prevention of Bribery Ordinance of Hong Kong Special Administrative Region*, as well as other applicable laws, rules and regulatory requirements for listed companies. The Company opposes any form of commercial bribery, money laundering, monopoly, and unfair competition, strictly requiring all employees to act with integrity and compliance, and to adhere to business ethics. The Company has developed various policies, such as the *Code of Conduct* and the *Implementation Rules for Clean Management*, improving the corporate business ethics construction mechanism. The Company also clearly stipulates systematic management requirements including the compliance review procedures, whistleblower protection mechanisms, and the accountability system for violations. The Company regularly conducts identification and assessment of business ethics and compliance risks. In accordance with the regulations, the Company's compliance and audit departments conduct business ethics audits or special audits that include business ethics audit for the Company's headquarters and all subsidiaries every year. Through internal audits and special audits, the Company focuses on integrity risks in key areas, formulating and implementing targeted preventive measures. For major issues identified, the Company conducts unified tracking and management.

Supervision and audits

The Company has formulated regulations such as the *Management Rules for the Evaluation and Review of Case Quality*. The Company issues quarterly briefings on the status of supervision, inspection, and discipline-enforcement reviews, strengthens the case-handling mechanism, and improves the supervision competence.

The Company enriches the forms of audit and focuses on key areas to avoid improper transfer of interests and safeguard the rights and interests of shareholders. The Company has established integrity profiles for management personnel to enhance the effectiveness of anti-fraud, anti-corruption, and anti-bribery efforts.

Company's Audit Framework

|  Type |  Content |  Scope |  Action |
|---|--|--|---|
| On-site internal control audit | Anti-commercial bribery Anti-money laundering Anti-unfair competition | Headquarters and all subsidiaries | We formed a list of rectification issues, refined rectification measures, and strictly implemented the rectification responsibilities in business ethics to ensure the quality and timeliness of rectification. |
| Special audit | Integrity discipline | Headquarters and all subsidiaries | We completed 3 audit reports in 2025, and formed a “grid-based” supervision pattern with coordinated and interactive efforts at all levels. |
| Listed company compliance audit | Listed company compliance | 8 companies including Luxi Mining, Shenzhen Duanxin, Wbtech, Xinjiang Neng Hua, and Shandong Xinsha. | We formulated and disseminated the <i>Implementation Opinions on Listed Company Compliance Audit</i> and completed listing compliance audit for 8 subsidiaries to ensure the management and operations of them fully comply with the regulatory requirements for listed entities. |

Training and publicity

The Company has carried out business ethics training and publicity activities such as integrity training, and advocated the knowledge of anti-corruption, anti-money laundering and anti-unfair competition for all employees, part-time employees and interns. The training activities witness a completion rate of 100% for the training assessment.

In 2025, the Company launched themed quarterly campaigns for integrity culture development and conducted regular “Integrity Yankuang” awareness sessions to engage all relevant stakeholders. All business units concurrently promoted integrity education and warning initiatives through official social media accounts and other communication channels, ensuring full employee coverage. Furthermore, the Company communicated its business ethics requirements to third-party partners, reinforcing a shared commitment to integrity.

Business ethics and compliance training

Content of publicity

“Integrity Yankuang” culture brand publicity

Warning education & training

Training data

We organised the participation of key management personnel, staff in critical positions, and family member representatives from all business units.

We organised the production of the integrity culture promotional video “Integrity and Clean Yankuang” .

We released integrity-themed content through 62 short videos, our official WeChat account, and other communication channels, achieving broad outreach and notable impact.

We organised all employees to watch warning education films in a tiered manner.

We arranged for over 60 key personnel from the head office and leaders of affiliated units to observe trials of typical duty-related crime cases.

We arranged more than 160 centralized screenings of internal warning education films for employees, with over 12,000 participants.

Business Ethics Training KPIs

| Trainees | Number of trainings | Total training hours (hour) | Rate of training received (%) |
|---|---------------------|-----------------------------|-------------------------------|
| Directors and senior management personnel | 3 | 6 | 100 |
| Managers, key personnel | 3 | 6 | 100 |
| Other employees | 2 | 4 | 100 |



“Integrity Yankuang” culture brand launch & education session



Yankuang Energy ethical warning and education

Reporting mechanism and whistleblower protection system

The Company encourages whistleblowers to report violations of business ethics. We have established multiple channels for receiving reports, including a hotline, email, mailbox, and visitor reception room, and publishes information about these reporting channels on the Company's website and WeChat official account. The Company has designated specific departments and personnel responsible for managing the reporting mechanism and receiving and investigating reported information. While anonymous reporting is permitted, we prioritize real name reports for timely handling and response. We have established a standardised mechanism and workflow for verifying reported information, encompassing steps such as receipt and registration, centralised assessment, verification and classified disposition, conclusion formulation, review and processing, feedback and archiving, and follow-up and improvement. This ensures that all reports are addressed in a fair, timely, confidential, and effective manner. The Company regularly provides related training to employees, including reporting channels and case handling procedures, enhancing overall awareness and the effective use of the compliance reporting mechanism.

Attaching importance to the protection of whistleblower information, the Company has formulated and implemented the *Whistleblower Protection Policy*, and strictly regulated the reporting handling process. The Company requires the relevant personnel who get in touch with the whistleblower and participate in the handling of reported incidents to strictly keep confidential about the whistleblower's information and relevant content. Responsible personnel must securely manage all report materials; the unauthorised retention, alteration, or disclosure of such information is strictly prohibited to ensure compliant processing. We prohibit anyone from retaliating against the whistleblower to effectively protect the rights and safety of the whistleblower. For those who commit retaliation, we take legal actions against them, and serious cases will be promptly reported to the superior units and judicial organs in accordance with the law.





GOVERNANCE

02 High-quality Development

Yankuang Energy promotes technology innovation, strengthens R&D capabilities, and focuses on intelligent and information-based development. We also continuously improve product and service quality and optimise supply chain management. All these aims to speed up our high-quality development.



Respond to ESG Material Issues

- Product and service, Innovation-driven, Supply chain management

Respond to HKEX ESG indexes

- B5 Supply Chain Management, B6 Product Responsibility

Respond to SSE ESG indexes

- Innovation-driven, Supply chain security, Equal treatment to small and medium-sized enterprises, Safety and quality of products and services, Data security and customer privacy protection

Respond to UN SDGs



Innovation drivers

The Company seeks breakthroughs and higher efficiency through innovation and lean management. Yankuang Energy regards independent innovation and new-quality productive forces as the critical element to enhance core competitiveness and achieve high-quality development. The Company always follows the approach of “independent innovation, key leap, supporting development, and leading the future”. The Company also continuously refines its R&D system, takes advantages of internal and external R&D resources, and focuses on technological innovation in key fields.

Technological development

Yankuang Energy has formulated policies such as the *Management Rules for Scientific and Technological Innovation* and the *Rules for Science and Technology Awards* to provide a systematic guarantee for the high-quality management of the Company’s scientific and technological innovation. In 2025, the Company refined and established documents including the Management Rules for Selecting Partners in Scientific and Technological Projects, further standardising the management processes for scientific and technological innovation.

Yankuang Energy aligns its innovation activities with the practical needs of industrial development, focusing on overcoming key technological difficulties. Through collaboration with leading domestic research institutions, the Company has achieved multiple technological breakthroughs in coal mining, coal chemical engineering, high-end equipment, and other fields. It maintains sustained investment in these critical areas, driving the steady advancement of the industry towards higher-end, intelligent, and green development. In 2025, with RMB 3.40 billion invested in R&D, the Company harvested 59 scientific and technological achievements at the advanced or leading international level and was awarded 87 ministerial/provincial-level prizes. The project of “Energy Supply Impact Hazard Detection Equipment for Roadway Surrounding Rock and Multidimensional Pressure Relief Control Technology” won the Second Prize of Shandong Science and Technology Invention Award. The project of “Green Manufacturing Key Technology and Industrialisation of Vanadium-Nitrogen Microalloyed Advanced Steel Materials” won the Second Prize of Shandong Science and Technology Progress Award.

Yankuang Energy promotes the construction of high-level R&D platforms, and actively expands the collaboration with industry, academia and research institutions. By the end of 2025, the Company had established a technological innovation system, led by high-level R&D platforms including the National Enterprise Technical Centre, an academician workstation, a national CNAS-accredited laboratory, three postdoctoral research stations, and a postdoctoral innovation base. The system is further supported by 28 ministerial/provincial-level R&D platforms and 29 high-tech enterprises, forming a comprehensive R&D layout that covers fields including intelligent mining, coal chemical engineering, and high-end equipment manufacturing.



Case New breakthrough achieved in key technologies for the construction of kilometre-deep shaft

Addressing the challenges of applying the ground freezing method in coal mining in western China, Xibei Mining, in collaboration with China University of Mining and Technology and General Technology Group Engineering Design Co., Ltd., among other institutions, implemented the project “Key Technologies for Kilometre-Deep Shaft Sinking by Freezing Method in Complex Water-Rich Rock Strata”. The initiative developed freezing techniques for fractured rock formations under high ground temperatures and high waterflow conditions, thereby expanding the applicability of the freezing method. The research outcomes were evaluated as internationally leading and received the First Prize of the 2025 Science and Technology Progress Award from the China National Coal Association.



The “Key Technologies for Kilometre-Deep Shaft Sinking by Freezing Method in Complex Water-Rich Rock Strata” won the First Prize of Science and Technology Progress Award from the China National Coal Association



Case Technology development of hundred-tonne-scale CO₂-to-ethanol conversion with co-production of olefins

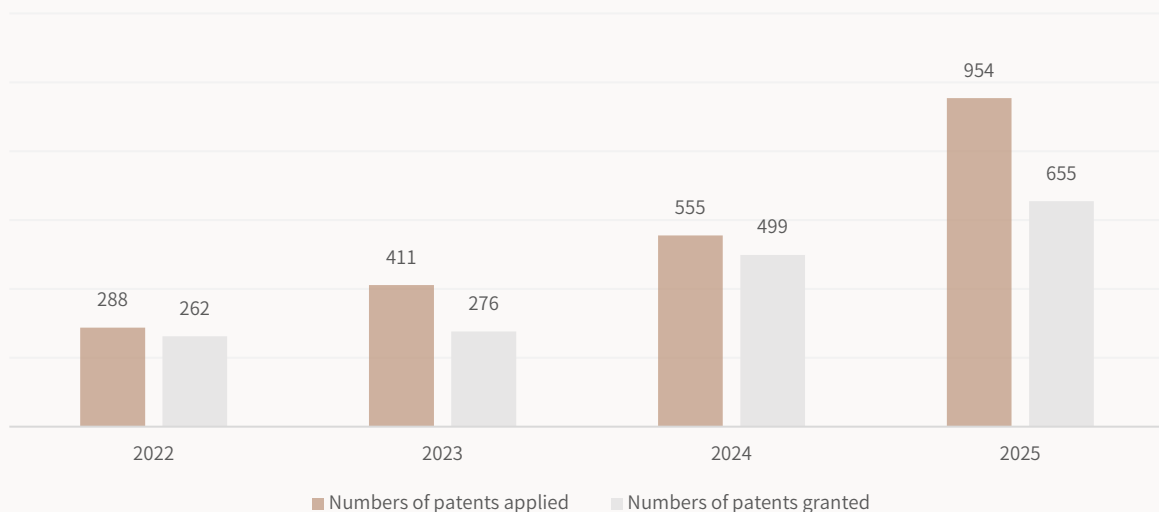
In 2025, Lunan Chemicals, in collaboration with China University of Petroleum, developed a technology for converting CO₂ into ethanol while co-producing olefins at a hundred-tonne scale. This technology is designed to directly convert surplus CO₂ from gasification units into high-value-added ethanol and olefins, significantly contributing to carbon reduction and serving as a key technology for Lunan Chemicals to achieve its carbon neutrality goals. Based on calculations, the deployment of an industrial facility using this technology to process 200 thousand tonnes of CO₂ annually could produce approximately 40 thousand tonnes of ethanol and olefins per year. The projected pre-tax profits could reach RMB 40 million, thereby delivering both environmental and economic benefits.

Intellectual property

Yankuang Energy strictly complies with the *Patent Law of the People’s Republic of China*, implements the national standard of the *Enterprise Intellectual Property Management*, formulates internal policies such as the Patent Management Measures, which clearly defines the responsibilities for intellectual property management, to actively optimise the intellectual property management processes. The Company analyses and explores the key technologies of the industry, optimises the intellectual property layout across various industries, shortens the patent application cycle, and improves the quantity and quality of patents. In 2025, the Company filed 954 patent applications and was granted 655 patents, including 158 invention patents, 493 utility model patents and 4 design patents. The Company also obtained 24 software copyrights.

The Company has included “trademark management and intellectual property protection” as the key content in the *Company’s Legal Affairs Management Measures* to enhance intellectual property protection. In 2025, there was no intellectual property infringement related to the Company.

Number of patents obtained in recent years



Product and service

Both quality and management are fundamental to enterprises. Yankuang Energy values quality management, continuously striving to enhance product quality and customer service. We are committed to developing first-class “standards of Yankuang” and creating excellent “quality of Yankuang” .

Product quality

Committed to improving the quality of products and services, Yankuang Energy abides by the *Product Quality Law of the People’s Republic of China* and other relevant laws, regulations and industry standards. We have formulated and implemented the *Product Quality Management Rules*, *Comprehensive Quality Management Procedures* and the *Main Product Quality Standards* as part of our product quality management system, standardising product quality control processes and criteria. We also strictly prohibit false advertising and monopoly. During the reporting period, the Company was not involved in litigation or significant administrative penalties due to acts of unfair competition.

The Company has established a quality management leading group and clarified the responsibilities of product quality management and the goals of quality control. The Company has also established a robust raw material inspection process and product quality inspection mechanism, and strictly implemented various production process indicators to ensure stable up-to-standard product quality. Moreover, we continuously optimise and adjust our product portfolio, actively applies advanced intelligent technologies and systems, conduct skill training and competitions, quality promotions month, and other activities to enhance employee quality awareness and further improve product quality.

In 2025, the Company successfully passed the certification of ISO 9001 quality management system, with no major accidents related to product safety and quality.

Coal products

The Company adheres to the concept of “Coal Quality and Efficiency” and promotes the “Three Zeroes” program, namely zero management defects, zero product impurity, and zero customer complaints. The Company has formulated a well-rounded coal quality management system, equipped with several policies, such as the *Measures on Coal Quality Management* and the *Management Rules on Saleable Coal Quality Management*. The Company improves the coal quality forecasting system, strengthens quality management during the production process, and ensures that coal quality meets various national standards. In 2025, the Company advanced the development of the intelligent coal preparation system, implementing technological improvements and upgrades across multiple aspects of the preparation process. The coal preparation plants at Baodian Coal Mine and Dongtan Coal Mine were among the first to pass acceptance as “National Intelligent Demonstration Mines.” This year, the Company’s clean coal products continued to maintain an impurity-content rate of 1kg or less per ten thousand tonnes, with a 100% pass rate of saleable coal.



Gold Award at the 50th International Convention on Quality Control Circles (ICQCC)

Coal chemicals products

The Company has established a chemical products quality management leading group, implemented comprehensive quality management processes, standardised production operating procedures, and strictly controlled inspection workflows. By proactively introducing intelligent AI control systems to dynamically monitor core process indicators in real time, it predicts quality fluctuation trends, significantly enhancing the precision and stability of quality control. In addition, the Company's polyformaldehyde, acetic anhydride and caprolactam products have been certified by multiple international organisations such as Société Générale de Surveillance (SGS), Underwriters Laboratories (UL) and the U.S. Food and Drug Administration (FDA). In 2025, the Intelligent Manufacturing Future QC Group of Lunan Chemicals won the highest award, Gold Award, at the 50th International Convention on Quality Control Circles (ICQCC).

Mechanical products

The Company adheres to the positioning of high-end equipment manufacturing industry and determines the key quality control points. We closely monitor updates in regulations and standards related to mechanical manufacturing products both domestically and internationally, formulating safeguard measures for product quality. The Company continuously revises and improves the product production standard series and formulates hierarchical quality control objectives according to management levels. We introduce industry technical experts from Caterpillar and advance quality inspection standards based on Six Sigma, upgrade the informatisation and intelligence levels of production equipment, and improve the quality control capabilities of "whole process supervision" .

Electric Power products

The Company has deepened the professional management of power, built a lean production operation system, and promoted the safe, efficient, and stable operation of the power production system. The Company thoroughly implements the "twice-a-year inspection" for units, refines the maintenance work of equipment and facilities to ensure the continuous, safe, and stable operation of the units. In 2025, the Company had no unplanned outages.

Intelligent logistics

The Company has its own railway, collection station, water transport terminals, and a shipping fleet. Following the "entity + platform" development model, the Company systematically integrates resources and focuses on promoting the integrated construction of transportation, storage, distribution, and supply. It has established a modern logistics service system integrating railways, highways, ports, shipping, parks, and platforms into a "five-in-one" structure. The system's main business includes the transportation of bulk materials such as coal, general cargo, and hazardous chemicals, as well as coal storage and distribution services. It has formed a logistics service network covering major economic regions in China, including Shandong, Inner Mongolia, Shaanxi, Shanxi, Gansu, Xinjiang, Guizhou, and the areas along the Grand Canal and the Yangtze River.



Service quality

Customer relationships



In accordance with the service purpose of “customer first”, the Company has developed and improved several regulations and measures, including the *Management Rules of Customer Maintenance Services*, the *Management Rules for Market-Oriented Operation of Direct-Supply Customer Development* and the *Measures for Customer Relationship Management*. We strengthen customer relationships by improving professional quality, enhancing client communication, reinforcing coal quality supervision, and leveraging synergistic benefits.

Customer satisfaction



To improve customer satisfaction, the Company makes more frequent visits to customers. This allows us to understand customer needs first-hand, keep detailed records of customer service, and build a solid supply and demand relationship. We also coordinate with mines for customised processing to meet the diverse product needs of customers. In addition, we optimize customer contact mechanisms, proactively identify potential shortcomings in service delivery, and address customer concerns or disputes at their nascent stage. We gather client feedback through channels such as post-sales follow-ups, satisfaction surveys, and industry exhibitions, compile an improvement checklist, and communicate it to production departments to facilitate further optimisation of product quality. In 2025, the Company conducted a customer satisfaction assessment, with the satisfaction score of 95.65%.

Customer complaints handling



The Company has formulated the *Management Rules for Handling Customer Complaints*, established a sound complaint handling process, which specifies the steps of data collection and transmission channels, valid complaint determination, on-site verification and objection handling. This ensures that the complaint handling mechanism operates in a timely and efficient manner, the complaint determination process is detailed and standardised, and the objection handling process is fair and transparent. In 2025, the Company received no complaints from customers regarding products and services, experienced no major accidents related to product and service safety and quality, and had no product returns or recalls.

Customer information confidentiality



The Company strictly abides by the *Personal Information Protection Law of the People's Republic of China* and has formulated the *Confidentiality Management Rules*. We require personnel in the whole service process to strictly safeguard customer information, standardise confidentiality practices, and protect customers' commercial and personal information. Customer service employees of the Company are required to sign the *Confidentiality Letter of Commitment*, promising not to disclose customer files, contract prices or other related information of customers without authorisation. The Company's *Archives Management Rules and Documentation Filing Management Rules* require that paper documents containing customer information be regularly archived in accordance with applicable rules to ensure that customer information is properly preserved. The confidential information of customers is managed by special personnel, and the inspection of confidential information shall be subject to approval procedures. In 2025, the Company had no incidents related to exposure of customer privacy.

Cybersecurity

Yankuang Energy strictly abides by laws and regulations such as the *Cybersecurity Law of the People's Republic of China* and the *Data Security Law of the People's Republic of China*. We continue to improve policies such as the *Management Rules for the Administration of Network Security* and the *Data Security Management Rules (Trial)*, standardise information security workflows, which all employees are required to comply with. The Company strictly implements the requirements of China's Multi-Level Protection Scheme (MLPS) 2.0 for classified protection of cybersecurity. It currently maintains 20 Level-3 systems and 43 Level-2 systems.

The Company regularly identifies potential risks to network security and information security. We conduct vulnerability analysis and hacker attack and defence drills, upgrade internet access security measures, and deploy network security protection equipment such as firewalls and threat monitoring and analysis systems. This ensures the secure operation of the Company's network. For critical data, the Company adopts measures such as encryption, data masking, and access control to ensure the confidentiality, integrity, and availability of data. The Company disposes of data at the end of its useful life in a secure and compliant manner to ensure that the data is not misused or leaked. The Company proactively participates in cybersecurity exercises, including offensive and defensive drills and phishing attack simulations, to verify the effectiveness of its emergency response procedures. This ensures the secure and stable operation of its information systems.

The Company conducts annual special inspections and supervised assessments of network security and informatisation in accordance with the *Measures for the Assessment of Network Security and Informatisation* and includes information security in employee performance evaluations. The Company regularly holds information security knowledge contests, network security training sessions, and activities such as the "National Network Security Publicity Week" to raise employees' awareness and ability in information security. We also encourage staff to report suspicious situations related to the information security system and establish a standardised reporting process that includes receipt and registration of information, timely investigation and response, and feedback and follow-up procedures. In 2025, the Company had no major information security incidents.



Supply chain management

Recognising the importance of supply chain management, the Company strives to create an open, transparent, and fair environment for cooperation. We continuously optimise our systematic supplier management model. While ensuring our own interests, we earnestly consider the interests of suppliers and achieve win-win cooperation with suppliers.

Risk management of supply chain

The Company has incorporated supply chain risk management into its overall risk management. We regularly identify risks and opportunities in the supply chain, analyse the causes and potential impacts of risks and opportunities, and formulate management objectives and response measures. In terms of ESG, the Company has identified the risks and opportunities in green procurement and supply chain resilience and formulated the following management objectives and response measures:

Management objective

Strictly restrict the procurement of products that are banned or restricted by government due to high pollution and environmental risks, or products whose production, procurement and use are discouraged, and prohibit the procurement of products that fail to meet environmental standards.

Response measures

- We strengthen communication with suppliers and encourage them to carry out green technological innovations.
- We optimise product procurement standards by incorporating energy-saving and environmental protection technical indicators into the bidding documents.
- We improve the supplier access mechanism, strengthen the audit of suppliers' environmental management, and give priority to environmentally friendly products.
- We encourage suppliers to prioritise green storage and transportation methods when there's no delivery delay, to reduce the environmental impact of the supply chain logistics.
- We reinforce the stability of the supply chain. By acquiring SMT Scharf AG, we establish our own industry chain for independent manufacturing of underground mining equipment and auxiliary transportation facilities, thereby ensuring a steady supply of key components and technologies. By acquiring Wbtech and drawing on its mature business of online freight platform, we improve our presence in the intelligent logistics sector and ensure the stable operation of the logistics system.

Supplier access and exit

Yankuang Energy has standardised supplier access, strengthened supplier management, and ensured the stable and smooth operation of the Company's supply chain. The Company has set up a leading group for supplier management under the leadership of the CEO to oversee supplier management operations. We have formulated the *Supplier Management Rules* and the *Implementation Rules of Supplier Management* to strictly standardise the process of supplier access, evaluation, supervision, inspection and exit for all suppliers and clarify the responsibilities of management departments. We incorporate supplier information into our master data management platform (MDM) and update and maintain MDM system information in real time, enhancing the lifecycle management of suppliers through technological empowerment.

The Company's supplier pre-access on-site assessment comprises two stages, desk research and an on-site review. During the desk research phase, we evaluate the necessity of a supplier's products or services for our operations. This process centrally involves verifying key documentation, including business licenses, production permits, and certifications for quality, environmental, and occupational health and safety management systems, as well as any green certifications. The Company also screens enterprise credit and environmental penalty records using credit information platforms such as Tianyancha and Credit China, excluding suppliers with adverse records from further consideration. During the on-site review, the Company conducts a comprehensive assessment of suppliers' safety, environmental, and quality management systems, production safety emergency mechanisms, clean production standards, waste treatment capabilities, and green storage and logistics. The review also includes an examination of suppliers' environmental compliance documentation,

production safety records, employee labour contracts, and social insurance payment certificates. This thorough evaluation of production capabilities, quality assurance, and after-sales service ensures rigorous quality control of supplier resources from the source. The Company takes into comprehensive consideration factors including the supplier's sector, the specific risk profile of the products or services being procured, and the potential negative impacts related to ESG aspects, such as risks associated with labour conditions and energy consumption. The Company requires suppliers to sign the *Supplier Survey and Integrity Commitment*, which explicitly prohibits unfair competition such as false advertising and monopoly and ensures that they comply with the Company's relevant requirements. Suppliers that fail to meet the Company's minimum ESG management standards and do not demonstrate improvement within a specified time frame will not be eligible for contract awards. In 2025, the Company newly developed nearly 700 high-quality suppliers, continuously optimising the structure of its supply resources.

We have developed a regular appraisal mechanism for suppliers, which includes both dynamic routine evaluation and annual appraisal. With this mechanism, we carry out comprehensive appraisals on suppliers' business volume, degree of cooperation, contract fulfilment rate, delivery timeliness, product qualification rate, complaints and compliance with business ethics policies at regular intervals every year. Based on the appraisal results, we eliminate unqualified suppliers and optimise the supplier portfolio. In 2025, the Company carried out assessment on 2,210 suppliers, with the results indicating that all suppliers met the required standards. No suppliers with significant negative impacts were identified.

Supplier ESG management

The Company has made safety performance, environmental protection and business ethics the basic conditions for supplier access in the *Supplier Management Rules* and has signed the *Commitment on Production Safety and Environmental Protection* with suppliers. We have also integrated an ESG-specific component into regular supplier evaluation and formulated the *Code of Corporate Conduct* covering all suppliers, contractors and other partners, encouraging suppliers to improve their safety, environmental and social risk management.

The Company is committed to creating an open, fair and just procurement environment. As such, we have formulated the *Supplier Business Ethics Policy*, which requires suppliers and partners to comply with the business ethics and laws of their respective countries (regions) and adhere to the highest moral and ethical standards in their business practices. With the help of the Enterprise Resource Planning (ERP) management platform, the Company integrates ethical conduct oversight to prevent commercial bribery and other corrupt incidents. Besides, a whistleblowing and complaint hotline has been set up. In terms of supplier training on business ethics, the Company sends the *Open Letter to All Suppliers* to make suppliers aware of the Company's relevant policies and regulations on business ethics and asks them to make a formal commitment to follow such policies and requirements. Suppliers in violation of relevant policies and requirements will be put into a "blacklist". In 2025, the Company communicated its business ethics requirements to third-party partners to reinforce a shared commitment to integrity. All suppliers made formal commitments to understanding and complying with the Company's business ethics requirements.

Yankuang Energy and its subsidiaries entrust the task of ensuring personnel and property safety to external security service providers. To prevent human rights risks from security service providers and their operations, the Company

urges suppliers to pay attention to human rights protection. We have formulated the *Code of Conduct for Security Personnel* and the *Duties and Assessment Standards for Security Personnel*, requiring all external security companies and personnel to comply with the relevant laws and regulations and standards of their respective countries (regions). This includes China's *Regulations on Internal Security and Safeguard for Enterprises and Public Institutions and the international Voluntary Principles on Security and Human Rights*. The Company clearly defines the specific responsibilities and working standards for all security institutions and personnel. Security personnel committed to conducting defensive security operations in compliance with local laws, regulations and standards, refraining from activities outside designated security areas. Additionally, a corresponding assessment system is established, and regular compliance reviews of security operations are conducted in cooperation with third-party organisations to prevent any acts that may infringe upon human rights. The Company provides training on conduct and professional skills to security personnel to improve their professionalism and enhance their sense of responsibility.

The Company has established a communication mechanism with suppliers. We communicate and share information with suppliers using multiple channels such as technology sharing platform and discuss the development trend of the industry and the market, to establish a harmonious and cooperative relationship with them and facilitate their progress and growth. In 2025, the Company conducted a satisfaction questionnaire survey for 96 key suppliers, involving 14 aspects such as contract performance and the comprehensive quality of business personnel, which enhanced the understanding and consensus between the two sides. We also organised supplier forums, inviting supplier representatives to participate and actively listening to their feedback and suggestions.

Meanwhile, the Company mandates that all procurement activities comply with its *Code of Corporate Conduct* and *Supplier Business Ethics Policy*. The principles and requirements for green and responsible procurement are integrated into the annual mandatory training programme for procurement personnel. In May 2025, the Company organised training on contract legal risks and case studies for all relevant staff in procurement, contract management, risk management, compliance, and related functions. This training enhanced their understanding of ESG principles and clarified their management responsibilities.

The Company has formulated the Local Sourcing Policy, continuously strengthens communication and collaboration with local suppliers, focuses on their development needs, and offers professional advice when appropriate. Based on actual procurement needs and under the same conditions, the Company prioritises local suppliers. This improves the resilience of the Company's supply chain while supporting the development of local suppliers.

The Company strictly fulfils the contracts, makes payments in accordance with the contracts in a timely manner and safeguards the legal rights and interests of suppliers. The contract performance rate of the Company in 2025 was 100%.



Number of suppliers of the Company

| | |
|-----------------------------------|-------|
| Total number of suppliers | 3,602 |
| Suppliers in Shandong | 1,604 |
| Suppliers in other parts of China | 1,998 |

ENVIRONMENTAL



03 Green Operation

Pursuing the target of green, low-carbon and high-quality development, Yankuang Energy integrates the “Green Governance” concept into the whole process of production and operation, actively deepens environmental governance, concerns low-carbon development and climate change, and vigorously promotes energy conservation and emission reduction. We are committed to fulfilling the target tasks of environmental protection, energy saving, water saving and carbon emission.



Respond to ESG Material Issues

- Environmental protection management, Energy-saving management, Water-saving management, Green ecology, Response to climate change, Carbon emission

Respond to HKEX ESG indexes

- A1 Emissions, A2 Use of Resources, A3 The Environment and Natural Resources, A4 Climate Change

Respond to SSE ESG indexes

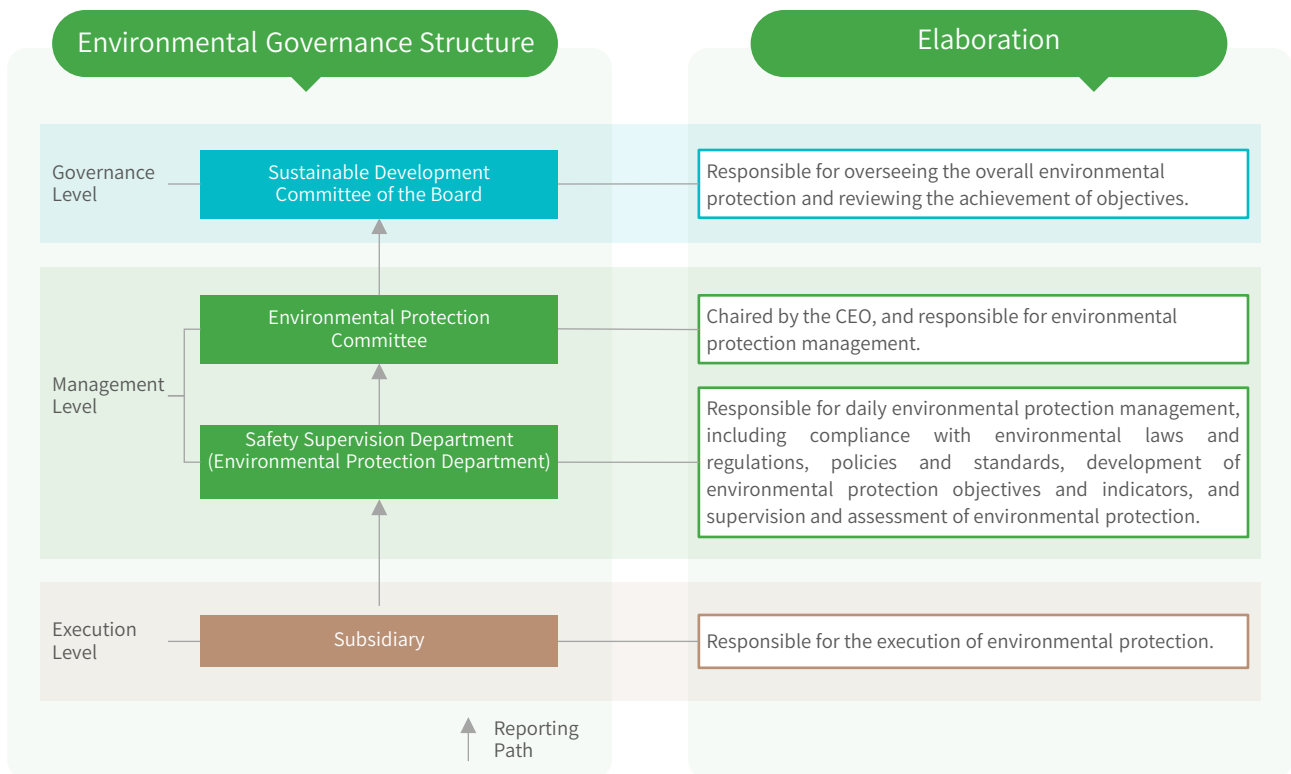
- Response to climate change, Pollutant discharge, Waste treatment, Ecosystem and biodiversity protection, Environmental compliance management, Energy usage, Usage of water resources, Circular economy

Respond to UN SDGs



Environmental protection management

In strict accordance with the *Environmental Protection Law of the People's Republic of China, Regulations on the Administration of Discharge Permits* and other relevant laws and regulations, the Company establishes and effectively operates an environmental management system, implements the *Environmental Protection Management Rules* and other relevant policies, optimises the appraisal method of environmental performance, and orderly promotes key environmental protection projects such as water pollution control projects. In 2025, the total control targets⁴ of particulate matter, sulphur dioxide (SO₂), nitrogen oxides (NO_x), chemical oxygen demand (COD), and ammonia nitrogen for the Company's domestic operation area were 1,313.29 tonnes, 4,799.47 tonnes, 6,521.47 tonnes, 3,436.26 tonnes, and 297.80 tonnes respectively. The actual discharges were lower than the certified total discharges.



The Company organises and conducts routine and specialised environmental inspections and audits every year through self-inspections, third-party engagements and cooperation with government regulators. In 2025, we carried out 63 environmental inspections and audits, covering all units with emission sources, which strongly promoted the construction of major environmental protection projects and the elimination of environmental hazards. In terms of the annual compliance check, the Company accepted 201 ecological and environmental supervision inspections of all affiliated units by environmental protection departments at all levels of the government, and all the units passed the inspection successfully.

In 2025, the Company established a complete environmental management system in all subsidiaries and business operation units, and successfully achieved 100% coverage of the ISO 14001 environmental management system certification. All the voluntary agreements signed by the Company and regulators on environmental protection to improve environmental behaviour have been implemented. There was no environmental pollution incident throughout the year, and no significant impact on employees, local communities or other groups.

⁴ Total control targets are the same as the annual pollutant discharging permission volumes.

Future emission targets

Long-term target

- Achieve the “Dual Control” targets for concentration and total emissions of major pollutants. Hazardous waste disposal rate, radioactive sources intact rate, the implementation rate of environmental assessment and the “Three Simultaneity” of construction projects reaching 100%.
- The comprehensive utilisation rate of coal gangue and ash will be maintained at 100%.
- By 2030, emissions of particulate matter, SO₂, NO_x, COD, and ammonia nitrogen will be reduced by 20% compared with the total targets, respectively.

Short-term target

- By 2026, achieve a 3% reduction in emissions of major water pollutants (COD) and major air pollutants (SO₂) in the domestic operations area compared to 2022.

Target progress in 2025

Long-term target

- The “Dual Control” targets for concentration and total emissions of major pollutants were completed. Hazardous waste disposal rate, radioactive sources intact rate, the implementation rate of environmental assessment and the “Three Simultaneity” of construction projects reached 100%.
- The comprehensive utilisation rate of coal gangue and ash was maintained at 100%.
- Emissions of particulate matter, SO₂, NO_x, COD, and ammonia nitrogen all remained below the total control targets by 85.9%, 80.3%, 47.5%, 65.7%, and 89.0% respectively.

Short-term target

- Achieved a 1% reduction in emissions of major water pollutants (COD) and major air pollutants (SO₂) in the domestic operations area compared to 2022.

Water pollutant management

The Company's water pollutants mainly derive from coal mining and coal chemical production, for which online monitoring facilities have been installed at all major discharge outlets. The Company built 126 sewage treatment plants (stations) with a sewage treatment capacity of 1,749 kilotonnes per day and a sewage treatment rate of 100%. Our external drainage quality is better than the national and local emission standards.

The Company also continues to upgrade the domestic sewage treatment systems and strengthen the management of sewage discharge to avoid pollution of surface and underground water sources.

Water pollutant management KPIs

| | |
|--|-----------|
| COD emissions (tonnes) | 1,177.79 |
| Ammonia nitrogen emissions (tonnes) | 32.64 |
| Wastewater discharged (10,000 m ³) | 12,984.50 |



Case Technical renovation project of domestic sewage treatment system

In 2025, Yangcun Coal Mine implemented a renovation using a synergistic combined treatment process of “Anoxic + ABFT + High-Efficiency Clarification + Multi-Media Filtration” for domestic sewage. This process features a high degree of automation and simple operation and management. The treated effluent quality meets the Class III water quality standard, effectively safeguarding the quality of the surrounding water environment.



Yangcun Coal Mine domestic sewage treatment system



Case Optimisation and renovation of sewage aerators

Yulin Neng Hua implemented an optimisation and renovation of aerators, adopting swirl aerators with higher oxygen utilisation efficiency and replacing high-energy-consuming circulating water pumps with push-flow mixers. This addressed several issues of the original sewage station, including high energy consumption, long treatment cycles, and the tendency for total nitrogen in the effluent to exceed standards. After the renovation, the total nitrogen in the system effluent has been stably reduced to below 15mg/L, and the treatment capacity has been significantly enhanced. This resulted in annual electricity cost savings of approximately RMB 809,000, achieving a dual improvement in environmental and economic benefits.

Waste gas management

The Company's waste gas emissions mainly come from power plants, coal chemical production units, and operations at some coal mines. The primary pollutants include SO₂, NO_x, particulate matter, and VOCs. In strict compliance with the *Emission Standard of Air Pollutants for Thermal Power Plants* and *the Emission Standard of Air Pollutants for Boilers*, the Company has carried out air pollution management, ensuring compliance with the emission standard. This helps to avoid impacts on employees and residents in surrounding communities.

Waste gas management KPIs

| | |
|---------------------------------------|-----------|
| SO ₂ emissions (tonnes) | 951.17 |
| NO _x emissions (tonnes) | 10,128.40 |
| VOCs emissions (tonnes) | 81.33 |
| Particulate matter emissions (tonnes) | 185.18 |



Case VOCs treatment renovation for painting line

In 2025, Donghua Heavy Industry comprehensively upgraded the technical system for VOCs waste gas treatment on its painting line, transforming the original treatment process into a high-efficiency combined system of “Zeolite Rotor Adsorption and Concentration + Regenerative Thermal Oxidation”. This project achieved a VOCs removal efficiency of over 95%, with emission concentrations consistently below 10mg/m³. It is estimated to enable an annual VOCs reduction of approximately 12.96 tonnes. Furthermore, the new process completely eliminates the use of activated carbon and the resulting hazardous waste, leading to annual savings exceeding RMB 300,000 in related procurement and disposal costs.



VOCs treatment renovation for painting line



Case Comprehensive recovery and utilisation of waste gas

Lunan Chemicals implemented VOCs treatment within its plant premises, comprehensively recovering organic waste gases (containing methanol, ethanol, acetic acid, etc.) generated from tank farms and loading stations. These recovered gases are fed into the Company's waste heat boilers. Simultaneously, tail gases from chemical processes, such as methanol vent gas and butanol tail gas, are also recovered. The steam generated from tail gas incineration is fed into the network to supply thermal energy. The annual steam output is estimated to reach 160,000 tonnes, reducing boiler coal consumption by approximately 30,000 tonnes per year, equivalent to about 21,000 tonnes of coal equivalent.



General solid waste management

The Company's general solid waste mainly includes gangues, coal ashes and slags. The Company conducts research and applies technologies such as underground gangue separation and mining with refilling to reduce gangue discharge from the source and explore comprehensive utilisation schemes for improving solid waste treatment and reduction. Meanwhile, gangues, coal ashes, and slags are used for construction materials production, road building, and land reclamation, or are transferred to third-party companies for compliant disposal and utilization, actively supporting the circular economy. For temporarily stored gangues and similar materials, we have temporary storage bunkers and conduct regular inspections. In 2025, the Company's comprehensive utilisation rate of coal gangue, coal ashes and slags was maintained at 100%.

For tailings involved in the Company's Australian operations, we carry out systematic management by implementing strategies such as containment, monitoring, and adherence to relevant regulatory standards to minimise tailings-related risks.

The Company provides annual waste management-related training to environmental personnel and conducts professional environmental examinations. This year, the Company organised focused training to enhance the competency of environmental management staff, with a total of 93 training sessions conducted throughout the year.

General solid waste management KPIs

| | |
|--|----------|
| General solid waste generated (10,000 tonnes) | 2,639.04 |
| Density of general solid waste (10,000 tonnes/RMB 1 billion of sales income) | 19.79 |



Case Key technology for ultra-long fully mechanised mining with refilling

Xinjulong, in collaboration with China University of Mining and Technology and Shandong University of Science and Technology, completed the research and application of the “Key Technology for Ultra-Long Fully Mechanised Mining with Refilling” project. This project enables the establishment underground of an intelligent coal gangue sorting system with an annual processing capacity of 4 million tonnes and an in-situ refilling system with an annual capacity of 1.5 million tonnes. This allows gangues to be processed without being brought to the surface, forming a synergistic “Integrated Deep Mining, Sorting, and Refilling” mining model. This project has been included in the National Key Research and Development Program of China.

In 2025, this project successfully facilitated the replacement and extraction of 531.5 thousand tonnes of coal resources.



Case Collaborative solid waste disposal

Future Energy Coal-to-Liquid Branch implemented a technical renovation project for paraffin wax filtration optimisation, maintaining the slag discharge pipelines and outlets, and strictly controlling the co-firing ratio according to the co-firing plan. This resulted in annual disposal cost savings of approximately RMB 64.53 million. Furthermore, this company optimised the stable operation of the reaction water distillation system, generating economic benefits of approximately RMB 61.46 million throughout the year.

Hazardous waste management

The Company's hazardous waste mainly includes used mineral oil, and waste catalysts. With a complete hazardous waste management system, the Company built hazardous waste repositories in compliance with national standards and assigned professionals to properly record hazardous waste storage and transfer. We enter into contracts with companies with hazardous waste recycling qualification, to ensure a timely and professional treatment of hazardous waste. In 2025, the Company's disposal of hazardous waste was 100% in compliance with laws and regulations.

Hazardous waste management KPIs

| | |
|--|------|
| Hazardous waste disposed (10,000 tonnes) | 8.34 |
| Density of hazardous waste (10,000 tonnes/RMB 1 billion of sales income) | 0.06 |

Environmental emergency management

Based on risk assessment for environmental emergencies and emergency resource investigations, the pollutant-discharging units of the Company develop the *Environmental Emergency Plan*, filed to the local ecological and environmental authority. To enhance response and handling capabilities in environmental emergencies, each pollutant-discharging unit conducts environmental emergency drills annually, covering scenarios such as sewage overflow and hazardous waste leakage. In 2025, the Company organised 93 special emergency drills, with a cumulative total of more than 1,700 participants. During the year, the Company strictly implemented the emergency emission reduction list and differentiated emission reduction measures. There were no environmental protection violations during the emergency response periods for heavy air pollution weather.



Case Emergency response drill

In November 2025, Future Energy and Yulin Neng Hua jointly conducted a comprehensive emergency drill simulating a fire and explosion accident triggered by “a flange leak at a storage tank in the polyformaldehyde workshop”. The drill covered multiple phases, including initial workshop response, personnel evacuation, activation of Level-I response, firefighting, two-level coordinated reinforcement, and leak sealing. Six fire trucks and equipment such as firefighting robots were deployed. This drill tested the scientific rigor of the Company's emergency plan and enhanced the response capability for hazardous chemical accidents.



Conducting emergency response drill



Case

Comprehensive emergency drill for production halt and evacuation due to natural disasters & ground flood prevention

On 28 May 2025, Nantun Coal Mine conducted a comprehensive emergency drill for production halt and personnel evacuation due to natural disasters and ground flood prevention. This drill simulated a scenario where “the mine encountered extreme weather including heavy rainfall, intense lightning, and strong winds. Continuous rainfall over 12 hours exceeded 50mm and was still ongoing, causing severe water accumulation around the auxiliary shaft and mixed shaft portals, posing a threat to mine safety” . The drill implemented a complete mine production halt and personnel evacuation, along with the sealing and blocking of shaft portals for flood prevention. A total of 292 people from 30 units participated in this drill. Through the on-site drill, the Company confirmed that the emergency plan was reasonably formulated, with contents and procedures aligned with actual conditions, demonstrating scientific rigour and operability.



Simulating severe weather drill



Energy-saving management

The Company follows the national guidelines and policies on energy conservation and emission reduction, and strictly abides by the *Energy Conservation Law of the People's Republic of China* and other laws and regulations. We have formulated policies such as the *Management Rules for Energy Conserving and the Comprehensive Power Saving Assessment Management Measures for Production Mines*. The Company continuously deepens the concept of “safe energy saving, economic energy saving, system energy saving, equipment energy saving, collaborative energy saving and management energy saving”, vigorously promotes energy-saving key projects, promotes energy-saving scientific and technological innovation, improves the efficiency of resource utilisation, and accelerates the construction of resource-saving enterprises. The Company sets up a comprehensive power saving assessment leading group, and each production unit sets up a special group to implement power saving measures and performance assessment, forming a collaborative promotion mechanism. In 2025, the Company enhanced employees' energy-saving awareness through special cultural activities such as the “Energy-saving Promotion Week” and the “National Low-carbon Day”, as well as related training.

The Company continuously improves the measurement system, makes full use of information technology, carries out comprehensive energy consumption analysis of the main electromechanical systems in mines, focuses on strengthening the energy consumption management of the three links of mining production, belt transport and coal washing, strengthens energy efficiency benchmarking for chemical products, and puts forward optimisation and improvement plans, to realise the double enhancement of energy saving in management and technology. The average energy consumption indexes of processes such as the main hoisting system, ventilation system, pressurised air system, and drainage system in mines have reached the national level 2 standard or above. The energy consumption per unit product for products like synthetic ammonia and coal-to-liquids has reached the domestic benchmark level.

Through controls over energy consumption and total coal consumption, the Company achieved an energy intensity of 2.03 tonnes of coal equivalent per RMB 10,000 of industrial output. The average electricity consumption at its core mines was 17.22 kWh per tonne of raw coal produced. As such, all energy-saving performance targets were well accomplished. A case submitted by the Company was awarded the “Typical Case of Energy Conservation and Carbon Reduction in Shandong Energy” in 2025.

Future energy saving targets

Long-term target

- By 2030, comprehensive energy consumption from raw coal production will not be higher than 5.0 kg coal equivalent per tonne.
- By 2030, the energy efficiency per unit of current product of the high-end chemicals and new materials sector will be increased by more than 3% compared to 2025.

Short-term target

- By 2025, the comprehensive energy consumption per RMB 10,000 of industrial output will be reduced by 15% compared to 2020.
- In 2025, the energy efficiency per unit of current product of the high-end chemicals and new materials sector increased by 5% compared to 2020.

Target progress in 2025

Long-term target

- The Company calculated the comprehensive energy consumption per tonne of raw coal produced in accordance with the national standard *Energy Consumption Limit per Unit Product of Underground Coal Mining*. The comprehensive energy consumption of raw coal production was not higher than 5.0 kg of coal equivalent per tonne (2.74 kg of coal equivalent per tonne).

Short-term target

- The Company has merged with and acquired entities across different industries over the years, resulting in changes in energy usage scenarios. As such, the target no longer aligns with the Company's actual situation. The Company has now updated the target to that in 2026, the comprehensive energy consumption per RMB 10,000 of industrial output does not exceed 2.22 tonnes of coal equivalent.
- The energy efficiency per unit of current product of the high-end chemicals and new materials sector increased by over 5% compared to 2020, and the target has been achieved.

Energy saving projects

In 2025, the Company continued to carry out energy-saving and consumption reduction work, organised and carried out energy-saving highlight projects and demonstration workshop construction activities to lead the way and promote energy-saving work comprehensively. These efforts saved energy equivalent to 100,000 tonnes of coal equivalent. In 2025, the Company phased out 9,034 sets of outdated and low-efficiency equipment, shut down high-energy-consumption units, and implemented heat source replacements. Subsidiaries implemented comprehensive electricity-saving measures, including time-of-use electricity management and peak-load shifting strategies, to enhance power usage efficiency. They also strengthened the operation and maintenance management of air-source heat pumps and hot water circulation systems. Additionally, by utilising water-cooling circulation systems, such as those for air compressors, they recover waste heat to meet demands for winter heating, summer cooling, and hot water supply for bathhouses. In 2025, the amount of waste heat recovered from mines reached 11,551.44 tonnes of coal equivalent, reducing greenhouse gas emissions by approximately 50,000 tCO₂e.



Case

Variable frequency drive renovation of local ventilation fans at mine excavation face improves energy efficiency

To improve energy utilisation efficiency, Yangcun Coal Mine implemented a variable frequency drive (VFD) renovation on the ventilation fan system for an excavation face. This ventilation fan originally needed to run continuously year-round. As the original design had to meet the maximum air volume demand under extreme working conditions, the equipment had high power, resulting in relatively high energy consumption during daily low-load operation. After the renovation, the ventilation fan can operate at a reduced frequency while meeting production safety standards, achieving annual electricity savings of 255.7 MWh after the renovation and reducing greenhouse gas emissions by approximately 135.67.



Case

Low-temperature methanol washing energy recovery and utilisation project

Rongxin Chemicals conducted research on “converting the potential energy of carbon-rich and sulfur-rich methanol at the outlet of the methanol scrubber into kinetic energy”. By adopting high-efficiency hydraulic turbines and generators, the project achieved energy recovery and electricity savings from the low-temperature methanol washing process. After the implementation of the project, the two hydraulic turbines in the low-temperature methanol washing unit generate ≥ 500 kWh per hour, increasing annual revenue by approximately RMB 1.6 million.



Case

Flexibility renovation of power units to enable “primarily wind” power units with “thermal power for peak shaving”

In 2025, Inner Mongolia Mining Hongda Industrial accelerated the flexibility renovation of its power units and formulated a plan for the flexibility renovation of coal-fired power units. After implementation, Hongda Industrial added 140 MW of peak shaving capacity and correspondingly constructed a new 140 MW new energy wind power project. Upon completion and operation, this project will, together with the existing 2×350 MW thermal power units, establish an efficient synergistic mode of “primarily wind power units with thermal power for peak shaving”. This helps resolve challenges in new energy consumption and consolidates the security of energy supply.

New projects establishment

The Company strictly follows the *Measures for the Energy Conservation Examination and Carbon Emission Assessment of Fixed-Asset Investment Projects* issued by the National Development and Reform Commission (NDRC), *the Alternative Plan for Reducing Coal Consumption*, and the “Three Simultaneity” system related to energy conservation in project construction. The Company also conscientiously implements the projects approved by the competent authorities and ensures that the construction project is legal and compliant. After the project is completed and put into operation, the indicators on coal consumption and energy consumption are superior to those approved by the competent authorities.

Supervision and assessment

The Company strictly carries out supervision and inspection of energy conservation work against a range of indicators concerning target achievement, project progress, energy efficiency benchmarking, energy consumption status, and implementation of energy consumption limit standards per unit of product. We implement a target responsibility system and an energy conservation assessment and evaluation system, using performance assessment to regulate the energy consumption behaviour of all units and incentivise the advancement of energy conservation management.

Energy management KPIs

| | | |
|---|------------------------------------|------------|
| Comprehensive energy consumption | (10,000 tonnes of coal equivalent) | 1,346.00 |
| | (1 million kWh) | 109,577.99 |
| Density of comprehensive energy consumption (1 million kWh/RMB 1 billion of sales income) | | 821.79 |



Water-saving management

The Company does not have significant problems in seeking water sources to meet the production and living needs, and the water quality meets the appropriate standards. The Company continues to strengthen water resource management.

The Company has formulated the *Management Rules for Water Conservation of Production Units*, the *Energy Conservation Management Measures* and other policies. The policy stipulates that the Sustainable Development Committee of the Board is responsible for formulating and evaluating the water resources management strategy and performance, and sets up a water conservation management leading group at the management level, with the CEO as group leader and the Deputy CEO as deputy group leader. The leading group is responsible for the Company's water consumption management, the formulation of water resources target and strategy, and execution of performance assessment. The CEO is responsible for decision-making on major issues related to water resource management and is ultimately responsible for the performance of water resource management. We have clarified the standards and requirements of water conservation, monitoring and inspection, set up leading groups for water consumption management assessment at different levels, and organised each production unit to set up a special working group to strengthen the implementation of water-saving responsibilities and dynamic assessment management. The Company regularly carries out water conservation education and training to raise employees' awareness on this front.

Based on the actual situation of each mine, we continue to improve the reuse rate of underground mine water, reclaimed water and other alternative water sources. By doing so, we vigorously promote technical innovation in water conservation, achieve zero or minimal water supply on the ground, and become a water-saving enterprise. We operate multiple coal mines that supply mine water to units with water demand such as power and chemical production. We also optimise the selection of different water for production and domestic use, improve water treatment processes, and promote the use of reclaimed water for greening, dedusting, and firefighting. This reduces the consumption of fresh water. By means of water consumption assessments, water consumption statistics and water balance calculations, the Company identifies main water-consuming processes and monitors current water consumption and assesses the risks of future water volume and water quality. We meticulously inspect the water supply and drainage network for various leaks and wastes, so as to raise water utilisation.

In 2025, the company implemented 23 energy-saving and water-saving renovation projects, among which 1.35 million cubic meters of fresh water intake was saved. The water cost of the Company's main mines decreased by 4.95% compared to 2024, resulting in a savings of 32.18 million yuan.



Case Separate treatment project for mine water and coal washing wastewater

To address the insufficient treatment capacity of the system and the increased risk of overflow caused by increased mine water inflow and the discharge of coal preparation wastewater, Jining II Coal Mine implemented a renovation of its surface water conveyance and drainage system project. By completely separating and independently operating the surface coal washing water return system and the mine water treatment system, the project effectively avoided mutual interference and constraints between the systems. This significantly improved the reliability of drainage and treatment capacity, fundamentally reducing potential water environment risks.

Water management targets

Water saving targets

By 2030, the reuse rate of mine water will be no less than 80%.

Target progress in 2025

In 2025, the reuse rate of mine water was 81%.

Water resource management KPIs

| | |
|--|--------|
| Total water consumption (million m ³) | 200.89 |
| Density of water consumption (million m ³ /RMB 1 billion of sales income) | 1.51 |
| Percentage of alternative water sources ⁴ (%) | 38.59 |

Yankuang Energy promotes coordinated water conservation across the entire value chain. In upstream, we incorporate energy and water conservation into supplier selection criteria, understand suppliers' water-saving certifications, and conduct awareness campaigns for contractors covering energy and water conservation. And in downstream, through continuous technical renovations for water saving, we provide coal products with low water consumption to coal-using customers such as coal washing plants and power generation companies. We enhance regional water retention capacity through vegetation restoration on reclaimed mining areas.

The Company is committed to driving the entire industry chain to jointly alleviate water resource pressure around mining areas. We maintain open communication and collaboration with water resource stakeholders such as governments, communities, and environmental organisations to jointly promote the sustainable management of local water resources and achieve a balance between resource development and ecological protection. We establish regular communication mechanisms to promptly identify and resolve potential conflicts, continuously optimising water resource management strategies. We proactively disclose water resource protection measures and performance, actively accept social supervision, and enhance public trust through transparent and responsible actions.



4. Note: Alternative water sources include reused mine water, municipal reclaimed water, domestic sewage and stormwater, of which the percentages are 61.6%, 36.4%, 0.1% and 1.9% respectively.

Green ecology

Yankuang Energy integrates the concept of green governance into the whole production process, adheres to the combination of utilisation and protection, and promotes ecological civilisation progress.

Biodiversity

In strict accordance with the requirements of national policies, we employed third-party professional institutions to carry out environmental impact assessments and biodiversity due diligence for all operating sites, compiled biodiversity risk analysis tables, and formulated biodiversity protection action measures based on the assessment results. In addition, based on the treatment principle of “focusing on ecology protection, prioritising farmland restoration, adopting measures to local conditions and taking a multi-pronged approach”, and in accordance with biodiversity and vegetation protection regulations, we double our efforts to restore the ecosystem. None of the Company’s operating sites involve deforestation risks, operations during the construction and operation phases of the facility cross the national ecological protection red line, or have a serious impact on local biodiversity levels.

The coal mining subsidence areas resulting from the Company’s operations are the primary disturbance factors to the surrounding ecological environment and biodiversity. The Company follows the principle of “government-leading, integration of local governments and enterprises, enterprise investment, and coordinated development”, and abides by the *Measures for the Implementation of the Regulation on Land Reclamation, the Shandong Province Special Planning for the Comprehensive Treatment of Coal Mining Subsidence (2019-2030)*, the *Geological Environmental Protection and Land Reclamation Plan for Mines* and other policies. We actively explore and practice the coordinated development of coal resource development and ecological restoration and governance, solidly promoting the compensation and treatment of mining subsidence land based on the methods of “control at source, process monitoring and endpoint treatment”. The Company implements a “one-map” management system for coal mining subsidence areas. This system uses big data management and statistical analysis to intelligently process and visually display data on coal mining subsidence areas. Currently, the Company’s ecological restoration work covers all the places where our projects are located.



During mining

- Mine coal resources through the cut-and-fill method to reduce ground subsidence
- Regularly monitor the geological condition of mines to stay fully informed of the mines’ geological environment



After mining

- Set up a reclamation fund and assign specialised personnel to liaise with local residents and villagers regarding reclamation plans.
- Restore any subsidence land through ecological rehabilitation and land restoration project in coal gangue mountains, covering all the places where our projects are located

In 2025, Yankuang Energy’s operation formed a total of 585.9 thousand mu of subsidence land and stabilised 469.7 thousand mu of coal mining subsidence areas. The Company reclaimed coal mining subsidence areas of 77,070.91 mu as instructed by the superior department. As of the end of the reporting period, through commissioned treatment and self-treatment, the Company had completed the treatment of 469.1 thousand mu of coal mining subsidence land, successfully accomplishing the treatment tasks assigned by the government. All coal mining subsidence areas in the regions where the projects are located have been or are being effectively managed. Additionally, based on completing stability consolidation and treatment, the Company actively supports local government departments in conducting ecological optimisation and management of coal mining subsidence areas. We also strive to restore species of plants and animals, build multi-level, multi-species ecosystems with full functionality, and explore to establish nature reserves. These efforts aim to reduce our impact on the ecological environment and biodiversity.



Case Creating the “ecological lung” of the mining area through ecological restoration

The Xinglongzhuang Coal Mine adheres to the principle of harmony between humans and nature in its mining operations. Trees are planted wherever possible around the mine, effectively reducing dust and noise while creating a beautiful landscape. The mine site achieves 34.6% overall green coverage, with 100% coverage of greenable areas, totalling 1.68 million square meters of green space. Over 120 plant species and 24 animal species have been identified here.



An aerial view of the Xinglongzhuang Coal Mine



Case Solar energy development in the subsidence area

The PV project affiliated with the Yankuang Intelligent Manufacturing Park is located in a coal mining subsidence area. This is an active effort to put the “solar energy + ecosystem” development philosophy into practice. At the environmental impact assessment stage, the project’s focus is on biodiversity protection. Water quality and sediment monitoring is conducted to confirm the ecological health of the waters, and species surveys are carried out to ensure that there are no key protected plants or animals present. Targeted protection measures are implemented, such as avoiding the spawning period of aquatic organisms and safeguarding the illumination of the water body.

The environmental impact assessment of the project passed the expert review in March 2025. This means that the ecological impact is under control and appropriate measures are in place. The project serves as a model for the implementation of “solar energy + ecosystem” integrated development in mine subsidence areas.



Yankuang Intelligent Manufacturing Park



Case Ecological restoration and agricultural transformation in coal mining subsidence area

The coal mining subsidence area treatment project at the Jining III Coal Mine has passed the expert inspection and acceptance. Through systematic land remediation and reclamation, the project has restored approximately 1,600 mu of arable land, and improved drainage, irrigation and other water conservancy infrastructure. While restoring agricultural production capacity, the project uses over 750 mu of pond water formed during the treatment for layered ecological aquaculture. This involves breeding 400 silver carp and 400 common carp per mu of pond water, generating an annual income of over RMB 1.5 million.



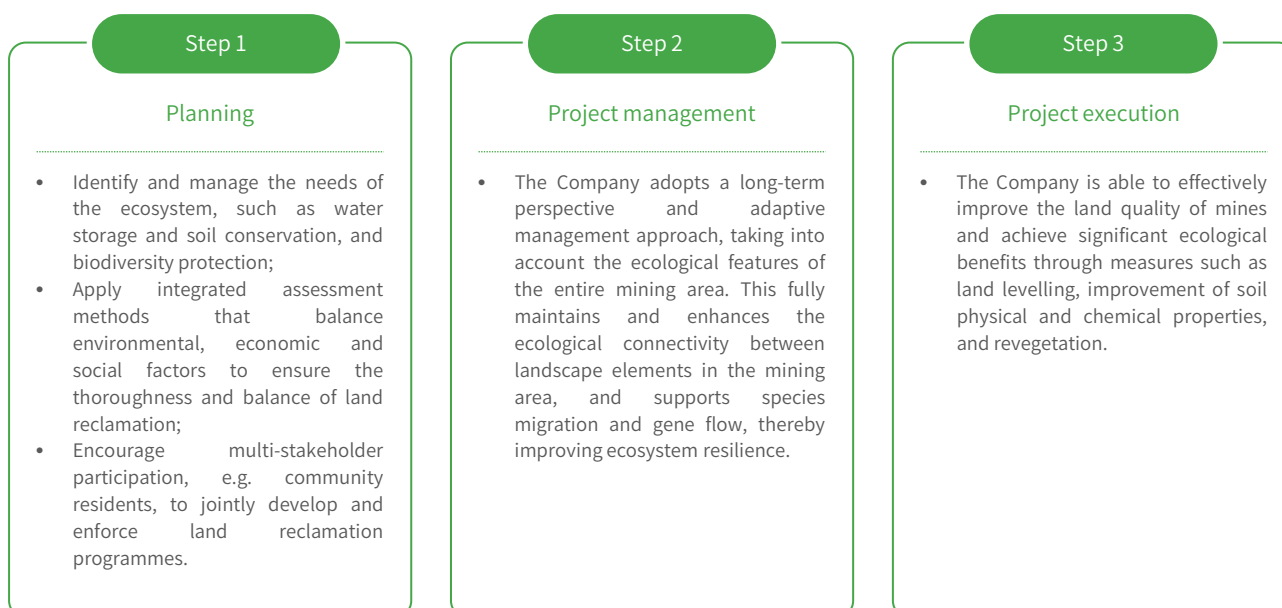
Ecological aquaculture in coal mining subsidence area

In 2025, the Company conducted a biodiversity assessment for 2,377.95 km² of land across 35 mines, covering 100% of its locations of operation.

| Potential impact | Impact description | Level of impact | | |
|------------------------------------|---|-------------------|-----------------|----------------------|
| | | Development phase | Operation phase | Transportation phase |
| Animal and plant life is disturbed | Due to the local vegetation removal, air pollution, and noise pollution caused by construction, plant life is disturbed to a larger extent. | Low | Low | No influence |
| Animal and plant death | The construction of the project causes ecological changes, affecting the survival of organisms. | Low | No influence | No influence |
| Decrease in species diversity | Infrastructure, such as plant construction and operation, leads to habitat destruction and species or population reduction. | Low | No influence | No influence |
| Invasion of alien species | Possible accidental introduction of non-native species (including plants, pests and pathogens) during construction and operation. | No influence | No influence | No influence |
| Habitat fragmentation | Changes in land use and the permanent presence of facilities in natural areas can disrupt the natural connectivity of biological habitats. | Low | Low | No influence |
| Habitat degradation | Habitat degradation or loss due to human disturbance. | Low | Low | No influence |

Yancoal Australia is committed to the effective management and rehabilitation of areas affected by its operations. It has completed assessments of all land under its management and allocated land for biodiversity offsets in compliance with local laws and regulations. Yancoal Australia's biodiversity conservation program at Mount Thorley Warkworth has emerged as a nationally recognised example of biodiversity stewardship across Australia, through its innovative management methodology and strong conservation results for the endangered Regent Honeyeater.

We have fully incorporated the concept of landscape-scale environmental management and followed the principle of "reasonable planning and adaptation to local conditions" in the protection of the geological environment of the mine and land reclamation. In this way, we have comprehensively managed the land affected during the production process and created new artificial and natural green landscapes.





Case Mine geological environment management and land reclamation

In 2025, the Yingpanhao Coal Mine undertook geological environmental management and land reclamation activities at the mine. This involved land levelling, soil improvement and irrigation, as well as the planting of 100 thousand sand cypresses and the reclamation of 10 hectares of arable land. These efforts enhanced the soil's organic matter content, restored its planting functions, increased vegetation coverage to 68%, and reduced soil erosion by 48%.



Mine geological environment management and land reclamation



Case Using coal gangue for soil and water conservation and comprehensive ecological treatment

Xibei Mining's Wuju Coal Mine uses coal gangue for soil and water conservation. It has constructed sediment-retaining walls, drainage channels and embankments, and has restored vegetation. These measures have effectively prevented soil erosion. In 2025, the project utilised 1.72 million tonnes of coal gangue, significantly improving regional vegetation coverage while realising standardised solid waste disposal. Remarkable results were achieved through the synergistic promotion of ecological restoration and solid waste recycling.

Xibei Mining's Shaozhai Coal Mine mixes coal gangue with soil to create a backfilling material for ditches. After backfilling, the land is restored to its original state through vegetation restoration. In 2025, the project filled 800 thousand tonnes of coal gangue and planted trees such as Chinese pine and spruce in order to restore vegetation.



Coal gangue for soil and water conservation and comprehensive ecological treatment

Green mines

The Company adheres to the principle of coordination between mineral resources development and ecological and environmental protection, and strictly conducts environmental impact assessments before project construction. The Company does not mine in or near ecological function areas, nature reserves, scenic spots, and forest parks. Pursuant to the *Green Mine Construction Specification*, the Company focuses on the goal of building a “green mine with recycled resources, minimum energy consumption, compliant pollution emission, clean civilisation and low carbon” and explores the featured green mine construction model, to promote ecologically sustainable regional development and maximise economic, social and environmental benefits.

The Company has set up a green mine development goal. By the end of 2025, the Company had completed the construction of 17 green mines, including the Nantun Coal Mine, Dongtan Coal Mine and Xinglongzhuang Coal Mine.

Response to climate change

In active response to the national goal of "carbon peaking and carbon neutrality", as a leading energy enterprise in China, Yankuang Energy pays continuous attention to the impacts of climate changes on the Company. Specifically, we have established a governance structure, formulated response strategies, identified and assessed climate change risks and opportunities, and set and achieved performance goals.

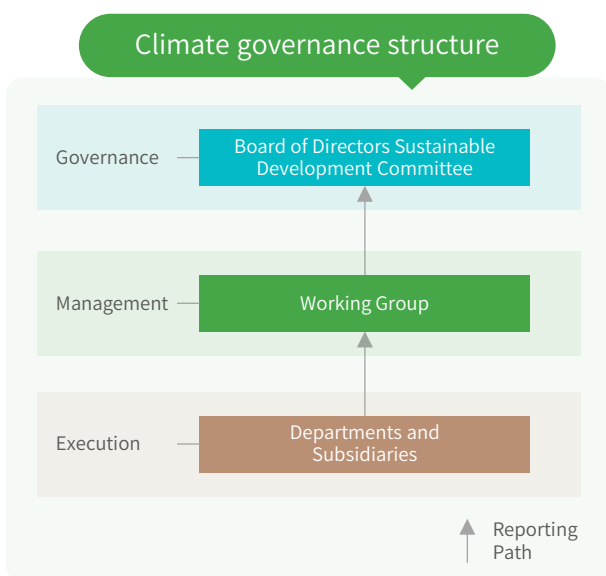
Governance

The Company's Board of Directors conducts comprehensive oversight of our ESG initiatives and performance, including climate change issues. The Company's Sustainable Development Committee is responsible for formulating and reviewing the Company's objectives and strategies related to climate change, assessing and supervising the management of impacts, risks, and opportunities related to climate change, the progress of climate-related objectives, and the execution of related work. The Committee holds at least one meeting per year for the debriefing from management on impacts, risks, and opportunities management related to climate change and to provide recommendations. In doing so, the Company can ensure the climate change response strategy consistent with our strategic development direction, regulatory requirements and stakeholder expectations. For more detailed information, please refer to previous contents in Management of Sustainable Development and the *Rules of the Sustainable Development Committee of the Board of Directors*.

Management of the Company has formed a leading group to promote carbon reduction. This group is tasked with aligning

our actions with the carbon reduction requirements of the coal industry, and the carbon peak and carbon neutrality action plans of our operating locations, taking into account our business portfolio and the innovative carbon management technologies. They are responsible for the top-level design and execution of our action plans, as well as for evaluating their effectiveness. The Company has clearly defined the responsibilities and tasks in response to climate change of relevant departments and units at the executive level. These departments and units are required to break down the tasks in the action plan into specific work objectives and a task list, implement key work, and report on a quarterly basis to the leading group on the effectiveness of the action plan and the progress of the projects.

The Company engages external consultants specialising in climate-related matters to advise on the management of climate change-related risks and opportunities, and to conduct training sessions aimed at improving the capacity of the Sustainable Development Committee and management to monitor and handle climate-related tasks. These capabilities include:

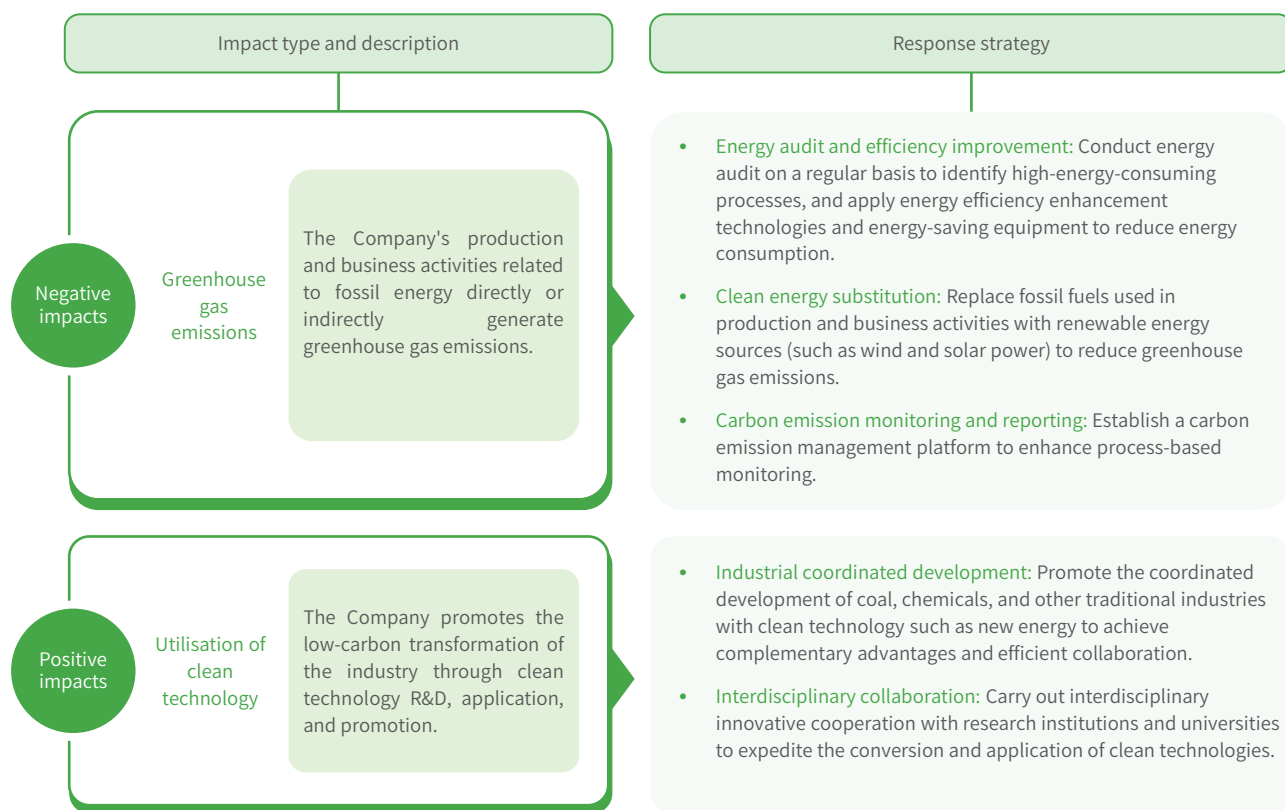


| Category | Description |
|----------------------------------|---|
| Risk assessment and management | Be able to gauge both physical and transition risks related to climate change, assess the impacts of climate change on the Company's business operations and external surroundings, and formulate a comprehensive risk and opportunity management plan. |
| Strategic planning and execution | Be able to formulate and implement, based on the Company's current business status and future plans, emission reduction targets, low-carbon technology development, energy efficiency improvement, and action plans to adapt to climate change, with expertise in carbon emission management and other specialised knowledge. |
| Communication and coordination | Be able to communicate with various levels within the Company and external stakeholders on climate issues, convey information, and ensure that action plans are under support and collaboration to jointly advance climate goals. |

Strategy

In the context of climate change, the coal industry faces unprecedented challenges in the context of climate change, such as carbon emission pressures, the impact of extreme weather, and market fluctuations caused by the transformation of the energy structure. Nevertheless, technological innovation and the development of clean energy also bring new opportunities to the coal industry. Under this macroeconomic situation, the Company needs to assess the impact of its business on climate change, and identify the risks and opportunities posed by climate change, formulate actionable response strategies, and allocate resources scientifically, in order to achieve sustainable development and support the green and low-carbon transformation of the energy industry.

The main climate-related impacts we identified and strategies against them are as follows in the table.



The main climate-related risks and opportunities we have identified and strategies against them are as follows in the table. Based on the policy environment, economic situation, natural factors and technological conditions that can be reasonably expected, and taking into account its own situation, the Company considers the natural environment, policy, market, technology and other significant uncertainties. The Company assesses its adaptability to climate physical risks and transition risks in the short, medium, and long term in terms of strategy and business model, by referring to the Shared Socioeconomic Pathways (SSP) scenarios and the Network for Greening the Financial System (NGFS) scenarios in the Intergovernmental Panel on Climate Change Sixth Assessment Report (IPCC AR6) that are consistent with the United Nations Framework Convention on Climate Change. The assessment uses the Stated Policies Scenario (STEPS) and the Net Zero Emissions by 2050 (NZE2050) scenario of the International Energy Agency (IEA) as the supplement, on the basis of evaluating the industry's adaptability.

Main climate-related impacts and response strategies

| Risk type and description | | Risk exposure under different scenario assumptions | | | Response strategy | Current and anticipated financial effects |
|--|--|--|----------------------------------|---|---|--|
| | | Year | Group of high-emission scenarios | Group of low-emission scenarios | | |
| Transition risks | Policy risk (long term) The government has formulated stricter policies and regulations to address climate change, while the "dual carbon" goals have led to tougher measures to limit greenhouse gas emissions and put more compliance requirements on enterprises' operations; In the gradually improved trading in China's carbon market, the price of carbon trading has increased, raising business operating costs. | 2030 | Low | Medium | Pay close attention to changes in policies and regulations, and respond to compliance requirements in a timely manner; Actively carry out actions to conserve energy and reduce emissions, and intensify the development of PV and other renewable energy sources; Be prepared for carbon market compliance. | Current financial effects: The cost of trading carbon emission quotas was RMB 46.96 million in 2025. Anticipated financial effects: If the carbon emission quotas continue to shrink and the carbon price continues to rise, the cost of trading carbon emission quotas is expected to increase year on year. At the same time, in order to meet the emission reduction standard, the Company may increase investment in low-carbon technology and equipment renewal. This would put pressure on capital expenditure. |
| | | 2050 | Low | High | | |
| | | 2060 | Medium | High | | |
| | Technology risk (long term) The energy-saving technological renovation develops rapidly, and the operating costs of high energy-consuming technologies increased. | 2030 | Low | Medium | Develop and apply energy-saving technologies, and cooperate in scientific and technological innovation to reduce R&D costs. | Current financial effects: Investment in energy-saving technological transformation totalled RMB 378.14 million in 2025. Anticipated financial effects: Given the rapid development of new energy and clean technology, the Company's R&D expenditure on low- and zero-carbon solutions is expected to increase. |
| | | 2050 | Medium | High | | |
| | | 2060 | Medium | High | | |
| | Business structure risk (long term) Renewable energy technologies develop rapidly, and the demands for major coal products decline. | 2030 | Low | Medium | Promote the optimal combination of coal, high-end chemicals and new materials and new energy to apply the clean use of coal and provide clean energy products and services. | Current financial effects: The new energy segment's capital expenditure in 2025 was RMB 1,404.5 thousand. Anticipated financial effects: The transition of the energy mix is expected to dampen coal demand, potentially eroding revenues in the Company's commodity coal segment. |
| | | 2050 | Medium | High | | |
| | | 2060 | High | High | | |
| | Brand reputation risk and (long term) Efforts to address climate change have not met the expectations of major stakeholders, including the capital market, which may have a negative impact on the brand and its reputation. | 2030 | Low | Low | Enhance the Company's sustainable development ability to actively respond to climate change; Improve the information disclosure to strengthen communication with stakeholders. | Current financial effects: The assessment found no impacts. Anticipated financial effects: If the Company's climate response actions and their outcomes do not meet stakeholder expectations, this could lead to investment and financing difficulties, as well as increased financing costs. |
| | | 2050 | Low | Low | | |
| | | 2060 | Low | Medium | | |
| Physical risks | Acute risk (short term) Increased frequency and severity of extreme weather events may damage factories, office buildings and equipment, disrupting production and operations; Sudden natural disasters pose a threat to human safety and result in property losses. | 2030 | Low | Low | Identify 16 major disaster management programmes, and formulate disaster prevention and emergency response plans such as the <i>Emergency Response Procedure for Shutdown and Personnel Evacuation</i> , to improve the dispatch command system; Improve typhoon and flood prevention facilities and strengthen the investigation of flood damage and other hidden dangers during the flood season; Organise emergency drills for disastrous weather and flood prevention, etc. Purchase necessary business insurance. | Current financial effects: A total of RMB 17,144.1 thousand was spent on mine shutdown and evacuation drills, as well as riverbank management in 2025. Anticipated financial effects: A surge in extreme and disastrous weather events could drive up the Company's expenditures on preventive drills, equipment and facilities, while simultaneously elevating asset losses and insurance costs. |
| | | 2050 | Low | Low | | |
| | | 2060 | Low | Low | | |
| Chronic risk (long term) The average temperature and sea level rises will result in higher operating costs and cause damage to equipment and facilities; Long-term drought may lead to water supply shortages, affecting business operations. | 2030 | Low | Low | Climate-related risks should be fully considered when selecting sites in coastal, hot and high water supply risk areas. | Current financial effects: A total of RMB 62.73 million was granted for heat prevention and cooling benefits in 2025. Anticipated financial effects: Sustained temperature increases could result in higher investment in related high-temperature warning prevention measures and lead to more shutdowns, subsequently decreasing revenue. | |
| | 2050 | Low | Low | | | |
| | 2060 | Low | Low | | | |

Main climate-related opportunities and response strategies

| Opportunity type and description | Opportunity exposure under different scenario assumptions | | | Response strategy | Current and anticipated financial effects |
|---|---|----------------------------------|---------------------------------|---|---|
| | Year | Group of high-emission scenarios | Group of low-emission scenarios | | |
| Resource efficiency (long term) More energy-efficient equipment, buildings and technologies are widely used. | 2030 | Low | Medium | Actively explore the application of new technologies, equipment and processes to increase resource efficiency and reduce energy costs; Identify and respond to supportive government policies and low-carbon projects; Strengthen low-carbon technology R&D to provide green and low-carbon energy. | Current financial effects: The use of more energy-efficient equipment saved RMB 58 million in 2025. Anticipated financial effects: Accelerating advances in high-efficiency equipment, infrastructure, and technology will drive sustained gains in energy performance and cost optimisation. |
| | 2050 | Low | High | | |
| | 2060 | Medium | High | | |
| Product and service (long term) The R&D and application of green and low-carbon products are thriving; and the shift in consumer preferences has led to an increase in the demand for green market products and renewable energy services. | 2030 | Low | Medium | | Current financial effects: Capital investment in new energy segment totalled RMB 1,404.5 thousand in 2025, as presented in the "capital expenditure plan" item in the 2025 Annual Report. Anticipated financial effects: Thanks to early investment in the new energy industry and advanced technologies, revenue in related segments will continue to increase. |
| | 2050 | Low | High | | |
| | 2060 | Medium | High | | |

The above financial impact figures may be related to accounts such as "R&D expenses, fixed assets/costs, management expenses, employee welfare expenses, and non operating expenses" in the 2025 annual report. The above content contains forward-looking statements and does not constitute a guarantee, forecast, or prediction of future conditions. In this process, many uncertainties, including economic, regulatory, market, geopolitical, and climate patterns, have been taken into account by the Company. These uncertainties are subject to the limitations of data sources and evaluation methods, and can also be influenced by other unobserved uncertainties and subjective judgements. The Company will then continue to monitor the relevant risks and opportunities. We will update the scenario analysis results when there are significant changes to the business model or scenario assumptions. Furthermore, given these uncertainties and after considering the possibility of separately identifying the projected financial impact, the feasibility of integrating other climate-related risks and opportunities for comprehensive financial impact disclosure, as well as our current capabilities and resources, we have decided to temporarily disclose the anticipated financial effects of sustainable risks and opportunities, including climate change, in a qualitative form.

Taking into account the climate-related risks and opportunities faced by the Company, and in conjunction with climate adaptability, the Company primarily aims to reduce operating costs and carbon emissions in the short term through energy-saving and emission-reduction measures and optimisation of production processes. In the medium term, we will increase our exploration of renewable energy projects, and strengthen technological R&D and innovation to further improve the efficiency of clean coal utilisation. In the long term, the Company will be committed to achieving a low-carbon transformation, exploring new business models and fields, and continuing to pay attention to the development trends of policies and technologies. We will adjust our strategic direction in a timely manner to address the long-term challenges brought about by climate change.



Risk management

Yankuang Energy incorporates climate change-related risks into its comprehensive risk management system, regularly identifying and analysing risks to comprehensively strengthen risk management.

The Company qualitatively and quantitatively determined the types of risks and opportunities related to climate change, and developed a list of climate change risks and responding strategies and management plans accordingly based on the impact on sustainable development, risks and opportunities identification and assessment, priority ranking, and management processes of handling and monitoring. The Company will continuously monitor and evaluate the status of climate-related risk management.

Please refer to the contents in Risk Management and Materiality Assessment for details.

Metrics and targets

Yankuang Energy actively responds to the national goals in advancing low-carbon development. Based on documents including the *Working Guidance for Carbon Peaking and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy* issued by the State Council and the *Action Plan for Carbon Peaking Before 2030*, the Company incorporates “carbon peaking and carbon neutrality” into the overall business development, takes targeted actions, and timely reviews the progress of targets. The Company’s coal business, amounting to RMB 88.67 billion sales income and accounting for 66.5% of the Company, are susceptible to climate-related physical risks and transition risks. The Company’s electricity business, amounting to RMB 2.31 billion sales income and accounting for 1.7% of the Company, are susceptible to climate-related physical risks and transition opportunities.

In 2025, the Company devised its own “15th Five-Year” Plan with key initiatives to accelerate green and low-carbon development, including vigorously promoting the construction of low-carbon and zero-carbon parks and establishing a unified carbon asset management system. To align with the national goal of “carbon peaking and carbon neutrality”, we have set up targets for Yankuang Energy and its subsidiaries taking into account the Company’s development, industry trends and strategic direction. These targets are established in accordance with relevant national policies and standards, with reference to developments in international climate protocols as well as decarbonisation pathways and technical methods widely recognised in the coal industry. They are set to track Scope 1 and Scope 2 GHG emissions and energy consumption structure for total control. Looking ahead, the Company will steadily advance efforts toward carbon peaking and carbon neutrality in accordance with the roadmap and targets outlined in the *Carbon Peaking and Carbon Neutrality Action Plan* with reference to the “15th Five-Year” Plan.



Future carbon reduction targets

Short-term target

- By 2025, annual CO₂ emissions will be reduced by 700,000 tonnes through energy-saving and carbon reduction measures.

Long-term target

- With 2020 as the baseline year, the share of clean energy utilisation will be increased to over 10% by 2030.
- By 2060, the proportion of non-fossil energy consumption will reach over 80%, the goal of carbon neutrality will be successfully achieved, and fruitful achievements will be made in promoting ecological progress.

Target progress in 2025

Short-term target

- Annual CO₂ emissions were reduced by **2.43 million** tonnes through energy-saving and carbon reduction measures. The target was achieved.
- The Company has now updated the target to that in 2026, the CO₂ emission per RMB 10,000 of industrial output does not exceed **5.37** tonnes.

Long-term target

- With 2020 as the baseline year, the share of clean energy utilisation was increased to 0.67%.
- The proportion of non-fossil energy consumption reached 0.61%.

In recent years, continuous implementation of energy-saving and emission-reduction measures as well as technical upgrades has weakened the Company's GHG emission intensity in both Scope 1 and Scope 2. To realise future targets, the Company's Board of Directors will continue to supervise, review and guide efforts on this front, and will evaluate the feasibility of introducing a third-party verification mechanism when appropriate.

Currently, the Company has no plans to use carbon credits for its targets. During this process, should offsetting with carbon credits becomes necessary, the Company will strictly control the volume of carbon credits utilised, prioritising those certified by authoritative institutions. A carbon credit traceability mechanism will be developed to ensure authenticity, credibility, and integrity.

Action path of dual-carbon strategy

We have integrated the goals of carbon peaking and carbon neutrality into the overall development plan of Yankuang Energy, and formulated carbon reduction plans for different phases of carbon peaking and carbon neutrality. In the short term, we will make efforts to improve energy-saving and carbon-reduction transformation, and comprehensive utilisation of resources, reduce carbon emission intensity, and optimise the structure of industries and production capacity. In the medium and long term, we will drive green and low-carbon transition, continue to promote adjustments to industrial and product portfolio and energy structure, enhance low-carbon technology innovation capabilities, and develop clean energy to push forward carbon neutrality demonstration.

“Carbon Peaking” stage



Energy-saving and carbon-reducing upgrading.

Strengthen energy-saving and carbon-reducing transformation and improve energy utilisation efficiency; promote the digital and intelligent transformation of the industry.



Capacity structure adjustment

Eliminate outdated production capacity, develop advanced productivity, and promote low-carbon process innovation and digital transformation; optimise the layout, cultivate new competitive industrial chains, and promote the development of strategic emerging industries.



Scientific and technological innovation

Focus on cutting-edge low-carbon, carbon sequestration, and carbon sink technologies, and strengthen the transformation of existing production technology to make breakthroughs.



Resource recycling

Enhance the integrated utilisation of coal-based solid waste, coal mine methane, other waste materials, and recycled resource products; implement recycling transformation in industrial parks, and promote the sequential utilisation of energy and water resources within the park.



Deployment of carbon neutrality demonstration

Promote the optimal combination of coal and new energy sources; plan to carry out projects related to carbon sink, China Certified Emission Reductions (CCER)⁵ and Carbon Capture, Utilization and Storage (CCUS)⁶. The Company focuses on exploring the development of carbon sinks in Inner Mongolia and Shaanxi bases and developing carbon sinks in mining areas. With the maturity of the carbon market, we will enhance the carbon reduction vitality of enterprises by market-oriented means, and develop multiple carbon sinks in mining areas and forests.

5. According to the *Interim Measures for the Management of Voluntary Greenhouse Gas Emission Reduction Trading*, the emission reduction participating in voluntary emission reduction shall be registered and filed by the competent national authorities in the national voluntary emission reduction trading register, and the registered emission reduction is called "China Certified Voluntary Emission reduction (CCER)", and can be traded in the registered trading institutions.

6. Carbon Capture, Utilization and Storage refers to the process of capturing carbon emissions in industrial production by various means and then storing or utilising it.

“Carbon Neutrality” stage



Industrial structure
adjustment

Make steady efforts in advancing the adjustment of industrial structure, and develop green and low-carbon industries.



Technological
innovation

Focus on the cutting edge of industrial development, leverage on the strengths of innovative resources, delve into the advancement of state-of-the-art technologies including low carbon, carbon sequestration, and carbon sink, foster a range of strategic emerging industry clusters, and facilitate the industry's transition to a greener, more low-carbon model.



Green and low-carbon
capacity-building

Strengthen the construction of green and low-carbon infrastructure; carry out the transition of renewable energy replacement for key industries; collaboratively build digitalised green supply chain management system, energy and carbon emissions management system, and enhance the capacity building of green and low-carbon markets.



Deployment of carbon
neutrality
demonstration

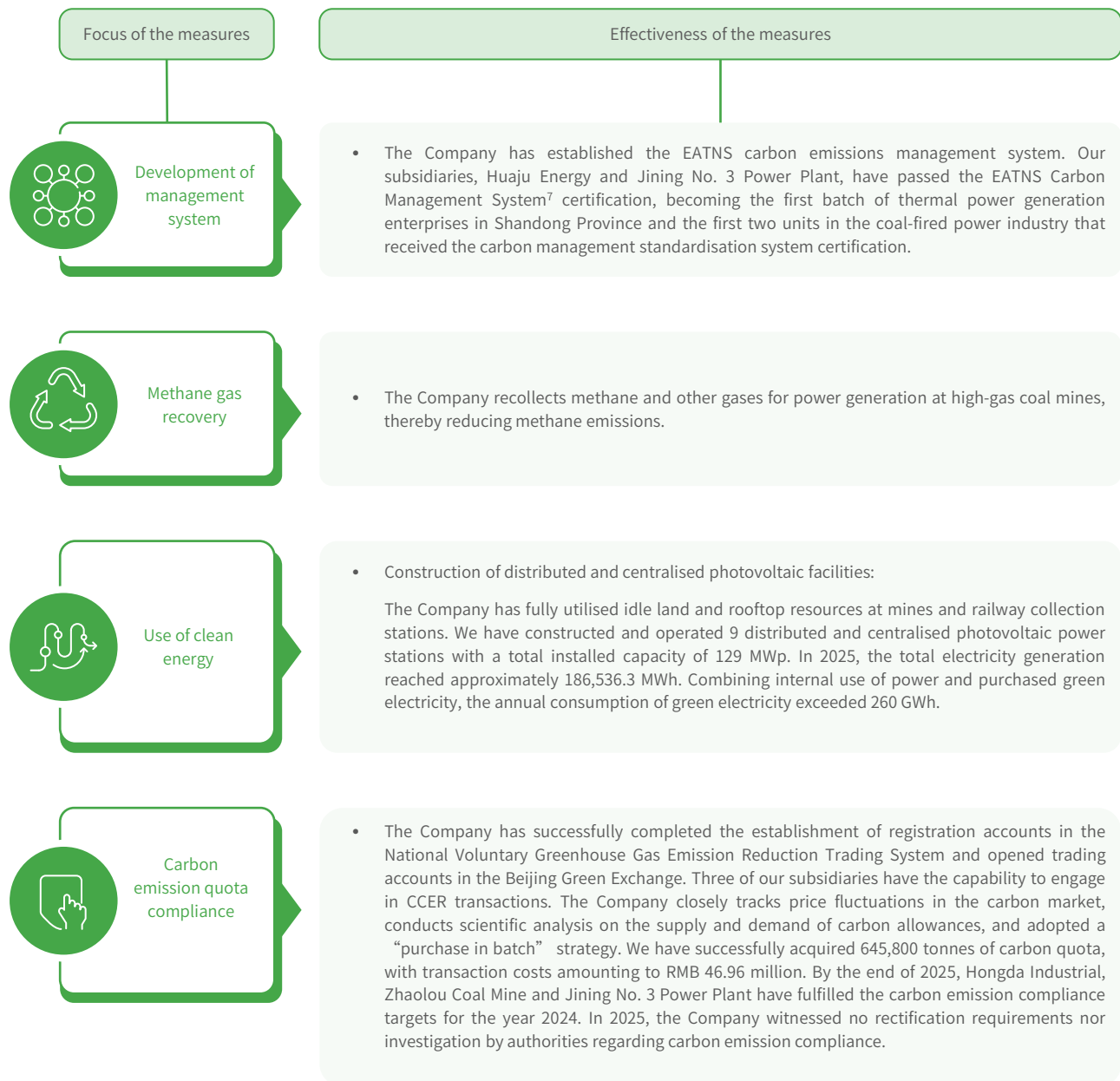
Develop the clean energy industry, and achieve the integrated development of new energy and chemical industries; enhance the carbon sequestration and carbon sink capabilities; strengthen the operation and management of carbon assets.

Yankuang Energy has established a development path of carbon emission reduction for its various businesses based on above carbon neutrality and carbon peaking plans.



Actions of dual-carbon strategy

To accelerate the achievement of carbon reduction related targets, the Company has actively participated in the carbon market, laid out the development of clean energy, implemented the strategic action path of carbon reduction, and continued to carry out carbon reduction measures.



7. The EATNS Carbon Management System is established on a group standard led by the Shanghai Environment and Energy Exchange, titled the Requirements and Guidelines for the Carbon Management System.



Case Ecological restoration photovoltaic project

We practised a “photovoltaic + ecological restoration” model at Xinglongzhuang Coal Mine, constructing a 5.6 MW floating photovoltaic power station on the water surface of the subsidence restoration area. Photovoltaic modules at the station are installed on fixed supports at a tilt angle of 25 degrees. The power station generates approximately 7,268.1 MWh of electricity annually, saving about 2,383.9 tonnes of standard coal equivalent, reducing CO₂ emissions by nearly 7,246.3 tonnes, and cutting NO_x and SO₂ emissions by about 327 tonnes. As such, the station delivers notable environmental benefits.

Greenhouse gas management KPIs

| | |
|---|-----------|
| Greenhouse gas emissions (Scope 1 & Scope 2) (10,000 tCO ₂ e) | 2,246.88 |
| Greenhouse gas emissions (Scope 1) (10,000 tCO ₂ e) | 1,839.99 |
| Greenhouse gas emissions (Scope 2) (10,000 tCO ₂ e) | 406.89 |
| Density of greenhouse gas emissions (10,000 tCO ₂ e/RMB 1 billion of sales income) | 16.85 |
| Greenhouse gas emissions (Scope 3 Category 11) (10,000 tCO ₂ e) ⁸ | 37,313.38 |



8. In accordance with the *Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standards (2011)* and the *Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions from Industrial Enterprises in Other Industries (Trial)*, the Company calculated GHG emissions in Scope 3. Two categories with large emissions were identified: Category 10 (Processing of sold products) and Category 11 (Use of sold products). Given the complexity of the production process, insufficient data availability on key parameters, and current limitations in statistical capabilities, we prioritised the calculation of GHG emissions for major coal products under Category 11 of Scope 3 in 2025. Moving forward, we will continue to optimise the data management system, build up professionalism, and expand the disclosure coverage of Scope 3 GHG emissions.



SOCIAL



04 Care for Employees

Adhering to the principle of "putting people first and brings the greatest advantages", Yankuang Energy fully implements the strategy of empowering the Company with talents, and strengthens training of talents to improve quality of workforce. The Company protects employees' rights and interests, pays attention to their production safety and occupational health, supports their development. We are committed to creating a comfortable workplace and sharing the growth achievements with our employees.



Respond to ESG Material Issues

- Employee rights and benefits, Employment development, Employee safety, Occupational health

Respond to HKEX ESG indexes

- B1 Employment, B2 Health and Safety, B3 Development and Training, B4 Labour Standards

Respond to SSE ESG indexes

- Employees, Due diligence

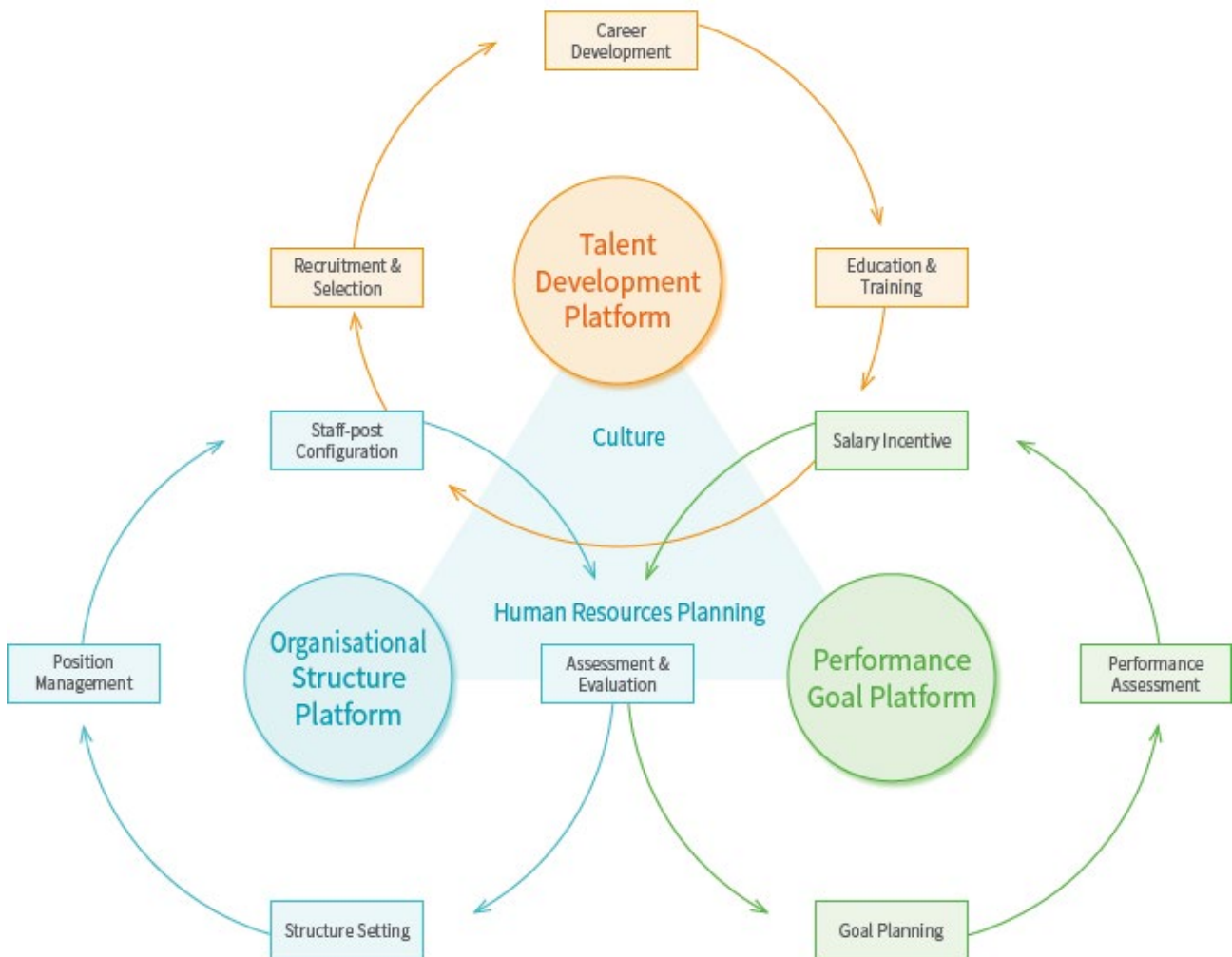
Respond to UN SDGs



Employee rights and benefits

The Company strictly complies with the *Labour Law of the People’s Republic of China*, *Social Insurance Law of the People’s Republic of China*, *Law of the People’s Republic of China on the Protection of the Rights and Interests of Women*, *Provisions on Prohibition of Child Labour*, and other relevant laws and regulations in its operating locations. We formulate and keep improving the employment management system, optimise the supervision and management system of employees’ rights and interests, and establish an effective employee security system to protect their legitimate rights and interests.

○ Human resources management system



Employment

Talent recruitment



The Company addresses its staffing needs by recruiting top talent through campus hiring, regional recruitment, and internal resource reallocation. In 2025, we optimised the allocation of human resources, and accepted 281 university and college graduates. The Company prioritises local employment by hiring local residents as much as possible in production and operation process to further boost local employment and economic development. In 2025, the local employment rate was 95.7%.

Contract management



The Company strictly abides by the *Labour Contract Law of the People's Republic of China* and other relevant national laws and regulations, and, in accordance with the principle of equality and voluntariness and consensus, signs labour contracts with all employees, which specify employment terms, working hours, workplace, job type, rest, vacation, remuneration, and benefits. The labour contracts are submitted to local labour and employment authorities for review and record in a timely manner to ensure the legal validity. In 2025, the Company's labour contract signing rate was 100%. 100% of the labour employment records were filed, and 100% of employees signed the collective contract.

Labour standards



The Company strictly abides by national labour-related laws and regulations, and organises the recruitment in a unified manner, to effectively avoid the potential labour risks of the independent recruitment by each subsidiary. During the recruitment, the Company strictly reviews qualifications, focusing on the verification of valid documents such as identity cards and household registers of applicants, so as to eliminate unlawful recruitment from the source. If child labour or forced labour is found, the Company will deal with it seriously according to relevant laws and regulations. In 2025, no unlawful recruitment was found within the Company.

Anti-discrimination



The Company is committed to creating an open employment environment and offering equal job opportunities. In matters of employment, training, compensation, promotion, and daily conduct, the Company prohibits any form of discrimination based on gender, race, disability, age, religious belief, sexual orientation, nationality, or family status. In 2025, no discriminatory incident occurred in the Company.

Protection of rights and interests

Remuneration and performance

The Company continues to improve its remuneration system, strictly abides by the requirements of laws, regulations and normative documents, and formulates internal policies such as the *Contractual Management Rules for Manager Tenure System*, the *Wage Distribution Guide* and the *2025 Safety and Environmental Performance Assessment Scheme*. The Company adopts flexible and diversified forms of distribution such as the piece-rate salary system, hourly wage system, and market-based assessment salary system, and promotes salary distribution towards key skill positions and high-level skilled talents. The Company strictly implements shift schedules, records employee working hours through the check-in system, and pays overtime wages in accordance with national regulations. We consistently track the wage levels of employees across various positions to ensure equal pay for equal work, while complying with the legally mandated local minimum wage standards. Performance is assessed based on job functions and team objectives across multiple dimensions including evaluations from superiors and subordinates, and communication with management personnel. The Company's performance assessment and remuneration incentive policies have covered all employees, including senior management, functional department staff, management and technical personnel of subsidiaries, and workers. Performance assessment is carried out at least every three months.

Senior management staff

They are subject to performance appraisal and incentive mechanism encompassing annual salary, safety and environmental risk deposit, and special contribution rewards, which integrates the performance evaluation of management with the Company's economic benefits and sustainable development benefits. The Company directly evaluates the performance and achievements of senior management based on relevant business operation indicators as well as safety and environmental management standards, determining their annual remuneration amount accordingly.

Employees from functional departments

They are subject to performance appraisal based on the progress of work objectives set by the functional departments and safety and environmental outcomes. The Company distributes rewards to them based on departmental assessments, and determines the annual remuneration amount.

Management and technical personnel of subsidiary

They are subject to the completion of departmental business operations as well as safety, environmental and other targets. Different position levels receive different rewards and annual remuneration amounts based on the evaluation results.

Workers of subsidiary

They are subject to market-oriented distribution system such as piece-rate salary system. The Company evaluates workers' performance based on their work completion status, providing different levels of rewards based on the evaluation results and determining their remuneration amount.

Share-based incentives

The Company deepens the reform of the remuneration system and regulations like the *Administration Measures for Equity Incentives of Listed Companies* and the *Trial Measures for Implementation of Equity Incentives in Domestic Listed Companies with State-Controlled Shareholdings* that promote the share incentive plan targeted at employees at all levels including board directors, middle and senior management personnel and core leading members (including core technical, skill, and business personnel), among which some core skill personnel are skilled workers from the production frontline. Focusing more on core technical leading members, the plan enables fully mobilising the management team and cadres and strengthens the Company's market competitiveness and capabilities for sustainable development.

At the same time, in accordance with the *2021 Restricted A Share Incentive Scheme* issued by the Company in 2022, the Company clarified this incentive scheme has lock-up periods of 24 months, 36 months and 48 months respectively from the date of registration completion. Annual performance evaluations are conducted during the

lock-up periods, with achievement of the Company and individual performance targets as the condition for lifting the lock-up. The Company clearly stipulates relevant repurchase principles for restricted shares, stating that in the event of changes in the incentivised individual's circumstances (including but not limited to position changes, termination of labour relations with the Company, violations of laws or disciplines, damage to the Company's reputation, failure to meet the Company's or individual performance targets, etc.), the relevant restricted shares shall be repurchased and cancelled by the Company.

As of the end of the reporting period, a total of 1,176 incentivized individuals held restricted shares. In February 2026, 3 incentivized individuals achieved a "Not meeting the Company's needs" rating in their performance assessment, and 15 incentivised individuals no longer met the incentive conditions due to job transfers and other reasons. The aforementioned 18 incentivised individuals had been granted but not yet vested restricted shares amounting to 630 thousand shares, which will be repurchased and cancelled.



Welfare

The Company provides a diverse range of non-compensation benefits for all employees, covering directors and, management, headquarters employees, management and technical personnel, and workers of headquarter and subsidiaries, as well as retired employees, to safeguard their rights and interests and ensure that 100% of our employee has the right to enjoy benefits such as welfare subsidies, living entitlement, employee activities, other types of paid leave, and maternity support.

Staff Welfare

Benefits and Allowances

- **Festival Allowances:** Distributing festival and holiday allowances.
- **Work Allowances:** Providing allowance for high temperatures in summer, night work, seniority, team leader, and toxic and hazardous positions.
- **Living Allowances:** Providing subsidies for housing, families with disabilities, marriage and childbirth.

Employee activities

- **Holiday Activities:** Organising activities during traditional festivals such as Spring Festival, Mid-Autumn Festival, and Dragon Boat Festival.
- **Cultural and Sports Activities:** Hosting employee cultural and artistic festivals, table tennis tournaments, badminton competitions, calligraphy events, and other performances and recreational activities.

Paid Leave

- **Paid Leave:** Strictly implementing the national working hour system and providing employees with paid leave in accordance with regulations, including legal holidays, annual leave, marriage leave, family visit leave, bereavement leave, maternity leave, sick leave, and work-related injury leave.

Living Security

- **Social Insurance:** Basic pension insurance, basic medical insurance, supplementary medical insurance, work-related injury insurance, maternity insurance, unemployment insurance, and housing provident fund.
- **Retirement Benefits:** Ensuring smooth processing of early retirement applications for special types of work, sick, retirement, etc. Timely distributing pensions, medical insurance, corporate annuity, and other benefits for retirees, together with regular visits and festival benefits to support them to enjoy the retired life.
- **Rehabilitation and Recuperation Activities:** Established a safe responsibility system to ensure the smooth implementation of recuperation and vacation activities.
- **Health Activities:** Providing employee psychological counselling services and physical examination services.

Childbirth Support

- **Childbirth Leave:** Providing employees with maternity check-up leave, maternity leave, breast feeding leave, parental leave, and paternity leave in accordance with legal regulations.
- **Maternity Insurance:** Timely and full payment of maternity insurance for employees.

Democratic rights

Yankuang Energy attaches importance to the protection of employees' democratic rights. By implementing the *Rules for the Implementation of the Employee Representative Assembly Regulations* and the *Employee Representative Patrol Policy*, and performing the "1+3" collective contracts, i.e., the *Collective Contract*, the *Wage Special Collective Contract*, the *Labour Safety and Health Special Collective Contract*, and the *Special Collective Contract for the Protection of Female Employee's Rights and Interests*, we aim to safeguard employees' legitimate rights and interests.

The Company regularly reports to the Employee Representative Assembly on the protection of employees' rights and interests, and handles labour disputes and controversies in a timely manner. The Company collects employees' opinions and suggestions through multiple channels such as the Employee Representative Assembly, the complaint and request handling office, the committee for the mediation of labour disputes among employees, democratic discussion meeting and WeChat official account, so that it can guide and encourage employees to express their demands. Moreover, we safeguard employees' rights to be informed of, express opinions on, participate in, negotiate and supervise the matters concerning their own interests, such as wages and income, welfare benefits, labour safety and health, and social security welfare, promoting democratic decision-making of the Company. In 2025, the Company held an equal consultation meeting on collective contracts, during which representatives from both employees and the Company earnestly discussed revisions to the collective contracts. The negotiated "1+3" collective contracts were formally signed after deliberation and approval by the Employee Representative Assembly, strengthening the protection of employees' rights in terms of occupational health, safety, and well-being.

The Company continues to strengthen the labour law supervision of the labour union, establish the Labour Law Supervision Committee of the labour union, enhance the quality of the labour law supervision workforce, and develop a mechanism to ensure that the Company participates in the whole process of safeguarding employees' rights and interests. Leaders at all levels of the Company go deep into the grassroots, listen carefully to employees' opinions and suggestions, and understand demands of the employees in a timely manner, so as to improve employee satisfaction.

Female employees' rights and interests

The Company abides by the *Law on Protection of Women's Rights and Interests*, the *Measures for Labour Protection of Female Employees in Shandong Province* and other related laws and regulations, and signs with female employees the *Special Collective Contract for the Protection of Female Employee's Special Rights and Interests*, effectively safeguarding the working environment and the rights and interests of female employees during pregnancy, maternity leave, etc. In addition, we have incorporated career development, remuneration packages, maternity protection, and assistance to employees in balancing work and family responsibilities into the terms of special collective contracts for female employees.



Women's Health Seminar



Human rights protection

The Company is committed to protecting human rights in accordance with internationally recognised standards such as the *Universal Declaration of Human Rights*, the *UN Guiding Principles on Business and Human Rights*, and the *Voluntary Principles on Security and Human Rights*. We promote anti-violence and anti-conflict measures. The Company has formulated the *Code of Corporate Conduct* covering all employees and suppliers, making a clear commitment to assess human rights impacts and risks, actively prevent potential violence and discrimination in the workplace and business conduct, and establish comprehensive response procedures to resolutely prevent any acts that may infringe upon human rights, fully respecting and protecting human rights in our operations. The Company provides annual human rights protection training for all employees, improving their awareness of human rights protection.

The Company conducts annual evaluations on the effectiveness of human rights protection in relation to its business activities and operations, promptly identifying potential human rights risks in new businesses and projects, and reporting to the risk management committee. The evaluations revolve around human rights issues such as child labour and forced labour, human trafficking, discrimination, freedom of association, and collective bargaining, with a focus on groups vulnerable to human rights risks, including women, children, indigenous people, local communities, and third-party employees. Besides, the evaluations are carried out through questionnaire surveys, interviews, document reviews, and on-site inspections, with frontline workers accounting for no less than 10% of questionnaire respondents or interviewees. We ensure all evaluation data is anonymised, strictly protecting the information of respondents. Meanwhile, the Company improves its human rights policies and management approaches based on the survey results, requiring relevant departments or subsidiaries with identified issues to undergo rectification and effectively safeguard employees' human rights.

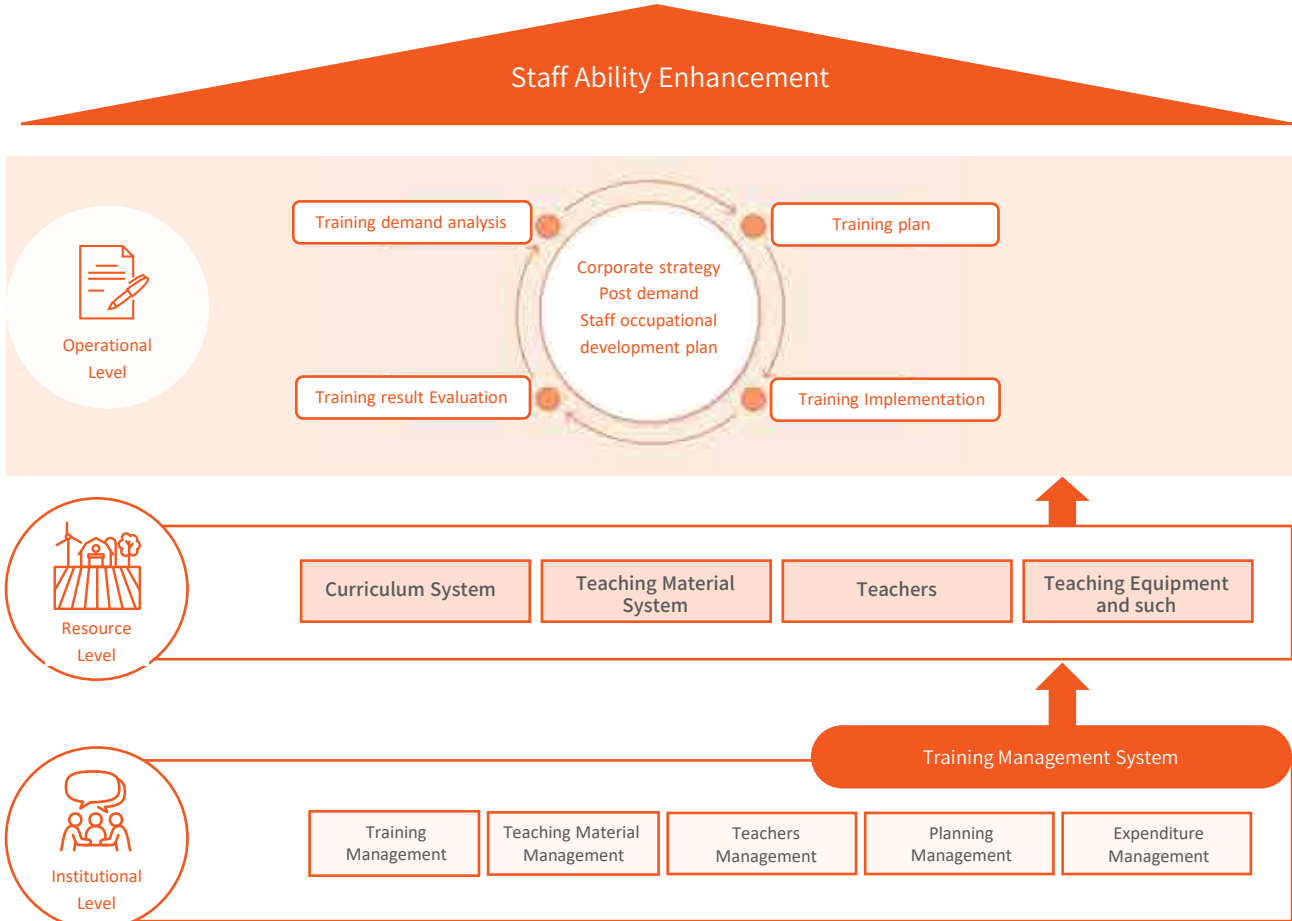
Employee development

The Company built up a training management system with clear responsibilities, specified talent development targets, smoothed the promotion channels for talents, and optimised the talent evaluation mechanism, spending continuous efforts in all aspects to introduce, cultivate and retain more talents, so as to release the vitality of talents in innovation and improve the professional quality of employees.

Employee training

Adhering to the principle of "fulfilling our duties and putting into practice what we've learned", the Company adopts a three-level training system that covers systems, resources and operations. The Company has formulated multiple employee training policies, such as the *Management Rules for Employee Training*, the *Training Assessment Management Rules* and the *Training Information Scheduling Policy*, established the Training Management Committee, developed a training management structure of "Three-Level Engagement and Four in One", and formed a hierarchical training management model with clear responsibilities.

Staff Ability Enhancement Structure



The Company prepares annual training plans and allocates a vocational education fund for staff training. As for internal training, units at all levels of the Company build training and practice bases according to their business characteristics, including by engaging both internal and external instructors, to carry out reasonable and adaptive training, and strengthen the pooling and sharing of resources. As for outsourced training, the Company sends middle and senior management to high-quality training bases for training, which has improved the comprehensive quality and duty performance of the cadre team. In addition, the Company encourages employees to spend their spare time to participate in education and training activities for higher degrees, qualifications and promotion, which can improve the comprehensive quality of the workforce.

In 2025, Yankuang Energy gave full play to the core role of education and training in passing on corporate culture, empowering workforce and extracting knowledge as assets, with various forms of training taken over 172 thousand times, including trainings on management (Leadership training), safety, technics, skills (including digital transformation application skills), job transition, culture training etc. The employee education costs exceeded RMB 100 million. All subsidiaries of the Company conducted training via online platforms such as Shandong Energy E-learning and organised examinations for over 300,000 times. The Company 's training programs cover both full-time and part-time employees. In 2025, the proportion of the Company 's employees trained was 100%, and the average training hours of employees was 39.16 hours.



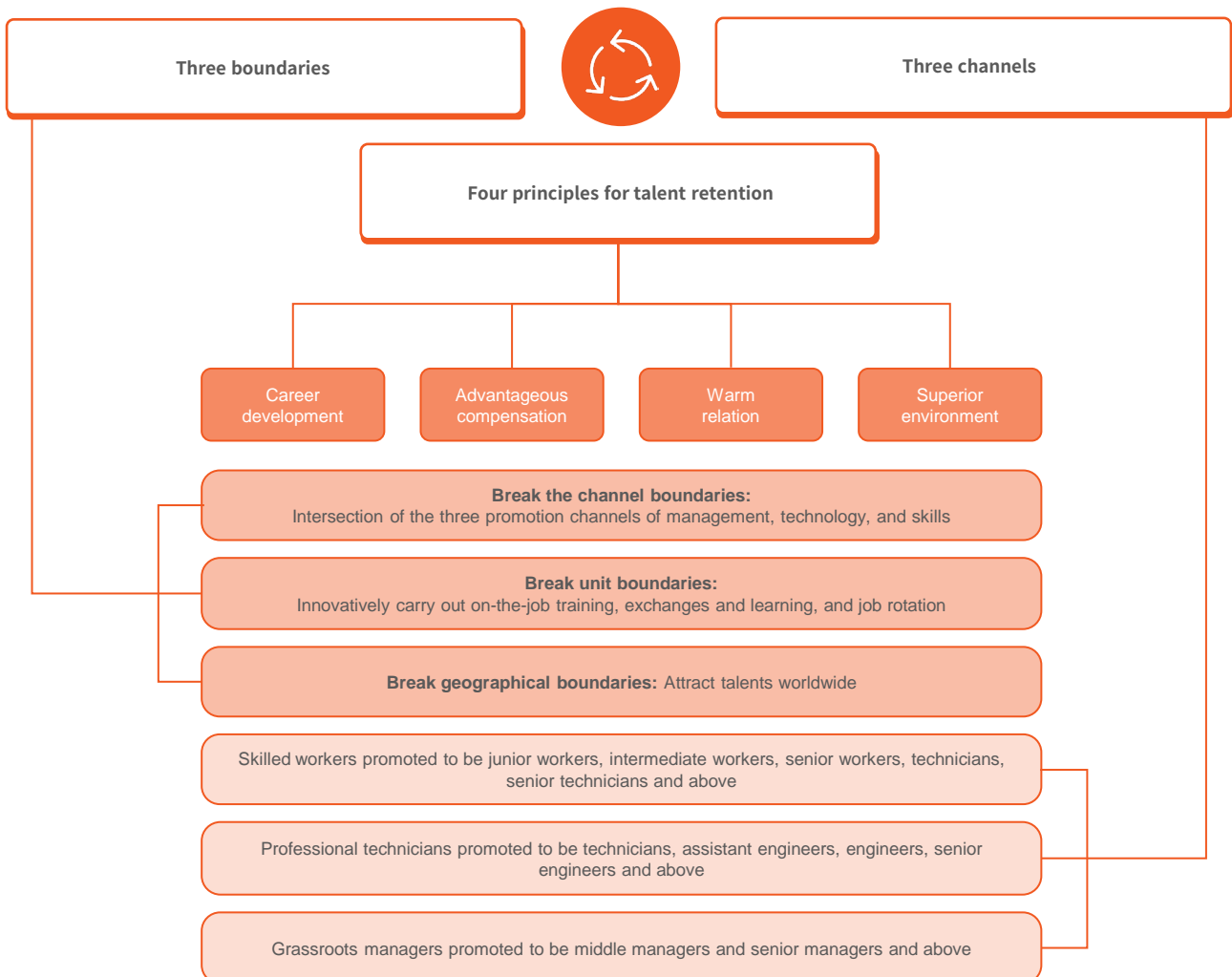
All Staff Job Skills Competition of Yankuang Energy

Employee promotion

The Company adheres to a dual-pronged talent strategy that combines external recruitment with internal cultivation, refined three promotion channels based on management, technology, and skills, and further improved the selection system for young cadre. For the internal vacancies of management and technical posts, the Company selects candidates through open competition. Team leaders who perform well can be promoted directly to management positions, which provides a promising prospect for employee career development.

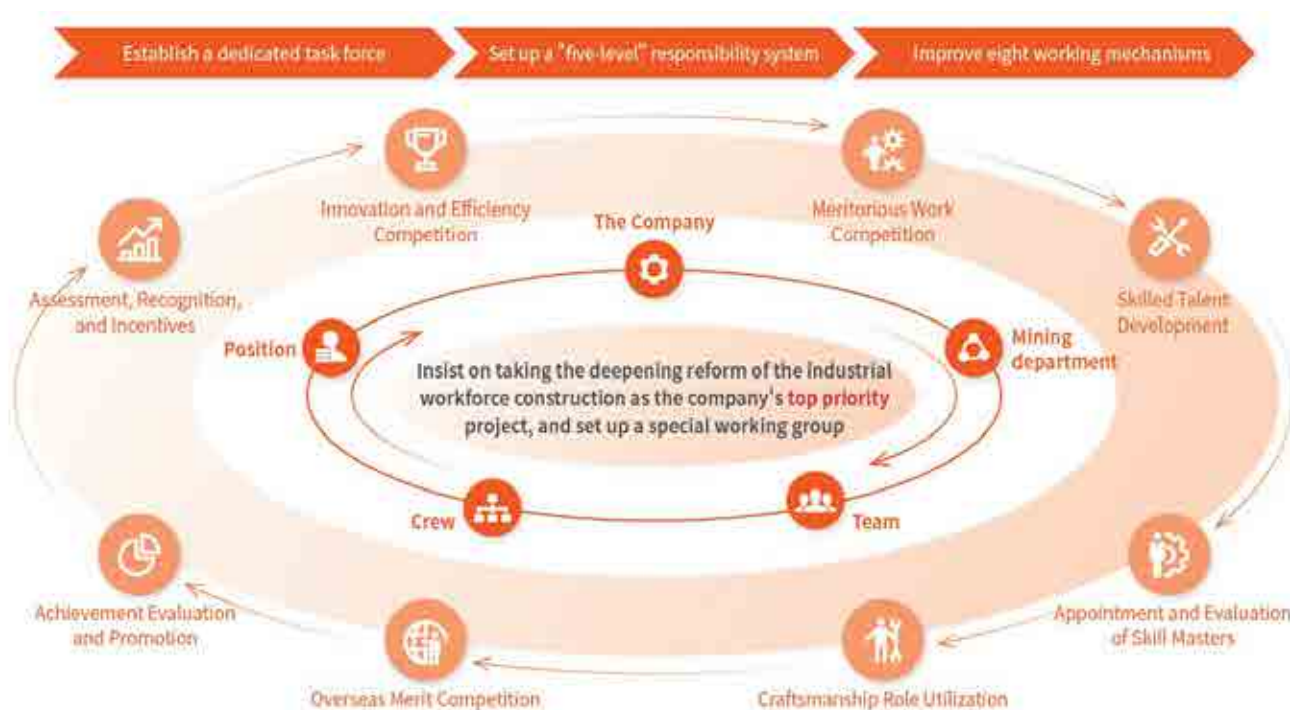
Centred around its development strategy and industrial layout, the Company has built talent pools at senior, intermediate, and junior levels for different professions such as engineering technology and human resources, and has improved the measures for the management and assessment of talent pools. The Company has innovatively carried out post-exchange training between functional departments of headquarters and grassroots subsidiaries, enriched employees' job experience, improved their comprehensive quality and cultivated a group of industry-leading talents mastering various specialised skills.

Employee Career Development Path Schematic



Further advance the reform of the construction of the industrial workforce

Yankuang Energy is earnestly implementing the important arrangements of the Central Committee of the Communist Party and the State Council regarding the deepening reform of the construction of the industrial workforce. It is committed to top-level design, focusing on innovation among all employees, and concentrating efforts on talent cultivation, to comprehensively develop a knowledgeable, skilled, and innovative industrial workforce.



Build a hub for skill inheritance

- A Craftsmanship Academy has been established, providing targeted professional training and vocational skills enhancement programs for over 2,700 participants;
- A Model Worker and Craftsman Service Team has been formed, carrying out the third “Model Workers and Craftsmen Assist Enterprises” initiative in two batches within and outside the province, thus solving over a hundred issues on site;
- Employee representatives are organised to visit and exchange with overseas units, fostering internal consensus on supporting overseas operations and achieving collaborative development.



Stimulate the momentum for business development

- We have built an all-staff innovation ecosystem, revised *Management Measures for Employee-Contributed Reformative and Innovative Achievements*. A total of 34 innovative outcomes were collected and evaluated, with rewards amounting to RMB 640,000. Among these, eight works won awards in the first National Employee Innovation, Creativity, and Entrepreneurship Competition under the Job Innovation track. Additionally, cumulative subsidies and funds of RMB 320,000 were issued.

- One unit was recognised as a provincial-level all-staff innovation enterprise, while five employees were honoured with titles such as Qilu Great Craftsmen, Qilu Craftsman, and Jining Craftsman.

Build a platform for employee growth and development

- The Company won the team first prize in the National Petrochemical Industry Intelligent Vocational Skills Competition, as well as the individual gold and bronze medals and the team excellence award in the 25th National Coal Industry Employee Vocational Skills Demonstration Competition (Mine Rescuer), fostering an intense atmosphere of “learning to catch up, competing for excellence”. Four teams and individuals were commended by the China National Coal Association as the “Most Outstanding Miner in the New Era”.



Care for employees

Cultural and sports activities

The Company organises diverse cultural and sports activities, so as to satisfy employees' spiritual needs and enhance their comprehensive competence and group cohesiveness. In 2025, Yankuang Energy and its subsidiaries launched and participated in over 200 cultural and sports activities, including calligraphy and painting exhibitions, photography shows, performances, and table tennis and badminton matches, along with more than 600 reading activities for employees.



The "Cultural Promotion Light Cavalry" care show



Table tennis match

Care and compassion

The Company always cares for what employees think and want, and constantly carries out caring activities such as consolation to employees, "Golden Autumn Student Aid", "Aid for People in Need", "Surrogate Support for the Elderly", "Loving Mothers", and "Learning from Lei Feng". In 2025, the Company targeted assistance measures and deepened support and relief programs for employees. A total of 3,115 employees and students in difficulty were visited and provided with condolences, with funds and scholarships amounting to RMB 4.3 million disbursed. Additionally, 237 employees suffering from serious illnesses and unsupported surviving family members received aid, with financial assistance totalling RMB 2.2 million.



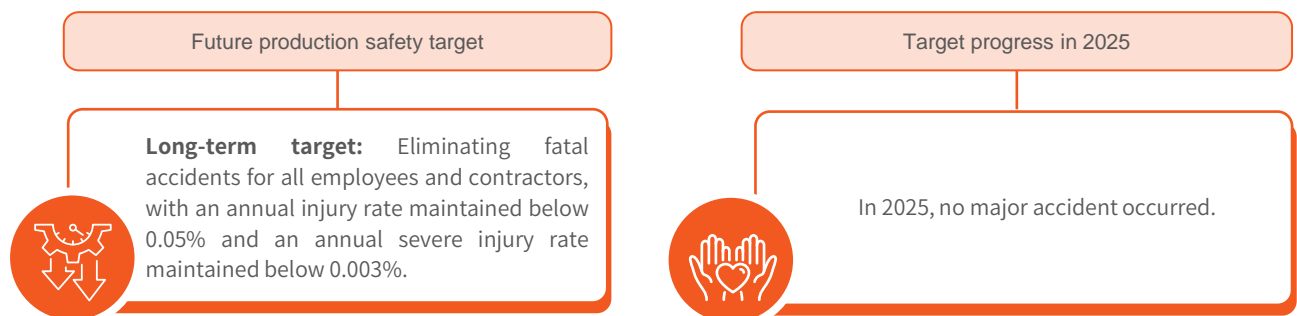
Employee care activity

Employee safety

The Company firmly sticks to our safety red-line and operation bottom-line, strictly abides by the *Law of the People's Republic of China on Work Safety* and other related laws and regulations, formulates safety management objectives, carries out safety risk identification and assessment, and strengthens production safety management measures. We always prioritise employee safety, striving to eliminate safety accidents and incidents with significant social impact.

Production Safety

The Production Safety Committee is the Company's highest governing body for safety management, chaired by the CEO. It is responsible for deploying and supervising the Company's production safety work, including establishing the safety management system, formulating and monitoring the implementation of safety work plans, staffing safety management positions, formulating and implementing emergency response plans, and making major decisions on safety investment, accountability, assessment, and incentives. The Company has production safety management bodies, such as the Safety Supervision Department and the Dispatch Control Centre, responsible for safety management, dispatch operations, emergency response and related tasks.



Dual prevention mechanism

The Company has formulated the *Management Policy for the Dual Prevention Mechanism of Classified Safety Risk Control and Hidden Hazard Detection and Control*, and revised the *Regulations on Safety Management of Dangerous Operations* and the *Regulations on Safety Management of Temporary Construction Operations*. The Company identifies and assesses various major risks, and establishes control and emergency plans, to realise the organic integration of classified risk control and hidden hazard detection and control. The Company conducts monthly and quarterly inspections of safety risk identification and hazard detection and control efforts in each unit. After the risks and hazards have been addressed, a comprehensive assessment and acceptance of the rectification effects is carried out to achieve closed-loop management. In 2025, the Company organised coal mines to conduct surveys on hidden disaster-causing factors and prepare reports accordingly. These reports were reviewed and approved by relevant experts, thereby enhancing the capacity for hazard detection and control.

Safety emergency management

The Company has put in place policies such as the *Emergency Plan for Production Safety Accidents* and the *Management Measures for Emergency Response*, improved the emergency work system, built a comprehensive emergency rescue team, and ensured reasonable, sufficient and disposable on-site equipment and supplies. For the underground coal silo, the Company has formulated the *Regulations on Safety Management of Coal Silos in Mines*, which sets out detailed requirements for the daily management of coal silos, emergency response measures and other aspects, to prevent coal silo fire and other accidents from the beginning. The Company regularly organises emergency practice drills for situations such as disastrous weather, fire and mine water accidents, and carries out practical assessments and professional competency tests to enhance emergency management capacity. In 2025, the Company carried out over 1,700 emergency drills for various scenarios with nearly 35,000 participants.



Disastrous weather emergency drill at Jining III Coal Mine



Fire drill in the tank farm by Future Energy

Safety supervision assessment

The Company has optimised policies such as the *Management Rules for Grid Management of Production Safety* and the *Safety Assessment Implementation Approach* to strengthen safety assessment and supervision. The Company has established 13 professional assessment teams, adopted measures such as on-site inspection, communication, reverse inspection and backtracking, and kept implementing the “1+1+1+N⁹” inspection mechanism to carry out comprehensive safety inspection and assessment. Rectification within the specified time limit shall be implemented by the relevant responsible department for any problems identified in the inspection. The Company incorporates production units and directly controlled subsidiaries responsible for production safety in the scope of assessment and develops differentiated assessment standards. The Company also conducts safety performance assessment and production safety innovation and efficiency reward for management and functional departments of the headquarters. During the year, the Company completed 16 safety inspections and comprehensive evaluations, 12 unannounced night inspections and 7 comprehensive technical evaluations.

⁹ That is, conducting full-coverage inspections every six months, unannounced night inspections and rock burst prevention inspections at least once a month, and numerous specialised inspections.

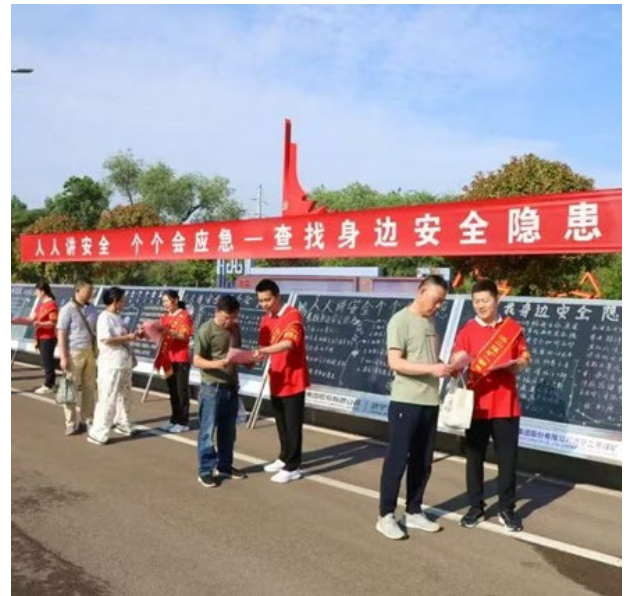
Management of contractors

The Company has formulated policies such as the *Regulation to Standardise the Safety Management of Outsourced Construction* to regulate the safety management for external personnel regarding policy, process, responsibility and assessment. The Company strictly reviews the qualification of external personnel such as those from construction or maintenance providers and signs production safety management agreements with contracted constructors, requiring them to provide safety training, protective equipment and corresponding insurance for workers, as well as to supervise the implementation of safety measures to fulfil their responsibilities on safety management. The Company identifies the risks and hazardous factors existing in each outsourced project, arranges onsite supervision or inspection in time, and imposes financial penalty, rectification within a certain period of time, suspension for rectification and other measures on the detected violations or hidden hazards.



Safety training

The Company has enhanced safety training at all levels and developed the *Safety Training Management Policy* and the annual safety training plan. The Company offers multi-channel and high-quality training to effectively improve production safety and management capabilities of personnel and contractors at all levels. In 2025, the Company completed training for “personnel in charge of the three posts¹⁰”, underground team leaders, and general practitioners. The participation rate, training passing rate and certificated employment rate all reached 100%. All production safety personnel conducted 48 quarterly professional meetings, 12 Chief Engineer Lectures, 44 professional theoretical and practical training sessions, and 13 quarterly professional random assessments, which effectively enhanced the overall competency of production safety teams at all levels. Additionally, the Company organised 3 special training courses for safety training management personnel and 2 for safety supervision management personnel, 6 training sessions to improve the capabilities of dispatch and emergency response personnel, and a teaching skills competition for 70 full-time and part-time safety training instructors. These initiatives have tangibly strengthened the professional capabilities of safety and emergency management personnel.



“Work Safety Month” Campaign of Jining II Coal Mine

Occupational health

The Company strictly adheres to the *Prevention and Control of Occupational Diseases Law of the People’s Republic of China* and other laws and regulations. We continuously improve the *Responsibility System for Safe Production and Occupational Disease Hazard Prevention and Control for All Employees* and the *Responsibility System for Occupational Disease Hazard Prevention and Control*. These outline prevention and control measures for occupational disease hazards such as dust, noise, high temperatures, and toxic and harmful gases, as well as standardised management of personal protective equipment issuance and usage.

Future occupational health target

Long-term targets: Each year, all the Company’s production and operation sites obtain ISO 45001 Occupational Health and Safety Management System certification, with the incidence of occupational disease per thousand employees below 0.5%.



Target progress in 2025

The Company successfully obtained the ISO 45001 Occupational Health and Safety Management System certification, and the incidence of occupational disease per thousand employees was 0%, meeting the relevant targets.



¹⁰ The three posts mean the main principals of production and business units, safety management personnel and special operation personnel.



Case

Coal mine improves the work environment by applying the “long pressing and short pumping” ventilation dedusting technology

The Company has developed a lightweight, infinitely adjustable, wireless-transmission intelligent air distribution device featuring a multi-window chute design. This device can synchronise with the start/stop functions of road header and integrate deeply with safety monitoring systems, enabling coordinated control of monitoring data such as air volume, dust, and methane. It forms a comprehensive system that incorporates intelligent air distribution and dry-type dust removal fans, achieving an overall dust removal efficiency exceeding 95%. This technology improves the working environment, reduces the risk of occupational diseases for employees, and has been fully implemented across the Yankuang Energy.

The Company has conducted measures such as notifications of occupational disease hazards, set-up of warning signs, daily monitoring, regular reporting, and other protective measures. We also carried out relevant assessment and formulated the *Workers’ Occupational Health Surveillance and File Management System*, setting up a “dual prevention” system of occupational disease hazards, and established employee electronic surveillance files based on the principle of “one file for one person”. The Company insists on declaring occupational disease hazards and actively organises occupational health examinations and health recuperation for underground employees. In addition, the Company has entrusted qualified technical service agencies to identify occupational disease hazards at least once a year and assess the current occupational disease hazards at least once every three years. The Company tests the effectiveness of prevention and control of occupational disease hazards through comprehensive, targeted, regular and random checks. In 2025, the screening rate of occupational diseases was 100%. There was no incidence of occupational disease at the Company.



Zhaolou Coal Mine occupational health promotion



SOCIAL



05 Social Responsibility

Yankuang Energy is committed to improving people's livelihoods and achieving common prosperity. The Company actively fulfils its social responsibility, gives full play to its advantages for rural revitalisation, and provides community care to bring warmth to numerous families.



Respond to ESG Material Issues

- Care for Community, Rural Revitalisation, Energy Supply Security, Emergency Relief

Respond to HKEX ESG indexes

- B8 Community Investment

Respond to SSE ESG indexes

- Rural revitalization, Contribution to society

Respond to UN SDGs



Rural revitalisation

The Company actively responds to the national strategic deployment of rural revitalisation and upholds social responsibility and mission. The Company deepens cooperation between local governments and enterprises, and develops distinctive industries according to local conditions to drive local development, and consolidate and expand the results of poverty alleviation through organisational revitalisation, industrial revitalisation, cultural revitalisation and ecological revitalisation.

Organisational revitalisation

The paired assistance is included in the Company's annual work plan to develop the annual and medium-to-long term assistance plans. The Company has appointed dedicated personnel to strengthen communication with villages and towns under assistance. They conducted field visits to rural households and adopted approaches according to local conditions and specific needs. In 2025, Lunan Chemicals dispatched a first secretary to Xingzhuang Village in Jiangtun Town, undertaking regular visits to provide assistance and extend goodwill.

Industrial revitalisation

The Company promotes the village enterprise construction programmes and promotes the sales of agricultural products from paired regions through "purchase instead of donation", "procurement instead of assistance" and many other ways. In 2025, Yulin Neng Hua signed a cooperation agreement with Chenyayao Village, jointly promoting agricultural modernisation and rural industrial upgrading, thereby facilitating the sale of the village's agricultural and sideline products. Future Energy actively participated in the village-enterprise construction programmes in Yulin City, Shaanxi Province. Focusing on the combination model of "technology + funds + infrastructure", it has cumulatively invested RMB 42.55 million in poverty alleviation and assistance in recent years. In 2025, it invested RMB 5.63 million in 7 key villages receiving assistance in Yuyang District, Jia County, and Zizhou County, directly improving the rural infrastructure and living environment.

Cultural revitalisation

The Company actively supports local educational assistance and promotes rural cultural development initiatives. By deeply exploring local cultural resources, we have sponsored various community cultural and sports activities, including gala evenings and marathons. In 2025, the Ordos Company contributed RMB 22 million to support education in Ejin Horo Banner and provided RMB 100,000 in funding for the Ordos Marathon, thereby advancing the development of local cultural and sports initiatives.

Ecological revitalisation

With great concerns about the natural environment and living conditions of rural residents, the Company actively promotes the ecological conservation in rural areas by participating in afforestation and strongly supporting greening projects to build green corridors. In 2025, Jinjitan Coal Mine contributed RMB 950,000 to support the illumination project in Shaping Village, Zizhou County, donated RMB 500,000 for the field road paving project in Jinhai Village, Yuyang District, and provided RMB 550,000 for the construction of the Party-mass Service Centre and renovation of the Elderly Happiness Home in Chaixingliang Village, Yuyang District, thereby improving the living environment in the villages and towns. Since 2020, Future Energy has invested a total of RMB 140 million to support Yulin City's "Forest City on the Frontier" Initiative, of which RMB 30.11 million was allocated in 2025 for afforestation projects to restore ecology in the Loess Plateau region, effectively improving the local environment and enhancing the quality of life for residents.

Energy supply security

The Company adopts multiple measures to ensure energy supply, optimise the production organisation, adjust the production structure and sales layout, promote intelligent coal mining, and stabilise the task of supply. The Company actively communicates with all parties and achieves a safe and stable supply through prioritising the coal shipment to power plants with heavy heating tasks, high coal consumption and low inventory. We enhance transportation coordination and control, optimise dispatch strategies, and ensure the efficient and orderly delivery of energy. In 2025, the Company supplied a total of 33.47 million tonnes, and the rate of coal delivery in Shandong Province was 97%. At the same time, the Company actively assisted the resident governments with heating coal to protect local residents' winter heating and electricity consumption and support local economic development. In 2025, the Ordos Company supplied a total of 595 thousand tonnes of coal for central heating and affordable winter heating for farmers and herders locally. This included 550 thousand tonnes for central heating and 45 thousand tonnes for heart-warming supply for local farming and herding communities. Yingpanhao Coal Mine prioritised and successfully supplied 110 thousand tonnes of standard-priced pulverised coal to Wushen Banner.

The Company actively responds to national policies, accelerates the construction of coal storage and distribution bases, and takes advantage of port transportation to build an important energy transit station and improve energy security capacity. In 2025, the capacity of coal reserve was 5.78 million tonnes.



Care for community

The Company earnestly fulfils its social responsibility and focuses on maintaining good community relations by fully utilising its own resources to establish an effective communication and exchange mechanism with the local community. We carry out various public voluntary activities to improve people's well-being.

Community relationship

The Company attaches great importance to our relationship with the local community. We work together to establish a communication and consultation mechanism with the local community and set the common goals of safeguarding the legitimate rights and interests of relocated residents.

The Company supports and cooperates with the village relocation in mining area, upholding the principle of balancing livelihood protection with resource development. Relocation measures are taken for such villages, ensuring that the production and living conditions of relocated residents meet or even exceed their previous standards. During the relocation around the coal mine, the Company strictly complies with policies and regulations such as the Management Measures for Village Relocation in Mining Area and the Compensation and Resettlement Measures for Village Relocation in Mining Area. With the common goal of "safeguarding the legitimate rights and interests of villagers relocated for new projects and mine production", we uphold the principles of "free, prior and informed consent (FPIC)" and "people-oriented stance, equal consultation, transparent procedure, site-specific and resource-saving approach", and insist on the equal importance of livelihood protection and resource development. We fully respect the will of the relocated villagers to safeguard the legitimate rights and interests of the people in the project site and the surrounding areas.

The Company has established a local liaison office with designated contact persons, specifically responsible for the relocation around the coal mine, as well as communication with the local community and handling of complaints. Before initiating relocation work, the Company works with the local government and the affected communities to jointly formulate relocation and financial compensation arrangements. We fully consider the living needs of the relocated villagers and the surrounding public facilities, and optimise the planning and design, to ensure that the relocated residents can enjoy abundant public service resources as much as possible. The relocation plan will be publicised in the communities to be relocated for no less than 30 days to widely solicit residents' opinions. The relocation plan will be adjusted based on residents' feedback to ensure the consent of all residents is obtained. During the implementation phase of the relocation, the Company performs the democratic decision-making procedures, signs the letter of intent on resettlement with the relocated residents, and ensures proper resettlement and adequate compensation for them.

The Company is committed to advancing the sustainable development of the local society and economy through reclamation projects. The Company revises the Mine Geological Environment Protection and Land Reclamation Plan every five years to ensure that the reclamation projects will help increase the income of nearby farmers and improve the production and quality of life of local people. When preparing the plan, we conduct onsite investigations in the affected areas around the reclamation project, visit relevant local government departments, industrial zone landlords and residents, and hold media publicity meetings to widely solicit public suggestions to improve the plan. The Company also organises a public representative group consisting of local residents and representatives of villages to participate in the implementation of the plan and supervises the reclamation work performed in strict accordance with the plan. These efforts safeguard the long-term interests of the public in the local community. Additionally, the Company provides funding to support the construction of local public facilities such as kindergartens, schools, and village committee offices, as well as some commercial buildings, thereby promoting an improved living environment and capacity building for local residents.

○ The Company conducts community impact assessments and encourages public participation:

During the pre-project stage, the Company conducts baseline surveys of the social context. In cooperation with local government agencies, the Company conducts social stability risk surveys on safety, compensation and other matters, identifies and lists risk points, evaluates the degree of risk impact, and consults with villagers through seminars and other means.

In response to the identified risks, the Company puts forward prevention and resolution plans and risk level recommendations, and the designated assessment organisation by the relevant departments carries out assessment and demonstration of the possible social stability risks of the decision-making project, and makes a good preventive and response plan

The Company provides villagers with channels for complaints and reports, strictly regulates the handling process, actively listens to villagers' opinions and respects the decisions of the local community, and ensures their effective participation in the governance of the local community and monitors the whole process.

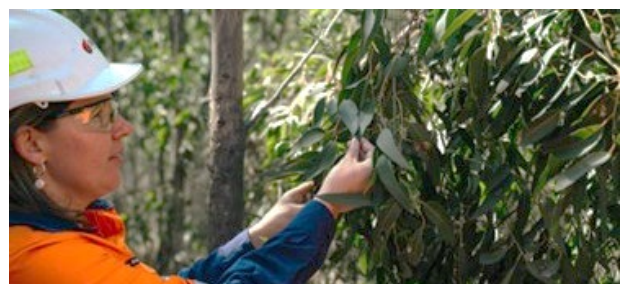
The Company's security system establishes a police-enterprise joint control mechanism, which helps to realise the harmony and stability of the local community while safeguarding the safety of the company's assets and good working order.



Case Yancoal Australia enhances indigenous engagement

Yancoal Australia respects distinct cultural knowledge, priorities and expectations of each indigenous community. It has developed and implemented an Aboriginal Cultural Heritage (ACH) Management Standard to guide the protection of cultural heritage and the communication and engagement with indigenous peoples, which is committed to establishing positive and long-lasting cooperative relationships with indigenous stakeholders.

In addition, Yancoal Australia continues to promote Indigenous Cultural Awareness Training (ICAT) to build a more inclusive, equitable and diverse workplace, and lay a foundation for further deepening indigenous engagement in the future. In 2025, Yancoal Australia delivered 25 sessions of ICAT, with more than 350 employees across sites participating, and the positive content rating reached 96%.



The Company recognises mine closure and ecological restoration as critical tasks for sustainable development. Based on the ecological conditions of the mine and the surrounding social context, we develop comprehensive pre-closure plans that comply with legal and regulatory requirements. We conduct social impact assessments with the participation of key stakeholders. A reclamation plan is established, and a dedicated reclamation fund is set up to ensure continuous reclamation efforts after mine closure, achieving a 100% reclamation rate.

We engage in thorough communication with stakeholders before the end of the mining operation cycle. After closure, a team is retained to continue managing the closed mine area, overseeing reclamation progress and acceptance, facilitating communication and coordination with government agencies and local communities, addressing potential issues, and implementing mitigation actions related to the closure.

Volunteer services

The Company's volunteers carry out warm-hearted activities on streets, in communities and in families, with themes covering fire safety, green action, volunteer, community services, health care to deliver our care for the residents in the community.

The Company offers various charitable services, supporting the harmonious development of society. We organise community volunteer activities, offering residents convenient services such as cleaning and sanitation, fire safety awareness campaigns, anti-fraud education, electronic device repairs, and charitable haircuts. We arrange donations for education cause, organise voluntary blood donation, and provide psychological counselling and mental health training services.

Inner Mongolia Mining launched environmental volunteering activities, organising young volunteers to clear litter from the banks of the Yellow River while promoting eco-consciousness among tourists, taking concrete actions to protect the riverside ecosystem.



Baodian Coal Mine established a holiday care program for children in the mining area, offering over ten courses including English, dance, handicrafts, and baking, creating a safe, enriching, and joyful environment for the children's development.



Tianchi Energy organised a charitable donation activity titled "Warming Hearts, Supporting Education and Assisting the Disabled".



Ordos Company provided financial support to local sports events and educational projects, contributing to the development of regional cultural and sports.



Baodian Coal Mine heart-warming summer camp



Lunan Chemicals voluntary blood donation activity



Xinglongzhuang Coal Mine's door-to-door initiative



Future Energy funds the "Forest City on the Frontier" afforestation project

| Social contribution of the year | |
|---|---|
| Total investment in public welfare projects and external donations | RMB 62.14 million |
| Total investment in poverty alleviation and rural revitalisation projects | RMB 6.19 million |
| Social contribution per share | China Accounting Standards |
| | International Financial Reporting Standards |



Emergency relief

After years of practice and accumulation, Yankuang Energy has established and formed a set of response system for emergency assistance, helping carry out emergency rescue and practice training. The Company regularly undertakes training tasks such as the full-time and part-time ambulance team qualification skills training and the coal mine team leader's emergency response ability training in Shandong Province. In addition, the company's education and training work has achieved new breakthroughs across regions and industries.

Emergency capacity improvement training

| Name of emergency response ability training | Participation in the training |
|--|--|
| Part-time mine rescue team training | 11 training sessions, with 1,100 participants |
| Training for coal mine team leader on first aid knowledge and emergency response ability | 16 training sessions, with 1,287 participants |
| Initial training for part-time mine rescue team | 2 training sessions, with 160 participants |
| Refresher training for full-time mine rescue team | 3 training sessions, with 52 participants |
| "Safety Rescue Lecture" | 11 training sessions, with over 1,500 participants |

During the reporting period, the Company participated in a total of 156 various emergency rescue drills, involving 186 team dispatches comprising 1,481 person-times. Through these strong initiatives, the Company has ensured continuous and safe production in mines. In 2025, the Company participated in the 13th National Mine Rescue Skills Competition, achieving outstanding results including one prize of "First Place in the Team All-Around Event", two prizes of "First Place in the Individual All-Round Event", six prizes of "First Place in Team Single Events", and four prizes of "First Place in Individual Single Events".



The 13th National Mine Rescue Skills Competition

In the face of emergencies, the Company has stepped forward to complete the rescue and relief tasks excellently. In 2025, the Company participated in disaster relief and emergency rescue and successfully completed rescue missions such as flood control and drainage at the Hasuhai Reservoir in Hohhot City.



Hasuhai rescue

Key Performance Indicator

| Manage Performance Indicators | | Unit | 2025 | 2024 | 2023 |
|-------------------------------|--|-----------------|----------|----------|----------|
| No. | Operation Performance | | | | |
| 1 | Total assets | RMB 100 million | 4,519.72 | 4,098.41 | 3,945.83 |
| 2 | Total borrowings | RMB 100 million | 1,313.12 | 1,223.60 | 1,062.98 |
| 3 | Sales income | RMB 100 million | 1,333.41 | 1,411.44 | 1,483.26 |
| 4 | Equity attributable to shareholders of the Company | RMB 100 million | 712.89 | 640.08 | 603.04 |
| 5 | Net profit attributable to shareholders of the Company | RMB 100 million | 85.25 | 145.92 | 195.65 |
| 6 | Return on net assets | % | 11.96 | 22.80 | 32.44 |
| 7 | Earnings per share | RMB | 0.85 | 1.47 | 2.01 |
| No. | Yield | | | | |
| 1 | Saleable coal output | 1,000 tonnes | 182,398 | 142,493 | 132,107 |
| 2 | Methanol output | 1,000 tonnes | 4,540 | 4,105 | 4,016 |
| 3 | Chemical products output | 1,000 tonnes | 9,775 | 8,702 | 8,587 |
| 4 | Power generation output | 10,000 kWh | 748,763 | 812,048 | 840,351 |
| No. | Anti-Corruption Campaigns | | | | |
| 1 | Number of concluded corruption lawsuits | case | 3 | 0 | 0 |
| 2 | Number of concluded cases of unfair competition lawsuits or significant administrative penalties | case | 0 | 0 | * (1) |
| 3 | anti-corruption training sessions | session | 3 | 2 | 2 |
| 4 | Percentage of directors attending anti-corruption training | % | 100 | 100 | 100 |
| 5 | Percentage of staff attending anti-corruption training | % | 100 | 100 | 100 |
| 6 | Percentage of suppliers accepting anti-corruption policies | % | 100 | 100 | 100 |
| No. | Quality Control | | | | |
| 1 | Corporate credit rating | Grade | AAA | AAA | AAA |
| No. | Innovation | | | | |
| 1 | Number of management innovation achievements | - | 161 | 162 | 108 |
| 2 | Total R&D investment | RMB 100 million | 33.98 | 27.35 | 29.07 |
| 3 | Number of scientific and technological achievements | - | 103 | 123 | 77 |

| Manage Performance Indicators | | Unit | 2025 | 2024 | 2023 |
|-------------------------------|---|-------|-------|-------|------|
| No. | Innovation | | | | |
| 4 | Number of achievements under certification | - | 77 | 53 | 41 |
| 5 | Number of achievements up to world's leading level | - | 59 | 41 | 30 |
| 6 | Number of provincial and ministerial technical innovation awards | - | 87 | 62 | 48 |
| 7 | Number of patents applied | - | 954 | 555 | 411 |
| 8 | Number of patents approved | - | 655 | 499 | 276 |
| No. | Product and Service | | | | |
| 1 | Number of valid complaints | Times | 0 | 8 | 2 |
| 2 | Complaint settlement rate | % | 100 | 100 | 100 |
| No. | Supply Chain Management | | | | |
| | Number of suppliers in Shandon | - | 1,604 | 1,574 | 630 |
| 1 | Number of suppliers by geographical region | | | | |
| | Number of suppliers in other parts of China | - | 1,998 | 1,895 | 751 |
| | Number of overseas suppliers (including Hong Kong, Macao, and Taiwan) | - | 0 | 15 | 13 |
| 2 | Percentage of suppliers implementing suppliers' management policies | % | 100 | 100 | 100 |
| 3 | Contract fulfilment rate | % | 100 | 100 | 100 |

| Environmental Performance Indicators | | Unit | 2025 | 2024 | 2023 |
|--------------------------------------|--|---|----------------------|----------|----------|
| No. | Climate Change | | | | |
| 1 | Total greenhouse gas emissions (scope 1 & 2) | 10,000 tCO ₂ e | 2,246.88 | 2,280.57 | 2,209.51 |
| | Greenhouse gas emissions (scope 1) | 10,000 tCO ₂ e | 1,839.99 | 1,837.38 | 1,755.74 |
| | Greenhouse gas emissions (scope 2) | 10,000 tCO ₂ e | 406.89 | 443.19 | 453.76 |
| 2 | Density of greenhouse gas emissions | 10,000 tCO ₂ e/billion RMB of sales income | 16.85 | 18.31 | 16.64 |
| 3 | Scope 3 greenhouse gas emissions | 10,000 tCO ₂ e | 37,313.38 | * | * |
| No. | Emission Management ⁽³⁾ | | | | |
| 1 | SO ₂ emissions | tonne | 951.17 | 735.02 | 930.11 |
| 2 | NO _x emissions | tonne | 10,128.40 | 9,122.43 | 8,850.39 |
| 3 | VOCs emissions | tonne | 81.33 ⁽⁴⁾ | 962.62 | 729.83 |
| 4 | Particulate matter emissions | tonne | 185.18 | 125.29 | 185.13 |
| 5 | COD emissions | tonne | 1,177.79 | 779.73 | 820.71 |
| 6 | Ammonia nitrogen emissions | tonne | 32.64 | 19.31 | 25.72 |
| 7 | Hazardous waste disposed | 10,000 tonnes | 8.34 | 8.33 | 8.58 |
| 8 | Density of hazardous waste | 10,000 tonnes / billion RMB of sales income | 0.06 | 0.07 | 0.06 |
| 9 | Disposal rate of hazardous waste in compliance | % | 100 | 100 | 100 |
| 10 | General solid waste generated | 10,000 tonnes | 2,639.04 | 1,675.84 | 1,352.00 |
| 11 | Density of general solid waste | 10,000 tonnes / billion RMB of sales income | 19.79 | 13.46 | 10.19 |
| 12 | Wastewater discharged | 10,000 m ³ | 12,984.50 | 5,299.88 | 6,347.33 |
| 13 | Wastewater discharged to surface water | 10,000 m ³ | 12,815.19 | 5,022.42 | 6,080.86 |
| | Wastewater discharged to groundwater | 10,000 m ³ | 0.00 | 0.00 | 0.00 |
| | Wastewater discharged to third party | 10,000 m ³ | 169.32 | 277.46 | 266.47 |

| Environmental Performance Indicators | | Unit | 2025 | 2024 | 2023 | |
|--------------------------------------|---|--|--------------------------|-----------------------|------------|------------|
| No. | Resource Management | | | | | |
| 1 | Recycled water volume | 1 million m ³ | 2,899.88 | 3,897.69 | 4,118.05 | |
| 2 | Total water consumption | 1 million m ³ | 200.89 | 174.39 | 169.87 | |
| | Surface water consumption | 1 million m ³ | 99.29 | 80.44 | 69.51 | |
| 3 | Water consumption by source | Groundwater consumption | 1 million m ³ | 142.48 | 83.92 | 94.14 |
| | | Municipal water consumption | 1 million m ³ | 2.32 | 2.63 | 2.65 |
| | | Third party water consumption | 1 million m ³ | 4.87 | 7.40 | 3.71 |
| 4 | Percentage of alternative water sources | % | 38.59 | 87.42 | 88.45 | |
| 5 | Density of water consumption | 1 million m ³ / billion RMB of sales income | 1.51 | 1.40 | 1.28 | |
| 6 | Comprehensive energy consumption | 10,000 tonne of coal equivalent | 1,346.00 | 1,384.21 | 1,463.41 | |
| | | 1 million kWh | 109,577.99 | 112,688.49 | 119,136.36 | |
| | Coal consumption | 10,000 tonnes | 660.33 | 680.35 | 651.68 | |
| | Coal slurry consumption | 10,000 tonnes | 148.13 | 165.15 | 166.40 | |
| | Gasoline consumption | Tonne | 247.11 | 225.42 | 278.70 | |
| 7 | Energy consumption by category | Diesel consumption | Tonne | 284,577.50 | 278,919.77 | 267,555.44 |
| | | Power consumption | 1 million kWh | 7,452.35 | 6,621.81 | 6,201.39 |
| | | Natural gas consumption | 10,000 m ³ | 611.26 ⁽⁵⁾ | 10.42 | 95.75 |
| | | Outsourced steam consumption | GJ | 557,522.81 | 553,688.69 | 740,123.54 |
| 8 | Density of comprehensive energy consumption | 1 million kWh/billion RMB of sales income | 821.79 | 904.88 | 897.50 | |
| 9 | Proportion of clean energy consumption | % | 0.67 | * | * | |

| Social Performance Indicators | | Unit | 2025 | 2024 | 2023 | |
|-------------------------------|---|--|--------|--------|--------|--------|
| No. | Health and Safety | | | | | |
| 1 | Number of work-related deaths due to major accident | person | 0 | 0 | 0 | |
| 2 | Rate of work-related deaths due to major accident | % | 0 | 0 | 0 | |
| 3 | Lost work time due to work-related injury | days | 760 | 840 | 1,155 | |
| 4 | Employee safety training coverage | person-times | 48,860 | 43,968 | 40,307 | |
| No. | Health | | | | | |
| 1 | Number of occupational-disease incidence | person | 0 | 0 | 0 | |
| 2 | Percentage of occupational-disease incidence | % | 0 | 0 | 0 | |
| 3 | Screening rate of occupational diseases | % | 100 | 100 | 100 | |
| No. | Employment | | | | | |
| 1 | Total headcount | person | 90,921 | 77,957 | 79,242 | |
| 2 | Total headcount by gender | Total number of male employees | person | 75,732 | 63,073 | 63,627 |
| | | Total number of female employees | person | 15,189 | 14,884 | 15,615 |
| 3 | Total headcount by age | Total number of employees aged 30 and below | person | 10,287 | 6,938 | 5,839 |
| | | Total number of employees aged between 31 and 40 | person | 25,443 | 22,721 | 24,839 |
| | | Total number of employees aged between 41 and 50 | person | 35,286 | 31,381 | 31,681 |
| | | Total number of employees aged 51 and above | person | 19,905 | 16,917 | 16,902 |
| 4 | Total headcount by geographical region | Total number of employees in Shandong | person | 59,650 | 60,486 | 62,188 |
| | | Total number of employees in other parts of China | person | 27,358 | 13,722 | 13,525 |
| | | Total number of employees in foreign countries and regions | person | 3,913 | 3,749 | 3,529 |
| 5 | Total headcount by employment type | Total number of full-time employees | person | 90,847 | 77,897 | 73,242 |
| | | Total number of part-time employees | person | 74 | 60 | 0 |

| Social Performance Indicators | | Unit | 2025 | 2024 | 2023 | | |
|-------------------------------|--------------------------------------|---|--|--------|--------|--------|--------|
| 6 | Employment | Total number of sales staffs | person | 958 | 796 | 747 | |
| | | Total number of technical staff | person | 6,482 | 5,747 | 6,543 | |
| | | Total number of production staff | person | 52,210 | 44,108 | 43,470 | |
| | | Total number of administrative staff | person | 5,706 | 4,800 | 4,482 | |
| | | Total number of supportive staff | person | 24,567 | 21,648 | 22,944 | |
| | | Total headcount by category | Total number of financial staff | person | 998 | 858 | 1,056 |
| | | | Total number of senior management | person | 54 | 10 | 12 |
| | | | Total number of mid-level management | person | 1,263 | 861 | 1,009 |
| | | Total number of first-line management | person | 16,920 | 13,653 | 13,375 | |
| | | Total number of employees and workers | person | 72,684 | 63,433 | 64,846 | |
| | 7 | Total headcount by academic qualification | Total number of employees with middle school degree and below | person | 15,163 | 14,244 | 37,008 |
| | | | Total number of employees with high school degree | person | 29,489 | 25,607 | 26,279 |
| | | | Total number of employees with junior college degree and above | person | 46,269 | 38,106 | 15,955 |
| 8 | Employees by Ethnicity | Han | person | 85,533 | 72,924 | * | |
| | | Hui | person | 783 | 752 | * | |
| | | Mongolian | person | 163 | 96 | * | |
| | | Manchu | person | 135 | 97 | * | |
| | | Miao | person | 17 | 16 | * | |
| | | Tujia | person | 16 | 12 | * | |
| | | Yi | person | 15 | 7 | * | |
| | | Zhuang | person | 19 | 8 | * | |
| | | Bouyei | person | 10 | 9 | * | |
| Other Ethnicities | person | 4,230 | 287 | * | | | |
| 9 | Voluntary turnover rate of employees | % | 0.66 | 0.94 | 1.10 | | |

| Social Performance Indicators | | Unit | 2025 | 2024 | 2023 | |
|-------------------------------|--|---|-------|-------|-------|-------|
| No. | Employment | | | | | |
| 10 | Voluntary turnover rate by gender | Voluntary turnover rate of male employees | % | 0.73 | 0.95 | 1.14 |
| | | Voluntary turnover rate of female employees | % | 0.33 | 0.88 | 0.92 |
| 11 | Voluntary turnover rate by age | Voluntary turnover rate of employees aged 30 and below | % | 3.16 | 3.29 | 6.01 |
| | | Voluntary turnover rate of employees aged between 31 and 40 | % | 0.78 | 0.80 | 1.25 |
| | | Voluntary turnover rate of employees aged between 41 and 50 | % | 0.11 | 0.37 | 0.65 |
| | | Voluntary turnover rate of employees aged 51 and above | % | 0.20 | 1.23 | 0.00 |
| 12 | Voluntary turnover rate by geographical region | Voluntary turnover rate of employees in Shandong | % | 0.37 | 0.24 | 0.57 |
| | | Voluntary turnover rate of employees in other parts of China | % | 1.38 | 1.79 | 1.42 |
| | | Voluntary turnover rate of employees in foreign countries and regions | % | 0.00 | 9.10 | 9.12 |
| No. | Employment Development | | | | | |
| 1 | Proportion of trainees | | % | 100 | 100 | 100 |
| 2 | Proportion of trainees by gender | Proportion of male trainees | % | 100 | 100 | 100 |
| | | Proportion of female trainees | % | 100 | 100 | 100 |
| 3 | Proportion of trainees by category | Proportion of trainees as senior management | % | 100 | 100 | 100 |
| | | Proportion of trainees as mid-level management | % | 100 | 100 | 100 |
| | | Proportion of trainees as first-line management | % | 100 | 100 | 100 |
| 4 | Per capita training time | Proportion of trainees as employees and workers | % | 100 | 100 | 100 |
| | | Per capita training time | Hours | 39.16 | 44.67 | 36.01 |
| 5 | Per capita training time by gender | Per capita training time of male employees | Hours | 41.82 | 48.24 | 38.38 |
| | | Per capita training time of female employees | Hours | 25.89 | 29.55 | 26.35 |

| Social Performance Indicators | | Unit | 2025 | 2024 | 2023 | |
|-------------------------------|---|---|---------------|----------|-----------|-------|
| No. | Employment Development | | | | | |
| 6 | Per capita training time by category | Per capita training time of senior management | Hours | 23.70 | 46.00 | 56.00 |
| | | Per capita training time of mid-level management | Hours | 43.82 | 58.28 | 65.74 |
| | | Per capita training time of first-line management | Hours | 35.32 | 41.71 | 34.33 |
| | | Per capita training time of employees and workers | Hours | 39.98 | 45.13 | 35.89 |
| No. | Social Investment | | | | | |
| 1 | Total investment in public welfare projects and external donations | RMB 10,000 | 6,883.00 | 5,800.18 | 5,049.00 | |
| 2 | Total investment in poverty alleviation and rural revitalisation projects | RMB 10,000 | 619.16 | 1,047.80 | 11,799.42 | |
| 3 | Tax paid | RMB 10,000 | 201.81 | 220.05 | 313.47 | |
| 4 | Cash dividend | RMB per share | 0.50 | 0.77 | 1.49 | |
| 6 | Social contribution per share | China Accounting Standards | RMB per share | 6.27 | 7.17 | 11.20 |
| | | International Financial Reporting Standards | RMB per share | 6.29 | 7.14 | 8.15 |

1. The contents marked as " * " means that they are not disclosed in the ESG report of the corresponding year.
2. Based on the Company's specific circumstances, applicable standards, and industry practices, the company's greenhouse gases inventory includes CO₂, CH₄, and N₂O. In the inventory, the greenhouse gases are listed by CO₂e, and the calculation of the greenhouse gases is based on the *Announcement on the Release of 2023 Electricity Carbon Dioxide Emission Factors* issued by the Ministry of Ecological Environment of the People's Republic of China and the *IPCC Guidelines for National Greenhouse Gas Inventory 2006, 2019 Revised Edition* by the Intergovernmental Panel on Climate Change (IPCC). The calculation range of greenhouse gas emissions of the Company: Scope 1, the production of the Company; As for coal slurry, only the consumption is disclosed in this report, due to the lack of sufficient theoretical basis for calculating the greenhouse gases from the combustion of coal slurry. Scope 2, the internal consumption of the Company, such as indirect energies like outsourced electricity, heat, and steam. Scope 3, In accordance with the *Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)* and the *Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions from Industrial Enterprises in Other Industries (Trial)*, we have completed the calculation of Category 11 (Use of Sold Products) emissions under Scope 3 for our primary coal products. Going forward, we will continue to enhance our data management systems and professional capabilities to progressively expand the coverage of our Scope 3 emissions disclosure, including the quantity of coal bed gases produced during coal mining.
3. The Company's exhaust gas emissions are counted and calculated according to the actual concentration of pollutants.
4. The Company attaches great importance to the control of atmospheric pollutants, continuously improves VOCs treatment measures, and engages third-party companies to conduct professional monitoring.
5. The natural gas usage statistics already encompass Northwest Mining. This enterprise primarily relies on natural gas for heating purposes, and due to its prolonged heating cycle, natural gas consumption is accordingly substantial.

Honors & Awards in 2025

| | Awards | Awarders |
|----|--|---|
| 1 | CSI 300 Index, SSE 180 Index | Shanghai Stock Exchange, Shenzhen Stock Exchange |
| 2 | ASX 200 Index | Australian Securities Exchange |
| 3 | MSCI China Index | MSCI |
| | Best Practice for Board Management | |
| | Best Practice for Annual Report Performance Briefings | |
| 4 | Board Secretary Performance Evaluation 5A Rating Ranked 24th on the Cash Dividend List, and 13th on the Dividend Yield List | China Association for Public Companies |
| | No. 45 of 2025 China's Top 500 Listed Companies | |
| 5 | No. 63 of China (Global) Top 500 Listed Companies | China Business Top 500 Forum |
| | No. 59 of China's Top 100 Corporate Governance of Listed Companies | |
| 6 | No. 54 of the Top 100 ESG Non-Financial Listed Companies No. 11 of China's Top 100 Voluntary Information Disclosure of Listed Companies | China Corporate Governance 50 Forum (CCG50) |
| 7 | No. 44 on the Fortune China 500 | the Fortune |
| 8 | No. 307 of Warton 500 Global | Warton Economic Institute |
| | Best Listed Company Award | |
| 9 | Top 50 ESG Best Practice Award | New Fortune |
| | Coal mining industry AAA credit rating company | |
| 10 | Outstanding Enterprise for CSR Reporting | China National Coal Association |
| 11 | Class A for Information Disclosure | Shanghai Stock Exchange |
| 12 | Gold Award at the 50th International Convention on Quality Control Circles | International Convention on Quality Control Circles (ICQCC) |
| 13 | 2025 China ESG Practice: Human Resources and Public Welfare Benchmark Cases | China Times |
| 14 | Hong Kong Stock Shareholder Return Golden Bull Award and Golden Information Disclosure Award | China Securities Journal |
| 15 | Golden Round Table Award for the Best Board of Directors | <i>Directors & Boards</i> |
| | CDP Climate Questionnaire Rating C | |
| 16 | CDP Water Questionnaire Rating B | CDP |
| 17 | ESG Rating BB | MSCI |
| 18 | ESG Rating A | Huazheng Index |
| 19 | ESG Rating A- | SynTao Green Finance |
| 20 | ESG Rating AA | Wind Information |

Looking Forward to 2026

2026 marks the start of the 15th Five-Year Plan period and is critical for accelerating the construction of a new energy system and advancing high-quality development. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Company pursues green, low-carbon, and high-quality development. Embracing the mission of “taking the lead, shouldering major responsibilities, setting examples, and becoming benchmarks”, we focus on innovation leadership, industrial upgrading, structural optimisation, factor guarantee, and open cooperation. We firmly committed to achieving our “Annual Targets”, upgrading our “Five Major Industries”, concentrating efforts on “Six Key Breakthroughs”, and strengthening “Safeguards from Seven Aspects”. With unwavering determination, we embark on a new chapter in high-quality development and secure a strong start to the 15th Five-Year Plan.

Clarify our “Annual Targets”. The Company has established and clarified its operational targets for the year to promote high-quality development and ensure the smooth achievement of various operational goals in 2026. The Company is fully committed to delivering on all targets, propelling its development to new heights.

Upgrade the “Five Major Industries”. The Company adheres to a development strategy guided by intelligence, eco-friendliness, and integration. We are building a business model centred on the coal and chemical industries, with integrated development across equipment manufacturing, intelligent logistics, and new energy sectors. This initiative promotes the efficient coupling of traditional and new energy sources and fosters deep integration of our industrial chain.

Concentrate on “Six Key Breakthroughs”. The Company doubles down on pursuing its strategic objectives and driving industrial upgrading. By focusing on key initiatives such as “striving for excellence and efficiency, enhancing quality through lean management, elevating the coal quality and branding, accelerating key projects, improving operations through reforms, and increasing corporate value”, we are steadfastly committed to improving profitability, elevating quality, and building a resilient enterprise.

Strengthen “Safeguards from Seven Aspects”. The Company is committed to fulfilling its responsibilities across seven key areas: ensuring safety and environmental protection baselines, activating the engine of technological innovation, improving the compliance management system, enhancing inclusion through Party building, fostering a culture of integrity and transparency, building a harmonious and stable environment, and maintaining a pragmatic and accountable work style. We will earnestly fulfil our responsibilities, tackle challenges and address weaknesses.

Standing on the starting point of a new journey, Yankuang Energy will move forward with firm confidence, full motivation, and united effort. We are determined to translate our strategic goals and development blueprint into tangible realities through dedicated action, making a good start to the 15th Five-Year Plan with solid achievement.



Appendices

Index for Hong Kong Stock Exchange's Environmental, Social and Governance Reporting Code¹

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| Governance Structure | |
| A disclosure of the board's oversight of ESG issues; the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses. | 6 |
| Reporting Principles | |
| Materiality: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. | Report Overview |
| Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. | Report Overview |
| Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison. | Report Overview |
| Reporting Boundary | |
| A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change. | Reporting Overview |
| A. Environmental | |
| 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 air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | 46-52 |
| <i>Note: Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations.</i> | |
| <i>Hazardous wastes are those defined by national regulations.</i> | |
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| A1.2 [Repealed 1 January 2025] | / |
| A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | 104 |

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| Policies on the efficient use of resources, including energy, water and other raw materials. <i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i> | 53-57 |
| A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in ' 000s) and intensity (e.g. per unit of production volume, per facility). | 105 |
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| A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them. | 53-55 |
| A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them. | See Note 2 |
| A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. | See Note 3 |
| Aspect A3: The Environment and Natural Resources | |
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| Policies on minimising the issuer's significant impacts on the environment and natural resources. | 58-61 |
| A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | 58-61 |
| B. Social | |
| Aspect B1: Employment | |
| General Disclosure | |
| Information on: | |
| (a) the policies; and | 74-80 |
| (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. | |
| B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region. | 106 |
| B1.2 Employee turnover rate by gender, age group and geographical region. | 108 |

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| (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. | |
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| B2.2 Lost days due to work injury. | 106 |
| B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored. | 87-91 |
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| B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). | 94-101 |
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1. This report has complied with the requirements of the ESG Reporting Guide of the Hong Kong Stock Exchange.
2. The Company has no any issue in sourcing water.
3. The Company barely uses packaging materials in its main businesses. The Company recycles the packaging materials used according to the relevant policies.

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| (I) Governance | | |
| Governance | <p>19. An issuer shall disclose information about:</p> <p>(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:</p> <p>(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;</p> <p>(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;</p> <p>(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;</p> <p>(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and</p> <p>(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:</p> <p>(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and</p> <p>(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.</p> | 62-71 |
| (II) Strategy | | |
| Climate-related risks and opportunities | <p>20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:</p> <p>(a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;</p> <p>(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;</p> <p>(c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and</p> <p>(d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.</p> | 62-71 |
| Business model and value chain | <p>21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:</p> <p>(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and</p> <p>(b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).</p> | 62-71 |
| Strategy and decision-making | <p>22. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:</p> <p>(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:</p> <p>(i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;</p> <p>(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);</p> <p>(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and</p> <p>(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and</p> <p>(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).</p> | 62-71 |

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| Strategy and decision-making | 23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a). | 62-71 |
| Financial position, financial performance and cash flows | <p>Current financial effect</p> <p>24. An issuer shall disclose qualitative and quantitative information about:</p> <p>(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and</p> <p>(b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.</p> <p>Anticipated financial effect</p> <p>25. The issuer shall provide qualitative and quantitative disclosures about:</p> <p>(a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:</p> <p>(i) its investment and disposal plans; and</p> <p>(ii) its planned sources of funding to implement its strategy; and</p> <p>(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.</p> | 62-71 |
| Climate resilience | <p>26. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:</p> <p>(a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:</p> <p>(i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;</p> <p>(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and</p> <p>(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;</p> <p>(b) how and when the climate-related scenario analysis was carried out, including:</p> <p>(i) information about the inputs used, including:</p> <p>(1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;</p> <p>(2) whether the analysis included a diverse range of climate-related scenarios;</p> <p>(3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;</p> <p>(4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;</p> <p>(5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;</p> <p>(6) time horizons the issuer used in the analysis; and</p> <p>(7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);</p> <p>(ii) the key assumptions the issuer made in the analysis; and</p> <p>(iii) the reporting period in which the climate-related scenario analysis was carried out.</p> | 62-71 |

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| (III) Risk Management | | |
| Risk Management | <p>27. An issuer shall disclose information about:</p> <p>(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:</p> <p>(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);</p> <p>(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;</p> <p>(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);</p> <p>(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;</p> <p>(v) how the issuer monitors climate-related risks; and</p> <p>(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;</p> <p>(b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and</p> <p>(c) the extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.</p> | 62-71 |
| (IV) Metrics and Targets | | |
| | <p>28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO₂ equivalent, classified as:</p> <p>(a) Scope 1 greenhouse gas emissions;</p> <p>(b) Scope 2 greenhouse gas emissions; and</p> <p>(c) Scope 3 greenhouse gas emissions.</p> | 62-71 |
| Greenhouse gas emissions | <p>29. An issuer shall:</p> <p>(a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;</p> <p>(b) disclose the approach it uses to measure its greenhouse gas emissions including:</p> <p>(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;</p> <p>(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and</p> <p>(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;</p> <p>(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and</p> <p>(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).</p> | 62-71 |
| Climate-related transition risks | 30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks. | 62-71 |
| Climate-related physical risks | 31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks. | 62-71 |

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| (IV) Metrics and Targets | | |
| Climate-related opportunities | 32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities. | 62-71 |
| Capital deployment | 33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities. | 62-71 |
| Internal carbon prices | 34. An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making. | 62-71 |
| Remuneration | 35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv). | 62-71 |
| Industry-based metrics | 36. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks. | 62-71 |
| Climate-related targets | 37. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target. | 62-71 |
| | 38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions. | 62-71 |
| | 39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance. | 62-71 |

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| (IV) Metrics and Targets | |
| Climate-related targets | <p>40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:</p> <ul style="list-style-type: none"> (a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarbonisation approach; and (e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: <ul style="list-style-type: none"> (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset). |
| Applicability of cross-industry metrics and industry-based metrics | <p>41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).</p> |

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| Article 42 | 34-35 |
| Article 43 | After evaluation, this issue presents neither financial materiality nor impact materiality. |

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For detailed information on the guidelines, please refer to the official website of Shanghai Stock Exchange.

Index for GRI Standards

Statement of use Yankuang Energy Group Company Limited has reported in accordance with the GRI Standards from January 1, 2025 to December 31, 2025.

GRI 1 used

GRI 1: Foundation 2021

| GRI STANDARD | DISCLOSURE | LOCATION | |
|--|------------|---|-----------------|
| GRI 2: General Disclosures 2021 | | | |
| 1.The organisation and its reporting practices | 2-1 | Organisational details | Report Overview |
| | 2-2 | Entities included in the organisation's sustainability reporting | Report Overview |
| | 2-3 | Reporting period, frequency and contact point | Report Overview |
| | 2-4 | Restatements of information | Report Overview |
| | 2-5 | External assurance | - |
| 2.Activities and workers | 2-6 | 2-6 Activities, value chain and other business relationships | 40-43 |
| | 2-7 | Employees | 74-91 |
| | 2-8 | Workers who are not employees | 28-31, 90-91 |
| | 2-9 | Governance structure and composition | 6-14 |
| | 2-10 | Nomination and selection of the highest governance body | 9-10, 20-22 |
| 3. Governance | 2-11 | Chair of the highest governance body | - |
| | 2-12 | Role of the highest governance body in overseeing the management of impacts | 6, 20-22 |
| | 2-13 | Delegation of responsibility for managing impacts | 6, 9-10 |
| | 2-14 | Role of the highest governance body in sustainability reporting | 6, 9-10 |
| | 2-15 | Conflicts of interest | - |

| GRI STANDARD | DISCLOSURE | LOCATION | |
|--|------------|--|----------------------------------|
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| 3. Governance | 2-16 | Communication of critical concerns | 11-14 |
| | 2-17 | Collective knowledge of the highest governance body | - |
| | 2-18 | Evaluation of the performance of the highest governance body | - |
| | 2-19 | Remuneration policies | 9-10, 76 |
| | 2-20 | Process to determine remuneration | 9-10, 76 |
| | 2-21 | Annual total compensation ratio | - |
| | 2-22 | Statement on sustainable development strategy | 8-10 |
| | 2-23 | Policy commitments | Refer to each respective chapter |
| 4. Strategy, policies and practices | 2-24 | Embedding policy commitments | 6, 8-10 |
| | 2-25 | Processes to remediate negative impacts | 31,41,58-61,80 |
| | 2-26 | Mechanisms for seeking advice and raising concerns | 31,79 |
| | 2-27 | Compliance with laws and regulations | Refer to each respective chapter |
| | 2-28 | Membership associations | - |
| 5. Stakeholder engagement | 2-29 | Approach to stakeholder engagement | 11-12 |
| | 2-30 | Collective bargaining agreements | 79 |

| GRI STANDARD | DISCLOSURE | LOCATION | |
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| GRI 3: Material Topics 2021 | | | |
| Materiality assessment | 3-1 | Process to determine material topics | 11-14 |
| | 3-2 | List of material topics | 14 |

| Contents of Disclosed Items | | Location | |
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| GRI 201: Economic Performance | 3-3 Management of material topics | Management approach for economic performance | - |
| | Topic-specific disclosures | 201-1 Direct economic value generated and distributed | 102, 109 |
| | | 201-2 Financial implications and other risks and opportunities due to climate change | 63-65 |
| | | 201-3 Defined benefit plan obligations and other retirement plans | 78 |
| | | 201-4 Financial assistance received from government | - |
| GRI 202: Market Presence | 3-3 Management of material topics | Management approach for market presence | - |
| | Topic-specific disclosures | 202-1 Ratios of standard entry level wage by gender compared to local minimum wage | - |
| | | 202-2 Proportion of senior management hired from the local community | - |
| GRI 203: Indirect Economic Impacts | 3-3 Management of material topics | Management approach for indirect economic impacts | - |
| | Topic-specific disclosures | 203-1 Infrastructure investments and services supported | 95-97 |
| | | 203-2 Significant indirect economic impacts | - |
| GRI 204: Procurement Practices | 3-3 Management of material topics | Management approach for procurement practices | 40-43 |
| | Topic-specific disclosures | 204-1 Proportion of spending on local suppliers | - |
| GRI 205: Anti-corruption | 3-3 Management of material topics | Management approach for anti-corruption | 28-30 |
| | Topic-specific disclosures | 205-1 Operations assessed for risks related to corruption | 28 |
| | | 205-2 Communication and training about anti-corruption policies and procedures | 28-30 |
| | | 205-3 Confirmed incidents of corruption and actions taken | 30, 102 |
| GRI 206: Anti-competitive Behaviour | 3-3 Management of material topics | Management approach for anti-competitive behaviour | 28-30 |
| | Topic-specific disclosures | 206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices | - |
| GRI 207: Tax 2019 | 3-3 Management of material topics | Management approach for Tax | - |
| | Topic-specific disclosures | 207-1 Approach to tax | - |
| | | 207-2 Tax governance, control, and risk management | - |
| | | 207-3 Stakeholder engagement and management of concerns related to tax | - |
| | | 207-4 Country-by-country reporting | - |

| Contents of Disclosed Items | | Location | |
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| GRI 301: Materials | 3-3 Management of material topics | Management approach for materials | - |
| | Topic-specific disclosures | 301-1 Materials used by weight or volume | - |
| | | 301-2 Recycled input materials used | - |
| | | 301-3 Reclaimed products and their packaging materials | - |
| GRI 302: Energy | 3-3 Management of material topics | Management approach for energy | 53-55 |
| | Topic-specific disclosures | 302-1 Energy consumption within the organisation | 105 |
| | | 302-2 Energy consumption outside of the organisation | - |
| | | 302-3 Energy intensity | 105 |
| | | 302-4 Reduction of energy consumption | 53 |
| | | 302-5 Reductions in energy requirements of products and services | 53-55 |
| GRI 303: Water Resources | 3-3 Management of material topics | 303-1 Interactions with water as a shared resource | 56-57 |
| | Topic-specific disclosures | 303-2 Management of water discharge-related impacts | 56-57 |
| | | 303-3 Water withdrawal | 105 |
| | | 303-4 Water discharge | 105 |
| | | 303-5 Water consumption | 105 |
| | | GRI 304: Biodiversity | 3-3 Management of material topics |
| Topic-specific disclosures | 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | | 58-60 |
| | 304-2 Significant impacts of activities, products, and services on biodiversity | | 58-60 |
| | 304-3 Habitats protected or restored | | 59-60 |
| | 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations | | - |
| | GRI 305: Emissions | | 3-3 Management of material topics |
| Topic-specific disclosures | | 305-1 Direct (Scope 1) GHG emissions | 104 |
| | | 305-2 Energy indirect (Scope 2) GHG emissions | 104 |
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| | | 305-4 GHG emissions intensity | 104 |

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| GRI 305: Emissions | Topic-specific disclosures | 305-5 Reduction of GHG emissions | 67 |
| | | 305-6 Emissions of ozone-depleting substances (ODS) | - |
| | | 305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions | 104 |
| GRI 306: Effluents and Waste | 3-3 Management of material topics | Management approach for effluents and waste | 46-52 |
| | Topic-specific disclosures | 306-1 Water discharge by quality and destination | 104 |
| | | 306-2 Waste by type and disposal method | 104 |
| | | 306-3 Significant spills | - |
| | | 306-4 Transport of hazardous waste | 51 |
| | | 306-5 Water bodies affected by water discharges and/or runoff | - |
| GRI 307: Environmental Compliance | 3-3 Management of material topics | Management approach for environmental compliance | 46 |
| | Topic-specific disclosures | 307-1 Non-compliance with environmental laws and regulations | 46 |
| GRI 308: Supplier Environmental Assessment | 3-3 Management of material topics | Management approach for supplier environmental assessment | 40-42 |
| | Topic-specific disclosures | 308-1 New suppliers that were screened using environmental criteria | 40 |
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| GRI 401: Employment | 3-3 Management of material topics | Management approach for employment | 75 |
| | Topic-specific disclosures | 401-1 New employee hires and employee turnover | 75,108 |
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| GRI 402: Labour/ Management Relations | 3-3 Management of material topics | Management approach for labour/management relations | 75 |
| | Topic-specific disclosures | 402-1 Minimum notice periods regarding operational changes | - |
| GRI 403: Occupational Health and Safety | 3-3 Management of material topics | Management approach for occupational health and safety | 87-88 |
| | Topic-specific disclosures | 403-1 Occupational health and safety management system | 87-91 |
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| | | 403-3 Occupational health services | 90-91 |
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| GRI 404: Training and Education | 3-3 Management of material topics | Management approach for training and education | 81-82 |
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| GRI 406: Anti-discrimination | 3-3 Management of material topics | Management approach for anti-discrimination | 75 |
| | Topic-specific disclosures | 406-1 Incidents of discrimination and corrective actions taken | - |
| GRI 407: Freedom of Association and Collective Bargaining | 3-3 Management of material topics | Management approach for freedom of association and collective bargaining | 79 |
| | Topic-specific disclosures | 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | - |
| GRI 408: Child Labour | 3-3 Management of material topics | Management approach for child labour | 75 |
| | Topic-specific disclosures | 408-1 Operations and suppliers at significant risk for incidents of child labour | - |
| GRI 409 Forced or Compulsory Labour | 3-3 Management of material topics | Management approach for forced or compulsory labour | 75 |
| | Topic-specific disclosures | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour | - |
| GRI 410: Security Practices | 3-3 Management of material topics | Management approach for security practices | - |
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Definition

| Acronym | Full name |
|----------------------------------|---|
| Yankuang Energy, the Company, we | Yankuang Energy Group Company Limited |
| Shandong Energy | Shandong Energy Group Co., Ltd. |
| Yulin Neng Hua | Yanzhou Coal Yulin Neng Hua Company Limited |
| Heze Neng Hua | Yanmei Heze Neng Hua Company Limited |
| Huaju Energy | Shandong Huaju Energy Company Limited |
| Ordos Company | Yankuang Energy (Ordos) Company Limited |
| Haosheng Company | Inner Mongolia Haosheng Coal Mining Company Limited |
| Donghua Heavy Industry | Yankuang Donghua Heavy Industry Company Limited |
| Inner Mongolia Mining | Inner Mongolia Mining (Group) Co., Ltd. |
| Future Energy | Shaanxi Future Energy Chemicals Co. Ltd |
| Lunan Chemicals | Yankuang Lunan Chemicals Co., Ltd. |
| Yancoal Australia | Yancoal Australia Limited |
| Jining III Coal Mine | Jining No. 3 Coal Mine |
| Jining II Coal Mine | Jining No. 2 Coal Mine |
| Zhuanlongwan Coal Mine | Ordos Zhuanlongwan Coal Mining Co., Ltd. |
| Tianchi Energy | Shanxi Heshun Tianchi Energy Company Limited |
| Xinjiang Neng Hua | Yankuang Xinjiang Neng Hua Company Limited |
| Luxi Mining | Shandong Energy Group Luxi Mining Company Limited |
| Yingpanhao Coal Mine | Ordos Yingpanhao Coal Co., Ltd. |
| Rongxin Chemicals | Inner Mongolia Rongxin Chemicals Co., Ltd. |
| Scharf | SMT Scharf AG |
| Xibei Mining | Xibei Mining Co., Ltd. |
| Wbtech | Shandong Wubo Technology Co., Ltd. |
| Dongping Lugang | Yankuang Dongping Lugang Co., Ltd. |
| Yankuang Logistics | Yankuang Logistics Technology Co., Ltd. |
| Shenzhen Duanxin | Duanxin Investment Holding (Shenzhen) Co., Ltd. |
| Shandong Xinsha | Shandong Xinsha Monorail Transportation Equipment Co., Ltd. |



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