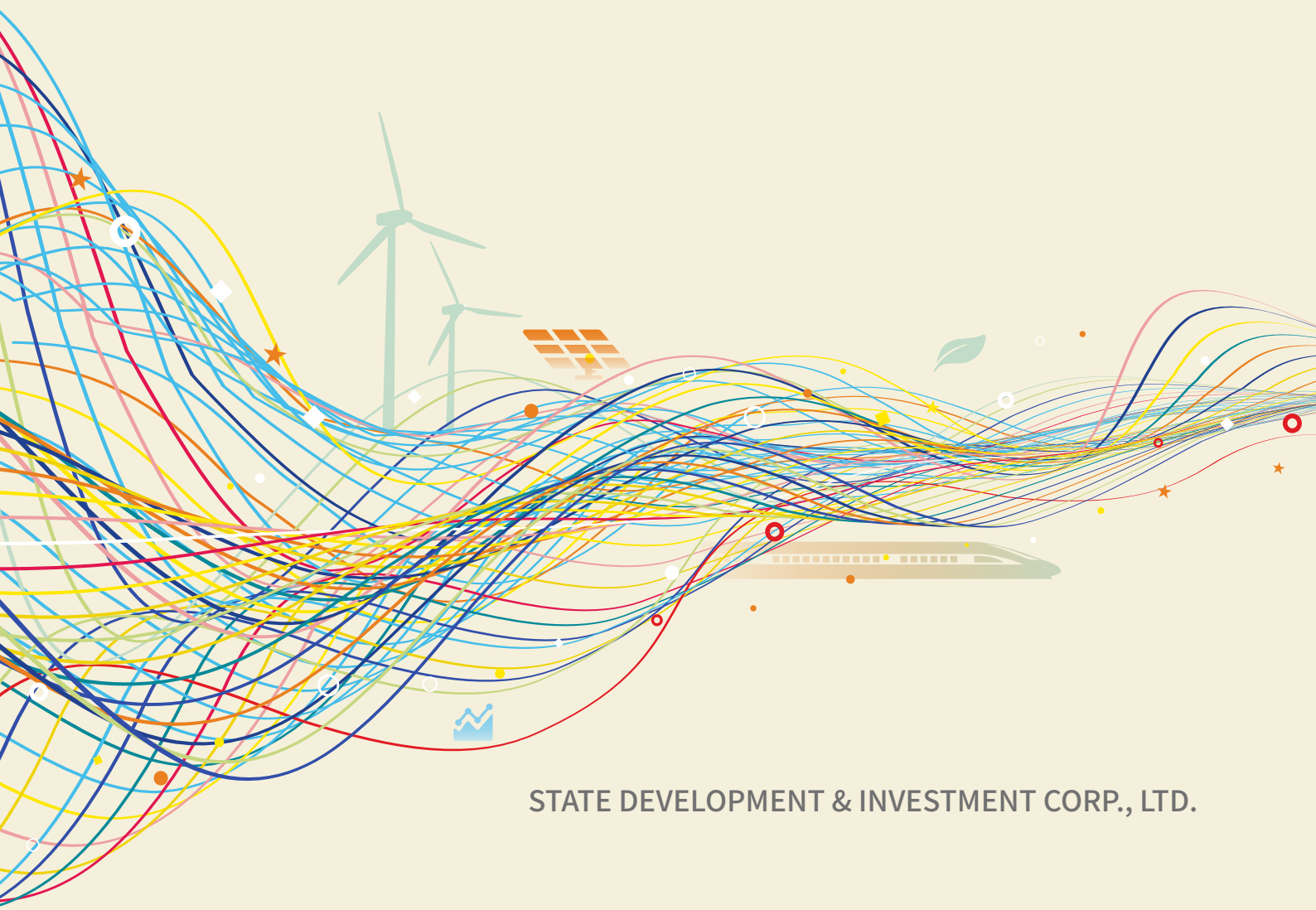
国投 SDIC

2024

Sustainability Report



STATE DEVELOPMENT & INVESTMENT CORP., LTD.

CONTENTS

MESSAGE FROM CHAIRMAN 03

ABOUT SDIC 05

RESPONSIBILITY GOVERNANCE 10

Responsibility Philosophy 10

Responsibility Management 11

Responsibility Communication 12

Material Issues Assessment 14

Responsibility Honors 15

Chronicle of Social Responsibility 16

FUTURE PROSPECTS 89

APPENDIX 91



FEATURE STORIES 1 19

SDIC Seed: Forging Agriculture's "China Core"

FEATURE STORIES 2 23

"Caring for Her" Initiative: Activating Endogenous Dynamics in Rural Education

FEATURE STORIES 3 29

Reform-Driven Empowerment: Fueling Industrial Workers' Aspirations

INVESTMENT PIONEERING: SERVING THE NATIONAL STRATEGY

Strengthening Industrial Leadership 37

Advancing Technological Innovation 45

Safeguarding Better Lives 49

Deepening Synergistic Efficiency 53

SHARED RESPONSIBILITY: BUILDING A WELL-BEING ECOSYSTEM

Achieving Employee Well-being 57

Promoting Regional Development 60

Building Green Foundations 69

GOVERNANCE EMPOWERMENT: SOLIDIFYING THE FOUNDATION FOR DEVELOPMENT

Party Building Leadership Empowerment 79

Deepening Legal and Compliance Systems 82

Coordinating Risk Prevention and Control 84

Deepening Governance Reform 87

MESSAGE FROM CHAIRMAN



In 2024, The 3rd Plenary Session of the 20th Central Committee of the Communist Party of China charted a blueprint for deepening comprehensive reforms in alignment with Chinese modernization. Ever since then, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, we have resolutely implemented the decisions and plans of the CPC Central Committee and the State Council, consistently upheld our commitment to national priorities. We have advanced key initiatives including reform and development, technological innovation and operational management. This has sharpened the Group's strategic focus, clarified development pathways, optimized business structures and organizational frameworks, and enhanced institutional systems, resulting in significant transformation progress. The Group has achieved total revenue of 196.2 billion RMB yuan and a total profit of 25.6 billion RMB yuan, securing Grade-A in the annual operational performance assessment by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) for 20 consecutive years.

The Group comprehensively deepens reform to consolidate development foundations through reform and innovation. We coordinated the implementation of a new round of state-owned enterprise (SOE) reform initiatives, with the Group receiving Grade-A in the Central SOE Reform Evaluation for three consecutive years. All designated *Double Hundred Action* and *Sci-Tech* Reform enterprises within the Group were rated as benchmarks or high-performing entities. We deepened the development of a *Value-Oriented Headquarters* by continuously refining the functional positioning, governance oversight, and delegation mechanisms. Through rigorous strategic reviews, we clarified our subsidiaries' primary responsibilities, core businesses, and development pathways to enhance their strategic focus and value creation. We vigorously advanced the establishment of specialized operation platforms at subsidiary levels, implementing tailored organizational restructuring and position optimization through enterprise-specific approaches. And we adopted mega-department restructuring and conducted open competitions for all mid-level management positions in 10 subsidiaries, resulting in more efficient structures, optimized role allocation, and enhanced personnel selection.

The Group steadily advances strategic emerging industries, fulfilling its mission in serving the national strategies.We maintained strategic focus by developing bio-manufacturing and bio-breeding sectors to optimize our industrial layout. Breakthroughs emerged in biotechnology, including the establishment of SDIC Bio-Manufacturing Innovation Research Institute Co., Ltd. and the creation of a full-chain *R&D-Investment-Operations* platform. SDIC-affiliated funds executed 22 bio-manufacturing investments totaling 3.2 billion RMB yuan, spanning technology platforms, critical equipment, biopharmaceuticals, nutritional foods, and material chemistry. Progress in bio-breeding included securing a controlling stake in A-share listed Fengle Seed Co., Ltd., acquiring one trait development company, establishing SDIC Golden Seed Corporation, purchasing Digital Creek Technology, obtaining eight new Agricultural GMO Safety Certificates, launching Guofeng Bio's smart seed innovation demonstration base in Zhangye City, and forming an integrated *Research-Breeding-Cultivation-Promotion* industrial chain. Industrial fund management reached new heights with assets exceeding 270 billion RMB yuan, precisely targeting integrated circuits, new energy vehicles, biopharmaceuticals and other strategic emerging industries to support breakthroughs in core technologies and modernize industrial chains with capital power.

The Group accelerates green and low-carbon development, co-building a beautiful homeland through achieving Dual-Carbon initiatives.We released the *Implementation Plan for Advancing Beautiful China Construction*, advancing green transition while strengthening ecological conservation, successfully fulfilling all targets under SASAC's 7th term performance evaluation. Clean energy deployment intensified through renewable and low-carbon energy replacement projects, with advancement in green power consumption and green harbor development. By the end of 2024, electricity commissioned equity-based installed capacity reached 44,634.7 MW, of which clean energy accounted for 31,433.9 MW (70.42%). Construction of the Yalong River Basin Hydro-Solar-Wind Integration Base has been accelerated, with cumulative power generation exceeding 1,000 TWh. Green finance innovation progressed continuously. China National Investment and Guaranty's platform has cumulatively disbursed 6.134 billion RMB yuan in loans supporting 67 sub-projects which were estimated to reduce CO_2 emissions by 5.8761 million metric tons and SO_2 by 36,000 metric tons annually.

The Group fulfills its corporate social responsibilities as a central SOE, by serving public welfare imperatives. We implemented targeted poverty alleviation and paired assistance as major political tasks, and built the *Five Business Cards* for rural revitalization. The Rural Revitalization Industrial Funds managed by SDIC Chuangyi effectively leveraged its capacity for sustainable development, investing in areas urgently needed and critical for rural revitalization such as modern agriculture and resource utilization. And those funds ushered in over 400 billion RMB yuan social capital for underdeveloped regions which fostering industrial prosperity and improving livelihoods. A "Care for Her" charitable trust worth of RMB 60 million yuan has been established to support rural female teachers in our assisted regions for ten consecutive years. In 2024, 926 rural primary school teachers received training, with participants rating it as "the most practical and solution-oriented program". The Group's rural revitalization charitable trusts reached 177 million RMB yuan, China's largest initiative for such purpose. SDIC Health conducted industry-education integrated healthcare training for 25,500 participants to address employment challenges. SDIC Human Resources organized the 5th season of "National Recruitment Action", cumulatively providing over 5.5 million jobs to facilitate high-quality employment for university graduates.

Being 30 years old and investing for the nation, SDIC Group advances toward a world-class capital investment company. As SDIC Group approaching its 30th anniversary in 2025, we will reaffirm our fundamental commitment to serving national strategies, enhance our core competencies and strengthen competitive advantages, leverage the role in driving technological innovation, exercising industrial dominance, and providing assurance for building a modern industrial system and establishing new development paradigms. We are dedicated to becoming a leader in industrial investment, an investor with continuous returns, and a creator of social wealth. Guided by our cultural ethos of *Pragmatism, Effectiveness*, Tenacity, and Inclusive Openness, we accelerate our journey toward a world-class capital investment company, contributing SDIC's strength to Chinese modernization.

FU Gangfeng

Chairman



ABOUT SDIC

GROUP INTRODUCTION

State Development & Investment Group Corp., Ltd. (hereinafter referred to as SDIC Group) was established in 1995 with a registered capital of 33.8 billion RMB yuan. It is an important state-owned enterprise under the direct administration of the central government, and was officially transformed into a state-owned capital investment company in June 2022. Adhering to the principle of serving national strategies, SDIC Group takes as its own responsibility to promote restructuring, build a better life, promote sci-tech innovation, and lead industrial upgrading. It gives full play to the leading and driving role of state-owned capital in important industries and key fields, and builds the Group into a world-class capital investment company. SDIC Group focuses on the development of four business areas: energy industry, digital/sci-tech, people' s livelihood & health, and industrial finance.

Energy Industry

The energy-related industry contributes to the realization of the national energy security and the Dual Carbon Strategies, including electricity (including hydrogen/energy storage), energy ports and bioenergy.

Digital/Sci-Tech

Digital/Sci-Technology promotes the development of science and technology and digital economy industries, including electronic information engineering services, cyber security and digital governance, new materials, inspection & testing of special equipment, and automobile fuel tank.

People' s Livelihood & Health

People's livelihood and health helps meet people's needs for a better life, including potash fertilizer, health care for the elderly, human resources services (including consulting services), juice concentrate as well as biological agriculture.

Industrial Finance

Industrial finance serves the real economy, including securities, industrial funds, guaranty, trusts, financial leasing, finance companies, and asset management.

SDIC Group has 18 wholly-owned and holding subsidiaries and more than 500 wholly-owned and invested-in enterprises. They include nine publicly listed companies: SDIC Power (600886.SH), SDIC Capital (600061.SH), SDIC Intelligence (300188.SZ), Yapp Automotive (603013.SH), SDIC Zhonglu (600962.SH), China High-Speed Railway (000008.SZ), Fengle Seed (000713.SZ), Tongyizhong (688722.SH), and Zhongxin Fruit (5EG. SGX), which have formed an influential brand of SDIC Group in the capital market.

In 2024, SDIC Group made

Total business revenue
196. 2
billion RMB yuan

Total profit
25. 6
billion RMB yuan

It was awarded Grade-A in the annual operational performance assessment by the SASAC for 20 consecutive years.

And was honored as an outstanding performance enterprise for 6 consecutive terms.

Governance Entities

BOARD OF DIRECTORS

Fu Gangfeng
Chairman

Yu Bangli
Board Director, President

Li Cheng·Danzeng Nima
Board Director

Cao Peixi
Independent Director

Li Jun
Independent Director

Xu Zhiwu
Independent Director

Hu Aimin
Independent Director

Ling Yiqun
Independent Director

Ding Houwen
Employee Director

MANAGEMENT TEAM

Fu Gangfeng
Chairman

Yu Bangli
Board Director, President

Li Cheng·Danzeng Nima
Board Director

Yang Xiaohui
Vice President

Hu Changyuan
Chief of the Central Commission for Discipline Inspection and the National Supervisory Commission's resident disciplinary inspection and supervision group at SDIC

Chai Yanli
CFO

Zhu Jiwei
Vice President

Gao Hongwei
Vice President

Liu Changsong
Vice President

Organizational Structure



Corporate Culture

Vision

Building a world-class capital investment company

Mission

Enhancing core functions and strengthen competitiveness, leveraging our role in driving technological innovation, exercising industrial dominance, and providing security assurance for building a modern industrial system and establishing new development paradigms

Core Values

Professionalism Steady growth Innovation People-oriented

Development Philosophy

Focusing on core businesses, prioritizing strategic growth

Cultivating industries, leading by innovation

Empowering management, fostering world-class excellence

Investment Philosophy

Strategic investment Value investment Responsible investment

Cultural Ethos

Pragmatism Effectiveness Tenacity Inclusiveness

RESPONSIBILITY GOVERNANCE

RESPONSIBILITY PHILOSOPHY

SDIC Group is committed to becoming *a leader in industrial investment, an investor with sustainable returns, and a creator of social wealth*. We integrate ESG principles with our investment philosophy and operations, adopting environmental, social, and governance key metrics as criteria for evaluating long-term potential of the investment projects. This enables us to better play the leading, exemplary, and driving role of a state-owned capital investment company, advancing toward our vision of a world-class capital investment company that serves national strategies, drives industrial upgrading, and maintains leading competitiveness.





RESPONSIBILITY MANAGEMENT

Responsibility Management System Development

We strengthened the leadership structure and working mechanisms for social responsibility, consolidating our responsibility management framework and top-down implementation system. Through a three-tier social responsibility management mechanism linking our headquarters, subsidiaries, and invested-in enterprises, we has advance the construction and the development of social responsibility work with steady steps.



SDIC Group Social Responsibility Organizational System

The Group headquarters established the Brand and Social Responsibility (Rural Revitalization) Working Committee, with the Group Chairman as the Committee director, the General Manager and relevant executives as deputy directors, and principal leaders of related departments and enterprises as Committee members. The Department of Party and Mass Affairs acts as the primary responsible unit for social responsibility and ESG work, while functional departments oversee implementation and advancement of social responsibility and ESG work within their domains. Subsidiaries and invested-in enterprises shall establish tailored management systems according to their specific contexts, and designate persons in charge and the oversight departments.

Responsibility Management Capacity Building

SDIC Group prioritizes compliance with policies and trends in social responsibility and ESG. We have intiated awareness-enhancing campaigns and capacity-building programs. To enhance understanding of social responsibility/ESG work across the Group from headquarters, subsidiaries, to invested-in enterprises, and to implement SASAC’ s Guidelines on High-Standard Fulfillment of Social Responsibilities by Central SOEs in the New Era, we organized the SDIC Social Responsibility (ESG) Capacity Building Programme on 29th September 2024. Experts interpreted regulatory updates and delivered specialized training on Enhancing ESG Performance through High-Quality ESG Reporting. The session elevated the ESG expertise of relevant personnel and employees.

RESPONSIBILITY COMMUNICATION

SDIC Group attaches great importance to stakeholders’ expectations and concerns, conducting engagement activities and communication channels. Through platforms such as the SDIC media convergence platform, we share information, attend industry forums, and address stakeholders' expectations. These inputs are integrated into our operational decision-making and disclosed via our Sustainability Reports.

Multiple Communication Channels

CSR/Sustainable Development Report

- Chinese edition of CSR/Sustainable Development Report has been published for 17 consecutive years
- English edition of CSR/Sustainable Development Report has been published for 13 consecutive years
- A Group-wide reporting matrix (core report + subsidiary reports) has been established

SDIC Publication

- SDIC Group journal

Mainstream Media Coverage

- SDIC achieved 1.67 million media exposures in 2024, including 22,488 pieces by 19 central news outlets such as *People's Daily, Xinhua News Agency, China Media Group, and Guangming Daily* across print, online, and app platforms, gaining more publicity through mainstream media coverage
- We organized activities like the *Media Tour to SDIC* to showcase development achievements through multi-dimensional narratives

Special Reports

- 2024 SDIC Group Green Development Report

Video Communications

- *SDIC Funds: Breaking Bottlenecks* and five other videos were recognized at the Central SOEs Story Showcase by People’ s Daily Online
- *The Third Eye on SDIC: Jack’s Silk Road Journey* won Technological Innovation Award at the 6th Belt and Road Centenary Video Competition

Converged Media

- Our social media accounts published 820+ posts with 13 million+ hits in 2024
- We directly managed 17 accounts covering WeChat, Weibo, Xuexi Qiangguo, Facebook, Douyin, Kuaishou, Bilibili, CMG, Toutiao, The Paper
- 54 invested-in enterprises websites managed under SDIC Web Cluster recorded 8.6298 million views; Group Portal (English/Mobile) recorded 0.7651 million views; Intranet recorded 2.8 million hits

Stakeholders' Expectations and Responses

Stakeholders	Expectations for SDIC Group	Communication Mechanism and Methods
SASAC	· Preservation and appreciation of state-owned assets · Standardized operation and management · Enhancement of corporate competitiveness	· Assessment and supervision of business performance · Working conference · Work reporting
Ministries and commissions of the central government and local governments	· Promotion of national social and economic development · Compliance with relevant laws and regulations · Fulfillment CSR · Paying taxes according to law	· Cooperation agreements · Working conference · Regular communication · Paying taxes in full and on time
Partners	· Mutual benefit · Common development	· Cooperation agreements · Contract execution · Senior executive meetings · Regular communication
Customers	· Integrity in business operation · Providing highly efficient and standardized services · Meeting customers' needs	· Provide products and services · Interviews and panel discussions · Questionnaire
Creditors	· Sound growth · Long-term value · Emphasice on risk management · Enhancing information disclosure	· Regular communication · Information disclosure
Equity-invested Enterprises	· Providing guidance and support · Defining responsibilities · Promoting innovation · Management, coordination and service	· Setting operation tasks · Assessing business performance · Meetings, discussions Research and panel discussions · Day-to-day management
Employees	· People-oriented philosophy · Reliance on employees to run enterprises · Staff training · Better work benefits · Sustainable and sound development of company	· Employee representative conference, discussions and training · Suggestions and feedback · Participating in decision-making · Work communication · Employee care
Social Organizations	· Supporting and participating in social organizations · Organizing activities · Compliance with the norms and conditions of agreements	· Participating in activities · Providing necessary support
Communities and the Public	· Providing timely and accurate information · Participating in community activities · Creating jobs · Shouldering social responsibility	· Information disclosure · News briefing · Exchange and communication · More projects related with people’ s livelihood

MATERIAL ISSUES ASSESSMENT

To understand stakeholder concerns better, SDIC Group conducted internal and external surveys to assess their focus and expectations regarding environmental, social, and governance issues. This process identified convergence points between our operations and social priorities.

Under the premise of seeking a win-win situation for all parties, we performed the 2024 Sustainability Report material issue assessment,and finally narrowed down the disclosure priorities with financial significance which could attract more social attention.

Issue Identification

We analyzed stakeholder concerns alongside corporate development realities, cataloging sustainability priorities into a material issues repository.

Issue Survey

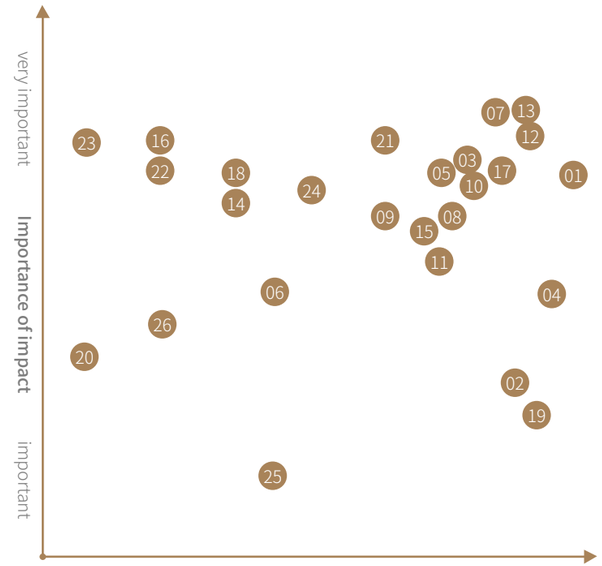
Stakeholder and corporate significance surveys were conducted for each issue, generating materiality prioritization issue matrices.

Issue Validation

External experts and designated oversight departments validated the issues and their prioritization.

Issue Response

Implementation strategies were developed for key material issues, with focused disclosures in this report addressing stakeholder expectations.



Material Issue Matrices

SDIC Group Material Issues

01 Standardized Corporate Governance
02 Legal and Regulatory Compliance
03 Business Ethics Practices
04 Strategy Implementation & Performance
05 Quality Product/ Service Delivery
06 Enhanced Accessibility of Offerings
07 Strengthened Workplace Safety
08 Employee Rights Protection
09 Employee Care Initiatives
10 Employee Development Focus
11 Industrial Workforce Reform
12 Innovation Ecosystem Development
13 Industrial Leadership Enhancement
14 Modern Industrial Chain Building
15 Responsible Sourcing Practices
16 Safeguarding Strategic National Security
17 Green Transformation
18 Dual-Carbon Goals Implementation
19 Green Finance Advancement
20 Ecological Conservation
21 Rural Revitalization Support
22 Elderly Care Support
23 Employment Promotion Services
24 Overseas Responsibility Fulfillment
25 Responsibility Brand Building
26 Stakeholder Engagement

RESPONSIBILITY HONORS

SDIC Group **Ranked Top 10**
in Social Responsibility Development
Index among SOEs



The Path of Industrial Funds Serving Rural Revitalization: Innovative Practices of SDIC Chuangyi Industry Fund Management Co., Ltd selected as Best Poverty Reduction Case at the 5th Global Poverty Reduction Case Collection Initiative



Building Integrated Rural Revitalization Models: Industry-Culture-Environment Synergy is included in ***2023 Corporate Rural Revitalization Case Studies***



Practicing Lucid Waters and Lush Mountains Are Invaluable Assets to Build a Beautiful China featured is selected in ***Central SOEs Social Responsibility Blue Book (2024)***



Responsibility-Driven, Innovation-Led: Crafting SDIC Power's ESG Management System published is selected in ***Central SOE Listed Companies ESG Blue Book (2024)***



Green Transition in Action: Yalong River Hydro-Solar-Wind Integration Empowers Beautiful China is awarded awarded **2024 China Corporate ESG Excellence Case**

SDIC Intelligence received Securities Star's **ESG Benchmark Enterprise Award**





SDIC Capital secured Yidong Platform's **2024 ESG Value Communication Award for Listed Companies**

CHRONICLE OF SOCIAL RESPONSIBILITY

1995

- Since its establishment, SDIC has participated in the national poverty alleviation programsby initiating assistance programs in Luodian County and Sandu County in Guizhou Province.

1996

- SDIC put in 5 million RMB yuan to upgrade the Leigongtan Hydropower Station in Luodian County, Guizhou Province.

1997

- SDIC committed 30 million RMB yuan to support projects including Xinbang Pharmaceutical and greenstone mining in Luodian County.

1998

- SDIC donated 1.2 million RMB yuan and 2,335 garments to China Charity Federation for disaster relief.
- SDIC provided winter clothing worth of 500,000 RMB yuan to disaster-stricken areas in Jilin Province.

2000

- SDIC launched a charity drive in which its employees contributed 41,311 RMB yuan to help out-of-school children in Inner Mongolia return to classrooms.

2001

- SDIC established SDIC Zhonglu Fruit Juice Co., Ltd., focusing on agriculture-related industries to deliver quality products and services.

2002

- SDIC' s targeted poverty-alleviation counties were changed to Luodian County and Pingtang County in Qiannan Prefecture, Guizhou Province.

2003

- SDIC joined hands with China Foundation for Poverty Alleviation in New Great Wall Project to fund impoverished university students in Luodian County and Pingtang County.
- SDIC funded 600,000 RMB yuan for a new teaching building at No.6 Primary School of Tacheng City, Xinjiang Autonmous Region.
- SDIC donated 1.1 million RMB yuan to Beijing for SARS prevention.

2004

- SDIC invested 784,000 RMB yuan to build Dabukou Hope Primary School in Jinzhai County, Anhui Province, providing education access for over 200 students from four villages.

CHRONICLE OF SOCIAL RESPONSIBILITY

2005

- SDIC Beijiang Power Plant became one of the China's first pilot projects of national circular economy, pioneering in the 4-in-1 integration mode of power generation, seawater desalination, salt production from brine, and waste utilization.
- SDIC commenced paired assistance to Wushi County, Xinjiang Autonmous Region, supporting localeconomy, education, and training.

2006

- SDIC Yalong River Company's Ertan Hydropower Project received "National Environmentally Friendly Project" – China's highest environmental honor for construction projects.
- SDIC funded 5 million RMB yuan for Shangselar Flood Control Dam and 3.2 million RMB yuan for a Training Center in Wushi Country, Xinjiang Autonmous Region; and built 300 earthquake-resistant houses in Aheya Township.

2007

- SDIC implemented village-wide water projects in Pingtang County and Luodian County, Guizhou Province, by donating 3 million RMB yuan to address needs for drinking water, livestock, and irrigation.
- SDIC donated 5,100 color TVs to impoverished herders in Wushi County, Xinjiang Autonmous Region.

2008

- SDIC Luobupo Potash Project (1.2 million-ton capacity) commenced operations, reducing China's potash import dependency and securing agricultural safety.
- SDIC donated more than 41 million RMB yuan to Sichuan earthquake relief, including 2.38 million RMB yuan from 8,171 Party members as special Party membership fees.

2009

- SDIC contributed 10 million RMB yuan for Guoqing Middle School complex and 1 million RMB yuan for No.1 Kindergarten expansion in Wushi County, Xinjiang Autonmous Region.
- SDIC published the first Social Responsibility Report, marking a new phase in corporate responsibility.

2010

- SDIC Yalong River Company and Tsinghua University jointly established and commissioned Phase I of the China Jinping Underground Laboratory – the world's deepest and China's first ultra-deep underground laboratory. This project set a benchmark for university-enterprise collaboration in basic science research.

2011

- SDIC Yalong River Company commissioned the Jinping·Guandi Hydropower Station Fish Proliferation and Release Station. As a key aquatic biodiversity conservation facility, it effectively protects fish diversity in the Yalong River basin.
- SDIC provided 3 million RMB yuan in poverty-relief funds to Luodian County and Pingtang County in Guizhou Province to support local water conservancy projects.

2012

- SDIC initiated poverty-alleviation programs in Heshui County and Ning County, Qingyang City, Gansu Province.
- The Hami-Lop Nur Railway (Hara Line) in Xinjiang Autonmous Region, constructed with SDIC's participation, commenced its operations. This significantly improves the regional railway network and enhances living standards for all ethnic groups in Xinjiang Autonmous Region.
- SDIC was awarded the China Foundation for Poverty Alleviation's "New Great Wall Award" for Outstanding Contribution to Educational Poverty Alleviation.

2013

- SDIC set up special classes in Ningxian County and Heshui County for impoverished high school students to access education.
- SDIC implemented village-wide road construction projects in Ningxian County and Heshui County, allocating 4 million RMB yuan that year.

2014

- SDIC co-established and managed the Underdeveloped Regions Industrial Development Fund (originally Poverty-Stricken Areas Industrial Fund) with initial capital of 2.8 billion RMB yuan, innovating rural poverty alleviation approaches.

2015

- SDIC launched the SDIC Advanced Manufacturing Industry Investment Fund to accelerate high-end manufacturing and upgrade traditional industries.
- SDIC dispatched dedicated poverty alleviation cadres to targeted counties.

2016

- SDIC set up China's first charitable trust (SDIC Charity Trust No.1), donating 30 million RMB yuan over three years for poverty/education initiatives; awarded the 10th China Charity Award.
- Funded by 51 SOEs under SASAC leadership, the Central SOEs Rural Revitalization Industrial Fund (originally Central SOEs Poverty-Stricken Regions Industrial Fund, "SOE Rural Fund") was co-established. The fund was managed by SDIC Chuangyi.
- SDIC founded SDIC Health Industry Investment Co., Ltd., becoming its strategic platform for the Healthy China Initiative and elderly care industry development.

2017

- The Asian Development Bank (ADB) Loan Project - Beijing-Tianjin-Hebei Air Pollution Control - China National Investment and Guaranty Corporation(I&G) Investment and Financing Promotion Project was launched, co-initiated by ADB, SDIC Group, and I&G.
- SDIC Yalong River Company's Jinping II Hydropower Station and Guandi Hydropower Station were awarded the National Model Project for Soil and Water Conservation and Ecological Civilization (2017). It was the first time a hydropower construction project in Sichuan Province received this state-level environmental honor.

2018

- SDIC Group successfully acquired China Water Environment Group, which is a strategic move advancing the high-quality development of China's environmental protection industry and supporting the national Beautiful China Initiative.
- The SOE Rural Fund successfully completed its second-phase fundraising, reaching a total scale of 15.4 billion RMB yuan with 104 shareholder entities. Investment coverage now extends to all 14 former contiguous destitute regions.

2019

- The SOE Rural Fund successfully completed its third-phase fundraising, reaching a total scale of 31.405 billion RMB yuan.
- SDIC Intelligence acquired Meiya Pico (002688.SZ), establishing a national leader in cyberspace security and social governance.

2020

- SDIC's four targeted poverty counties - Luodian County and Pingtang County in Guizhou Province, Ningxian County and Heshui County in Gansu Province - were officially removed from the national poverty registry.

2021

- SDIC Chuangyi was awarded "the National Advanced Collective in Poverty Eradication" by the CPC Central Committee and the State Council.
- Guided by *Pairing Assistance Program for Gannan and Other Former Central Soviet Areas in the New Era*, SDIC Group commenced designated assistance operations in Wuping County, Fujian Province.
- SDIC Group provided 20 million RMB yuan and 650,000 bottles of alcohol-based disinfectant as emergency relief to Henan Province.

2022

- SDIC donated 1.88 million RMB yuan to Shunyi District, Beijing for pandemic control facilities, helping win the battle against the epidemic.
- SDIC contributed 20 million RMB yuan to Sichuan's Luding earthquake (Sept 5) relief and reconstruction.
- SDIC Chuangyi joined the UN Principles for Responsible Investment (PRI).

2023

- SDIC Yalong River Company's Kela Solar Plant - Phase I of Lianghekou hydro-solar hybrid project - commenced operations, marking the world's largest and highest in altitude facility. This project marks the first time that water and solar power complementarity project has been expanded to GW-scale globally, advancing China's Dual-Carbon Goals and pioneering new energy systems.
- SDIC launched "Five Business Cards" for Rural Revitalization, driving high-quality development in assisted regions.
- SDIC established SDIC Seed Technology Co., Ltd. to revitalize China's seed industry and ensure food security.
- SDIC donated 15 million RMB yuan to Gulang County, Gansu Province for drought relief.

2024

- SDIC Mining acquired equity in Thailand's APPC Potash Project, initiating a million-ton potassium chloride project and establishing oversea production base to enhance China's fertilizer supply security.
- SDIC initiated the "Care for Her" program supporting rural female teachers via charitable trusts to improve the education in the assisted areas.
- SDIC founded SDIC Bio-manufacturing Innovation Research Institute Co., Ltd. to advance bio-tech innovation and industry development.

2025

- SDIC Expanded "Care for Her" program to Sichuan Province, Xinjiang Autonmous Region, and other regions.



FEATURE STORIES

SDIC Seed: Forging Agriculture's "China Core"

Seeds are agriculture’s “silicon chips”, and seed industry is a national strategic, foundational industry. Achieving self-reliance of seed technology and germplasm autonomy is critical for enhancing the resilience of China’s agricultural product supply chain and ensuring the stable and secure supply of grain and important agricultural products. Embracing national priorities, SDIC Group focuses on self-reliance seed technology. Through SASAC’s Industrial Revitalization Initiative, leveraging SDIC Chuangyi’s industrial funds, we invested across China’s biobreeding sector, achieved full coverage of core enterprises, technologies, and talent, and established SDIC Seed Technology Co., Ltd.. We promoted the establishment of a “R&D-Breeding-Cultivation-Promotion” full-chain ecosystem centered on biotechnology breeding. From genetic breakthroughs in labs to smart farms in deserts, SDIC Seed adopts chain-integrated solutions to strengthen China’s food security.

Breakthrough: Making Innovationthe Engine of Seed Industry

Scientific innovation drives seed industry advancement. SDIC Seed prioritizes "R&D" as the core link, fortifying foundations through biobreeding tech and germplasm innovation.

Genetic Leap: From Lab to Field

In January 2024, Longping Biotech’s multi-gene stacked insect-resistant corn trait LP026-2 secured national bio-safety certification. This super trait with four-gene molecular stacking was a new breakthrough in the field of biological breeding technology. “In the past, single-gene insect-resistant traits was prone to developing resistance. Now, our multi-gene vector offers layered protection," explained Dr. Lv Yuping, CEO of Longping Biotech. That year, the trait firms controlled and managed by SDIC Seed obtained 7 new bio-safety certificates, accounting for 41% of China’s total newly issued certificates at the same time, building a formidable tech moat.

Germplasm Innovation: Breaking Bottlenecks

R&D concentrates biotechnology’s most complex applications. Few global seed firms master the full R&D-Breeding-Cultivation-Promotion chain, primarily due to R&D barriers. From its inception, SDIC Seed has steadfastly focused on comprehensive industrial chain development, deepening its commitment to R&D. And it has breakthroughs in bio-breeding and core germplasm technologies, dedicated to cultivating proprietary seed industry innovations. In bio-breeding, SDIC Seed achieved transformative progress in transgenic trait innovation and gene editing R&D through controlling stakes and strategic investments in domestic core enterprises. For germplasm development, SDIC Seed accelerated the introduction of elite genetic resources and enhance creation capabilities via partnerships with research institutes and multinational seed companies. SDIC Seed further coordinates Fengle Seed to lead the national *2030 Science and Technology Innovation Initiative - Agricultural Biobreeding* Major Project, with over a dozen participants including Longping Biotech, Ruifeng Biotech, and Huazhong Agricultural University, jointly responsible for developing high-yield stress-resistant corn varieties.



High-Yield Stress-Resistant Corn R&D Project: Iron 391

Expanding Horizons: Reshaping Industries with Capital Power

Confronting China’ s fragmented seed industry, SDIC Seed leverages capital to consolidate resources, build industrial frameworks, and enhance market concentration to forge scaled and integrated advantages.

Strategic Consolidation: Drawing Industry "Concentric Circles"

SDIC Seed has advanced acquisitions of trait development companies since its founding. In 2024, it completed the acquisition of Guofeng Bio, developer of insect-resistant and herbicide-tolerant corn BFL4-2. Guofeng Bio is China’ s fifth firm obtaining MARA transgenic biosafety certificates for staple crops and the first firm having *multi-trait interactive-resistance stacked technology transformant* certification. Liangyuan Bio acquired concurrently is a top-tier trait developer in approved number of genetically modified varieties. Among the 64 MARA-approved genetically modified corn varieties nationwide, 12 use its ND207 trait. It ranks among the top three in market penetration in the industry. To date, SDIC Group has achieved comprehensive coverage of China’ s biobreeding core enterprises through controlling stakes in Longping Biotech, Guofeng Bio, and Guorui Bio and strategic investments in Ruifeng Biotech, DBN Bio, and Liangyuan Bio; secured comprehensive coverage of China’ s biobreeding leading scientists to create a talent cluster effect; and attained the coverage of core technologies and products in China's biobreeding industry with 21 of 35 MARA-issued transgenic safety certificates for key technologies and products.

Controlling Fengle Seed: Building Industrial Framework with Pillars and Beams

In April 2024, SDIC Seed acquired a controlling stake in Fengle Seed (000713.SZ), announcing plans in November for a 1.089 billion RMB yuan capital injection. Being one of the first batch of Breeding-Cultivation-Promotion integrated seed enterprises in China, Fengle Seed is the first listed company in the Chinese seed industry with a complete system covering research, production, processing, sales and services. Following its remarkable transformation into a “national team” player in the seed industry, Fengle Seed, empowered by SDIC Seed's capital and resource integration, has rapidly initiated a Tech-Capital-Industry synergistic development model. Through technological collaboration, traits such as insect resistance and herbicide tolerance have been incorporated into the breeding system, leading to the launch of genetically modified varieties including “Iron 391K” . With sales of nearly 7 million kilograms in 2024, this single variety generated approximately 170 million RMB yuan in revenue, establishing itself as a leading genetically modified product in China. SDIC Seed has implemented the Sci-Tech Reform Model Initiative and adopted a bidding mechanism for R&D projects and equity incentives. By utilizing its 50,000-mu core seed production base in Zhangye, seed production costs were reduced by 18%, while a digital platform enables full-process seed traceability. The presale orders for “Zhenzhunuo 20” black corn on its WeChat Mini Program exceeded 200,000 kilograms within 48 hours. Feng Yue, Deputy General Manager of SDIC Seed, stated, “Through Fengle Seed, SDIC Seed will further strengthen its strategic positioning across the entire seed industry value chain, transforming Fengle Seed into a pivotal platform for industrial operations, capital deployment, and resource aggregation.”

An Integrated "R&D-Breeding-Cultivation-Promotion" Industrial Chain.

Symbiosis: Building a Seed Industry "Community with a Shared Future"

Guided by the philosophy of openness and sharing, SDIC Seed has deeply integrated the breeding and promotion segments with the industrial ecosystem. Through the development of smart seed production bases and innovations in digital service platforms, it is driving the seed industry’ s transition from traditional production to a technology + service model, establishing a sustainable framework featuring upstream-downstream collaboration and industry-academia-research synergy.

Smart Seed Production: The "Digital Farm" on the Gobi

In Zhangye City, Gansu Province, where an oasis is nourished by snowmelt from the Qilian Mountains, SDIC Gold Seed's smart production base is redefining perceptions of traditional agriculture. Drones survey seed fields, with real-time data triggering intelligent irrigation and fertilization systems. Precision-dripped water droplets glisten under sunlight, reflecting technological precision. "Compared to traditional methods, this base achieves 23% water savings, 4.6% fertilizer reduction, and a 5.3% year-on-year increase in per-mu yield," explained Yin Jiying, Deputy General Manager of SDIC Gold Seed, presenting backend data. The integrated "1+1+5" system comprising "air-space-ground integrated monitoring + digital production management + full-process traceability" has transformed the seed production base into a "smart factory" capable of sensory perception and autonomous decision-making. In 2024, SDIC Seed completed functional development of its "Wisdom Seed" platform, managing over 100,000 mu of seed production bases in Zhangye while directly operating 53,000 mu of core bases. This enables data-driven production management decisions, effectively facilitating synergistic development between traditional and emerging industries.

Seed Taobao: Bridging the Last Mile

"Farmers face four major concerns when purchasing seeds: availability, affordability, authenticity, and quality," Yin Jiying remarked as he reviewed iterative prototypes of the "Seed Taobao" platform on his phone. This WeChat ecosystem-based platform will enable intelligent seed supply-demand matching, blockchain-based anti-counterfeiting traceability, and online agronomic consultation. By September 2025, the first batch of seeds produced by SDIC Gold Seed featuring traceability QR codes and the "Zhangye Corn Seed" geographical indication will be packaged and distributed nationwide. Scanning the codes will reveal full-process data from parental line cultivation to storage and logistics. Farmers will soon select seeds as effortlessly as shopping on Taobao, with digital technology building trust bridges. Currently, the integrated digital service platform has onboarded all 57 seed production enterprises in Ganzhou District, registering approximately 700,000 mu of land and 704 certified varieties. It also provides complimentary production management services for 110,000 mu of land operated by three representative seed enterprises.

SDIC Seed is accelerating the integration of bio-technology, information technology, and digital technology to empower the seed industry with innovation which drives structural upgrades in bio-breeding. And it optimizes seed marketing and service systems and promotes the adoption of high-quality seeds paired with advanced cultivation techniques to facilitate structural upgrades in seed industry. The company is pioneering in new intellectual property operation models, offering open-access to small and medium seed enterprises. This collaborative approach stimulates synergistic development across the bio-breeding value chain, enhancing the industry’ s global competitiveness.



By deploying digital-intelligent technologies at seed production bases, SDIC Seed significantly increased per-mu yield.



FEATURE STORIES

"Caring for Her" Initiative: Activating Endogenous Dynamics in Rural Education

> This journey has nourished my career as a teacher like spring rain enriching the earth. Once struggling with classroom teaching, I now skillfully design unit-based lessons and employ task-cluster pedagogy. My classroom has become dynamic and efficient, with vibrant student engagement and improved academic performance. Grateful for SDIC Public Welfare's support, I am committed to sowing these gains in the soil of rural education. May this initiative sustain its impact, pave growth paths for more rural female teachers and give hope for rural education. May it continue to thrive and cultivate more sparks to illuminate children's future.
>
> —Teacher QIU Dezhu, Qingshui Primary School, Pingtang County, Guizhou Province

At dawn, with mist clinging to the mountains, Yang Xiaoju - principal of Pingtang No.2 Primary School in Pingtang, Guizhou - was already bustling around campus. Now in her tenth year at this post, her routine begins at 6:50 AM and ends after 9:30 PM every day. Overseeing all school operations while teaching Chinese due to staff shortages, Yang confesses: "I often forget my own son studies here, while my two younger children attend kindergarten." Her eyes glistened with tears when speaking of family.

As pivotal links in rural education, female teachers serve not only as guides for children's development but also as catalysts for rural cultural advancement. Yet this group faces challenges: outdated teaching methods stemming from resource scarcity in remote areas; stunted professional growth due to absence of training; compounded physical and mental strain from dual family-work pressures; and limited career progression pathways. And those result in insufficient qualified teachers. Enabling holistic development of rural female teachers has become critical to strengthening rural education and advancing educational equality.



"SDIC Public Welfare • Caring for Her" initiative for rural female teachers is officially launched

Institutional Solutions to Address Rural Education's "Her" Dilemma

Amidst Beijing's January chill in 2024, the "SDIC Public Welfare • Caring for Her" initiative for rural female teachers was officially launched. Jointly implemented by SDIC Group, China Women's Development Foundation, China Foundation for Human Rights Development, and Beijing Normal University, this program targets female educators in rural primary schools. It delivers comprehensive support to alleviate physical and mental health burdens, enhance capcity-building in education, improve working and living conditions, and provide equal opportunities.

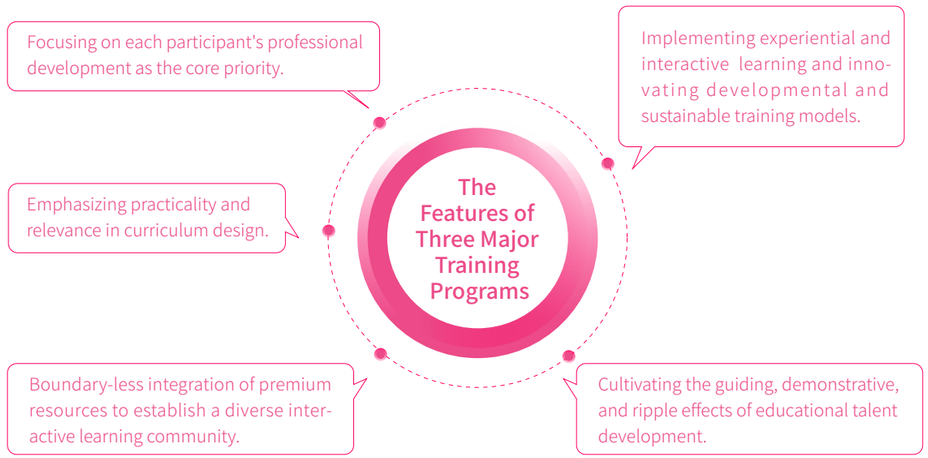
As the backbone of rural education, these teachers carry the hopes of countless families while bearing multifaceted pressures from family responsibilities, social expectations, and career challenges. Fu Gangfeng, SDIC's Chairman, stated: "Through 'Caring for Her', we aim to advance teachers' professional growth, protect their well-being, and elevate their sense of fulfillment and achievement. This enables them to educate with greater security, comfort and concentration, fostering rural education's prosperity."

The program adopts an innovative “charitable trust + multi-stakeholder collaboration” model. With total funding exceeding 60 million RMB yuan, it will operate for a decade across SDIC’s assistant regions Luodian and Pingtang Counties in Guizhou Province, Ning and Heshui Counties in Gansu Province, and counterpart-support areas Wuping County and Longyan City in Fujian Province. This substantial and long-term commitment demonstrates SDIC’s steadfast dedication to rural revitalization.

Three Cultivation Programs Empowering Rural Education's "Her" Group

Regarding the “Caring for Her” Project, Jin Yan, Deputy Director of the Teaching Support Department at Beijing Normal University’s Education Training Center, stated: “In rural areas, female teachers serve not only as knowledge transmitters but also as emotional mentors. They spend so much time with left-behind children that they can feel anxiety in the children’s eyes and build communication bridges through unique feminine sensitivity. With scarce training opportunities, particularly national-level programs, they harbor ideals with theoretical disconnections. SDIC Group’s precise targeting of rural female educators demonstrates profound understanding of rural education needs.”

The "SDIC Public Welfare • Caring for Her" project comprises three major programs: "Exemplary Teacher Cultivation Program" , "Educational Management Talent Development Program" and "Arts and Physical Education & Psychology Teacher Enhancement Program". Through meticulously designed curricula, intensive workshops and on-site shadowing, and coupled with post-training implementation support such as practical application guidance and online-offline mentoring, the project enables teachers to observe advanced instructional models and management practices at elite schools in developed regions. This tangibly enhances participants' professional competencies and pedagogical skills, empowering them to apply acquired knowledge in actual teaching contexts.



The Unmissable Quest for Knowledge

From May 17 to 22, the Exemplary Teacher Cultivation Program conducted its first intensive workshop at Beijing Normal University's Zhuhai campus. After arduous journeys, 100 rural female teachers from remote regions arrived at this pinnacle of China's teacher education. Forgoing sightseeing, they immersed themselves in non-stop lectures, discussions, and note-taking from dawn till dusk. Past 9 PM, the training room remained full, so staff eventually phoned Jin Yan to urge participants to rest.

The curriculum focused on classroom innovation under the new curriculum standards, covering standards interpretation, disciplinary competency cultivation, macro-unit teaching, and instructional design development. These concepts were fresh to Qiu Dezhu from Qingshui Primary School, Pingtang County, Guizhou, who encountered unfamiliar terminology. Her school serves 198 students with only 10 teachers. Beyond teaching Chinese, English, and Morality and Rule of Law, Qiu manages the library, oversees academic affairs, coordinates after-school programs, and conducts psychological counseling. Despite county authorities’ dispproval for sake of her pregnancy safety, Qiu secured participation. She completed every session in both Zhuhai workshops and Beijing shadowing without absence. She affirmed, “I can overcome difficulties. Such training is exceptionally rare for rural teachers. Full participation is non-negotiable—not a single session can be missed.”



The training sites for teachers

Their Journey of Growth

Teacher Qiu Dezhu now speaks with confidence on “macro-unit teaching methodology”, recently winning an award in a county-level competition. Just a year before, this approach was entirely unfamiliar. “I truly lacked understanding at that time, but grasped fragments unsystematically. Now we’ve mastered the methodology with complete templates,” she noted. “Now, I lead school-wide lesson preparation, and Qingshui Primary ranks first in Chinese across our township and third among all rural primary schools county-wide.”

In 2024, the "Caring for Her" program trained 100 subject teachers, 20 female administrators, and 100 arts/PE/psychology specialists. It delivered 47 days of off-site intensive workshops, 30 days of expert on-site mentoring, 98 observed and discussed lessons, 52 specialized lectures, 35 workshops, 120 individually reviewed lesson plans, 98 finalized teaching blueprints, and 12 volumes of primary education resources, cascading training to over 300 local teachers. The project has generated "initial momentum" for rural education reform, with participants calling it "the most substantive, practical, and solution-oriented training" of their careers.

Trainees demonstrated accelerated professional growth, achieving remarkable results across competitions at all levels:

- **5** person-times awarded at provincial level
- **13** person-times honored at municipal/prefectural level
- **29** person-times recognized at county level
- **1** individual designated as municipal/prefectural-level subject leader
- **2** individuals selected as county-level outstanding education talents
- **1** individual certified as county-level core teacher



The training sites for teachers in the three major programs

The Shared Dream Propelling Us Forward

“Many children here have never left Datang Town. As principal, my biggest wish is to shed light on rural children's dreams,"stated Yang Xiaoju, Principal of Pingtang No.2 Primary School, Guizhou. This aspiration unites all participants in "Caring for Her”. Charitable trusts as innovative philanthropic platform offering independence, sustainability and transparency, can disclose important details timely and precisely through annual reports, including information of the projects, fund raising and allocation, activity progress, and outcome metrics. This model transcends single-entity limitations by establishing government-guided, enterprise-driven, multi-stakeholder collaboration, enabling resource and risk sharing, and mutual benefit. Aligning with regional needs, the initiative coordinated with CWDF and CFHRD to deliver over 4 million RMB yuan in assistance projects and donated materials, earning acclaim from the ACWF. “Caring for Her” Rural Female Teacher Caring Project embodies a fundamental truth that education awakens souls, and rural education’s endogenous vitality flourishes through the fusion of compassion and expertise. By infusing endogenous dynamism into rural education via this project, cultivating outstanding teachers remains SDIC’s enduring mission.

The "Caring for Her" Brand Evolution

The "Caring for Her" initiative, launched by SDIC Group in 2020, is a philanthropic brand dedicated to supporting vulnerable yet often overlooked female groups in urgent need of assistance and relief. By connecting industry partners, mobilizing social resources, and collaborating with stakeholders, it empowers disadvantaged women.

2020
SDIC launched “Rising New Dreams • Caring for Her” in Liangshan Prefecture, Sichuan to provide feminine hygiene products and youth volunteer educational services.

2021
SDIC continued hygiene product donations in Liangshan while addressed heating deficiencies, bathing facilities, and winter warmth challenges in local middle schools.

2022
SDIC supported single mothers in remote pastoral areas of Ganzi Prefecture, Sichuan and distributed feminine supplies and HPV vaccinations.

2023
SDIC provided critical illness funds for breast and cervical cancer patients in Qiannan Prefecture, Guizhou Province and Qingyang City, Gansu Province, alongside the “Compassionate Maternity Caregivers” skills training.

2024
SDIC initiated the “Caring for Her” Rural Female Teacher Caring Project in Beijing and the “Caring for Her” Health Care Project in Tianjin, purchasing medical insurance and delivering healthcare services for single mothers.



FEATURE STORIES

Ideological Fortification: Anchoring Political Guidance Validation

Industrial Workforce Reform, personally initiated, deployed and guided by General Secretary Xi Jinping, constitutes a strategic and overarching national policy imperative. SDIC Group leverages its role as a state-owned capital investment company to provide strategic support for modern industrial system development. We carry out the work of Industrial Workforce Reform grounded in “national priorities, developmental imperatives, worker expectations, and SDIC capabilities”. We promote the industrial workforce reform with a focus on both quality and efficiency, exploring multiform reform models tailored to state capital investors’ characteristics.

Ideological Fortification: Anchoring Political Guidance Validation

As the builder of the world’s largest clean energy base, SDIC Yalong River Company fully leverages the leading role with “Water’s Pure Heart” as the soul-stirring foundation and ensure that wherever the construction site is, the Party flag will be placed there, the craftsmanship will be concentrated there, and the vanguard and exemplary role of Party members will be demonstrated there. Its Party branches and Youth Pioneer Teams operate at dam construction site and the unit commissioning frontlines, innovating with “Party Member Responsibility Zones + Technical Task Forces”. During the construction of Lianghekou Hydropower Station, the “High-Dam Temperature Control Task Force” led by Party member artisans and young pioneer, resolved temperature control for 300-meter dam concrete. The related technology won the industry’s top award.

China Electronics Engineering Design Institute's "Vanguards at the Frontline" initiative positions technical Party members as ideological beacons for workers. Zhang Hangke is the general manager of the Semiconductor Division of Shiyuan Technology of China Electronics Engineering Design Institute. He has been engaged in the process design and overall design of new display devices and integrated circuit chip manufacturing lines for a long time. The Yangtze Memory Base he is in charge of is currently Asia's largest single memory project dubbed the "aircraft carrier" of the chip industry. As the project design supervisor, he took the lead in establishing the project's temporary Party branch and served as its secretary. He proposed the principle of "All for the worksite; Everything for its success", leading the on-site team to learn from each other, strive for excellence, overcome difficulties, and actively solve various technical problems at the site. Many "impossible tasks" were frequently turned into reality.



August 2024, Yalong River Lianghekou Party Committee conveyed the spirit of the Third Plenary Session of the 20th Central Committee of the Communist Party of China and held the Youth Pioneer Team flag-awarding ceremony

Skills Advancement: Forging Express Lanes for Growth

In the hinterlands of Lop Nur, the Sea of Death, where no birds fly above and no grass grows below, SDIC Luobupo Potash employees take into their heart the conviction “persevering in the wilderness to get potassium for the nation” . Wen Hui shines as one such exemplar. Joining as a maintenance worker in July 2009, he now holds multiple distinctions as Chinese Communist Party member, Class I fitter technician, “Xinjiang Artisan” , and lead master of a National-Level Skills Master Studio. He directs the Xinjiang Uygur Autonomous Region’ s “Wen Hui Fitter Skills Master Studio” , truly being a “star employee” . Since becoming a team leader in 2012, his "Warwolf Team" has been honored as SDIC Group’ s Model Team for three consecutive years. Over seven years leading the national studio, he mentored over 60 apprentices, with 6 obtaining Chemical Maintenance Fitter Technician certification and all others achieving Senior Fitter qualifications.



Master Craftsman Wen Hui Delivering On-Site Technical Guidance

Yang Zhancai of SDIC Xiaosanxia Company is the first National Technical Expert cultivated by SDIC Group. Colleagues regard him as an ever-reliable specialist; leaders and peers see him as a frontline technical pioneer; apprentices view him as an approachable mentor. Yang established SDIC Xiaosanxia’ s inaugural employee innovation studio - the “ZhanCai Craftsman Studio” - leading its members to develop cascade operation optimization software for Xiaoxia, Daxia, and Wujinxia hydropower stations. This achievement not only reduced workloads for centralized control operators but also provided robust software support for optimizing reservoir dispatch across the three stations.



Yang Zhancai Conducting Technical Training



SDIC Group Launches Financial Skills Competition

Channel Accessibility: Shattering Career Ceilings

SDIC Group refines human capital planning and defines precise objectives and measures for high-skilled talent development. By implementing skill leader management protocols, we established a tiered growth framework comprising Chief Craftsmen, Master Craftsmen and Young Artisans. And we carried out initiatives including Foreman Training Camps and Internal Trainer Selection Programs to expand high-skilled talent groups.

By the end of 2024, SDIC Group employed 16,341 skilled professionals, accounting for 32% of its total workforce. Within this group, 2,875 high-skilled talents (senior technicians and above) constituted 17.6% of the skilled workforce. The group included 49 high-skilled individuals honored at provincial/ministerial level or higher and 86 model workers recognized at provincial/ministerial level or above - among whom were 3 National Model Workers, 2 recipients of the National May 1st Labor Medal, 2 National Technical Experts, and 1 “Great Nation Craftsman” . Additionally in 2024, 6 teams received national accolades including the “National Workers’ Pioneer” award, while 17 collectives and individuals earned provincial/ministerial honors.



SDIC Group participated in the 2024 National Electric Power Industry Vocational Skills Competition

Team Building: Bridging the Final Mile of Industrial Reform

Teams serve as the “nerve endings” driving SDIC Group’ s high-quality development. United, harmonious, and challenge-ready teams require leaders with bold vision and cohesive leadership. Wei Fudao, maintenance foreman at SDIC Luobupo Potash's brine extraction workshop, fits both. Since assuming leadership, he has prioritized employee skill development, championing craftsmanship spirit and cultivating role models to achieve “management enhancement, talent cultivation and continuous improvement” three core objectives. In order to stimulate the enthusiasm of employees for the development of their professional skills, he established an effective incentive mechanism. In 2023, the maintenance team members won Individual Excellence Award, National Equipment Management & Smart Ops Competition, Outstanding Performance Award, Autonomous Region First Vocational Skills Championship, and SDIC Technical Expert.

SDIC currently

maintains **611** frontline teams

comprising **348** production teams

160 support teams

103 service teams

In recent years, SDIC Group has strengthened team building by leveraging foremen’ s role as pivotal coordinators, enhancing their capabilities in lean management, technical inheritance, innovation facilitation, and complex problem-solving. This ensures secure, harmonious, and stable enterprise development, advancing industrial reform implementation.

Rights Protection: Forging a Warm "Workers' Home"

SDIC Group deepens enterprise democratic governance. It guides subsidiaries to pursue proactive and pragmatic approaches, strengthening foundational democratic mechanisms through institutionalization, standardization, and legalization, while actively fostering harmonious labor relations to safeguard workers’ democracy rights.

SDIC Yangpu Port anchored its high-quality development in democratic factory affairs management, and embeded democratic oversight into modern corporate systems. It established frameworks for factory affairs disclosure, workers' congresses and employee directors/supervisors while refine procedural standards and quality benchmarks. It pioneered factory affairs new disclosure methods, expanded channels, enriched content, and enhanced transparency, mobilizing workers to engage in democratic decision-making, management and oversight. It also integrated disclosure with team building, encouraged grassroots participation and extended practices to frontline teams, aligned disclosure with industrial workforce reform, and increased worker representation in mass organizations to ensure equal say. In addition, it linked factory affairs disclosure to protection of employees’ legitimate rights, broadened the channels for employees to offer suggestions and solutions via workshops and field research, and resolved critical enterprise challenges and worker concerns, cultivating a worker-driven, enterprise-vitalized synergy.

In 2024, SDIC Yalong River Hydropower and SDIC Luobupo Potash were honored as National Advanced Units for Democratic Factory Affairs Management (2021-2023), while SDIC Yangpu Port was designated a National Model Unit for Democratic Factory Affairs Management (2021-2023).

SDIC’ s industrial reform constructs “capability-to-value” platforms where skill tiers dictate compensation, innovations drive promotions, knowledge transfer fuels technological advancement. This cultivates master craftsmen from the frontline, fortifying China’ s high-skilled talent foundation for manufacturing excellence.

Huaxia Power Advanced Team-Building via "Five-in-One Plus" Model, Amplifying Industrial Reform Impact



01

INVESTMENT PIONEERING:
SERVING THE NATIONAL STRATEGY

Total Operating Revenue

196.2 billion RMB yuan

Total Profit

25.6 billion RMB yuan

R&D Intensity Ratio

1.58%

Strategic Emerging Industries Revenue Share

22.70%



STRENGTHENING INDUSTRIAL LEADERSHIP

SDIC Group precisely fulfills its renewed mission as a state capital investment company in the new era and anchored efforts in high-quality development. Centered on national priorities and imperatives, it commits to serving national strategies through structural optimization, living standards enhancement, technological innovation and industrial upgrading by exerting state capital' s leading influence in critical sectors.



Panoramic View of SDIC Luobupo Potash's Potassium Sulfate Plant

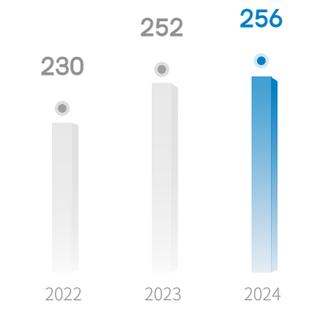
Elevating Core Business Efficiency

In 2024, SDIC advanced key initiatives by seizing strategic opportunities within its core mandate. Through stability enhancement, quality-efficiency synergy, structural adjustments, resources on priorities, cost-benefit refinement and rigorous risk management, it executed market expansion and cost-reduction measures. Capitalizing on favorable capital market trends, SDIC pursued profit-enhancing initiatives including capital operations and sectoral cost benchmarking - achieving sustained growth in operational quality and profitability through monthly progress oversight.

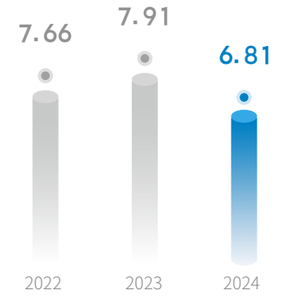
SDIC Achievements 2024

Awarded Grade-A in the annual operational performance assessment by SASAC for 20 consecutive years.

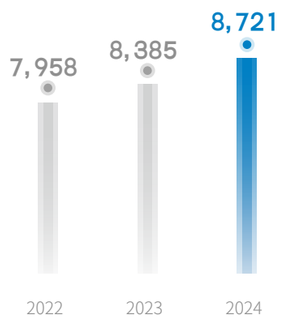
Total Profit (100 million RMB yuan)



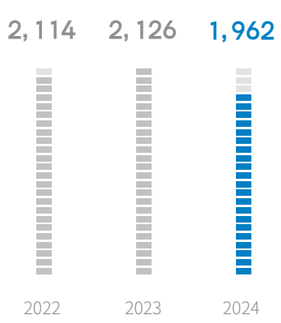
Return on Equity (%)



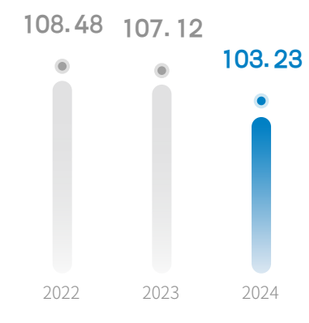
Total Assets (100 million RMB yuan)



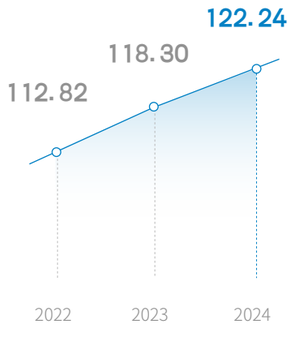
Total Operating Revenue (100 million RMB yuan)



State Capital Preservation & Appreciation Rate (%)



Overall Labor Productivity (10k RMB yuan/person)



ENERGY INDUSTRY



Ertan Hydropower Station Operated by SDIC Yalong River

SDIC supports China’s new energy security strategy. In power genenration, 11 projects at the Yalong River Hydro-Solar-Wind Integration Base advanced at high quality, with 11,790 MW under construction and nearly 21,000 MW in operation. In energy transportation, four ports in southern China achieved 5% year-on-year growth in throughput and Caofeidian Coal Reserve Base commenced construction. In bio-energy, we established a comprehensive benchmarking management system, conducted analysis on key processes, such as procurement, production, sales, inventory and cost controls. Finally, 18 core KPIs were improved, generating 196 million RMB yuan in efficiency gains during 2024.

DIGITAL/SCI-TECH



12-inch Integrated Circuit Production Line Project for Runpeng Semiconductor, Executed by SY Technology (China Electronics Engineering Design Institute)

SDIC advanced technological development and industrial upgrading to forge new quality productive forces. SDIC Intelligent’s independently developed “Tianqing” large language model became China’s first public security-focused LLM approved by the Cyberspace Administration of China. Shandong Special Equipment Inspection Institute established “inspection & testing, green & low-carbon solutions, and digital intelligence applications” three business lines, adding 11 testing certifications and 7 accreditation qualifications in 2024. CEEDI enhanced its strategy through acquiring Zhonghang Weak Current and Daopu Information. SDIC High-Tech formulated a “2.5 Strategy” targeting key auto components, advanced ceramics and bio-based materials, by completing investment in Haohui Biology.

PEOPLE'S LIVELIHOOD & HEALTH



Guizhou SDIC Health Senior Apartments

We fulfilled public aspirations for improved well-being. SDIC Mining acquired equity in Thailand's APPC Potash Project, initiated a million-ton potassium chloride project and established oversea production base to enhance China's fertilizer supply security. SDIC Luobupo Potash sold 1.8683 million tons of potassium sulfate amid market volatility. SDIC Health focused on semi-dependent seniors with dementia and pioneered an asset-light model, achieving 8.3% growth in resource beds, 58% surge in operational beds and solid progresses in standardization and the construction of middle platform capabilities. SDIC Human Resources launched the 5th National Recruitment Action, ranking among China’s Top 10 SOE Service Brands. SDIC Seed was selected to SASAC’s first batch of “Starter Enterprises” program. It adhered to the integrated development of “R&D-Breeding-Cultivation-Promotion”, acquired the listed company Fengle Seed, established a smart seed innovation base with Zhangye City and built a seed industry digital ecosystem.

INDUSTRIAL FINANCE



We advanced high-quality development of industrial and financial capital. SDIC-affiliated funds invested in strategic emerging industries, achieving 72.5 billion RMB yuan in new assets under management, 12.3 billion RMB yuan in new investments, 45 fully exited projects, and 87 new investment projects. SDIC Capital implemented the Five Key Financial Tasks to build differentiated advantages, sered real economy and transition development. SDIC Securities and SDIC Taikang Trust secured top-tier regulatory ratings. China National Investment and Guaranty and SDIC Leasing received Category A ratings from local regulators. SDIC Finance strengthened treasury systems and enhanced service capacity for financial empowerment. SDIC Assets intensified divestments, withdrawing from 33 projects with notable efficiency.



SDIC Intelligent Supercomputing Center

Accelerating the Cultivation of Emerging Industries

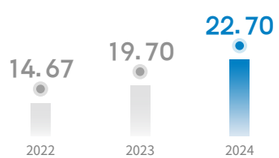
SDIC Group formulated *the Guidelines for Strategic Emerging Industries Development*, to formulate development principles and pathways. It established an emerging industries tracking system to regularly monitor economic indicators, industrial layouts and technological innovations, to ensure comprehensive oversight. Focusing on pivotal sectors, such as new energy, bio-manufacturing, bio-breeding, advanced materials, and digital economy, SDIC acted as an industrial trailblazer. We intensified investment in strategic emerging industries by forming five industrial chain consortiums covering integrated circuits, bio-breeding, new-energy vehicles, bio-manufacturing and advanced materials. And we allocatrf over 60% of new investments to strategic emerging industries. Through industry-academia-research integration, we designed synergistic mechanisms to serve as long-term, patient and strategic capital like an incubator.

SDIC Achievements 2024

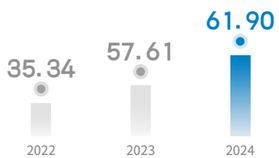
SDIC completed investment 30. 6 RMB yuan in strategic emerging industries

Our growth rate of investment in strategic emerging industries was 12% higher than total investment growth

Proportion of Revenue from Strategic Emerging Industries %



Investment Proportion in Strategic Emerging Industries %



Accelerating Bio-tech Industry Development

SDIC Group actively implements the SOE Revitalization Initiative through efforts on bio-manufacturing and bio-breeding industries. We established SDIC Bio-manufacturing Innovation Research Institute Co., Ltd. and deepened university collaborations to foster industry-academia-research integration. The cellulosic ethanol technology achieved phased breakthroughs with the first 168-hour continuous full-load test at a 30,000-ton demonstration facility. SDIC Seed Completed acquisition and integration of Fengle Seed, launched new rice variety Zhongkefa Early Hybrids for commercial promotion, secured 53,000 mu core seed production base in Zhangye during 2024, and accelerated innovation center construction. SDIC-affiliated enterprises obtained 21 grain safety certificates. The Group has gained solid traction in biotech industrial development.

Leveraging National-Level Fund Leadership

SDIC Group accelerates industrial cultivation through fund investments in strategic emerging sectors including integrated circuits, intelligent connected vehicles (ICV), bio-pharmaceuticals, and bio-manufacturing. Its portfolio comprises 50 managed funds with total asset under management (AUM) exceeding 270 billion RMB yuan, including 11 national government-guided funds with a scale of 230 billion RMB yuan AUM accounting for 84% of total. The SDIC-affiliated funds ecosystem spans venture capital, private equity, fund-of-funds, forming a situation where SDIC Chuangyi, SDIC Fund, SDIC Unity Capital, and SDIC Venture Capital can coordinate.

- In integrated circuits sector, aligned with national megaprojects, SDIC executed all-domain investments 336 projects in total, with an amount of 27.8 billion RMB yuan, initially establishing full-chain covering design, manufacturing, packaging/testing, equipment and materials.
- In intelligent connected vehicles sector, the advanced manufacturing industry investment fund managed by SDIC, fully cooperated with the national industrial policies and Invested in leaders in battery power technology and new energy vehicles like CATL and BYD. We deployed 19.4 billion RMB yuan across 47 key enterprises along the industrial chain and catalyzed over 260 billion RMB yuan in social capital. And we fostered a robust ecosystem where industry pacesetters drive sector-wide collaboration, forcefully propelling the high-quality development of the new energy vehicle industry. This constitutes proactive contributions to building China into an automotive powerhouse and advancing the "New Trio" (electric vehicles, lithium batteries, solar cells) strategic initiative.
- In the bio-pharmaceutical sector, we prioritized investments in antibody drugs and cell/gene therapies (CGT), participated in R&D of emerging therapeutics including gene/cell-based drugs and nucleic acid drugs and built upstream bio-manufacturing infrastructure. With 125 biopharma investments totaling over 18 billion RMB yuan, we support Chinese pharmaceutical enterprises in achieving independent innovation and industrial upgrading.

SDIC Achievements 2024

SDIC-Affiliated Funds Performance

Assets Under Management: Exceeding RMB **270** billion RMB yuan

Cumulative Investments: **1, 147** projects

Including **319** bottleneck breakthrough initiatives

Post-investment Listed Enterprises: **295** (with 143 on the STAR Market)

National-level Little Giant enterprises: **313**

Specialized and sophisticated import-substitution enterprises: **441**

Building Modern Industrial Chains in a Collaborative Way

SDIC Group upholds a mutually beneficial development philosophy with partners, and deepens multi-domain collaborations with governments, enterprises, and academic institutions. By strengthening IAC platform and enhancing resource and advantages integration, we drive technological innovation and advanced collaborative development of modern industrial chains.

Government-Enterprise Collaboration

SDIC Group enhances government-enterprise collaboration through in-depth dialogue with local governments, expanding strategic cooperation to drive regional socio-economic development.

On Sep 24th, 2024, SDIC Group signed a comprehensive strategic cooperation framework agreement with Sichuan Provincial Government, advancing collaboration in Yalong River Hydro-Solar-Wind Integration Base, national major science infrastructure projects, and strategic emerging industries. This supports the Chengdu-Chongqing Economic Zone development and drives Sichuan's high-quality socio-economic growth.

On Dec 19th, 2024, SDIC Group and Tianjin Municipal People's Government executed a strategic cooperation framework agreement, for the inauguration of SDIC Bio-Manufacturing Innovation Research Institute Co., Ltd. The two parties will enhance collaboration across energy, advanced materials, bio-manufacturing, rail transit, elderly care, digital economy, engineering services, and financial services sectors.



SDIC signs a comprehensive strategic cooperation framework agreement with Sichuan Provincial Government at the 2024 Sichuan Tour for Well-known Domestic and Foreign Enterprises Event



Inauguration of SDIC Biomanufacturing Innovation Research Institute Co., Ltd.

Enterprise-Enterprise Collaboration

Leveraging its multi-business advantages, SDIC Group integrates industrial resources to establish strategic partnerships with industry leaders across sectors. It explores efficient, pragmatic and innovative cooperation models, to jointly build an open and mutually beneficial industrial ecosystem.

On Sep 29th, 2024, SDIC Group and Industrial Bank signed a strategic agreement themed Industry-Finance Synergy for a Green Future, to enhance collaboration in green project financing, bio-manufacturing, elderly care services and industrial finance, by leveraging complementary strengths to advance new quality productive forces.

On Sep 3th, 2024, SDIC Group and Agricultural Bank of China sealed a strategic pact themed Jointly Delivering the Five Key Financial Tasks for High-Quality Economic Growth, to explore synergies in power infrastructure development, interbank services, industrial funds, and bio-technology, deepening cooperation around the Five Key Financial Tasks.

College-Enterprise Collaboration

SDIC Group actively develops synergistic innovation mechanisms with universities and research institutes and deepens collaboration in talent development, scientific research, and rural revitalization. By leveraging complementary resources, we drive fundamental research breakthroughs and technology commercialization as well as cultivate high-caliber talent for national strategic needs.



SDIC CloudNet Signs Agreement with Beijing Jiaotong University



SDIC Chuangyi Co-hosts Rural Revitalization Lectures with Beijing Normal University

Multi-Stakeholder All-Win

As presiding member of China Investment Association State-Owned Investment Committee (SDIC Committee), SDIC advances exchanges, project promotions, and field researches among members. During 2024, we organized 4 "Pathfinder Forum" events on new quality productive forces, manufacturing excellence, health industry, and railway investment to advance mutually beneficial and synergistic development.

On Feb 28-29, 2024, SDIC Committee launched *Pathfinder Forum - New Tech, Industries and Momentum for New Quality Productive Forces* in Harbin, with researches and discussions covering bioeconomy, low-altitude economy, ice&snow economy, and creative economy.

On Aug 15th, 2024, SDIC Committee launched *Pathfinder Forum - Manufacturing Powerhouse & Central China Rise* in Nanchang. Member entities conducted discussions and project roadshows focusing on advancing high-quality manufacturing development in the six central China provinces.



Pathfinder Forum - New Tech, Industries, and Momentum for New Quality Productive Forces



Pathfinder Forum - Manufacturing Powerhouse & Central China Rise

ADVANCING TECHNOLOGICAL INNOVATION

In 2024, in respose to the new wave of scientific & technological revolution and industrial transformation, SDIC Group pooled resources, increased innovation investment, and fully leveraged its role as a primary driver of technological innovation. Based on the principles of classified assessment, tiered policy implementation and gradient-based cultivation, the Group employed the technology roadmap as a targeted entry point to enable integrated coordination of capital, platforms, projects and resources, thereby stimulating endogenous momentum for technological innovation.

Refining the Technological Innovation Management Mechanism

Strengthened Innovation Performance Evaluation

We released the Measures for Assessing Technological Innovation Performance and established a mechanis featuring tailored approach per enterprise, selective adoption, and binding constraints . For the first time, technological innovation was incorporated as a core metric in operational performance evaluations.

Optimized Technology Project Management

We issued the Measures for Managing Technology Projects and simplified project initiation and budget processes while ensuring dedicated accounts, earmarked funds and exclusive usage, alongside enhanced supervision.

Expanded Special Innovation Fund Coverage

We launched the Measures for Managing Special Technological Innovation Funds and provided support across projects, platforms, talents and incentives four major categories and nine priority areas.

Standardized R&D Investment Reporting

We introduced the Guidelines for R&D Investment Statistics defined R&D activity and personnel identification criteria and established workflows to accurately reflect the Group’ s R&D expenditure.

Implemented Tiered Cultivation of Technology Enterprises

We classified technology enterprises into three tiers and rolled out 18 gradient-based cultivation initiatives.

Pioneered Technology Roadmap Development

We systematically mapped core technologies of key technology-based enterprises, visually presented linkages among strategy, technology, products and markets to identify innovation chain bottlenecks, critical junctions, technological synergies and application convergence point and explored potential R&D breakthrough directions to precisely empower them.

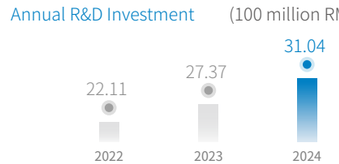
Enhanced Technology Talent Development

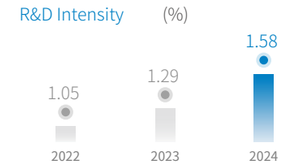
We introduced talents in strategic emerging industries such as bio-manufacturing, bio-breeding, electronic information, new materials and health care for the elderly. We selected technology leaders and innovation teams and established talents cultivation demonstration bases. We formulated the Implementation Plan for Further Strengthening Incentives and Guarantees for High-Level Talents of SDIC Group and introduced 15 packages of policy support.

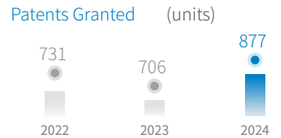
Improve Incentive and Restraint Mechanisms

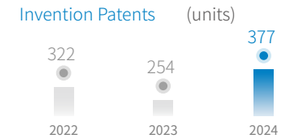
We issued the Measures for Medium and Long-Term Incentive Management to provide implementation guidelines for equity incentives, project-based profit sharing and role-specific bonus schemes etc. for technology-based enterprises.

SDIC Achievements 2024









Strengthening the Construction of Technological Innovation Platforms

SDIC Group proactively integrates into the national basic research innovation system lead or participated in the development of multiple national-level innovation platforms, including National Laboratories, National Industrial Innovation Centers, National Technology Innovation Centers and National Engineering Centers. Concurrently, the Group has established a platform designation mechanism for innovation platforms and technology talents cultivation demonstration bases awarded the first batch of SDIC Accredited Innovation Platforms titles to three entities, including the AI Myriad-Chain Laboratory.

We co-established the National Bio-manufacturing Industrial Innovation Center with the Shenzhen Institute of Advanced Technology, Chinese Academy of Sciences (CAS) with a view to deepening collaboration in R&D incubation, pilot testing and engineering.

SDIC Gaoxin partnered with Nanjing Normal University to create a synthetic biology laboratory.

We enhanced collaboration with the Tianjin Institute of Industrial Bio-technology of CAS, Shanghai Jiao Tong University, and Jiangnan University and refined the integrated development new model of R&D + Industry + Capital.

SDIC Achievements 2024

The Group has a total of **58** technology enterprises

14 national-level innovation platforms (honors and qualifications)

1 national engineering research centers

5 national technology centers

1 major national S&T infrastructure facilities

3 national technology innovation demonstration enterprises

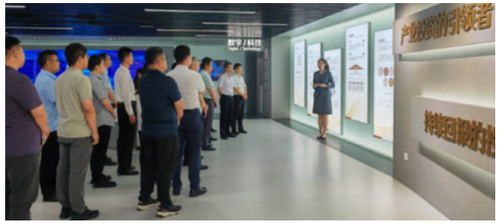
4 national quality inspection centers

Fostering a Culture of Technological Innovation

SDIC Group has put so much emphasis on innovation culture that it has issued the Guidelines on Deepening Youth Innovation and Effectiveness Enhancement Activities in the New Era and New Journey. We promoted technological innovation culture through diversified platforms to cultivate a more robust innovation atmosphere. The Group launched the SDIC Youth Innovation & Effectiveness Competition and established 8 specialized zones given the diversified characteristics of the Group's industries, which yielded continuous innovative outcomes across different sectors.



Hosted the SDIC Youth Voice speech competition on innovation and effectiveness



We conducted Science and Technology Workers' Day activities under the theme Igniting Youth Vitality, Promoting Innovation Spirit and organize frontline young science and technology workers to exchange insights



We organized two sessions of AI Master Lectures to enhance employees' AI literacy and solidly promote the development and application of AI in the Group



We executed the Digital Literacy Enhancement Month alongside the inaugural Digital SDIC Innovation Practice Competition.

SDIC Achievements 2024

- Xinyao Co., Ltd.'s co-developed project received the State Scientific and Technological Progress Award (Special Class).
- SDIC Yalong Hydropower was awarded the State Scientific and Technological Progress Award (Second Class) for Key Technologies and Applications for Intelligent Construction of High-Dam Projects under Complex Conditions.
- SDIC Intelligence won three A-level certificates (Gold awards) in the 5th China Artificial Intelligence Competition.
- Bolin Co., Ltd. broke foreign monopolies in high-pressure piston pumps and its critical friction pair components.
- CEEDI's *Data Fusion-Based Intelligent Diagnostics System for Data Center* Infrastructure was certified by the Ministry of Housing and Urban-Rural Development as achieving international advanced level in technological achievements in the construction industry.
- SDIC Yalong Hydropower's hydropower grid-forming energy storage project was listed in China's 4th Batch of Energy Sector First-Set Major Technological Equipment.
- SDIC Intelligent's independently developed Tianqing large language model became China's first public security-focused LLM approved by the Cyberspace Administration of China.
- Beijing Sheenline Group Co., Ltd. resolved bottleneck challenges in core components and established an autonomous high-speed EMUs smart operation-maintenance system.
- SDIC Jincheng Metallurgy Co., Ltd. achieved arsenic resource utilization through *Safe Disposal of Metallurgical Waste & Arsenic Productization Technology R&D*.
- The first set of SDIC Biotech's 30,000-ton cellulose ethanol demonstration facility achieved 168-hour continuous stable operation at the designed load of a single line.

Case CEEDI led the approval of 3 National Key R&D Program Projects of the Ministry of Science and Technology

In February 2024, CEEDI successfully led the approval of three projects under the MST's National Key R&D Program: Research on Precision Control and Standardization of Electronic Manufacturing Environmental Quality, Research on Vibration Source Identification in Micro-Vibration Environments for Advanced Electronics, Research on the Mechanism of TOC Degradation Technology for Ultra-Pure Water in Advanced-Node Chip Production. These projects were approved under two special initiatives, National Quality Infrastructure System" and the National Key Research and Development Program "Inter-Governmental International Science and Technology Innovation Cooperation". These three programs have been approved for funding with a total of 15.9 million RMB yuan allocated by the state.

The National Key Research and Development Program (NKRP) is the highest-level R&D project in China at present. The selected projects are all major social public welfare research related to the national economy and people's livelihood, as well as strategic, fundamental and forward-looking major scientific issues, major common key technologies and products related to the core competitiveness of the industry, overall independent innovation ability and national security.

CEEDI's successful leadership in securing three NKRP projects has reinforced its strategic positioning to pioneer global technological frontiers and serve critical national needs.

Case YAPP's Innovative Breakthrough in Hydrogen Storage Tank Technology

The rapid advancement of hydrogen fuel cell vehicles has elevated the strategic importance of onboard hydrogen storage technology for industry progress. YAPP has established a dedicated Hydrogen Storage Division through forward-looking strategic positioning in hydrogen storage and transportation. Led by Gu Hua - honored as SDIC Advanced Manufacturing Young Elite - the R&D team achieved a series of bottleneck breakthroughs in hydrogen storage tanks after pioneering 70MPa hydrogen valve technology.

Leveraging YAPP's decades of polymer processing expertise, the R&D team employed injection molding/infrared welding technology to resolve critical challenges, including seal integrity failures, structural deformation, and wall thickness inconsistencies. The resulting products exceeded GB/T 42612-2023 certification requirements, achieving hydrogen mass ratio surpassing U.S. DOE's 2025 target 5.5wt%, with performance superiority over mainstream global competitors. This breakthrough demonstrates YAPP's core competencies in hydrogen tank system design and critical component development.

Since the inception of the project, 36 patents have been granted, including 24 invention patents. These intellectual assets not only accelerate YAPP's hydrogen storage business development but also establish a technological moat, significantly enhancing competitive advantage.

Case SDIC Jincheng Metallurgy Developed Technology for Safe Disposal of Metallurgical Solid Waste and Arsenic Productization

SDIC Jincheng Metallurgy, through the project of the Research and Development Project on Safe Disposal of Metallurgical Solid Waste and Arsenic Productization Technology, has mastered the technology for arsenic-containing solid waste. It developed the process and equipment for producing arsenic-iron alloy from arsenic-containing materials such as arsenic-containing white fume dust, achieving the productization of arsenic from materials like arsenic-containing white fume dust and arsenic-containing calcium sulfate. This promotes the resource utilization of arsenic and mitigates the risks associated with the transfer and disposal of arsenic-containing hazardous waste. After constructing industrial-scale facilities utilizing the project's achievements, the company can process over 70,000 tonnes of materials annually, including arsenic-containing white fume dust, arsenic-containing calcium sulfate, and converter slag generated from the current production system. The resulting lead-bismuth alloy and arsenic-iron alloy products are expected to increase profits by more than RMB 15 million annually.

SAFEGUARDING BETTER LIVES

President Xi Jinping pointed out out that people's well-being takes precedence in advancing Chinese modernization." SDIC Group focuses on public welfare, which demonstrates its core responsibility as a central SOE. The Group actively contributes to healthcare and elderly care services, promotes high-quality full employment and coordinates secure energy supply to meet people's aspirations for better lives.

Advancing Healthcare & Elderly Care

SDIC Group focuses on addressing bottlenecks and shortcomings in the elderly care industry and embraces the responsibility of serving people's welfare. Leveraging SDIC Health, the Group explores an elderly care development model with SDIC characteristics. SDIC Health addresses the essential care needs of elders with disabilities or cognitive impairments develops an elderly care approach that can meet public demand, serve the general population and align with China's national conditions. SDIC Health is establishing an elderly care service system characterized by chain operation, networked distribution and standardized services. It provides 5-in-1 health and elderly care services encompassing health management, disease prevention, rehabilitation, professional care and lifestyle enrichment".

SDIC Achievements 2024

About 2,400 elderly residents, representing **29%** on year to year increase

More than 4,000 operational beds, marking **58%** year on to year growth

More than **70%** residents aged over 80, proportion rising annually

About **80%** requiring nursing care, ratio increasing yearly

More than **25%** with dementia, percentage growing continuously





Changzhou SDIC Health Senior Apartments

Case World Alzheimer's Day - *Walking the Memory Lane with You*

On September 21st, the World Alzheimer's Day, SDIC Health launched the Walking the Memory Lane with You initiative across its elderly care facilities.

At SDIC Health Elderly Apartments near 2nd West Ring Road, Beijing, a theme sharing event was held. Families sat around together and shared caregiving experiences. Some described challenges in caring for Alzheimer's patients, others reflected on emotional growth through adversity.

Shanghai Hongkou District Rainbow Bay Elderly Welfare Home invited experts and scholars in the field of dementia to conduct a two-month training program. For residents with dementia, the facility actively implements therapeutic activities such as doll therapy, music therapy, and aromatherapy. Through participation in these activities, residents enhance their daily living skills while improving memory and concentration.



Theme-sharing event at Beijing facility



Training session at SDIC Hukang

SDIC elderly apartments in Guangzhou, Changzhou, Guizhou, Suzhou, Yancheng and Chongqing also hosted thematic activities. In Guangzhou, elders actively participated in cognitive games such as puzzle-solving. In Suzhou and Guizhou, elders held paintbrushes to create self-portraits on canvas, embarking on a journey of self-discovery through art. In Chongqing, Dr. Yang delivered detailed sessions to seniors on identifying Alzheimer's disease symptoms and preventive measures. In Yancheng, elders played musical flower lantern passing with caregivers while sharing memorable stories from their youth or career. In Changzhou, elders practiced brain-stimulating finger exercises guided by caregivers.

Serving Employment Promotion

SDIC Human Resources, a subsidiary of SDIC Group, focuses on implementing the national strategies for talent development and employment priority. It conducts global recruitment for mid-to-high-end talent and mission-critical positions, facilitates the effective mobility of high-level professionals and provides comprehensive support for talent innovation and entrepreneurship. Through the establishment of the Guopin—a national recruitment platform, the company actively advances the employment priority strategy, contributes to stabilizing and expanding employment, serves key demographic groups in job placement and business ventures and drives progress toward high-quality and full employment.

SDIC Achievements 2024

In 2024, the Guopin Platform - independently developed and operated by SDIC Human Resources - achieved the following:

Hosted **580** online and offline career-related livestream sessions

Engaged over **50,000** renowned enterprises

Accumulated total reach exceeding **14.5** billion impressions

Recorded nearly **3** million daily platform visits

Case SDIC Human Resources Sustains National Employment Initiative - "Guopin Recruitment Campaign"

SDIC Human Resources implements the State Council's employment stabilization and expansion policies. Under the guidance of seven ministerial bodies—including the SASAC, Ministry of Education, Ministry of Human Resources and Social Security (MOHRSS), Central Committee of the Communist Youth League, All-China Women's Federation, All-China Federation of Industry and Commerce, and China Media Group, SDIC Human Resources continues to host the national-level Guopin Recruitment Campaign. Through regular employment promotion activities, it advances high-quality and full employment, amplifies positive narratives on livelihood security and demonstrates institutional strength in mobilizing resources for major initiatives. The program has garnered exceptionally strong social recognition. By late 2022, the Campaign was incorporated into MOHRSS's Action Plan for Innovative Development of the Human Resources Service Industry (2023-2025). During the two Sessions in 2023, it was included in the National Economic and Social Development Plan 2023. In 2024, Guopin was selected by SASAC as one of the First Ten Service Brands under the Central SOE Brand Leadership Initiative, while the Campaign team received the Outstanding Collective Award for Central Enterprises.



Launched ceremony for "Guopin Recruitment Campaign 2024" and production commencement of *Career First Class*

As of end of 2024,
Guopin Recruitment Campaign achieved:

Coverage in over **30** provinces/municipalities

900 + online/offline livestream recruitment events

5.5 + million job openings posted

51 million cumulative job applications received

39 features on CCTV News

Providing Security Safeguards

SDIC Group continues to strengthen efforts in critical areas including energy supply, stable agricultural material provision, and cybersecurity. By enhancing coordinated dispatching, improving emergency response efficiency and refining resource guarantee mechanisms, the Group effectively fulfills its role as a backbone entity and delivered robust support for stable socio-economic operations.

Ensuring Energy Supply

SDIC Power shoulders the major political responsibility of energy supply, reinforces the supportive role of coal-fired power generation, enhances equipment reliability and implements scientific joint-optimal dispatching. In 2024, total power generation exceeded 170 billion kW. SDIC Yalong Hydropower achieved record-high output and successfully ensured supply during critical periods including the Two Sessions and summer peak demand, receiving public commendation from the National Development and Reform Commission (NDRC) and National Energy Administration (NEA).

Generation Coal Supply Assurance Responsibilities

SDIC Power maintains close coordination with sector regulators, key coal enterprises,and China State Railway Group to optimize long-term contracted coal allocation and coordinate coastal generator coal logistics. It strengthens operational linkages across critical stages including generation coal transportation, unloading, and storage, resolutely maintaining minimum coal inventory levels at 15-day coverage. During peak summer/winter demand periods, inventory sustains more than 30 days of coverage.

Equipment Reliability

SDIC Power intensifies hidden risk identification of equipment and maintenance operations and implements specialized inspections such as "reduction of unplanned outages". It also enhances operational dispatching management, formulated coal blending ratios for generators, reduces generation capacity constraints, and promotes standardized production management guidelines for thermal power plants. These measures elevate production management standards and equipment health levels. In 2024, four generating units were designated as National Reliability Benchmark Units.

Joint-Optimal Dispatching

SDIC Power leverages the advantages of basin-wide coordinated dispatching, intensifying hydroelectric joint-optimal dispatch operations. The company formulates sound mid-to-long-term dispatch plans and dynamically adjusts basin operations based on real-time requirements, effectively enhancing cascade operation efficiency across river systems.

Precision Operations for Renewable Energy

SDIC Power explores methods to improve power forecasting accuracy and enhance precision management for renewable assets. This includes weather prediction precision, forecast model accuracy, prediction outcomes, foundational data governance at power stations, specialized renewable forecasting teams and context-specific technical retrofits.

Ensuring Fertilizer Supply

Fertilizers constitute essential agricultural inputs for stable grain production. Their stable supply is critical to national food security. SDIC Luobupo Potash shoulders the political duty of national food security and focuses on a sustainable green fertilizer R&D and production system. The company contributes to fertilizer safety for agricultural production, grain yield growth and farmer income enhancement. During the 2024 spring plowing season, it maximized production and stabilized supply for smooth grain cultivation, thereby protecting people's staple food and vegetable provisions. Throughout the year, SDIC Luobupo Potash produced 1.8866 million tonnes of potassium sulfate products.

Safeguarding Cybersecurity

SDIC Intelligence addresses critical aspects of emerging telecom and cyber fraud crimes and develops comprehensive countermeasures including holistic evidence collection, aggregated analysis, intelligent early warning and proactive intervention to support national anti-fraud platform development. By the end of 2024, its integrated Anti-Fraud Intelligence Application Platform (ASIAP) and other big data analytics systems had been deployed at the Ministry of Public Security (MPS) and 62 provincial/municipal public security bureaus, generating 91.53 million early warnings. IoT forensics equipment, server investigation tools and blockchain forensics devices have been widely adopted across 33 provincial-level jurisdictions and played critical roles in law enforcement operations. This includes deployment of over 1,200 GoIP interception devices, over 800 forensic server units, nearly 10,000 mobile app analysis reports and over 50,000 virtual currency address examinations. In 2024, SDIC Intelligence received formal commendation from national authorities acknowledging its vital technical contributions to combating telecom network fraud.

DEEPENING SYNERGISTIC EFFICIENCY

SDIC Group enhances management efficacy through increased digitalization investments and the advancement of standardized lean operations systems. The Group vigorously promotes internal resource coordination, implements responsible procurement practices and strengthens endogenous drivers for sustainable development.

Optimizing Operational Systems

Notable Achievements in Digital Transformation

A 3-tier digital transformation governance framework encompassing the Group headquarters, subsidiaries and invested-in companies has been established. Focusing on the "3+17+N" Group Industrial Digital Transformation Initiative, 108 key digitalization projects were advanced with a regular tracking mechanism. By 2024, 62 projects totaling 217 million RMB yuan had been completed. The Implementation Guidelines on Accelerating Industrial Digital Transformation and AI Plus were issued to provide authoritative guidance for enterprise-level execution.

SDIC Achievements 2024

- Digital SDIC recorded over 24.31 million messages transmitted annually with a 96% activation rate. Core functionality development for the digital office platform has been substantially completed.
- The Group-wide Treasury Management System was fully deployed with 20 functional modules, and successfully passed Phase II acceptance by SASAC.
- Development of the Group Tax Management System has been advanced, enabling e-invoice operations and expanding system coverage.
- A one-stop business travel system has been completed and launched, providing integrated travel services for all employees.
- Digital union platform SDIC Happy Family APP was officially put into use.
- Digital infrastructure construction has been progressed comprehensively. Data Center and Cloud Platform became operational, while Data Pool and Technical Middle Platform development has been advanced steadily.
- SDIC Cloud Network developed the QIKO Agent and deployed AI Employee Assistants to enhance staff productivity through artificial intelligence.

Case Official Launch of SDIC Happy Family APP

As the integrated gateway for SDIC Group's digital union services, the Happy Family APP enables instant access to current affairs updates, one-tap redemption of welfare benefits and immediate participation in curated activities. The platform enhances standardization, inclusivity and innovation in union operations and embeds convenient, considerate, and diversified smart union services into daily employee engagement. This strengthens staff well-being and sense of fulfillment while amplifying the union's role in fostering organizational cohesion.



Official launch of the SDIC Happy Family APP

Continuous Enhancement of Lean Management

SDIC has advanced lean management capabilities by establishing standardized operational systems across thermal power, port operations, beverage production, and elderly care sectors. The Group refined over 720 lean management indicators with evaluation criteria and initiated 117 kaizen initiatives. Six priority lean projects were implemented, involving benchmarking and decomposition of key quantitative metrics with defined improvement actions.

SDIC Achievements 2024

Group-wide lean initiatives generated approximately RMB **1.48** billion RMB yuan in economic benefits.

Case SDIC Biotech Implements Lean Management for Cost-Effective Procurement

Amid intense competition in the fuel ethanol sector, where corn and coal procurement constitute approximately 90% of operational costs, raw material sourcing is critical for SDIC Biotech's sustainable development. The company implemented lean procurement management by deconstructing key purchasing metrics into tailored subsidiary KPIs. This achieved corn and coal cost reductions exceeding market declines, generating over 200 million RMB yuan in annual procurement savings. Corn procurement initiatives included prioritized local procurement with extended collection periods and minimized inventories, securing a price reduction RMB 34/tonne below market decline and 126 million RMB yuan incremental profit, production-supply coordination to increase wet corn processing capacity, reducing drying costs by 29.6 million RMB yuan, low-cost grain channels expansion projected to lower procurement costs by 15.1 million RMB yuan. Coal Procurement Initiatives included establishing direct partnerships with state-owned coal mines, adding 340,000 tonnes of contracted coal to reduce cost, leveraging Apr-Jun railway freight discounts to accelerate contracted coal delivery to save freight, optimizing coal dispatching and stockyard management, narrowing calorific variance between received and consumed coal achieving 18.93 million RMB yuan fuel savings, and blending high and low calorific coal for cost-efficient substitution projected 3 million RMB yuan savings.



SDIC Bioenergy (Tieling) Co., Ltd.

Implementing Responsible Procurement

In 2024, SDIC Group further strengthened procurement governance to standardize practices and ensure lawful, compliant and efficient operations. The Group revised and issued Procurement Management Regulations, E-Procurement Implementation Rules, Supplier Management Implementation Rules, Internal Collaborative Procurement Implementation Rules and Group Headquarters Procurement Implementation Rules. The Group supports invested-in companies in advancing green procurement and supply chain management by science-based green evaluation criteria. Priority is given to qualifying and selecting green manufacturing plants as suppliers. Supplier assessment protocols incorporated sustainability performance across certification, design, procurement, production, end-of-life management, marketing and logistics.

02

SHARED RESPONSIBILITY:
BUILDING A WELL-BEING ECOSYSTEM

Rural Revitalization Industrial Funds leveraged over

400 billion RMB yuan in social capital

Generated employment for over

10 million person-times

Group's Rural Revitalization Charitable Trust totaling

177million RMB yuan



ACHIEVING EMPLOYEE WELL-BEING

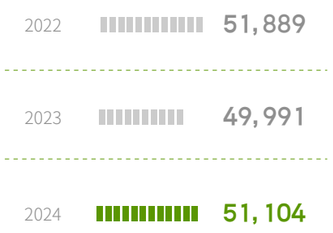
SDIC Group regards talent as the pivotal and decisive factor for its development. Adhering to a people-oriented approach, the Group safeguards employee rights, improves the talent cultivation system and enhances humanistic care. While driving corporate innovation, it strives to build platforms and create opportunities for talent development, enabling employees to realize their value along with the Group's growth.

Safeguarding Employee Rights

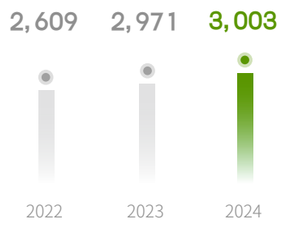
Fair Employment

SDIC Group upholds principles of fairness and justice in employment and fosters an inclusive and open workplace that provides equal opportunities and development space for all employees. The Group strictly complies with labor laws, prohibits all forms of employment discrimination, and ensures transparency in recruitment, compensation, and promotion. It strictly prohibits child labor and forced labor, signs labor contracts in accordance with the law, respects employees' personal rights and privacy and endeavors to build fair and harmonious labor relations.

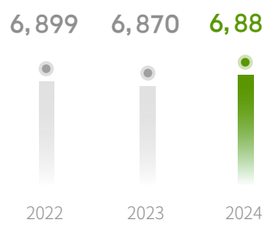
Number of Employees (persons)



Number of Ethnic Minority Employees (persons)



Number of Female Managerial Staff (persons)



Labor Contract Signing Rate (%)

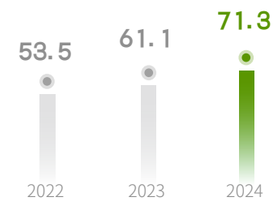


2022-2024

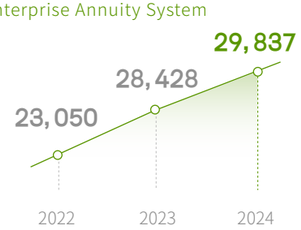
Compensation and Benefits

SDIC Group improves its diversified compensation and benefits system, ensures timely salary payments, fully contributes to social insurance and housing funds and safeguards employees' rights to rest and leave.

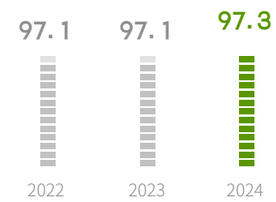
Enterprise Annuity Size (100 million RMB yuan)



Number of Employees Participating in Enterprise Annuity System (persons)



Social Insurance Coverage Rate (%)



Democratic Management

SDIC Group improves democratic mechanisms by establishing channels for employee feedback and participation in decision-making. It convenes staff and workers' congresses, empowers labor unions to serve as a bridge and bond and fosters an atmosphere of extensive consultation, joint contribution, and shared benefits. Forums are held with representatives of staff, youth, non-CPC members and other groups to provide suggestions for the Group's reform and development.

Fostering Employee Career Development

Intensifying Recruitment

SDIC Group strengthens talent cultivation at threshold in key fields. We *implemented detailed talent service, formulated the Implementation Plan for Further Incentivizing and Safeguarding High-Level Talent* to provide 15 bundled policy support, including improved benefits for scientific/technical leaders and skills experts, enhanced talent allowances and strengthened compensation incentives. The Group also established *the Employee Recruitment Management Measures* to prioritize core businesses, in-demand fields and critical positions. It implemented the inaugural Management Trainee Program to select and cultivate outstanding university graduates across nine key fields.

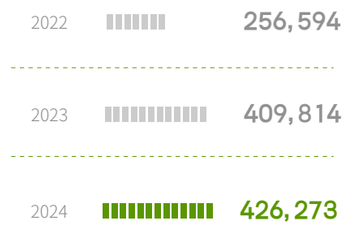
Expanded Development Pathways

SDIC Group optimizes its talent development framework by establishing diversified career pathways encompassing management, *professional and support tracks. The Group revised its Position Appointment and Rank Management Regulations* to evaluate role classifications and standardize promotion mechanisms, thereby strengthens talent pipeline development. SDIC enhanced internal and external talent exchanges through corporate-local cadre secondment programs. By respecting individual career planning and expanding professional growth opportunities, the Group fosters employee innovation drive and enterprising spirit.

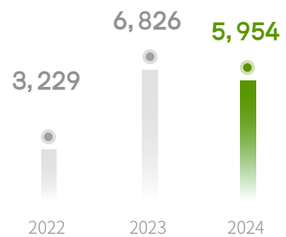
Focusing on Talent Development

SDIC Group advances cadre echelon development and strengthens training programs. In 2024, the Company issued *the Implementation Plan for Strengthening Cadre Echelon Development and Improving the Cadre Cultivation System* and *the Cadre Talent Education and Training Implementation Plan (2024-2027)*. Centering on strategic priorities of the Group, we deepen theoretical education, enhance political training, strengthen professional capacity building, and innovate the training system to ensure contemporary, systematic, targeted, and effective outcomes.

Total Group-wide Training Participants (persons)



Total Group-wide Training Investment (RMB 10k)



Caring Attentively for Employees

SDIC Group prioritizes work-life balance, implementing multifaceted measures to enhance employees' sense of belonging, fulfillment and well-being. In 2024, it established the *Labor Union Cultural and Sports Association Management Plan*, adding three new associations (table tennis, dance/fitness, Tai Chi) to the existing four. First-time initiatives included model worker recuperation programs, Spring Festival garden fairs, and employee exclusive sales events, bringing tangible care and warmth to over 50,000 SDIC staff members.



Group Labor Union Launches SDIC Happy Home Spring Festival Event



"Excellence through Action" SDIC Group 9th Beijing-Based Units Badminton Tournament



"Excellence through Action" SDIC Group 9th Beijing-Based Units Basketball Tournament

PROMOTING REGIONAL DEVELOPMENT

SDIC Group integrates its industrial strengths with local resources and community needs to support rural revitalization. It advances overseas responsibility practices, supports local sustainable development and enhances community integration and corporate social value.

Driving Rural Revitalization

In 2024, SDIC upheld high standards in social responsibility work and coordinated assistance programs that leveraged its capital, industry, talent and network advantages. It addressed critical livelihood gaps, helped assisted counties prevent large-scale relapse into poverty and advanced rural industry development, infrastructure, and governance. The Group received the highest A rating in the assessment and evaluation of the effectiveness of the poverty alleviation work for 8 consecutive year.

Refining Institutional Mechanisms

SDIC Group continues to refine institutional mechanisms to provide strategic planning and governance for consolidating poverty alleviation achievements, enhancing the effectiveness and targeting of assistance measures. The Group issued Key Tasks for Rural Revitalization Support 2024 and convened a dedicated work conference to advance concrete implementation of assistance initiatives. Revisions were made to External Donations Management Procedures, Assistance Funds and Project Management Regulations and Work Coordination Procedures for Rural Revitalization Seconded Cadres to elevate the operational rigor of support programs.

SDIC Achievements 2024

- SDIC Group invested **170.5657** million RMB yuan in total in rural revitalization assistance funds. This included **84.4603** million RMB yuan in non-repayable funds to 4 designated assistance counties and **17.5528** million RMB yuan in non-repayable funds to paired support counties.
- For the 4 designated counties, the Group deployed **164.3639** million RMB yuan in repayable assistance funds and leveraged **4.998** million RMB yuan in non-repayable funds and **58.5272** million RMB yuan in repayable funds from external sources.
- We have rained **28,863** rural cadres, revitalization leaders and technical professionals.
- We have conducted **8** leadership research tours covering all **5** partner counties.
- We have pioneered central SOEs' consumption assistance initiative, driving **150** million RMB yuan in agricultural product sales.

Highlighting Five Business Cards for Rural Revitalization

In 2024, the Group planned and developed its Five Business Cards, including the industrial fund, charitable trust, "Caring for Her" Initiative, health & elderly care and digital technology. It executed various assistance projects in an orderly manner to advance rural revitalization both in depth and substance.



"Industrial Fund" Driving Development

In recent years, SDIC Chuangyi has actively explored fund solutions to support rural revitalization and established "impact investing centered on rural revitalization" as its core positioning. It has created a distinctive ESG-integrated rural revitalization impact investment management system that fully leverages the industrial fund’ s catalytic role to facilitate common prosperity.

Case SDIC Chuangyi Builds a Distinctive Brand Serving National Rural Revitalization Strategy

In 2024, as the manager of two national rural revitalization funds, SDIC Chuangyi invested in 15 projects totaling 4.388 billion RMB yuan, primarily in modern agriculture, resource development and biomanufacturing. In October 2024, it hosted the Central SOEs Fund Rural Revitalization Industrial Project Matchmaking Conference and facilitate the implementation of 9 signed projects (including Huitongda) across 14 assisted counties supported by SASAC and 9 central SOEs, with a total contract value of 1.76 billion RMB yuan. SDIC Chuangyi participated in the Conference on Central SOEs Assisting Gannan Old Revolutionary Base Area, where its fund signed two strategic cooperation agreements with the Ganzhou SASAC. These established deep collaboration in industrial investment layout and rural industry development, while supporting education in Gannan through dedicated public welfare programs.

As of the end of 2024:

- We have invested in a total of **286** projects with worth of **65.284** billion RMB yuan, covering all **14** formerly contiguous impoverished regions across **29** provinces, **195** prefecture-level cities and **425** counties.
- We have leveraged over **400** billion RMB yuan in social capital, generated employment for over **10** million person-times, provided **1** trillion RMB yuan in cumulative wages and contributed over **200** billion RMB yuan in taxes.



Charitable Trust Innovation Synergy

SDIC Taikang Trust leverages the institutional advantages of trusts to innovate funding management models for state-owned enterprises in rural revitalization. It supports the Group and subsidiaries in rural revitalization and external donation initiatives. By harnessing independence, sustainability and transparency of charitable trusts, it ensures donations are earmarked for specific purposes and stably utilized for long-term project implementation, provides institutional guarantee for sustainable development. This mature approach has been successfully replicated in regions such as the National Financial Regulatory Administration's designated assisted counties.

SDIC Achievements 2024

We co-established or participated in **14** "SDIC Public Welfare" charitable trusts with **30** SDIC subsidiaries and accumulated a scale of **280** million RMB yuan.

The Group's rural revitalization charitable trust reached **177** million RMB yuan, China's largest such initiative.



"Caring for Her" Initiative Deliversing Targeted Empowerment

The SDIC Public Welfare · Caring for Her charitable project, initiated by SDIC Group, focuses on women's health, education and rights protection. Through an innovative model of Charitable Trust + Multi-Party Collaboration, it provides comprehensive and sustainable support and care for vulnerable female groups such as rural female teachers and single mothers facing hardship. In 2024, SDIC established a 10-year, 60-million-yuan charitable trust to launch the “Caring for Her” Rural Female Teachers Support Project. Targeting female teachers in rural primary schools across four designated assistance counties (Luodian County and Pingtang County in Guizhou Province; Ning County and Heshui County in Gansu Province), one paired support county (Wuping County in Fujian Province), and the Longyan region of Fujian Province, the project carries out work centered on three themes: the “Health Care Initiative”, the “Leadership Talent Cultivation Program”, and the “Rights Protection Public Welfare Activities”. A total of 926 rural primary school female teachers received training and development.



"Health and Elderly Care" Supporting Talent Cultivation

Leveraging its subsidiary SDIC Health, the SDIC Group explores new pathways for assistance. Addressing the talent needs in elderly care-related industries within the four designated assistance counties, it formulated support plans and optimized the industry-education integrated training model for rural healthcare and elderly care professionals. Through specialized program co-development with vocational schools in Heshui County and Luodian County, and assistance in building practical training classrooms for elderly care services, the program cumulatively trained 25,500 grassroots medical workers and elderly care nursing staff throughout the year. This promotes the organic integration of the talent chain, education chain, and industry chain, driving employment among residents in the assisted regions.

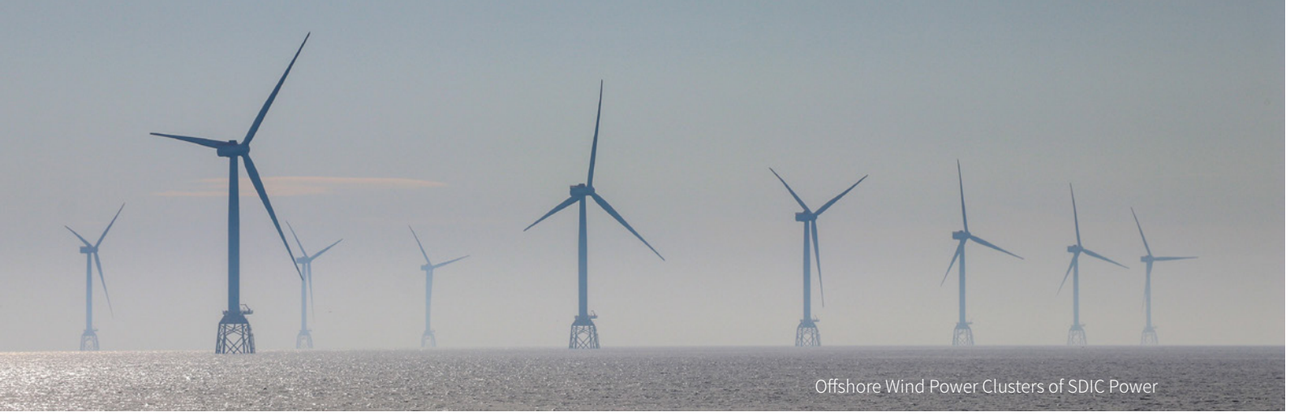


"Digital Technology" Serves Governance Rural Areas

SDIC Group utilizes the technical advantages of its subsidiary SDIC Intelligence in big data, artificial intelligence, cybersecurity and electronic data forensics. Focusing on public safety, emergency management and digital construction rural areas, it supports the development of digital governance rural areas. In 2024, projects progressed smoothly, including the Luodian County Emergency Management System Project, the Pingtang County Grassroots Social Governance Information Platform Project, the Heshui County Digital Technology Empowering Rural Revitalization Project, and the Ning County Smart Agriculture and Smart Traffic Management Project. The Wuping County New Display Industrial Brain Platform was jointly recognized by three Fujian Provincial departments (Science & Technology, Industry & Information Technology and Commerce) in an official document and promoted province-wide as a "Model Case of Digital Empowerment Driving Innovation in County-Level Key Industrial Chains”.



Jingzhou Village, Pingzhou Town, Pingtang County during rapeseed bloom season


Offshore Wind Power Clusters of SDIC Power

Fulfilling Overseas Responsibility

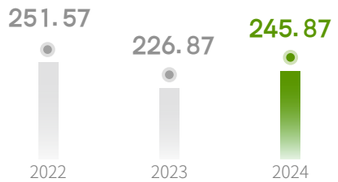
SDIC Group currently has 31 overseas direct investment projectsin countries and regions such as Indonesia, Thailand, Uzbekistan, Jordan, and Germany. The industrial portfolio spans from power generation, potash fertilizer to auto parts. While expanding its international operations, we emphasizes cultural exchange and cooperation with host countries (regions), contributing to local socioeconomic development and the improvement of people's livelihoods.

Serving the Belt and Road Initiative

To implement the Belt & Road Initiative, SDIC Group advances cooperation and exchanges with countries along the routes with a focus on high-quality development. It leverages its strengths to foster collaborative progress.

International business revenue

(100 million RMB yuan)



SDIC Power

- Indonesia Batang Hydropower Project: Being Indonesia's largest hydropower project under construction, it provides clean energy and peak shaving power supply creats thousands of local jobs during construction and boosts regional economic development.
- Indonesia Banten Coal-fired Power Plant Project: With 95% local employees, it drives employment and talent development while demonstrating environmental commitment. The project has received multiple environmental awards.
- Thailand Waste-to-Energy Project: Commenced construction in February 2024. Upon completion, it will process 3,300 tonnes of municipal solid waste daily in Bangkok, significantly alleviating waste disposal pressures and promoting green, low-carbon circular economy development in the capital.

CEEDI

- BOE Vietnam Assembly Phase II Project: It produces 10 million TV/monitor assemblies and 105 million electronic shelf labels annually and supports Vietnam's economic growth and employment.
- Sino-Cambodia Zhongyu National Financial Investment (Cambodia) Project: It develop 1GW photovoltaic power to facilitate Cambodia's clean energy transition.
- FiberHome Cable Factory - Hungary SCADA Project: It establishes Europe's largest optical cable production base to advance Hungary's digital infrastructure.
- Olympic Circuit Thailand PCB Factory Project: It builds a printed circuit board industrial park to enhance China-Thailand economic cooperation and industrialization.

SDIC Intelligence

- It execute foreign-aid projects for ministries including the Ministry of Public Security and constructs electronic forensics laboratories for Belt & Road countries (e.g., Cambodia and Mozambique). This serves national strategies while expanding international market presence.

Case **SDTSI Signed Agreement with Sudan's Ministry of Energy and Petroleum, Leading the Going Global of Chinese Standards**

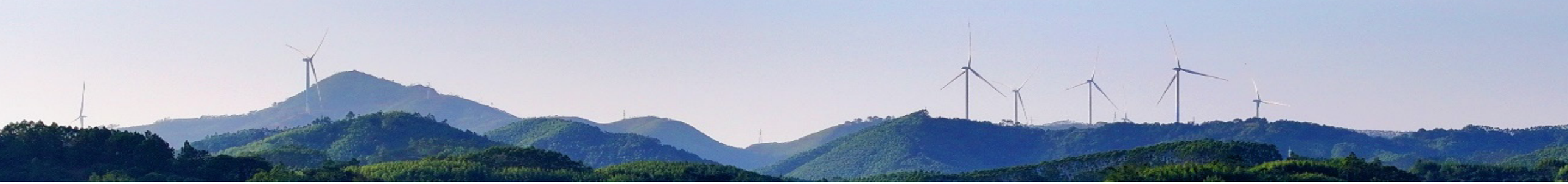
On September 6th, 2024, Shandong Special Equipment Inspection Institute (SDTSI) signed a cooperation agreement with the Ministry of Energy and Petroleum of the Republic of Sudan. The agreement stipulates that the Sudanese ministry formally recognizes China's national standards for special equipment and corresponding safety technical regulations, and authorizes SDTSI to conduct inspection and testing of special equipment in Sudan based on Chinese standards and specifications. This collaboration marks the first time a foreign government department has recognized Chinese standards and regulations through an initiative led by a Chinese special equipment inspection institution, establishing a new paradigm for China's special inspection sector to expand globally and accelerate overseas market development.

SDIC Achievements 2024

SDIC has established **68** overseas entities (including wholly-owned subsidiaries and branches) across **20** countries and regions

Total overseas assets: **46.733** RMB yuan

Overseas operating revenue: **12.024** RMB yuan



Deepening Cultural Exchange and Cooperation

SDIC Group actively engages in community development and livelihood improvement in host countries/regions. Through improvement of medical assistance, educational support and community services, it builds partnerships with local communities and injects vitality into their development. In 2024, SDIC continued to focus on Jordan andleveraged Arab Potash Company (APC) to deepen cultural exchange and cooperation with the Jordanian people. This not only fostered China-Jordan friendship and economic collaboration but also contributed positively to global food security.

SDIC Mining

- Since becoming APC's largest shareholder, SDIC Mining has consistently supported APC in building local community partnerships, striving to make the project a model of China-Jordan economic cooperation. By providing assistance in education, healthcare, clean water, and cultural/sports activities, it promotes Jordan's socioeconomic development. In 2024, APC invested over 70 million RMB yuan in social responsibility initiatives, generating significant social benefits.

SDICS International Securities (Hong Kong) Limited (SDICSI)

- SDIC established the SDICSI International Volunteer Team to conduct coastal cleanups, elderly visits and children's activities in Hong Kong. Featured on Hong Kong EPD's website, the initiative earned the "Caring Company" award, and enhanced the company's ESG profile.

Case Chong Guan EP (Thailand) under SDIC Power Builds Community-Enterprise Relations



Thailand's Ministry of Industry has awarded Chuang Guan EP (Thailand) the "Annual CSR Continuous Development Award" for five consecutive years

Chuang Guan EP (Thailand) engages deeply with neighboring communities by keeping residents informed about project developments, actively participating in community activities and development, and fostering positive interactions with surrounding communities, residents, and social groups. This effectively transforms "NIMBY" (Not-In-My-Backyard) opposition into "LBY" (Local-Benefits-Yes), earning high recognition from all government levels and local communities/residents. The company conducts public welfare activities in neighboring communities, collaborating with residents to collect garbage from public canals and improve water quality; encourages community participation in environmental quality supervision with publicized monitoring results; and promotes its brand and corporate culture through community outreach and public exhibition booths.

Case Innovating International Communication with Jordan and Focusing to Enhance SDIC's Global Brand Influence

On November 28th, 2024, His Majesty King Abdullah II of Jordan inspected the potash production facilities of Arab Potash Company (APC) - invested by SDIC Mining - in the Dead Sea region and inaugurated APC's newly established R&D Innovation Center. APC has maintained robust and stable development in recent years, with multiple capacity expansion and efficiency enhancement projects commencing operations. The newly formed APC Europe Company has extended its market reach to most EU countries. To comprehensively showcase SDIC's high-quality contributions to the Belt & Road Initiative, the company produced a short video titled *A Young Egyptian's Jordan Journey: Discovering the Light of Agriculture That Feeds the World*. The video follows foreign vlogger Liu Zhengxi's visit to APC's Dead Sea production base - which annually produces 2.8 million tons of potash - exploring the production process and potash's critical role in global food security. Distributed through 740 international media outlets including Jordan Times, AP, Asia One (Singapore), Fox Broadcasting Company, NBC Universal, Qatar Citizen Network, and Riyadh Diary, the video achieved over 50 million overseas impressions across 20+ countries/regions. This elevated SDIC's international presence, presenting an authentic and multidimensional brand image.



A Young Egyptian's Jordan Journey: Discovering the Light of Agriculture That Feeds the World

Overseas Compliance and Risk Management

SDIC Group prioritizes overseas compliance and risk management through revising international business governance systems, establishing robust operational frameworks, conducting group-wide compliance training and implementing host-country ESG standards. These measures ensure projects could comply with local regulations while balancing economic and social benefits.

Case SDIC Group Launched Overseas Business Online Compliance Training Program

SDIC Group strengthens legal compliance risk prevention and control for its international operations. In 2024, it conducted a month-long annual online compliance training program for international business, with participation from 169 overseas business and compliance management personnel. The training focused on six key areas: compliance challenges for Chinese enterprises investing in EU countries; EU Foreign Subsidies Regulation (FSR); export controls, sanctions and countermeasures; anti-commercial bribery and overseas anti-corruption compliance; cross-border data transfers and overseas data compliance; and responses to cross-border investigations and litigation against Chinese enterprises. This program effectively enhanced the legal insight and compliance risk management capabilities of international business units.

We trained 169 persons who engage in overseas business and compliance management.

Case SDIC Mining Conducted ESG Management Capacity Assessment Focusing on Overseas Projects

In October 2024, SDIC Mining signed share subscription and shareholder agreements for the APPC Holding project. Post-acquisition, SDIC Mining will lead operations of APPC Holding and its subsidiaries. To mitigate ESG risks and enhance performance, SDIC Mining proactively conducted ESG management capacity assessments in the headquarters and its subsidiaries, focusing on overseas projects like APPC Holding. The evaluation covered organizational governance, operational practices, supply chain management, human rights, labor practices, occupational health and safety, environmental management, and community development. Targeted improvement plans were developed based on assessment findings.



SDIC Mining Signs Agreement to Acquire Asia Pacific Potash Corporation (APPC Holding) Project

Volunteering Passionately for Public Service

SDIC Group actively engages in social philanthropy through community support, educational donations and post-disaster relief and spread warmth through charitable initiatives.

Case SDIC Trade Hainan Organized Volunteer Service for Post-typhoon Yagi Disaster Relief

On September 6th, 2024, Haikou City, Hainan Province suffered severe damage from super typhoon Yagi. SDIC Trade Hainan, located in the disaster area, facing the difficulties such as widespread water and power shortages, as well as network and transportation disruptions after the disaster, mobilized employees to volunteer in community clearance, environmental restoration and traffic control during off-duty hours.



SDIC Trade Hainan Employees Participate in Post-disaster Volunteer Work

Case SDIC Subsidiaries in Industrial Finance Sector Jointly Launched Sincere Support for Education, Volunteers in Action Employee Donation

On May 20th, 2024, the Sincere Support for Education, Volunteers in Action employee donation ceremony was held at SDIC Financial Tower. Over 400 employees from SDIC Capital, SDIC Finance, SDIC Taikang Trust, I&G, and SDIC Leasing donated nearly 7,000 books, 1,000+ teaching tools and 40+ computers to support children in partner-assistance counties, demonstrating employee dedication to philanthropy.

This philanthropic initiative was collaboratively conducted by SDIC's enterprises in industrial finance sector. Following needs assessments in the Group's designated assistance counties and interviews with seconded cadres, SDIC Capital, SDIC Finance, SDIC Taikang Trust, I&G, and SDIC Leasing jointly launched a charitable campaign. To address shortages of educational materials in county education bureaus and schools, they organized this donation. Employees actively contributed, with the ceremony featuring the documentary Guardians of Dreams: The Power of Books, capturing collective dedication to educational support and conveying profound commitment to social betterment.



Onsite at Industrial Finance Sector's Sincere Support for Education, Volunteers in Action Employee Donation

BUILDING GREEN FOUNDATIONS

SDIC Group spearheads its green transition under the Dual Carbon goals by replacing conventional energy with clean alternatives, deploying energy-saving technologies to reduce carbon intensity, accelerating industrial green transformation, and building green economic industrial chains; strengthening ecological conservation, advancing pollution prevention, and protecting biodiversity; and simultaneously advancing green finance to create synergistic green growth drivers integrating production, ecology and finance-enhancing both ecological and economic benefits.

Implementing the Dual Carbon Commitment

Improving Management Systems

SDIC established a distinctive low-carbon environmental management system and optimized six mechanisms, including organizational structure, institutional frameworks, process oversight, awareness training, performance evaluation and emergency response. By advancing green development assessments and eco-environmental standardization, it continuously increases investments in energy conservation and green R&D. This empowers subsidiaries to strengthen green practices, clarify accountability, standardize operations and build sustainable mechanisms for low-carbon excellence.

We optimized and issued *The 14th Five-Year Plan for Resource Conservation & Eco-Environmental Protection (2024 Edition)* and defined 7 core tasks with 5 supporting measures.

We issued *Implementation Plan for Accelerating Green Low-Carbon Development to Build a Beautiful China* and outlined 16 key tasks and targets through 2027.

We pioneered in green development evaluations for subsidiaries among central SOEs and integrating results into annual low-carbon performance assessments.



SDIC Aksai Huidong CSP-PV Hybrid Project



Yalong River Hydro-Solar-Wind Integration Base:New Quality Productive Forces Driving Green Transition

Setting Green Development Targets

By 2025

We will make significant progress in industrial/energy structure optimization; improve energy efficiency in key sectors,and accelerate green technology R&D and adoption. Our energy consumption per RMB 10,000 output value (comparable prices) will drop ⩾15% vs. 2020; carbon emissions per RMB 10,000 output value (comparable prices) to decrease ⩾18% vs. 2020; clean energy installed capacity ratio to reach 72%.

By Peak Year

We will make substantial results in green transition such as deep industrial/energy restructuring, coal power efficiency reaching world-class levels; scaled green industries with increased proportion, further reductions in energy consumption and carbon emissions per unit output and group-wide carbon emissions to peak.

Enhancing Statistical Monitoring

SDIC implements low-carbon environmental monitoring requirements, improves environmental incident reporting mechanisms, clarifies reporting standards and ensures timely, comprehensive and accurate subsidiary data collection. We have continuous upgrades to the Group's EHS management system.

We issued *Management Standards for Automatic Pollutant Monitoring Systems (Trial)* to strengthen online monitoring at invested enterprises.

We completed GHG reporting for key emitters. All enterprises under national carbon trading fulfilled carbon quotas on schedule.


SDIC Guangxi New Energy Co., Ltd.

Green Transformation of Development Models

SDIC Group advances industrial restructuring by curbing blind development of high-energy-consumption, high-emission, and low-efficiency projects, while scaling up investments in clean energy to drive sustainable green transformation and upgrading of industries.

SDIC Achievements 2024

- SDIC Group

  In 2024, renewable energy consumption reached 1,009 GWh, accounting for 18.06% of total electricity consumption, a year-on-year increase of 33.65%.

  In 2024, green and low-carbon R&D investment reached 732 million RMB yuan, accounting for 23.09% of total R&D investment, a year-on-year increase of 65.02%.

- SDIC Power

  As of the end of 2024, newly commissioned power generation capacity reached 3,687.1 MW, of which new energy (including energy storage) accounted for 3,002.6 MW, representing 81.44% of the total.

  As of the end of 2024, total installed capacity reached 44,634.7 MW, with clean energy capacity reaching 31,433.9 MW, representing 70.42% of the total.

- SDIC Luobupo Potash

  It leveraged the external power grid to increase the proportion of externally sourced electricity and reduced power generation from captive power plants. Annual usage of externally sourced electricity reached nearly 170 GWh, an increase of 150 GWh year-on-year, including 21 GWh of green electricity. Energy consumption decreased by 27,000 tonnes of standard coal equivalent (tce) year-on-year.

- SDIC Gaoxin

  It promoted affiliated enterprises to complete the construction of 6.1 MW of rooftop PV projects. Cumulative PV project construction reached 18 MW, expected to generate approximately 18.8 GWh of electricity annually, saving about RMB 8 million in electricity costs and reducing carbon emissions by approximately 21,500 tonnes.

Case SDIC Communication Built Green Ports

In 2024, SDIC Communication signed framework agreements to jointly carry out the design, investment and construction of green energy systems with partners. These systems primarily feature distributed wind power supplemented by distributed PV, supported by smart energy management platforms and achieved significant reductions in port CO_2 emissions. SDIC Yangpu Port, SDIC Jingtang Port, SDIC Caofeidian Port and SDIC Meizhou Bay Port completed shore power facilities, achieving 100% shore power coverage for berths.


Jingtang Port

Resource Conservation and Efficiency

SDIC Group strengthens efficient resource utilization, adheres to comprehensive conservation measures, categorizes implementation, and orderly promotes the renewal, retrofitting, and recycling of key equipment in critical sectors, driving continuous improvement in equipment energy efficiency levels.

SDIC Achievements 2024

- In 2024, SDIC Group implemented national deployments for large-scale equipment renewal and retrofitting, investing over 40 million RMB yuan in updating key energy-consuming products such as motors and transformers.
- SDIC Bioenergy (Hailun) was recognized as a National Green Factory in 2024 by the Ministry of Industry and Information Technology (MIIT). SDIC Jincheng Metallurgy and YAPP were recognized as Green Factories in Henan Province and Jiangsu Province respectively.
- SDIC Qinzhou Electric Power conducted energy-saving diagnostics. Through measures such as efficiency improvements during maintenance and energy-saving and carbon-reduction technologies like wide-load heavy-duty heating, the coal consumption for power supply decreased by 6.02 gce/kWh year-on-year.
- SDIC Genting Meizhou Wan Electric Power's installation project of the smart flushing and online shellfish removal device for the condenser of Unit 4 in Phase II has successfully passed the acceptance test. This project is to save 7,350 tonnes of standard coal equivalent annually, reducing carbon emissions by 18,323.55 tonnes, particulate matter by 4,998 tonnes, sulphur dioxide by 551.25 tonnes, and nitrogen oxides by 275.63 tonnes.

Actively Developing Circular Economy

SDIC focuses on critical pathways to build a circular industrial system through intensified R&D, optimized resource utilization models and enhanced recycling and co-processing of waste. We aim to reduce carbon emissions, minimize pollution and improve resource efficiency.

SDIC Achievements 2024

- SDIC Luobupo Potash advanced comprehensive utilization of tailings resources by conducting brine resource surveys and implementing evaporation-crystallization research on potassium, sulfur and valuable trace elements (lithium, bromine, boron) in Lop Nur Salt Lake brines.
- SDIC Jincheng Metallurgy's "Waste Heat Recovery in Non-ferrous Metal Smelting Systems" project and Beijing Tongyizhong's "Solvent Recovery System for Phase II Production Line at Xintai Branch" project were both commissioned on schedule, which will reduce CO_2 emissions by approximately 78,000 tonnes annually.
- Beijing Tongyizhong implemented waste gas heat recycling upgrades which will achieve 95% steam utilization efficiency.

Strengthening Ecological Conservation

SDIC Group revised *the Measures for Ecological Environment Risk Prevention and Hidden Hazard Investigation & Management and the Resource Conservation & Ecological Environmental Protection Assessment Plan (Trial)*, formulated the *Management Specifications for Automatic Monitoring (Surveillance) Systems of Enterprise Pollutant Discharges (Trial)* and the *Notice on Special Compliance Remediation for Ecological Environmental Protection Approvals* to ensure ecological environment security, rigorously control ecological environment risks, proactively advance ecological protection and restoration, and promote the development of ecologically sustainable communities.

Strengthening Ecological Governance

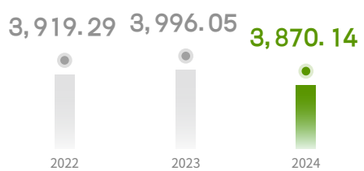
We implemented strict vetting procedures for new M&A projects conducted pre-acquisition environmental reviews for projects such as X-FIPER New Material and Thailand APPC Potash. We directed relevant subsidiaries to conduct comprehensive self-inspections and corrections aligned with the eco-environmental standardization system focused on environmental risk assessments for "hazardous waste, tailings ponds, hazardous chemicals, and heavy metal pollution" to eliminate contamination risks. We completed on-site supervision and inspections for 8 newly acquired projects in key regions and enterprises.

Advancing Pollution Prevention and Control

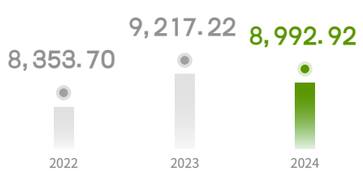
We enhance systematic improvements in source control, process management and end-of-pipe treatment, strengthen operation and maintenance of pollution control facilities and establish technical specifications for automatic pollutant emission monitoring to ensure stable compliance with discharge standards. We also develope a "1+5" eco-environmental standardization system comprising general rules and five sector-specific standards (power, ports, chemicals, metallurgy, and environmental protection), finalized the compilation and review of manufacturing standardization documents. As of December 2024, 18 enterprises including SDIC Luobupo Potash passed subsidiary-level foundational assessments, while SDIC Beijiang achieved group-level demonstration certification.

SDIC Achievements 2024

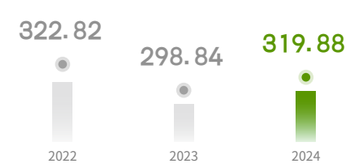
Sulfur dioxide emissions (ton)



Nitrogen oxide emissions (ton)



Chemical Oxygen Demand (COD) emissions (ton)



Ammonia nitrogen emissions (ton)



Protecting Biodiversity

SDIC Group enforces the mandatory constraints of ecological conservation redlines, environmental quality baselines, resource utilization ceilings and the ecological environment access list. The Group prioritizes preserving local ecosystems and wildlife habitats throughout project development, construction and operation. This minimizes operational impacts on surrounding ecology and achieves harmonious coexistence between corporate development and the ecological environment. SDIC Group engages in environmental initiatives and conducts ecological restoration activities such as fish stock enhancement. Through concrete actions, it safeguards green mountains and clear waters and builds a beautiful homeland where humans and nature thrive in balance.

Case SDIC Jiangsu New Energy's Proximate Offsite Ecological Compensation and Classified Bird Habitat Restoration

At Xiangshui Hengneng/Yongneng Solar Power Companies managed by SDIC Jiangsu New Energy, an integrated strategy of "proximate offsite ecological compensation and classified bird habitat restoration" was implemented. The project established five functional zones: ecological islands, shoal zones, shallow-water areas, deep-water islands, and ecological buffer areas. Through periodic water diversion/retreat and appropriate stock enhancement, the restored area rapidly reconstructed a simulated primitive wetland ecosystem mirroring the South Yellow Sea. The ecological restoration zone has evolved into a stable wetland ecosystem that supports summer breeding of over 4,000 terns and gulls, provides year-round habitat or breeding grounds for over 6,000 birds across 11 orders, functions as a key avian hotspot within the Yancheng Rare Birds Nature Reserve, and was consequently honored among the 100+ Global Biodiversity Conservation Practices by the Organizing Committee of the 15th Meeting of the Conference of the Parties (COP15) to the Convention on Biological Diversity.

Case SDIC Participated in 2024 World Environment Day Joint Fish Stocking Initiative for Hydropower Industry

On June 5th,, 2024, SDIC Group and SDIC Power joined the "2024 World Environment Day Joint Fish Stocking Initiative for the Hydropower Industry", co-organized by the HydroChina Corporation and the Chinese Society for Hydropower Engineering. Key representatives from SDIC Group's Safety and Environment Department and SDIC Power attended the event at the Beijing main venue on behalf of the Group. Staff from SDIC Yalong River Company participated in the stocking activities on-site. At the Ertan·Tongzilin Fish Breeding and Release Station (SDIC Group's sub-venue), approximately 330,000 fry of protected fish species endemic to the SDIC Yalong River Company were released. These included Schizothorax wangchiachii (short-barbel schizothoracin), Schizothorax chongi (fine-scaled schizothoracin), and Percocypris pingi (Labeo cyprinid).

Beyond the fish release, SDIC Yalong River Company also held educational fish science sessions at the station. Participants included representatives from the Agriculture and Rural Affairs Bureaus of Panzhihua City, Miyi County, and Yanbian County, Yanbian County Notary Office, teachers and students from Hongguo Yi Ethnic Township Central School in Yanbian County, and community representatives residing along the river.



At the Ertan·Tongzilin Fish Breeding and Release Station on-site

Deepening Green Finance Development

Leveraging its role as a state capital investor, SDIC Group drives innovation in green finance, enhances its financial toolkit and provides diversified green financing solutions for enterprises. These efforts expand funding channels for green industries and projects, support the broader mission of ecological civilization and advance the development of green finance.

Green Investment

SDIC Securities incorporates environmental sustainability as a key factor in investment decisions. Through bond financing, equity financing and other channels, it actively supports funding needs in low-carbon, circular economy, and ecological sectors.

Green Trust

To reduce financing costs for green industries, SDIC Taikang Trust delivers specialized green financial services including asset securitization to facilitate high-quality development in energy conservation, environmental protection, and clean energy sectors. This demonstrates tangible support for national green development goals.

Green Guarantee

China Investment & Guarantee Company Limited (I&G) supports low-carbon projects - including energy conservation, clean energy, green transportation and waste-to-energy initiatives - through credit enhancement, fintech solutions, and asset management. This drives steady upgrades in low-carbon industrial chains and attracts additional social capital to green investments.

Green Bonds

SDIC Yalong Hydropower issued a Carbon-Neutral Green Rural Revitalization Corporate Bond worth of 1 billion RMB yuan to professional investors. Integrating dual green concepts of carbon neutrality and rural revitalization, this bond exemplifies proactive innovation in green finance.

SDIC Achievements 2024

New green investments:
8.915 RMB yuan

New green investment projects:
117

SDIC Taikang Trust cumulative green trust balance:
531 million RMB yuan

Cumulative green guarantee volume provided by I&G:
4.891 billion RMB yuan

Cumulative number of projects supported through green guarantees:
2,762

Case I&G Advances ADB Projects

I&G implements two key initiatives “Beijing-Tianjin-Hebei Air Pollution Control - I&G Investment and Financing Promotion Project (Phase I ADB Project)” and “Beijing-Tianjin-Hebei Air Pollution Prevention for Coordinated Development - I&G Investment and Financing Promotion Project (Phase II ADB Project)”. These projects primarily utilize Asian Development Bank (ADB) sovereign loans to establish a sustainable green finance platform through diversified financial instruments. They provide financing services for air pollution control sub-projects across the Beijing-Tianjin-Hebei and Yangtze River Delta regions, while promoting the development of credit systems for SMEs and improving regional air quality. Through the synergy of Phase I and II ADB projects, I&G's green finance platform is projected to leverage €585 million in ADB loans to mobilize approximately 38 billion RMB yuan in green investments over 15 years. This contributes to China's Dual Carbon Strategy and climate change.

As of the end of 2024

I&G's green finance platform had cumulatively completed loan issuance totaling 6.134 billion RMB yuan to support 67 sub-projects.It has facilitated guarantees for 2,695 sub-projects, with a total guaranteed amount of 4.89 billion RMB yuan.

These 2,762 sub-projects span 14 provincial-level regions across China, having collectively stimulated approximately 45.221 billion RMB yuan in green investment. Once operational, they are projected to reduce annual coal consumption by about 2.2694 million tons and gasoline usage by approximately 316,000 tons, while cutting emissions by an estimated 5.8761 million tons of carbon dioxide, 36,000 tons of sulfur dioxide, 145,000 tons of particulate matter, and 11,400 tons of nitrogen oxides each year.



At the 2024 Country Project Review Workshop for China – jointly convened In Beijing by the National Development and Reform Commission, the Ministry of Finance, and the Asian Development Bank (ADB) – Phase II ADB Project of I&G was awarded ADB's 2023 Best Performing Loan Project.

03

GOVERNANCE EMPOWERMENT: SOLIDIFYING THE FOUNDATION FOR DEVELOPMENT



Convened 9 meetings of the Board of Directors

Conducted occupational safety training for

37,440

attendances

Achieved Grade A in the central SOEs Party building responsibility assessment

Achieved Grade A in the central SOEs reform assessment for 3 consecutive years

PARTY BUILDING LEADERSHIP EMPOWERMENT

Strengthening Cadre Talent Development

SDIC Group focused on developing the Critical Minority and critical functional areas. Through top-level design and systematic planning, the Group issued the I*mplementation Opinions on Strengthening Leadership Teams at All Levels (2024-2028)*, outlining objectives and concrete measures for the next five years. Furthermore, it formulated the *Implementation Plan for Enhancing the Leadership Echelon and Optimizing the Cadre Development System*, establishing a comprehensive routine framework that covers entire career cycles and the full spectrum of selection, cultivation, management, and deployment.

The Orientation for Selecting and Appointing Personnel Becoming More Distinct

Adhering to political vetting standards, we prioritized practical performance and field experience in cadre selection. Among newly appointed Group Party Leadership-managed cadres in 2024, 54.5% had served as heads of investment entities or held equivalent-level temporary posts. Cadres with proven track records in grassroots frontline roles—including rural vitalization and Xinjiang/Tibet aid programs—were promoted. The approval rating for the Group's cadre selection mechanism continues to rise.

The Structure and Functions of the Leadership Becoming More Optimized

We conducted specialized cadre assessments comprehensively, strengthened comprehensive analysis and evaluation, and enhanced the systematic and scientific nature of cadre development. We adjusted 130 Party Leadership-managed cadres in 2024, promoted young cadres with integrity, competence, and demonstrated outstanding performance with those around age 45 accounting for 71.4% of newly appointed Party Leadership-managed cadres resulting in a 0.7-year reduction in their average age.

The Talent Support and Guarantee Becoming More Robust

Optimizing the Group's 14th Five-Year Plan for human resources development, we intensified talent acquisition for key industries by recruiting 31 high-level experts through full-time appointments or flexible arrangements, appointed Group Strategic Scientists and Chief Scientists, and achieved new progress in attracting overseas high-caliber talent. Concurrently, we selected and developed cohorts of technology leaders, skilled specialists, and innovation teams in priority domains while implementing the inaugural Group Management Trainee Program.

The Momentum for Reform and Development Becoming stronger

We focused on building a "value-oriented headquarters" by optimizing and streamlining institutional and staffing resource allocation and facilitating two-way exchange appointments for 41 personnel between headquarters and subsidiary enterprises. We also strengthened performance orientation through systematically refining the Group's performance evaluation and compensation allocation system, achieving mandatory distribution of evaluation results for all headquarters staff; and enhanced the medium-to-long-term incentive framework to implement targeted incentives for key personnel driving strategic priorities and critical tasks.

The atmosphere of strict oversight has become more pronounced

We implemented thorough rectifications for personnel selection and appointment issues identified by the Central Inspection focused on typical and prominent problems improving 23 institutional measures; conducted special inspections on cadre selection, appointment, management, supervision, and compensation management for heads of subsidiaries within the Group resulted in the correction and disciplinary action involving 127 individuals; addressed issues such as the "revolving door" between government and business, "resignation to evade scrutiny", and illegal acquisition of foreign residency status through targeted campaigns, while conducting special inspections on personnel selection and appointment at 13 enterprises to enhance the quality of these processes through a penetrating approach; and established accountability reference standards covering 10 key aspects of personnel selection and appointment making accountability more precise and standardized.

Reforming Industrial Workforce Development

SDIC Group mobilizes industrial workers to actively contribute to the grand blueprint of reform and development. The Implementation Plan of SDIC Group on Advancing the Reform of the Industrial Workforce leverages union-led approaches resonating with workers, such as training programs, internal trainer sessions, and knowledge competitions, to advance these initiatives.

Formulated the Implementation Plan for Industrial Workforce Reform, outlining 9 key initiatives to help workers recognize the importance of the reform and support national strategies.

Case

SDIC Hosted a Central Enterprise Exchange Event Themed on Deepening Industrial Workforce Development Reform within the Commerce, Trade, Light Industry, Textile and Tobacco Sector

On October 29, 2024, SDIC Trade Union hosted the Central SOE Industrial Workforce Reform Exchange, organized by the National Committee of Finance, Trade, Light Industry, and Tobacco Unions under the All-China Federation of Trade Unions. At the event, Li Xianchen, a National May 1st Labor Medal recipient from SDIC Yalong River Company, shared his story as a representative of the nation's master craftsmen. He recounted his 38 years of perseverance in front-line hydropower work and his dedication to contributing to the nation's energy development. Meanwhile, SDIC Luobupo Potash, representing advanced enterprises, presented a practical on how the "Luobupo Potash Spirit" serves as a bond of unity, driving the momentum for high-quality development.



Li Xianchen (SDIC Yalong River Company)



Zhang Qiao (SDIC Luobupo Potash)

Case

SDIC Operations Center - Skills Competitions Drove Improvements in Employees' overall Competence and Service Capabilities

In September 2024, SDIC Operations Center conducted skills competitions across three domains: catering services, conference services, and fire safety. Embracing the philosophy of learning through competition, training through competition, the initiative comprehensively elevated staff competencies and service quality. These competitions showcased frontline professionals' expertise, strengthening the foundation for industrial talent development and sustained service enhancement.



SDIC Operations Center Fire Safety Competition

DEEPENING LEGAL AND COMPLIANCE SYSTEMS

SDIC Group upholds law-based operations, advances legal governance. We refine institutional frameworks, strengthen legal awareness across all employees, safeguard business ethics and enhance compliance mechanisms to foster integrity-driven development.

Advancing SDIC Rule of Law Framework

Implementing SASAC’s requirements for deepening legal SOE development, SDIC optimizes its comprehensive legal governance and risk control framework. Under the 5-in-1 structure integrating law, compliance, systems, internal control and risk management, we elevate legal consciousness and business compliance to ensure sustainable growth.

The Group was selected for the State Council SASAC's pilot program on establishing world-class rule of law-based enterprises, with its experience development featured in *A Decade of Progress in Building Rule of Law-Based Central SOEs in the New Era*, a compendium compiled by the SASAC Bureau of Legislative Affairs.

Aligning with the latest regulatory requirements and the Group's enhanced control framework, we revised *the Compliance Management Measures, the Compliance Manual*, and *the Key Compliance Responsibilities Checklist for Positions*.

We formulated the Group's *Implementation Plan for the Case-Driven Governance Enhancement and Value Creation Initiative* to strengthen foundational legal case management, advanced inventory reduction and risk control, deepened case-driven governance improvements and empowered execution capabilities—maximizing loss prevention and recovery.

Aligning with the Group's strategic control optimization initiatives, we revised and officially issued the *Action Matrix for Key Tasks under the 14th Five-Year Plan (2021-2025) Rule of Law Master Plan*, along with the *Essential Elements Checklist for Legal Compliance and Risk Management in Subsidiary Enterprises*.

We optimized and restructured the Group Headquarters' policy architecture, restructured the logical framework of the policy system and refined tiered and categorized governance of policies.; We revised the *Approval Management Manual* and embedded it into the OA system, enhancing policy process standardization and digital integration of workflows.

We developed documents including the *Biotechnology Industry Risk Mitigation Guide* and conducted specialized workshops on risk prevention in areas such as intellectual property protection to provide legal intelligence support for the Group's business development.

Case

SDIC Luobupo Potash's Legal Publicity Work Commended by the Ministry of Justice and the National Legal Publicity Office

SDIC Luobupo Potash has implemented rule of law ideology, and carries out the SASAC's overall deployment for the legal development of central enterprises and the 8th Five-Year Plan for Legal Publicity. Following SDIC Group requirements and SDIC Mining work arrangements, it has based its efforts on the company's realities and employee needs. Focusing on deepening "four key priorities" as critical points, concentrating on "eight key areas" as the end goal, and innovating "multiple methods" as the driving force, it has actively explored and practiced in legal publicity work. Since the 8th Five-Year Legal Publicity initiative began, SDIC Luobupo Potash has cumulatively conducted 10 special legal and compliance study sessions , held over 40 specialized training sessions, delivered more than 60 special courses on rule of law development, organized over 50 sessions of Legal Salon and carried out more than 200 legal publicity activities to a multi-level coverage of all employees. This has fostered a prevailing atmosphere of respecting, learning, understanding and applying the law within the company and formed a "Three-Point Integration" legal publicity model with distinct SDIC Luobupo Potash characteristics.

Upholding Business Ethics Integrity

SDIC Group has strengthened its business ethics framework by formulating guidelines and protocols for antitrust compliance, anti-corruption, anti-bribery and fair competition practices. It has enhanced compliance risk prevention in key sectors and provided solid assurance to all stakeholders while refining the compliance management system across enterprises at all levels.

- We formulated the Work Rules for the Conduct, Integrity and Anti-Corruption Coordination Group.
- We revised the Anti-Monopoly Compliance Guidelines and Export Control and Economic Sanctions Compliance Guidelines.
- We organized cross-border corruption governance efforts and continuously deepened five special rectification campaigns, including those targeting overseas commissions.
- We promoted relevant subsidiaries to carry out work on rectifying misconduct in pharmaceutical procurement and medical services.

Strengthening the Compliance of Information Disclosure

In 2024, SDIC Group improved the information disclosure system, strengthened investor relations management, established a Group-subsidiary interaction mechanism and standardized investor relations management and information disclosure work of relevant subsidiaries and controlled listed companies. Combining the latest management requirements, the Group revised and formed the SDIC Group Controlled Listed Companies Investor Relations Management Rules and the SDIC Group Controlled Listed Companies Information Disclosure Management Rules to enhance the standardized operation of listed companies, maintain a good image in the capital market and support the high-quality development of listed companies.

In 2024, SDIC Power obtained Grade A in the annual information disclosure evaluation of the Shanghai Stock Exchange for the 8th consecutive year. SDIC Capital obtained Grade A for the 5th consecutive year and so did YAPP Automotive.

COORDINATING RISK PREVENTION AND CONTROL

SDIC Group always adhered to the bottom-line thinking and systematic concept, focused on the prevention and control of major operational risks, cultivated a risk management culture for all employees, strengthened the risk prevention line and empowered the high-quality development of the Group.

Mitigating Critical Operational Risks

Risk control objectives	Focusing on prevention of major operational risks to holistically present the risk landscape, thereby providing comprehensive, timely, and accurate information support for corporate decision-making.
Risk management system	Orchestrating collaboration among relevant functional departments, key risk management subsidiaries, external institutions, and risk monitoring IT systems to establish a synergistic working ecosystem. This integrates cross-functional resources while extending outreach, forming multi-dimensional risk management synergy.
Risk identification and control	Conducting monitoring, early-warning, and comprehensive analysis across 5 key dimensions (strategic, operational, financial, market, legal/compliance) and 42 sub-dimensions. This framework covers all business sectors of the Group, precisely identifies risk exposures, diagnoses root causes in mechanisms and governance, and proposes actionable recommendations to establish closed-loop management.
Risk prevention and control results	Producing monthly enterprise risk management reports with improvement proposals to drive governance enhancement. Issuing timely risk alerts and advisory notices based on evolving internal/external risk conditions to enable proactive mitigation. Advancing risk resolution measures to reduce risk exposures and formally close risk incidents.

Fostering An Enterprise-wide Risk Management Culture

SDIC Group has thoroughly implemented the important discourse of General Secretary Xi Jinping on preventing and resolving major risks, held multiple work promotion meetings and promoted the disposal and resolution of key risk events in the Group. We organized the 2024 Risk Warning Education Conference, used cases as a mirror to discuss responsibilities through cases and promoted governance improvement through cases. We strengthened risk vetting for new businesses and convened the "Cross-boundary Wealth Management Connect" New Business Risk Assessment Meeting with SDIC Capital and SDIC Securities. We held the 2024 Online Training Course on Foreign Business Compliance, Overseas Security Risk Management Training Course to enhance the professional competence and management skills of risk management personnel and strengthen bottom-line risk thinking. We compiled the Compilation of Enforcement Cases for Legal Disputes, Toolkit for Promoting Execution of Legal Dispute Cases (TIPS), and Compilation of Common Issues in Executing Legal Dispute Cases to promote synergistic efforts and efficient operation across all defense lines and positions.



The Department of Legal Compliance and Risk Management held a special seminar on EU foreign investment review and foreign subsidy review

Fortifying Workplace Safety Defenses

SDIC Group makes addressing root causes and tackling key problems the main engine for enterprise safety development. It formulated plans, clarified objectives, advanced item by item, optimized the safety emergency management mechanism, strengthened the investigation and rectification of major accidents, deepened safety education and training and strengthened workplace safety.

Establishing a Safety Emergency Management Mechanism

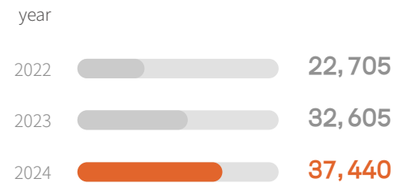
Sub-plans were formed by sectors covering power, ports, hazardous chemicals, etc., encompassing 8 aspects, 16 tasks, and 76 specific measures. A routine scheduling mechanism was established from top to bottom. Deepened the investigation and rectification of major accident hazards, with 7 major hazards listed for special supervision, strictly rectified and closed, ensuring dynamic clearance.

- We established a comprehensive safety production responsibility system at the headquarters level, completed the signing of safety responsibility documents for all functional departments and promoted the implementation of safety responsibilities for all positions at headquarters.
- We revised and issued 5 regulations including the Safety Production Management Measures and 2 assessment standards, restructured and optimized the safety regulation system and completed awareness campaigns.
- We optimized organizational structure and safety classification supervision, released the annual list of subsidiary safety supervision categories and key supervised investment enterprises and reclassified 5 subsidiaries as Class I safety supervision enterprises.
- We selected 107 technical experts from various industries to form the Group’s safety production expert database and further strengthened the expert support system.
- We promoted the renewal and renovation of outdated equipment and facilities. SDIC Bioenergy and SDIC High-Tech organized enterprises to conduct comprehensive inspections and classified rectification of old equipment, promoting the retirement of some, upgrading of others and routine control of the remainder.

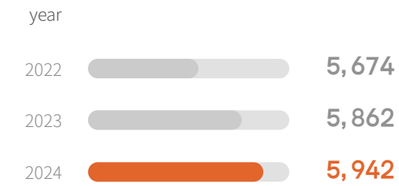
Strengthening Safety Education and Training

SDIC Group emphasized safety production education and training. Subsidiaries developed tiered safety production education and training systems by position, clarifying safety training content, plan development, record establishment, and related requirements for different roles. The No. 1 document of the 2024 Safety Committee specially deployed grassroots safety training, requiring enterprises with weak management foundations and generally low employee safety awareness and skills to explore implementing a "mobile training station" safety education model. Expert instructors were organized to conduct large-scale on-site employee training, significantly improving grassroots staff safety competency.

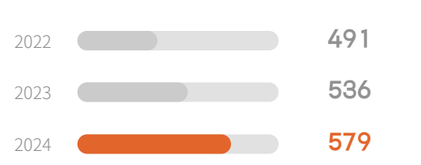
Safety production training (person-times)



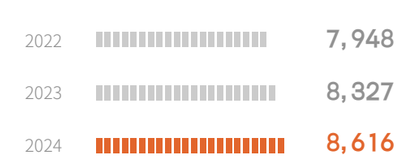
Safety management personnel training (person-times)



Principal person in charge training (person-times)



Special Operations personnel training (person-times)



Case SDIC Dachaoshan Achieved 6,000 Consecutive Days of Safe Production

As of August 3rd, 2024, SDIC Dachaoshan achieved 6,000 consecutive days of safe production, with zero unplanned outages for 49 months, setting a new safety record since the Dachaoshan Hydropower Station commenced operation. Through 16 springs, summers, autumns, and winters and 144,000 hours of persistence, every SDIC Dachaoshan employee kept in mind the responsibilities of safe production, adhered to the bottom line of safety production, and used wisdom and sweat to strengthen the safety production defense line, laying a solid foundation for the enterprise's high-quality development.



SDIC Dachaoshan was awarded the honor of National Model Enterprise for Safety Culture Development.

DEEPENING GOVERNANCE REFORM

SDIC Group standardizes the operation of the Board of Directors to enhance decision-making quality, coordinates the advancement of strategy implementation, drives comprehensive deepening reforms, accelerates digital empowerment and improves corporate governance efficiency and standards.

Standardizing Corporate Governance

SDIC Group implements the requirements of SASAC and improves the Board governance mechanism. Currently, the SDIC Group Board of Directors consists of 9 directors: 5 independent directors and 4 internal directors, including 1 employee director. The Board is the company's highest decision-making body, and the Chairman of the Board is the company's legal representative. The Board has established 4 specialized committees: the Strategy Committee, the Nomination Committee, the Remuneration and Evaluation Committee, and the Audit and Risk Committee.

In 2024, SDIC Group implemented corporate governance reforms aligned with supervisory board restructuring requirements by adjusting specialized committees under the Group Board of Directors to facilitate subsidiaries' assumption of supervisory functions, updating the *List of Decision-Making Authorities for Corporate Governance Bodies* with pragmatic refinements to board establishment scope in subsidiaries, developing the Corporate Governance Manual for normative guidance, creating Equity Directors' Duty Performance Records and Work Guidelines to standardize authority execution and formulating three cornerstone documents—*SDIC's Continuous Exploration of Governance Systems for State Capital Investment Companies, Strengthening Standardized Management to Enhance External Directors' Effectiveness*, and *Support Framework for External Directors' Duty Performance*—to systematically enhance the governance framework.

SDIC Group Board of Directors Work Performance

As of the end of 2024

Held **9** Board meetings, deliberation on **65** proposals.

Held **22** meetings of the various specialized committees of the Board, hearing and deliberation on **53** matters.

Held **5** pre-communication meetings for Board meeting topics.



SDIC Group 3rd Board of Directors Meeting in 2024

Coordinating and Driving Reform and Innovation

SDIC Group has adhered to the principles of placing greater emphasis on systematic integration, focusing more on key priorities,and paying more attention to the actual effectiveness of reforms. It has explored a reform methodology with SDIC characteristics based on its actual conditions, drived the advancement of the action plan for deepening and upgrading SOE reforms. By the end of 2024, the completion rate for tasks under the deepening and upgrading action plan exceeded 80%, with new achievements made in all tasks.

Establishing a "Group Master Account" for Systematic Planning

Integrating the requirements of reform actions such as deepening and upgrading, value creation and brand leadership with the Group's 14th Five-Year Plan, a reform "Master Account" was compiled. This clearly defined 178 reform tasks, along with their completion standards, timelines, and responsible divisions, with quarterly regular scheduling. In line with the reform deployments of the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) and addressing its own shortcomings and weaknesses, the "Master Account" is dynamically updated. More than 10 new initiatives, such as "Promoting High-Quality Development of Fund Business" and "Deepening the Construction of Specialized Operation Management Platforms for Subsidiaries", have been added to drive continuous reform deepening.

Executing a Set of Combo Moves for Holistic Advancement

A grid-like reform organizational system featuring vertical linkage, horizontal coordination, and integrated implementation was established. This created a "task decomposition - implementation - process supervision - evaluation and assessment - dynamic optimization" closed loop for improvement and enhancement. A detailed timetable and blueprint were formulated to advance the reforms steadily and solidly.

Establishing a Package of Systems to Form Synergy

SDIC Group institutionalized management processes around implemented reforms and undertook a comprehensive optimization and restructuring of regulatory framework. This involved formulating or revising 99 regulations. Acknowledging the diversified business segments and varying development stages of subsidiaries, the Group implemented a categorized reform approach with tailored regulatory provisions—such as establishing a tiered incubation framework for technology enterprises and refining safety supervision protocols by category. Synergistic regulatory coordination was strengthened through integrated mechanisms for innovation investment support, talent incentives, differentiated performance evaluation, and error tolerance, collectively forming a synergistic regulatory framework that genuinely fosters innovation.

SDIC Achievements 2024

- The Group received a "Grade A" rating in the SOE Reform Assessment for three consecutive years.
- All its "Dual-hundred Enterprises" and "Sci-Tech Reform Enterprises" were rated as benchmarks or "Good" performers.
- We deepened reforms of state capital investment companies by clarifying functional positioning and exploring differentiated development paths to build comparative advantages.
- We enhanced subsidiaries' specialized operation and management capabilities, defining principles for building specialized management platforms. Tailored approaches ("One Enterprise, One Policy") drove organizational optimization in 17 subsidiaries. Post-optimization, the average number of departments decreased by 3, while front/middle-office staff ratios increased by 9 percentage points.
- We encouraged enterprises with strong reform motivation or operational difficulties to pioneer reforms ("first to eat crabs"): 10 subsidiaries implemented a "whole-department standing reset" for middle management, with eligible firms conducting company-wide competitive hiring.
- We formulated support policies for tier-elevated subsidiaries to provide tangible development assistance.
- We advanced differentiated management for state-relatively controlled mixed-ownership enterprises, adjusted pilot lists based on evaluations and strengthened standardized governance.

FUTURE PROSPECTS

2025 marks the 30th anniversary of SDIC Group’ s establishment. Over the past three decades, SDIC Group has always adhered to investing for the nation and contributing to the national economic and social development. In 2025, guided by the thought of Xi Jinping's Socialism with Chinese Characteristics for a New Era, SDIC Group will serve national strategies, enhanced its core functions and competitiveness. SDIC will play its role in technological innovation, industrial control and security within the modernization of the industrial system and the construction of a new development paradigm. It serves as long-term capital, patient capital, and strategic capital, making new and greater contributions to advancing the rejuvenation of the Chinese nation through Chinese modernization.

APPENDIX

TABLE OF KEY PERFORMANCE INDICATORS

Indicator	2022	2023	2024
Economic Achievements			
Total assets (100 million RMB yuan)	7,958.21	8,385.34	8,721.20
Owner's equity (100 million RMB yuan)	2,592.59	2,706.79	2,785.26
Total revenue (100 million RMB yuan)	2,114.42	2,125.68	1,962.38
Total profits (100 million RMB yuan)	230.37	252.10	255.61
Profit rate (%)	10.9	11.9	13.1
Total taxes (100 million RMB yuan)	124.79	128.23	139.79
Economic added-value (100 million RMB yuan)	31.6	39.6	56.2
Rate of State-owned capital preservation & appreciation (%)	108.48	107.12	103.23
Profits of power business (100 million RMB yuan)	94.33	142.15	157.06
Profits of communications business (100 million RMB yuan)	12.59	20.13	17.28
Revenue of Int'l business (100 million RMB yuan)	251.57	226.87	245.87
Infrastructure investment (100 million RMB yuan)	188.50	232.90	287.2
Installed capacity of power holding firms (10,000KW)①	3,776	4,085.66	4,463.47
Total annual electricity generation volume of power business (100 million KWH)	1,567.21	1,619.73	1,720.72
Total annual throughput of communications business (100 million tons)	1.6	1.7	1.5
R&D investment (100 million RMB yuan)	22.11	27.37	31.04
Patents granted (pieces)	731	706	877
Invention patents (pieces)	322	254	377
Environmental Performance			
Investment in Energy-saving Facilities under the "Three Simultaneities" Principle (100 million RMB yuan)	10.28	11.39	13.55
Investment in environmental protection facilities (10,000 RMB yuan)	29,269.95	26,894.90	9,886.26
Investment in energy saving renovation projects (100 million RMB yuan)	1.06	1.34	1.21
Investment in technical renovation projects of pollution control (100 million RMB yuan)	1.05	1.34	1.35
Total energy consumption (10,000 tons of standard coal)	980.15	1,098.94	1.081.95
Comprehensive energy consumption of 10,000 RMB yuan output value (tons of standard coal/10,000 RMB yuan, comparable price)	1.30	1.27	1.18
Year-on-year change of comprehensive energy consumption per 10,000 RMB yuan of output value (%)	-18.45	-2.58	-7.12
Output value of 10,000 RMB yuan (revenue) CO2 emissions (tons of CO2 equivalent/ 10,000 RMB yuan, comparable price)	2.64	2.82	2.89
Proportion of non-fossil energy (%)	68.59	70.55	70.81
Proportion of clean energy installed capacity of power business holding firms (%)	68.54	69.31	70.42
Coal consumption for coal-fired power units (gram of standard coal/per KWH)	298.79	296.90	296.71
Desulphurization unit rate of coal-fired units (%)	100	100	100
Denitration rate of flue gas of coal-fired units (%)	100	100	100
Sulfur dioxide emission (10,000 tons)	0.39	0.40	0.39
Chemical oxygen demand emission (ton)	323	299	320
Nitrogen oxide emission (10,000 tons)	0.84	0.92	0.90
Annual new water usage (10,000 tons)	5,516	5,524	6,013
New water usage of per 10,000 RMB yuan output value (revenue) (ton/10,000 RMB yuan)	3.02	2.91	3.3
Social Performance			
Total number of employees (persons)	51,889	49,991	51,104
Number of male employees (persons)	37,051	35,422	36,123
Number of female employees (persons)	14,838	14,569	14,981
Number of employees from ethnic minority groups (persons)	2,609	2,971	3,003
Percentage of female business management personnel (%) ②	39	34.49	38.93
Labor contract signing rate (%)	100	100	100
Social insurance coverage rate (%)	97.1	97.1	97.3
Employee turnover rate (%) ③	0.79	1.81	0.92
Employee turnover rate (%) ④	8.23	7.78	8.08
Employee physical examination ratio (%)	99	99	99
ROI of human capital (labor cost profit rate) (%)	138.63	143.43	139.44
Staff training ratio (%)	100	100	100
Production safety investment (100 million RMB yuan)	3.36	6.28	6.88
Work safety training (person/times) ⑤	22,705	32,605	37,440
Number of general production safety accidents (cases)	0	1	0
Number of fatalities in production safety accidents (person)	0	1	0
Mortality rate per 1,000 persons (%)	0	1.85	0
Serious injury rate per 1,000 persons (%)	0	0	0
Total donations (10,000 RMB yuan)	16,308	15,145.21	18,282.46
Number of volunteers (persons)	2,527	3,441	2,043
Investment in fixed-point poverty alleviation areas (10,000 RMB yuan)	9,078	9,470.47	9,536.53
Aid for Xinjiang and Xizang (10,000 RMB yuan) (including Tibetan autonomous counties and prefectures in Gansu, Qinghai, Sichuan and Yunnan)	1,488.94	1,395.7	2,200.4
Number of cadres dispatched to paired poverty alleviation areas (persons)	29	23	23
Number of aided poor students (persons)	540	540	540

① Not including energy storage

②③ Group headquarters data in 2024, ④ Entire Group data for 2024, ⑤ Not including daily and education training.

INDEX OF INDICATORS

Contents		UN SDGs	CASS -ESG6.0	Page
Message from Chairman		-	P2.1	03
About SDIC		-	P3.1,P3.2,P3.3, P3.4	05
Responsibility Governance	Responsibility Philosophy	-	P3.2,G1.1	10
	Responsibility Management	-	G1.1	11
	Responsibility Communication	-	G1.3	12
	Materiality Issues Assessment	-	G1.1	14
	Responsibility Honors	-	-	15
	Chronicle of Social Responsibility	-	S1.2	16
Feature Stories	SDIC Seed: Forging Agriculture's "China Core"	-	S1.1,S2.1	19
	"Caring for Her" Initiative: Activating Endogenous Dynamics in Rural Education	-	S1.1,S1.2	23
	Reform-Driven Empowerment: Fueling Industrial Workers' Aspirations	-	S4.1,S4.3	29
INVESTMENT PIONEERING: SERVING THE NATIONAL STRATEGY				
Strengthening Industrial Leadership	Elevating Core Business Efficacy	Target 2,3,7,8,9,10,11, 12,17	G1.1	37
	Accelerating the Cultivation of Emerging Industries		S2.1,G1.1	41
	Building Modern Industrial Chains Collaboratively		S3.1	43
Advancing Technological Innovation	Refining the Technological Innovation Management Mechanism	Target 2,3,7,8,9,10,11, 12,17	S2.1	45
	Strengthening the Construction of Technological Innovation Platforms		S2.1	46
	Fostering a Culture of Technological Innovation		S2.1	47
Safeguarding Better Lives	Advancing Healthcare & Elderly Care		S1.2	49
	Serving Employment Promotion		S1.2,S4.1	51
	Providing Security Safeguards		S3.1,S3.4,S4.2	52
Deepening Synergistic Efficiency	Optimizing Operational Systems		G1.1	53
	Implementing Responsible Procurement		S3.1,G2.1	54
SHARED RESPONSIBILITY: BUILDING A WELL-BEING ECOSYSTEM				
Achieving Employee Well-being	Safeguarding Employee Rights	Target 1,2,3,4,5,6,7,8, 9,10,11,12,13,1 4,15,17	S4.1	57
	Fostering Employee Growth		S4.3	58
	Caring Attentively for Employees		S4.1	59
Promoting Regional Development	Driving Rural Revitalization		S1.1,S1.2	60
	Fulfilling Overseas Responsibility		S1.2	63
	Volunteering Passionately for Public Service		S1.2	68
Building Green Foundations	Implementing the "Dual Carbon" Commitment		E1.1,E3.3	69
	Strengthening Ecological Conservation		E2.1,E2.2,E2.3, E2.4	73
	Deepening Green Finance Development		2.1	75

Contents		UN SDGs	CASS -ESG6.0	Page
GOVERNANCE EMPOWERMENT: SOLIDIFYING THE FOUNDATION FOR DEVELOPMENT				
Party Building Leadership Empowerment	Strengthening Cadre Talent Development	Target 8,12,16	S4.3	79
	Reforming Industrial Workforce Development		S4.1,S4.3	80
Deepening Legal and Compliance Systems	Advancing SDIC Rule of Law Framework		G2.1,G2.2	82
	Upholding Business Ethics Integrity		G1.1,G2.1	83
	Strengthening the Compliance of Information Disclosure		G1.1	83
Coordinating Risk Prevention and Control	Mitigating Critical Operational Risks		G1.1	84
	Fostering an enterprise -wide risk management culture		G1.1	85
	Fortifying Workplace Safety Defenses		S4.2	85
Deepening Governance Reform	Standardizing Corporate Governance		G1.1	87
	Coordinating and Driving Reform and Innovation		G1.1	88
Future Prospects		-	A1	89
Appendix				
Table of Key Performance Indicators		-	A2	91
Index of Indicators		-	A3	93
Third-party Evaluation		-	A5	96
Rating Report		-	A5	97
Suggestions & Feedback		-	A6	99
Description of the Report		-	P1.1,P1.2	100

THIRD-PARTY EVALUATION

2024 marks a pivotal year for fully implementing the guiding principles of the 20th CPC National Congress and advancing the 14th Five-Year Plan. Amid complex challenges of sluggish global economic recovery and domestic industrial transformation, State Development & Investment Group (SDIC) coordinated reform initiatives with production operations and delivered a sustainability report of strategic vision and practical depth. The SDIC Group 2024 Sustainability Report systematically presents the Group's responsible practices across economic, environmental, social and governance dimensions, and showcased its innovative approaches to serving national strategies, driving industrial upgrading, and implementing ESG principles - fully demonstrating the mission-driven commitment of a central state-owned enterprise.

Upholding Investment Leadership to Serve National Strategies. In 2024, SDIC prioritized high-quality development and committed to structural optimization, quality living standards, technological innovation and industrial advancement. The Group strengthened its role as a state capital leader in critical sectors by accelerating strategic emerging industries - notably bio-manufacturing and bio-breeding - leveraging industrial investment funds to provide long-term, patient and strategic capital for nurturing future growth engines.

Fostering Responsibility-Shared Ecosystems for Collective Prosperity. SDIC placed talent at the core of its development and safeguarded employee rights while refining training systems and enhancing workplace inclusivity. By aligning industrial strengths with regional resources and community needs, SDIC advanced rural revitalization through its Five Business Cards: industrial funds, charitable trusts, the “Care for Her” initiative, elderly care and digital technology. The Group expanded overseas responsibility practices and boosted local sustainability and community integration.

Accelerating Green Transition for Industrial and Energy Optimization. In 2024, SDIC’ s R&D investment in green and low-carbon initiatives reached 732 million RMB yuan, accounting for 23.09% of total R&D expenditure - a 65.02% year-on-year increase. The Group innovated green financial products to deliver diversified financing solutions, and achieved synergistic ecological and economic benefits.

Strengthening Governance to Fortify Development Foundations. SDIC rigorously implemented SASAC’ s requirements for deepening legal compliance in SOEs and refined its comprehensive legal and risk control framework. Under the 5-in-1 structure (law, compliance, systems, internal control and risk management), it enhanced legal awareness and operational compliance to ensure robust development. The Group cultivated an enterprise-wide risk management culture and pioneered SDIC-tailored reform methodologies to advance state-owned enterprise modernization.

In the future, it is hoped that SDIC Group will adhere to the principle of responsible investment, the concept of ESG and continue to play the leading, demonstrating and driving role of a state-owned capital investment company, a leader in industrial investment, a creator of a better life and an investor with sustainable returns to create a better future with investment and make its contribution to a strong country and the great cause of the national rejuvenation.



Liu Xuexin

Dean, School of Business Administration Capital University of Economics and Business Dean

China Institute of ESG

RATING REPORT

中国企业社会责任报告
评级专家委员会
Chinese Expert Committee on CSR Report Rating

Rating Report of State Development & Investment Group Corp., Ltd. 2024 Sustainable Development Report

Entrusted by State Development & Investment Group Co., Ltd. (SDIC), the Chinese Expert Committee on CSR Report Rating randomly selected experts to form a rating group to assess the 2024 Sustainable Development Report of State Development & Investment Group Corp., Ltd. (hereinafter referred to as the Report).

Rating Criterions

China Corporate Social Responsibility Reporting Guidelines (CASS-CSR 4.0) of the Chinese Academy of Social Sciences and *China Corporate Sustainability Report Rating Standards (2025)* of China Corporate Social Responsibility Report Rating Committee

Rating Process

1.The rating panel reviewed and confirmed the Confirmation of Corporate Sustainability Report Process Data submitted by the Report writing team and related supporting materials;

2.The rating panel evaluated the preparation process and content of the Report and drafted the rating report;

3.The vice chairman of the Chinese Expert Committee, the leader of the rating panel, and the rating panel expert jointly signed the rating report.

Rating Conclusion

Procedure（★★★★★）

The Brand and Social Responsibility (Rural Revitalization) Working Committee of SDIC Group, chaired by the Chairman, led the establishment of the Report preparation working group. The Party-Mass Work Department coordinated the preparation, with functional departments and subsidiaries providing data and conducting reviews, followed by final approval by the leadership group. The Report was positioned as a critical tool for enhancing brand image, advancing responsibility management, and strengthening stakeholder engagement, with clear functional value. Material issues were identified through national policies, corporate priorities, industry benchmarking, and stakeholder surveys. The Group promoted listed subsidiaries to issue ESG reports and presented the Report in electronic, print and Chinese-English editions, demonstrating excellent procedural performance.

Substantiality（★★★★★）

The Report discloses key industry issues including industrial leadership enhancement, sci-tech innovation promotion, efficient resource utilization, circular economy development, rural revitalization support, overseas responsibility practices and integrated risk management, with detailed and sufficient descriptions and excellent substantiality.

Completeness（★★★★★）

The Report discloses 93.16% of the industry’s core indicators through chapters such as Investment Leadership, Serving National Strategies, Responsibility Coexistence, Building Wellbeing Ecosystems and Governance Empowerment, Fortifying Development Foundations, achieving excellent completeness.

Balance（★★★★★）

The Report discloses negative data including employee turnover rate, number of general production safety accidents, deaths from production accidents, mortality rate/per 1,000 people, serious injury rate/per 1,000 people and describes rectification actions for personnel management issues, which has demonstrated excellent balance.

Comparability（★★★★★）

The Report provides 3-year comparative data for 60 key indicators such as total profit, R&D investment, total energy conservation & environmental protection investment, comprehensive energy consumption per CNY 10,000 output value, total employees, and total donations. It also includes benchmarking data (e.g., SDIC Group ranks top 10 in SOE Social Responsibility Development Index), which has achieved excellent comparability.

Readability（★★★★★）

Structured around the triple bottom line, the Report details initiatives through three pillars (Investment Leadership, Responsibility Coexistence, Governance Empowerment), aligning with SDIC’s responsibility framework. The cover design integrates energy, digital/tech, and livelihood elements, while chapter spreads use high-definition visuals for impact. Color-block layouts, rich infographics, and data visualization enhance readability, which has delivered excellent presentation.

Innovativeness（★★★★★）

The Report opens with a 30-year responsibility timeline highlighting milestones, and features three thematic case studies on agricultural development, rural education and industrial workforce reform. It issued a standalone Green Development Report and promoted subsidiary disclosures, forming a multi-level reporting matrix that strengthens stakeholder engagement, which has demonstrated excellent innovativeness.

Overall Rating（★★★★★+）

The rating panel confirms that the 2024 Sustainable Development Report of State Development & Investment Group Corp., Ltd. achieves five-star levels in procedure, completeness, substantiality, balance, comparability, readability, and innovativeness, with a comprehensive five-star plus rating - a benchmark in corporate sustainability reporting.

中国企业社会责任报告
评级专家委员会
Chinese Expert Committee on CSR Report Rating

SDIC Group's Sustainability Report has been awarded the five-star rating for four consecutive years and the five-star plus rating for five consecutive years.

Suggestions for Improvement

Increase the disclosure of industry core indicators to further enhance the Report's completeness.

Vice Chairperson of the Chinese Expert Committee

Rating Panel Leader　　Rating Panel Expert

Issued on June 20th，2025

Scan code to view corporate files

SUGGESTIONS & FEEDBACK

Dear readers,

Thank you very much for reading this Report! In order to improve our work in compiling the Report in due course, your comments and suggestions are what expect and mostly welcome. Would you please be som kind as to complete the relevant questions in the feedback form, and send us your comments and suggestions in the following ways:

Mail: Building A, International Investment Building, No.6-6 Fuchengmen North Street, Xicheng District, Beijing

Your Contact Information

Name:

Phone:

Work Unit:

e-mail address:

Multiple choice questions (Please mark properly)

Options	Very Good	Good	Average	Poor	Very Poor
This report comprehensively and accurately reflects SDIC Group's significant influence on economy, society and environment.					
This Report is a response to and disclosure of the issues concerned by stakeholders.					
The information, indicators and data disclosed in this Report are clear, accurate and complete.					
The readability of this Report, namely the logical main line, content design, language and layout design of the Report					

Open Questions

1. What do you think is the most satisfactory aspect of this Report?

2. What information do you think you need to know that is not disclosed in this Report?

3. Do you have any suggestions for our work in compiling future sustainable development report?

DESCRIPTION OF THE REPORT

This is the 17th Sustainable Development (Social Responsibility) Report issued by State Development & Investment Group Corp. Ltd. This report adheres to the principles of objectivity, standardization, transparency, and comprehensiveness. It aims to disclose the Group's philosophy on sustainable development and its performance in fulfilling responsibilities across economic, social, and environmental dimensions to address the expectations and requirements of stakeholders. The report is published in both Chinese and English versions. In the event of any minor discrepancies between the two versions, the Chinese version shall prevail.

Report Reliability Assurance

The Company declares that this Report contains no false records, misleading statements or material omissions. The Company shall be fully responsible for the authenticity, accuracy,and completeness of the content herein.

Reporting Timeframe

The Report covers the period from January 1st to December 31st, 2024, with some content exceeding this timeframe.

Data Specification

The information and data used in this Report are derived from SDIC Group's official documents and statistical reports. The financial data in the Report are in RMB, unless otherwise stated.

Report Publication Cycle

Annual reports are generally published in June each year.

Report Terminology Note

For ease of reference, State Development & Investment Corporation Ltd. is referred to in this report as "SDIC Group", "SDIC", "the Group", or "we".

Reporting References

- United Nations Sustainable Development Goals (SDGs)
- ISO 26000 Guidelines for Social Responsibility (2010)
- Global Sustainability Standards Council, Sustainability Reporting Standards
- Chinese Academy of Social Sciences, China Corporate Social Responsibility Reporting Guidelines
- SASAC: Guiding Opinions on High-Standard Fulfillment of Social Responsibilities by Central Enterprises in the New
- Ministry of Finance et al.: Enterprise Sustainable Disclosure Standards-Basic Standard (Trial)

Report Access

The report is published in both Chinese and English versions, available in print and PDF formats. To access or download the report, and for additional information, please visit the official website of State Development & Investment Corporation Ltd.
URL: www.sdic.com.cn

Report System



2024


2023


2022


2021


2020


2019


2018


2017


2016


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