Build with Integrity, Sustain the Future

湖南建设投资集团
HUNAN CONSTRUCTION INVESTMENT GROUP

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HUNAN CONSTRUCTION INVESTMENT GROUP 2025 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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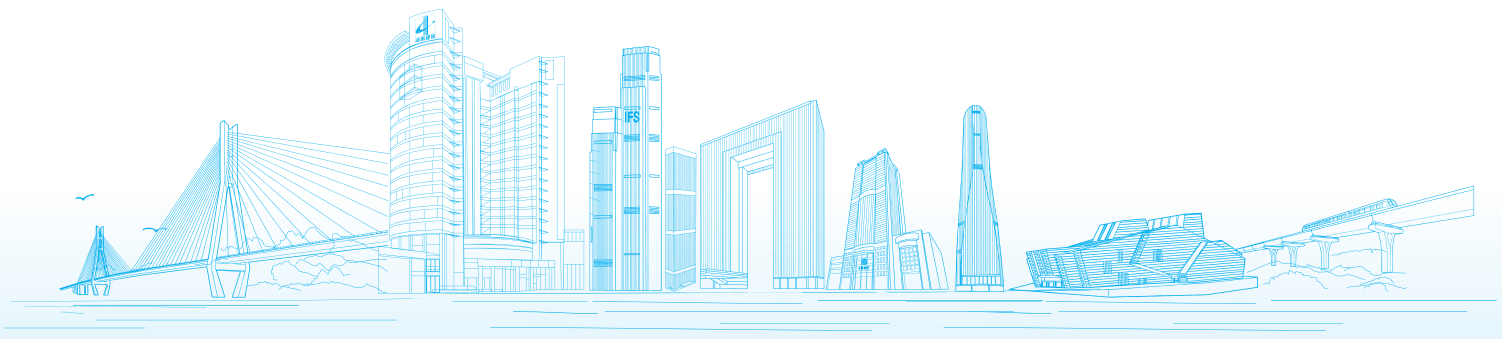
HCIG

Excellence

Innovation

Sincerity

Dedication



Contents

05 About This Report

06 Message from the Board of Directors

08 About HCIG

14 ESG Management

Environmental Responsibility (E)

20 **Advancing Low- Carbon Development to Pursue Green Growth**

22 Strengthening Environmental Baselines: Building a Comprehensive Environmental Governance System

25 Advancing "Dual Carbon" Goals: Building a Full-Lifecycle Low-Carbon Development System

28 Improving Resource Efficiency: Promoting Intensive and Circular Development

32 Strengthening Ecological Protection: Promoting Coexistence between Construction and Nature

35 Driving Green Innovation: Empowering Industrial Green Transformation

Social Responsibility (S)

38 **Creating Social Value through Responsible Development**

40 Putting People First: Employee Rights and Development

47 Safeguarding Work Safety: Strengthening Occupational Health Management

52 Enhancing Quality Excellence: Driving Innovation in High-Quality Construction

57 Fostering Industrial Ecosystems: Advancing Sustainable Development

62 Delivering Customer Value: Creating Shared Value through Quality Services

64 Sharing a Better Future: Community Contribution and Public Welfare Commitment

Corporate Governance (G)

68 **Strengthening Modern Governance for Sustainable Growth**

70 Strengthening Party Leadership: Enhancing Governance Effectiveness

74 Establishing Compliance Foundations: Ensuring Operational Integrity

78 Enhancing Internal Controls: Strengthening Risk Management Capabilities

81 Advancing Digital Governance: Enhancing Transparency and Efficiency

84 Promoting Overseas Compliance: Building a Global Governance Framework

Topic I

88 **Strengthening Foundations for Serving National Strategies**

90 Transport Infrastructure: Leading Smart Transportation Development

92 Livable Communities and Public Well-Being: Delivering High-Quality Livelihood Projects

94 Green Energy: Leading the Clean and Low-Carbon Transition

Topic II

96 **Driving Innovation and New Quality Productive Forces**

98 Technology Innovation: Driving Core Technology Breakthroughs

100 Green Empowerment: Advancing Low-Carbon Construction and Digital Integration

103 Crafting Talent with Excellence: Building High-Skilled Workforce and Industrial Labor Force

Topic III

104 **Global Outreach to Co-Build the Green Silk Road**

106 Infrastructure Connectivity: Advancing Integrated Infrastructure Networks

107 Standards Leadership: Exporting Chinese Standards Models and Technology Platforms

109 People-Centered Commitment: Delivering Social Benefits and Local Responsibility

Envisioning the Future

110

Appendixes

112

About This Report

◎ Reporting Scope

Organizational scope: This report covers Hunan Construction Investment Group Co., Ltd. and its branches and subsidiaries. In this report, Hunan Construction Investment Group Co., Ltd. is referred to as "HCIG", "the Group", "the Company" or "We".

Reporting period: This report covers the period from January 1, 2025 to December 31, 2025 (the "Reporting Period"). To ensure completeness, certain content may extend beyond the above period.

◎ Preparation Basis

Guidelines on Corporate Social Responsibility of State-Owned Enterprises by the State-owned Assets Supervision and Administration Commission of the State Council
Sustainability Disclosure Standards for Business Enterprise—Basic Standard (Trial) by the Ministry of Finance of the People's Republic of China
Sustainability Reporting Guidelines for Chinese Enterprises (CASS-ESG 6.0) by China Enterprise Reform and Development Society and Zerenyun Research Institute
United Nations Sustainable Development Goals *(SDGs)*
GRI Sustainability Reporting Standards (GRI Standards) by the Global Reporting Initiative
ISO 26000 Guidance on Social Responsibility by the International Organization for Standardization

◎ Data Description

The data disclosed in this report are derived from the Company's official documents, statistical reports, publicly available information and internal data collection systems, and have been reviewed by relevant departments of the Company. Unless otherwise stated, all monetary amounts in this report are denominated in RMB.

◎ Report Release

This report is released in electronic version. Readers may download and view it via the official website of Hunan Construction Investment Group at https://www.hncig.cn/.
This report is available in Simplified Chinese and English for stakeholders' reference. In the event of any inconsistency or ambiguity between the two language versions , the Simplified Chinese version shall prevail.
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Message from the Board of Directors

Advancing Green Development for Shared Prosperity Building a World-Class Enterprise through Sustainable Development

On the occasion of the official release of Hunan Construction Investment Group's 2025 Environmental, Social and Governance (ESG) Report, the Board of Directors would like to express its sincere gratitude and respect to governmental authorities at all levels, domestic and overseas partners, all employees, and all sectors of society for their longstanding support for the Group's development. This report marks HCIG's first systematic disclosure of its sustainable development practices from an ESG perspective, serving as an important vehicle for communicating the story of Chinese construction in alignment with international standards, as well as a significant milestone in the Group's transition from scale-driven expansion to value-oriented growth, and from rapid development to high quality and sustainable development.

◎ Anchoring the "Dual Carbon" Strategy and Driving High-Quality Development through Green Transformation

As a key provincial state-owned enterprise in Hunan, the Group consistently aligns its development with national strategies and embeds green and low carbon development into its corporate foundations. In 2025, we fully implemented the national "Dual Carbon" strategy across the entire value chain of investment, financing, construction, and maintenance, and operations, and established a three tier carbon governance framework covering group coordination, subsidiary implementation and full coverage of ongoing projects.

HCIG independently developed the digital platforms "Suantanbao" and "Lvshitong", which were released globally at 2025 International Zero Carbon Cities and Villages and Zero Carbon Buildings Conference & Technology and Equipment Expo, filling a domestic technological gap in full-lifecycle carbon management for highway engineering and contributing practical Chinese solutions to the low-carbon transition of global infrastructure. Through representative projects—including the Pingjiang-Yiyang Expressway Low-Carbon Smart Service Area, the LOT 1 Mombasa-Mtwapa (A7) Road Project selected as an ESG best practice case for Chinese enterprises going global, the Kyrgyzstan Waste-to-Energy Project exporting green energy solutions, and the Changsha Airport Three-Star Green Building Demonstration—we demonstrate the tangible green competitiveness of China's construction sector.

◎ Deepening Social Responsibility and Building Global Consensus through Shared Development

The height of an enterprise's development is measured by the breadth of its contribution to society. HCIG has consistently upheld a people-oriented and shared-wellbeing philosophy. While delivering construction solutions in dozens of countries and regions, we have broadly shared development outcomes with employees, communities and society. We provide employees with full-chain growth platforms, have created a large number of jobs for migrant workers over the past three years, and systematically promoted the transformation of industrial workers from "blood-transfusion-style" assistance to "blood-generation-style" growth; on the front line of rural revitalization, we empower local development through culture and tourism, create nearby employment opportunities for villagers, and support the sustainable development of assisted areas; and maintain a high level of localized employment in overseas projects. Through systematic training in Kenya, Benin and other group locations, local employees have grown into technical backbones, bridging cultural divides through care for people's livelihoods and earning local recognition through responsible actions. From overnight emergency assistance in earthquake-stricken areas to the warmth delivered through hundreds of volunteer service activities, we believe that sustainable competitiveness comes from mutual prosperity with stakeholders and resonance with the communities where we operate.

◎ Benchmarking against World-Class Standards and Strengthening the Foundation of Sustainable Governance

Modern governance systems and governance capacity are the cornerstone of building a world-class enterprise. In 2025, HCIG leveraged ESG governance as a driver to upgrade the modern enterprise system with Chinese characteristics. We have established a well-structured ESG governance framework, issued our first overarching ESG policy, and developed an indicator management system covering the three pillars of environmental, social and governance (ESG) performance. ESG requirements have been systematically embedded into the entire process of strategic decision-making, risk management, and performance evaluation. Supported by the "3+N+N" compliance management system, we achieved compliance coverage across all businesses, processes and levels, making compliance the "smart brain" that supports the Group's global strategy. From the Compliance and ESG Committee under the Board to the look-through risk control system for overseas projects, from end-to-end traceability on the digital procurement platform to full-chain management and control through ESG-based supplier grading and assessment, we continue to transform governance advantages into competitive advantages through standardization, transparency and digitalization, with governance strengths increasingly translating into competitive strengths.

The path ahead is not a solitary one; together, we can go further. Looking back on 2025, HCIG opened new pathways in green and low-carbon development, built new synergy through joint contribution and shared benefits, and stimulated new momentum through modern governance. Looking ahead, we will continue to take Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as our guide, implement the strategic plans of the 20th CPC National Congress on advancing high-standard opening up and accelerating the transition to a model of green development, and use ESG principles, technological innovation and global compliance as key drivers. We will build more high-quality Chinese construction projects along the Green Silk Road, demonstrate greater responsibility as a state-owned enterprise in improving people's well-being, and explore a development path toward becoming a world-class enterprise with Chinese characteristics through modern governance.

Facing the future, HCIG remains committed to building an ESG management system with stronger governance, more standardized management, superior performance and a more distinctive brand, allowing the corporate spirit of "Excellence, Innovation, Sincerity, and Dedication" to shine in serving national strategies and contributing Chinese insights to global governance, while jointly writing HCIG's chapter in building a community with a shared future for humanity.



About HCIG

Strengthening the Foundation: Group Overview

Hunan Construction Investment Group Co., Ltd. is a provincial state-owned construction enterprise with a development history spanning over 70 years, tracing its origins back to 1952. In July 2022, following the strategic restructuring of provincial state-owned enterprises in Hunan, HCIG was established through the merger of the former Hunan Construction Engineering Group Co., Ltd., Hunan Communication & Water Conservancy Group Ltd., and certain subsidiaries of Hunan Development Group Co., Ltd., with an AAA credit rating.

HCIG is a large-scale hundred-billion-yuan-level state-owned enterprise group with core businesses covering industrial and civil construction, road and bridge and municipal engineering, water conservancy, hydropower, waterworks and port infrastructure, real estate development, as well as engineering survey, design and consulting services. HCIG actively promotes its corporate spirit of "Excellence, Innovation, Sincerity, and Dedication", and continues to advance steadily by leveraging the momentum of ongoing reforms.

◎ Over Seven Decades of Enduring Legacy

Building on more than seventy years of deep engagement in infrastructure development, the Group's evolution has progressed through three key phases: institutional transformation, restructuring and reorganization, and integrated advancement.

◎ **1952:** Establishment of the predecessor, Hunan Provincial Construction Engineering Bureau, marking the beginning of industrialized infrastructure development in Hunan Province.
◎ **1983:** Reorganized as Hunan Provincial Construction Engineering Corporation, transitioning from administrative management to market oriented operations.
◎ **1992:** Formation of Hunan Provincial Construction Engineering Group Corporation, establishing an initial group based development framework.
◎ **2017:** Reorganized as Hunan Construction Engineering Group Co., Ltd., implementing a modern corporate governance system.
◎ **2021:** Implementation of the separation of management and business functions, clarifying governance and operational boundaries.
◎ **8 July 2022:** Official registration of Hunan Construction Investment Group Co., Ltd.
◎ **20 July 2022:** Formal inauguration of HCIG, completing the deep integration of provincial infrastructure resources.
◎ **9 September 2022:** Launch of the new corporate brand identity, marking a new stage of resource integration and brand renewal.

◎ Full Chain Capabilities Anchoring Core Strength

HCIG operates across an integrated industry chain encompassing investment, financing, construction, management, and operation, with business coverage spanning building construction, road and municipal infrastructure, water conservancy and hydropower, port and waterway engineering, real estate development, and engineering survey, design, and consultancy.

The Group had a registered capital of RMB 40 billion, total assets of approximately RMB 240 billion, and annual construction delivery capacity exceeding RMB 300 billion. Revenue and overall operating scale have remained firmly at the hundred-billion-yuan level.

The Group currently owns seven subsidiaries with Special Grade general contracting qualifications and multiple subsidiaries holding First Grade general contracting qualifications. HCIG employs 36,767 staff, including 48 doctoral degree holders and 1,954 master's degree holders, forming a growing pool of high caliber professional and technical talent that supports technological innovation, green construction, and global project delivery.

HCIG's market presence spans nationwide operations across China and international projects in more than 60 countries and regions across Asia, Africa, Latin America, and Oceania, supported by localized operating entities and project teams to ensure the steady advancement of its international business.

◎ Benchmark Recognition Driving Responsible Growth

Leveraging strong full industry chain capabilities and a proven track record of high quality project delivery, HCIG has been consecutively included in the Top 500 Chinese Enterprises, ENR Top 250 International Contractors, and China's Top 60 Contractors and Engineering Design Enterprises. HCIG is also the first provincial state-owned construction enterprise in Hunan Province to receive the Governor's Quality Award, and has been further recognized with national-level honors including the National May 1st Labor Medal, National Outstanding Construction Enterprise, and National Advanced Collective for Construction Science and Technology. These recognitions continue to reinforce HCIG's position as an industry benchmark.

◎ Integrated Synergies Anchoring Sustainable Development

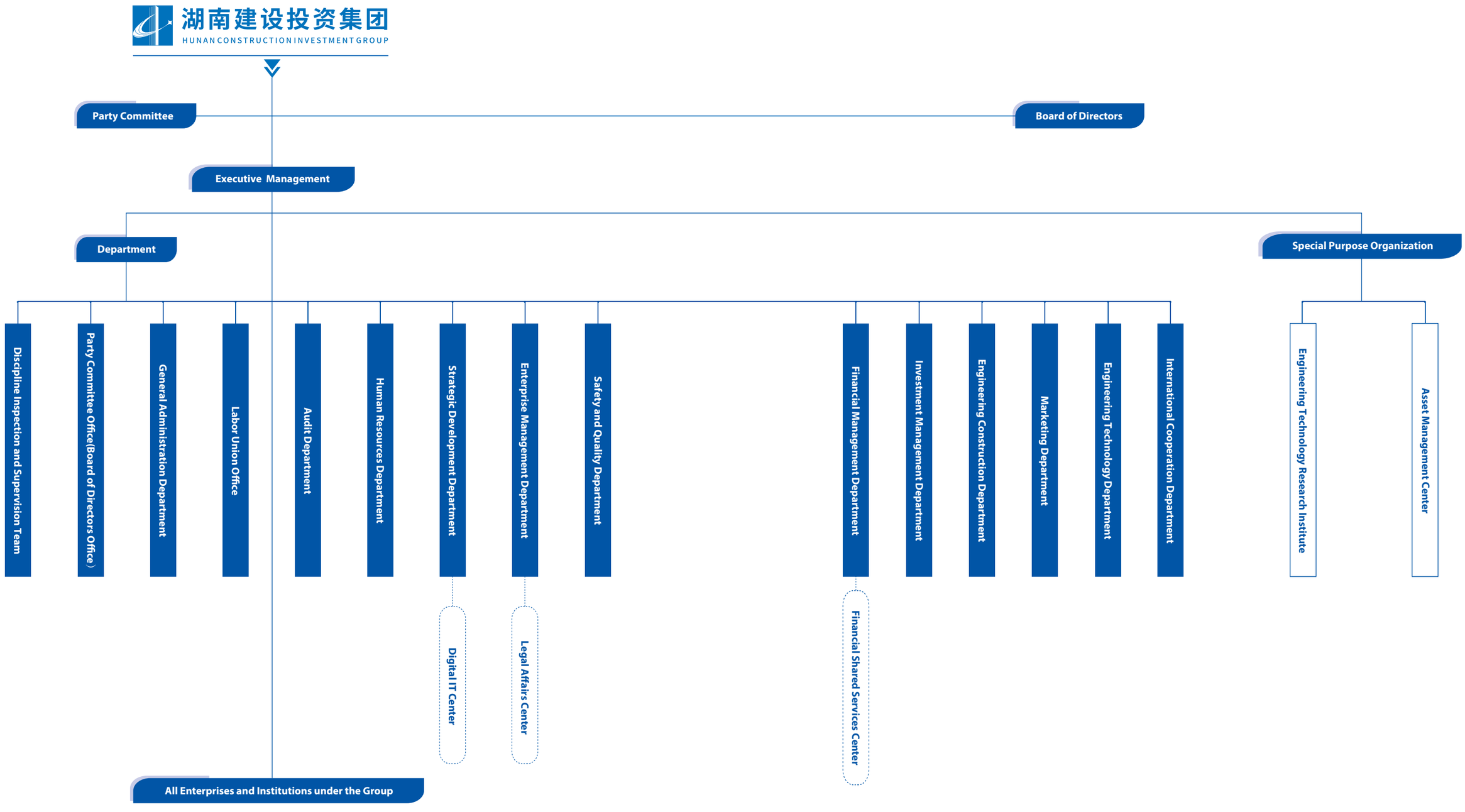
Guided by an integrated development strategy across the construction industry value chain, HCIG has established six synergistic business segments: engineering construction, infrastructure investment, real estate development, survey and design, comprehensive supporting services, and talent development. Specialized subsidiaries focus on differentiated market segments, enabling complementary strengths, resource sharing, and coordinated value creation.

Through its full chain industrial layout, the Group systematically incorporates key ESG priorities—including green construction, technological innovation, community engagement, and overseas responsibility—into the entire business lifecycle. By embedding sustainability into operational practices, HCIG promotes the aligned advancement of economic performance, environmental stewardship, and social value creation.

Steady Progress for Long-Term Success: Mission, Vision and Core Values



Organizational Structure



List of Subsidiaries (Institutional Public Entities Included):

01	Hunan Construction Engineering Group Co., Ltd.
02	Hunan No. 6 Engineering Co., Ltd.
03	Hunan Road & Bridge Construction Group Co., Ltd.
04	Hunan Industrial Equipment Installation Co., Ltd.
05	Hunan No. 5 Engineering Co., Ltd.
06	Hunan No. 3 Engineering Co., Ltd.
07	Hunan No. 4 Engineering Co., Ltd.
08	Sino-Hunan International Engineering and Development Co., Ltd.
09	Hunan Construction Investment Real Estate Group
10	Hunan Communications Research Institute Co., Ltd.
11	Hunan Academy of Building Research Co., Ltd.
12	HNCIG Communications Construction Co., Ltd.
13	Hunan Construction Engineering Group No. 2 Co., Ltd.
14	Hunan No. 1 Engineering Co., Ltd.
15	Hunan Construction Advanced Technical School
16	Hunan International Communications Economic Engineering Cooperation Co., Ltd.
17	Hunan Construction Investment Water Conservancy Company
18	Sino-Hunan Capital Holdings Co., Ltd.
19	Sino-Shine Decoration Engineering Group Co., Ltd.
20	Hunan Construction Investment Group Infrastructure Investment Company
21	Hunan Urban and Rural Environmental Construction Co., Ltd.
22	Hunan Sunshine Municipal Construction and Development Co., Ltd.
23	Hunan Construction Investment Group Dalian Harbour Engineering Co., Ltd.
24	Sino-Hunan Beautiful City Operation Services Co., Ltd.
25	Sino-Hunan Intelligent Construction Co., Ltd.
26	HCEG Building Materials Co., Ltd.
27	Hunan Water Planning & Design Institute Co., Ltd.
28	Hunan Construction Engineering Group Design & Research Institute Co., Ltd.
29	Hunan No. 8 Engineering Co., Ltd.
30	Hunan Construction Engineering Group Southwest Headquarters Construction (Guizhou) Co., Ltd.
31	HCIG Group Southern Construction Co., Ltd.
32	Hunan Pingyi Expressway Construction and Development Co., Ltd.
33	Hunan Hengyong Expressway Construction and Development Co., Ltd.
34	Hunan Chajiang Expressway Construction and Development Co., Ltd.
35	HCIG Xiangfa City Construction Investment Co., Ltd.

HCIG in Figures

Operating Revenue	Total Output Value	Total Taxes Paid	Total Profit
RMB 140.12 billion	RMB 146.895 billion	RMB 3.414 billion	RMB 2.807 billion

2025 Top 500 Chinese Enterprises
Ranked 174th

2025 Top 100 Enterprises in Hunan
Ranked 3rd

2025 ENR Top 250 International Contractors
Ranked 124th

7 Subsidiaries with Special Grade General Contracting Qualifications

Multiple Subsidiaries with First Grade General Contracting Qualifications

The First Provincial-Level Construction Enterprise in Hunan Province to Win the "Governor's Quality Award"

Hunan Provincial Engineering Technology Research Centers	Certified High-Tech Enterprises	Hunan Provincial Key Laboratories
Newly added: 2 | Total: 9	Newly certified : 2 | Total: 52	3
Hunan Provincial Enterprise Technology Centers	**Provincial-Level or above Science and Technology Innovation Awards, including Awards from Provincial-Level Associations**	**Provincial-Level or above Science and Technology Competition Awards, including Awards from Provincial-Level Associations**
17	27	58

First Prize of the Building Materials Science and Technology Award Jointly Conferred by the China Building Materials Federation and the Chinese Ceramic Society

1

First Prize of the Science and Technology Progress Award of the All-China Environment Federation

1

First Prize of the Science and Technology Progress Award of the Road Committee of the Mao Yisheng Science and Technology Education Foundation

1

ESG Management

Core Value System of HCIG Sustainable Development

ESG Goal

By 2030, we will fully establish an ESG management system characterized by "sound governance, standardized management, excellent performance, and distinctive branding", creating an ESG exemplar among state-owned enterprises with HCIG characteristics.

Sustainable Mission

Build Beautiful Cities and Co-Create a Better Life

Sustainable Vision

To Become a Globally Leading Green Construction Investment and Sustainable Urban Operator

Core Sustainable Values

Excellence in Governance · Innovation in Green · Integrity in Action · Dedication to the Future

ESG Philosophy

Build with Integrity, Sustain the Future —— Being a Responsible Builder of a Better World

ESG Governance Structure

HCIG regards ESG as a key driver of governance effectiveness and sustainable competitiveness, embedding ESG principles across the entire "investment–financing–construction–management–operation" value chain and covering headquarters, subsidiaries and branches at all levels, project teams and overseas operations, thereby forming unified management requirements and a tiered implementation mechanism.

During the reporting period, we established a three-tier ESG governance framework and management system comprising "decision-making, management, and execution", and incorporated ESG into the Group's development strategy as well as the decision-making system for major matters. Through a tiered implementation model featuring headquarters coordination, subsidiary implementation and project-level execution, supported by institutional arrangements, digital tools and communication mechanisms, HCIG continues to enhance vertical linkage, horizontal coordination, and the standardization and execution of ESG governance.

Decision-Making

Board of Directors;
Compliance and ESG Committee

Supervise and review ESG strategy, annual priorities and information disclosure, and promote integration of ESG with corporate governance, compliance management and corporate culture.

Management

ESG Executive-in-Charge:
General Counsel and Chief Compliance Officer
Centralized ESG Management Department:
Enterprise Management Department
(Legal Affairs Center)

Clarify ESG execution responsibilities, coordinate system building, resource allocation and implementation, and regularly report ESG progress to the Board.

Execution

Group Head Office Departments
Affiliated Units

Use dedicated ESG management and coordination mechanisms to implement ESG requirements across business units and projects.

Systems and Indicators

During the reporting period, HCIG formulated the *Environmental, Social and Governance (ESG) Management Measures (Trial)* as the overarching ESG system, clarifying management principles, scope of application and division of responsibilities across headquarters, subsidiaries and project levels and promoting the systematic integration of ESG requirements into the Company's strategic management, risk control and business decision-making processes.

On this basis, the Group has progressively refined an ESG system framework aligned with existing management systems, establishing clear linkages with performance management, compliance management, procurement management and other relevant systems, thereby supporting the standardized and systematic operation of ESG management.

HCIG has established an ESG indicator system covering the environmental, social and governance dimensions, comprising 157 indicators to support ESG disclosure and internal management. A tiered management approach with a dynamic adjustment mechanism has been adopted. During the reporting period, HCIG unified data definitions and collection templates, implemented a multi-level data review process, and enhanced the completeness, accuracy and traceability of ESG data.

In terms of performance linkage and resource assurance, HCIG has gradually aligned ESG requirements with performance management and budgetary arrangements, incorporated ESG performance into key assessment considerations, and strengthened accountability and long-term support through standardized management of relevant inputs.

Work Implementation Mechanism

During the reporting period, HCIG established an ESG work implementation mechanism guided by annual planning, driven by process control and supported by data governance, promoting the transition of ESG management from system building to regularized operation and forming a coordinated closed loop with risk management, performance budgeting and information disclosure.

Operating Mechanism

Annual coordination, quarterly tracking and annual evaluation; task lists, target requirements and responsibilities are clarified to strengthen process tracking and corrective evaluation, thereby enhancing the execution and sustainability of ESG work.

Implementation Path

ESG is gradually integrated into investment, construction and operation through pilots, special initiatives and business integration, and incorporated into operating plans, budgeting, performance assessment and risk control. ESG impact assessments are conducted for major investments, mergers and acquisitions, major projects and other "major decision-making, major personnel appointments and removals, major project arrangements, and large-amount fund operations" matters, so as to strengthen prior assessment and post-implementation review.

Information Disclosure

A unified data collection and review mechanism is established, with the Group providing overall coordination and each unit responsible for implementation, to ensure that ESG data and disclosures are true, accurate, complete and traceable. The annual ESG report is released after Board review, with special reports disclosed simultaneously where necessary; relevant data and supporting materials are managed in a standardized manner to continuously improve management effectiveness and disclosure quality.

Stakeholder Engagement

HCIG treats stakeholder engagement as a core element of ESG governance, establishes multi channel communication with key stakeholder groups, including government regulators, investors, employees, customers, suppliers, communities and financial institutions, systematically collects their concerns and suggestions, and incorporates stakeholder feedback into material topic identification, risk and opportunity analysis, and management improvement.

Stakeholder	Key Concerns	Communication Mechanisms	Our Responses
Government and Regulatory Agencies	◎ Legal Compliance; ◎ Ecological Protection; ◎ Work Safety and Project Quality; ◎ State-owned Assets Supervision and Disclosure Compliance	◎ Policy Reporting; ◎ Regulatory Communication; ◎ Special Inspections and Audits; ◎ Disclosure and Thematic Reporting	Comply with Laws and Regulations, Improve Compliance and Internal Control, Strengthen Work Safety and Quality Management, and Disclose Information in Accordance with Requirements.
Investors / Shareholders	◎ Governance Transparency; ◎ Risk Management Capabilities; ◎ Disclosure Quality; ◎ Sustainability Strategy and Performance	◎ Financing Communication; ◎ Due Diligence; ◎ Information Disclosure	Continuously Improve Corporate Governance, Strengthen Risk Management and Disclosure Quality, and Systematically Implement Sustainability Strategy.
Employees	◎ Rights Protection; ◎ Occupational Health and Safety; ◎ Training and Career Paths; ◎ Employee Care	◎ Workers' Congress / Employees' Congress; ◎ Trade Union; ◎ Training and Internal Communication	Protect Employee Rights in Accordance with the Law, Improve Occupational Health and Safety Management, Strengthen Training and Career Development, and Build a Stable and Harmonious Employment Environment.
Customers	◎ Project Safety and Quality; ◎ Contract Performance Capability; ◎ Delivery Schedule; ◎ Service Response and Complaint Handling	◎ Contract Management; ◎ Customer Visits; ◎ Project Communication and Service Feedback	Strengthen Project Quality and Safety Management, Improve Contract Performance and Delivery Capabilities, and Close the Loop on Customer Service Issues.
Suppliers / Partners	◎ Fair and Transparent Procurement; ◎ Contract Performance; ◎ Supply Chain ESG and Compliance Coordination	◎ Bidding and Procurement Platform; ◎ Contract Performance Management; ◎ Supplier Communication and Evaluation	Adhere to Fair, Just and Transparent Procurement, Strengthen Contract Performance Management, and Gradually Promote Coordinated ESG Requirements across the Supply Chain.
Communities / Public	◎ Construction Noise; ◎ Public Communication; ◎ Community Engagement	◎ Information Disclosure; ◎ Public Communication and Complaint Acceptance; ◎ Community Activities	Strengthen Construction-Site Environmental Impact Management, Keep Communication Channels Open and Actively Carry Out Community and Public Welfare Activities.
Financial Institutions	◎ Project Compliance and Risk Level; ◎ Data Consistency; ◎ Green Finance and Sustainable Financing Conditions	◎ Financing Communication; ◎ Due Diligence and Disclosure; ◎ Special Reporting	Strengthen Project Compliance and Risk Management, Improve Data Quality and Transparency, and Actively Connect with Green Finance and Sustainable Financing Opportunities.

Materiality Assessment

During the reporting period, HCIG systematically identified material ESG topics based on its business characteristics and development stage. By reviewing national policies and regulatory requirements, industry trends and strategic priorities, and by considering impacts on operations and sustainable development as well as stakeholder concerns, HCIG identified 29 ESG topics with material impacts.

Identification Process

Identify

Establish a topic pool covering E/S/G topics through benchmarking against standards, policy requirements, industry trends and internal management priorities.

Assess

Comprehensively evaluate and rank topics based on stakeholder concerns and impacts on HCIG's operations, including risks and opportunities.

Confirm

Review and confirm at the governance level, and align with the ESG governance structure and annual planning process to form the annual material topic list and management priorities.

Update

Evaluate indicator system adaptability annually and adjust dynamically based on policy changes and business development to ensure the continued relevance of material topic management.

Double Materiality Matrix



Environmental Social Governance

E

Environmental Responsibility

Advancing Low- Carbon Development to Pursue Green Growth

Green and low-carbon development is a fundamental pillar for HCIG’ s high-quality growth and its ambition to become a world-class construction and investment enterprise. Guided by Xi Jinping Thought on Ecological Civilization, and based on the characteristics of the infrastructure industry, HCIG deeply implements the national “Dual Carbon” strategy and the requirements for ecological civilization construction, integrates environmental protection and low-carbon principles across the full-lifecycle of investment, financing, construction, management and operation, promoting coordinated progress in environmental management, carbon emissions management, resource efficiency and ecological protection. By strengthening governance, improving systems and enhancing digital support, HCIG continues to elevate its green construction and environmental management capabilities, transforming environmental responsibility into advantages in project quality, operational efficiency and sustainable development, and supporting the national green development strategy.

Changsha Municipal Solid Waste Deep Comprehensive Treatment (Clean Incineration) Project

Strengthening Environmental Baselines: Building a Comprehensive Environmental Governance System

Strategy and Governance

Ecological and environmental compliance governance is directly related to compliance continuity, project delivery and brand reputation. HCIG benchmarks against domestic ecological and environmental laws, regulations and industry requirements, integrates environmental control, pollution prevention, ecological protection and compliance self-inspection into the governance structure and full engineering process, and relies on an integrated quality, safety and environmental protection framework to establish a three-tier environmental governance structure led by HCIG, coordinated by functional departments and implemented by affiliated units and projects. HCIG implements the governance requirements of "shared responsibilities of Party and administrative leaders" and "one post with dual responsibilities", clarifies the primary environmental management responsibilities of managers at all levels, and builds an environmental governance system with clear powers and responsibilities, comprehensive control, and closed-loop iteration to prevent and resolve environmental compliance risks at an early stage.

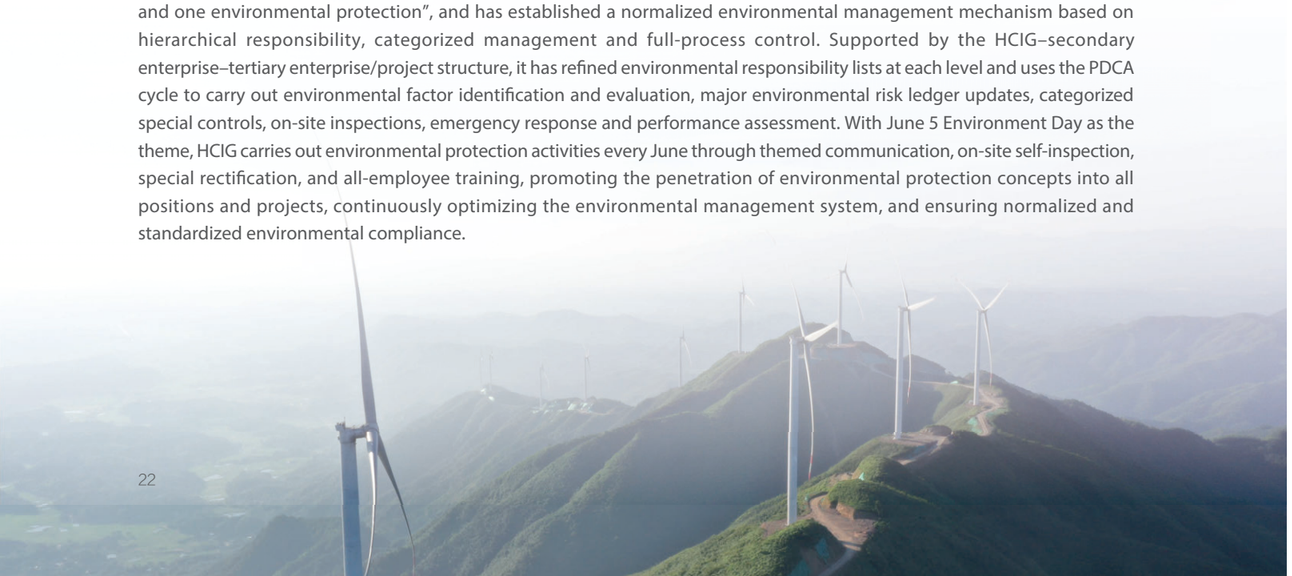
Key Policies and Systems

Measures for Supervision and Management of Environmental Protection
Measures for Construction Project Management
Measures for the Management of High-Quality and Excellent Projects

Practices and Performance

◎ Establishing a Standardized Environmental Management and Control System

HCIG strictly implements the environmental protection "three simultaneous" system, applies the requirements of "five savings and one environmental protection", and has established a normalized environmental management mechanism based on hierarchical responsibility, categorized management and full-process control. Supported by the HCIG–secondary enterprise–tertiary enterprise/project structure, it has refined environmental responsibility lists at each level and uses the PDCA cycle to carry out environmental factor identification and evaluation, major environmental risk ledger updates, categorized special controls, on-site inspections, emergency response and performance assessment. With June 5 Environment Day as the theme, HCIG carries out environmental protection activities every June through themed communication, on-site self-inspection, special rectification, and all-employee training, promoting the penetration of environmental protection concepts into all positions and projects, continuously optimizing the environmental management system, and ensuring normalized and standardized environmental compliance.



◎ Implementing Proactive and Comprehensive Environmental Risk Prevention and Control

In response to the industry characteristics of complex construction scenarios, concentrated outdoor operations, and diverse environmental impact factors in infrastructure projects, HCIG has established a group-wide environmental risk management system covering all levels. Each year, HCIG systematically conducts full-scope environmental factor identification and special assessments, accurately identifies major environmental risk points by combining the yes-or-no judgment method and expert review method, establishes a dynamically updated risk control ledger, and formulates targeted prevention and control plans for core risks such as dust, wastewater, solid waste, and ecological disturbance. HCIG also strengthens its environmental emergency response plan system through regular drills, timely reporting, and root-cause rectification. In 2025, HCIG achieved a 100% closed-loop rectification rate for identified environmental hazards, with no major environmental pollution incidents reported, and overall environmental risks remained controllable, stable and compliant.

◎ Advancing Refined and Integrated Pollution Prevention and Control

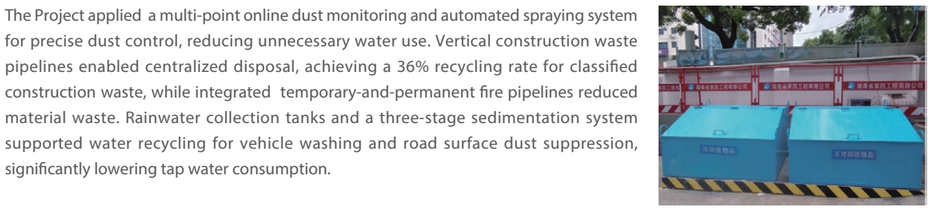
HCIG actively practices the principle that lucid waters and lush mountains are invaluable assets, and treats pollution prevention and control as a key pillar of ecological civilization. Focusing on construction dust, wastewater and air emissions, HCIG continues to increase protection-specific environmental investment and adopts refined, scenario-based and standardized measures to reduce pollution throughout the construction lifecycle.

For dust control, HCIG has achieved full enclosure of construction sites and high coverage of hardened main construction roads, supported by intelligent equipment such as mist cannons, automatic sprinklers and vehicle washing systems, together with real-time monitoring and dynamic control of dust data. For wastewater management, HCIG strictly implements rain–sewage separation and recycling systems, enabling treated construction wastewater to be reused for dust suppression and vehicle cleaning. Domestic sewage is uniformly connected to the municipal pipeline network or treated in compliance with applicable standards, enabling efficient water use and compliant wastewater discharge. For air emissions, HCIG strengthens access control and emissions testing for non-road mobile machinery, phases out outdated high-energy equipment, and continuously improves on-site air quality to ensure compliant emissions.

Case

The Second Xiangya Hospital of Central South University Outpatient, Emergency and Medical Technology Building Project — A Benchmark for Smart Environmental Protection and Resource Efficiency

The Project applied a multi-point online dust monitoring and automated spraying system for precise dust control, reducing unnecessary water use. Vertical construction waste pipelines enabled centralized disposal, achieving a 36% recycling rate for classified construction waste, while integrated temporary-and-permanent fire pipelines reduced material waste. Rainwater collection tanks and a three-stage sedimentation system supported water recycling for vehicle washing and road surface dust suppression, significantly lowering tap water consumption.



Waste Sorting and Collection Pool



The Project won the Second Prize in the Green Construction Technology Competition for Building and Municipal Engineering.



Rainwater Collection Tank

Case

Songliyuan Embankment Reinforcement Project — A Model of Eco-Friendly Construction in the Lake Area

The Songliyuan Embankment Reinforcement Project is located in an ecologically sensitive area of the Dongting Lake area. Adhering to ecological priority and green construction principles, the Project uses integrated environmental monitoring and mobile sprinkler systems during construction to achieve precise dust control, full bare soil coverage, and reduced wind erosion dust. A dynamic balance system for earthwork and waste utilization was established, with over 280,000 cubic meters of earthwork, spoil, and concrete waste processed and utilized within the Project, achieving nearly zero waste; green construction technologies such as ecological slope protection and low-carbon concrete were adopted to effectively protect the ecological environment of the Dongting Lake area.



Risks and Opportunities

Risks: Domestic ecological and environmental regulatory policies continue to tighten, while environmental compliance standards and pollutant discharge indicators in the construction industry are being continuously upgraded. As a result, investment in environmental protection facilities and the cost of compliance management continue to increase. In addition, increasing climate variability and differentiated ecological control requirements across project locations have made refined environmental management at project level more challenging, further increasing the pressure on environmental compliance in operations.

Opportunities: With ecological and environmental awareness rising across society, green construction and environmental compliance performance have become core competitiveness factors for infrastructure enterprises and important evaluation criteria in market bidding. A systematic environmental governance system and mature pollution prevention and control capabilities can effectively reduce compliance risks, enhance brand credibility, and help enterprises seize opportunities in the green infrastructure market.

Future: HCIG will continue to strengthen its standardized environmental governance system, refine dedicated environmental management and control rules for different project scenarios and regions, and promote the transformation of environmental governance from passive compliance to proactive quality improvement and value creation. It will continue to increase investment in green construction technologies and environmental protection equipment, promote the deep integration of environmental governance with cost reduction and efficiency improvement, and achieve coordinated ecological, compliance, and economic benefits.

Advancing "Dual Carbon" Goals: Building a Full-Lifecycle Low-Carbon Development System

Strategy and Governance

Addressing climate change and reducing carbon emissions are strategic material topics for infrastructure transformation and sustainable development, with a profound impact on business layout, technology iteration and long-term market competitiveness. HCIG aligns with China's "Dual Carbon" strategy, incorporates climate change response and full-lifecycle carbon management into its overall development strategy, establishes a three-tier carbon governance system featuring Group coordination, subsidiary implementation and project-wide coverage, and follows the core principles of "comprehensive carbon accounting, in-depth carbon reduction, systematic low-carbon development, and continuous carbon substitution". HCIG promotes the full-scope upgrade of carbon emissions control from single-point exploration to systematic, standardized and digitalized management, driving innovation in construction models and high-quality industrial upgrading through low-carbon transformation.

Key Policies and Systems

Implementation Plan for Green Construction Pilot Work
Management Plan for "Three 100%" Carbon Emission Calculation and Carbon Reduction Work (Trial)
Guidelines for Building the Project Target Pool and Implementation Pool for Green and Low-Carbon ("Three 100%" Carbon Emission Calculation and Carbon Reduction) Projects
Action Plan for HCIG to Fully Implement Green and Low-Carbon Construction ("Three 100%" Carbon Emission Calculation and Carbon Reduction Work) (Trial)
Notice on Launching the 2024 Annual Group Green and Low-Carbon Demonstration Project Creation

Practices and Performance

◎ Project-Wide Low-Carbon Control to Accurately Reduce Carbon Emissions

HCIG takes engineering projects as the core unit of carbon management and embeds carbon accounting, carbon reduction measures and data collection into the full-lifecycle from planning and construction to completion and delivery. Based on its self-developed carbon emission factor database for building and municipal engineering projects and full-lifecycle carbon emission calculation platform, HCIG applies the management standard of 100% carbon calculation for new projects, 100% supporting energy-saving and emission-reduction measures, and 100% carbon data collection.

In 2025, HCIG achieved full coverage of carbon management across 630 ongoing projects. Leveraging the "Suantanbao" and "Lvshitong" digital platforms, the Group realized real-time carbon monitoring, dynamic analysis and targeted emission reduction. Total annual carbon emissions reached 13.004 million tonnes of CO_2e (including building materials), with cumulative reductions of 856,600 tonnes of CO_2e (including building materials), and an average project-level reduction rate of 6.7%.



Low Carbon: An In-House Journal of HCIG



At the estimation stage, “Suantanbao”

a carbon emission quota calculation and analysis system for construction projects – has been developed to enable full-cycle carbon emission management from budgeting to final settlement.

In 2025, it supported a cumulative total of 630 projects in completing carbon emission budgeting and 198 projects in completing carbon emission settlement.



At the execution stage, “Lvshitong”

HCIG’s green construction carbon emissions management platform– enables dynamic monitoring and management of carbon emissions during the construction process.

In 2025, it provided carbon emission management services for a cumulative total of 1,037 projects.

In July 2025, HCIG established the Green Low-carbon Construction Research Institute to strengthen low-carbon technology R&D and application capabilities, integrate science and innovation resources across the Group, and build a specialized platform for low-carbon technology R&D. The Institute continues to deliver carbon reduction technologies and construction standards suited to infrastructure scenarios. During the year, HCIG added 14 green and low-carbon demonstration projects covering highways, factories, hospitals, bridges, schools, commercial complexes and water conservancy projects, and released the fifth Carbon Index covering 5 categories and 528 typical construction projects, continuously iterating industry carbon accounting standards and building an industry-leading low-carbon construction standard system.

◎ Group-Wide Green Operations to Strengthen the Foundation for Low-Carbon Development

HCIG comprehensively promotes “all-employee, all-area and all-scenario” green and low-carbon operations, integrating energy conservation and carbon reduction concepts into office operations, daily management, volunteer services and other scenarios, so as to reduce energy consumption and carbon emissions across its operational activities. In 2025, the Group completed LED lighting upgrades across all office areas, and iteratively upgraded its air-conditioning and hot-water energy-saving systems. These initiatives are expected to save 251,200 cubic meters of natural gas and 338,000 kWh of electricity annually, reducing comprehensive energy consumption costs by approximately RMB 1.34 million. HCIG also fully promotes paperless office practices and online meetings, continuously reducing office consumables and energy consumption from business travel. It has accelerated the replacement of official vehicles with new energy vehicles, completing the renewal of 11 new energy official vehicles during the year and reducing carbon emissions by an average of 46 to 53 tonnes annually.

At the same time, HCIG regularly carries out themed publicity activities for National Energy Conservation Publicity Week and National Low-Carbon Day. Through policy communication, technical interpretation and knowledge competitions, the Group strengthens employees’ awareness of energy conservation and carbon reduction. It also actively organizes volunteer activities such as tree planting, greening, and water source protection, integrating the concept of green development into project construction and community co-building.



HNCIG Communications Construction Co., Ltd. carried out a volunteer tree-planting activity at the S332 Mayang County Fuyang Highway Phase I General Contracting Project.



Hunan Construction Engineering Group Design & Research Institute Co., Ltd., fully carried out a series of activities for 2025 Hunan Energy Conservation Publicity Week and Low-Carbon Day, supporting green transformation through practical action.

Risks and Opportunities

Risks: As the “Dual Carbon” policies continue to be updated, low-carbon construction standards and carbon accounting rules in the industry continue to improve, and enterprises’ costs for technology iteration and investment in low-carbon equipment continue to rise. The technical routes for low-carbon transformation in the construction industry have not yet been fully unified, and some new carbon reduction technologies are not sufficiently adaptable in implementation, resulting in trial-and-error costs in the transition.

Opportunities: Green and low-carbon development has become a core track for high-quality development in the infrastructure industry, and the market space for green construction and low-carbon operation and maintenance continues to expand. Relying on its mature digital carbon management system, rich low-carbon project experience, and dedicated technology R&D platforms, the Group can continue to amplify its technological and management advantages, transform climate governance capabilities into core market competitiveness, and empower industrial transformation and upgrading.

Future: HCIG will continue to improve its full-lifecycle carbon management system, accelerate the large-scale implementation and iterative upgrading of low-carbon technologies and energy-saving equipment, and promote the consolidation and institutionalization of carbon reduction achievements. It will continue to expand the scale of green technological innovation and green industries, deepen green industry-finance collaboration, promote the aggregation of capital, technology, and resources in low-carbon fields, and effectively enhance its climate governance and green sustainable operation capabilities.

◎ Key Performance Data

Core Performance Indicator	Data
Number of Certified Green Construction Projects (e.g., green sites, green supply chain)	16
Carbon Reduction Projects	1037
Carbon Emission Intensity per Unit of Output Value	0.0769 tCO_2e / RMB ten thousand

Improving Resource Efficiency: Promoting Intensive and Circular Development

Strategy and Governance

Energy consumption, water use and solid waste recycling are material topics affecting operating costs, resource efficiency and environmental performance. Following the resource management philosophy of source reduction, process efficiency, end-of-pipe recycling and overall efficiency improvement, HCIG embeds energy saving, water saving, material saving and solid waste recycling into budgeting, construction organization, process control and completion settlement across the three-tier HCIG–subsidiary–project structure. Relying on digital platforms, HCIG dynamically collects, monitors and provides early warnings on energy consumption, water consumption and material consumption data. Supported by standardized systems and differentiated assessment mechanisms, HCIG promotes intensive and circular resource utilization, achieving mutual benefits in cost reduction, efficiency improvement and ecological enhancement.

Key Policies and Systems

Measures for Supervision and Management of Environmental Protection
Measures for Construction Project Management
Guidance Manual for Engineering Procurement and Construction (EPC) Project Management

Practices and Performance

◎ Refined Energy Control to Reduce Comprehensive Energy Consumption

HCIG has built a digital energy management system to monitor, collect and analyze electricity, fuel and gas consumption at construction projects, shifting energy management from post-event accounting to pre-judgment and in-process control. It promotes solar power supply, air-source heat pumps and high-efficiency construction technologies, optimizes equipment operation and reduces energy intensity per unit of output value.

Case Photovoltaic Empowerment at Wastewater Treatment Plants to Achieve Green and Energy-Saving Operations

Distributed PV facilities at the Xupu and Lengshuijiang wastewater treatment plants replaced part of conventional electricity use, saving RMB 359,200 in electricity costs in 2025 and increasing the green energy self-sufficiency rate, creating a benchmark for energy saving and cost reduction in municipal operation and maintenance projects.



Case Smart Energy Control Empowering Low-Carbon Operations in Commercial Buildings

HCIG Malanshan Creative Center implemented a smart energy management system based on BIM digital twins and AI algorithms for dynamic monitoring and intelligent control of air-conditioning, lighting and elevators. The system automatically optimizes operation strategies based on foot traffic density, weather changes and peak-valley electricity prices. After commissioning, the Project achieved a 25% overall electricity saving rate and reduced annual operation and maintenance costs by 30%, providing a replicable and scalable model for smart energy saving and low-carbon transformation in commercial buildings.



◎ Cascaded Water Resource Utilization to Improve Water-Saving Efficiency

HCIG integrates water conservation, efficient water use and water risk management across the full project lifecycle. Guided by top-level institutional design, supported by engineering measures and emergency response planning for droughts and floods, HCIG has established a full-process management mechanism covering water planning, extraction, reuse, discharge and risk control.Tailored water management strategies are adopted for different project types, including pile foundations, tunnels, municipal pipelines, reservoirs and water conservancy works, with strengthened control over temporary drainage, slurry treatment and water recycling during construction. Through training, policy implementation and process supervision, HCIG promotes effective implementation of water management requirements at project level, aiming to maximize water-use efficiency, minimize ecological impact and normalize water risk prevention and control.

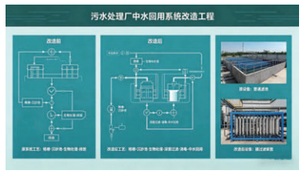
Water Recycling Measures: During the construction of reservoirs, water plants, municipal pipe networks and other projects, the Group implements the multi-purpose reuse of construction water. Foundation pit dewatering water and pile construction wastewater are recycled for concrete curing, vehicle washing, dust suppression spraying and other processes after sedimentation and filtration treatment. Circulating water tanks are installed in water conservancy construction zones to realize closed-loop circulation of production water.

Use of Reclaimed Water: For water plant construction projects, reclaimed water generated during the process trial operation phase is fully adopted as auxiliary construction water. In municipal engineering construction, rainwater and road cleaning wastewater are collected, subjected to simple treatment and reused on construction sites to cut fresh water withdrawal volume.

Water Risk Assessment Mechanism: Project-level assessments are conducted by watershed or water intake point to evaluate impacts on water resources and ecosystems and identify risks from natural hazards, including droughts, floods, debris flows and flood events, to pile foundations, tunnels, municipal pipelines, reservoir dams and other works, with targeted mitigation measures implemented accordingly.

Case Wastewater Plant Upgrading to Normalize Reclaimed Water Reuse

The Longhui Chengxi Wastewater Treatment Plant completed a dedicated upgrade of its reclaimed water reuse system, optimized the wastewater treatment process and improved tailwater recovery and utilization. The Project saved more than 2,000 cubic meters of water annually and reduced operating costs by approximately RMB 10,000, forming a standardized water-saving operation and maintenance model suitable for small and medium-sized wastewater treatment plants, with broad potential for replication and promotion.



Case

Slurry Drying and Recycling to Achieve Closed-Loop Use of Construction Water

For the large volume of slurry generated by the slurry wall protection process in pile foundation construction, the Shanghai Yuyuan Garden Phase II - South Zone Project introduced large-scale slurry dewatering equipment. By applying solid–liquid separation technology to slurry mixed with a solidifying agent, the system achieves efficient dewatering treatment.

The separated liquid is recycled through pipelines for reuse in slurry preparation for pile foundation works. Any excess liquid is used for washing construction vehicles and cleaning the site surface, enabling full circulation and cascading utilization of water resources, and significantly reducing construction water consumption. Meanwhile, the separated solidified soil is air-dried and reused for trench backfilling, reducing the need for soil transportation off-site and jointly achieving water conservation and material efficiency objectives.



◎ Solid Waste Resource Utilization to Build a Circular Economy Ecosystem

HCIG attaches great importance to waste management as a key measure to advance the circular economy and resource-efficient development. It has established a series of institutional frameworks, including green construction standards, to standardize waste management. Adhering to the principles of reduction, reuse, and harmless treatment, HCIG prioritizes source reduction, promotes resource utilization technologies, and drives the shift from end-of-pipe disposal to recycling. Clear requirements are defined for waste classification, collection, storage, and disposal, with priority given to recycling and resource recovery, while illegal dumping is strictly prohibited to maximize value and ensure environmentally sound treatment. Efforts are also made to develop construction waste recycling bases, promote the use of recycled materials such as aggregates and bricks, and pilot the resource utilization of excavated soil, enabling the transformation of waste into resources.

Case

Taizhou Municipal Waste Sorting, Collection and Back-End Treatment PPP Project
Circular Economy Demonstration Base

The Taizhou Municipal Waste Sorting, Collection and Back-End Treatment PPP Project has an annual processing capacity of 1.5 million tonnes of construction waste, 13,200 tonnes of bulky waste, and 49,500 tonnes of recyclables, converting them into green building materials such as recycled bricks and recycled cement-stabilized materials. The project company was awarded the title of "2024–2025 National Best Practice Unit for Construction Solid Waste Resource Utilization". The Project also includes a rooftop distributed photovoltaic system. Following full-capacity grid connection in 2025, the system is expected to generate 7.5 million kWh annually, covering over 60% of the Project's production electricity demand and reducing annual operating costs by RMB 1.5 million, achieving dual empowerment through solid waste recycling and clean energy self-sufficiency.





Risks and Opportunities

Risks: Construction materials are diverse and on-site materials management is difficult. Some green materials and recycling equipment require high upfront investment, creating short-term cost pressure. Differentiated regional resource controls also increase standardization challenges.

Opportunities: National support for circular economy and green building materials is strengthening. Resource efficiency and solid waste recycling capacity have become important advantages in green bidding. HCIG's mature resource recycling technologies and project experience can be effectively transformed into market competitive advantages, enabling the coordinated growth of ecological and economic benefits.

Future: HCIG will continue to upgrade energy, water and solid waste management systems, promote smart energy control, reclaimed water reuse and solid waste recycling technologies, expand green materials and circular industry layouts, and improve circular resource utilization.

◎ Key Performance Data

Core Performance Indicator	Data
Comprehensive Energy Consumption per Unit of Output Value	0.0388 tce / RMB ten thousand
Total Hazardous Waste Generated	53.9 tonnes



Strengthening Ecological Protection: Promoting Coexistence between Construction and Nature

Strategy and Governance

Ecological protection and biodiversity conservation are core material topics for infrastructure enterprises practicing green development and fulfilling environmental responsibility, directly related to regional ecological security and corporate social image. HCIG follows the principle of ecological priority and harmonious coexistence with nature, and integrates ecological restoration, soil and water conservation and biodiversity protection into project site selection, construction and operation. It reduces disturbance to nature through optimized construction organization, strict control of temporary land use, timely restoration and revegetation, and habitat protection, while developing ecological industries such as water environment governance, solid waste disposal and land remediation to support the improvement and upgrading of regional ecological environments.

Key Policies and Systems

Measures for Supervision and Management of Environmental Protection
Measures for the Management of High-Quality Excellence Projects

Practices and Performance

◎ Ecosystem-Oriented Restoration: Systematically Restoring Degraded Natural Systems

HCIG adopts an ecosystem-oriented approach to restore degraded natural systems. Focusing on areas affected by urban development and historical construction, HCIG applies integrated engineering measures to recover aquatic functions, natural shoreline forms and regional ecological resilience. By advancing the transition from engineering-based treatment to ecosystem self-recovery, HCIG promotes coordinated improvement in ecological security and environmental quality.

Case Remarkable Results Achieved by the Tujiatao Black-Odor Water Remediation Project in Miluo

The Tujiatao Black-Odor Water Remediation Project in Miluo adopted an integrated approach of pollution interception, dredging, ecological greening and water revitalization. By addressing both external and internal pollution sources and restoring ecological functions, the Project effectively eliminated black-odor conditions and improved water quality, achieving the results of "preventing sewage from entering the river and reducing overflow pollution". It has been transformed into an urban ecological wetland park, strengthening ecological protection in the Dongting Lake basin.



◎ Shaping Ecological Spaces: Transforming Ecological Value into Public Functions

HCIG promotes coordinated ecological restoration and public space development in environmental projects. By optimizing water systems, restoring natural shorelines and integrating landscape and cultural functions, HCIG transforms restoration outcomes into accessible and shared green spaces. This approach extends ecological management from environmental improvement to value creation, enhancing both ecological quality and public benefits.

Case Significant Results Achieved in the Integrated Water System Rehabilitation Project of Yangming Lake in Changde

The Phase I PPP Project for Integrated Water System Rehabilitation of Yangming Lake in Changde integrates water environment improvement, ecological restoration and public space development. Through water diversion from the Yuanjiang River, system connectivity and shoreline restoration, it has enhanced flood regulation capacity and improved the urban water environment. Upon completion, it has become a landmark ecological space for public recreation, supporting ecological progress and urban quality improvement.



◎ Comprehensive Biodiversity Protection

HCIG integrates biodiversity conservation systems into the full life-cycle management of its projects. During project site and route selection, the Group proactively avoids ecologically sensitive areas including nature reserves, drinking water source protection zones and key wetlands to reduce encroachment on natural habitats at the source. At the construction stage, it carries out special surveys on flora and fauna within project impact zones to identify protected species and ecologically sensitive units, and strictly restricts disturbances to wild animals caused by construction noise, nighttime lighting and human activities. In the operation phase, offsetting measures such as vegetation restoration, ecological corridor construction and habitat rehabilitation are adopted to minimize the negative impacts of engineering construction on biodiversity, striving to realize harmonious coexistence between infrastructure development and natural ecosystems.

Case Kenya Mombasa Municipal Roads Project — A Benchmark for Overseas Ecological Protection

The LOT 1 Mombasa-Mtwapa (A7) Road Project in Kenya is located in an ecologically sensitive coastal area with nearby sea turtle nesting habitats. The Project adopted a dynamic protection approach, using third-party assessments to identify nesting zones and peak periods, and adjusting construction schedules to avoid the breeding season while restricting nighttime noise and lighting. Ecological buffer zones, vegetation restoration and waste management systems further reduced impacts on the marine ecosystem. In 2025, the Project contributed to the Group's recognition as one of the "Outstanding ESG Practice Cases of Chinese Enterprises Going Global", providing demonstrative experience for biodiversity protection in overseas infrastructure projects.



Case

Riverside and Lakeside Ecological Corridor Project — A Model for Waterfront Habitat Restoration

The Yangtze–Dongting Lake Ecological Corridor Project, undertaken by Hunan No. 4 Engineering Co., Ltd., focuses on waterfront ecological restoration and habitat regeneration. It adopts native plant communities and intelligent irrigation technologies, completing 100,000 m^2 of greening and planting over 10,000 plants, with a survival rate exceeding 95%.

By establishing multi-layered riparian vegetation zones and eco-friendly revetment structures, the Project reduces the impact of hard engineering on natural habitats, provides habitats, and migration spaces for fish, birds and amphibians, and delivers integrated value in flood control, ecological restoration and biodiversity protection.



Risks and Opportunities

Risks: Ecological governance and biological restoration projects have long investment cycles and high technical integration requirements. Differences in local ecological management standards and stricter ecological redline constraints increase project control difficulty.

Opportunities: Beautiful China initiatives, watershed governance, ecological restoration and biodiversity conservation are expanding as nationally supported green industries. HCIG can leverage mature technologies and project experience to expand ecological and environmental business and transform ecological governance capabilities into differentiated market competitiveness.

Future: HCIG will continue to deepen water environment governance, solid waste recycling, ecological restoration and biodiversity protection, improve ecological governance technologies, and promote scale, standardization and branding of ecological projects. It will continue to strengthen ecological control throughout the full construction process, minimize ecological disturbance from construction activities, and further unlock the industrial value of green infrastructure and ecological operation and maintenance.

Driving Green Innovation: Empowering Industrial Green Transformation

Strategy and Governance

Green technology innovation, the application of green building materials and green industry-finance collaboration are key strategic themes for advancing industry transformation and sustainable value creation. HCIG positions green innovation as a core driver of high-quality development, promoting coordinated progress across green construction, materials and finance. Through systematic planning and practical implementation, HCIG establishes an integrated pathway linking technology development, project demonstration, industrial application and capital support, forming a three-in-one green development pattern of “technological innovation, industrial implementation and capital empowerment”, accelerating the transition to a low-carbon and sustainable construction industry.

Key Policies and Systems

Implementation Plan for Green Construction Pilot Work
Overall Plan for Promoting the Development of Intelligent Construction Technology and Industry
Work Guidelines for Promoting the Application of Intelligent Construction Technology and Creating Demonstration Projects (Trial)
Measures for Fund Investment Management

Practices and Performance

◎ Digital and Intelligent Technologies Empowering Green Construction

HCIG integrates BIM, the Internet of Things, artificial intelligence, intelligent construction equipment and green construction to reshape traditional construction models, address high energy consumption, pollution and material use, and improve construction-site environmental performance, resource efficiency and project quality, creating replicable and scalable benchmarks for intelligent green construction.

Case

People’s Hospital of Hunan Province Mawangdui Campus Project
The Province's First Intelligent Construction 4.0 Public Building Project

The inpatient, outpatient and medical technology complex at People’s Hospital of Hunan Province Mawangdui Campus is Hunan’s first Intelligent Construction 4.0 public building project. It implemented 31 applications across 12 intelligent construction modules, used construction robots, full-chain smart command systems and BIM virtual modeling for full-process control, and built a digital twin operation system after completion for real-time building carbon monitoring and smart equipment operation, providing digital support for green construction and low-carbon operation and maintenance of large public buildings.



Case

Changsha Airport Expansion Passenger Overnight Accommodation Project
A Three-Star Green Building Demonstration

The Changsha Airport Expansion Passenger Overnight Accommodation Project is a provincial and municipal green construction pilot. It applied intelligent dust removal, real-time environmental monitoring and low-noise equipment, and achieved the "five savings and one environmental protection" standard to a high standard. It innovatively applied multiple self-developed green construction techniques, reduced carbon emissions by 3,368 tons, achieved an overall carbon reduction rate of 8.7%, reduced construction waste by 4,364 tons, achieved a material recycling and reuse rate of 98.28%, and received a three-star green building rating, becoming a green and low-carbon benchmark among regional airport supporting projects.



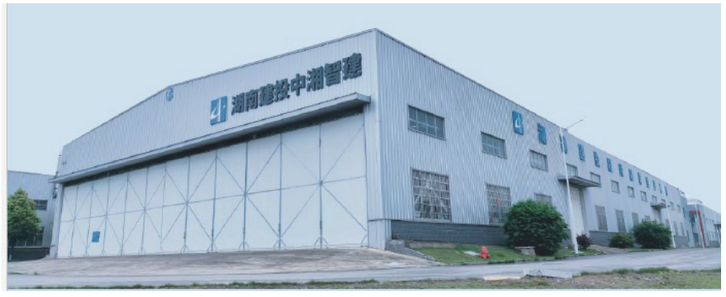
◎ Industrial Upgrading Empowering Green Building Materials

HCIG focuses on the industrialization, greening and circular upgrading of construction, and deeply develops green building material tracks such as modular buildings and high-quality green aggregates. Through technological innovation, the Group promotes low-carbon building material production, prefabricated construction and circular resource utilization, improves the layout of the green building materials industry chain, and supports carbon reduction and quality improvement in the construction industry.

Case

"GS-MODULAR" Building — A Benchmark for Prefabricated Green Construction

The "GS-MODULAR" building system developed by Sino-Hunan Intelligent Construction Co., Ltd. uses factory prefabrication and dry on-site assembly, reducing building self-weight by 80%, construction energy consumption by 60%, construction waste by 70% and construction period by 90%, while also significantly optimizing labor input and costs. By the end of 2025, the technology had been applied in more than 100 projects with cumulative contract value of RMB 160 million. Among them, the Baigongrenyi Project in Xiangtan Comprehensive Bonded Zone was delivered in only 25 days, fully demonstrating the core advantages of modular buildings in efficiency, low carbon and intensiveness.



Case

Hanshou Manufactured Sand Plant
A Benchmark for Recycling and Utilization of Green Building Materials

The Hanshou Manufactured Sand Plant, invested and constructed by HCEG Building Materials Co., Ltd., has annual capacity of 4.5 million tons and uses discarded river pebbles as raw materials to produce high-quality green building materials. It applies enclosed production, dry mist dust suppression and closed-loop wastewater recycling. In 2025, it achieved 100% reuse of dust-containing wastewater, maintained noise and particulate emissions far below national standards, restored 95% of site vegetation, and passed cleaner production certification and ISO environmental management system certification, effectively replacing traditional mined building materials and supporting regional ecological protection and green building material industry upgrading.



◎ Industry-Finance Collaboration Activating Green Capital

In green finance, HCIG continues to optimize its green financing structure by leveraging multi-level capital markets and amplifying the value of green finance in empowering industrial transformation. Its outstanding technology-innovation green bonds reached RMB 11 billion, ranking among the leading levels in Hunan Province by stock proportion. Leveraging its mature issuer qualifications, HCIG continues to expand the issuance scale of green bonds and technology-innovation bonds and reduce financing costs for green projects. Its subsidiary Sino-Hunan Capital Holdings Co., Ltd. has invested in new energy, building of computing infrastructure and other green low-carbon tracks, established eight green special funds, and promoted precise capital support for green industries, realizing mutual reinforcement between capital appreciation and green industry upgrading.

Risks and Opportunities

Risks: Green and intelligent construction technologies iterate rapidly, market competition is intensifying, and R&D investment in new technologies and equipment remains high. Green finance policies and interest-rate systems may fluctuate, placing higher requirements on green innovation investment and capital operation capabilities.

Opportunities: Green technology innovation, prefabricated construction and green finance are becoming core tracks in infrastructure transformation. HCIG's technology, capital and resource advantages can help build technical barriers and amplify brand and market advantages, leading the industry's green and high-quality transformation.

Future: HCIG will deepen integration of artificial intelligence, digital construction and green construction, improve green construction standards, promote green technologies from individual demonstrations to large-scale application, expand green industry and finance layouts, accurately allocate capital resources, and strengthen core green innovation competitiveness in all respects, supporting the low-carbon, intelligent and high-quality iterative upgrading of the construction industry.

S

Social Responsibility

Creating Social Value through Responsible Development

Fulfilling social responsibilities and creating shared value are fundamental attributes and long-term missions of HCIG as a provincial state-owned enterprise. Guided by a people-centered approach, HCIG integrates employee development, work safety, public well-being, community co-development, and value chain collaboration into its governance and operations. It strengthens employee rights protection and career development mechanisms, enhances work safety and occupational health management, and improves project quality and delivery performance to support employment stability, people' s livelihoods and regional coordinated development. Meanwhile, HCIG adheres to localized, responsible, and sustainable development in both domestic and overseas projects, transforming social responsibility from one-way input into co-creation and shared benefits. In doing so, it converts social trust into brand strength, partnership advantages, and long-term growth, enabling the coordinated advancement of business and social value.

Construction Project of Yumai Happy & Beautiful Well-off Demonstration Border Township, Longzi County, Xizang

Putting People First: Employee Rights and Development

Strategy and Governance

The appreciation of human capital and the stability of labor-management relations are foundational material topics for the long-term development of enterprises. HCIG adheres to legal compliance and is people-oriented, and incorporates equal employment and rights protection, career empowerment, compensation and benefits, and labor relations stability into its governance and risk control system to prevent compliance, talent loss and uneven employee development risks in advance, protect employees' legitimate rights and interests in equal employment choices, career advancement, and physical and mental health, and achieve synergy between employee growth and corporate development.

Key Policies and Systems

Measures for the Management of Employees
Measures for Employee Recruitment Management
Measures for the Management of Employee Education and Training
Measures for the Management of International Talents
Employees' Congress System
Measures for the Management of Trade Union Work

Practices and Performance

◎ Fair Employment Practices - Building a Stable and Compliant Labor Ecosystem

HCIG strictly complies with labor laws and regulations, upholding lawful and standardized employment practices and robust contract management to safeguard employees' legitimate rights, while firmly prohibiting child labor and forced labor. Adhering to principles of openness, fairness and impartiality, HCIG continuously improves mechanisms for talent recruitment, development, evaluation and incentives, providing equal opportunities in hiring, compensation and career development, and steadily enhancing the standardization of human resources management.

HCIG continues to improve democratic management mechanisms such as employees' congresses and trade unions, and maintains open channels for employee communication and feedback. It fosters harmonious labor relations and an equal, inclusive workplace, advocates a corporate culture of mutual respect, trust, solidarity and collaboration, firmly opposing discrimination, harassment, and any infringement of employee rights, and continuously enhancing employees' sense of gain, happiness and belonging.

Case

Proactively Expanding Talent Recruitment Nationwide to Safeguard Workers' Employment Choices

In November 2025, HCIG participated in the "Zhihui Xiaoxiang, Talent Gathering in Hunan" special recruitment event in Tianjin, offering more than 110 positions and diversified career paths for high-level talents, receiving more than 150 consultations, and received collecting 27 resumes with master's degrees and above. HCIG adheres to open fair and impartial and fair recruitment, removes employment barriers, relies on its sound talent cultivation system and international business platform, protects job seekers' equal rights to employment and career development, and fulfills its responsibility as a state-owned enterprise to stabilize employment and protect people's livelihoods.





Case

Convening Employees' Congress to Strengthen Democratic Management and Rights Protection

In March 2025, the Group convened the 5th Employees' Congress and the 4th Trade Union Members' Representative Congress of its first term, where representatives exercised democratic rights and reviewed and approved the trade union work report and the review report on fund income and expenditure, and completed by-elections for members of the trade union committee and the fund review committee. The meeting further strengthened democratic management, with the Party Committee emphasizing the principle of "everything for employees and relying on employees in everything", employee rights protection in democratic management, remuneration, rest and leave, occupational safety and health, and employee care initiatives. The trade union gives full play to its role as employees' "home", carries out the "Four Deliveries" branded care initiatives, assistance and public welfare activities, and continuously improves service quality. The meeting clarified the overall requirements for trade union work in 2025 and focused on twelve key tasks in four areas: strengthening cohesion and ideals, making contributions, putting people first, and strengthening foundations and empowerment, uniting and guiding employees to dedicate themselves to their posts. In 2024, the Group's trade union received six national-level honors, including "Advanced Unit for Democratic Management", and was recognized "Outstanding Trade Union Unit" for three consecutive year by Working Committee of Directly Affiliated Grassroots Trade Unions of Hunan Province, effectively promoting the deep integration of corporate democratic management and employee rights protection.

Case

Employee Well-Being: Building Supportive Workplace Communities

In December 2025, Hunan No. 6 Engineering Co., Ltd. built an "Employee Home" that integrates functions such as an employee reading room, fitness area, mother-and-baby care room and mental wellness station, covering employees' needs for learning and development, cultural and sports leisure, rights protection and psychological counseling. By improving supporting facilities for grassroots employees and building a regular employee care platform, it effectively enhances employees' sense of belonging, happiness and organizational cohesion, strengthening the foundation for talent stability.



◎ Talent Development -Cultivating a Tiered, Sustainable Talent Pipeline

HCIG has established a tiered and targeted talent development and career advancement system aligned with industry transformation and strategic needs, covering management, project leaders, technical professionals and young talent.

In 2025, HCIG implemented systematic training across key areas such as leadership development, project delivery, professional expertise and practical skills, while improving talent pipeline development, professional title review, and special incentive mechanisms. These efforts address capability gaps, optimize talent structure and enhance human capital value, providing strong support for high-quality and sustainable development.

A total of 5,521 employees were recruited via campus recruitment and 6,048 experienced talents were introduced over three years. High-end scientific research personnel are pooled relying on postdoctoral research workstations. The Group hosted the Female Chief Engineers Forum to facilitate the professional development of female scientific and technological talents. It deepens industry-education integration and vigorously promotes the spirit of model workers, labor spirit and craftsmanship spirit. In 2025, five personnel including He Liang and Huang Zonggui were honored as Hunan Provincial Model Workers.



2025 Training Course for Cadres – Sixth Cohort of HCIG





2025 “Strong Transportation Province, Quality Wins the Future” Experimental Skills Competition Held by HNCIG Communications Construction Co., Ltd.

Talent Pipeline	Practice
Management Cadres	Two cadre rotation training programs and one project manager-focused training program were carried out throughout the year. A total of 80 young and mid-career backbone employees and 40 project managers were selected to participate. Through case-based teaching, sandbox simulations, and thematic seminars, the comprehensive managerial and performance capabilities of management personnel were systematically enhanced.
Project Delivery & Professional Staff	Special empowerment programs were organized focusing on BIM application, safety production, quality management, and cost control. In 2025, the job competency rate of project-based employees increased by approximately 30%. A number of young employees grew into core technical and managerial personnel, achieving mutual empowerment between project delivery performance and talent development.
Young Innovation Workforce	The Youth Innovation Studio organized multiple benchmarking and exchange activities, covering scenarios such as intelligent manufacturing, prefabricated construction, and digital construction, promoting the transformation of youth innovation outcomes into engineering practice and building reserve capabilities for the Company's digital and green transformation.
Governance & Incentives	The professional title evaluation process was carried out in a standardized manner, with 707 mid- and senior-level titles submitted externally for review, 1,330 senior titles and 587 intermediate titles completed through internal evaluation. Nine individuals were selected into the State-owned Assets Supervision and Administration Commission of Hunan Provincial People's Government “Yingpei Program”, and 60 individuals were included in the Group's “Yingcai Talent Pool”. A total of RMB 1.07 million in annual talent-specific living subsidies was disbursed.

◎ Holistic Employee Well-Being - Comprehensive Welfare and Care for Our People

HCIG upholds the philosophy of "people orientation and shared well-being". Under the leadership of the Group Party Committee, with the labor union taking the lead and subsidiaries working together, HCIG has built a comprehensive employee care system covering inclusive benefits, assistance for employees in difficulty, cultural and sports activities, physical and mental health, and family care. The Group continues to improve its regular support mechanism and provides targeted assistance in living, education, and medical care to employees in need, enhancing the precision of employee assistance.

HCIG has strengthened its inclusive welfare services, achieving 100% coverage of mutual aid for serious illnesses and health check-ups; it has expanded special disease insurance and health screening programs for female employees, strengthening care services for female employees. To meet employees' diverse needs, HCIG organizes activities such as summer camps for employees' children, networking events, Women's Day and Children's Day programs, and holiday childcare services. It also regularly carries out recuperation and care programs for model workers and skilled employees, and organizes frontline-focused initiatives such as family reunion support and group birthday meals, creating a warm, supportive, and caring workplace atmosphere.



The Trade Union of HCIG organized female employees to Guoyuan Town, Changsha County, for the International Women's Day celebration themed "Cherry Blossoms in Spring, Embrace a Radiant Youth Together".

HCIG further deepens the brand development of "Book-Loving HCIG". It has successfully hosted the female employee-themed reading activity "Rose Fragrance of Books · Elegant Hunan Reading" organized by grassroots trade unions directly affiliated to Hunan Province for two consecutive years, winning high recognition. Giving full play to the effectiveness of cultural and sports associations, the Group held its 2nd Staff Basketball Tournament, with 31 teams from 34 subsidiaries and nearly 600 players participating, building a well-loved activity brand for employees. The Group co-hosted the staff walking competition "Building Dreams Together · Walking for Health in Yanghu" together with the Department of Housing and Urban-Rural Development of Hunan Province, attracting over 300 participants. HCIG organized employees to take part in various cultural and sports events at higher levels and won the runner-up in the "Craftsman BA" Basketball Tournament for enterprises supervised by State-owned Assets Supervision and Administration Commission of Hunan Provincial People's Government, the second prize in badminton and third prizes in fun events at the Staff Sports Games of the Working Committee of Directly Affiliated Grassroots Trade Unions of Hunan Province. The brand influence of the Group's trade union keeps growing, and employees' sense of belonging and cohesion have been markedly strengthened.



HCIG successfully held the second "HCIG Cup" Basketball Tournament.



2025 "Building Dreams Together · Walking for Health at Yanghu" Employee Walking Competition

HCIG further advanced the "Five-Type Employee Home" initiative at the grassroots level. It conducted a special survey on labor union facilities and provided RMB 800,000 in subsidies to support the construction of union service spaces at 30 ongoing projects. HCIG also upgraded the environment and management of its employee home, built a new health room, and regularly organized activities such as yoga, table tennis, fitness, and billiards, further enhancing employees' sense of belonging and well-being.

Case

Standardized Care Facilities Implementation and Addressing Employee Livelihood Gaps

In 2025, HCIG's Baby Care Room and the Baby Care Room of Hunan No. 8 Engineering Co., Ltd. were honored as the "2025 Provincial Trade Union Model Baby Care Rooms". Meanwhile, the "Craftsman Spirit" Charitable After-School Care Class under Hunan Construction Engineering Group Co., Ltd. and the "Building Workers' Future, Assisting Growth with Love" Charitable After-School Care Class of Hunan Installation Engineering Co., Ltd. were named the "2025 Provincial Trade Union Model Charitable After-School Care Classes", with financial support from provincial special funds. Standardized supporting facilities effectively resolve livelihood issues such as infant care for female employees and after-school care for employees' children. The Group has comprehensively upgraded its employee welfare security system and markedly improved the well-being of grassroots staff.



HCIG's Baby Care Room



Charitable After-School Care Class of Hunan Industrial Equipment Installation Co., Ltd.

Risks and Opportunities

Risks: As HCIG expands its domestic and overseas presence, employment scenarios are becoming more diverse. High labor mobility and complex frontline workforce management in the construction industry place higher requirements on employment compliance, equal development opportunities, and frontline talent empowerment.

Opportunities: As the construction industry accelerates its transition toward digitalization, green development, and high-quality delivery, interdisciplinary, innovative, and highly skilled talent has become a core competitive advantage. The Group can leverage its tiered talent development and employee care systems to strengthen its human capital and support long-term strategic growth.

Future: HCIG will continue to improve its employment compliance management system, allocate more training, welfare, and development resources to frontline projects and grassroots employees, and use digital tools to enhance full-lifecycle talent management, promoting standardized, refined, and sustainable employee governance.

Key Performance Data

HCIG Has 36,767 Employees in Service, Including 48 Doctors and 1,954 Masters.

Trade Unions at All Levels of HCIG Allocated Nearly RMB 3 Million in Consolation and Student Aid Funds.

Visited and Expressed Condolences to Employees in Need and Frontline Workers more than 3,000 Times.

Assisted 14 Employees in Need to Complete the Registration of the Provincial Federation of Trade Unions, and 2 Employees in Need Were Able to Escape from Poverty.

Over RMB 3.18 Million Was Invested in Funds and In-Kind Support under the "Summer Relief" Initiative, Benefiting more than 200 Projects.

The "Heat Relief" Care Campaign Covered All Projects under the Group, with Visits to more than 200 Project Sites.

The Employee Major Illness Medical Mutual Aid Program and Health Check-Up Coverage Both Reached 100% .

Safeguarding Work Safety: Strengthening Occupational Health Management

Strategy and Governance

Occupational health and safety is a top-priority material issue for the construction industry, directly affecting project delivery, asset safety, employee well-being, and corporate reputation. Upholding the principle of "life first and safety foremost", HCIG incorporates safety governance and occupational health management into its corporate governance framework, establishing a governance framework coordinated by the Work Safety Committee where the principal responsible person serves as director. With a sound safety management structure and compliant staffing, HCIG strictly implements the work safety responsibility system and the dual prevention mechanism for risk control and hidden danger identification and management. The Group strengthens closed-loop management across work safety, occupational health, emergency response, and hidden danger rectification, shifting from reactive response to proactive prevention and systematic control to fully mitigate work safety and occupational health risks to safeguard the life, safety, and health of all employees on duty.

Key Policies and Systems

Work Safety Management System

Measures for Accountability and Rewards and Punishments for Work Safety

Measures for Quality and Work Safety Management of Overseas Projects

Practices and Performance

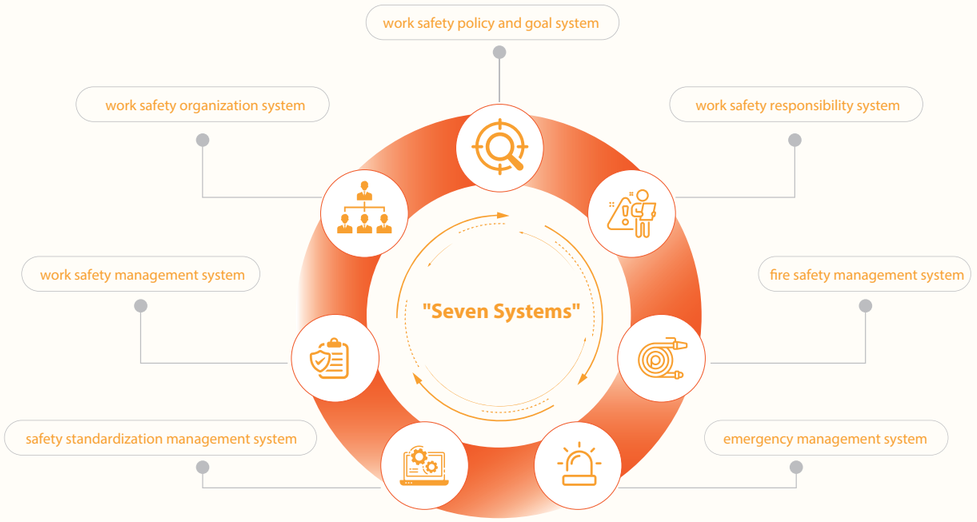
◎ Safety Management Systems

HCIG has established a standardized safety governance framework of "Seven Systems, Three Mechanisms and One Procedure" and "Three Establishments, Three Priorities, Three Defenses and One Initiative" and an all-employee responsibility network covering all levels, functions, and personnel. Safety priorities are deployed at the beginning of each year, while quarterly Work Safety Committee meetings are held to assess risks and assign tasks. The Group advances annual safety work through system improvement, strengthened basic management, demonstration and exchange, risk prevention, technology empowerment, and performance assessment in six specified work directions.

HCIG has developed an institutional system centered on responsibility implementation, risk control, and emergency response, standardizing safety management, hidden danger inspection, accident handling, emergency drills, and work injury management. It strictly implements the "One Document with Four Mechanisms" rule for major hazard management, mechanisms for safety expense withdrawal and use, high-risk project control, and hazard reporting incentives, ensuring rule-based, accountable, and traceable safety governance.

HCIG has established an Emergency Management Committee, chaired by the principal responsible person, to lead emergency rescue work. The Group has completed the preparation, issuance, and filing of emergency response plans, and equipped emergency personnel, materials, and equipment. It has standardized procedures for emergency drills, accident reporting, on-site response, and post-incident review to ensure rapid response, effective handling, and loss reduction, fulfilling social responsibilities as a state-owned enterprise in emergency rescue.

In 2025, HCIG achieved a 100% rectification closure rate for safety hazards and was recognized as an “Outstanding Unit for Work Safety and Fire Prevention in Hunan Province” for three consecutive years. The maturity of its safety governance system and the stability of risk control capabilities continued to improve.



"Three Mechanisms"

- dual prevention mechanism of hierarchical safety risk management and control and hidden danger investigation and management
- safety production assessment mechanism
- safety production reward and punishment mechanism

“One Procedure”

- a safety technical operating procedure covering the entire business scope of the Group

◎ Managing Safety Risks

HCIG conducted safety risk assessments and major risk source identification for nearly 1,000 projects, and enforced full-process control over high-risk works including preparation, review, approval, technical disclosure, execution and acceptance, ensuring no construction without assessment, approved plans, or acceptance and no commissioning without acceptance. It strengthened dynamic management and control of major risk sources, finished rectification and delisting of Grade D dilapidated buildings to resolve disruptive safety risks at the source. The Group strictly implemented the "One Document with Four Mechanisms" system for major potential accidents, adopted listed supervision for major hidden dangers and dynamic clearance for general hidden dangers, and delivered thorough hazard inspection, complete rectification and full closed-loop management. With the strictest standards and most solid measures, the Group firmly holds the bottom line of work safety.

HCIG fully promotes technical equipment including AI-powered hidden danger inspection software, intelligent pre-control systems for special equipment, intelligent monitoring for confined spaces, and smart fire protection systems. It advances the initiative of "replacing manual labor with machinery and cutting on-site personnel via automation" to realize second-level identification of hazards and real-time risk early warning. Uniform safety and civilization VI standards are implemented across all construction sites, substantially elevating the intrinsic safety level of work sites.

◎ Cultivating Safety Culture

HCIG regards personnel safety and occupational health as its starting point and ultimate goal. It formulated the core safety culture concept of "Taking Initiative to Create Safety", and built a four-in-one safety culture system with intrinsic safety as the goal, risk pre-control as the core, hazard rectification as the foundation, and emergency response as the supplement. The Group comprehensively improved full-process mechanisms including safety culture cultivation, education and training implementation, smart platform development, transformation of scientific and technological achievements, and innovation incentive assessment, so as to make safety concepts deeply rooted in employees’ minds and deliver tangible results from safety innovation.

HCIG regularly conducted safety culture promotion, warning education and themed lectures. All year round, it spread safety concepts, knowledge and skills through internal platforms, billboards, warning videos and online courses, extending safety culture to all subsidiaries, projects, teams, posts and employees’ families. It held high-standard events for the Work Safety Month, including launch ceremonies, safety knowledge and skill competitions, emergency rescue drills, safety consultation days, hazard snapshot activities and safety culture exhibitions. Immersive, experiential and interactive publicity made safety concepts deeply rooted in people’s minds. Practical drills such as emergency rescue exercises for external scaffold collapses were organized to hone capabilities through drills and prepare for emergencies via practice, delivering simultaneous improvements in safety education and field response capacity. Intensive centralized safety training was provided to cover all managerial staff, frontline workers and special operation personnel.



In June 2025, the launch ceremony of Hunan’s Construction Safety Production Month and an on-site exchange event were held at the Xiangjiang Innovation Port Project constructed by Hunan Construction Engineering Group Co., Ltd. The event provided a platform for demonstration and experience sharing, promoting safety management practices across the industry.



Hunan No. 4 Engineering Co., Ltd. introduced an "Safety Points Reward Store" system in Shaoyang Central Hospital Project, granting points to outstanding workers that can be redeemed for practical items, effectively incentivizing safe behavior.

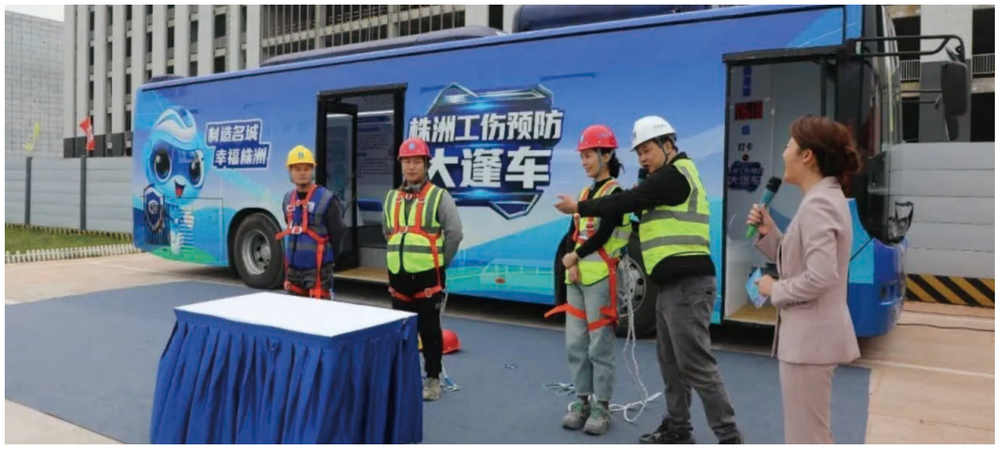
◎ Safeguarding Occupational Health

HCIG follows the occupational health principle of "People-oriented, Health Priority, Integrated Prevention & Treatment and Comprehensive Governance". It coordinates occupational health and work safety through unified planning, deployment, and implementation, and has established a management system covering Group leadership, departmental supervision, unit-level responsibility, and project-site execution. Occupational hazard prevention, labor protection, health surveillance, training, and emergency response are integrated into full-process management.



In March 2025, Hunan Construction Engineering Group Co., Ltd. Xiangjiang Academician Port Project launched a free clinic on the construction site to provide testing and diagnosis and treatment consultation services.

HCIG strictly complies with laws and regulations such as *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* and *Regulations on Work-Related Injury Insurance of the People's Republic of China*. It has built a full-chain mechanism covering hazard identification, risk assessment, source control, process management, monitoring, health checks, and file management, ensuring identifiable hazards, controllable risks, monitored health, and protected employee rights. The Group continues to promote standardized and digital occupational health and safety management to safeguard employees' health and support high-quality development, standardizing information-based management to protect staff occupational health rights and underpin high-quality development.



In November 2025, Hunan No. 5 Engineering Co., Ltd., together with local competent authorities, launched the "Work Injury Prevention Mobile Classroom" at the Zhuzhou 905 Base project site.

Risks and Opportunities

Risks: Construction projects involve complex scenarios, multiple processes, and extensive outdoor operations. With the application of new business models and technologies, safety risks are becoming more diverse and complex. Some frontline projects still need to improve refined occupational health management, and safety implementation standards vary across sites.

Opportunities: The rapid adoption of smart construction and digital risk control technologies provides stronger support for early warning, intelligent prevention, and closed-loop safety management. As regulatory standards for work safety and occupational health continue to improve, HCIG's systematic safety governance advantages as a state-owned enterprise will become more prominent.

Future: HCIG will further implement its occupational health and safety management system, strengthen technology-enabled risk control, advance early risk warning, and promote integrated, digital, and standardized management of work safety and occupational health to enhance intrinsic project safety.

Key Performance Data

1,037 Emergency Drills Were Conducted throughout the Year, with 33,857 Participants.

Throughout the Year, 14,605 Post Safety Production Responsibility Systems Were Formulated and 51,940 Work Safety Responsibility Commitment Letters Were Signed.

Safety Hazard Investigation and Rectification Completion Rate: 100%

The Total Working Hours of the Whole Group Are 75,026,944 Hours

Hours of Work Lost Due to Work-Related Injuries (Permanent Employees): 11,499

Number of Work-Related Fatalities (Permanent Employees): 0

Organized 6,272 Centralized Production Safety Training Sessions throughout the Year, Covering 159,933 People

Project Safety Training Coverage: 100%

A Total of 30,721 Participants Took Part in the National Emergency Management Legal Knowledge Competition, Achieving a Cumulative Total Score of 4,325,561 Points.

Enhancing Quality Excellence: Driving Innovation in High-Quality Construction

Strategy and Governance

Project quality control and technological innovation constitute core substantive matters that determine an enterprise's performance reputation, market standing and long-term operational value. HCIG has established a three-tier governance system for quality management and technological innovation featuring overall coordination at the headquarters, implementation by subsidiaries and execution at project sites. The Group integrates high-quality construction, green construction, smart construction and technological upgrading throughout the full life cycle of projects, covering planning, construction, completion and handover, as well as operation and maintenance services. Supported by a sound institutional framework, HCIG advances standardized quality management, regularized innovative application and demonstration benchmark projects. It consistently elevates project delivery quality, delivers long-term construction value for clients, urban development and people's livelihood, and facilitates high-quality and sustainable urban-rural development.

Key Policies and Systems

Measures for the Supervision and Management of Project Quality
List of Quality Responsibilities for Projects at All Levels
Measures for the Management of High-Quality Excellence Projects
Measures for the Evaluation and Management of "HCIG Good Houses"
Measures for Digital Management

Practices and Performance

◎ Quality Governance - Institutionalizing a Culture of Excellence



HCIG adopts a systematic and lifecycle-based approach to enhance quality management. Through full-process quality control, dynamic review and continuous improvement, HCIG strengthens accountability across all levels and shifts from reactive correction to proactive prevention and iterative improvement. This approach steadily improves first-time acceptance rates and establishes a standardized, regulated and premium-oriented high-quality construction management system.

The Group Held the 2025 Specialized Training Program for Corporate Quality Management Personnel

Case

Hosting Municipal Quality Month Activities to Set Industry Quality Benchmarks

In September 2025, the launch ceremony of Xiangtan's Construction Quality Month was held at the Workers' Cultural Palace Project constructed by Hunan No. 3 Engineering Co., Ltd. Leveraging technologies such as full-discipline BIM simulation, smart construction management, advanced construction methods and permanent-temporary integrated green construction practices, the Project established a standardized quality demonstration zone. It comprehensively showcased practices in standardized, digital and green quality management, contributing to the overall improvement of construction quality in the region.



◎ Digital Construction - Accelerating Construction Model Evolution

HCIG closely follows the trend of digitalization and intelligent transformation in the construction industry. It continues to deepen the large-scale application of new technologies such as BIM, construction robotics, and smart construction sites. Through technological innovation, the Group addresses pain points of traditional construction, enhances engineering efficiency and quality, improves green and low-carbon performance, and accelerates the adoption of new industrialized construction methods.

BIM Application Improves Digital Construction Capabilities

New BIM Workstations Established
289

Coverage Rate
66%

BIM Special Training Sessions Held throughout the Year
106 sessions

Number of Participants Covered
2,444 participants

Projects Awarded in BIM Competitions Organized by National Industry Associations
174 awards

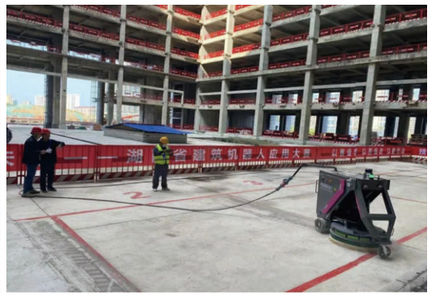
Cumulative BIM Research Outputs
(including projects, papers, publications and independent achievements)
170 items

Case

Construction Robot Application Promotes Intelligent Construction

In November 2025, HCIG hosted the Hunan Provincial Construction Robotics Application Competition, establishing real-site scenarios for the contest. Combining theoretical assessment with on-site practical operation, the competition covered tasks such as tiling, wall panel installation, spraying and grinding using construction robots. The event promoted the scenario-based and large-scale application of intelligent construction technologies, accelerating digital transformation and high-quality development of construction industrialization.





◎ Benchmark Projects - Delivering High-Quality Public Infrastructure

HCIG focuses on core sectors including livelihood infrastructure, cultural tourism projects and municipal supporting facilities. It coordinates multi-dimensional construction standards covering project quality, green low-carbon development, technological innovation and humanistic empowerment, and has delivered a batch of national and provincial benchmark high-quality projects. These efforts boost urban renewal, cultural tourism upgrading and improvement of people's livelihood, demonstrating the Group's construction capacity and social responsibility as a state-owned enterprise.

Case

China's First Large-Scale Wooden Structure Kindergarten Opened, Setting a Benchmark for Green Education

In February 2025, the country's first large-scale wooden structure kindergarten attached to HCIG Xiangshan International Project was officially opened. It adopts eco-friendly and human-centered design concepts and a steel-wood composite structural system, with core components imported Nordic spruce from Finland to create a safe and low-carbon children's space and set a benchmark for green buildings.



Case

Municipal Engineering Project Awarded Top Quality Recognition

In July 2025, the pedestrian corridor bridge project undertaken by Hunan No. 6 Engineering Co., Ltd. was awarded the top municipal engineering highest quality level certification by China Municipal Engineering Association. With a total length of 508.8 meters and total investment of approximately RMB 107 million, the Project integrates three core innovative technologies: STC ultra-high toughness concrete, TMD tuned mass damper and MMA environmentally friendly pavement. It adopts the two-way curved "Flying Ribbon in Air" design to build a new urban landscape landmark, receiving more than 1.5 million tourists annually, which fully demonstrates the Group's refined and high-standard premium construction capacity.



Risks and Opportunities

Risks: As standards for green construction, smart construction, and high-quality projects continue to evolve, market expectations for project quality, human-centered design, low-carbon performance, and smart facilities are rising, placing higher demands on HCIG's technological innovation and refined quality control capabilities.

Opportunities: New industrialized construction, digital construction, and green buildings are becoming mainstream industry trends. HCIG can leverage its technological expertise, quality control strengths, and brand advantages as a state-owned enterprise to enhance market competitiveness and industry influence through benchmark projects.

Future: HCIG will continue to strengthen innovation-driven development, promote the large-scale application of innovation achievements, improve full-lifecycle project quality management, and create more high-quality benchmark projects to support high-quality urban and rural infrastructure development.

Key Performance Data

Highest Quality Level Evaluation by China Municipal Engineering Association:	5 projects
Provincial-Level and above Survey, Design and Consulting Awards:	38 awards
Quality Power Engineering Award by China Electric Power Construction Association:	1 project
AAAAA Premium Quality Project by China Chemical Construction Enterprise Association:	1 project
Quality Engineering Award of China Nonferrous Metals Industry:	2 projects
China Metallurgical Construction Association National Excellent Engineering Quality Achievement Award (Metallurgical Industry):	2 awards
Hunan Provincial Construction Project Furong Award for High-Quality Construction Projects: 78 (as contractor), 91 (as participating contractor)	
Hubei Chutian Cup Quality Construction Projects:	3 projects
Fujian Minjiang Cup Provincial Quality Construction Project:	1 project
Quality Project in the High-Quality Engineering Competition by Liaoning Construction Industry Association:	1 project

5 **Issues of the Group's All-Excellence Internal Publication Compiled and Released**

63 **"All-Excellence Projects" Approved During the Year**

43 **"HCIG Good Houses" Projects**

Quality Management Outcomes

First-Pass Acceptance Rate of Unit Projects Reached 99.5%

10 **Subsidiaries and** 167 **Projects Were Rated as "Excellent Construction Sites in Hunan Province for Safety and Quality Standardization Assessment"**

National-Level QC (Quality Control) Achievement Awards:	40 items
Provincial-Level QC Achievement Awards:	91 items

ISO 9001 Quality Management System Certification Obtained by 17 **Subsidiaries**

Fostering Industrial Ecosystems: Advancing Sustainable Development

Strategy and Governance

Supply chain compliance and sustainable governance are key to managing value chain risks and strengthening long-term resilience. HCIG integrates ESG principles across the full supplier lifecycle, from supplier access, bidding and procurement, contract performance, evaluation, and exit. Focusing on five core dimensions: supply chain compliance operation, labor rights protection, occupational health and safety, green procurement implementation and business ethics control. HCIG has built a standardized, transparent, and traceable supply chain governance system. As a chain-leading enterprise in the industrial chain, HCIG promotes collaborative innovation, empowers upstream equipment manufacturing, extends into downstream operational services, and works with partners to build a green, resilient, and mutually beneficial industrial ecosystem.

Key Policies and Systems

Measures for the Management of Headquarters Procurement (Trial)
Measures for Project Procurement Management (Trial)
Detailed Rules for the Centralized Procurement of Construction Materials for Investment Projects (Trial)
Management System for Commercial Cost Control of Construction Projects
Integrity and Compliance Policy and Procedures
Code of Conduct for Business Partners
Measures for Restricting Cooperation with Business Partners

Practices and Performance

◎ Supply Chain Compliance - Fortifying Supply Chain Risk Defenses

HCIG has established a rigorous supplier management system covering qualification, dynamic evaluation and exit mechanisms, requiring 100% of new suppliers to sign anti-bribery commitments and compliance certificates. Core criteria include project quality, environmental protection, labor compliance, occupational health, work safety, green performance and business integrity. Through regular compliance screening and due diligence across the supply chain, HCIG imposes restrictions or terminates cooperation with non-compliant partners, standardizing business conduct and building a transparent, stable and controllable supply chain ecosystem.

◎ Digital Procurement - Enhancing Transparency and Governance in Sourcing

HCIG uses digitalized bidding as a key lever to continuously improve the transparency and standardization of supply chain management. For eligible engineering projects, a fully digital bidding system is adopted to realize end-to-end online closed-loop management. Relying on digital systems such as the construction project cost control management platform, the Group has implemented full-process online closed-loop and traceable management covering procurement announcement release, bidding and tender evaluation, contract signing, performance management, and financial accounting. This effectively reduces risks of manual intervention, improves procurement efficiency, fairness, and transparency, and enables standardized, digitalized, and traceable supply chain governance.

Case

Implementing a Digital Cost Control Platform to Reshape the Supply Chain Management System

In July 2025, HCIG fully launched its construction project cost control management platform, enabling end-to-end digital management of cost forecasting, online tendering and procurement, contract management, materials management, and integrated business-finance operations. In 2025, the platform supported approximately 900 tendering and procurement activities, onboarded 3,800 qualified suppliers, and facilitated over 1,100 expenditure contracts, significantly improving the refinement and standardization of supply chain management and control.



Case

Supply Chain Innovation Won National Recognition

In December 2025, Hunan Construction Engineering Real Estate Investment Co., Ltd. was selected as a into the "2025 Central and State-Owned Real Estate Enterprises Supply Chain Management Innovation Case List" relying on its mature digital procurement system and sustainable supply chain governance model. The achievement was included in the 2025 Preferred Supplier Study Report for State-Owned Real Estate Developers (National Brands) and showcased on platforms such as CEB, Youcai and China Real Estate Online. It provides a benchmark for sustainable supply chain governance in state-owned construction enterprises.


中国房地产业协会
CHINA REAL ESTATE ASSOCIATION

2025年央国资房地产开发企业
供应链管理创新案例单位

湖南建工置业投资有限公司

中国房地产业协会
2025年12月13日


中国房地产业协会
CHINA REAL ESTATE ASSOCIATION

湖南建工置业投资有限公司：

你司提供的《以象山国际项目为例解析湖南建投基于"好房子"营造的供应链管理策略》入选—2025年央国资房地产开发企业供应链管理创新案例。

中国房地产业协会
2025年12月13日

◎ Supply Chain Worker Rights - Safeguarding Grassroots Labor Rights across the Value Chain

HCIG regards the protection of migrant workers' rights and interests as a core priority of its supply chain social responsibility. It comprehensively standardizes real-name labor management, wage payment, safety training, and grievance and complaint mechanisms. Meanwhile, the Group continues to promote skill upgrading and professional development of construction workers, encouraging upstream and downstream enterprises to jointly fulfill employment responsibilities, and enhancing the well-being and professional capabilities of grassroots personnel across the entire industry chain.

Case

Skill Improvement Helps the Development of Industrial Workers

The HCIG Chajiang Expressway Project has been approved as one of the province's first "Quality and Skills Improvement Stations for Migrant Workers in the Transportation Construction Sector". It has established an integrated online-and-offline digital training system, covering diverse courses such as practical skills, safety protection, and professional competencies. At the same time, electronic learning and development records for workers have been created, systematically advancing skill upgrading and career progression for industrial workers, and supporting the modernization of the construction workforce.



◎ Chain Leadership: Driving Coordinated Industrial Upgrading

HCIG fully leverages its role as a leading state-owned enterprise at the provincial level to act as a "chain leader", focusing on the security, stability, and coordinated efficiency of the industrial and supply chains. Centering on key sectors such as environmental protection and water services, the Group utilizes its integrated capabilities in investment, construction, and operation to effectively drive cluster development across upstream and downstream industries, including equipment manufacturing, technological R&D, and operation and maintenance, thereby promoting the optimization and upgrading of regional industrial ecosystems.

In the waste-to-energy sector, Hunan Industrial Equipment Installation Co., Ltd., a subsidiary of the Group, has been deeply engaged in the industry for over 20 years, undertaking more than 170 waste incineration power generation projects both domestically and internationally, with a total business volume of RMB 30 billion, ranking as a leading EPC contractor in the industry. Leveraging advanced construction technologies and full lifecycle service capabilities, the Group has boosted the large-scale application of upstream equipment manufacturing industries such as flue gas purification, leachate treatment, and waste heat utilization. Meanwhile, it has cultivated emerging downstream service sectors, including operation and maintenance and carbon asset management, driving the waste-to-energy industry to evolve from "point-based development" to "chain-based cluster development", and enhancing the overall resilience and collaborative efficiency of the industrial chain.



Nanning Shuangding Circular Economy Industrial Park Project



In the wastewater treatment sector, Hunan Urban and Rural Environmental Construction Co., Ltd., a subsidiary of HCIG, operates across 14 counties and districts, serving approximately 5 million people with a daily treatment capacity of 1 million tonnes. The company's independently developed "Guard" bio-enhancement patented technology and AI-based dosing optimization algorithm have significantly reduced operational costs and system energy consumption. By establishing a wastewater treatment system covering county-level cities, industrial parks, and towns, the company has effectively driven the coordinated development of supporting industries such as pipeline materials, environmental monitoring equipment, and smart water management software. This has enhanced the localization level and risk resilience of regional supply chains.

PPP Project for Township Wastewater Treatment Facilities and Supporting Pipeline Networks in Xupu County, Hunan

Through sustained investment, construction, and operational practices, HCIG has achieved a balance of economic and social benefits, while leveraging its role as a "chain leader" to support the growth of upstream and downstream SMEs. It has fostered a more stable, efficient, and sustainable industrial ecosystem, injecting strong momentum into regional economic and high-quality industrial development.

◎ Digital Empowerment of the Industrial Chain: Building a "Cloud-Based" Construction Ecosystem

HCIG leverages digital technologies to transform resource allocation in the construction industry, building a "ride-hailing–style" resource allocation ecosystem centered on digital coordination of labor, materials and equipment. This approach effectively addresses key challenges such as labor shortages, high procurement costs and inefficient coordination. Through platform-based empowerment, average labor costs are reduced by 22%, material procurement costs decrease by 8%–15%, and project collaboration efficiency improves by over 30%.

In terms of flexible employment innovation, the "Yijiangtong" platform developed by Sino-Hunan Intelligent Construction Co., Ltd. is a full-scenario comprehensive employment service platform driven by "technology + service + platform". It has served more than 2,400 corporate clients, covered over 320,000 employees, and supported employment demands across 62 industries, 267 scenarios and more than 1,400 posts. The platform innovatively launches three service models including flexible employment, platform resale for merchants and direct merchant operation, realizing the integration of contract flow, business flow, capital flow and invoice flow, and helping enterprises reduce costs, improve efficiency and conduct compliance management throughout the whole employment process.



In material procurement innovation, the "Yiliao Marketplace" has built a full-category digital procurement platform and become the first comprehensive construction materials marketplace in Changsha, with 2,305 suppliers covering 21 major categories and over 300 subcategories. The platform introduces a group-buying model to enable SMEs to benefit from centralized procurement and provides supply chain finance products such as order-based loans and accounts payable financing, with financing limits of 70%–80% of order value and annual interest rates of 6%–10%. By integrating procurement and financial services, the platform effectively reduces costs and alleviates financing pressure for small and medium-sized suppliers.



In advancing industrial synergy, the "Zhuqitong" digital construction industrial parks adopt an "online platform + offline parks" model to provide integrated services covering labor, materials, and equipment leasing for SMEs. Four industrial parks have been established in Zhuzhou, Shaoyang, Southwest China, and Changsha. Through platforms such as Yijiangtong and Yiliao Marketplace, enterprises can improve labor utilization efficiency and achieve direct sourcing from suppliers. Meanwhile, the SAAS system enables standardized management and cloud-based operations, helping enterprises reduce costs and improve efficiency.



Risks and Opportunities

Risks: HCIG's supply chain involves a large number of entities across dispersed tiers. Some upstream and downstream SME partners have underdeveloped compliance systems and limited sustainability awareness, which may lead to risk transmission and increase value chain risk management pressure.

Opportunities: Green procurement, digital tendering and procurement, and sustainable industrial collaboration are becoming mainstream industry trends. HCIG can leverage its supply chain ESG management system to guide partners in transformation and build differentiated competitive advantages.

Future: HCIG will further refine supply chain ESG tiered assessment standards, improve dynamic supplier rating and differentiated management mechanisms, and enhance full-chain traceability and stability through digital tools, aiming to build a benchmark sustainable industrial ecosystem.

Key Performance Data

New Supplier Compliance Commitment Signing Rate: 100%

The Online Completion Rate for Single-Batch Procurement Projects of RMB 50,000 and above is 100%

Since 2021, a Total of 9 **Batches of Restricted Cooperation Lists Have Been Issued.**

Since 2021, a Total of 168 **Unqualified or Non-Compliant Business Partners Have Been Restricted from Cooperation in Accordance with Regulations.**

Delivering Customer Value: Creating Shared Value through Quality Services

Strategy and Governance

Customer service quality, integrity performance capacity and brand reputation are important material issues affecting corporate market expansion and long-term operational value. HCIG adheres to the business philosophy of "Customer First, Value Symbiosis and Long-Term Win-Win Cooperation", and incorporates integrity operation, standardized marketing, data security, quality performance and closed-loop satisfaction management into the customer responsibility governance system. Through institutionalized, standardized and closed-loop management, HCIG standardizes the full-cycle customer service process for projects, continuously optimizes service experience, safeguards customers' legitimate rights and interests, taps long-term customer value, and builds a stable, trust-based and mutually beneficial customer cooperation ecosystem.

Key Policies and Systems

Marketing Management System (Trial)
Measures for Regional Marketing Management (Trial)
Measures for Key Account Management (Trial)
Measures for the Management of Negative List for Undertaking Construction Projects (Trial)
Measures for Engineering Complaints and Customer Satisfaction Management
Measures for the Management of Confidentiality Work
Measures for Data Standard Management
Measures for Network and Information Security Management

Practices and Performance

◎ Integrity-Driven Operations - Standardizing Contractual Performance and Compliance

HCIG adheres to integrity-driven operations and long-term value creation, standardizing the boundaries of marketing practices and embedding responsible marketing requirements across the entire process of customer development, project initiation, and contract fulfillment, thereby enhancing the credibility of its state-owned enterprise brand. By focusing on key sectors and high-quality clients, HCIG aligns marketing activities with delivery capability, risk management, and sustainability objectives, promoting the coordinated improvement of business scale and development quality.

◎ Data Privacy Protection - Upholding Customer Information Protection

HCIG strictly complies with data security and personal information protection laws and regulations. Leveraging a robust data governance framework, it implements classified and tiered management of customer and project data, standardizes permissions across data collection, storage, use and sharing, and establishes risk early warning and response mechanisms for information leakage, ensuring comprehensive protection of customer data security and privacy.

◎ Service Excellence - Elevating the Customer Experience Iteratively

HCIG regards customer satisfaction as a key indicator of service quality and delivery performance, continuously improving customer service and project delivery management. By strengthening strategic client management and enhancing delivery stability and service responsiveness, HCIG is committed to providing reliable and high-quality service experience.

Case

Property Services Improve Residents' Experience

In 2025, Sino-Hunan Beautiful City Operation Services Co., Ltd. focused on addressing key community livelihood service pain points, completing comprehensive upgrades and renovations of supporting facilities such as fire protection systems, elevators, landscaping, and waste collection stations. It implemented a transparent public disclosure system for service information, achieving 100% openness and transparency.

Leveraging mechanisms such as the "Red Consultation Hall" and multi-stakeholder collaborative governance, the company efficiently resolved core resident concerns. Over the year, community complaint rates decreased by 40%, while residents' awareness of property services increased by 65%, successfully establishing benchmark models for "red property management" and child-friendly communities.





◎ Complaint Management - Responsive and Effective Customer Issue Resolution

Relying on dedicated management systems, HCIG has established a standardized, closed-loop management framework for complaint handling, covering acceptance, verification and assessment, tiered processing, and review and optimization. It ensures timely responses to customer demands, identifies root causes of issues, and continuously refines service standards. By using problem rectification to drive ongoing service system upgrades, HCIG steadily enhances customer satisfaction and recognition.

Risks and Opportunities

Risks: As competition in the construction industry intensifies, customers are raising expectations for project quality, service efficiency, smart supporting facilities, and after-sales O&M, increasing pressure on HCIG to deliver more refined and differentiated customer services.

Opportunities: High-quality delivery, refined services, and strong brand reputation have become core competitive advantages for construction enterprises. Leveraging its credibility as a state-owned enterprise and standardized service system, HCIG can further enhance brand value, expand market opportunities, and strengthen customer loyalty.

Future: HCIG will continue to focus on customer value, upgrade its full-cycle customer service management system, and formulate refined differentiated service standards to meet diversified and high-quality demands from the market and clients. It will keep optimizing delivery service experience and consolidating brand reputation advantages, build long-term stable customer partnership ecosystem via high-quality delivery and value co-creation, and continuously boost core market competitiveness and social brand influence.

Sharing a Better Future: Community Contribution and Public Welfare Commitment

Strategy and Governance

Community symbiosis, public welfare empowerment and industry empowerment are core material issues for state-owned enterprises to fulfill social responsibility, create public value and safeguard social reputation. Upholding the sustainable development philosophy of "Co-Construction, Sharing, Social Feedback and Collaborative Symbiosis", HCIG fully incorporates industry empowerment, community integration, rural revitalization, volunteer public welfare and emergency responsibility into the social responsibility governance framework. Supported by sound management systems and regular implementation mechanisms, HCIG promotes integrated development between project construction and local communities, empowers industrial upgrading, boosts rural revitalization and participates in public emergency support with professional infrastructure capacity, and consistently delivers implementable, quantifiable and sustainable public social value.

Key Policies and Systems

Measures for External Donations
Measures for the Management of Peaceful Construction Work
Measures for Enterprise Culture Management

Practices and Performance

◎ Industry Collaboration - Catalyzing Sector-Wide Quality Advancement

As a leading state-owned construction enterprise in Hunan Province, HCIG builds cross-regional and cross-sector exchange platforms to share standardized management, advanced technologies and sustainable development concepts, supporting the high-quality and sustainable development of the construction industry.

Case

Hosting National Industrial Planning Exchange Conferences to Lead Industrial Transformation

In December 2025, HCIG hosted the national exchange conference on the 15th Five-Year Plan planning for engineering construction enterprises, gathering over 300 industry experts and enterprise representatives nationwide. The participants held in-depth discussions on core themes including green low-carbon development, digital intelligent transformation, business restructuring and sustainable operation, and shared HCIG's practical experience to help national engineering enterprises scientifically formulate sustainable development strategies. Hunan No. 6 Engineering Co., Ltd. and Hunan Construction Investment Real Estate Group delivered special thematic speeches respectively.



◎ Local Community Integration - Fostering Symbiotic Development with Host Communities

HCIG adheres to coordinated development and mutual benefit between project construction and local communities. It has established long-term mechanisms for community communication, resource sharing, and joint livelihood development. The Group proactively manages construction impacts such as noise and dust, revitalizes idle resources to deliver community-benefiting projects, and actively participates in grassroots governance and cultural development, contributing to the overall improvement of local community quality.

In 2025, HCIG participated in 11 community and subdistrict meetings to ensure its work remained aligned with relevant government policies. It was awarded the 2025 Governance Pioneer and the 2025 Advanced Individual honor for Red Property Services by Mulian Community, Xinkaipu Subdistrict, Tianxin District, Changsha.

Case

Revitalizing Resources to Serve the Community

In October 2025, the Wanlou Xiangxi Project of Hunan Construction Investment Real Estate Group delivered three community-use spaces (609 sqm) to the local subdistrict, establishing the Baishi Cultural and Art Center. The center regularly holds art exhibitions, public welfare courses and other community-benefit activities and acts as a "community art parlor". It effectively revitalizes idle assets, makes up for the shortage of community public cultural facilities, and boosts the ideological and cultural progress of urban communities.



◎ Rural Revitalization - Empowering Countryside Development and Shared Growth

HCIG closely aligns with the national Rural Revitalization Strategy, fully leveraging its expertise in infrastructure. Focusing on improving rural infrastructure, fostering cultural and tourism industries, and increasing villagers' employment and income, the Group precisely implements targeted support projects, stimulates endogenous development momentum in rural areas, and contributes to coordinated and sustainable urban-rural development.

Case

Cultural Tourism Drives Rural Development

HCIG has provided targeted support to Yaoshi Village in Xinning County, investing over RMB 13 million to develop a rural cultural and tourism corridor. Through themed initiatives such as the "She Power" market and seasonal art events, the Project attracts over 60,000 visitors annually, generating more than RMB 4 million income for local homestay and catering industries. It has also created local employment for over 500 villagers, supporting comprehensive rural revitalization across industry, talent and culture.



Case

Empowering Rural Development through High-Standard Infrastructure

The high-standard farmland development project in Ningxiang, constructed by Hunan Construction Engineering Group Co., Ltd., covers eight towns and enhances agricultural infrastructure and land quality. The Project improves farmland productivity and strengthens regional food security. It has been widely recognized by local governments and communities, supporting agricultural modernization and rural revitalization.



◎ Sustained Philanthropy - Embedding Social Responsibility in Our Operations

HCIG has continued to advance the development of its "Five-Color" volunteer service brand, establishing a comprehensive, normalized and professional volunteer service system. Focusing on key groups such as frontline industrial workers, grassroots communities, and disaster-affected areas, the Group regularly carries out public welfare initiatives including community outreach, convenience services, emergency response and rescue, and charitable assistance, demonstrating the social responsibility and mission of a state-owned enterprise. On average, more than 350 volunteer service activities are conducted annually, benefiting over 20,000 members of the public in total.

Case

Rapid Emergency Response: Demonstrating the Responsibility of a State-Owned Enterprise

In January 2025, following a 6.8 magnitude earthquake in Dingri County, Shigatse, Tibet, the Party Committee of the Group responded immediately by dispatching technical teams to the disaster area. Within seven days, the teams completed assessments of 1,200 affected buildings, providing critical data for emergency response and reconstruction planning. The action demonstrated the Group's professional capabilities and commitment as a state-owned enterprise in disaster relief.



Case

Volunteer Service Cares for Frontline Workers

In March 2025, the Group's Youth League Committee organized a specialized volunteer service activity for industrial workers at the Hunan Construction Investment Leading Smart Digital Center Project. The activity provided "one-stop integrated services" for more than 100 frontline workers, including care and consolation, legal consultation, case briefings, health check-ups, and free haircuts, conveying the warmth of a state-owned enterprise in serving people's livelihoods.





Risks and Opportunities

Risks: Community co-building and public welfare initiatives involve multiple stakeholders, complex scenarios, and high uncertainty, making standardized and unified management of grassroots projects challenging.

Opportunities: Growing needs in grassroots governance, public welfare, and rural revitalization further highlight the social responsibility value and credibility of state-owned enterprises. High-quality community co-building and public welfare practices can enhance brand value, social recognition, and sustainable operating capacity.

Future: HCIG will improve its management mechanisms for community co-building and public welfare initiatives, strengthen project planning, process control, and impact review, and promote standardized, branded, and long-term public welfare actions. Focusing on rural revitalization, emergency support, and livelihood services, HCIG will deepen multi-party collaboration and continuously enhance its social influence and brand reputation to achieve coordinated progress of corporate development and social value.

Key Performance Data

- **Annual Volunteer Service Activities: more than 350 Sessions per Year.**
- **Annual Volunteer Participation: more than 5,600 Person-Times.**
- **Annual Service to the Public Exceeded 20,000 People.**
- **Annual Deployment of Rescue and Emergency Equipment Exceeded 50 Units/Sets.**
- **Annual Participation in Rescue and Emergency Operations Involved more than 220 Person-Times.**

G

Corporate Governance

Strengthening Modern Governance for Sustainable Growth

Modern governance systems and capabilities form the core cornerstone and fundamental guarantee for HCIG's goal of becoming a world-class construction and investment enterprise. As a provincial state-owned construction and investment enterprise, HCIG adheres to and strengthens Party leadership, aligns itself with world-class corporate governance standards, and deeply integrates Party building guidance, compliant operation, internal risk control, digital governance and internationalized management into all links of operation and management. It has established a modern corporate governance system with Chinese characteristics featuring Party committee leadership, board of directors decision-making, management implementation and supervision body checks and balances. Through system improvement, process reengineering, digital empowerment and cultural cultivation, the Group continuously elevates the standardization, transparency and operational efficiency of governance, and translates governance strengths into development advantages, competitive advantages and sustainable development advantages, thus laying a solid foundation for the high-quality development of the Group.

Dongtingxi Yuanshui Grand Bridge

Strengthening Party Leadership: Enhancing Governance Effectiveness

Strategy and Governance

HCIG adheres to Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as its guiding ideology and fully implements the "Two Consistent Implementations", taking upholding the Party's leadership and strengthening Party building as the fundamental guidance for improving the modern governance system. By embedding Party leadership into all aspects of corporate governance and integrating Party organizations into the governance structure, HCIG defines clear roles and responsibilities across decision-making, execution and supervision. This approach establishes a governance system with clear accountability, transparency, effective coordination and checks and balances. By integrating Party building with business operations, HCIG transforms its organizational strengths into governance effectiveness, development momentum and risk management capabilities, supporting high-quality development.

Key Policies and Systems

Articles of Association
Rules of Procedure for Party Committee Meetings
Implementation Measures for the Collective Decision-Making System on "Three Major and One Important" Matters
Implementation Measures for the Study of the Party Committee Theoretical Learning Center Group
Guiding Opinions on Further Strengthening and Improving Party Building Work in the Company
Action Plan for Enhancing the Value of Party Building Brand

Practices and Performance

◎ Political Direction - Ensuring Steady Course through Strong Leadership

HCIG places political governance at the forefront and strictly implements the Party Committee's pre-review procedures for major decisions. By fully leveraging the Party Committee's role in setting direction, overseeing the overall situation and ensuring execution, HCIG ensures that reform and development consistently advance along the right strategic direction.

Party Committee Meetings Held in 2025	30
Special Studies on Party Building and Full and Rigorous Governance	32
Major Operational Decisions Pre-Reviewed by the Party Committee	81
Personnel Appointment and Removal Matters Reviewed	214

◎ Board Governance - Optimizing Governance Architecture and Board Accountability

HCIG enhances corporate governance in compliance with the *Company Law*, other relevant laws, regulations and state-owned assets supervision requirements. It maintains a board structure with external directors holding the majority and has set up four specialized committees, namely Strategy and Investment, Audit and Risk, Remuneration and Assessment, as well as Compliance and ESG. The Audit and Risk Committee and Remuneration and Assessment Committee are fully staffed by external directors, while external directors occupy the majority seats in the Strategy and Investment Committee and Compliance and ESG Committee.In 2025, the Board held 18 meetings, reviewing matters related to major investment, reform deepening, risk management, and green and low-carbon development to make scientific decisions and provide solid governance support for the enterprise's stable operation.

Case

HCIG's Reform and Innovation Practice Selected as One of the Top Ten Industry Benchmark Cases Nationwide

In July 2025, HCIG's reform and innovation case, "Deepening Reform to Foster New Competitive Advantages and Driving Innovation to Strengthen Core Competitiveness" was selected as a 2025 benchmark case under the Top Ten Reform Advancement Initiative for engineering construction enterprises by the China Construction Enterprise Management Association. As one of only three provincial-level construction enterprises selected nationwide, the case—highlighting governance enhancement through the "Dual Management Initiative" and the development of new green and low-carbon growth pathways—received recognition from an authoritative national industry body.




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中国
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◎ Party-Business Integration - Driving Performance through Unified Leadership and Execution

HCIG leverages high-quality Party building to drive high-quality development, establishing the "With HCIG, I Contribute" brand and a "Two Integrations, Three Strengths, Four Enhancements" framework. It advances Party work from supporting to leading business development, while carrying out initiatives such as the "Hundreds, Thousands, and Ten Thousands" campaign, "Secretaries Tackling Challenges", and "Party Members Delivering Excellence".

Case

HCIG Invited to Attend the Enterprise Party-Building Forum

In September 2025, HCIG was invited to attend the 4th Enterprise Party-building Forum. Its research achievement, "Strengthening Core Strengths to Support High-Quality Development" was selected as an Outstanding Case of Party-Building Innovation for State-Owned Enterprises. The recognition highlights HCIG's role in driving corporate governance and high-quality development through high-standard Party-building practices.





Case

The "Ling-Chuang" Party-Building Brand Selected as a 2025 Industry Case in Construction Project Party-Building

In November 2025, the "Ling-Chuang" Party-building brand of HCIG Lingchuang Enterprise Development Co., Ltd. was selected as a 2025 industry case for construction Project Party-building. Guided by the concept of "Leadership for Direction and Innovation for Empowerment", the brand integrates Party leadership with technological advancement. It serves as a key driver for the development of the Lingchuang Digital Intelligence Center Project, demonstrating the role of Party-building in supporting project delivery and innovation.





Risks and Opportunities

Risks: As HCIG continues to expand business scale and deepen reforms, higher requirements are placed on the systematic, penetrating, and long-term effectiveness of Party building-led governance, while governance coordination and grassroots implementation efficiency need to be further strengthened.

Opportunities: The deepening and upgrading campaign for SOE reform and the development of world-class enterprises provide broad space for Party building to guide modern governance, helping enhance governance stability, strategic execution, and organizational resilience.

Future: HCIG will continue to improve the modern corporate system with Chinese characteristics under the leadership of Party building, further integrating Party leadership with corporate governance, reform and development, and risk prevention, so as to guide first-class governance with first-class Party building.

Key Performance Data

In 2025, HCIG deepened mechanisms such as Party organization secretary-led initiatives to address key challenges.

Party organization secretaries took the lead in tackling key challenges 869 **times, while the Group established** 618 **Party member responsibility zones,** 1,767 **Party member pioneer posts, and** 457 **Party member task forces / service teams. These efforts guided more than** 12,000 **Party members to play an exemplary and pioneering role in project delivery, quality improvement, and efficiency enhancement.**

HCIG systematically advanced the development and standardization of grassroots Party organizations, forming a clearly structured and efficiently operated organizational system encompassing 63 **Party committees,** 302 **Party organizations at tertiary-level entities,** 1,230 **Party organization secretaries, and** 12,574 **Party members.**

In 2025, Party organizations at Group and subsidiary levels conducted over 700 **"First Agenda" study sessions and** 433 **central group theoretical study sessions.**

Party organization secretaries at all levels delivered over 350 **Party lectures, while Party members held more than** 3,200 **micro Party lectures.**

Establishing Compliance Foundations: Ensuring Operational Integrity

Strategy and Governance

HCIG upholds integrity-based enterprise development, compliance guidance and law-based operations, regards law-based compliance as the lifeline of the enterprise, incorporates law-based development, compliance management and integrity risk control into business performance assessment, and implements *the Three-Year Improvement Plan for Rule-of-Law Development (2025–2027).*

It establishes a "3+N+N" full-domain compliance management system to realize closed-loop control covering all employees, all businesses, all processes and all industrial chains, and drives the shift from "Compliance Being Required of Me" to "I Voluntarily Comply With Rules and Every Employee Abides By Compliance Standards". Guided by the integrity philosophy of "Building a Integrity-focused HCIG and Upholding the Bottom Line of Discipline and Laws", the Group develops an integrated clean governance framework combining business ethics, comprehensive strict Party self-governance and integrity culture. It has built a compliance governance system aligned with high-standard international rules including *the World Bank Group Integrity Compliance Guidelines, the U.S. Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act,* delivering solid legal support for the Group's long-term stable development and its pursuit of building a world-class enterprise. HCIG upholds the principle of tax compliance, embedding compliance requirements into business processes through its integrated financial management system. It ensures full tax payment obligations are met and continues to foster a culture of integrity and responsible tax payment among all employees.

Key Policies and Systems

Measures for Legal Affairs Management
Integrity and Compliance Policy and Procedures
Compliance Management Measures
Integrity and Compliance Manual
Measures for the Assessment of Legal and Compliance Work (Trial)
Regulations on Standardizing Compliance Management for Participating in Financing Projects of International Financial Institutions
Code of Conduct for Business Partners
Standards for Supervision and Disciplinary Enforcement Work
Implementation Measures for Accountability for Losses from Illegal Operation and Investment
Measures for Tax Management (Trial)
Review Process for Tax Planning of Major Transactions

Practices and Performance

◎ Advancing Law-Based Governance to Strengthen Compliance Foundations

HCIG integrates Party leadership throughout the process of advancing rule-of-law governance, establishing a mechanism for the Party Committee to regularly review major legal and compliance matters. It has formed a closed-loop accountability system featuring Party Committee leadership, compliance-led risk prevention and business-driven implementation, with strict legal review requirements for major decisions, regulations and contracts, achieving a 100% adoption rate for legal opinions on major decisions. HCIG has also established a Legal and Compliance Committee to coordinate the resolution of legacy cases and introduced an internal arbitration mechanism to efficiently address disputes. Guided by the Eighth Five-Year Plan for legal awareness, HCIG conducted 137 outreach initiatives, training over 37,500 person-times, and was recognized as an outstanding unit in the province. Additionally, 22,906 compliance commitments were signed, achieving full coverage of the compliance system across all employees and operations.

Case

Legal Empowerment for High-Quality Development under the "Eighth Five-Year Plan" Initiatives



During the implementation of the "Eighth Five-Year" legal awareness campaign, Hunan Construction Engineering Group Co., Ltd. integrated rule-of-law development into its production and operations. The company established a legal publicity and education leading group headed by senior management, and built an integrated promotion mechanism. It provided special training for over 1,200 seal administrators, while more than 700 new employees signed compliance certificates and received pre-employment legal education. Focusing on frontline needs, the company prepared 15 legal education manuals covering work safety, labor rights and other topics, and distributed over 4,000 copies. It also launched innovative activities such as legal knowledge quizzes, joint learning sessions on the Constitution and work safety, and legal culture campaigns. The company also joined hands with Changsha Construction Quality & Safety Supervision Station to carry out legal publicity themed on quality and safety at Phase I of Lingchuang Digital Intelligence Center, advancing government-enterprise coordination in legal governance. By strengthening legal awareness, the Company has further supported compliant operations and high-quality development.

◎ Discipline and Oversight - Building a Comprehensive Monitoring and Accountability Framework

HCIG upholds the integration of comprehensive Party governance and enterprise governance, establishing a three-tier supervision system covering the Group, subsidiaries and project teams to ensure full coverage. HCIG continuously improves mechanisms for regulating power, operations and personnel, strengthening internal controls and oversight. A comprehensive whistleblowing system is in place, ensuring that employees have both the right and the obligation to report misconduct, with strict confidentiality and zero tolerance for retaliation or discrimination.

◎ Fair Competition - Upholding Ethical Boundaries in Commercial Practices

HCIG strengthens compliance management across anti-commercial bribery, anti-unfair competition, anti-monopoly, anti-money laundering, export control, and international trade compliance, and extends compliance requirements throughout the entire supply chain. Focused governance is conducted on high-risk areas such as bidding and tendering, procurement, and cross-border business to effectively safeguard a fair and just market order.

The Group has comprehensively reviewed key international anti-corruption and compliance frameworks, including *World Bank Group Integrity Compliance Guidelines, U.S. Foreign Corrupt Practices Act (FCPA), UK Bribery Act, United Nations Convention against Corruption,* as well as anti-corruption laws of host countries, and formulated *the Integrity Compliance Policy and Procedures* and *the Integrity Compliance Manual.* Clear hard red lines and applicable rules are defined for third-party due diligence, gifts, and hospitality.

A tiered and categorized due diligence system is implemented for all overseas partners (agents, consultants, subcontractors, suppliers, etc.). In 2025, a total of 20,715 third-party compliance due diligence reviews were completed, and 17 partners with compliance risk records were subject to cooperation restrictions. Except where exemptions are granted, all business partners are required to sign a Compliance Certificate, committing to complying with both Group-level and international compliance requirements.

Annual compliance training is conducted for both new and existing employees. In 2025, a total of 557 compliance training sessions were delivered, covering 23,687 participants. Training content includes FCPA enforcement trends, World Bank sanction cases, and legal red lines in host countries. Additional training is provided for employees in high-risk positions.

◎ Anti-Corruption Culture - Nurturing an Environment of Integrity and Clean Governance

HCIG takes integrity culture development as a foundational project to promote the integrated implementation of dare not corrupt, cannot corrupt, and will not corrupt. It held warning education conferences and conducted 3 integrity training sessions, reaching over 20,000 participants. It organized the "Good Family Values" campaign for two consecutive years, released 8 model case studies on clean governance, and developed integrity brands such as "Integrity in Projects" and "Integrity in Factories", fostering a robust atmosphere where every employee prioritizes compliance, all work follows standardized rules, integrity is upheld to resist corruption, and all staff are motivated to forge ahead with dedication.

Case

Youth Integrity Education Activities

In June 2025, Hunan No. 4 Engineering Co., Ltd. organized the "Youth for Integrity" debate competition, engaging 17 teams in discussions on integrity and professional growth. The event promoted learning through debate and strengthened ethical awareness among participants. It has become a distinctive platform for youth integrity education within the Group.



◎ Paying Taxes in Accordance with the Law and Strengthening Tax Compliance

HCIG embeds tax management into its business processes and integrated financial management system. It tracks the latest tax regulations and communicates requirements to all business units through targeted training and operational guidance. All tax-related accounting and filing are completed through the system, with built-in validation rules and annual tax self-inspections enabling early identification and resolution of tax risks.

HCIG continues to deepen joint governance between enterprises and tax authorities and carries out tax coordination activities with tax authorities at all levels. It holds exchanges to resolve difficult tax-related issues including tax payment in accordance with the law and policy implementation, driving the transformation of tax administration from internal control to open collaboration. Leveraging the automation and standardization strengths of its integrated financial system, the Group embeds tax compliance requirements into business processes, ensures accounting and tax processing share identical data sources and consistent logic, and greatly boosts the accuracy and timeliness of tax declarations. As a key provincial state-owned enterprise, HCIG adheres to the principle of paying all taxes due and continues to contribute to local fiscal revenue and economic development. Through tax-enterprise exchanges and specialized training covering headquarters and project-level teams, the awareness of lawful tax payment has been further enhanced.

Risks and Opportunities

Risks: With the implementation of the new Company Law, stricter regulatory requirements, and the expansion of new business models and overseas operations, compliance risks are becoming more diverse and complex, placing higher demands on system updates and end-to-end control.

Opportunities: Compliance capability has become a core competitiveness and a key indicator of sustainable development. Strengthening the compliance management system can help improve creditworthiness, reduce operational risks, and enhance stakeholder trust.

Future: HCIG will continue to improve its compliance management system, update policies and processes in line with new regulations, and strengthen compliance support for emerging businesses and overseas projects, promoting the shift from passive risk prevention to proactive empowerment and value creation.

◎ Key Performance Data

Full-Time Legal Staff	185 people
Legal Personnel as a Proportion of Total Employees	5‰
Carry Out Legal Education and Publicity	137 batches
Number of Employees Trained in the Rule of Law	37,500+ people
Compliance Training	557 batches
Number of People Trained in Compliance	23,687 people
Compliance Certificate Signing	22,906 copies
Conduct Integrity and Compliance Due Diligence on Business Partners	20,715 times

Enhancing Internal Controls: Strengthening Risk Management Capabilities

Strategy and Governance

HCIG adheres to the principles of strengthening internal controls, mitigating risks, enhancing compliance and creating value, and has established an integrated management system covering risk, internal control, compliance and audit, which is an integrated four-in-one modern internal control system. It conducts dynamic identification, assessment and early warning guided by risks; it embeds management requirements into business processes via internal control to form standardized authorization, whole-process control and effective checks and balances; it takes compliance as the bottom line, emphasizes proactive prevention, and strengthens risk control across all aspects of operations and management; it conducts evaluation and traceback on internal control implementation and risk disposal through audit supervision, and promotes continuous optimization via rectification tracking and accountability confirmation.

Key Policies and Systems

Risk Management System
Measures for Internal Control and Supervision Management
Measures for Internal Audit
Implementation Measures for Accountability for Losses from Illegal Operation and Investment

Practices and Performance

◎ Risk Identification - Achieving Precision in Risk Prevention and Control

HCIG has established a "1+N" risk management system, with a core framework defining overall standards and supporting policies covering management and operational practices, where 1 is the programmatic rule and N covers specific operational rules. At the same time, HCIG has implemented a three lines of defense model to ensure clear segregation, coordination and mutual support among risk control, management and oversight functions.

During the reporting period, HCIG conducted annual major risk identification and assessment, forming dedicated reports, and implemented a quarterly monitoring mechanism for operational performance, and optimized monitoring indicators. Continuous tracking of significant risks and follow-up actions ensured effective risk mitigation and closed-loop management.

Three Lines of Defense for Risk Management

First Line of Defense	**Functional Departments of HCIG Headquarters and All Subsidiaries**	**Acts as the primary risk management and control unit** bearing direct responsibility for risks within departmental functions and enterprise scope. Conducts risk management in strict accordance with HCIG's standards and requirements, and implements risk management recommendations from the second and third lines of defense.
Second Line of Defense	**Enterprise Management Department of HCIG**	**Serves as the centralized risk management unit** responsible for continuously improving HCIG's risk management system, and guiding, coordinating, and supervising the first line of defense to ensure strict implementation of risk management standards and requirements.
Third Line of Defense	**Audit Department of HCIG**	**Functions as the supervision and evaluation unit** responsible for assessing the effectiveness of HCIG's risk management system, as well as the quality and effectiveness of risk management in the first and second lines of defense, and providing recommendations for improvement.

Case

International Engineering Risk Training to Improve Capabilities

In September 2025, HCIG organized a specialized training on international project risk management, attended by nearly 200 participants. The program covered compliance, dispute resolution and full-lifecycle risk control for overseas projects, with systematic explanation of key points. It effectively strengthened capabilities in risk identification and emergency response for international operations.



◎ Enhancing Internal Control Management - Standardizing Authority and Ensuring Accountable Operations

HCIG advances the Governance Based on the Separation of Decision-making, Execution and Supervision Powers initiative to strengthen internal controls, establishing a system for standardized use of authority, scientific delegation and effective oversight to prevent conflicts of interest and abuse of power.

In 2025, HCIG introduced or revised 21 institutional policies to continuously improve the institutional system. The Group further deepened the "Dual Management Initiative", extended internal control requirements to the grassroots project frontlines, fulfilled the objective of properly managing project managers and every single project, and comprehensively elevated the refined level of project governance.

In November 2025, HCIG convened a promotion conference on rectification and governance based on typical cases together with a deployment conference for the special initiative on internal control improvement under the Separation of Decision-making, Execution and Supervision Powers framework. The Group put forward establishing an internal control system featuring standardized use of authority, scientific delegation and effective oversight, promoted the in-depth integration of comprehensive strict Party self-governance and internal control development, and consolidated a solid governance foundation for the Group's high-quality development through standardized use of authority and strengthened power checks and balances.



◎ Targeted Audit - Strengthening Oversight and Driving Corrective Action

HCIG has established an integrated audit matrix combining operational performance audits, economic responsibility audits, specialized audits, and coordinated audits across investment, construction and material procurement, achieving full coverage of key areas, critical positions and major projects. A closed-loop mechanism featuring "account establishment – supervision – closure cancellation" is implemented to advance high-standard audit rectification based on both problem-oriented and results-oriented approaches.

HCIG revised and issued the *Measures for Accountability for Losses from Non-compliant Operations and Investments*, together with six supporting implementation rules, further strengthening audit transfer and accountability and fully leveraging the role of audit supervision. By enhancing coordination among audit supervision, compliance management, internal control and disciplinary oversight, the Group focuses on key entities, major risk areas and critical projects, forming strong supervisory synergy and continuously improving overall risk control and standardized management, boosting joint supervision efficiency.

Risks and Opportunities

Risks: Cyclical fluctuations in the construction industry, dispersed project sites, and overlapping compliance and integrity risks place higher demands on accurate risk identification, effective internal control execution, and in-depth audit supervision, raising precision requirements for whole-process risk management.

Opportunities: Digitalized state-owned asset supervision and upgraded internal control systems provide policy and technical support for governance modernization. Digital and intelligent transformation will help improve risk control efficiency and governance effectiveness.

Future: HCIG will accelerate the digitalization of internal controls and intelligent risk management, strengthen penetrating supervision and systematic risk control capabilities, and firmly safeguard the bottom line while gaining greater initiative in a complex environment.

Advancing Digital Governance: Enhancing Transparency and Efficiency

Strategy and Governance

HCIG regards digital governance as a key driver for modern governance enhancement and follows the principles of compliance, prevention, layered defense and continuous improvement. It has established a three-tier information security and data governance system, advancing digital infrastructure, platform development, data security and privacy protection in an integrated manner. By leveraging digital tools, HCIG enhances operational efficiency, decision-making quality, control precision and transparency, strengthening safeguards for sustainable development.

Key Policies and Systems

Measures for Digital Management
Measures for Data Standard Management
Measures for Network and Information Security Management
Measures for the Management of Data Center Emergency Response Plans
Measures for the Management of Central Computer Room

Practices and Performance

◎ Safety First - Reinforcing Data Compliance and Protection

HCIG prioritizes information security and data compliance as the foundation of digital governance, embedding security management across the full process to ensure alignment with business operations. In line with cybersecurity classification standards, HCIG has established a multi-layered protection system, including network security and data encryption.

During the reporting period, HCIG conducted 2 comprehensive risk assessments, addressed 28 medium- and high-risk issues, achieved 100% multi-layer backup of critical data, and recorded no major information security incidents, providing a solid foundation for digital transformation.

◎ Digital Governance Architecture - Pioneering Systematic Digital Transformation

HCIG prioritizes "architecture, standards and governance" in its digital transformation and leverages digital governance to enhance modern enterprise management. Guided by its digital transformation strategy, HCIG advances the development of core infrastructure such as cloud computing centers and data platforms, establishing a unified data-sharing hub.

Through a governance mechanism featuring strategic coordination, centralized management and tiered implementation, HCIG promotes disciplined system development and avoids fragmented construction. By building key business platforms in areas such as project management, green construction, compliance and smart construction sites, HCIG drives deep integration of digital technologies with operations and continuously improves governance modernization.



Group Legal Compliance Business System

Case

Supporting One-Stop Processing with Office Automation and Enterprise WeChat

HCIG has established the Office Automation one-stop collaborative platform in line with its *Management Efficiency Enhancement Action Plan (2024–2026)*, achieving full coverage of Enterprise WeChat and a unified mobile access portal. By digitalizing approval processes, registers and management workflows, the platform supports a "one-stop processing" model, reducing redundant approvals and fragmented procedures, realizing one-time handling of integrated matters. It also enhances governance efficiency while ensuring process transparency, traceability and effective oversight.



◎ Safeguarding Information Security and Confidentiality

HCIG attaches great importance to information confidentiality and strictly protects employee and customer information to prevent the leakage of trade secrets. Through confidentiality training under the "HCIG Lecture Hall" program and sound management measures, HCIG continues to enhance employees' confidentiality awareness, reduce information leakage risks, and strengthen its information security safeguards.

Risks and Opportunities

Risks: As digital transformation deepens, cyberattacks, data leakage, and system compliance risks are becoming increasingly complex, placing higher demands on security protection and data governance.

Opportunities: Digital governance is an important hallmark of world-class enterprises, while policy support and technological innovation provide broad opportunities for governance modernization.

Future: HCIG will continue to deepen the development of "Digital HCIG", improve its data governance and security systems, and promote the integration of digital technologies with corporate governance to build world-class governance capabilities through digital empowerment.



Promoting Overseas Compliance: Building a Global Governance Framework

Strategy and Governance

HCIG has incorporated overseas operations into its international governance framework, guided by the principles of compliance, localization, coordinated governance and risk control, compliance as foundation for overseas expansion. It has established a comprehensive governance structure covering market development, project delivery and operations, supported by a robust institutional system encompassing overseas investment, risk management, quality and safety, labor rights and integrity compliance. This approach ensures clear responsibilities, effective coordination and strong oversight, supporting lawful, compliant and sustainable overseas development.

Key Policies and Systems

Measures for International Business Marketing Management
Regulations on the Management of Overseas Assets (Trial)
Measures for Overseas Risk Prevention and Control
Measures for Quality and Safety Production Management of Overseas Projects
Regulations on Overseas Investment Management (Trial)
Plan for Strengthening Foreign-Related Rule of Law and Further Establishing and Improving the Group's Foreign-Related Legal and Compliance Control System

Practices and Performance

◎ Overseas Environmental Compliance - Upholding Ecological Standards for Win-Win Outcomes

Centering on the general requirements of "Law-based Compliance, Controllable Risks and Orderly Performance", HCIG has established an environmental compliance management framework covering the full life cycle of overseas projects, and incorporated environmental protection requirements in advance into key links including project initiation, design, construction and acceptance. In accordance with local environmental laws and regulations, all overseas projects have set up a management mechanism integrating environmental compliance review, risk identification, dynamic monitoring and closed-loop rectification. Regular inspections and account management are carried out focusing on key matters such as pollution prevention, disturbance control and ecological protection during construction.

During the reporting period, environmental compliance of overseas projects remained generally under control, and no major environmental violations or regulatory penalties reported.

Case

Upgrading of Iringa (Ipogolo) – Kilolo Regional Road Project Implements Environmental and Social Compliance Management

The Upgrading of Iringa (Ipogolo) – Kilolo Regional Road Project in Tanzania, constructed by Hunan Construction Engineering Group Co., Ltd. and financed by the World Bank, is a key infrastructure project. To address environmental challenges such as construction dust, water quality protection and vegetation restoration in quarry areas, the Project developed dedicated management plans in accordance with the World Bank's *Environmental and Social Framework* and local regulations, and deployed full-time environmental management personnel. During construction, ecological protection and water quality monitoring mechanisms were established for the Little Ruaha River to safeguard the local ecosystem and residents' water supply. In addition, the Project implemented waste classification and recycling measures to reduce environmental pollution, and restored quarry-disturbed areas through terrain reshaping, topsoil reinstatement and native vegetation planting. By systematically implementing World Bank environmental standards, the Project has become a benchmark for environmental compliance in HCIG's overseas operations.





◎ Decent Work Abroad - Ensuring Fair Treatment and Rights for International Staff

HCIG adheres to a people-centered, law-based compliant and equal and inclusive philosophy, and systematically advances overseas labor management. Covering key links including recruitment, employment, rights protection and daily administration, HCIG implements law-compliant recruitment, standardized signing of labor contracts, full salary payment and social insurance contributions. The Group explicitly prohibits child labor and forced labor and respects local laws, regulations, cultural customs and traditions. It focuses on establishing communication and feedback mechanisms, and promptly responds to employees' reasonable demands through labor union communication, coordination with local management and dedicated appeal channels. By rolling out skill training programs, cultural exchange activities, community care initiatives and volunteer services, HCIG has more than 5,900 registered local foreign employees as of the end of 2025, vigorously boosting staff capacity building and local integration.

Case

Youth Volunteering and Community Engagement in the Rajshahi WASA Surface Water Treatment Plant Project

The Project team organized a "Craftsman Classroom" volunteer training program, engaging both young employees and local staff to deliver safety training and mentorship initiatives. Community outreach activities were conducted during local festivals, including visits to orphanages and the donation of daily and educational supplies, while also participating in local celebrations to enhance community integration. Since project commencement, a series of volunteer activities have been carried out, benefiting over 500 local residents, especially children and vulnerable groups.





Cross-Border Risk Management - Strengthening Compliance Management across Jurisdictions

As one of the earliest local state-owned enterprises in China to establish a corporate compliance system, HCIG continues to enhance its overseas compliance framework by embedding compliance review and risk identification across the full-lifecycle of overseas projects, including project initiation, investment and financing, trade cooperation, contract management and execution. HCIG has established an international legal and compliance shared service center for international business to coordinate legal resources, strengthen country risk assessments, and enhance compliance management in high-risk regions and key business areas. This approach ensures that overseas operations proceed on a lawful, compliant and sustainable basis.

Case

International Legal and Compliance Shared Service Center Supporting Overseas Development

In 2025, HCIG established the International Legal and Compliance Shared Service Center, implementing an integrated operational model combining talent, services, resources and digital intelligence. The Center coordinates legal resources for overseas operations, organizes management by legal systems and languages, and enables resource sharing and efficiency improvements. It provides strong support for lawful, compliant and stable project execution in overseas markets.

Case

HCIG Participated in Multilateral Financial Institution Training and Shared ESG Compliance Practices

In May 2025, HCIG was invited as a representative contractor to participate in the "Environmental and Social Development Training for Contractors" jointly organized by multilateral institutions such as the Asian Infrastructure Investment Bank and the Asian Development Bank. During the event, HCIG presented its ESG framework and compliance practices, sharing experience in labor management, environmental protection and supply chain governance. The participation highlighted HCIG's industry leadership and growing international influence.



Risks and Opportunities

Risks: HCIG's overseas business spans multiple countries and regions, exposing the Group to complex risks such as differences in national policies, legal changes, compliance sanctions, safety issues, and public opinion challenges.

Opportunities: The high-quality development of the Belt and Road Initiative brings major opportunities for international operations, while high-standard ESG and compliance capabilities have become key advantages in securing international projects and multilateral financing.

Future: HCIG will strengthen country risk assessment and cross-border compliance systems, align its environmental, labor, community, and risk management standards with leading international practices, and support the development of a world-class enterprise through high-quality overseas governance.

Topic I

Strengthening Foundations for Serving National Strategies

As a key provincial state-owned enterprise in Hunan Province, HCIG remains firmly aligned with national priorities, with infrastructure investment and construction as its core business. HCIG actively supports major national strategies, including the development of a transportation powerhouse, new-type urbanization, rural revitalization and coordinated regional development, and is fully integrated into the implementation of Hunan's " Three Highlands and Four Missions" blueprint. By continuously advancing projects in key areas such as transportation, water conservancy, energy, urban renewal and public welfare, HCIG embeds corporate development into the national strategic framework, delivers high-quality projects, enhances people's well-being, supports rural revitalization, and promotes coordinated progress between infrastructure development, regional growth and livelihood improvement.

Hong Kong-Zhuhai-Macao Bridge with Group Participation in Construction ▶

Transport Infrastructure: Leading Smart Transportation Development

Transportation is vital to national development and a cornerstone of a strong nation. HCIG actively implements the strategy of building a transportation powerhouse, focusing on road network enhancement, digital empowerment and quality excellence to upgrade regional transportation infrastructure and develop an integrated, efficient and well-connected transport system, while showcasing the "Made in China Construction" brand through high-quality projects.

Strengthening regional trunk networks. HCIG advances major projects such as expressways, high-speed railways and cross-river links. The simultaneous opening of the Chengbu–Longsheng and Zhangjiajie–Guanzhuang expressways and the commencement of the Changsha–Ganzhou high-speed railway have further improved interprovincial connectivity, enhanced regional circulation and significantly increased network accessibility and logistics efficiency.

Setting benchmarks for smart expressways. The Hengyang–Yongzhou and Yongzhou–Lingling expressways have been developed as Hunan's first digital highways. Leveraging BIM, GIS and digital twin technologies, HCIG has established a full-lifecycle intelligent management platform enabling smart monitoring, proactive risk control and refined operations, with the results selected as a typical case of digital transformation in the transportation sector.

Forging landmark mega projects. HCIG has delivered a number of iconic bridge and tunnel projects, including the Muping Xiangjiang Grand Bridge and the Dongtingxi Yuanshui Grand Bridge , overcoming complex geological conditions and ultra-high construction challenges and building industry-leading construction capabilities.

Case Dual Opening of the Chengbu–Longsheng Expressway and the Zhangjiajie–Guanzhuang Expressway : Unlocking a Development Artery in Southwestern Hunan and Shortening Urban–Rural Distances

On December 26, 2025, the Chengbu–Longsheng Expressway and the Zhangjiajie–Guanzhuang Expressway were opened to traffic on the same day. Stretching 51.79 kilometers, the Chengbu–Longsheng Expressway serves as a key interprovincial corridor linking Hunan and Guangxi, significantly improving transportation conditions in southwestern Hunan, including Chengbu County; its third contract section boasts a bridge-tunnel ratio of 62.9%, and the No.2 Shuiweijie Bridge, with a maximum pier height of 99.92 meters dubbed a "cloud-top project", finished the mainline construction in 109 days.

The 25-kilometer Zhangjiajie–Guanzhuang Expressway has a bridge-and-tunnel ratio of 72.7%. After opening, travel time from northern mountainous areas of Yuanling County to Guanzhuang Town was reduced from two hours to 30 minutes, while one-way logistics costs along the corridor are expected to decrease by 30%–40%. Together, the two expressways represent a landmark achievement of the Group in supporting the transportation powerhouse strategy and advancing coordinated regional development.



No. 2 Shuiweijie Bridge



Gaoping Interchange Service Area on the Zhangjiajie–Guanzhuang Expressway

Case Hengyang–Yongzhou and Yongzhou–Lingling Expressways: Setting the Benchmark for Hunan's First Digital Highway

The Hengyang–Yongzhou and Yongzhou–Lingling expressways represent Hunan's first digital highway developed by HCIG, with a total investment of RMB 22.382 billion and a combined length of 165 kilometers. The Projects extensively apply innovative technologies such as intelligent compaction for roadbeds and pavements and cold-mix, cold-lay high-performance asphalt. Supported by a BIM+GIS digital foundation, they enable centimeter-level vehicle positioning across the entire network and proactive safety risk control. The achievements have been selected as "Typical Cases of Digital Transformation in the Transportation Sector" for two consecutive editions, forming a replicable and scalable "Hunan model".





Case Groundbreaking of the Changsha–Ganzhou High-Speed Railway Signals a Historic Upgrade in Rail Transit Capabilities

As a key component of China's national "Eight Vertical and Eight Horizontal" high-speed railway network, the Changsha–Ganzhou High-Speed Railway has a mainline length of approximately 429.5 kilometers, a designed speed of 350 km/h, and a total investment of about RMB 83 billion. Marking HCIG's first participation in 350 km/h high-speed rail construction, the Project represents a milestone for its rail transit business. In September 2025, the first pile of the Hunan section was successfully installed, signaling a major leap from provincial to national markets and from conventional construction to high-standard rail engineering capabilities.



Case Muping Xiangjiang Grand Bridge — China's First "Double Flying Swallow" Steel Truss Arch Bridge, Empowering Smart Construction through Four Pioneering Innovations

The Muping Xiangjiang Grand Bridge is China's first "Double Flying Swallow" four-span continuous half-through steel truss arch bridge, with a total length of 4.416 kilometers, constructed by Hunan Road & Bridge Construction Group Co., Ltd. The Project integrates multiple nationally pioneering construction techniques, including the large-scale application of PLC pile cofferdam technology for deep-water, full-rock pile caps without overburden cover; the adoption of large cantilever steel truss suspended assembly technology featuring "beam-first, arch-later" and "beam-top girder transport"; the use of a "horizontal triangular frame counter-pull system" as a replacement for the traditional "cable-stayed pylon system"; and an intelligent assembly process integrating 3D laser scanning with BIM models.



In May 2025, the rotating bridge crossing the Beijing–Guangzhou Railway, weighing 13,600 tons, was successfully rotated by 84.9 degrees, marking a decisive breakthrough in the Project's critical works; upon completion, travel time between Muyun and the Dawangshan area in Changsha will be reduced from 50 minutes to 10 minutes, strongly supporting the integrated development of the Changsha–Zhuzhou–Xiangtan region.

Livable Communities and Public Well-Being: Delivering High-Quality Livelihood Projects

HCIG upholds its mission of being a responsible builder of a better future and is deeply integrated into regional economic and social development. By advancing major public livelihood projects, HCIG continues to demonstrate the public-oriented role and responsibilities of a state-owned enterprise.

Over the past year, HCIG has focused on key areas including water security, urban housing, and medical and educational services, advancing a series of foundational, long-term and people-centered projects to high standards. Through outstanding construction quality, efficient project delivery and a strong sense of responsibility, HCIG has transformed the vision of livable and inclusive development into tangible outcomes, contributing solid and practical momentum to the advancement of Chinese modernization.

Case

Quanmutang Reservoir Hub Completed: Enhancing Water Security through Flood Control and Power Generation

In January 2025, the Quanmutang Reservoir Hub Project was officially completed. Located in the urban area of Shaoyang City, the hub features a normal pool level of 215 meters, a crest elevation of 225.2 meters, a total storage capacity of 140 million cubic meters, an installed power capacity of 34,000 kilowatts, and an annual power generation output of 115 million kilowatt hours. Integrating flood control, power generation and water resource allocation, the project effectively improves the basin's capacity for flood prevention and disaster reduction, delivers stable green electricity, and safeguards regional water security and power supply. As a key backbone project, it contributes to building a strong water conservancy nation and protecting people's wellbeing.



Case

450 Resettlement Homes Delivered in Zixing, Showcasing State-Owned Enterprise Efficiency and Public Commitment

In April 2025, Phase II of the Xinning Town Resettlement Housing Project (Fuxingyuan) in Zixing was delivered, providing 450 homes for residents affected by Typhoon Gaemi across six towns, including Xinning and Bailang. The Project includes essential community facilities such as a Party–community service center, a health service center and retail amenities. Completing the main structures of 23 buildings within 90 days, the Project demonstrates the responsibility and efficiency of a state-owned enterprise in livelihood protection and post-disaster reconstruction.



Case

"Qingyouli" Industrial Neighborhood Center: Fostering a People-Centered Livable Community

Focusing on the housing needs of industrial parks as well as new urban residents and young professionals, HCIG developed the "Qingyouli" Industrial Neighborhood Center. By integrating affordable rental housing with commercial and public service facilities, the Project creates a convenient 15-minute living circle that promotes job–housing balance and livable, business-friendly communities. It serves as a people-centered housing model that delivers inclusive and warm urban living.



Case

Hunan University Kechuanggang Campus Topped Out Ahead of Schedule, Creating a Hub for Scientific and Educational Innovation

In August 2025, the main structure of Bid Section II of the Hunan University Kechuanggang Campus was topped out 52 days ahead of schedule. With a total floor area of approximately 287,600 square meters, the Project comprises eight major research platforms, including the Industry-Education Integration Innovation Platform for New Materials, Artificial Intelligence and Robotics Technology Innovation Center, and Interdisciplinary Biomedical Science Innovation Platform. Delivered with high efficiency and quality, the Project provides a first-class platform for higher education and scientific innovation, supporting high level technological self-reliance and the development of an innovation-driven Hunan.



Case

Completion of the New Campus of the People's Hospital of Lianyuan City, Enhancing Regional Healthcare Capacity

In December 2025, the new campus of the People's Hospital of Lianyuan City was successfully completed and delivered. With a total floor area of 138,000 square meters and 1,200 beds, the Project includes key facilities such as outpatient, inpatient and infectious disease buildings, and represents a major public livelihood project for the city. Upon completion, it significantly enhances regional medical treatment and public health service capacity, effectively easing access to healthcare and safeguarding public health.



Green Energy: Leading the Clean and Low-Carbon Transition

HCIG actively implements China's "Dual Carbon" strategy and the energy security framework by advancing green energy projects, including wind power, photovoltaics, waste-to-energy, energy storage and solar thermal. Leveraging its strengths in construction management and technology integration, HCIG undertakes key new energy bases and power transmission projects across Hunan and nationwide, supporting energy mix optimization and the transition to a green, low carbon energy system. Meanwhile, HCIG explores integrated models such as "PV + forestry" and "hydropower + PV" to promote multi- energy complementarity and ecological integration, delivering green electricity to support decarbonization and the development of a new power system.

In 2025, the Group commenced construction of 22 new energy projects, including 16 solar power projects and 6 wind power projects, with a total contract value of RMB 4.96 billion.

Case

Hunan Rangjiaxi Wind Farm Awarded the "China Electric Power Quality Engineering Award"

The Rangjiaxi Wind Farm Project is located in Yuanling County, Huaihua City, with a total installed capacity of 100 MW and a site area of approximately 40 square kilometers. As Hunan's first high mountain wind power project adopting large capacity turbines exceeding 6.25 MW per unit, it also represents the province's largest single mass concrete wind turbine foundation project. From the start of main construction to full capacity grid connection, the Project set a record for the fastest high mountain wind power development in Hunan and was awarded the 2025 China Electric Power Quality Engineering Award, serving as a benchmark for high quality green energy development in the region.



Case

Grid Connection of the Ningxia Hongsibao PV Project Advances Green Power Transmission to Hunan

In September 2025, Ningxia Hongsibao 1000MW Photovoltaic Project was connected to the grid to generate electricity, covering an area of about 4,000 mu and installing nearly 220,000 photovoltaic modules. The Project adopts the "power generation above panels, ecological restoration beneath panels" model to achieve synergy between power generation and ecological management. After being put into operation, it can deliver around 169 million kWh of green electricity to Hunan annually, which can meet the electricity needs of approximately 50,000 households and effectively alleviate regional energy pressure.



Case

Hefei Feidong Energy Storage Station Commissioned, Creating a Grid-Side "Super Power Bank"

In September 2025, the 100 MW/200 MWh Jingying Energy Storage Station in Feidong, Hefei, constructed by Hunan No. 4 Engineering Co., Ltd., was commissioned. As Hefei's first grid side centralized energy storage project, it achieved full capacity grid connection in less than 120 days. Since commissioning, the station has delivered nearly 10 million kWh to the local grid through peak-shaving and valley-filling, completing 21 discharge operations during the 2025 summer peak and providing up to 153 MW of peak shaving capacity, effectively enhancing grid stability and supporting the development of a new power system.



Case

Yunnan Integrated Renewable Energy Projects Connected to the Grid, Advancing Multi-Energy Integration

In 2025, Hunan Construction Investment Water Conservancy Company partnered with Beijing Energy International Holding Co., Ltd. to achieve full-capacity grid connection of two renewable energy projects in Baoshan, Yunnan. The 31 MW Tengchong hydropower–photovoltaic project utilizes idle land and rooftops of existing hydropower facilities to build a coordinated "hydropower + PV" system, while the 18 MW Zhujie PV–forestry project in Changning adopts innovative construction methods such as drone transport in complex terrain, achieving integrated land use with power generation above and forestry cultivation below. The two projects demonstrate the complementary advantages of multi-energy integration and ecological synergy, enhancing local environmental conditions and land use efficiency, and serving as practical examples of integrated "wind–solar–hydro–storage" energy systems at the regional level.



Topic II

Driving Innovation and New Quality Productive Forces

Innovation drives development and shapes the future. HCIG follows an innovation-driven strategy aligned with “Dual Carbon” goals and industry transformation. With technology as the engine, green transition as the pathway and talent as the foundation, HCIG is advancing the construction industry toward intelligence, sustainability and industrialization, fostering new quality productive forces and driving high quality development.

Huaneng Jinchuan District Shuangwan 200MW Grid-Connected PV Power Generation Project

Technology Innovation: Driving Core Technology Breakthroughs

HCIG consistently regards innovation as the core driver of new quality productive forces. Guided by the principle of research conducted for practical application with deliverable outcomes, HCIG continues to increase R&D investment and has established a multi-level innovation system, comprising a national postdoctoral research workstation, national and provincial innovation platforms, and high-tech enterprises.

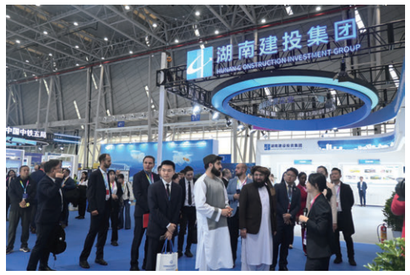
Newly Added Provincial-Level and above Science and Technology Projects in 2025
36

Newly Added Specialized, Sophisticated, Distinctive, and Innovative "Little Giant" Enterprises
6

Invention Patents	Utility Model Patents	Software Copyrights	Participation in the Development of National and Local Standards
79	233	78	19

Central Government-Guided Local Science and Technology Development Funds
1

Focusing on key areas such as rail transit and complex engineering, HCIG continues to advance core technology development and the commercialization of research outcomes. In November 2025, HCIG showcased its technological strength via five core themed segments: Intelligent Engine, Intelligent Reputation, Intelligent Craftsman, Intelligent Rail Transit and Intelligent Innovation at the 2025 China International Rail Transit&Equipment Manufacturing Industry Exposition, demonstrating its technological strength in rail transit. Among them, the self-developed "Rail-Cable Sliding Erection Method" for steel truss girder erection has been recognized as the world's fourth approach to suspension bridge construction, and the related equipment has been applied in more than 20 projects, including the Shaoyang–Yongzhou Railway.



2025 InteRail Expo Opens in Zhuzhou, HCIG Showcases Five "Smart" Innovations

In technological innovation, Hunan Construction Engineering Group Co., Ltd. received the Second Prize of the Science and Technology Award from the China Steel Structure Association for its key technologies in cable-supported structural control and semi-refined cable analysis, achieving an internationally advanced overall technical level and world-leading performance in partial sub-items. Hunan Communications Research Institute Co., Ltd. developed an intelligent highway slope monitoring and risk management cloud platform integrating IoT, BeiDou positioning and AI algorithms, which has been applied in more than 30 projects, including the Hengyang–Yongzhou Expressway. The platform has reduced disaster prevention and control costs by 10% and generated over RMB 30 million in economic benefits, demonstrating strong value in technology application and commercialization.

Case Pingjiang–Yiyang Expressway Smart Construction Team Wins the "Mao Yisheng Road and Bridge Engineer Innovation Team" Title

The Pingjiang–Yiyang Expressway innovation team won the first Mao Yisheng Road and Bridge Engineer Innovation Team title, completed 16 provincial-level and two national-level research projects, obtained 30 patents, 10 software copyrights and 10 provincial/ministerial science and technology awards. The Project pioneered a smart management approach integrating networked sensing, proactive early warning and one-click response, leading digital transformation of expressways in Hunan and being recognized as an "Outstanding Provincial Key Construction Project" for four consecutive years.



Case Self-Developed 11-Axis Soil-Cement Cutoff Wall Pile Driver Included in the Provincial Advanced Water Conservancy Technology Promotion Catalogue

In November 2025, the self-developed "11-axis soil-cement cutoff wall drilling rig" by Hunan Construction Investment Water Conservancy Company was showcased at the 5th Hunan Water Conservancy Technology Promotion Conference and selected for the 2025 Provincial Promotion Catalogue. The equipment significantly improves efficiency, quality and adaptability, and has been applied in key levee reinforcement projects in the Dongting Lake region. It has secured two patents, one software copyright and three ministerial-level construction methods, demonstrating strong capabilities in water conservancy equipment innovation.





Green Empowerment: Advancing Low-Carbon Construction and Digital Integration

HCIG integrates green low-carbon transformation and digital intelligent empowerment throughout the full life cycle of projects, systematically upgrading its capabilities in green construction and carbon management to drive the transformation and upgrading of the construction industry toward low-carbon, intensive and sustainable development. The Group actively advances low-carbon development, continuously improves the development of carbon reduction technology systems, and develops a platform for the full life cycle carbon emission measurement system.

Through the “Lvshitong” and “Suantanbao” platforms, HCIG enables real-time carbon emissions monitoring and quantitative assessment of carbon reduction results. The Group actively develops green and low-carbon demonstration projects to promote the in-depth advancement of green construction.

HCIG has fully launched the “AI+” scenario development initiative and issued the Overall Plan and Application Guidelines for Intelligent Construction, providing top-level guidance for green and digital transformation. Focusing on smart expressways, smart construction sites and other key scenarios, HCIG has independently developed AI algorithm models to reduce operational carbon emissions through precise dispatching and energy optimization.

Case “Green Carbon Institute” Launched, Establishing a Full-Chain Carbon Reduction System

In July 2025, the Green Low-Carbon Construction Research Institute of the Hunan Construction Investment Engineering Technology Research Institute (“the Green Carbon Institute”) was inaugurated. Guided by the principles of "comprehensive carbon accounting, in-depth carbon reduction, systematic low-carbon development, and continuous carbon substitution". it integrates the core R&D resources of the Group’s Engineering Technology Department, Hunan Academy of Building Research Co., Ltd., and Hunan Communications Research Institute Co., Ltd. to establish a full-lifecycle carbon emission reduction technology and management system for engineering projects. Through the innovation of management systems, R&D of key technologies, and exploration of industrial collaboration mechanisms, it promotes the transformation of the construction industry from a traditional high-carbon emission model to a green, ecological, and sustainable development model, and becomes an important technical support platform for the Group in implementing China’s “Dual Carbon” strategy.



Case Xiangshan International Project Wins Two International Green Project Management Awards

HCIG’s Xiangshan International Project received two international AAPM Awards, “Green Project Management Best Practice” and “Green Project Management Industry Leader”. Designed under a low-impact development approach, the Project preserves the original mountain terrain to build a central park with a volume of about 30,000 square meters, adopts passive energy-saving technologies and self-developed innovative construction techniques for ultra-low energy buildings, and is equipped with five constant technology systems and renewable energy utilization facilities, passive energy-saving technologies and renewable energy systems. It has also been awarded the China Construction Engineering Luban Prize, demonstrating leading performance in high-quality and green construction.



Case “Suantanbao” and “Lvshitong” Platforms Debut at the International Zero Carbon Conference and Open for Shared Use

In July 2025, HCIG’s self-developed carbon management platforms “Suantanbao” and “Lvshitong” were unveiled at the 2025 International Zero Carbon Cities and Villages and Zero Carbon Buildings Conference & Technology and Equipment Expo, and made freely available to industry users. The platforms enable real-time carbon monitoring, accurate accounting and quantifiable emission reduction. By promoting open access, they support the overall improvement of low-carbon performance across the industry.


中国建筑节能协会

感谢信

Case

HCIG Advances Smart Construction through Demonstration Projects

In May 2025, HCIG convened a deployment meeting on intelligent construction and released key policy documents, including the *Overall Plan for Promoting Intelligent Construction Technologies and Industry Development within HCIG* and *the Guidelines for Promoting the Application of Intelligent Construction Technologies and Developing Demonstration Projects (Trial)*. The Group identified and designated the first batch of benchmark demonstration projects, while announcing a second batch of targeted projects, establishing a phased promotion mechanism.

By incorporating intelligent construction into its excellence-oriented project management system, HCIG is accelerating the development of a full-process digital standards framework covering design, construction and operation. This drives the transition of intelligent construction from isolated applications to large-scale and institutionalized deployment.



Case

Smart Agriculture and Water Conservancy Institute Empowers High-Standard Farmland

The Smart Agriculture and Water Conservancy Research Institute was officially established in April 2025 and signed a high-standard farmland technology promotion project worth over RMB 10 million in Xiangxiang. By integrating satellite remote sensing, intelligent sensing equipment, digital twins, and blockchain traceability, the Institute has built a digital management system covering all key farmland elements. The system enables precise water and fertilizer regulation, intelligent irrigation decision-making, and agricultural product quality traceability, achieving a water-saving rate of over 30% and providing digital solutions for agricultural modernization and rural revitalization.





Crafting Talent with Excellence: Building High-Skilled Workforce and Industrial Labor Force

HCIG implements a talent-driven development strategy and advances the "With HCIG, I Contribute" initiative. Focusing on innovation and industrial upgrading, HCIG has established a full-cycle talent development system covering leading experts, young professionals, skilled workers and industrial labor. Through competitions, industry–education integration and mentorship, HCIG strengthens its talent pipeline, promotes the spirit of model workers, labor, and craftsmanship, and supports the development of new quality productive forces.

Case

Excellent Postdoctoral Research Station Attracts High-End Research Talent

The Group operates two national-level postdoctoral research workstations. The Group's postdoctoral research workstation was approved for establishment in June 2021, ranking among the first batch of postdoctoral workstations granted to construction enterprises in Hunan Province. The postdoctoral research workstation of Hunan Communications Research Institute Co., Ltd. was approved in 2010. In the comprehensive postdoctoral assessment carried out by the Ministry of Human Resources and Social Security and the Hunan Provincial Department of Human Resources and Social Security in 2025, the Group's own postdoctoral workstation received an "Excellent" rating. Relying on these postdoctoral platforms, the Group has assembled a total of 48 doctoral talents, delivering robust talent support for scientific research innovation and industrial upgrading.

Case

"Industry-University-Research-Application" Model Featured by CCTV

HCIG continues to advance an industry–university–research integration talent development model. In 2025, Hunan Construction Engineering Group Co., Ltd. partnered with Hunan Institute of Engineering to train intelligent construction talents, extending teaching to the Xiangjiang Innovation Port Project and integrating engineering practices into education. The initiative promotes the integration of research outcomes with practical application and was featured by CCTV Morning News Express (Zhaowen Tianxia).



Case

Second National Female Chief Engineers Forum Hosted, Advancing High-Level Exchange for Female Talent

In November 2025, the Group hosted the Second Female Chief Engineers Forum, bringing together over 200 female science and technology professionals under the theme "Forging Ingenuity with Tenderness, Painting the Future with Wisdom". The forum focused on topics such as high-quality housing and intelligent construction, with HCIG representatives delivering keynote presentations. The event promoted high-level talent exchange and collaborative innovation, supporting the optimization of the technology talent structure.



Topic III

Global Outreach to Co-Build the Green Silk Road

With a history of over 70 years in international market presence, HCIG acts as a pacesetter for Hunan-based enterprises "Going Global". Closely following the high-quality Belt and Road Initiative, it adheres to the main line of "Consolidating Infrastructure Linkages, Leading with Standards, Realizing Common Development through Joint Endeavors", with business presence covering more than 60 countries and regions worldwide. In 2025, it won international contracts worth over RMB 30 billion, ranking 124th in ENR Top 250 International Contractors and 26th in ENR Top 150 Global Engineering Design Firms. It showcases the construction strength of Chinese builders and the social responsibility of Chinese enterprises in the joint development of the Green Silk Road.

As a core provincial state-owned construction enterprise deeply participating in financing projects funded by the World Bank, Asian Infrastructure Investment Bank (AIIB) and African Development Bank (AFDB), HCIG has set up a special compliance management system, embedding anti-corruption, anti-money laundering clauses into the whole process of overseas business. Environmental and Social Impact Assessment (ESIA) is initiated at the preliminary stage of projects to identify potential ecological and cultural impacts and formulate targeted control plans, and such practices have been recognized by international financial institutions.

Camalaniugan-Aparri Bridge Project in the Philippines

Infrastructure Connectivity: Advancing Integrated Infrastructure Networks

HCIG focuses on key sectors including transportation, water conservancy, energy and municipal engineering, advancing landmark, livelihood and green projects along countries participating in the Belt and Road Initiative.

In 2025, five overseas projects won the 2025 Hunan Provincial Construction Project Furong Award, with the quality of overseas projects receiving authoritative recognition.

International Engineering Projects Undertaken in 2025
64

International Trade Projects Undertaken in 2025
77

Case Georgia E60 Expressway — Georgia's "No.1 Project" Recognized by the Prime Minister

Constructed by Hunan Road & Bridge Construction Group Co., Ltd., the Georgia E60 Expressway is regarded as the country's "No.1 Project". Located in a deep soft-soil foundation area along the Black Sea coast, the LOT3 section innovatively introduced China's "dry vibration method" for gravel piles, replacing the traditional high-pollution "water flushing method". The Project achieved zero wastewater discharge, completed 159,800 gravel piles within 11 months, and saved nearly RMB 60 million in costs. In December 2025, the first section opened to traffic, with Prime Minister Kobakhidze recognizing its contribution to transport connectivity and economic development, demonstrating the technical strength and green value of Chinese construction.





Case Burkina Faso PENI Oil Depot Project — Supporting West Africa's Energy Security

In January 2025, the PENI Oil Depot Project in Burkina Faso, co-constructed by Hunan Industrial Equipment Installation Co., Ltd., officially held its inauguration ceremony, attended by Prime Minister Ouédraogo. With a storage capacity of 104,000 cubic meters and a total investment of approximately RMB 360 million, the Project significantly supports regional energy supply. It serves as a landmark achievement of the Group in advancing overseas energy infrastructure and contributing to economic stability in West Africa.





Case Kyrgyzstan Waste-to-Energy Project Commences Operation, Setting a Green Benchmark in Central Asia

In December 2025, the Bishkek Waste-to-Energy Project in Kyrgyzstan（Central Asia's first clean waste incineration power generation project）, constructed by Hunan Industrial Equipment Installation Co., Ltd., was completed and put into operation, with President Zhaparov attending the commissioning ceremony.

With a designed total daily waste treatment capacity of 3,000 tons and a Phase I daily processing capacity of 1,000 tons, the Project can feed approximately 146 million kWh of electricity into the grid per year and achieve an annual carbon emission reduction of 100,000 tons. Breaking through harsh weather, cross-border construction barriers and other difficulties, the Project was finished within 16 months, connected to the grid 33 days ahead of schedule, setting a new construction speed record for similar projects in the industry and leading the regional solid waste disposal toward harmlessness, volume reduction and resource recovery.





Standards Leadership: Exporting Chinese Standards, Models and Technology Platforms

HCIG advances infrastructure connectivity while promoting Chinese standards, green and intelligent construction, and ESG practices overseas, building an integrated international model covering investment, construction, operation and trade, and strengthening competitiveness through high-standard compliance.

In ESG practices, the LOT 1 Mombasa-Mtwapa (A7) Road Project in Kenya integrates life-cycle carbon management and green construction, forming a framework covering ecological protection, local employment, community engagement and compliance, contributing to HCIG's recognition as an "Outstanding ESG Practice Case of Chinese Enterprises Going Global".

In business innovation, HCIG explores models such as resource-for-project cooperation and barter trade, accelerating the shift toward integrated services. Leveraging platforms such as the China–Africa Economic and Trade Expo, the Group deepens cooperation with African countries in infrastructure, mineral resources, trade, and green energy, while actively participating in international engineering exchanges and standards discussions to enhance the global influence of Chinese construction.

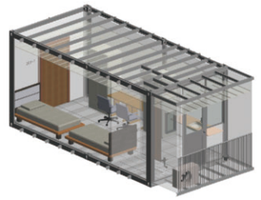


Trophy for "Outstanding ESG Practice Case of Chinese Enterprises Going Global"

Achieves Strong Overseas Progress with "Platform + Standards + Products"

Sino-Hunan Intelligent Construction Co., Ltd. has launched the "Jianjiang Technology" international platform, integrating the full supply chain capabilities of "Yiliao Marketplace" and the design, manufacturing and construction strengths of "GS-MODULAR " buildings.

In 2025, it expanded operations to more than 10 countries, including Mozambique, Indonesia, Laos, Oman, Kyrgyzstan and Cambodia, with total domestic and overseas orders exceeding RMB 120 million. The OKI dormitory project in Indonesia, with a total investment of RMB 200 million, adopted a self-developed modular system and integrated building materials supply chain, reducing the construction period from two years to six months and lowering costs by 10%, demonstrating scalable application of China's intelligent and prefabricated construction standards.



Modular Building Units Exported in 2025

1,354 sets

Total Floor Area over

40,000 m²

Building a Collaborative SOE Platform for Going Global Together for Win-Win Development

In December 2025, under the guidance of the Hunan SASAC, the Hunan State-owned Assets and SOE Collaborative Cooperation Platform was established. As Hunan's largest international economic cooperation enterprise, HCIG was elected as Vice Chair of the platform and Chair of its "Going Global" Professional Committee. Leveraging its industrial and platform strengths, HCIG will lead competitive enterprises across Hunan's industrial chains to expand overseas together and support the coordinated international development of state-owned assets and SOEs.



Showcasing at the 4th China-Africa Economic and Trade Expo, Highlighting the Global Influence of Hunan Construction

In June 2025, HCIG participated in the 4th China–Africa Economic and Trade Expo, showcasing landmark overseas projects including the Senegal Competitive Wrestling Stadium and Republic of the Congo (Brazzaville) National Highway No.1, as well as technological achievements in green construction and intelligent construction. Main leading officials of the Hunan Provincial Party Committee and Hunan Provincial People's Government affirmed the Group's achievements, and diplomatic envoys and foreign guests from multiple countries held in-depth exchanges, highlighting its global capabilities and influence.



People-Centered Commitment: Delivering Social Benefits and Local Responsibility

Adhering to the responsible and sustainable international development philosophy, HCIG incorporates local social responsibility into the whole process of project planning and delivery. It improves people's livelihoods, strengthens community bonds and deepens cultural exchanges to consolidate the social foundation for overseas business. By establishing long-term trust with local governments, communities and relevant stakeholders, it realizes shared development, benefits local residents, ensures steady and win-win cooperation and facilitates people-to-people bonds under the Belt and Road Initiative.

Country Markets

63

Chinese Employees Stationed Overseas

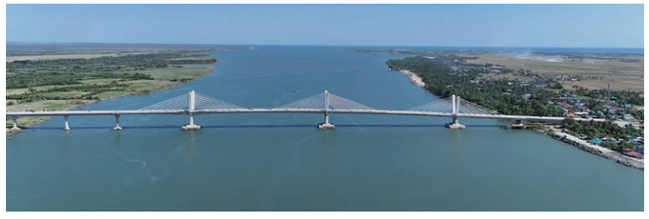
1472

Local Employees

5982

Case — Camalaniugan-Aparri Bridge Project : Building China–Philippines Friendship through Public Welfare

In May 2025, the Camalaniugan-Aparri Bridge in Northern Cagayan, the Philippines, constructed by Hunan Road & Bridge Construction Group Co., Ltd., achieved full bridge closure. As a landmark overseas project for Hunan's bridge construction brand, the Project actively fulfilled social responsibilities by launching multiple public welfare activities: donating school supplies and daily necessities to surrounding primary and secondary schools, renovating school buildings, visiting and providing assistance to needy families. It rolled out technical training for local staff and integrated Chinese and Philippine engineering standards to improve local employees' professional capabilities and advance cultural exchanges between China and the Philippines. These community-based livelihood practices won wide recognition and trust from local residents and built a bridge for people-to-people friendship under the Belt and Road Initiative.





Case — Mali Power Expansion and Upgrade Project Delivers Strong Performance

To address long-term power shortages and unstable supply in Bamako, Mali, Hunan Industrial Equipment Installation Co., Ltd. participated in the World Bank-supported Mali Power Expansion and Upgrade EPC Project, building a 225 kV substation and 6.5 km transmission line. The Project prioritized the employment of more than 100 local workers and conducted skills training. It also held community communication meetings to coordinate local affairs and electricity-use matters. After completion, the Project will stably improve power supply for approximately 15,000 households and benefit hundreds of thousands of residents in Bamako, effectively guaranteeing power demand for medical care, education and industrial production in the urban area.



Envisioning the Future

By 2030, HCIG will strive to establish an ESG management system characterized by sound governance, standardized management, excellent performance, and a distinctive brand identity, and promote its ESG rating to a leading position in the domestic construction industry. Guided by the "Dual Carbon" goals, driven by technological innovation, underpinned by global compliance, and supported by digital governance, HCIG will systematically upgrade its approach to sustainable development by deepening ESG practices in overseas markets and exporting China's construction standards, strengthening responsible supply chain management to promote coordinated sustainable development across the value chain, and increasing investment in green technologies to accelerate the full-scale green transformation of the construction industry.

The path of progress is never walked alone, and collective efforts ensure long-term success. HCIG is committed to working hand in hand with global stakeholders to deliver more high-quality projects along the Green Silk Road, contribute more to public well-being, and explore a Chinese pathway toward building a world-class enterprise with modern governance, jointly advancing the vision of a community with a shared future for mankind.

Changde–Yiyang High-Speed Railway

Appendixes

Key Performance Indicators

Environmental Performance

Indicator	Unit	2025
Number of Certified Green Construction Projects (e.g., green sites, green supply chain)	units	16
ISO 14001 Environmental Management System Coverage Rate (Construction Entities)	%	100
Total Greenhouse Gas Emissions (Scope 1 + Scope 2)	thousand tCO_2e	1128.975
Scope 1 Greenhouse Gas Emissions	thousand tCO_2e	1001.761
Scope 2 Greenhouse Gas Emissions	thousand tCO_2e	127.214
Carbon Emission Intensity per Unit of Output Value	tCO_2e / RMB ten thousand	0.0769
Number of Carbon Reduction Projects	units	1037
Comprehensive Energy Consumption per Unit of Output Value	tce / RMB ten thousand	0.0388
Total Hazardous Waste Generated	tonnes	53.9

Social Performance

Indicator		Unit	2025
Number of Employees on Duty	Employees	persons	36767
	Master's Degree and above	persons	2002
	Bachelor's Degree	persons	23603
	Aged 30 and below	persons	8286
	Aged 30–50	persons	20962
	Aged above 50	persons	7519
Employee Union Membership Rate		%	100
Overall Employee Satisfaction at Headquarters (Annual Survey)		score	97
Project Safety Training Coverage Rate		%	100
Number of Major Quality and Safety Incidents		cases	0
Number of Work-Related Fatalities (Permanent Employees)		persons	0
Lost Work Hours Due to Work-Related Injuries (Permanent Employees)		hours	11499
Completion Rate of Safety Hazard Identification and Rectification		%	100
Percentage of Suppliers Signing Social Responsibility Commitments		%	100
Customer Complaint Resolution Rate		%	100
Annual Investment in Public Welfare and Philanthropy		RMB ten thousand	117
Number of Emergency Response Tasks in 2025		times	6
Number of Personnel Deployed for Emergency Response in 2025		person-time	200+
Number of Equipment Units Dispatched for Emergency Response in 2025		units / sets	50+
Number of Job-Based Safety Responsibility Systems Established in 2025		units	14605
Number of Safety Responsibility Agreements Signed in 2025		copies	51940

Governance Performance

Indicator	Unit	2025
Operating Revenue	RMB one hundred million	1,401.24
Total Assets	RMB one hundred million	2423.08
Value of Newly Signed Contracts in Emerging Industries	RMB one hundred million	750
Total Tax Payments	RMB one hundred million	34.14
State-Owned Capital Income	RMB one hundred million	6.45
Total Profit	RMB one hundred million	28.07
Number of Directors	persons	7
Number of Board Meetings	sessions	18
Number of Information Security Incidents	cases	0

Index of Indicators

Reporting Contents	GRI Standards	CASS-ESG 6.0
About This Report	2-1 / 2-2 / 2-3	P1.1-1.2
Message from the Board of Directors	2-22 / 2-23	P2.1
About HCIG	2-1 / 2-6 / 2-9 / 201-1	P3.1-3.4
ESG Management	2-9 / 2-12 / 2-13 / 2-14 / 2-16 2-29 / 3-1 / 3-2 / 3-3	G1.1 / G1.3
Environmental Responsibility (E): Advancing Low- Carbon Development to Pursue Green Growth		
Strengthening Environmental Baselines: Building a Comprehensive Environmental Governance System	306-1 / 306-2 / 306-3 306-4 / 306-5	E2.4
Advancing “Dual Carbon” Goals: Building a Full-Lifecycle Low-Carbon Development System	305-1 / 305-2 / 305-3 305-4/ 305-5	E1.1
Improving Resource Efficiency: Promoting Intensive and Circular Development	301-2 / 301-3 / 303-1 / 303-2 303-3 / 303-4 / 303-5 / 306-1 306-2 / 306-3 / 306-4 / 306-5	E2.1 / E2.2 / E3.1 E3.2 / E3.3
Strengthening Ecological Protection: Promoting Coexistence between Construction and Nature	304-1 / 304-2 / 304-3 / 304-4	E3.3
Driving Green Innovation: Empowering Industrial Green Transformation	203-2 / 302-4 / 305-5	E3.3
Social Responsibility (S): Creating Social Value through Responsible Development		
Putting People First: Employee Rights and Development	401-1 / 401-2 / 401-3 / 404-1 404-2 / 404-3	S4.1 / S4.3
Safeguarding Work Safety: Strengthening Occupational Health Management	403-1 / 403-2 / 403-3/ 403-4 403-5 / 403-6 / 403-7 / 403-8 403-9 / 403-10	S3.3 / S4.2
Enhancing Quality Excellence: Driving Innovation in High-Quality Construction	416-1 / 416-2	S2.1
Fostering Industrial Ecosystems: Advancing Sustainable Development	308-1 / 308-2 / 414-1 / 414-2	S3.1
Delivering Customer Value: Creating Shared Value through Quality Services	416-1 / 416-2 / 418-1	S3.3 / S3.4
Sharing a Better Future: Community Contribution and Public Welfare Commitment	413-1	S1.1 / S1.2

Reporting Contents		GRI Standards	CASS-ESG 6.0
Corporate Governance (G): Strengthening Modern Governance for Sustainable Growth			
Strengthening Party Leadership: Enhancing Governance Effectiveness		2-24	/
Establishing Compliance Foundations: Ensuring Operational Integrity		2-17 / 2-27 / 205-1 / 205-2 205-3 / 206-1	G2.1
Enhancing Internal Controls: Strengthening Risk Management Capabilities		2-12 / 2-13 / 2-16	/
Advancing Digital Governance: Enhancing Transparency and Efficiency		2-27 / 418-1	/
Promoting Overseas Compliance: Building a Global Governance Framework		2-23 / 2-27	G2.1
Topic I: Strengthening Foundations for Serving National Strategies		/	S1.2
Topic II: Driving Innovation and New Quality Productive Forces		/	S2.1
Topic III: Global Outreach to Co-Build the Green Silk Road		/	S1.2
Envisioning the Future		/	A1
Appendixes	Key Performance	/	A2
	Index of Indicators	/	A3
	Reader Feedback	/	A6

Reader Feedback

Dear Reader,

Greetings! Thank you for reading this report. To continuously improve our reporting, we would like to hear your opinions and suggestions. Please kindly complete the following questionnaire and return it to us through one of the methods below.

Contact Information:

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Tel: 0731-85628856
Postal Code: 410004

If convenient, you are welcome to provide the following information:

Name: _____

Organization: _____ **Position:** _____

Contact Number: _____ **Email:** _____

1. **What is your overall evaluation of this report?**

2. **Which aspects of this report are you most satisfied with?**

3. **What additional information would you like to see included in this report?**

4. **Do you have any suggestions for our future sustainability reporting?**