



Environmental, Social  
and Governance

2021



中广核  CGN

中國廣核新能源控股有限公司  
CGN New Energy Holdings Co., Ltd.

(Incorporated in Bermuda with limited liability)  
Stock Code : 1811.HK

Natural Energy Powering Nature

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# 01 Definitions

In the Report, unless the context otherwise requires, the following terms shall have the meanings set out below:

“CGN”	refers to	China General Nuclear Power Corporation, a state-owned enterprise established in China and the controlling shareholder of the Company
“China”	refers to	the People’s Republic of China
“EHS”	refers to	Environmental Health and Safety
“ESG”	refers to	Environmental, Social and Governance
“Hong Kong”	refers to	the Hong Kong Special Administrative Region of the People’s Republic of China
“Insurances and Housing Fund”	refers to	the social endowment insurance, urban employee medical insurance, work-related injury insurance, maternity insurance, and unemployment insurance in China
“Korea”	refers to	the Republic of Korea
“Listing Rules”	refers to	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“Mainland China”	refers to	the mainland of the People’s Republic of China
“MPF”	refers to	the Mandatory Provident Fund in Hong Kong
“National Pension”	refers to	the National Pension in Korea
“OHS”	refers to	Occupational, Health and Safety
“Report”	refers to	2021 ESG report of the Company
“Reporting Period”	refers to	the period from 1 January 2021 to 31 December 2021
“RMB”	refers to	Renminbi, the lawful currency of the People’s Republic of China
“Stock Exchange”	refers to	The Stock Exchange of Hong Kong Limited
“the 14th Five-Year Plan”	refers to	the 14th Five-Year Plan for Economic and Social Development of the People’s Republic of China and the Long-Range Objectives Through the Year 2035
“the Board”	refers to	the board of directors of the Company
“the Company”, “CGN New Energy”, “we”	refers to	CGN New Energy Holdings Co., Ltd
“the Group”	refers to	the Company and its subsidiaries from time to time
“US\$”	refers to	the United States dollar, the lawful currency of the United States of America
“%”	refers to	per cent

## 02 About the Report

The Company is delighted to publish its sixth ESG report. The Report aims to present the environmental, social and governance issues related to the sustainable development of the Group to its key stakeholders, for their better understanding of the Group's concept, actions and related performance of sustainable development.

### REPORTING PERIOD AND BOUNDARY

Unless otherwise specified, the Report mainly describes the specific policies and performance of the Group's efforts in sustainable development during the period from 1 January 2021 to 31 December 2021. For the sake of continuity and comparability of the Report, some data and contents in the Report have been extended as needed. For details on data, please refer to the "Comprehensive Performance" in the Report.

The main contents of the Report cover the Group's wind, solar, gas-fired, coal-fired, oil-fired, hydro, cogeneration, fuel cell and biomass projects in China and Korea. Contents of the Report are mainly based on and determined through the materiality assessment. Please refer to the chapter headed "Stakeholder Engagement and Materiality Assessment" for details of the process.

### REPORTING STANDARD

The Report is prepared in accordance with the *ESG Reporting Guide* under Appendix 27 to the *Listing Rules* and is prepared on the basis of the four reporting principles of the *ESG Reporting Guide* of materiality, quantitative, balance and consistency. The Report is also prepared with reference to the *GRI Sustainability Reporting Standards* (GRI Standards) of the Global Reporting Initiative.

**Materiality:** The Group identifies material issues related to the Group through materiality assessment, and focuses on the material issues checked by the Group's management and the Board in this Report. The Group uses the materiality assessment to identify the key stakeholders of the Group, invites the Board and stakeholders to prioritize sustainable development issues, carries out analysis of material issues, etc. Please refer to the chapter headed "Materiality Assessment" for details of the materiality assessment.

**Quantitative:** To comprehensively evaluate the ESG performance of the Group during the Reporting Period, the Group disclosed the KPIs applicable in the *ESG Reporting Guide* under Appendix 27 to the *Listing Rules*, and listed the standards, approaches, assumptions and reference basis for calculation of quantitative KPIs, including the sources of main conversion factors.

**Balance:** The Report provides an unbiased picture of the Group's performance and avoids selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.

**Consistency:** The Report uses consistent methodologies to allow for meaningful comparisons of the ESG information in respect of the Reporting Period.

### CONFIRMATION AND APPROVAL

The contents disclosed in the Report are in compliance with the ESG disclosure requirements of mandatory disclosure and "Comply or Explain" provisions in the *ESG Reporting Guide* under Appendix 27 to the *Listing Rules*. The Report was approved by the Board in March 2022. The Board and all the directors of the Company warrant that there are no false records, misleading statements, or material omissions in the Report, and they shall individually and collectively accept full responsibility for the truthfulness, accuracy and completeness of its contents.

### REPORT ACQUISITION AND FEEDBACK

The online version of the Report is published on the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.cgnne.com](http://www.cgnne.com)).

If you have any enquiries, comments, or feedback on the Report, please feel free to send an email to [cgnne@wsfg.hk](mailto:cgnne@wsfg.hk).

## 03 Chairman's Statement *Note*

CGN New Energy is committed to providing clean and renewable energy. We integrate the concept of sustainable development into the development of the electricity industry and create value for society while providing stable electricity supplies. As an annual summary of the Group's sustainable development, the ESG report fully demonstrates how CGN New Energy attaches great importance towards sustainable development, discloses the Group's performance in all the aspects of sustainable development, shows our vision and commitment to sustainable development, and at the same time provides us the opportunity to understand our key stakeholders' expectations and demands regarding the Group's sustainable development. In the future, we will continue to publish the ESG report and further enrich its content according to the expectations and demands of our key stakeholders. We will continue to disclose our current situation, plans and achievements in respect of governance system, environmental protection, employee relations and community contribution to the key stakeholders.

The development prospect of new energy is broad, firm and long-term. In 2021, the Central Committee of the Communist Party of China and the State Council issued the *Working Guidance for Carbon Dioxide Peaking and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy* (《關於完整準確全面貫徹新發展理念做好碳達峰碳中和工作的意見》). The Guidance requires: promoting substitutions of renewable energy resources, vigorously developing wind, solar, biomass, marine and geothermal energy sources among others, and continuously increasing the share of non-fossil energy in total energy consumption. The State Council further released the *Action Plan for Carbon Dioxide Peaking Before 2030* (《2030年前碳達峰行動方案》). The Plan sets out interim specific targets for achieving carbon peak and carbon neutrality. By 2025, the share of non-fossil fuels in total energy consumption will reach around 20%. By 2030, the share of non-fossil energy consumption will reach around 25%. By 2030, the total installed generation capacity of wind and solar power will reach above 1,200 GW, which has clarified new tasks for the development of wind power and photovoltaic power generation. As of 31 December 2021, China has about 1,063 GW of installed renewable energy power capacity. Among it, the accumulated grid-connected wind power capacity reached 328 GW and the accumulated grid-connected solar power capacity reached 306 GW, respectively, which had a year-on-year growth of 40.5% and 25.1%, respectively. China's energy mix maintained green and low carbon and the power from non-fossil fuels further increased.



## 03 Chairman's Statement *Note*

The Group will always adhere to its corporate mission of "Developing Clean Energy and Building a Beautiful China". During the period of the 14th Five-Year Plan, the Group will continue to consolidate the good development of new energy business, increase investment, and contribute to achieving the national "30.60" goals. On the one hand, we will make great efforts to reinforce our strength in large quality wind power and solar power projects and increase the competitiveness of CGN New Energy. On the other hand, adhering to the basic principles of "Safety First, Quality Foremost, Pursuing Excellence", we will continuously improve the talent selection and training mechanism, optimize team building and internal governance, safeguard the legitimate rights and interests of key stakeholders including shareholders and enhance our brand value.

### **Chen Sui**

*Chairman*

22 March 2022

*Note:* Mr. Chen Sui resigned as a non-executive Director, the Chairman of the Board and the chairman of the nomination committee of the Company on 8 April 2022. Please refer to the announcement of the Company dated 8 April 2022 and page 1 of the 2021 annual report of the Company for details.



## 04 President's Statement *Note*

In March 2021, the *Outline of 14th Five-Year Plan for the National Economic and Social Development and the Long-Range Objectives Through the Year 2035 of the People's Republic of China* (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》) was promulgated to propose the following: accelerating the development of non-fossil fuels, insisting on both centralized and distributed projects, scaling up wind power and photovoltaic power generation, expediting the development of distributed power projects in the eastern and central regions, developing offshore wind power in an orderly manner, accelerating the construction of hydropower bases in the southwest regions, and promoting the safe and secure construction of coastal nuclear power plants. Under the correct leadership of the Board of the Group and with the concerted efforts of all staff, the Group implemented safety, quality and environmental management and control, and demonstrated the responsibility and commitment of a central enterprise in the resumption of work and production. The Group focused on the national "30.60" dual-carbon goals, and actively deployed the "14th Five-Year" strategic plan. Leveraging its own sound experience and advantages in market development, project construction, production, operation and maintenance, etc., the Group continued to deepen its new energy business.

In 2021, renewable energy generated about 29.8% of electricity in China. As of 31 December 2021, the Group's power projects have an attributable installed capacity of 8,404.6 MW, generating nearly 18,162.0 GWh of electricity, representing an increase of 31.4% compared with 13,825.2 GWh last year. During the Reporting Period, CGN New Energy has made a number of major breakthroughs in clean energy that 1,159.3 MW of new consolidated installed capacity have been added, including 1,002.0 MW of new consolidated capacity of wind power and 47.8 MW of new consolidated capacity of photovoltaic power. In addition to actively developing new energy projects, the Group also follows the principle of "environment first" in the process of project operation. The Group has been consistently pursuing sustainable development by persisting in ecological, atmospheric, and aquatic environment protection, and proactively responding to climate change during site selection, construction and operation.



## 04 President's Statement *Note*

In addition to implementing the concept of green development, CGN New Energy actively fulfills its social responsibilities in terms of employee remuneration, social investment, etc. The clean energy industry is a relatively brand-new but fast-growing sector, so it is in desperate need of manpower. We value the contribution of our employees. Apart from our regular review of employee benefits, we carried out a number of employee-oriented activities this year. Furthermore, we attach great importance to workplace safety. During the Reporting Period, we continued to organize safety training programs and invited experts for lectures to enrich our employees' knowledge in safety. In addition to caring for the needs of our employees and safety production, we also attached importance to the development of communities around the regions where our business operated. In 2021, we continued to respond to the nation's requirements and proactively organized and coordinated different parts to combat the COVID-19 pandemic, and conducted community activities in terms of industrial revitalization, education, and environmental which were widely recognized by the local government and the public, thus achieving a win-win situation between developing the Group and building a harmonious community.

Looking ahead, China's new energy industry has entered a new historical stage, facing new development characteristics and new challenges. The Group's development front kept track of the trend of national policies and the dynamics of industry development, focused on winning the battle of market development, and actively explored new modes of development of traditional parity and bidding projects, large base projects and extended business. CGN New Energy will continue to overcome difficulties and work hard, strictly abide by the basic principles of "Safety First, Quality Foremost and Pursuing Excellence", implement the work style of "Stringency, Prudence, Meticulosity and Pragmatism", strengthen organizational leadership and achieve the goal of consolidating the foundation for the Group's development, in order to make continuous contributions to the mission of "Developing Clean Energy and Building a Beautiful China".

**Li Yilun**  
*President*

22 March 2022

*Note:* Mr. Li Yilun resigned as an executive Director, the President and an authorised representative of the Company on 8 April 2022. Please refer to the announcement of the Company dated 8 April 2022 and page 1 of the 2021 annual report of the Company for details.





## 05 Distribution of Projects



### Henan, China



#### Total Installed Capacity

637 MW

5.7 MW

### Gansu, China



#### Total Installed Capacity

889.8 MW

101 MW

### Qinghai, China



#### Total Installed Capacity

118.1 MW

160 MW

### Sichuan, China



#### Total Installed Capacity

51 MW

### Hunan, China



#### Total Installed Capacity

210 MW

18.3 MW

### Guizhou, China



#### Total Installed Capacity

170 MW

### Guangxi, China



#### Total Installed Capacity

135.9 MW

72 MW

### Jiangxi, China



#### Total Installed Capacity

177.8 MW

### Inner Mongolia, China



#### Total Installed Capacity

193 MW

### Shaanxi, China



#### Total Installed Capacity

0.7 MW

### Heilongjiang, China



#### Total Installed Capacity

100 MW

## 05 Distribution of Projects



### Guangdong, China

#### Total Installed Capacity

 16.4 MW

### Hainan, China

#### Total Installed Capacity

 24.3 MW

### Shanxi, China

#### Total Installed Capacity

 199 MW


### Hebei, China

#### Total Installed Capacity

 89.6 MW

### Shandong, China

#### Total Installed Capacity

 437.6 MW

 35 MW

### Jiangsu, China

#### Total Installed Capacity

 554 MW

 31 MW

 63 MW

### Shanghai, China

#### Total Installed Capacity

 4.5 MW

### Anhui, China

#### Total Installed Capacity

 66.2 MW

 294.6 MW

### Zhejiang, China

#### Total Installed Capacity

 404.2 MW

 10.6 MW

### Hubei, China

#### Total Installed Capacity

 24 MW


 100 MW

 176.5 MW

 (associates 49%) 2,020 MW

### Fujian, China

#### Total Installed Capacity


 8.9 MW

### Korea

#### Total Installed Capacity

 507 MW

 1,549.1 MW

 109.5 MW

## 06 Highlights of 2021

### FINANCIAL AND OPERATING HIGHLIGHTS

Revenue	US\$1,695 million, 47.4% year-on-year increase (2020: US\$1,150 million)
EBITDA	US\$692 million, 40.1% year-on-year increase (2020: US\$494 million)
Profit attributable to equity shareholders of the Company	US\$185 million, 14.0% year-on-year increase (2020: US\$162 million)
Earnings per share (EPS)	4.31 US cents, 14.0% year-on-year increase (2020: 3.78 US cents)
Attributable installed capacity	8,405 MW, 11.3% year-on-year increase (2020: 7,551 MW)
Power generation	18,162 GWh, 31.4% year-on-year increase (2020: 13,825 GWh)

Clean and renewable energy portfolio	Attributable installed capacity	Year	Attributable installed capacity	Conventional energy portfolio
Solar, Wind, Hydro, Gas-fired, Biomass	6,844.8 MW (81.4%)	2021	1,559.8 MW (18.6%)	Coal-fired, Oil-fired, Cogeneration
	5,842.0 MW (77.4%)	2020	1,708.6 MW (22.6%)	
	4,550.4 MW (72.4%)	2019	1,735.6 MW (27.6%)	

The Report presents the basic financial and business status of CGN New Energy in 2021. For details, please refer to our *2021 Annual Report*.

## 06 Highlights of 2021

### PERFORMANCE IN ENVIRONMENTAL PROTECTION

Facing increasingly serious environmental challenges, CGN New Energy has continuously implemented the ecological and environmental protection concept of “Lucid Waters and Lush Mountains are Invaluable Assets”. It incorporates green and environmental considerations in the entire process from site selection, deliberation, construction to operation and maintenance of projects. CGN New Energy also proactively develops a clean energy business. We always adopt the “three balances” approach where environmental protection is put first in preliminary design, construction progress and environment protection are well balanced, and environmental considerations are incorporated in production. We roll out a variety of initiatives on ecological and landscape protection, atmospheric protection, water protection, and energy and resources conservation.

In 2021, the Group generated 9,973.9 GWh of electricity through the solar, wind and hydro power portfolio, helping the electricity industry to address global climate change, reduce air pollution and mitigate environmental impacts.

In 2021, we helped reduce the emission of the following pollutants<sup>1</sup>:

Carbon dioxide (CO <sub>2</sub> )	4,018,559.49 tonnes
Nitrogen oxides (NO <sub>x</sub> )	752.43 tonnes
Sulfur dioxide (SO <sub>2</sub> )	47.52 tonnes
Smoke and dust	36.73 tonnes
Wastewater	630,703.75 tonnes

### EMPLOYEES’ CAREER DEVELOPMENT AND OCCUPATIONAL HEALTH & SAFETY

A good employee team brings a steady stream of development impetus for CGN New Energy. Based on our business characteristics and the actual needs of our company and employees, we design and customize high-quality training programs and invite experienced part-time lecturers to give content-rich and practical lectures. In addition, we always stick to the basic operating principle of “Safety First”, standardize the occupational health code, provide employees with personal protective equipment, arrange occupational health examinations, and provide diversified safety training.

Data of employee health and safety in 2021:

Number of work-related fatalities	0
Number of reportable injuries <sup>2</sup>	0
Loss of work accident rate (per 200,000 working hours)	0
Severe injury rate (per 200,000 working hours)	0
Lost days due to work injury	0

### COMMUNITY CONTRIBUTION

CGN New Energy embraces the operational philosophy of “Being a Good Neighbor, a Good Friend and Good Partner” to continuously contribute to the society. On the basis of economic development, the Group upholds the principle of harmonious growth, and launches a wide range of charity projects including poverty alleviation by industrial revitalization, supporting education development, public science education and emergency relief, etc. We strive to integrate our operation into the development of the local community so as to achieve win-win results.

The Group’s contribution to charity in 2021:

Amount contributed to community/charity <sup>3</sup> (RMB)	3,461,417.84
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<sup>1</sup> The data were calculated according to the emission and discharge volume of carbon dioxide, nitrogen oxides, sulfur dioxide, soot and wastewater per unit of electricity generated by thermal power plant stated in the *Annual Development Report 2021 of Electricity Industry in China*, and by referring to the Group’s power generation data of solar, wind and hydro portfolio during the Reporting Period.

<sup>2</sup> Refers to inability of employees to work normally for 3 days or more due to work-related accidents.

<sup>3</sup> Includes monetary value of input fund and resources for industrial revitalization and public charity.

# 07 About CGN New Energy

## COMPANY OVERVIEW

CGN New Energy, listed on the Main Board of the Stock Exchange, is an independent power producer with diverse fuel types and geographical coverage. CGN is our controlling shareholder, which owns 72.29% of the issued share capital of the Company through its indirectly wholly-owned subsidiary, CGN Energy International Holdings Co., Limited.

Currently, our business in China covers 19 provinces, 2 autonomous regions and a municipality and our assets portfolio currently comprises wind, solar, gas-fired, coal-fired, cogeneration and hydro. In terms of the overseas market, we have 2 gas-fired projects and 1 fuel cell project in 4 phases in Yulchon, Korea, as well as 1 oil-fired project and 1 biomass project in Daesan. As of 31 December, 2021, projects in China and Korea accounted for approximately 74.2% and 25.8%, respectively, of the Group's gross attributable installed capacity of 8,405 MW.

## CORPORATE VALUE

CGN New Energy's corporate mission: Developing clean energy and building a beautiful China

Corporate basic values	Accountable	Being willing to do things, capable of doing things and getting things done
	Rigorous and pragmatic	Being practical, performance-based and result-oriented
	Innovative and enterprising	Pursuing enterprise, innovation and excellence
	Client-oriented	Viewing clients' needs as our own
	Value-adding	Everyone is a value creator

## BRAND STANDARDS

"Natural Energy Powering Nature" is the brand slogan that every CGN personnel is proud of. CGN New Energy takes safe, clean and sustainable energy as its brand positioning, pays close attention to it and puts it into practice. In terms of the design, construction, operation and energy resources utilization of power generation projects, the Group focuses on the future and insists on minimizing the environmental and social impacts of various production activities. The Group adheres to CGN's consistent personnel management principles and strives to become the industry benchmark in the field of new energy.

## INTERNAL CODE OF CONDUCT

- 4 principles for CGN employees: Integrity and transparency, professionalism, efficient execution and teamwork
- 4 principles for management team: Being a good example, capable operation, caring for employees, fairness and integrity

## 07 About CGN New Energy

### HONORS AND AWARDS OF THE GROUP IN 2021

- CGN New Energy won the “Best Shareholder Relationship Award” in the “5th China Excellent IR Awards Ceremony”



- CGN Dangtu Taibai Photovoltaic Power Station won the “National Quality Engineering Award”
- CGN New Energy Haopu Photovoltaic Power Station was rated “AAAA” in national production and operation statistical indicator benchmarking of solar photovoltaic power stations in 2020



## 07 About CGN New Energy

- CGN New Energy won the “Hong Kong Investor Relations Association (HKIRA) 7th IR Three Awards”: “Best IR Company”, “Best Annual Report”, Company Assistant President and Company Secretary Mr. Lee Kin won the “Best IRO” Award



- CGN New Energy won the “Most Innovative Value” Award in Guangdong-Hong Kong-Macao Greater Bay Area



- CGN New Energy won the “Best Energy and Resources Company” Award in the 5th Golden Hong Kong Stocks



## 08 Stakeholder Engagement and Materiality Assessment

### COMMUNICATION WITH STAKEHOLDERS

Maintaining good communication with stakeholders is an important part of CGN New Energy's long-term development management. The Group accurately identifies the key stakeholders related to our operation, and communicates with them through meetings, regular visits, satisfaction surveys and other channels, so as to understand their expectations and interests in the Group's development process and future developments. The Group will take measures with an endeavor to respond and meet the demands of key stakeholders according to its production and operation situation.

CGN New Energy determines whether the relevant individuals or groups are our key stakeholders mainly through the following three aspects:

- \* Whether they have invested or will invest in CGN New Energy
- \* Whether they have an influence on the business operation of CGN New Energy
- \* Whether they have interests in or are affected, potentially or otherwise, by the business, products, services and relationships of CGN New Energy

We have identified the following eight types of individuals and groups as our key stakeholders:



In developing, designing, constructing and operating power projects, CGN New Energy attaches great importance to the valuable opinions of key stakeholders. In the preliminary design stage of power projects, we will conduct open consultation and extensively collect the opinions from the surrounding residents on the development of the projects, and deeply understand their concerns. We also appoint a professional environmental assessment agency to conduct a comprehensive environmental impact assessment of the projects and formulate impact mitigation plans, so as to minimize the potential impact of the project on the surrounding environment and communities.



## 08 Stakeholder Engagement and Materiality Assessment

The channels and frequency of our communication with key stakeholders are as follows:

Key stakeholders	Main communication channel	Frequency
Employees	Employee meeting/forum Employee performance appraisal interview Employee satisfaction survey On-site investigation and research Employees' recreational and volunteering activities	Annually
Government/regulatory authorities	Telephone/e-mail Meeting and interview	From time to time
Clients	Telephone/e-mail Interview	From time to time
Suppliers/contractors	Issue invitation for bids on procurement of products/services Inspection and supervision of work Supplier conference Telephone/e-mail Interview	From time to time
Shareholders/investors	Shareholders' meetings Investor conferences Press releases/announcements Visits Telephone meetings	During the Reporting Period, the Company communicated with investment banks, securities firms and different types of investors.  During the Reporting Period, the Company held its 2021 annual general meeting in Hong Kong.
Members of communities/organizations	Telephone/e-mail Interview	From time to time
Media	Press releases/announcements Media special interview	Media interviews are conducted from time to time based on actual needs.  During the Reporting Period, the Company constantly updated the latest development of CGN New Energy to the media and the public through press releases/announcements.
Business partners (e.g. universities/research institutions/professional teams or individuals)	Inspection and supervision of work Telephone/e-mail Interview	From time to time

## 08 Stakeholder Engagement and Materiality Assessment

### MATERIALITY ASSESSMENT

In order to reflect CGN New Energy's ESG impacts to the most extent in the Report, and considering the ESG information on the Group requested by key stakeholders, the Group identified the material issues to be disclosed in the 2021 ESG Report through the following materiality assessment process.

Process for identifying material issues	Step 1	Update the ESG issue repository of CGN New Energy and identify potential material issues
	Step 2	Identify the stakeholders surveyed
	Step 3	Conduct materiality assessment survey
	Step 4	Create the materiality matrix according to the survey result and identify the priority of issues
	Step 5	Review and confirm the materiality of identified issues

When updating the CGN New Energy's ESG issue repository, we primarily formed a new ESG issue repository of 2021 under the benchmark of the compliance disclosure requirements of the *ESG Reporting Guidelines* of the Stock Exchange, based on the results of our materiality assessment in 2020, and with reference to the *GRI Sustainability Reporting Standards*, the materiality map of the Sustainability Accounting Standards Board and matters of concern for MSCI ESG rating in the electricity industry. The ESG issue repository was screened and finally confirmed by CGN New Energy's management.

The Group conducts a comprehensive materiality assessment every year to determine the issues of the Report that are of most concern to CGN New Energy's key stakeholders, and to confirm the information that needs to be highlighted in the Report. During the Reporting Period, the Group conducted a survey on material issues with the assistance of a professional consultancy.

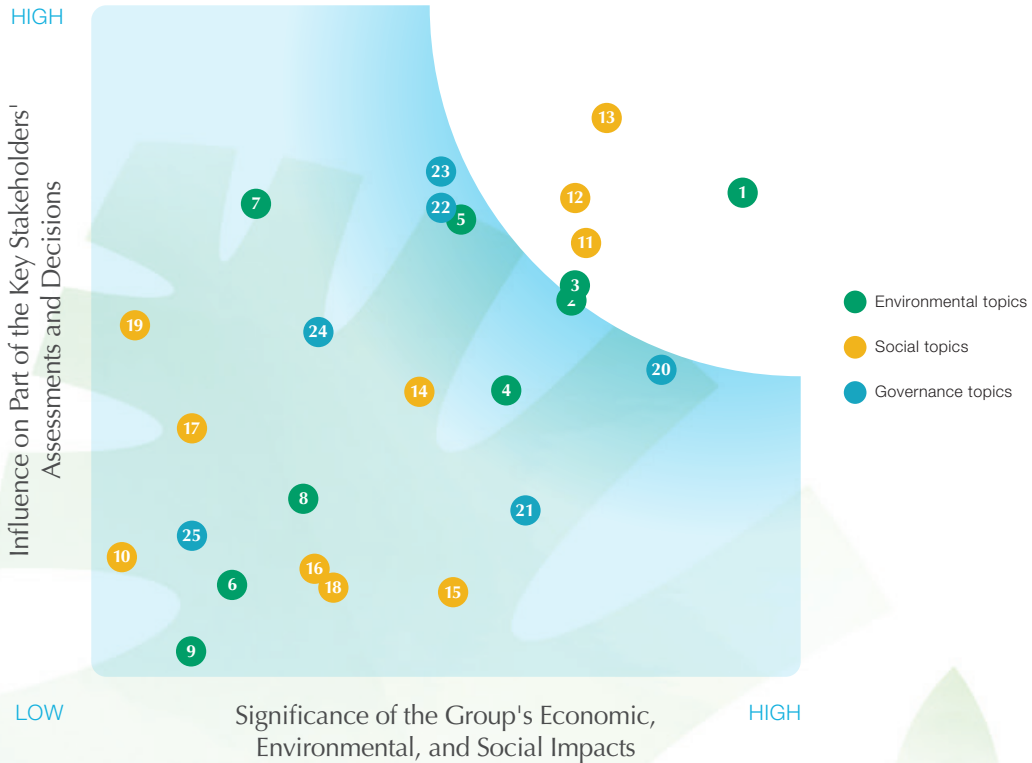
The Group identified its main stakeholders to participate in the survey based on the two dimensions: "impact on CGN New Energy" and "impact from CGN New Energy", and considered the actual feasibility.

Through an anonymous questionnaire survey, the Group widely collected and solicited opinions from part of the Group's key stakeholders. The survey collected a total of 925 valid questionnaires from the Board, staff (including the management<sup>4</sup> and general employees) as well as shareholders/investors. The material issues of the 2021 ESG Report were finally determined on the basis of the feedback from stakeholders and confirmation from the Group's management and the Board.

<sup>4</sup> Refers to the highest decision maker over the operation of the Company or the related affairs of departments.

# 08 Stakeholder Engagement and Materiality Assessment

Matrix of CGN New Energy 2021 Materiality Assessment



Environmental issues	Social issues	Governance issues
<b>1 Renewable energy opportunities</b>	<b>11 Occupational health and safety for employees</b>	<b>20 Social and economic compliance</b>
<b>2 Project-related protection of ecological environment and natural resources</b>	<b>12 Employee remuneration and promotion mechanism</b>	21 Anti-corruption
<b>3 Energy use and efficiency</b>	<b>13 Career development and training for employees</b>	<b>22 Corporate risk management</b>
4 Project environmental impact assessment and related mitigation measures	14 Employment and employee welfare	<b>23 Financial performance and investor interests</b>
<b>5 Addressing climate change</b>	15 Compliance with labor legislation	24 Compliance information disclosure
6 Solid waste disposal and management	16 Labor standards	25 Anti-competitive behavior
7 Greenhouse gases emission and management	17 Service quality assurance	
8 Water use and efficiency	18 Community investment and participation	
9 Effluent discharge and management	19 Supply chain management	
10 Exhaust emission and management		

CGN New Energy obtained the survey results of material issues as listed in the above matrix and identified 10 material issues (i.e. items 1, 2, 3, 5, 11, 12, 13, 20, 22 and 23 as shown above) that relevant stakeholders are most concerned about through the comprehensive analysis of the data and information collected in the survey, as well as consideration of the impact of related ESG issues to the Group and part of the key stakeholders. The results of the analysis have been reviewed by the Group's management and the Board in terms of economic, environmental, and social impacts brought by ESG issues. The Report will focus on these material issues and report their contents to address the needs of stakeholders for information disclosure while conforming to the *Listing Rules*.

## 09 Corporate Governance

CGN New Energy pursues a practical, robust and prudent corporate governance concept, through formulating rules and regulations, to strengthen internal control and improve operational risk management.

### GOVERNANCE STRUCTURE

Maintaining an efficient, orderly, transparent, and robust corporate governance mechanism is the foundation of CGN New Energy's sustainable development. Since going public, CGN New Energy has strictly abided by the *Listing Rules* and the *Corporate Governance Code* under Appendix 14 of the *Listing Rules*, as well as other relevant laws and regulations. The Company reviews its business management policy from time to time, implements efficient corporate governance, and strives to enhance the corporate value to ensure the sustainable and steady development of the Group.

CGN New Energy believes that good corporate governance is essential to the Group's internal governance and the interests of shareholders. We have a corporate governance structure consisting of the Board and board committees, internal auditors, shareholders, management and employees. The participation by multiple parties further reinforced the comprehensive coverage of the Group's governance policy and the effectiveness of its implementation. At the same time, we continue to improve the corporate governance system. In order to ensure the independence of the Board and enhance its accountability and transparency, the Group has adopted the *Board Independence Evaluation Mechanism* in May 2022. The policy sets out the independence evaluation mechanisms of the Board in details and annual reviews of the Board's independence will be conducted. All relevant departments of the Group work on ESG matters as per the decisions issued by the Board to ensure that ESG affairs can be fully integrated into the operation.

The Board incorporates the ESG matters into the Group's governance structure. As the highest level of decision-makers with oversight of the Group, the Board is responsible for formulating and approving policy matters, improving strategic guidelines, maintaining risk management and internal control systems in respect of the business and the ESG matters of the Group, and supervising the performance and professional development of senior management. The Board continues to enhance its supervision over the ESG governance of the Group, including the monitoring and review of progress made against the ESG-related targets on a regular basis. As of the end of the Reporting Period, the board committees of the Company include the Audit Committee, Remuneration Committee, Nomination Committee and Investment and Risk Management Committee. The corporate governance team is committed to upholding CGN New Energy's interests and making fair and defined decisions on major operational issues of the Group, so as to promote the Group's evergreen development and create value for each of our key stakeholders.

The corporate governance structure of CGN New Energy:



## 09 Corporate Governance

Corporate governance structure of CGN New Energy:



The Report basically presents the corporate governance system and work of CGN New Energy in 2021. For details, please refer to the "Corporate Governance Report" contained in our *2021 Annual Report*.

## 09 Corporate Governance

### ANTI-CORRUPTION

CGN New Energy strictly complies with the laws and regulations relating to bribery, extortion, fraud and money laundering in the regions where we operated, including Mainland China, Hong Kong and Korea. The laws and regulations that we have complied with during the Reporting Period, as well as how we comply with them are listed in “Appendix I” of the Report. The Group makes and strictly implements internal management policies on the prevention of bribery, extortion, fraud and money laundering in the course of operation.

We uphold the culture of high integrity in the corporate governance structure and pursue better corporate governance while being compliant with the law with the integrity value of “Integrity is the New Energy” and the integrity vision of “Illuminating Happiness with the Sunshine of Integrity”. We have also incorporated the culture of integrity into the development of every employee, and they are committed to acting with a high level of integrity and ethical standards. We strictly require all business units to closely follow the anti-corruption principle, hence we have formulated the *Management System of Discipline Inspection*, the *Provisional Administrative Measures for Gifts Accepting and Offering* and the *Regulations on Supervision and Disciplinary Action* to set up standards of employee behavior and raise awareness of honest business practices. The Secretary of the Discipline Inspection Commission of the Group is immediately responsible for supervising the overall strict Party governance and comprehensively leading the work of the Discipline Inspection Commission. He also supervises the clean governance, Party integrity and exercise of the power of the Group’s leading group and its members, gives timely reminders at the initial emergence of problems discovered, interviews leading cadres, and reports any clues major problems, if any, to the Group’s Party Committee and the Company’s Discipline Inspection Commission in time. The employees who violate Party rules, Party discipline and the Group’s discipline will be liable in accordance with the regulations of the *Regulation of the Communist Party of China on Disciplinary Actions* and the *Regulations on Handling Violations of Discipline by Group Employees*.

Meanwhile, the Group has developed the *Whistleblowing Policy* based on the Listing Rules, which encourages employees to raise concern in confidence for any misconduct, malpractice and corruption relating to our business. This has established correct values, fostered a culture of honest and righteous business practices, and improved the Group’s corporate governance effectiveness. The Group regularly organizes new mid-level and basic-level management for training on integrity. During the Reporting Period, the Group held training “Red Heron Run-Up Plan” and carried out case-based teaching on rules and discipline violations and raise employees’ awareness of anti-corruption.

In addition, we continue to improve anti-corruption-related policies and the *Anti-Corruption Policy* has been adopted in May 2022 in order to further standardize internal anti-corruption behavior and culture. The policy sets out different situations that employees need to avoid and the code of conduct that they need to pay attention to, regulates employees’ whistleblowing and investigation procedures, and makes it clear that the Group needs to convey deliver the message of zero tolerance towards bribery and corruption to its suppliers and other business partners where appropriate.

### Providing Confidential Ways for Whistleblowing

CGN New Energy has established a special whistleblowing system and ensured the independence and confidentiality of the complaint reporting process to ensure that the channel for employees’ complaints and whistleblowing is safe and unblocked. The system allows employees to submit internal complaints or opinions about the Group. We have, in accordance with the *Constitution of the Communist Party of China and the Regulation of the Communist Party of China on Disciplinary Actions*, formulated the *Regulations on Handling Violations of Discipline by Group Employees and Regulation on Company Supervision and Disciplinary Work*, in order to encourage employees to report any irregularities, uphold integrity in the Group, and create a clean working culture. Employees can submit complaints anonymously, and the whistleblowing system will keep all submitted information confidential. Employees can report to the Company’s Discipline Inspection Commission by mail or e-mail. The Company’s Discipline Inspection Commission will maintain the confidentiality of the employee submitting the report to the maximum extent permitted by law.

### Policy for Prohibiting Illegal Retaliation and Discrimination

CGN New Energy has also formulated protection policies in accordance with the laws to protect whistle blowers and ensure they will not be subject to unlawful retaliation or discrimination due to their lawful reporting or participation in investigations. If an employee believes that he/she has been subjected to any of the aforesaid unlawful retaliation or discrimination, he/she may file a complaint through the aforesaid reporting procedure, and the Group will deal with the issue seriously or even immediately dismiss any person who retaliates or discriminates against him/her.

## 09 Corporate Governance

### RISK PREVENTION

The Board of the Company leads and makes the final decision on risk management. The Investment and Risk Management Committee directly under the Board is responsible for the centralized deliberation of major risk management affairs; The President is responsible for the overall risk control. The Company has a designated department responsible for matters relating to risk management.

During the Reporting Period, the Company continued to promote the *Double Ten Risk Management Rules* for risk assessment. The risk is assessed in combination with the Company's business objectives, strategic focus, plan, budget, performance-based assessment (PBA) and the operation of each unit. The designated department comprehensively scanned all kinds of risks faced by the Company, graded and ranked them on the basis of the consequences, probability and urgency, and then collected opinions from various departments and scores by the leaders of the General Manager Office to make the "Double Ten Risks" assessment results in 2022, which then were deliberated and approved on the meeting of the General Manager Office. The assessment identified the top 20 risk events that will have significant impacts on the Company's operation and development if the timely actions are absent in the current period. The top 10 risks are risks with "key control", while the risks ranking from 11 to 20 are risks with "key focus".

The Company established a "Double Ten Risk" management group and regularly held routine meetings and special meetings to strengthen the daily supervision of risk information and ensure the timely transmission of major risk information. The department designated for risk management shall regularly report to the General Manager Office for the control of the "Double Ten Risks", including the addition/removal of the "Double Ten Risks", and also report to the Board for the control of major risks that require most of their concern. In September 2021, the Company issued the *Notice on Further Standardizing the Reporting Mechanism of Major Risk Events to the Party Committee of the Company* to further establish a sound major risk control mechanism to effectively enhance the capability to prevent and resolve major risks. The Notice defined the requirements, scope, and procedures of the reporting to the Party Committee of the Company.

The Company also continued to promote the establishment of a comprehensive risk management system at the branch level. The risk management function of the branch offices of the Group supervised and inspected the major risks identified by the risk assessment, and checked the development, performance and monitoring of the risk system at the branch offices. The branch offices should disclose any problem found on the planning and business department meeting and further specified the follow-up work requirements. In addition, the Company also strengthened the analysis and early warning of its business risks and promoted the resolution of problems through monthly meetings, quarterly risk monitoring reports and risk deviation lists. To speed up the informatization of risk management and promote the integration of risk management into the operation and management system, we have successfully established the investment project risk review process and launched it in the enterprise performance management system.

In addition, each functional department of the Company has also formulated major risk control objectives, continuously followed up the implementation progress and took countermeasures to minimize the risk. During the Reporting Period, the Company has completed the development of a major project risk assessment system. The Company will continue to promote the development of the risk information system to improve the efficiency of the assessment and help improve the Company's core capability of intelligence.

## 09 Corporate Governance

### Internal Management and Control

CGN New Energy has gained comprehensive management experience through years of operation practice in new energy projects. While maintaining stable production and operation, CGN New Energy can timely adjust the Group's operation and development plan with the changes in the industry and market. The Company and its subsidiaries continue to actively improve the internal control management model, vigorously promote digitalization and information technology application of the internal system, and improve operation and management efficiency.

### Financial Supervision

We continuously strengthen the financial inspection of each project company, focusing on their internal control management, financial accounting audit, capital and asset file management. Regional project companies are actively subject to regular financial inspection and financial internal control and other special supervision. During the Reporting Period, the Group's financial supervision went smoothly, and no financial problems were found to have a significant adverse impact on the Group's operation.

### Information Security Management

To ensure the information system security of the Group's operation process, we deploy security measures such as intrusion monitoring systems and firewalls to ensure the network security of internal data. In addition, the Group also regulates the online behavior of employees through improving the internal Internet behavior management system, so as to prevent employees from accessing websites with irregularities or potential safety hazards. The Group regularly installs or updates the internal system antivirus software to carry out virus scanning on the network access port filter and maintain the Group's internal computer safety.



# 10 Green Operation

As a firm advocate and practitioner of new energy, CGN New Energy provides society with safe, reliable, environmentally-friendly, and affordable electricity, and strives for a bluer sky, greener hills, and cleaner water. CGN New Energy continuously carries out environmental protection management from multiple aspects, actively cooperates with the national policy of “Comprehensively Strengthen Ecological and Environmental Protection and Promote the Tough Fight for Prevention and Control of Pollution”, and strives to reduce the environmental impact of the Group in the process of business development and establish a green operation model. We hope that we can promote green and sustainable development in China with our features of the green energy business, as well as the continuously improved environmental management system.

## GREEN MANAGEMENT SYSTEM

CGN New Energy has established a complete environmental management system to support and standardize the Group’s environmental management under the operation principle of “To Use Resources Wisely and Maintain a Continuing Development”. The Group has an environmental protection leadership group, which comprehensively leads the Group’s environmental protection efforts. The Group’s significant impacts on the environment and natural resources from its operation activities include disturbance of soil, water and vegetations during the construction of new power plants, as well as fuel consumption and emissions during the operation of some conventional energy projects. The Group has formulated and strictly enforced management regulations on air and greenhouse gas emissions, wastewater and waste, as well as management policies to reduce the adverse impact of its operations on the ecological environment.

Main environmental duties of the Safety, Quality and Environmental Management Committee under the Company, led by the President, include:

- Holding working meetings on a regular basis and being responsible for the approval of major environmental projects of the Group
- Providing solutions to significant environmental protection issues in projects’ daily operation
- Making decisions on short-term objectives and long-term planning in environmental protection of the Group

Besides, we have set up a safety, quality and environment monitoring department in all regional branches and independent project companies to supervise and manage the environmental protection issues of each project. We also assigned EHS management personnel for the management and maintenance of environmental protection facilities in each project. Other departments of project companies will play their roles under the guidance of the Safety, Quality and Environmental Department, so as to ensure smooth implementation of environmental protection policies in the Group. The close cooperation among all departments effectively achieves sustainability in our course of operation.

# 10 Green Operation

For environmental efforts, we have set short-term (1-2 years), medium-term (3-5 years) and long-term (5-10 years) environmental targets according to the actual situation:

Category of objectives	Environmental objectives	Indicators	Timeframe	Action plan and results
Air pollutant emission	Improve the efficiency of air pollution control facilities	Increase investment in environmental technology	Short and medium-term	For Nantong Cogeneration Project:  In short term: <ol style="list-style-type: none"> <li>1. Replace or supplement denitration catalyst.</li> <li>2. Increase the maintenance of desulfurization facilities.</li> <li>3. Build a new emergency pool for sudden environmental accidents.</li> </ol> In medium-term: <ol style="list-style-type: none"> <li>1. Technically transform deslagging system from wet slag machine to dry slag machine.</li> <li>2. Overhaul and transform electric duster and replacement of bag-type dust collector.</li> <li>3. Maintain and replace bag-type dust collectors for ash silo.</li> </ol>
			Short-term	For Zhejiang Ninghai Wind Power Project, Inner Mongolia Wuhai Photovoltaic Project "Leader" Base, Wuhan Hanneng Gas Project, Mianyang Sanjiang Hydropower Project and Nantong Cogeneration Project: <ol style="list-style-type: none"> <li>1. Gain the latest information on environmental technology from the government's official website and participate in the academic training, forum or exchange meeting on environmental technology organized by the government or association.</li> <li>2. Engage in regular exchange activities with the Chinese Research Academy of Environmental Sciences.</li> </ol>
		Long-term	For Zhejiang Ninghai Wind Power Project, Inner Mongolia Wuhai Photovoltaic Project "Leader" Base and Mianyang Sanjiang Hydropower Project: <ol style="list-style-type: none"> <li>1. Increase the share of attributable installed capacity of wind power, photovoltaic, hydropower and other renewable energy operations.</li> </ol>	
		Obtain the latest information on environmental technology		
		Reduce the share of fossil fuels		

# 10 Green Operation

Category of objectives	Environmental objectives	Indicators	Timeframe	Action plan and results
Greenhouse gas (GHG) emission	Trade in the carbon market	Sign cooperation agreements with enterprises/institutions to reach strategic cooperation	Short-term	<p>For Zhejiang Ninghai Wind Power Project, Inner Mongolia Wuhai Photovoltaic Project "Leader" Base and Mianyang Sanjiang Hydropower Project:</p> <ol style="list-style-type: none"> <li>1. Sign cooperation agreement with carbon asset management company.</li> <li>2. Meet the need of GHG verification and participate in the trade in the Carbon Assets Market.</li> </ol> <p>Results at this stage:</p> <ul style="list-style-type: none"> <li>• Zhejiang Ninghai Wind Power Project is actively engaged in the Chinese carbon market and was registered as CCER Project in 2016. The first offerings issued have been sold out.</li> <li>• Wuhan Hanneng has completed carbon emission compliance in Hubei Pilot Carbon Trading Area for 8 consecutive years.</li> <li>• Nantong Cogeneration Project has successfully achieved 350,000 tons of carbon quota surplus under the environmental concept of low-carbon and energy conservation, driving regional low-carbon development.</li> </ul>
	Help reach carbon peak and carbon neutrality	Improve the standard of carbon emission management	Short-term	<p>For Zhejiang Ninghai Wind Power Project, Inner Mongolia Wuhai Photovoltaic Project "Leader" Base and Mianyang Sanjiang Hydropower Project:</p> <ol style="list-style-type: none"> <li>1. Improve its professional management of carbon emissions, performance and trading through standardized carbon asset verification and management.</li> </ol>
		Research and develop GHG emission reduction	Medium-term	<p>For Wuhan Hanneng Gas Project and Nantong Cogeneration Project:</p> <ol style="list-style-type: none"> <li>1. Actively follow up the development route and scenario-based application of CCUS technology, and timely transform relevant equipment.</li> </ol>
		Formulate carbon reduction roadmap planning and carbon neutrality scheme	Short-term	<p>For Zhejiang Ninghai Wind Power Project, Inner Mongolia Wuhai Photovoltaic Project "Leader" Base, Wuhan Hanneng Gas Project, Mianyang Sanjiang Hydropower Project and Nantong Cogeneration Project:</p> <ol style="list-style-type: none"> <li>1. Actively explore zero-carbon technology solutions with emission reduction capacity, scalability, innovation level, economy and social benefits as main KPIs.</li> </ol>

# 10 Green Operation

Category of objectives	Environmental objectives	Indicators	Timeframe	Action plan and results
Waste generation	Increase resources recycling	Increase waste recycling rate	Short and long-term	<p>For Zhejiang Ninghai Wind Power Project, Inner Mongolia Wuhai Photovoltaic Project "Leader" Base, Wuhan Hanneng Gas Project, Mianyang Sanjiang Hydropower Project and Nantong Cogeneration Project:</p> <p>Short-term:</p> <ol style="list-style-type: none"> <li>1. Improve the waste sorting and recycling signs and facilities in the plant and office.</li> </ol> <p>Long-term:</p> <ol style="list-style-type: none"> <li>1. Strengthen the capacity to sort out and dispose of wastes, and accelerate the recycling and disposal of photovoltaic modules and fan blades.</li> <li>2. Encourage employees to actively repair and recycle facilities, and set up and issue incentive bonuses for repairing and recycling.</li> </ol>
	Reduce produced waste	Strengthen the maintenance and repair of equipment	Short, medium and long-term	<p>For Zhejiang Ninghai Wind Power Project, Inner Mongolia Wuhai Photovoltaic Project "Leader" Base, Wuhan Hanneng Gas Project, Mianyang Sanjiang Hydropower Project and Nantong Cogeneration Project:</p> <ol style="list-style-type: none"> <li>1. Strengthen equipment maintenance and extend the service life of the equipment.</li> </ol>
Energy efficiency	Promote the development of green energy	Increase investment in renewable energy	Long-term	<p>For Zhejiang Ninghai Wind Power Project, Inner Mongolia Wuhai Photovoltaic Project "Leader" Base and Mianyang Sanjiang Hydropower Project:</p> <ol style="list-style-type: none"> <li>1. Accelerate the development and construction of wind power, photovoltaic, hydropower and other renewable energy fields.</li> </ol>
	Increase energy efficiency	Transform energy-saving technology in the workplace	Short, medium and long-term	<p>For Zhejiang Ninghai Wind Power Project, Inner Mongolia Wuhai Photovoltaic Project "Leader" Base, Wuhan Hanneng Gas Project, Mianyang Sanjiang Hydropower Project and Nantong Cogeneration Project:</p> <ol style="list-style-type: none"> <li>1. Replace and eliminate old water pumps and motors to improve equipment efficiency.</li> <li>2. Reduce the auxiliary power consumption rate.</li> <li>3. Recover and utilize waste heat in the cogeneration project.</li> <li>4. Increase the photovoltaic conversion efficiency by strengthening the management of photovoltaic modules in the photovoltaic project.</li> </ol>

## 10 Green Operation

Category of objectives	Environmental objectives	Indicators	Timeframe	Action plan and results
Water efficiency	Increase investment in water-saving facilities	Regularly check and maintain water pipes and water supply systems	Short, medium and long-term	For Zhejiang Ninghai Wind Power Project, Inner Mongolia Wuhai Photovoltaic Project "Leader" Base, Wuhan Hanneng Gas Project, Mianyang Sanjiang Hydropower Project and Nantong Cogeneration Project: 1. Regularly inspect and maintain the water supply equipment and facilities in stations/projects
		Carry out water-saving projects at the place where the projects operate	Short, medium and long-term	For Zhejiang Ninghai Wind Power Project, Inner Mongolia Wuhai Photovoltaic Project "Leader" Base, Wuhan Hanneng Gas Project, Mianyang Sanjiang Hydropower Project and Nantong Cogeneration Project: 1. Maintain the sewage treatment system in the power plant/project to process and reuse sewage.
	Reduce average water consumption	Improve employees' awareness of water-saving	Short and medium-term	For Zhejiang Ninghai Wind Power Project, Inner Mongolia Wuhai Photovoltaic Project "Leader" Base, Wuhan Hanneng Gas Project, Mianyang Sanjiang Hydropower Project and Nantong Cogeneration Project: 1. Hold water-saving training and activities.

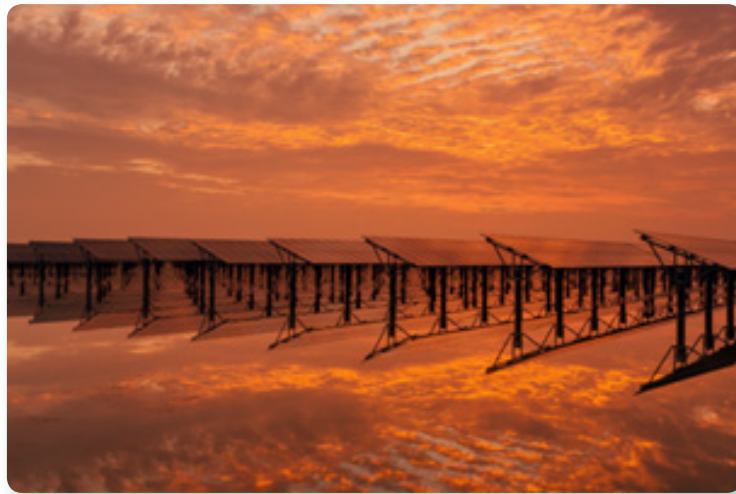
To fulfill the objectives, we will organize environmental supervision or inspection, and collect the monthly energy-saving index data required by the State-owned Assets Supervision and Administration Commission of the State Council, so as to effectively monitor and review the progress of the objectives.

At present, all power projects in operation are certificated by ISO 14001 and GB/T24001-2016 Environmental Management System. The Group requires all newly acquired or completed power projects to be certified within two years after their acquisition or completion, so as to strengthen the environmental compliance of project operation.

## 10 Green Operation

### CASE SHARING: FISHERY-PV PHOTOVOLTAIC POWER STATION PROJECT IN SHUANGTAN LAKE, DALONG TOWN, DANGTU COUNTY

During the Reporting Period, Dangtu Taibai photovoltaic power station was listed in the second group of national intelligent photovoltaic pilot demonstration projects. Since put into operation, the power station has been producing and operating stably and the surrounding ecological environment has been well developed, positively driving the development of tourism and the economy. The power station is currently the largest single capacity grid parity photovoltaic project in East China, and was awarded the “China Quality Electric Power Project of 2021”. The inclusion into the pilot demonstration project will help it leverage the advanced demonstrative role, comprehensively improve the operation and maintenance standard of smart photovoltaic, conduct corporate research and innovation in photovoltaic power, and increase the application of information technology. At the same time, data acquisition, system monitoring and operation and maintenance management become more intelligent through technical means such as big data and the Internet of things, so as to gradually build the power station into a model ecological photovoltaic power station in China.



# 10 Green Operation

## MONITORING AND MANAGEMENT MECHANISM FOR EMISSION AND DISCHARGE

CGN New Energy strictly complies with the laws and regulations on air and greenhouse gas emissions, discharges into water and land, generation of hazardous and non-hazardous waste, and noise control in the regions where we operate, including Mainland China, Hong Kong and Korea. The laws and regulations that we have complied with during the Reporting Period, as well as how the Group complies with them are listed in “Appendix I” of the Report.

### Atmospheric Emissions

The main atmospheric pollutants produced by the Group, including smoke and dust, sulfur oxides and nitrogen oxides, are mainly from fuel combustion during the operation of the coal-fired, cogeneration, gas-fired and biomass projects. In order to mitigate the impact of atmospheric pollutants from fuel combustion on the environment, the relevant projects of the Group have set up and operated exhaust gas treatment devices. In addition, we monitor our air and greenhouse gas emissions effectively through a comprehensive emissions monitoring system and daily management mechanism to ensure that all project companies comply with local laws and regulations on atmospheric pollutants. Through the formulation of a strict management system, we required each site to prepare and update the *Waste Gas Disposal Diary*. We used appropriate environmental facilities for flue gas and fume of cooking fires generated in boilers, canteen and domestic logistics, made control measures for vehicle exhaust pollution, specified the operation and maintenance of air and greenhouse gas emission treatment facilities, and set out the rules for personnel operating, to ensure the emissions is up to the standards by means of internal governance.

We actively increased the proportion of investment in clean and renewable energy projects on the wind, solar, gas-fired, hydro and fuel cell projects during the Reporting Period, and continued to expand the share of clean and renewable energy projects in the Group’s attributable installed capacity.

We check and maintain the exhaust gas emission system regularly to ensure the normal operation of the emission system. In case of failure of the exhaust gas treatment system, we will immediately stop the system for maintenance and apply for the suspension from the environmental protection department to minimize the impact on the environment.

Our operation of the coal-fired power plant in Mainland China has been strictly in compliance with the *Emission Standard of Air Pollutants for Coal-fired Power Plants* to ensure the emissions of smoke and dust, sulfur oxides and nitrogen oxides are below the concentration level of 20 mg/m<sup>3</sup>, 50 mg/m<sup>3</sup> and 100 mg/m<sup>3</sup>, respectively. We reduce emissions from electricity production through measures such as improving technology and upgrading equipment to realize ultra-low emissions.

# 10 Green Operation

Daily management of atmospheric pollutants:

- Install boilers that comply with environmental protection requirements and implement the “Three Simultaneous” green system to meet the emission standards for boilers
- The production departments of project companies carry out regular inspection and maintenance on the exhaust gas emission system, exhaust gas treatment facilities and continuous emission monitoring systems (CEMS) online monitoring system to ensure all systems normally operate and record the inspection results

Treating atmospheric pollutants:

- Gas from boilers is emitted at height after being treated in the gas duster system
- Magnesium oxide and limestone is used to treat desulfurization
- Satisfying the NO<sub>2</sub> emission standard through low nitrogen burning and selective catalytic reduction (SCR) desulfurization

Monitoring atmospheric pollutants:

- Safety, Quality and Environmental Department hires a third-party monitoring agency to monitor the atmospheric emissions of each project company and keep records

During the Reporting Period, the emissions of the projects' atmospheric pollutants were as follows:

Nitrogen Oxide (NO <sub>x</sub> )	752.43 tonnes, 22.1% year-over-year decrease (2020: 966.05 tonnes)
Sulfur Oxide (SO <sub>x</sub> )	47.52 tonnes, 51.4% year-over-year decrease (2020: 97.70 tonnes)
Smoke and dust in the exhaust gas	36.73 tonnes, 33.7% year-over-year decrease (2020: 55.42 tonnes)

During the Reporting Period, the emissions of the projects' greenhouse gas were as follows:

Total GHG emissions (Scope 1 and 2) <sup>5</sup>	16,976,244.14 tonnes CO <sub>2</sub> eq, 1.6% year-over-year increase (2020: 16,703,425.33 tonnes of CO <sub>2</sub> eq)
GHG emissions per MWh of electricity generated	0.93 tonnes of CO <sub>2</sub> eq, a decrease of 22.6% year-on-year (2020: 1.21 tonnes of CO <sub>2</sub> eq)

Based on the nature of the Group's business, during the Reporting Period, the Group's major greenhouse gas emissions mainly came from fuel combustion and the use of purchased electricity in the operation of some projects. This Report, therefore, focuses on the disclosure of the Group's Scope 1 (direct emissions) and Scope 2 (indirect emissions from energy use) greenhouse gas emissions for the Reporting Period. The Group will consider disclosing Scope 3 (other indirect emissions) greenhouse gas emissions in future reporting periods. In the future, we will further improve our capacity structure and optimize the respective shares of clean and renewable energy projects and conventional energy projects in our electricity production, so as steadily reduce atmospheric pollutant and greenhouse gas emissions and contribute to the battle for ecology and environmental protection and the mitigation of global greenhouse effects.

<sup>5</sup> Include greenhouse gas emissions in Scope 1 (direct emissions) and Scope 2 (indirect emissions caused by energy use).



# 10 Green Operation

## Wastewater Produced

CGN New Energy also manages the major wastewater produced in its operations through an established environmental management system to ensure its compliance with national and regional laws and regulations. The main wastewater produced during the operation of the Group includes wastewater from chemical treatment, sewage from the slag removal system and the sewage and coal transport system, periodic discharge of boilers as well as domestic wastewater, etc.

We will not build domestic and construction sewage outlets in domestic and drinking water sources, important fishery water and other water bodies or protected areas of special economic and cultural significance. We strive to meet the regulations of the places where we operate through active efforts in daily management, such as sewage management and treatment undertaken by the Production Management Department, and require each site to prepare and update the *Waste Gas Disposal Diary* along with various measures and supervision initiatives.

Daily management of wastewater discharge:

- The Production Management Department of each project company manages and treats wastewater as well as makes records accordingly
- For project construction which involves wastewater discharge, the department-in-charge signs the environmental protection agreement with the contractors while the Safety, Quality and Environmental Department should ensure that wastewater is discharged in compliance with the standard

Treatment methods of wastewater:

- In the wastewater treatment system, wastewater is segmented and neutralized until it meets the standards and is discharged to wastewater treatment plants

Monitoring methods of wastewater:

- Safety Supervision Department of each project company engages third-party inspectors to monitor wastewater discharged by project companies and maintains inspection record

During the Reporting Period, the discharge of wastewater was as follows:

Wastewater            630,703.75 tonnes, 30.8% year-over-year increase (2020: 482,337.80 tonnes)

# 10 Green Operation

## Hazardous and Non-hazardous Waste

CGN New Energy carries out comprehensive management of major wastes produced in the operation process through the established environmental management system, so as to reduce the adverse impact on the projects' surrounding environment and people's health. The main wastes produced by the Group in the process of power production include fly ash, slag, waste oil, waste paint, desulfurized gypsum and desulfurization catalysts, etc.

The Group treated hazardous waste produced in strict accordance with the *Management Rules for Energy Conservation and Ecological Environment Protection (First Edition)*. The responsible department collects and stores the waste at designated warehouses. We place and store the waste at designated spots within the factory area and the keepers, trained for professional waste disposal, shall register and deliver the waste to qualified third-party institutions for further treatment and file the "five copies of the transit manifest". All sites must also establish and regularly update the *Solid and Hazardous Wastes Disposal Diary*, recycle the hazardous wastes, and keep the recycling and disposal records.

We hire professional resource recovery companies to recover reusable by-products of fuel combustion and waste gas treatment process such as fly ash and desulfurization gypsum. This approach not only reduces the impact of the wastes on the environment but also reduces the Group's operating costs.

All business units of the Group are committed to the principle of "Repair and Reuse, Proper Storage, Full Utilization, Revenue-generating and Expenses Cutting" to reduce waste production during operation. The procurement departments of project companies collect waste and obsolete materials while the production management departments recycle them. Based on the principles of "Economic Reasonableness, Quality Assurance, Centralized Management and Prioritized Utilization", the Group necessarily repairs components and parts dissembled at the sites, so as to recover their functions. This substantially reduces waste production and lowers operating costs.

We internally grant "Repair and Reuse" awards to individuals and business units which have outstanding performance on repairing and reusing work to raise green awareness of employees. The value of repaired and reused materials is determined by the Production Management Department of each project company while the award by the original value of the materials before repair. The Production Management Department regularly summarizes the finished repair and reuse projects and makes a recommendation on award granting.

During the Reporting Period, the hazardous waste produced in the course of operation were as follows:

Total hazardous waste produced	98,803.31 tonnes, 8.7% year-over-year increase (2020: 90,907.59 tonnes)
Hazardous waste produced per MWh of electricity generated	0.0054 tonnes, 17.3% year-over-year decrease (2020: 0.0066 tonnes)

During the Reporting Period, the non-hazardous waste produced in the course of operation were as follows:

Total non-hazardous waste produced	40,466.8 tonnes, 29.0% year-over-year increase (2020: 31,376.03 tonnes)
Non-hazardous waste produced per MWh of electricity generated	0.0022 tonnes, 1.8% year-over-year decrease (2020: 0.0023 tonnes)

During the Reporting Period, the waste recycled in the course of operation were as follows:

Total amount of fly ash recycled	98,710.53 tonnes, 8.8% year-over-year increase (2020: 90,727.46 tonnes)
Recycling rate of fly ash	100%, 0% year-over-year increase (2020: 100%)
Total amount of desulfurized gypsum recycled	4,317.00 tonnes, 47.1% year-over-year decrease (2020: 8,158.67 tonnes)
Recycling rate of desulfurized gypsum	100%, 0% year-over-year increase (2020: 100%)

In the future, the Group will further reduce the hazardous and non-hazardous waste produced in the operation process through technological transformation and production equipment upgrades.

# 10 Green Operation

## USE OF ENERGY AND RESOURCES

CGN New Energy adopts the “three balances” approach where “Environmental Protection First in Preliminary Design, Striking a Balance Between Construction Progress and Environmental Protection, and Incorporating Environmental Considerations in Production”. It not only rolls out a variety of initiatives on ecological and landscape protection, atmospheric environment protection and water environment protection, but also emphasizes energy and resource-saving in the operation. The Group formulates and strictly implements various internal management policies on the use of energy and water resources.

### Energy Utilization

CGN New Energy adheres to the principle of efficient use of energy. During the Reporting Period, we have successfully conducted many key energy conservation technology renovation projects and continued to increase the proportion of investment in clean and renewable energy projects. Those practices have not only improved the overall energy efficiency of the Group, reduced greenhouse gas emissions, but also reduced the Group’s operating costs.

During the Reporting Period, the major energy consumption in projects was as follows:

Total energy consumption	20,406,574.39 MWh, 10.6% year-over-year increase (2020: 17,865,538.78 MWh)
Energy consumed per MWh of electricity generated	1.12 MWh, 9.5% year-over-year decrease (2020: 1.29 MWh)

During the Reporting Period, the Group continued to promote the development of green energy, with the steady progress of development and operation of clean energy projects. At present, the wind power business of the Group has reached a mature stage that covers all segments of the industry, including wind power generation and providing professional services. We are the industry leader in standard, systematic, and large-scale wind power development, operation and maintenance. With the increasing investment in renewable energy in the future, the energy consumption intensity of the Group is expected to decline further.

In the future, CGN New Energy will focus on the following aspects to better seize the opportunities for new energy development:

- Consolidate the safety foundation, mainly enhance the refined management in production, and further improve the safe operation and overall management efficiency of the project;
- Focus on and respond to the market electricity system reform and regional policy changes, strengthen the study on electricity sales strategy, and carry out power transactions on the basis of efficiency;
- In terms of project construction, with improving project construction quality management as the benchmark, controlling construction cost as the goal, improve project construction process management, so as to fully promote the efficient and high-quality production of the projects;
- Keep close track of the industry trend, seize the opportunities of new energy development, increase the reserve of quality resources, persist in exploring and promoting the innovation of development model, and accelerate the completion of high-quality projects.

# 10 Green Operation

## CASE SHARING: WUHAI PHOTOVOLTAIC BASE IN INNER MONGOLIA

Wuhai project is the first mountain photovoltaic power project in China to win the “China Quality Electric Power Project” and “China Installation Star”. During the construction, the project team leveraged their agency and creativity and successfully applied for several technical achievements, including 3 promotion and application projects for national key energy-saving and low-carbon technologies, 8 promotion and application projects for “Five New Technologies for Power Construction”. The team also applied for and secured 2 provincial and ministerial QC awards. This project is a demonstrative mountain photovoltaic project for the development and utilization of solar energy resources in the Inner Mongolia Autonomous Region. It is a model example with engineering innovation, technological innovation and excellent benefits in production and operation.



# 10 Green Operation

## Water Resource Management

Better water efficiency is a matter of concern of CGN New Energy in its day-to-day operation. The water consumption in the daily operation of the Group mainly comes from water for boiler in thermal power plants, equipment cooling, equipment cleaning, domestic water for on-site employees, office activities and fire-fighting activities, etc. The Group attaches great importance to the best use of water resources and reduces water consumption by using circulating water and rainwater instead of freshwater in the project, applying water-saving appliances and inspecting and maintaining the water supply system to avoid water leakage. The Group actively prevents the waste of water resources through water-saving measures. Each project company strictly monitors water meters and other facilities in the production area to prevent water leakage. At the same time, we advocate the proper use of recycled water, rainwater and conduct other water-saving measures.

Solar photovoltaic panel components must be cleaned regularly to improve the power efficiency of solar projects. By using rainwater for washing and using intelligent robots for non-hydrating cleaning, we have met the cleaning standard for components while reducing the consumption of additional water resources.

During the Reporting Period, the water consumption in projects was as follows:

Total water used	7,949,734,723.60m <sup>3</sup>
Surface water (from rivers, lakes and seas) used	7,947,906,553.00m <sup>3</sup>
Municipal water (from tap water) used	1,805,468.60m <sup>3</sup>
Groundwater (from wells and springs) used	22,702.00m <sup>3</sup>
Water discharged back to the rivers, lakes, seas and lands after self-pretreatment and reaching standards	7,931,959,714.40m <sup>3</sup>
Total water consumed <sup>6</sup>	17,775,009.20m <sup>3</sup>
Water consumed per MWh of electricity generated	0.979m <sup>3</sup>
Circulating water used	20,186,259.00m <sup>3</sup>

*Water consumed per MWh of electricity generated as compared with 2020*

*Decreased by 40.8%*

In addition, since 2013 and 2014, when the eastern and middle routes of the South-North Water Transfer Project started officially operating, the scarcity of water in part of northern and eastern China has been mitigated. During the Reporting Period, as most of the water-intensive projects in operation<sup>7</sup> of the Group were located in regions near rivers, lakes and seas, including Henan Province, Jiangsu Province, Shanghai City and Hubei Province of China and Jeollanam-do and Chungcheongnam-do of Korea, the Group did not face any issues in sourcing water that is fit for purpose.

<sup>6</sup> The data excludes the water discharged back to the rivers, lakes, seas and lands after self-pretreatment and reaching standards and the circulating water used.

<sup>7</sup> Includes coal-fired, cogeneration, gas-fired, and oil-fired projects in China and Korea.

# 10 Green Operation

## ADDRESSING CLIMATE CHANGE

Chinese President Xi Jinping delivered a speech at the 75th United Nations General Assembly on 22 September 2020, emphasizing that strong policies and measures will be adopted to reach the carbon peak by 2030 and achieve carbon neutrality by 2060. In order to achieve the goal of carbon neutrality, and reduce air pollutant emissions, China will adjust its energy structure and actively develop a clean and renewable energy industry.

To practice the national directives on reaching carbon peak by 2030 and carbon neutrality by 2060, and to assume the responsibilities of a centrally administrated state-owned enterprise, CGN New Energy is committed to its strategies of propelling the new energy business with a hope to secure any opportunities in the wind power industry and photovoltaic power industry. The Company also is actively engaged in exchange among the industry. Meanwhile, CGN New Energy has been reducing the overall carbon emission in its operation by maintaining a good carbon assets management. In order to regulate the management of carbon assets efficiently, the Group has formulated the *Carbon Assets Management Procedures* to facilitate emission reduction trading and ensure the smooth progress of carbon trading.

## CASE SHARING: WIND ENERGY COMPANY LEADERS' SYMPOSIUM 2021

The Group attended the Wind Energy Company Leaders' Symposium 2021 on September 10, 2021. The symposium was sponsored by the Wind Energy Professional Committee of China Renewable Energy Society. There were more than 40 companies and organizations present, including the National Energy Administration of China. After thorough discussion and view exchange, participants reached a consensus on solving major constraints on the development of the industry and drafted the *Proposal for the Wind Energy Company Leaders' Symposium 2021* to promote the development of wind power in the country.



# 10 Green Operation

In the future, the Group will continue to be user-oriented, and after meeting users' needs for clean, low-carbon, safe and efficient energy consumption, to provide high-quality green energy for electricity users. The Group will also participate in green electricity trading, practice the concept of green development with concrete actions, and firmly contribute to the realization of the "dual-carbon" goal.

In addition, the Group identified and confirmed significant climate-related opportunities that may have an impact on the Group from the perspective of "potential financial impact on the Group", as shown below.

Climate-related opportunities	Description of opportunity
Resource efficiency opportunities	More efficient production and distribution processes Reduce water usage and water consumption
Energy source opportunities	Use renewable energy and low-emission technologies Participate in the carbon trading market Supportive policy incentives
Product and service opportunities	Develop and expand low-emission and renewable energy projects R&D and innovation Diversified business activities Shift of market preference
Market opportunity	New market access Gain government subsidies
Adaptability opportunities	Energy substitution and diversification

# 10 Green Operation

CGN New Energy incorporated climate-related issues into its operation risk assessment and management. During the Reporting Period, with the assistance of professional consulting agencies, the Company assessed, identified and confirmed the climate-related risks that may have a significant impact on the Group. The assessment results indicated no high climate risk at present, so the Company has no major climate risk for now, but it has medium and low-level climate risks. The medium-level climate risks identified and our countermeasures to mitigate such risks are as follows:

Climate-Related Risks	Risk Description	Countermeasures
Acute risk	The severity of extreme weather events such as typhoons and floods has increased	<ul style="list-style-type: none"> <li>• Prepare <i>Emergency Plan Drill</i> to effectively control safety risks;</li> <li>• Hold different emergency drills regularly to familiarize employees with the emergency plan;</li> <li>• Prepare production plans for relevant emergencies such as material reserve, personnel emergency plan, starting emergency production process, etc.;</li> <li>• Cut off the water and power supply for emergency according to the actual situation after the natural disaster risk warning issued by the authorities are timely transmitted to the Company.</li> </ul>
Chronic risk	Rainfall variability and extreme fluctuations in weather patterns	<ul style="list-style-type: none"> <li>• Make the <i>Regulations on Energy Conservation and Ecological Environment Protection</i>, take several energy-saving and water-saving measures, formulate emergency plans for flood prevention, prepare flood control materials in advance, dredge sewer pipes, add waterproof sandbags, etc.</li> </ul>
Market risk	Changes in customer's (electricity purchaser) demand	<ul style="list-style-type: none"> <li>• Focus on and respond to the market electricity system reform and regional policy changes, strengthen the study on electricity sales strategy, and carry out power transactions on the basis of efficiency;</li> <li>• Conduct various electricity trading in an overall way, and firmly maintain the strategies of propelling the new energy business with a hope to secure any opportunities in the wind power industry and photovoltaic power industry; and participate in industry exchanges, and continue to promote the development of clean and renewable energy with our technical build-ups and operation experience.</li> </ul>
Policy and legal risk	The rise of greenhouse gas emission pricing	<ul style="list-style-type: none"> <li>• Carried out many key energy-saving technological transformation projects and continued to increase the proportion of investment in clean and renewable energy projects. The relevant practices not only improved the overall energy efficiency, reduced greenhouse gas emissions and continued to cultivate the clean energy market, but also improved core competence to operate and maintain wind power and photovoltaic power business so as to provide safe, environmentally-friendly, affordable clean energy for society.</li> </ul>



# 10 Green Operation

## CASE SHARING: MULTIPLE MEASURES TO ENSURE POWER SUPPLY AMID SANDSTORMS

From March 17 to 18, 2021, a massive sandstorm swept across 12 provinces and cities in the north, and CGN New Energy project teams also responded rapidly. Inner Mongolia Branch started the extreme weather emergency plan and carried out special inspections for substation equipment, transmission lines, generator sets, component supports, etc.

The Wuhai Sihe Photovoltaic Power Station mobilized personnel to carry out special inspections on the collector line to check whether the clamp is loose and falling off from the equipment, whether the conductor is loose and its phase-to-phase distance is normal, whether there are suspended solids on the equipment and whether there are loose and broken wires; the intention was to prevent abnormal equipment caused by the strong wind, the falling pole lines and disconnected lines caused by shaking wires, equipment damage caused by falling objects from high altitude, etc. The power station comprehensively and immediately knew how the line operated in bad weather to respond quickly and take effective measures to eliminate hidden dangers in case of emergency.



We will continue to pay close attention to related matters and deal with potential risks, seize opportunities and disclose relevant information promptly. CGN New Energy will continue to promote the development of clean and renewable energy with our technical build-ups and operation experience. At the same time, the Group will further strengthen energy conservation and emission reduction, and work together with all parties to contribute to the effective response to global climate change.

# 11 Caring for Employees

CGN New Energy's ongoing success depends on sustainability talents recruitment and retention. We focus on increasing employees' professional skills and improving physical and mental health at work. We are committed to maintaining a quality working environment that values integrity, diversity, cooperation and communication.

## STANDARDIZED EMPLOYMENT

CGN New Energy strictly complies with the relevant laws and regulations on compensation and dismissal, recruitment and promotion, working hours, holidays and leaves, equal opportunity, diversity, anti-discrimination and other benefits, as well as laws and regulations related to the prevention of child labor and forced labor in the regions where we operate, including Mainland China, Hong Kong and Korea. The laws and regulations that we have complied with during the Reporting Period, as well as how we comply with them are listed in "Appendix I" of the Report. The Group has revised the *Employee Handbook* in the Reporting Period and strictly abided by the internal management policies on compensation and dismissal, recruitment and promotion, working hours, holidays and leaves, equal opportunity, diversity, anti-discrimination and other benefits, and those related to the prevention of child labor and forced labor.

CGN New Energy implements the internal *Recruitment and Deployment Management Process* and arranges standardized interviews and assessments for employees during recruitment in accordance with the management system to make appointments based on merits. The Group pledges to treat job applicants and employees of different gender, color, nationality, ethnicity, cultural background, religious belief, family background and sexual orientation fairly and openly when arranging recruitment, hiring, training, rewards, promotion and development, and strictly prohibits any forms of differential treatment and discrimination. As of the end of the Reporting Period, the total number of employees of the Group was 2,033 (10.7% year-over-year increase), with 71 of them being ethnic minorities (31.1% year-over-year decrease), representing 3.49% of total employees<sup>8</sup>.

When recruiting new employees, the Group will check the applicant's identity card, academic certificates and other documents. Those who are under the age of 16 are not allowed to be employed as per laws and regulations, and whose health check results issued by recognized hospitals are found not to qualify the employment standard of the Group. The Group strictly prohibits any use of child labor and forced labor. All employees are also required to fill in the *Employee's Basic Information Form* for CGN New Energy during onboard registration, and ensure the information filled in is true, legal and effective. At the same time, the Group will sign labor contracts with employees to ensure that both parties have harmonious and stable labor relations. The Group will timely repair the loopholes to avoid the same situation in the future and held the employees involved accountable in case of any violations.

During the probation period, the employee may propose to terminate the labor contract, but a written report should be filed at least three days beforehand. The Group may unilaterally terminate the labor contract if any employee is found non-compliance with the employment conditions, violation of laws and regulations, violation of the Company's rules and regulations and violation of labor discipline during the probation period.

In addition, we have formulated *Employee Performance Management Rules*, and conduct annual performance appraisals and assessments for all employees and arrange salary adjustments and promotions based on the competence, performance and other factors of each employee. The Group will demote or transfer the employee with poor appraisal results in succession and will negotiate with the employee to terminate the labor contract and lawfully pay appropriate severance if such employee's further assessment is still not up to standard.

We ensure a sound career advancement mechanism is in place for employees. In the future, we will continue to gradually explore and establish a professional talent echelon, specify the employee career path, and cultivate a reserve talent echelon who are capable employees to understand business and excel at technology, so as to develop them to their full abilities. We create a relaxed environment for high-level talent to work and start their business, and act as a supporting channel for them, and strive to create an atmosphere where knowledge, talents and creation are all respected. We also encourage outstanding talents to achieve their careers, break down the institution and mechanisms unfavorable to their innovation and their abilities, and empower them to challenge higher goals.

CGN New Energy will provide all long-term employees with:

- Reasonable salary and considerate benefits
- Detailed job responsibilities in line with the position
- Working hours which meet the requirements of national and local laws and regulations
- Annual leave, personal leave, sick leave, marriage leave, maternity leave, etc
- Regular performance appraisal and assessment, and comprehensive arrangement of salary adjustment and promotion
- Timely paid Insurances and Housing Fund, MPF and National Pension in accordance with relevant laws and regulations of Mainland China, Hong Kong and Korea respectively

<sup>8</sup> With reference to the *Summary of the Sixth National Population Census in 2010* by the National Bureau of Statistics of China, ethnic minorities accounts for 8.49% of the total population in China, while according to the *2018 Population and Housing Census* by the National Bureau of Statistics of Korea, there is no ethnic minorities in Korea as Korea is a single ethnic nation.

# 11 Caring for Employees

In terms of expanding recruitment channels, we have developed diversified talent recruitment approaches to attract outstanding talents, such as online recruitment, employee referrals, talent exchange session and school promotion. CGN New Energy hopes to retain the best available personnel including the management while attracting potential talents through continuous improvement of its human resources management system, so as to secure the Group's sustainable development in terms of human resources.

As of the end of the Reporting Period, the Group's workforce by geographical region was as follows:

Country and region	Mainland China	Hong Kong	Korea	Other countries and regions
Number of employees	1,815	20	198	–
Percentage ratio	89.28%	9.74%	0.98%	–

As of the end of the Reporting Period, the Group's workforce by age was as follows:

Age group	Under 30	Between 30 and 50	Above 50
Number of employees	531	1,354	148
Percentage ratio	26.12%	66.60%	7.28%

As of the end of the Reporting Period, the Group's workforce by employment type was as follows:

Employment type	Full-time	Part-time
Number of employees	2,033	0
Percentage ratio	100.00%	0%

As of the end of the Reporting Period, the Group's workforce by gender was as follows:

Gender	Male	Female
Number of employees	1,764	269
Percentage ratio	86.77%	13.23%

During the Reporting Period, the Group's spending on employee benefits was as follows:

Spending	Amount
Salaries and allowances (US\$'000)	83,011
Retirement benefits scheme contribution, including directors' emoluments (US\$'000)	13,669

# 11 Caring for Employees

## OCCUPATIONAL HEALTH AND SAFETY

CGN New Energy combines occupational health with daily health management, which shares the same service resources and different management, to ensure employees have a continuous and smooth service experience. Under the principle of "Overall Planning and Standard, Hierarchical Management and Early Prevention", we have established and improved the post-health check intervention and optimized the medical services for serious diseases on the basis of the employee health check and with the focus of disease prevention. The Group guided employees in remote areas to seek medical treatment online, customized special health improvement schemes for engineering/production personnel and encouraged all units to set up health centers to provide basic medicines and first-aid devices for health security.

### Operational Risk Management

CGN New Energy strictly abides by the laws and regulations on providing a safe workplace and protecting employees from occupational hazards in the regions where we operated, including Mainland China, Hong Kong and Korea. The laws and regulations that we have complied with during the Reporting Period, as well as how we comply with them are listed in "Appendix I" of the Report. The Group has made and strictly implemented internal management policies on preventing employees from occupational injuries.

Electricity production and sales, the largest business segment of CGN New Energy, contribute to the largest portion of our revenue. The Group adopts different approaches to produce electricity, including solar power, wind power, gas-fired, etc., which involve a wide variety of processes and techniques on instrument operation. The safety performance assessment for each project operation has always been the top priority of the inspection and acceptance. In order to reduce the risks relating to the technical requirements of our business and sudden accidents, we always adhere to the basic operating principle of "Safety First" and ensure the safety of our employees by implementing occupational health and safety policies. During the Reporting Period, we had no record of any work-related injuries and casualties and successfully achieved the goal of workplace safety.

To consolidate the results of the Group's occupational health and safety management, we have set up the "Safety, Quality and Environmental Department" which is responsible for coordinating and monitoring all matters relating to occupational safety and health. In addition, we have also developed a series of occupational safety and health management systems, including the *Occupational Health and Safety Management Rules*, the *Potential Safety Risks Investigations and Treatment System*, the *Hazards Sources Management Rules* and the *Safety Management System*, etc. Those policies identify workplace safety risks and potential hazards for employees and provide clear guidance to ensure the safe operation of each production process.

During the Reporting Period, the occupational health and safety management at each project region was as follows:

Project region	Whether OHS management system has been established	Whether OHS system has been certificated	Number of accidents during the Reporting Period
China	Established	OHSAS 18001 certificated	0
Korea	Established	ISO 45001 certificated KOSHA 18001 certificated	0

# 11 Caring for Employees

We always adhere to the occupational health and safety management policy of "Prevention is Better Than Cure". The Group implements the *Department Setting and Main Responsibilities Management System*, which specifies that the Safety and Quality Department shall perform responsibilities according to the safety, quality and environment management requirements of the Group. The Group requires all project companies and departments to identify all production and management hazards in a bid to develop and implement safety risk management measures before the construction starts. The Group conducts regular safety overhauls to oversee the effectiveness of those measures, such as whether the working equipment is sound and whether the front stand used for work-at-height is up to the standard. In addition, the Group also equips relevant employees with personal protective equipment under the national electricity industry-related standards and distributed post-specific safety tools, such as safety helmet, glove, safety belt for work-at-height, shoes of labor protection, etc. to prevent employees from falling, being electrocuted, being injured by falling objects or being injured by other toxic substances. Safety officers from all departments supervise employees to use the tools properly and provide employees with sufficient equipment to reduce workplace safety risks.

In addition, in order to further reinforce the results of the occupational health and safety management and ensure the absence of work-related casualty, CGN New Energy also develops and implements internal policies such as the *Life Red Lines of Production, Operation, and Maintenance*, the *Management Red Lines of Production, Operation and Maintenance*, the *STAR Self-check Card*, etc. for all employees in projects to learn.

The *STAR Self-check Card* is the main tool to prevent human-induced failures before conducting major operation activities:

<b>Stop</b>	Pause or stop for a while before work
<b>Think</b>	Think about the task-related risks, whether the Life Red Lines have been practiced
<b>Act</b>	Start working
<b>Review</b>	Check and review whether there are omissions upon completion of tasks

# 11 Caring for Employees

## Health and Safety Training

CGN New Energy not only continuously improves the risk management system, but also organizes and provides a variety of occupational health and safety training for employees. Through training, employees can be more familiar with the standard working procedures and respond to unexpected work-related accidents in a timely and proper manner. All our new production personnel must accept 3-level safety education and test in terms of branch company, project company and post. All new production personnel must pass the test before entering the production and construction sites. Moreover, we also arrange occupational health and safety training activities for in-service personnel, including targeted on-site assessment, accident-avoiding study, technical questions and answers, accident forecast and other on-site training and safety activities. Similarly, other related employees are required to complete a safe production knowledge test, to ensure their safety awareness can meet the requirements of the Group.

In terms of improving the ability of employees to cope with emergencies, the Group organizes training on fire safety knowledge for employees every year. We require all employees involved in the training to be equipped with "Four Understanding and Four Abilities", including understanding the danger of fire and being able to call the firefighters; understanding fire prevention measures and being able to use fire-fighting devices; understanding firefighting approaches and being able to deal with the accident; knowing the ways to escape and being able to escape. At the same time, the Group's Safety, Quality and Environmental Department regularly provides employees with training courses related to workplace safety laws and regulations, safety management systems and other systematic courses, so that employees can fully master that knowledge. We set up a workplace safety month every year, and each project company holds workplace safety activities, including lectures and safety drills, to improve the safety awareness of all employees.

During the Reporting Period, OHS training activities organized by project companies are as follows:

Daily maintenance	Three-tier safety education program for new employees	Responding to emergencies	On-site first aid training
	Occupational hazard and occupational health training		Fire safety training
	Training on road safety		Turbine technology and accident handling
	Safety training for external contractors		Training on the emergency response plan for production employees
	Safety training for external construction contractors and workers		
	Safety management training for managers		
	Continuous training for safety engineers		

# 11 Caring for Employees

## CASE SHARING: WORKPLACE SAFETY MONTH

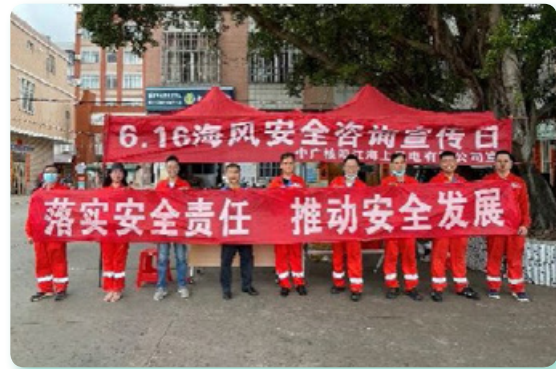
The Group held the “Workplace Safety Month” kick-off meeting on May 27 and launched the special activities on the theme of “Education Week, Warning and Shocking Week, Emergency Competition Week and Hard Problem Solution Week”. The Group focuses on hard problems with special solutions every week, and guides subordinate units to widely carry out mobilization, oath and publicity for the safety month in different forms, so as to create a strong atmosphere and enhance employee engagement. We motivated employees and arose the quick steadiness for the activities from all levels by independently innovate the design of publicity atlas, slogans and promotions for safety month.



# 11 Caring for Employees

## CASE SHARING: SAFETY INFORMATION DAY

The Group held the Safety Information Day on June 16 on the occasion of World Environment Day, and actively responded to the national calls for those activities. The Group actively communicated with and joined in the safety information day activities organized by the local government, and carried out our activities by banners, leaflets, explanations over the potential safety hazards and precautions of household electricity on site. The activities concentrated on publicizing fire safety policies and regulations, emergency risk avoidance and self-rescue and mutual rescue approaches. The Safety Information Day effectively enabled the surrounding people to understand the overall national safety concept, improved the safety awareness of the public, and also mirrored our responsibility as a centrally administrated state-owned enterprise. The activities included the online knowledge competition "Test Your Safety Strength". All employees and on-site contractors took part in each competition to create a safe atmosphere.





# 11 Caring for Employees

## TALENT NURTURING

Providing comprehensive occupational training for employees is vital for achieving mutual benefits for both employees and the corporate. CGN New Energy attaches great importance to improving the professional skills of employees and adheres to its strategy of building a strong company with talents. Upholding its talent concept of "Make the Best of One's Talent and Create a Future Together", the Group combines CGN's talent training management system and the business characteristics of CGN New Energy, and regularly provides free and diversified professional skills training and clear career development path for employees based on the skills requirements of each position at different energy power projects. The Group has made and strictly implemented internal management policies to improve the professional skills of its employees.

The Group set up the New Energy College, the business department for employee training and talent nurturing, which is responsible for the overall management and implementation of training in new energy. The skill-focused training aims to improve employees' daily job skills. The Group hopes to improve employees' productivity and enhance their professional skills through such training, so that employees can create value for CGN New Energy as well as secure opportunities to enhance their professional competitiveness. Besides, we also actively provide a full range of vocational skill advancement opportunities for other employees to enable every employee to make use of their talents, expand their vocational skills and enrich their self-value through diversified training courses.

Nurturing management talents:



Nurturing technical talents:



The project companies implement the Group's plan to train professional technicians and operation, maintenance and repair personnel. They form a training system for clean energy talents, including the training organization and management system, training authorization system and training support system, so as to help employees master professional skills in an all-around way.

# 11 Caring for Employees

## CASE SHARING: THE 13TH NATIONAL ELECTRICITY VOCATIONAL SKILLS COMPETITION

The 2021 National Electricity Vocational Skills Competition, the largest and highest level wind power operation and maintenance vocational skill competition in the China energy and electricity industry, is jointly sponsored by China Electricity Council, China Employment Training Technology Guidance Center and the National Committee of China Energy Chemistry and Geology, hosted by CGN and co-organized by CGN New Energy. About 74 professionals in 37 teams from 14 wind power companies and associations across the country participated and competed for the highest honor of skilled talents in this field. The aim is to cultivate and select highly skilled talents in wind power operation and maintenance, who are intended to be the “Craftsmen of the Nation” and promote the development of skilled talent teams among electricity companies.



## CASE SHARING: ZILAN PROGRAM – GENERAL TEACHING SKILLS (GTT) CERTIFICATION TRAINING

CGN New Energy, along with Xinneng Vocational Training School, held the 161st Zilan Program – General Teaching Skills (GTT) certification training from April 21 to 23, 2021. The Group is committed to supporting employees to take part in the course and improve their skills. Employees received the certification after passing the examination when the three-days training ended. Later, employees used the mobile-end learning App to evaluate courses and give feedback.



## 12 Business Operation

Adhering to the concept of win-win cooperation, CGN New Energy has engaged in a wide range of partnerships with many enterprises and research institutions specializing in non-nuclear clean energy and stays updated to the industry trends. The Group works together with business partners to jointly overcome challenges and continuously promote the win-win development of the new energy industry and make contributions to social progress. In addition, we strive to select business partners who mirror our values and our commitment to sustainability.

CGN New Energy strictly abides by the laws and regulations on privacy matters relating to products and services provided and methods of redress in the places where we operate, including Mainland China, Hong Kong and Korea. The laws and regulations that we have complied with during the Reporting Period, as well as how we comply with them are listed in "Appendix I" of the Report. The Group has established and strictly implemented internal management policies on the protection of customer privacy and environmental and social risks in the supply chain. Due to the business nature of the Group, health and safety, advertising and labelling issues concerning the supplied electricity are not applicable to the Group.

### SUPPLY CHAIN MANAGEMENT

As an essential part of the quality assurance during the operation, suppliers play an important role in supporting our business development. CGN New Energy takes "Safety First, Quality Foremost, Pursuing Excellence" as the basic principles of corporate operation and development and "Precise Enacting, Orderly Execution and Efficient Monitoring" as the system philosophy. We are committed to maintaining a good collaborative relationship with our suppliers and have formulated and implemented relevant systems based on the policy of "mutual benefit, common development, environmental protection, benefits to people" to standardize the performance of both sides and achieve the goal of harmonious development featuring mutual benefit and win-win.

During the Reporting Period, we worked with 2,067 suppliers from Mainland China, Hong Kong and Korea, which we have implemented practices for 1,449 of the suppliers, mainly covering three types of suppliers including fuel projects, engineering projects and general equipment services. In order to standardize the procurement process, we have developed stringent management measures to assess suppliers' performances. We regularly conduct comprehensive supplier performance assessments from at least seven dimensions including technology, quality, cost, delivery, responsive service, environmental protection and social responsibility. For suppliers whose contracts are being enforced, performance assessments are arranged at least once a year by each major subsidiary company. The assessment results will be used as the basis for supplier qualification and the subsequent procurement review. We give priority to suppliers with outstanding performances while considering discontinuing cooperation with suppliers with poor performance.

In terms of environmental and social risks, we have incorporated these risk factors into the *Supplier Management Measures*. When evaluating and managing suppliers and dealing with their misbehaviors, we identify the environmental and social risks of suppliers, including whether they have major environmental incidents, the ability to perform contracts, or even reactionary to the Party and the country, disunity and other statements or behaviors detrimental to the major interests of the country. We will conduct regular supplier post-service assessments annually and categorize suppliers according to the results. Suppliers' environmental and social risks identification will be one of the factors affecting the classification of suppliers. We will consider terminating the cooperative relationship with them in the worst case.

During the Reporting Period, the distribution of suppliers was as follows:

Country and region	Mainland China	Hong Kong	Korea	Other countries and regions
Quantity	1,704 suppliers	0 suppliers	363 suppliers	–
Percentage ratio	82.4%	0%	17.6%	–

In order to improve the environmental awareness of our suppliers, we have signed the *Supplier (Outsourcing Project) Environmental and Safety Control Agreement* with each supplier to monitor their ESG performance, reduce pollution and avoid safety accidents during production. The aforesaid agreement has stipulated the Group's requirement regarding environmental protection and OHS. We lawfully deal with the serious pollution caused by suppliers and terminate the contract accordingly. In the process of construction, we will standardize the production and operation behavior of employees from each constructor in accordance with our *Management and Assessment Measures on Outsourcing Safety Production* and clarify the assessment rules and the handling of all kinds of workplace safety violations and misconducts.

## 12 Business Operation

Approaches adopted by CGN New Energy to review the qualifications of suppliers:

Document Review	On-site Review	Other Review
<ul style="list-style-type: none"> <li>Send documents on qualification review to suppliers, and identify their tendering qualifications and ability in fulfilling the contract according to the documents returned by suppliers. The major assessment criteria include suppliers' basic qualifications, relevant performance, safety, quality and environmental conditions, technical skills and financial status.</li> </ul>	<ul style="list-style-type: none"> <li>For suppliers that require on-site review, such review will be carried out after passing the document review, and according to needs on the suppliers' safety, quality, environment, technology and business at their operating location. Suppliers are classified according to the type of products to be supplied, a corresponding review strategy will be implemented and independent written comments will be issued accordingly.</li> </ul>	<ul style="list-style-type: none"> <li>Due to the difference in business nature, each subsidiary may refer to the by-laws and entrust external organizations to carry out the review, streamline the review process, be exempt from review, or adopt other special review approaches.</li> </ul>

Suppliers are classified as "potential supplier", "qualified supplier" and "restricted supplier" for management. "Potential supplier" refers to the CGN e-Commerce Platform ("ECP") members who have not passed the qualification review or whose qualification review has expired, while "qualified supplier" refers to the suppliers who have passed the qualification review or re-assessment in the right product category. "Restricted supplier" refers to those who have been suspended from assessment or banned from use due to restrictive measures such as blacklisting, debarment, bid restriction, and temporary freeze, including those involved in improper bidding, bribery, serious breach of contract, serious liability incident, serious negative social review, and other undesirable behaviors. We manage that misbehavior and integrate anti-corruption into the supplier code of conduct, so supplier's integrity is one of the important factors, for example, whether the supplier has dishonest behaviors such as bribery, threat, or intimidation to his employees or stakeholders during bidding or contract dispute resolution. If a supplier is listed as a restricted supplier, we will prohibit or restrict business deals between the subsidiary and the supplier.

The "qualification review status" of suppliers is marked on the ECP system based on the aforesaid principles. We only signed contracts and orders with qualified suppliers that have passed the qualification review. At the same time, we further subdivide the qualified suppliers into three categories, so we purchased projects, goods, and services from suppliers within the qualified level and category.

In addition, we also especially provide safety training and guidance for some suppliers to reduce their potential risks during operation and then to guarantee our long-term stable operation. We continuously carry out supplier training and encourage our partners to seize new opportunities and face new challenges together with the Group to achieve continuous improvement of energy safety. By promoting experiences and resources sharing, the Group works with suppliers to drive the sustainable development of the electricity supply chain.

## 12 Business Operation

### CASE SHARING: CGN NEW ENERGY HELD THE 2021 SUPPLIER CONFERENCE

The conference was held on June 2, 2021, with the theme of “Zero Carbon New Future for Green Industry Value Chain”. It focused on how the upstream and downstream across the new energy industry value chain work closely together to encounter the industry opportunities and challenges against the background of carbon peak by 2030 and carbon neutrality by 2060. The conference was attended offline by 210 participants including members of the General Manager Office of CGN New Energy, heads of departments, and representatives of 98 suppliers. More than 4,000 people watched it on the online live-streaming broadcast platform.



### INTELLECTUAL PROPERTY RIGHTS AND PRIVACY

We attach great importance to the protection and management of intellectual property rights. All employees of CGN New Energy should protect the Group’s intellectual property rights, abide by all relevant laws and regulations and respect other institutions and individuals’ intellectual property rights. The Group strictly implements the internally-made *Employee Handbook* and *Employee Code of Conduct* to practice internal intellectual property rights management measures.

In addition, we strictly manage clients’ information and encrypt the business data. The clients’ information is under the charge of specific personnel. Other employees shall not solicit clients’ information except for special conditions approved by the Group. During the Reporting Period, there was no breach of client privacy or loss of clients’ data or any substantiated complaint.

## 13 Giving Back to the Society

As a socially responsible corporate citizen, CGN New Energy is committed to creating shared benefits for the communities which relate to our business operation. In addition to our corporate charity, we also strengthen our ties with the local communities through project operations, proactively understand their needs for development and build a harmonious society.

At present, CGN New Energy's community investment focuses on industrial revitalization, supporting education development, science education and emergency relief. We expect to help people in the vicinity of project sites and those people in need to improve their living conditions through our operation in project sites and charity donations. At the same time, we can also bring hope to the next generations in the local communities and give an impetus of sustainable development in the communities in the future. The Group makes and strictly implements internal management policies on community communication related to the operation.

### INDUSTRIAL REVITALIZATION

As China's economy continues to grow, CGN New Energy hopes that people can share the fruits of development. As the country actively promotes revitalization work, we thus learn about the fact that some townships and counties still lag behind and require more resources to maintain their livelihoods, and also act in concert with the national policy. We hope that people will be satisfied, and their lives will gradually improve.

CGN New Energy actively fulfills its social responsibility as a centrally administrated state-owned enterprise while rapidly developing high-quality new energy business. CGN New Energy makes targeted efforts in revitalization, upholds its distinctive ideas – “Do Things and Take Responsibilities” and contributes to industrial revitalization. Under the concept of “Build a Project to Benefit People”, CGN New Energy has drawn a charity map for its work on industrial revitalization nationwide. For years, CGN New Energy has shouldered the national mission of industrial revitalization through industrial development and contributed personnel support and donations to revitalize.

During the Reporting Period, CGN New Energy donated RMB540,000 in Inner Mongolia to set up the “Egret Class” of the Xing'an League Egret School, which officially opened on September 27, 2021.

This project can provide effective educational assistance for the poor students, rural students with minimum living allowances and urban minimum living allowances students with poverty registration around the school.



In Qinghai, a special fund of RMB700,000 for education was donated to help primary and secondary schools to improve teaching conditions and promote the balanced development of education in ethnic areas. The project benefited 780 students, including 367 ethnic minority students. In Shanxi, we donated RMB150,000 to Wuxiang County Shuren Education Fund and Zuoyun County Red Cross Society to support the development of rural education and promote the revitalization of rural education. In Jiangsu, we donated RMB800,000 to support Liulaozhuang Town, Huaiyin District, Huaian City to carry out training for grassroots cadres and capable people in the rural revitalization industry, contributing to the rural revitalization of old revolutionary base areas.

## 13 Giving Back to the Society

### CASE SHARING: RURAL INDUSTRIAL REVITALIZATION IN LEYE COUNTY

Leye County is a designated county for CGN to assist. To help Leye achieve long-term, stable and sustainable development, CGN has invested in the Leye wind power projects which are entrusted to be managed by CGN New Energy on the basis of local conditions, explored and designed the unique assistance model with share dividends plus guaranteed income. The Group drove the linked industry development through stable dividends and basic guarantees, helped solve the problem of long-standing electricity shortage, and took a long-term, stable and sustainable development path.



# 13 Giving Back to the Society

## COMBATING AGAINST THE PANDEMIC

As the pandemic recurred during the Reporting Period, CGN New Energy, acting as a centrally administrated state-owned corporation, cooperated with government measures and provided donations and aid to local governments, surrounding communities, and villages in the place where our projects operate, to help win the battle against the pandemic. At the same time, the Group simultaneously carried out multiple measures to safeguard power generation. The Group proactively cooperated with local governments to transfer resources to satisfy the anti-pandemic needs and ensure electricity supply, effectively managed and operated facilities and conducted data analysis to ensure the facilities were operating steadily. During the Reporting Period, all employees of the Group continued to maintain zero infection.

The Group responded quickly to the new wave of the pandemic. The Group held the 159th meeting of the pandemic work leading group for the first time and focused on the pandemic situation and corresponding prevention and control measures in Henan, Jiangsu, Hunan and Hubei Branches. The Group also arranged the follow-up anti-pandemic work.

## CASE SHARING: CLOSED MANAGEMENT AMID THE PANDEMIC

After the outbreak of the pandemic at Nanjing Lukou International Airport on July 20, the pandemic prevention leading group of CGN New Energy Jiangsu Branch implemented closed management at all sites from July 21. The Pandemic Prevention Office of Jiangsu Branch prepared a control plan for some targeted populations and focus on the quarantine of personnel who passed medium and high-risk areas such as Lukou Airport, whose health QR code signaled yellow and whose travel route coincided with the confirmed cases. Meanwhile, the branch also offered mental counseling.



During the Reporting Period, the Group's community investment was as follows:

Money contributed to community/charity (RMB)

3,461,417.84



# 14 Comprehensive Performance

In terms of performance data statistics and presentation, the Group adopts the “operational control” approach to define organizational boundaries. The statistical and calculation methodology used in the Report are appropriately indicated. Past data and information of some indicators have been sorted out and presented. As the scope of the projects where ESG-related data are collected in 2021 expanded on the basis of 2020 and certain conventional energy projects ceased operations in 2021, data for some indicators were changed from previous years. The “N/A” in each list indicates that the relevant data are not disclosed or not counted in the year or that the data are not applicable for comparison. Unless otherwise stated, the data provided in this section are the aggregate data in the corresponding year or the data as of December 31 in the corresponding year in relation to the Group’s projects with operational control and offices in Mainland China, Korea and Hong Kong.

## CORPORATE GOVERNANCE

### Economy and Governance

Economic performance:

Indicator	2021	2020	2019
Revenue (US\$'000)	1,694,658	1,149,892	1,276,281
Operating profit (US\$'000)	419,914	287,467	231,618
Net assets (US\$'000)	1,435,196	1,297,381	1,009,447
Earnings per share <sup>9</sup> (US cents)	4.31	3.78	2.59
Income tax <sup>10</sup> (US\$'000)	33,774	37,533	41,564

Preventing bribery and anti-corruption:

Indicator	2021	2020	2019
Number of cases involving bribery, extortion, fraud and money laundering	0	0	0

## BUSINESS OPERATION

### Product and Service Quality

Operational performance:

Indicator	2021	2020	2019
Number of cases in which operations are suspected of infringing intellectual property rights	0	0	0

<sup>9</sup> Refers to basic and diluted earnings per share of the Company.

<sup>10</sup> Refers to the Company’s income tax expense for the year.

# 14 Comprehensive Performance

Number of suppliers and the region where they operate:

Indicator	2021	2020	2019
Total number of suppliers	2,067 suppliers	956 suppliers	1,330 suppliers
Mainland China	1,704 suppliers	681 suppliers	1,093 suppliers
Hong Kong	0 suppliers	0 supplier	0 supplier
Korea	363 suppliers	275 suppliers	237 suppliers
Other countries and regions	0 suppliers	0 supplier	0 supplier
Total number of suppliers where the practices are being implemented	1,449 suppliers	N/A	N/A

## GREEN OPERATION

### Emissions and Discharge

Atmospheric pollutant emissions:

Indicator	2021	2020	2019
NO <sub>x</sub> (tonne)	752.43	966.05	1,389.28
SO <sub>x</sub> (tonne)	47.52	97.70	129.59
Smoke and dust in exhaust gas (tonne)	36.73	55.42	79.70

Greenhouse gas emissions:

Indicator	2021	2020	2019
Total greenhouse gas emissions (Scope 1 and 2) <sup>11</sup> (tonne CO <sub>2</sub> eq)	16,976,244.14	16,703,425.33	17,774,698.17
<b>Scope 1</b>			
CO <sub>2</sub> (tonne)	4,018,559.49	3,823,608.83	4,877,713.61
CH <sub>4</sub> (tonne)	1,129.17	894.58	929.56
N <sub>2</sub> O (tonne)	1,469.27	1,325.74	1,378.14
SF <sub>6</sub> (tonne)	532.03	531.40	531.40
Reduction of trees' emissions <sup>12</sup> (tonne CO <sub>2</sub> eq)	91.13	80.85	68.86
<b>Scope 2</b>			
CO <sub>2</sub> (tonne)	34,023.57	15,721.36	18,012.93
<b>Intensity</b>			
Greenhouse gas emissions in total per MWh of electricity generated (tonne CO <sub>2</sub> eq)	0.93	1.21	1.31

<sup>11</sup> Scope 1 greenhouse gas emissions are calculated based on the global warming potential values of the IPCC Fifth Assessment Report, and are presented in carbon dioxide equivalent. Scope 2 greenhouse gas emissions are calculated based on relevant conversion factors provided by the international environmental group "Climate Transparency" and *Guidelines for Accounting Methodology and Reporting of Greenhouse Gas Emissions by Enterprises – Power Facilities (Revised in 2021)*.

<sup>12</sup> The tree emission reduction data are calculated based on the conversion factors provided by the Hong Kong Environmental Protection Department and the Hong Kong Electrical and Mechanical Services Department.

## 14 Comprehensive Performance

Amount of non-hazardous waste generated:

Indicator	2021	2020	2019
Total non-hazardous waste produced (tonne)	40,466.81	31,376.03	76,313.11
Boiler slag (tonne)	35,733.19	22,681.87	47,804.00
Desulfurized gypsum (tonne)	4,317.00	8,158.67	28,056.50
Waste/domestic waste (tonne)	381.82	359.32	291.16
Waste paper (tonne)	8.29	2.92	1.81
Iron scrap (tonne)	26.51	173.25	159.64
<b>Intensity</b>			
Non-hazardous waste produced per MWh of electricity generated (tonne)	0.0022	0.0023	0.0056

Amount of hazardous waste generated:

Indicator	2021	2020	2019
Total hazardous waste produced (tonne)	98,803.32	90,907.59	261,457.51
Waste battery (tonne)	6.66	1.01	2.12
Waste oil (tonne)	77.84	178.75	84.09
Waste paint (tonne)	0.92	0.37	0.30
Waste insulation materials (tonne)	7.37	0	0
Fly ash (pulverized fuel ash) (tonne)	98,710.53	90,727.46	261,371.00
<b>Intensity</b>			
Hazardous waste produced per MWh of electricity generated (tonne)	0.0054	0.0066	0.019

Wastewater discharge:

Indicator	2021	2020	2019
Wastewater (tonne)	630,703.75	482,337.80	980,616.10
<b>Intensity</b>			
Wastewater discharged per MWh of electricity generated (tonne)	0.035	0.035	0.072

Compliance of emission and discharge:

Indicator	2021	2020	2019
Number of cases involving illegal emissions and discharge of pollutants into the environment	0	0	0

# 14 Comprehensive Performance

## Use of Energy and Resources

Energy consumption<sup>13</sup>:

Indicator	2021	2020	2019
Total energy consumption (direct and indirect energy) (MWh)	20,406,574.39	17,865,538.78	24,058,855.17
<b>Direct energy</b>			
Coal (MWh)	5,313,148.06	5,333,417.96	10,553,010.95
Natural gas (MWh)	13,303,576.23	12,484,843.84	13,455,144.85
Total direct energy (MWh)	18,616,724.29	17,818,261.80	24,008,155.80
<b>Indirect energy</b>			
Coal gas (MWh)	25.12	43.02	23.37
Gasoline (MWh)	3,594.89	2,612.21	2,306.15
Diesel (MWh)	214.79	240.22	2,095.75
Fuel oil (MWh)	82,595.25	16,768.74	14,695.75
Liquefied petroleum gas (LPG) (MWh)	171.12	51.91	52.00
Wood pellets (MWh)	1,643,680.62	N/A	N/A
Purchased electricity (MWh)	59,568.31	27,560.87	31,526.33
Total indirect energy (MWh)	1,789,850.10	47,276.97	50,699.35
<b>Intensity</b>			
Energy consumed per MWh of electricity generated (MWh)	1.12	1.29	1.78

Water consumption:

Indicator	2021	2020 <sup>14</sup>	2019
Total water intake (m <sup>3</sup> ) <sup>15</sup>	7,949,734,723.60	7,187,011,278.60	7,327,731,390.66
Surface water (m <sup>3</sup> )	7,947,906,553.00	7,186,278,329.40	7,326,226,671.30
Municipal water (m <sup>3</sup> )	1,805,468.6	715,284.20	1,491,295.36
Ground water (m <sup>3</sup> )	22,702.00	17,665.00	13,424.00
Amount of water discharged into natural environment after pre-treatment (m <sup>3</sup> )	7,931,959,714.40	7,156,997,877.40	7,320,006,027.30
Total water consumption (m <sup>3</sup> ) <sup>16</sup>	17,775,009.20	30,013,401.20	7,725,363.36
<b>Intensity</b>			
Water consumed per MWh of electricity generated (m <sup>3</sup> )	0.979	2.171	0.571
<b>Other</b>			
Circulating water (m <sup>3</sup> )	20,186,259	24,272,621.50	5,782,123.00

<sup>13</sup> Energy consumption data were calculated based on the amount of purchased electricity and fuels consumed and relevant conversion factors provided by the International Energy Agency.

<sup>14</sup> Surface water data of 2020 has been adjusted, thus data of total water intake, surface water, total water consumption and water consumed per MWh of electricity generated are recalculated.

<sup>15</sup> Includes surface water, municipal water and ground water.

<sup>16</sup> Water discharged into the rivers, the ocean and land after pre-treatment, as well as circulating water, are not included in the water consumption.

# 14 Comprehensive Performance

## Mitigating Impact on Natural Environment

Amount of wastes recycled during the operation:

Indicator	2021	2020	2019
Fly ash (pulverized fuel ash) (tonne)	98,710.53	90,727.46	256,836.00
Desulfurized gypsum (tonne)	4,317.00	8,158.67	25,246.50
Paper (tonne)	2.45	0.69	2.05

Environmental conservation:

Indicator	2021	2020	2019
Special funds for environmental protection invested by the projects in Mainland China (RMB)	34,077,048.40	37,943,585.28	26,213,597.00
Number of trees held as high as 5 meters or above	3,962	3,515	2,994

Compliance of environmental protection rules:

Indicator	2021	2020	2019
Number of cases involving damage to the natural environment	0	0	0

## CARING FOR EMPLOYEES

### Employment

Cost of employee benefits:

Indicator	2021	2020	2019
Salaries and allowances (US\$'000)	83,011	74,794	65,096
Retirement benefits scheme contributions, including directors' emoluments (US\$'000)	13,669	11,041	11,427

# 14 Comprehensive Performance

Employee composition:

Indicator	2021	2020	2019
Total number of employees	2,033	1,837	1,783
Number of employees of ethnic minorities	71	103	117
Percentage ratio of employees of ethnic minorities	3.49%	5.61%	6.56%
<b>By gender</b>			
Male employees	1,764	1,528	1,480
Female employees	269	309	303
<b>By age group</b>			
Age under 30	531	516	433
Age between 30 and 50	1,354	1,178	1,157
Age above 50	148	143	193
<b>By employment type</b>			
Full-time	2,033	1,837	1,783
Part-time	0	0	0
<b>By job-based region</b>			
Mainland China	1,815	1,619	1,545
Hong Kong	20	22	44
Korea	198	196	194
Other countries and regions	0	0	0

Employee turnover:

Indicator	2021	2020	2019
<b>By gender</b>			
Male employees	3.92%	0.87%	2.18%
Female employees	2.18%	0.44%	2.26%
<b>By age group</b>			
Age under 30	4.15%	0.54%	3.78%
Age between 30 and 50	3.29%	0.71%	1.78%
Age above 50	5.73%	0.05%	1.03%
<b>By job-based region</b>			
Mainland China	3.30%	0.01%	2.03%
Hong Kong	4.76%	0%	0%
Korea	7.04%	0%	2.51%
Other countries and regions	0%	0%	0%

# 14 Comprehensive Performance

Remuneration and diversity:

Indicator	2021	2020	2019
<b>Ratio of remuneration of female employees to male employees</b>			
Management	1.0	1.0	1.0
General employees	1.0	1.0	1.0
<b>Percentage of female management</b>			
Senior management <sup>17</sup>	0%	0%	0%
Middle-level management <sup>18</sup>	10.78%	9.36%	13.89%

## Occupational health and safety

Employees' health and safety:

Indicator	2021	2020	2019
Number of work-related fatalities	0	0	0
Number of reportable injuries <sup>19</sup>	0	1	1
Loss of work accident rate (per 200,000 working hours)	0	0.05	0.06
Severe injury rate (per 200,000 working hours)	0	0.81	11.28
Lost days due to work injury	0	15	200

## Development and training

Employee training:

Indicator	2021	2020	2019
<b>Percentage of employees who received vocational development training<sup>20</sup></b>			
Male employees	84.86%	80.31%	82.63%
Female employees	15.14%	19.69%	17.37%
Senior management	0.50%	0.35%	0.35%
Middle-level management	6.38%	2.43%	1.97%
General employees	93.12%	97.22%	97.68%
<b>Average hours of vocational development training received per employee<sup>21</sup></b>			
Male employees (hour)	74.23	45.47	49.04
Female employees (hour)	86.87	54.77	61.13
Senior management (hour)	115.70	82.64	130.67
Middle-level management (hour)	96.56	32.68	30.82
General employees (hour)	74.64	43.81	51.67

<sup>17</sup> Refers to the position of assistant president or above at the Group's headquarters, and members of the Board.

<sup>18</sup> Refers to the positions of director and senior manager at the head office and department director and above at each branch level of the Group.

<sup>19</sup> Refers to inability of employees to work normally for 3 days or more due to work-related accidents.

<sup>20</sup> The data scope of the percentage of employees receiving vocational development training includes employees in Mainland China and Hong Kong, and is calculated based on "Total number of trained employee of the category/total number of trained employee". Data of 2019 and 2020 have been recalculated based on this calculation method.

<sup>21</sup> The data scope of the average hours of employees receiving vocational development training per employee includes employees in Mainland China and Hong Kong, and is calculated based on "Total number of training hours of the category/total number of employee of the category". Data of 2019 and 2020 have been recalculated based on this calculation method.

# 14 Comprehensive Performance

## CONTRIBUTION TO SOCIETY

### Community investment

Public charity:

Indicator	2021	2020	2019
Money contributed to community/ charity issues <sup>22</sup> (RMB)	3,461,417.84	1,885,000.00	1,030,000.00

<sup>22</sup> Includes monetary value of input fund and resources for public charity.



## 15 Prospects in 2022

China's "14th Five-Year Plan" specifies the goal to achieve "Significant Results in the Green Transformation of Production and Lifestyle, Proper Allocation of Energy Resources, Better Energy Efficiency, and Continuous Reduction in Major Pollutant Emissions" and other new development targets. Facing the "14th Five-Year Plan" and in the medium and long term, as China's electricity structure continues the green and low-carbon trends, and as the power generation capacity of non-fossil energy is further increased, the demand for renewable energy will continue to rise up. At the same time, South Korea's electricity market is also undergoing an energy structure transformation, and renewable energy and natural gas power stations are expected to expand in the future. The trends in both China and South Korea create new opportunities to boost CGN New Energy's related businesses. We will continue to move towards low-carbon development and steadily achieve high-quality and sustainable development. We will continue to focus on the clean energy market and make it our primary responsibility to provide safe, environmental-friendly and affordable clean energy to society, actively respond to the national appeal, and strive to become a leader in the industry.

At present, the wind power business of the Group has reached a mature stage that covers all segments of the industry, including wind power generation and provision of professional services. We are the industry leader in standard, systematic, and large-scale wind power development, operation and maintenance. Our solar power stations and other new energy investment, construction, and operation and maintenance as well as solar energy-related technology research and development have also been equipped with strong project operation and maintenance capacity and leading technology research and development capacity.

Facing the future macroeconomic environment and the development trend of the electric power industry, the Group will continue to adhere to the mission of "Developing Clean Energy and Building a Beautiful China", uphold the concept of sustainable development in all environmental and social aspects, and constantly seek to acquire other high-quality clean and renewable energy power generation projects. We will continue to enhance the core competence of operation and maintenance in wind power and solar power businesses, and strive to improve the Group's competitiveness and market position in the non-nuclear clean energy industry.

# 16 Independent Assurance Statement

To the Board of Directors of CGN New Energy Holdings Co., Ltd.:

CECEPAC (HK) Advisory Company Limited (“**CECEPAC (HK)**” or “**We**”) has been engaged by CGN New Energy Holdings Co., Ltd. (“**CGN New Energy**”) to conduct an independent limited assurance engagement (the “**Assurance Engagement**”) on the information and data related to sustainable development in the 2021 Environmental, Social and Governance Report (the “**ESG Report**”) of CGN New Energy.

CECEPAC (HK) has conducted the Assurance Engagement on the ESG Report of CGN New Energy in accordance with the AA1000 Assurance Standard v3 (the “**AA1000AS v3**”). Moreover, CECEPAC (HK) has also been engaged to conduct the Assurance Engagement on the reliability and quality of specified performance information disclosed in the ESG Report that have been selected in accordance with the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) published by the Stock Exchange of Hong Kong Limited (the “**SEHK**”).

This independent assurance statement has been prepared in Chinese and English versions. Should there be any discrepancies between these versions, the Chinese version shall prevail.

## I. INDEPENDENCE AND COMPETENCE

CECEPAC (HK) was not involved in collecting and calculating data disclosed in the ESG Report, or in the development of the ESG Report. CECEPAC (HK)'s activities of Assurance Engagement are independent from CGN New Energy. There is no relationship between CECEPAC (HK) and CGN New Energy beyond the contractual agreement for providing proper assurance service.

The assurance team of CECEPAC (HK) is composed of experienced professionals in the industry who have received professional training on the standards related to sustainable development, including GRI Sustainability Reporting Standards issued by Global Reporting Initiative, AA1000AS v3, ESG Reporting Guide issued by SEHK, ISO 14064, ISO 9001, etc.

The assurance team of CECEPAC (HK) has extensive experience in conducting the Assurance Engagement and has sufficient understanding and capabilities of implementation of AA1000AS v3. Moreover, the Assurance Engagement related to sustainable development issues is carried out in line with CECEPAC (HK)'s internal assurance protocol.

## II. CGN NEW ENERGY'S RESPONSIBILITIES

CGN New Energy is responsible for the preparation and presentation of the ESG Report in accordance with the ESG Reporting Guide published by SEHK. CGN New Energy is also responsible for implementing relevant internal control procedures to ensure that the contents of the ESG Report are free from material misstatement, whether due to fraud or error.

## III. ASSURANCE PROVIDER'S RESPONSIBILITIES

CECEPAC (HK) is responsible for issuing an independent assurance statement in accordance with AA1000AS v3 and the ESG Reporting Guide published by SEHK to the Board of Directors of CGN New Energy. This independent assurance statement applies solely to the ESG Report of CGN New Energy in the specified scope, expresses a conclusion on the assurance work, and does not serve any other intents or purposes.

CECEPAC (HK) ensures that all personnel involved in the Assurance Engagement meet professional qualification, training, and experience requirements, and are demonstrably competent in conducting Assurance Engagements. All results of assurance are internally reviewed by senior staff to ensure that methodologies used in the process are sufficiently stringent and transparent.

# 16 Independent Assurance Statement

## IV. ASSURANCE SCOPE

- The scope of the Assurance Engagement is limited to information and data in the ESG Report that relates to CGN New Energy and its subsidiaries only and does not include CGN New Energy's suppliers, contractors, and information or data provided by other third parties;
- AA1000AS v3 Type 2 Moderate Level of Assurance was adopted to evaluate the nature and extent of CGN New Energy's adherence to the four principles (Inclusivity, Materiality, Responsiveness and Impact) in accordance with AA1000AS v3;
- Specified performance information disclosed in the ESG Report was selected and agreed upon between CGN New Energy and CECEPAC (HK) for assurance. The selected specified performance information is as follows:
  - Performance related to "protection of project-related ecological environment and natural resources"
  - Performance related to "addressing climate change"
  - Performance related to "occupational health and safety for employees"
- CECEPAC (HK)'s assurance work was with respect to information disclosed from 1 January 2021 to 31 December 2021. Any information disclosed in the ESG Report that falls outside this period is not included within the scope of the Assurance Engagement. Therefore, we do not express any conclusions on this information; and
- The scope of the Assurance Engagement is confined to the information provided by CGN New Energy only. Any queries regarding the content or related matters within this independent assurance statement should be addressed to CGN New Energy only.

## V. METHODOLOGY

CECEPAC (HK) conducted Assurance Engagement only within the scope of Inner Mongolia Wuhai Photovoltaic Project "Leader" Base (內蒙烏海光伏領跑者項目) and Zhejiang Ninghai Wind Power Project (浙江寧海風電項目) of CGN New Energy, and the assurance work included:

- Evaluating the appropriateness of CGN New Energy's stakeholder engagement process;
- Conducting online interviews<sup>1</sup> with personnel involved with sustainability management, the preparation of the ESG Report and the provision of relevant information and data;
- Assessing whether the reporting and management approach for the ESG Report responded to the principles of Inclusivity, Materiality, Responsiveness and Impact as defined in the AA1000AS v3;
- Conducting sampling of evidence pertaining to data reliability and quality for selected specified performance information;
- Recalculating and verifying selected specified performance information;
- Assessing the degree of conformity of the ESG Report with the ESG Reporting Guide; and
- Performing other procedures we deemed necessary.

Assurance Engagement was performed and the conclusions within were based upon information and data provided by CGN New Energy to CECEPAC (HK), and on assumptions that the information provided was complete and accurate.

<sup>1</sup> Subject to the COVID-19 pandemic, interviews were conducted in the form of teleconferences.

# 16 Independent Assurance Statement

## VI. LIMITATIONS

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

## VII. CONCLUSIONS

In accordance with the principles of Inclusivity, Materiality, Responsiveness and Impact in the AA1000AS v3, and the conformity of the ESG Report with the ESG Reporting Guide, our findings and conclusions are as follows:

### Inclusivity

CGN New Energy has identified key stakeholders, and continuously understood the expectations and concerns of key stakeholders in various ways of communication. In our professional opinion, CGN New Energy adheres to the Principle of Inclusivity.

### Materiality

CGN New Energy has conducted materiality assessment for its ESG Report and collected opinions of some key stakeholders. Appropriate methods were used to identify material topics, and the materiality assessment process was disclosed in the ESG Report with the materiality of the topics presented in a matrix. In our professional opinion, CGN New Energy adheres to the Principle of Materiality.

### Responsiveness

CGN New Energy has established routine communication channels for its key stakeholders to understand their expectations and concerns, and has relevant mechanisms in place to respond to concerns raised by key stakeholders. Moreover, CGN New Energy has identified material topics for disclosure to respond to stakeholders' requests for information. In our professional opinion, CGN New Energy adheres to the Principle of Responsiveness.

### Impact

CGN New Energy has included "influence on part of the key stakeholders' assessments and decisions" and "significance of the Group's economic, environmental, and social Impacts" as two dimensions into its materiality assessment, so that the content of the ESG Report can reflect its impacts on economy, environment, and society to the maximum extent. In our professional opinion, CGN New Energy adheres to the Principle of Impact.

### Specified Performance Information

Based on the assurance procedures that CECEPAC (HK) has performed and the evidence we have obtained, no specific issue has come to our attention that causes us to believe that the disclosures of selected specified performance information of the ESG report is unreliable or unqualified.

### SEHK's ESG Reporting Guide

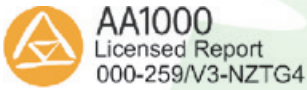
The general disclosure and key performance indicators of the environmental and social aspects in the ESG Report, in all material respects, have been disclosed in accordance with the "Comply or Explain" Provisions of the ESG Reporting Guide issued by SEHK. The governance structure, reporting principles and reporting boundary have also been disclosed in accordance with the mandatory disclosure requirements in alignment with the ESG Reporting Guide. CGN New Energy has disclosed the process and the result of the materiality assessment; has described objectively the impact of its business; and has calculated and disclosed relevant environmental and social data. Our assurance findings and comments on the ESG Report have been either adopted or explained by CGN New Energy prior to the issuance of this independent assurance statement.

# 16 Independent Assurance Statement

## VIII. RECOMMENDATIONS

We recommend that CGN New Energy considers strengthening the following work in the future:

- Continuously focusing on and strengthening ESG-related risk management and internal monitoring system to address the impact of material topics.



26th May 2022  
Hong Kong SAR, China

# Appendix I Laws and Regulations with Significant Impact on the Group which the Group has Complied with during the Reporting Period

The laws and regulations <sup>23</sup> corresponding to the contents of ESG Reporting Guide		Compliance of the Group
<b>A. Environmental</b>		
<b>Aspect A1:</b>	<b>Emissions</b>	
Mainland China	Environmental Protection Law of the People's Republic of China Atmospheric Pollution Prevention and Control Law of the People's Republic of China Environmental Protection Tax Law of the People's Republic of China Regulation on the Implementation of the Environmental Protection Tax Law of the People's Republic of China Law of the People's Republic of China on Prevention and Control of Water Pollution Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes	During the Reporting Period, the Group did not violate any laws and regulations related to atmospheric and greenhouse gas emissions, discharges into water and land, generation of hazardous and non-hazardous waste, and mitigation of noise listed in "Appendix I" of the Report.
Hong Kong	Water Pollution Control Ordinance Waste Disposal Ordinance	
Korea	Clean Air Conservation Act Noise and Vibration Control Act Water Quality and Aquatic Ecosystem Conservation Act Wastes Control Act Act on the Promotion of Saving and Recycling of Resources Environmental Impact Assessment Act	

<sup>23</sup>

The Group's operation complies with laws and regulations; and the laws and regulations which the Group has complied with include but are not limited to the contents listed in Appendix I.

# Appendix I Laws and Regulations with Significant Impact on the Group which the Group has Complied with during the Reporting Period

The laws and regulations <sup>23</sup> corresponding to the contents of ESG Reporting Guide		Compliance of the Group
<b>B. Social</b>		
<b>Aspect B1: Employment</b>		
Mainland China	Labor Law of the People's Republic of China <sup>24</sup> Labor Contract Law of the People's Republic of China Regulation on the Implementation of the Labor Contract Law of the People's Republic of China Social Insurance Law of the People's Republic of China Regulation on Paid Annual Leave for Employees Law of the People's Republic of China on the Protection of Women's Rights and Interests <sup>25</sup> Law of the People's Republic of China on the Protection of Minors <sup>26</sup> Labor Dispute Mediation and Arbitration Law of the People's Republic of China Regulation on the Administration of Foreign Labor Cooperation Law of the People's Republic of China on the Protection of Disabled Persons Regulation on the Employment of the Disabled	During the Reporting Period, the Group did not violate any laws and regulations related to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, and other benefits and welfare listed in "Appendix I" of the Report.
Hong Kong	Employment Ordinance <sup>27</sup> Employees' Compensation Ordinance Minimum Wage Ordinance	
Korea	Labor Standard Act Fair Hiring Procedure Act Employment Insurance Act Employment Security Act Framework Act on Employment Policy	

<sup>24</sup> To avoid repetitive statement, the laws and regulations also apply to "Aspect B2" and "Aspect B4" in this appendix.

<sup>25</sup> To avoid repetitive statement, the laws and regulations also apply to "Aspect B4" in this appendix.

<sup>26</sup> To avoid repetitive statement, the laws and regulations also apply to "Aspect B4" in this appendix.

<sup>27</sup> To avoid repetitive statement, the laws and regulations also apply to "Aspect B4" in this appendix.

# Appendix I Laws and Regulations with Significant Impact on the Group which the Group has Complied with during the Reporting Period

The laws and regulations <sup>23</sup> corresponding to the contents of ESG Reporting Guide	Compliance of the Group
<p><b>Aspect B2:</b></p> <p><b>Health and Safety</b></p> <p>Mainland China</p> <p>Workplace Safety Law of the People's Republic of China Provisions on the Supervision and Administration of Occupational Health at Workplace Fire Protection Law of the People's Republic of China Law of the People's Republic of China on the Prevention and Control of Occupational Diseases Regulation on Work-Related Injury Insurances Labor Insurance Regulations of the People's Republic of China</p> <p>Hong Kong</p> <p>Occupational Safety and Health Ordinance</p> <p>Korea</p> <p>Occupational Safety and Health Act Act on Fire Prevention and Installation, Maintenance, and Safety Control of Fire-Fighting Systems Industrial Accident Compensation Insurance Act</p>	<p>During the Reporting Period, the Group did not violate any laws and regulations related to providing a safe working environment and protecting employees from occupational hazards listed in "Appendix I" of the Report.</p>
<p><b>Aspect B4:</b></p> <p><b>Labor Standards</b></p> <p>Mainland China</p> <p>Provisions on the Prohibition of Using Child Labor</p> <p>Korea</p> <p>Child Welfare Act</p>	<p>During the Reporting Period, the Group did not violate any laws and regulations related to preventing child labor and forced labor listed in "Appendix I" of the Report.</p>



## Appendix I Laws and Regulations with Significant Impact on the Group which the Group has Complied with during the Reporting Period

The laws and regulations <sup>23</sup> corresponding to the contents of ESG Reporting Guide		Compliance of the Group
<b>Aspect B6:</b>	<b>Product Responsibility</b>	
Mainland China	Trademark Law of the People's Republic of China Standardisation Law of the People's Republic of China Regulations for the Implementation of the Standardisation Law of the People's Republic of China Tort Law of the People's Republic of China Patent Law of the People's Republic of China	During the Reporting Period, the Group did not violate any laws and regulations related to privacy matters relating to products and services and methods of redress listed in "Appendix I" of the Report. Due to the business nature of the Group, issues relating to health and safety, advertising and labelling concerning the supplied electricity are not applicable to the Group.
Korea	Electric Utility Act	
<b>Aspect B7:</b>	<b>Anti-corruption</b>	
Mainland China	Criminal Law of the People's Republic of China Anti-Unfair Competition Law of the People's Republic of China Law of the People's Republic of China on Bid Invitation and Bidding Anti-Money Laundering Law of the People's Republic of China	During the Reporting Period, the Group did not violate any laws and regulations related to bribery, extortion, fraud and money laundering listed in "Appendix I" of the Report.
Hong Kong	Prevention of Bribery Ordinance	
Korea	Unfair Competition Prevention and Trade Secret Protection Act	

# Appendix II Content Index of the ESG Reporting Guide of the Stock Exchange and GRI Sustainability Reporting Standards

Mandatory disclosure requirements set out by the ESG Reporting Guide of the Stock Exchange		Location of Disclosure or Remarks
<b>Governance Structure</b>	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> <li>(i) a disclosure of the board's oversight of ESG issues;</li> <li>(ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and</li> <li>(iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.</li> </ul>	<p>Corporate Governance – Governance Structure Corporate Governance – Risk Prevention</p>
<b>Reporting Principles</b>	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p><b>Materiality:</b> The ESG report should disclose:</p> <ul style="list-style-type: none"> <li>(i) the process to identify and the criteria for the selection of material ESG factors;</li> <li>(ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.</li> </ul> <p><b>Quantitative:</b> Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p><b>Consistency:</b> The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	<p>About the Report – Reporting Standard Stakeholder Engagement and Materiality Assessment</p>
<b>Reporting Boundary</b>	<p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change</p>	<p>About the Report – Reporting Period and Boundary</p>

## Appendix II Content Index of the ESG Reporting Guide of the Stock Exchange and GRI Sustainability Reporting Standards

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)		Applicable Indicators of GRI Sustainability Reporting Standards	Location of Disclosure or Remarks
<b>A. Environmental</b>			
<b>Aspect A1: Emissions</b>			
General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	GRI 103: Management Approach: Disclosure 103-2 GRI 305: Emissions: Management approach GRI 307: Environmental Compliance: Disclosure 307-1	Green Operation –Green Management System, Monitoring and Management Mechanism for Emission and Discharge Appendix I – Laws and Regulations with Significant Impact on the Group which the Group has Complied with during the Reporting Period
KPI A1.1	The types of emissions and respective emissions data.	GRI 305: Emissions: Disclosures 305-1, 305-2, 305-3, 305-6, and 305-7	Comprehensive Performance
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GRI 305: Emissions: Disclosures 305-1, 305-2, 305-3, and 305-4	Green Operation – Monitoring and Management Mechanism for Emission and Discharge; Comprehensive Performance
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GRI 306: Effluents and Waste: Disclosure 306-2 (a)	Green Operation – Monitoring and Management Mechanism for Emission and Discharge; Comprehensive Performance
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GRI 306: Effluents and Waste: Disclosure 306-2 (b)	Green Operation – Monitoring and Management Mechanism for Emission and Discharge; Comprehensive Performance
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	GRI 103: Management Approach: Disclosure 103-2 GRI 305: Emissions: Clause 1.2 and Disclosure 305-5	Green Operation – Monitoring and Management Mechanism for Emission and Discharge, Green Management System
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	GRI 103: Management Approach: Disclosure 103-2 GRI 306: Effluents and Waste: Disclosures 306-2	Green Operation – Monitoring and Management Mechanism for Emission and Discharge

## Appendix II Content Index of the ESG Reporting Guide of the Stock Exchange and GRI Sustainability Reporting Standards

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)		Applicable Indicators of GRI Sustainability Reporting Standards	Location of Disclosure or Remarks
<b>Aspect A2: Use of Resources</b>			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	GRI 103: Management Approach: Disclosure 103-2	Green Operation – Use of Energy and Resources; Issues relating to the use of packaging materials are not applicable to the Group due to the Group's business nature.
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	GRI 302: Energy: Disclosures 302-1 and 302-3	Comprehensive Performance
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	GRI 303: Water: Disclosure 303-1	Comprehensive Performance
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	GRI 103: Management Approach: Disclosure 103-2 GRI 302: Energy: Disclosures 302-4 and 302-5	Green Operation – Use of Energy and Resources, Green Management System
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	GRI 103: Management Approach: Disclosure 103-2 GRI 303: Water: Disclosure 303-3	Green Operation – Use of Energy and Resources, Green Management System
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	GRI 301: Materials: Disclosure 301-1	This indicator is not applicable to the Group due to the Group's business nature.
<b>Aspect A3: The Environmental and Natural Resources</b>			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	GRI 103: Management Approach: Disclosure 103-2	Green Operation
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	GRI 103: Management Approach: Disclosures 103-1 and 103-2 GRI 303: Water: Disclosure 303-2 GRI 304: Biodiversity: Disclosure 304-2 GRI 306: Effluents and Waste: Disclosures 306-3 (c) and 306-5	Green Operation
<b>Aspect A4: Climate Change</b>			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Not covered by the GRI Standards	Green Operation – Addressing Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Not covered by the GRI Standards	Green Operation – Addressing Climate Change

## Appendix II Content Index of the ESG Reporting Guide of the Stock Exchange and GRI Sustainability Reporting Standards

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)		Applicable Indicators of GRI Sustainability Reporting Standards	Location of Disclosure or Remarks
<b>B. Social</b>			
<b>Employment and Labor Practices</b>			
<b>Aspect B1: Employment</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	GRI 103: Management Approach: Disclosure 103-2 GRI 419: Socioeconomic Compliance: Disclosure 419-1	Caring for Employees – Standardized Employment Appendix I – Laws and Regulations with Significant Impact on the Group which the Group has Complied with during the Reporting Period
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	GRI 102: General Disclosures: Disclosures 102-8 (a), 102-8 (b), and 102-8 (c) GRI 405: Diversity and Equal Opportunity: Disclosure 405-1(b-i)	Caring for Employees – Standardized Employment; Comprehensive Performance
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	GRI 401: Employment: Disclosure 401-1 (b)	Comprehensive Performance
<b>Aspect B2: Health and Safety</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	GRI 103: Management Approach: Disclosure 103-2 GRI 419: Socioeconomic Compliance: Disclosure 419-1	Caring for Employees – Occupational Health and Safety Appendix I – Laws and Regulations with Significant Impact on the Group which the Group has Complied with during the Reporting Period
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	GRI 403: Occupational Health and Safety: Disclosure 403-2	Comprehensive Performance
KPI B2.2	Lost days due to work injury	GRI 403: Occupational Health and Safety: Disclosure 403-2	Comprehensive Performance
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	GRI 103: Management Approach: Disclosure 103-2 and 103-3	Caring for Employees – Occupational Health and Safety

# Appendix II Content Index of the ESG Reporting Guide of the Stock Exchange and GRI Sustainability Reporting Standards

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)	Applicable Indicators of GRI Sustainability Reporting Standards	Location of Disclosure or Remarks
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	GRI 103: Management Approach: Disclosure 103-2 GRI 404: Training and Education: Disclosure 404-2(a)
Caring for Employees – Health and Safety Training, Talent Nurturing		
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Not covered by the GRI Standards
Comprehensive Performance		
KPI B3.2	The average training hours completed per employee by gender and employee category.	GRI 404: Training and Education: Disclosure 404-1
Comprehensive Performance		
<b>Aspect B4: Labor Standards</b>		
General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	GRI 103: Management Approach: Disclosure 103-2 GRI 419: Socioeconomic Compliance: Disclosure 419-1
Caring for Employees – Standardized Employment Appendix I – Laws and Regulations with Significant Impact on the Group which the Group has Complied with during the Reporting Period		
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	GRI 103: Management Approach: Disclosure 103-2 GRI 408: Child Labor: Disclosure 408-1(c) GRI 409: Forced or Compulsory Labor: Disclosure 409-1(b)
Caring for Employees – Standardized Employment		
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	GRI 103: Management Approach: Disclosure 103-2 GRI 408: Child Labor: Disclosure 408-1(c) GRI 409: Forced or Compulsory Labor: Disclosure 409-1(b)
Caring for Employees – Standardized Employment		

## Appendix II Content Index of the ESG Reporting Guide of the Stock Exchange and GRI Sustainability Reporting Standards

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)		Applicable Indicators of GRI Sustainability Reporting Standards	Location of Disclosure or Remarks
<b>Operating Practices</b>			
<b>Aspect B5: Supply Chain Management</b>			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	GRI 103: Management Approach: Disclosure 103-2	Business Operation – Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	GRI 102: General Disclosures: Disclosure 102-9	Business Operation – Supply Chain Management; Comprehensive Performance
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	GRI 103: Management Approach: Disclosure 103-2 GRI 308: Supplier Environmental Assessment: Disclosures 308-1 and 308-2 GRI 414: Supplier Social Assessment: Disclosures 414-1 and 414-2	Business Operation – Supply Chain Management; Comprehensive Performance
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	GRI 308: Supplier Environmental Assessment: Disclosures 308-2 GRI 414: Supplier Social Assessment: Disclosure 414-2	Business Operation – Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	GRI 308: Supplier Environmental Assessment: Disclosure 308-2	Business Operation – Supply Chain Management

## Appendix II Content Index of the ESG Reporting Guide of the Stock Exchange and GRI Sustainability Reporting Standards

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)		Applicable Indicators of GRI Sustainability Reporting Standards	Location of Disclosure or Remarks
<b>Aspect B6: Product Responsibility</b>			
General Disclosure	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</li> </ul>	GRI 103: Management Approach: Disclosure 103-2 GRI 416: Customer Health and Safety: Disclosure 416-2 GRI 417: Marketing and Labeling: Disclosures 417-2 and 417-3 GRI 418: Customer Privacy: Disclosure 418-1 GRI 419: Socioeconomic Compliance: Disclosure 419-1	Business Operation; Appendix I - Laws and Regulations with Significant Impact on the Group which the Group has Complied with during the Reporting Period; Due to the business nature of the Group, issues relating to health and safety, advertising and labelling concerning the supplied electricity are not applicable to the Group.
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not covered by the GRI Standards	This indicator is not applicable to the Group due to the Group's business nature.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	GRI 102: General Disclosures: Disclosures 102-43 and 102-44 GRI 103: Management Approach: Disclosure 103-2 GRI 418: Customer Privacy: Disclosure 418-1	The principal business of the Group is mainly power generation and does not involve direct contact with end-users of the electricity, thus this indicator is not applicable to the Group.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Not covered by the GRI Standards	Business Operation – Intellectual Property Rights and Privacy
KPI B6.4	Description of quality assurance process and recall procedures.	Not covered by the GRI Standards	This indicator is not applicable to the Group due to the Group's business nature.
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	GRI 103: Management Approach: Disclosure 103-2 and 103-3	Business Operation – Intellectual Property Rights and Privacy



## Appendix II Content Index of the ESG Reporting Guide of the Stock Exchange and GRI Sustainability Reporting Standards

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)		Applicable Indicators of GRI Sustainability Reporting Standards	Location of Disclosure or Remarks
<b>Aspect B7: Anti-corruption</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	GRI 103: Management Approach: Disclosure 103-2 GRI 205: Anti-corruption: Disclosure 205-3 GRI 419: Socioeconomic Compliance: Disclosure 419-1	Corporate Governance – Anti-corruption Appendix I – Laws and Regulations with Significant Impact on the Group which the Group has Complied with during the Reporting Period
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	GRI 205: Anti-corruption: Disclosure 205-3	Comprehensive Performance
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	GRI 102: General Disclosures: Disclosure 102-17 GRI 103: Management Approach: Disclosures 103-2 and 103-3	Corporate Governance – Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	GRI 205: Anti-corruption: Disclosure 205-2	Corporate Governance – Anti-corruption  The Group planned to organize anti-corruption training to the Board in the future.
<b>Community</b>			
<b>Aspect B8: Community Investment</b>			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	GRI 103: Management Approach: Disclosure 103-2	Giving Back to the Society
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	GRI 203: Indirect Economic Impacts: Disclosure 203-1(a)	Giving Back to the Society
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	GRI 201: Economic Performance: Disclosure 201-1(a-ii)	Giving Back to the Society – Industrial Revitalization, Combating Against the Pandemic



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