



中国神华能源股份有限公司

CHINA SHENHUA ENERGY COMPANY LIMITED

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

Stock Code: 01088

2012 CSR REPORT





Cover story: Social enterprise

While bearing in mind our financial responsibility, China Shenhua is highly conscious of carrying out its environmental and social responsibility. As the largest state-owned coal-based integrated energy enterprise listed in the PRC, China Shenhua always sticks to the corporate mission of "providing green energy for the development of the whole society". We are committed to motivating the low-carbon growth of the industry, building beautiful and harmonious mine areas and carrying out public welfare activities so as to deliver our care to our homeland.

On the path of achieving sustainable development, China Shenhua will strive to make continuous efforts. As a coal based energy enterprise, we are confident in building our enterprise to be "the best in the world", and we are determined to achieve our ambition of giving "the best for the world".



Company Profile

China Shenhua Energy Company Limited is a listed company of H shares and A shares controlled by Shenhua Group Corporation Limited ("Shenhua Group"). The Company is a coal-based energy enterprise that has been carrying out an integrated operation of its coal, power, railway, port and shipping business. It is primarily engaged in the production and sale of coal and power, and the railway, port and fleet transportation of coal.

China Shenhua is the largest listed coal supplier and seller both in China and in the world. The Company's coal business has become a role model in China in terms of scale, efficiency and safety production mode. The Company owns a large-scale integrated rail, port and marine fleet transportation network which provides the Company with tremendous synergy and the advantage of low transportation costs. China Shenhua owns the large-scale, highly efficient and rapidly expanding power generation operations, which is complementary to the Company's coal operation to achieve a synergetic development.

Coal Sales

million tonnes

2012	464.6
2011	387.5

Total power output dispatch

billion Kwh

2012	193.46
2011	175.61

Basic earnings per share

RMB/share

2012	2.456
2011	2.305

Final dividend (inclusive of tax)

RMB/share

2012 (proposed)	0.96
2011	0.90

Total tax paid

RMB million

2012	43,570
2011	39,940

Donations to the society

RMB million

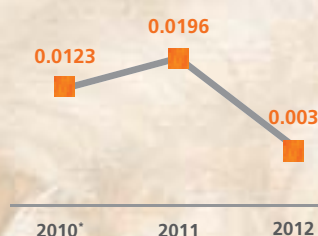
2012	115
2011	625

Social contribution per share

RMB/share

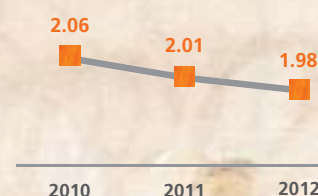



Fatality rate per million tonnes of raw coal output



Comprehensive energy consumption per RMB10,000 output value

tonne standard coal/RMB10,000





About This Report

The Social Responsibility Report for 2012 ("2012 CSR Report") is the sixth annual social responsibility report issued by China Shenhua Energy Company Limited ("China Shenhua" or the "Company"). This report mainly discloses information on the work of the Company in aspects of corporate governance, operation in good faith, technological innovation, safety production, employees' interests, environmental protection, energy conservation and emission reduction and public welfare, with an aim to enhance understanding and communication with all stakeholders.

The Board and all the Directors of the Company guarantee the content of this report does not contain any false representation, misleading statement, or material omission, and jointly and severally accept full responsibility for the truthfulness, accuracy and completeness of the content thereof.

Main Scope of the Report

China Shenhua Energy Company Limited, including the companies and assets acquired or established in 2012. For details of the main scope of the report, please refer to the section "Equity Structure Diagram of China Shenhua".

Reporting Period

The CSR Report of the Company is issued annually with the reporting period from 1 January to 31 December of each year. The timeframe of the statistical data of the associated organizations that are involved in this report is in line with the timeframe of this report.

Preparation Basis of the Report

This report was prepared based on the disclosure requirements of the "Notice on Strengthening Listed Companies' Undertaking of Social Responsibilities and Issuance of 'Guidelines on Environmental Information Disclosure by Companies Listed on the Shanghai Stock Exchange'", "Guidelines on Environmental Information Disclosure by Companies Listed on the Shanghai Stock Exchange" and disclosure recommendation of "Guidelines on Preparation of 'Corporate Report on Performance of Social Responsibilities' (Appendix II)" issued by the Shanghai Stock Exchange (collectively referred to as "Shanghai Stock Exchange Guidelines") and as well as with reference to the "Environmental, Social and Governance Reporting Guide" issued by the Hong Kong Stock Exchange. This report is also prepared based on the indicator system and relevant disclosure requirements of the third edition of Sustainability Reporting Guidelines (G3.1) issued by Global Reporting Initiative ("GRI").

Principles of Data Processing

The data disclosed and the reporting period stated in this report are consistent with the reporting period adopted for preparing this report. The financial information contained in this report is sourced from the audited financial report of the Company for 2012. Unless otherwise indicated, Renminbi is used as the denomination currency in this report. The major indicators on safety and environmental protection

of the Company are calculated or computed in accordance with the State's regulations or industry standards.

The equity interests or assets acquired by the Company from Shenhua Group Corporation, the controlling shareholder of the Company, and its subsidiaries in 2012 have been included into the equity interests or assets in this report according to the principle on the treatment of data from business acquisition under common control of the PRC ASBE. The indicative data on social responsibility such as environmental protection, safety, technology and employees' interests throughout 2012 have been included into the relevant indicators of 2012 in this report. Data of the previous years have been restated whereas data that have not been restated are indicated with "**". Other indicating data on social responsibility for the assets acquired from third parties are included in the 2012 relevant data in this report with the data from operation during the period since the actual delivery.

Assurance


This report has been assured independently by our independent auditor KPMG Huazhen (Special General Partnership). The proof, scope, methodology and conclusion of the assurance are included in the Appendices.

Reporting Language and How to Obtain This Report

This report is published in Simplified Chinese, Traditional Chinese and English. The financial data contained in the Simplified Chinese version are extracted from the A-Share financial report of the Company, whereas the financial data set out in the Traditional Chinese version and English version are extracted from H-Share financial report of the Company. In case of any discrepancies, the Simplified Chinese version shall prevail.

This report is issued to stakeholders and the general public as an electronic document in PDF form. Please email to 1088@csec.com or dial 86-10-5813 3355 to request for a printed copy of this report, or download an electronic document copy from the official website of China Shenhua at www.csec.com.

We have taken into consideration the interests and requirements of different stakeholders as much as possible in the compilation of this report, and striven to make it plain, clear and easy to read. The compilation of this report may not be satisfactory owing to a number of objective restrictions imposed on it. The Company shall in the future continue to improve on the content and delivery of information disclosed in the report. You are welcome to express your opinions and suggestions by filling in and returning the Feedback Sheet attached.





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Chairman's Statement



Dear Friends,

In 2012, despite the headwinds from the complicated and challenging market environment, China Shenhua achieved continuous growth with utmost efforts of all employees under the leadership of the Board to stand against all difficulties by bringing the synergy of our coal, power, railway, port and shipping operations into full play. With the concerted efforts of all employees and the energetic supports from our friends, China Shenhua recorded revenues of RMB250,260 million, a year-on-year increase of 19.6%, and profit attributable to equity shareholders of the Company for the year of RMB48,858 million, a year-on-year increase of 6.6%, which laid a solid foundation for the sustainable development of the Company and better fulfillment of social responsibility.

China Shenhua consistently adheres to the social responsibility philosophy of "Energy Contribution, Scientific Development and Mutual Success", and is committed to promote common development of all stakeholders. In 2012, embracing the strategic goal of "building a world first-class coal-based integrated energy enterprise with global competitiveness", the Company was fully aware of the needs of our shareholders, customers, suppliers, employees, communities and social development, and managed to raise the standard of fulfilling responsibility in a multi-dimensional manner, thus, making progress in every aspect.

To push forward refined management and enhance professional management of social responsibility in all aspects. In 2012, the Company benchmarked the world top-tier standards and strengthened its management standard to build a five-model enterprise that features "intrinsic safety, quality and efficiency, technological innovation, resource conservation and harmonious development", emphasized the importance of scientific and technological innovation and energy conservation in the sustainable development. Striving to become professional and refined, the Company comprehensively improved management to build itself up for future growth. The Company also further honed its social responsibility planning by deeply embedding the social responsibility into daily operations, and enhancing training efforts regarding social responsibility, thus leading to a significantly focused and effective performance of social responsibility.



Chairman's Statement



To motivate sustainable development through scientific and technological innovation. In 2012, China Shenhua continued to optimize its scientific research system and established an open innovation system that covers strategic researches, specialized technologies and transformation of research achievements to application. We contributed to industry progress by actively participating in frontier seminars of coal industry worldwide and taking over national key projects in fields such as coal, power and transportation. The Company made great strides in projects like coordinated development of coal resource exploitation and environment, construction of digital mines and development of coal associated resources. The Company invested approximately RMB2.71 billion in scientific and technological innovations for the year, and obtained 281 patents. Scientific and technological innovation both fueled the safe and efficient operation of the Company and enhanced the corporate core competitiveness, presenting new motivation for the Company.

To strive for "zero injury" in safe production management. In 2012, the fatality rate of the Company in raw coal production was 0.003 per million tonnes, better than the national average of 0.374, and continued to take the lead in international arena. The power and transportation businesses of the Company kept a sound operating record in terms of safety. The safe production experience of Shenhua based on the safety management practices of the coal mines of the Company has been promoted across the country, which not only is an affirmation of our relentless efforts but also confirms our faith in the incessant pursuit of intrinsic safety. Starting from a new point of production safety, the Company set the goal to "strive to realize zero death and pursue zero injury". Taking preventive controls as the core, we made scientific breakthroughs, stepped up emergency rescue management and achieved behavioural change in safety culture, so as to match higher safety standards.

To upgrade development platform and raise employees' happiness index. By creating a safe and healthy work environment, the Company built a solid platform for the development of our employees. Backed by the training bases set up in our coal, power and transportation businesses, the Company improved the "Grand Training" system in 2012 to incorporate various training forms such as on-site and simulated trainings, lectures and seminars, and enriched the training curriculums and upgraded the training team. The accumulated investment in training for the year amounted to RMB154 million and more than 621 thousand employees have attended such training sessions. Committed to realize common development of the Company and our employees, the Company continued the "happy employee project" to take care of the life of employees in four aspects, namely "survival, respect, society and development", listening to the voice of employees and strengthening employees' sense of belonging and happiness.

To insist on green development and build a beautiful Shenhua. China Shenhua highly values energy conservation and environmental protection, and has been persistently seeking a low-carbon solution for carbon-intensive energy. In 2012, the Company initialized an energy saving campaign to exploit resources with high efficiency and raise the utilization rate of resources. The average recovery rate of the Company in coal mining areas reached 87.4%, taking the lead in the industry. The average standard coal consumption for power output dispatch of coal-fired generators was 323 g/kwh, maintaining a leading standard domestically. The Company stepped up the research efforts in coal clean burning technologies and emission treatments, making every effort to mitigate the impact of coal burning to the environment. The Company continued to push forward eco-conservation and construction to effectively promote comprehensive restoration and improvement of the ecological environment according to the local conditions. The Company invested an aggregate of RMB0.32 billion in ecology construction for the year, adding green area of 19.2 million m² and attaining a synergetic development between the enterprise and the ecological environment.



To operate with good faith, be enthusiastic in public welfare and strive to achieve win-win situation with the stakeholders. China Shenhua protects the interest of shareholders in accordance with the laws. The Company increases the shareholders' effective understanding to its business development via continuous and standard information disclosures and various communicating channels. The Company works hard to generate value for shareholders by implementing a stable dividend distribution policy. The Board proposed to distribute a final dividend of RMB0.96 per share (inclusive of tax) for 2012, representing 40.1% of the basic earnings per share under the accounting standards of enterprises. Meanwhile, China Shenhua honors its promises to suppliers and customers, fully increases the service quality, and promotes the mutual benefits and win-win situation among all corporate partners. The idea of repaying the society is deeply rooted in the Company's whole process of corporate operation, which includes ensuring energy supply, actively carrying forward the harmonious development of the local community and the corporate, systematically contributing to social public welfare activities and advocating the public culture of expressing gratitude and giving back. In 2012, the Company donated RMB115 million to external organizations as a means to share the development fruit of the corporate with the society.

The active efforts of China Shenhua in fulfilling social responsibility have been recognized by all stakeholders. In 2012, the Company was awarded, among others, the "Chinese Corporate Integrity Award Grand Prize", "Top 100 Chinese Enterprises in Performing Social Responsibility", "Most Influential Listed Company in Overseas Markets" and "Most Innovative Chinese Company", whereas our subsidiaries (branch companies) have also received myriad of affirmation,. Such achievements helped to shape a robust environment for the Company's development and further stimulated the Company to forward steadily with harmonious development.

Looking ahead in 2013, China Shenhua will stick to the strategic guidelines, effectively implement the social responsibility planning, respond actively to the fluctuation in the industry, grasp the development opportunities, cultivate top-notch innovation capabilities, strive to score "zero injury" in safe production, promote ecological progress and continue to contribute to public welfare, so as to generate greater value for all stakeholders such as our shareholders, customers, employees and communities.

A stylized Chinese calligraphic signature in black ink, reading '张喜武' (Zhang Xiwu).

Zhang Xiwu
Chairman

Beijing, PRC
22 March, 2013



CSR Management

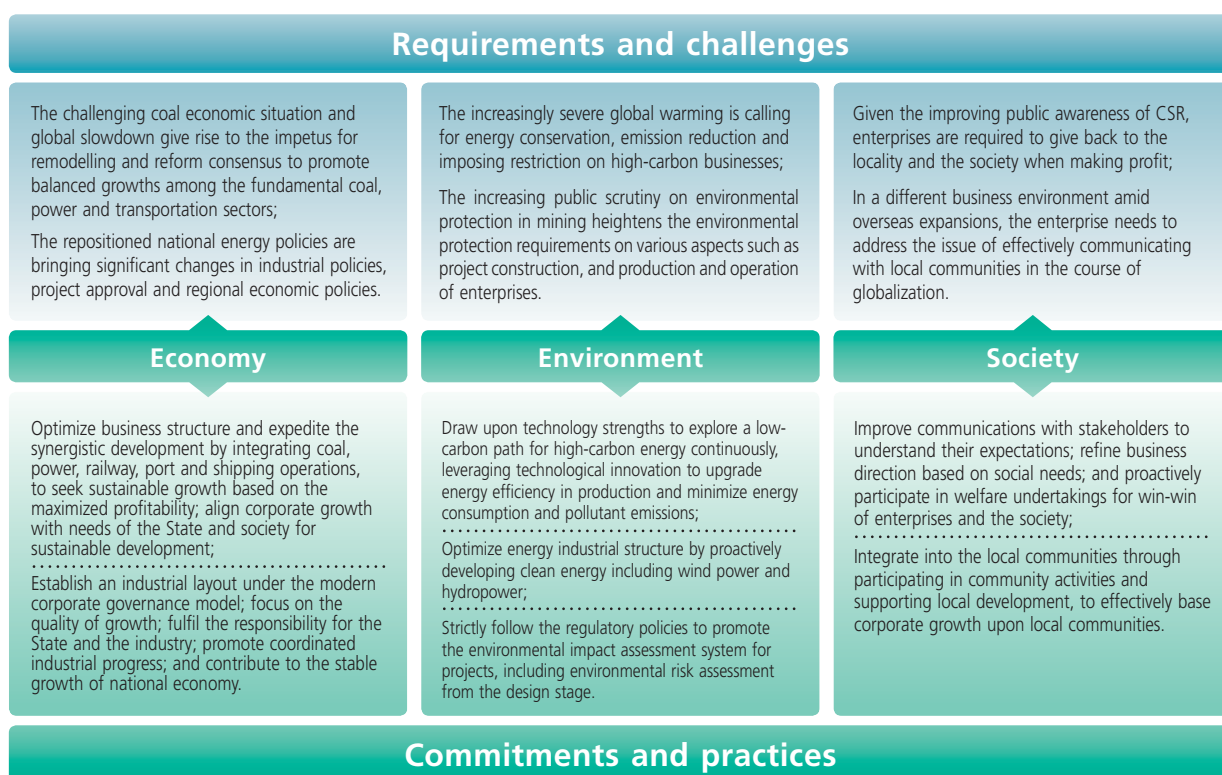


The coal will maintain its most prominent position of primary energy consumed in China in the long run. Being the largest coal-based integrated energy company listed in the PRC, the operations of China Shenhua exert influence either directly or indirectly on the operation of some other enterprises, the everyday life of the general public, environmental changes and social development. For years, China Shenhua has placed equal emphasis on its business development and the social responsibilities. Through the construction of a “five-model enterprise”, the Company push forward CSR management, proactively maintains its relationship with various stakeholders, in order to realize the harmonious co-development among our enterprise, the society and the environment.

CSR Management

Background for Sustainable Development

The "Twelfth Five-year Plan" period is a critical period for the PRC development. During this period, the national economy will maintain a steady and relatively fast growth, bringing a growth in energy demand and thus favourable opportunities for sustainable development of China Shenhua. At the same time, challenges and opportunities coexist on the path to transformation of economic development and comprehensive construction of the well-off society in China. Addressing the needs of enterprises, the Country and the society, China Shenhua will develop a specific sustainability strategy to translate the challenges into opportunities for harmonious development.



CSR Strategy and Implementation

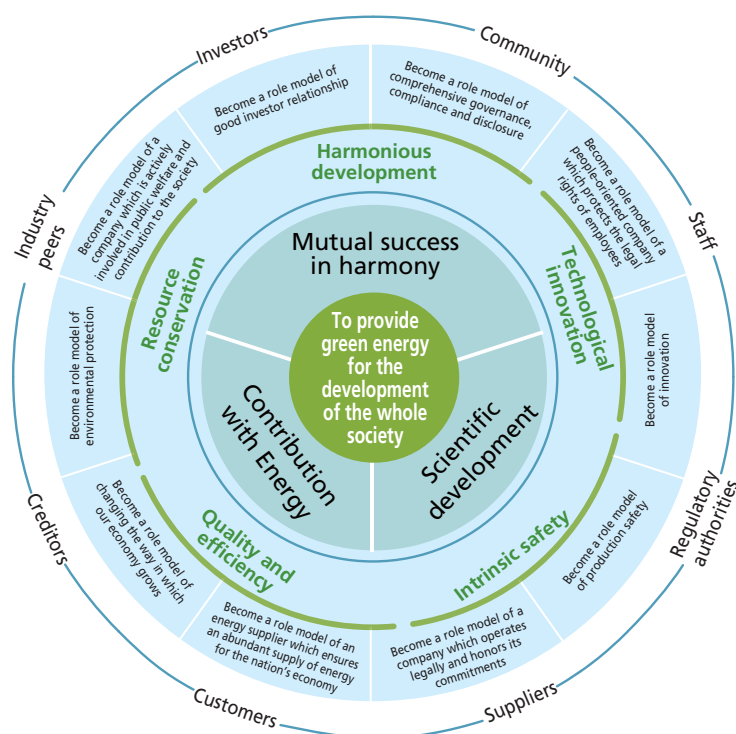
Our Philosophy in CSR



CSR Model and Promotion Approach

In view of its strategic goal of building a world first class coal-based integrated energy enterprise with global competitiveness, China Shenhua integrates social responsibilities into its corporate strategies and business management through the construction of a “five-model enterprise”, where the appeals of stakeholders are adequately addressed under a unique CSR model to promote smooth progress of CSR activities.

Our CSR Model

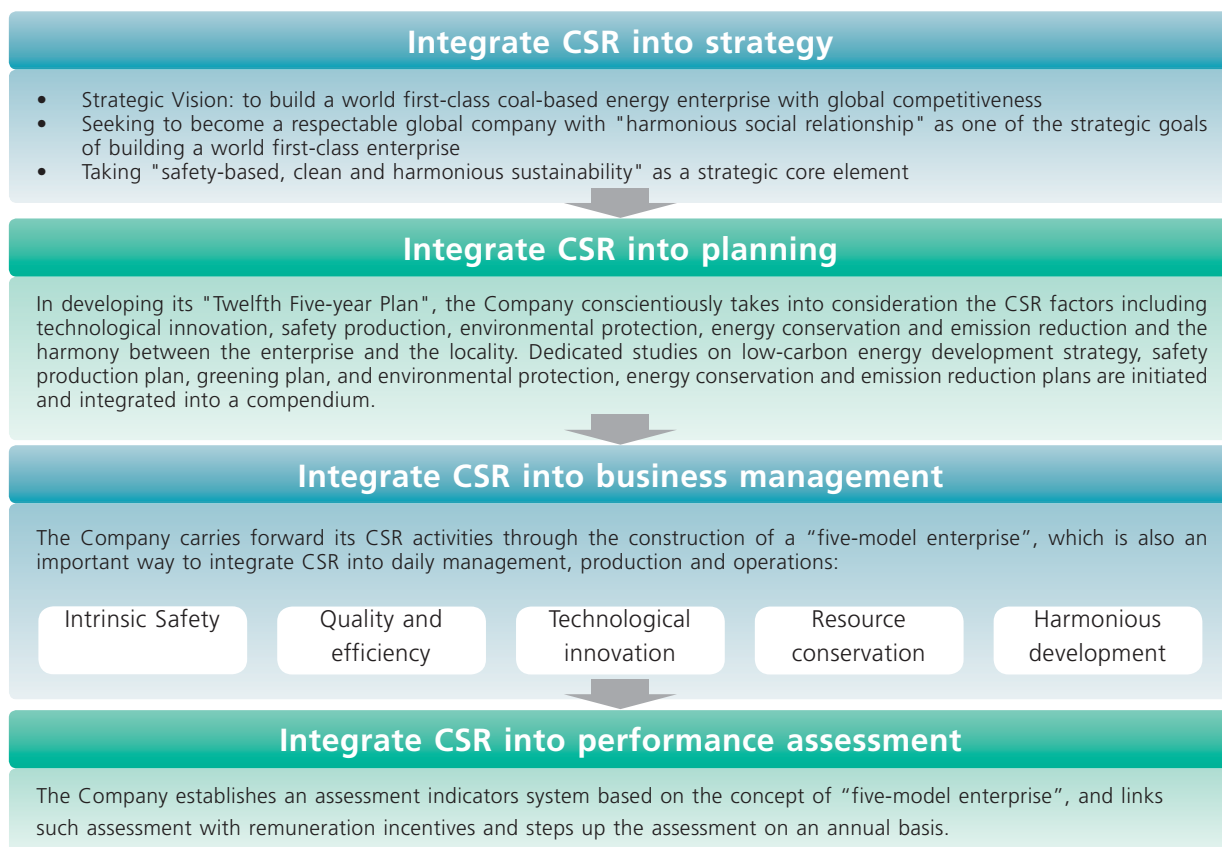


Our CSR Promotion Approach



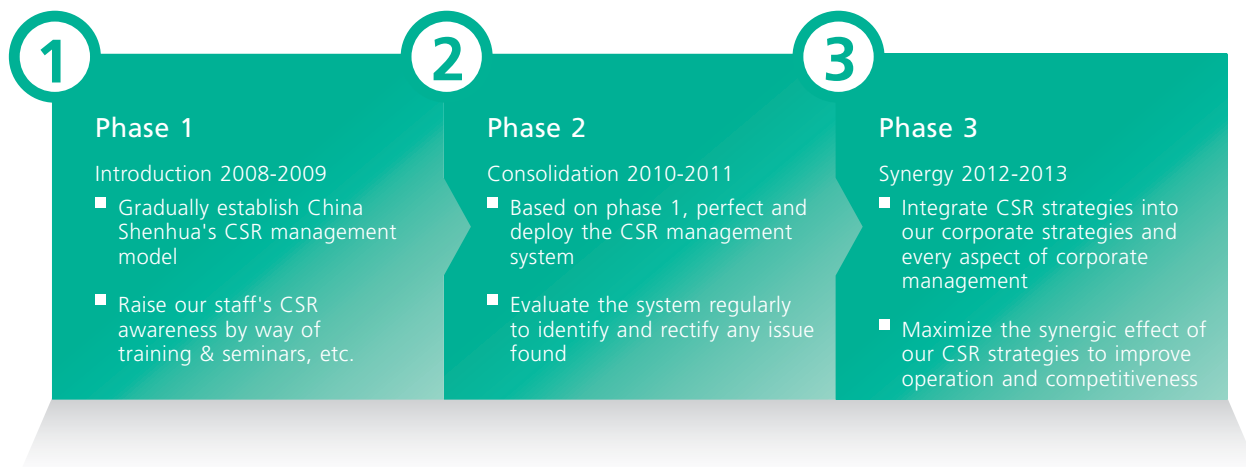
CSR Management

In 2012, the Company achieved overall progress in upgrading CSR management by integrating social responsibilities into its corporate strategy, the existing management framework and the performance assessment, making CSR management an important initiative for the strategy of "building a world first-class coal-based energy enterprise with global competitiveness". The indicators of the assessment on CSR performance in the "five-model enterprise" management system was especially optimized to achieve world-class standards in terms of CSR efforts and improvement for better quality of sustainable development.



CSR Planning

The performance of corporate social responsibility is a step-by-step process during which continuous improvements can be made over time. Hence, China Shenhua shall uphold its corporate spirit of "plain living and hard work, pragmatic expansion and excellence seeking" in order to push forward the implementation of its corporate social responsibility strategy one step at a time.



CSR Management

CSR Management Structure

The board of directors of China Shenhua and its special committees are responsible for determining and managing the Company's social responsibility strategies. The headquarters of the Company has established the human resources department, safety supervision bureau, science and technology development department, environmental protection department and labor union that are in charge of the implementation and management of tasks related to social responsibilities. The general office has established a CSR managerial position responsible for the day-to-day administration of social responsibilities. The investor relations department is responsible for information disclosure relating to corporate social responsibilities and responses to relevant enquiries. Each subsidiary (branch) or production unit has set up dedicated standing bodies/positions to perform duties related to social responsibilities, including safety management, energy conservation and emission reduction, technological innovation, remuneration and benefits, occupational health and employees' interest.

Daily CSR Work and Reporting

Beginning of year

- Strategic decision makers of social responsibility set the work focus for this year's social responsibility strategy and issue the work plan for the year
- Departments of the headquarters and subsidiaries (branches) execute the work plan

Mid-year

- Each department of the headquarters and each subsidiary (branch) communicate with stakeholders and implement social responsibility work in accordance with the plan
- Each department of the headquarters collects relevant CSR information on a regular basis and manages the information accordingly
- The competent department for daily CSR management coordinates with other departments to advance the CSR work and carry out CSR research
- Decision makers of CSR strategies resolve significant events on a regular basis and when necessary, and review the submitted reports

End of year

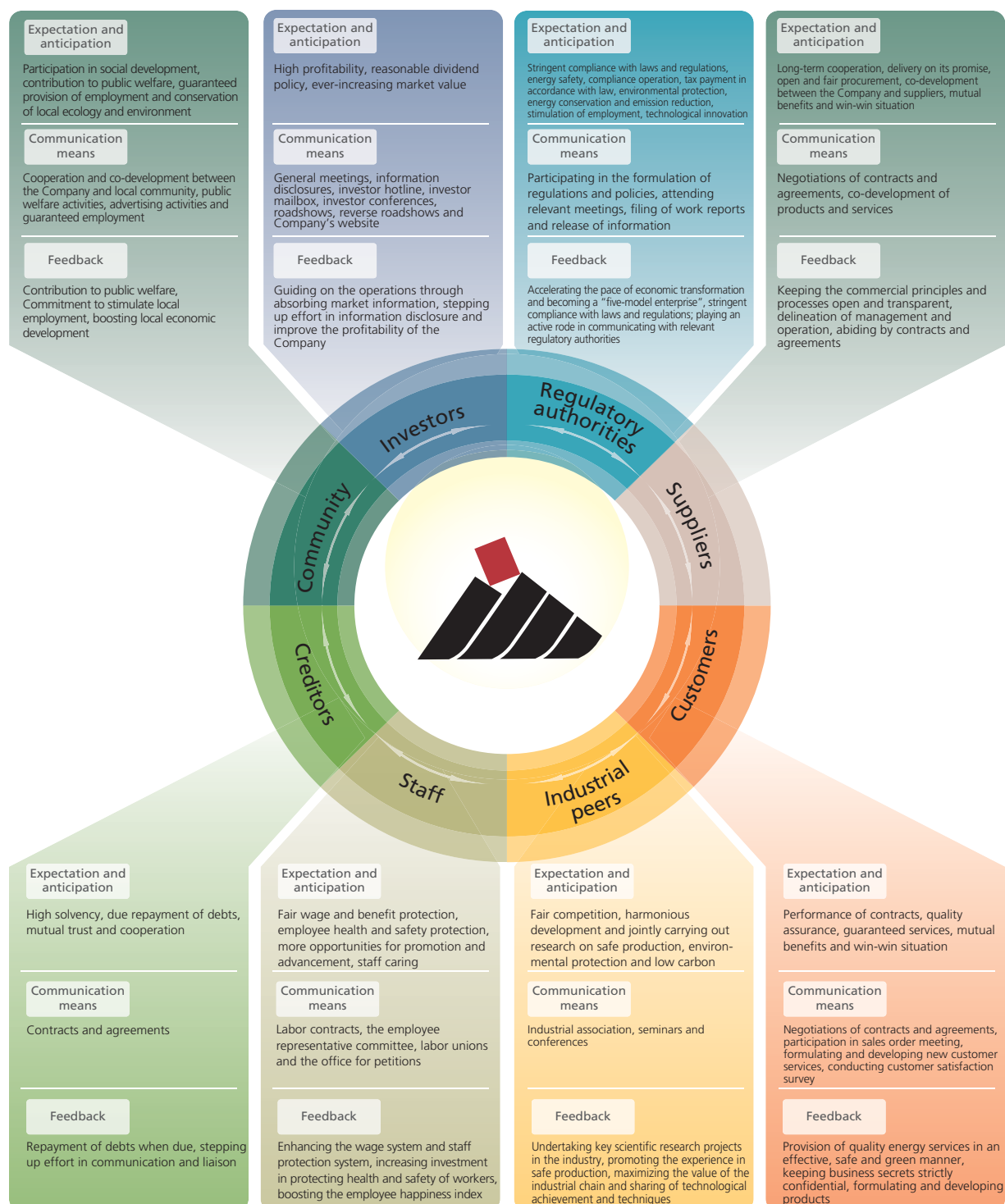
- Each department of the headquarters and each subsidiary (branch) summarize the relevant CSR work, significant events and statistics for the year
- The designated department for daily CSR management and the designated department for information disclosure collect topics proposed by stakeholders, significant CSR topics for the year and CSR research materials, and prepare the annual CSR report
- Decision makers of CSR strategies publish the CSR report after due consideration

CSR Management

Communications with Stakeholders

The support from all stakeholders is the foundation on which China Shenhua exists and thrives. Earnestly practising its corporate mission of ensuring energy security and promoting the balanced development among economy, society and environment, China Shenhua has been improving its information disclosure and investor relations communication to live up to its commitments to stakeholders including customers, staffs and suppliers in pursuit of mutual success in harmony with them.

The Company identifies and selects stakeholders according to their impacts on the sustainable development of the Company, and maintains sufficient communications with them. The Company seeks to promote the involvement of stakeholders in its sustainable development to the maximum extent and works together to undertake social responsibilities.



Significant CSR Topics on Responsibilities for the Year

Based on sufficient communications with stakeholders, the Company has summarized the following significant CSR topics for 2012 according to the degree of attention and their corporate impacts in the year, which are elaborated in the subsequent sections herein.

- | | | |
|---|--|---|
| ✓ Communications with investors | ✓ Conducting procurement in a fair and transparent manner | ✓ Utilization of water resource |
| ✓ Business growth and cash dividends | ✓ Measures for safety production | ✓ Treatment of emissions |
| ✓ Coal quality management | ✓ Occupational health | ✓ Ecological construction at mines |
| ✓ Stabilizing power supply | ✓ Employee training and career path | ✓ Investments in communities |
| ✓ Technological innovation capability and achievements | ✓ Countermeasures to climate changes | ✓ Public welfare activities |

Social Contribution Value per Share

Social contribution value per share represents the values created by the Company for its shareholders, employees, customers, creditors, community and society, which is designed to allow the public to have a more comprehensive understanding of the Company's social contributions. In 2012, the social contribution value per share of China Shenhua amounted to RMB5.648 (Accounting Standard for Business Enterprises) and RMB5.709 (International Financial Reporting Standards) respectively.

Note: Social contribution value per share is calculated on the basis of the Company's basic earnings per share created for shareholders, adding the value of tax paid to the country, salary paid to its employee, interests on borrowings paid to creditors such as banks and value created for other stakeholders such as external donations, and deducting other social costs due to environmental pollution and other factors. Other social costs due to environmental pollution and other factors include the taxes and fees payable and funds provided in accordance with the relevant requirements of the State, including pollutant discharge fee, coal sustainable development fund, compensation for water and soil losses, compensation for land acquisition, security deposits for mine environment control and restoration and provision of reclamation expenses.

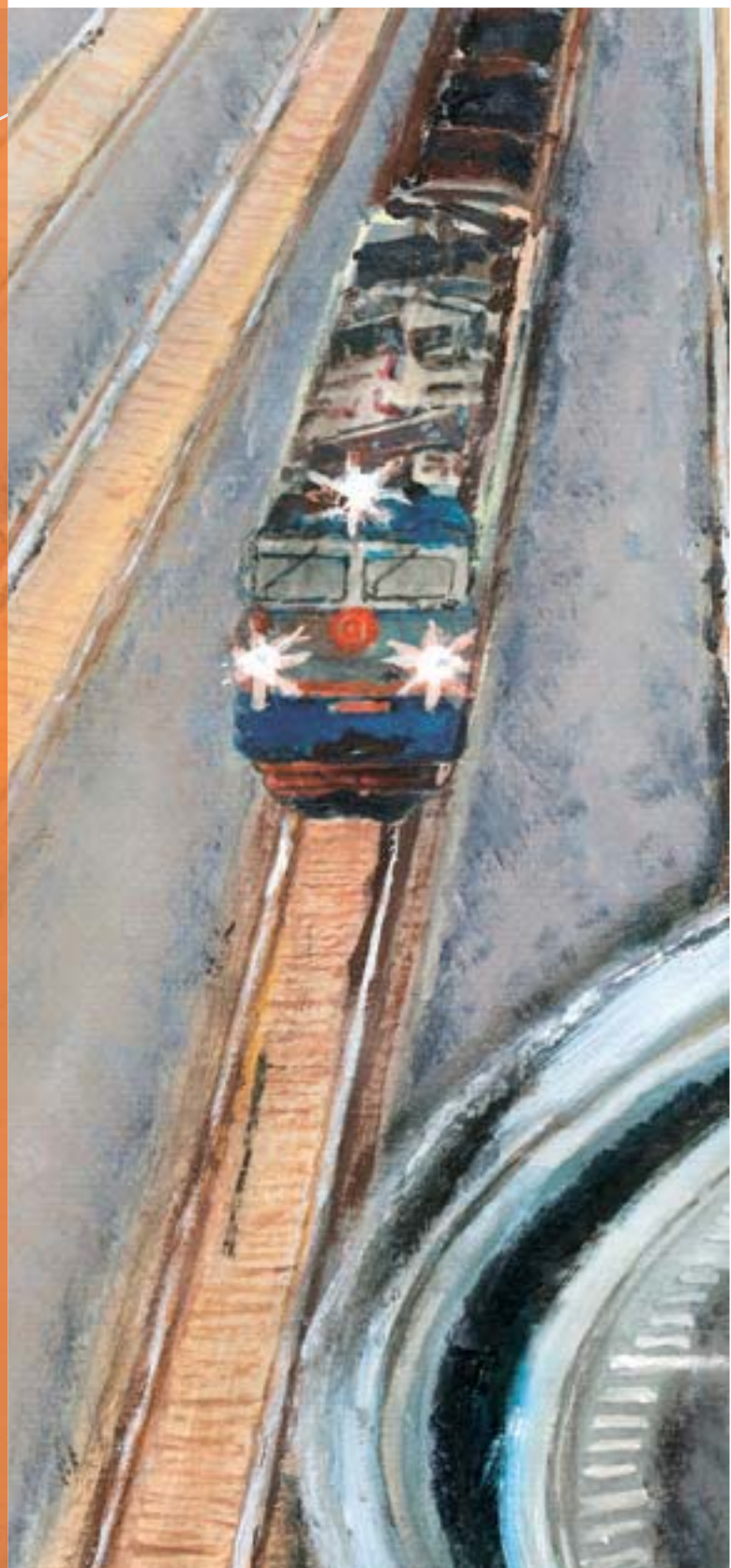
Growth Driver

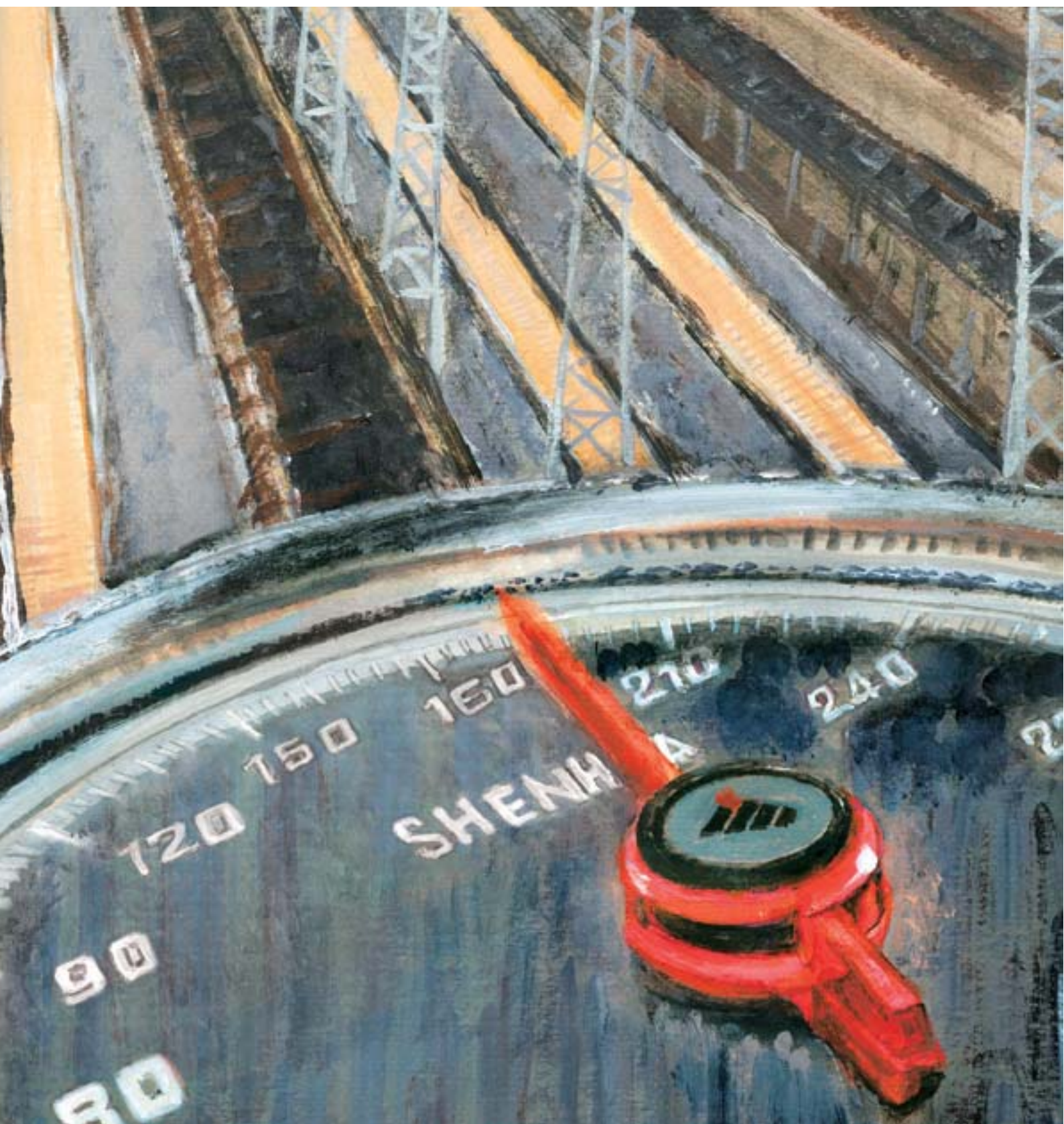
~A Long-acting Mechanism for Sustainable Development



Guided by the strategy of establishing itself as a competitive world-class coal integrated energy enterprise, China Shenhua has been continuously scaling new heights to achieve the top-tier standards. Through full enhancement of business development, operation management and technology innovation, China Shenhua endeavors to establish a long-acting mechanism for sustainability.

With a well-established modern corporate governance system, China Shenhua has managed to form an integrated operation mode covering coal, power, railway, port and shipping. Backed by the strong capability of technology innovation, China Shenhua has increasingly enhanced its synergy in management and informatization with an aim to sharpen the core competitiveness of the enterprise. As the largest coal-based listed energy company in the PRC, China Shenhua will spare no effort to enhance quality of development, reinforce the capability to fulfill its social responsibilities, laying a solid foundation for efficient growth and harmonious development.

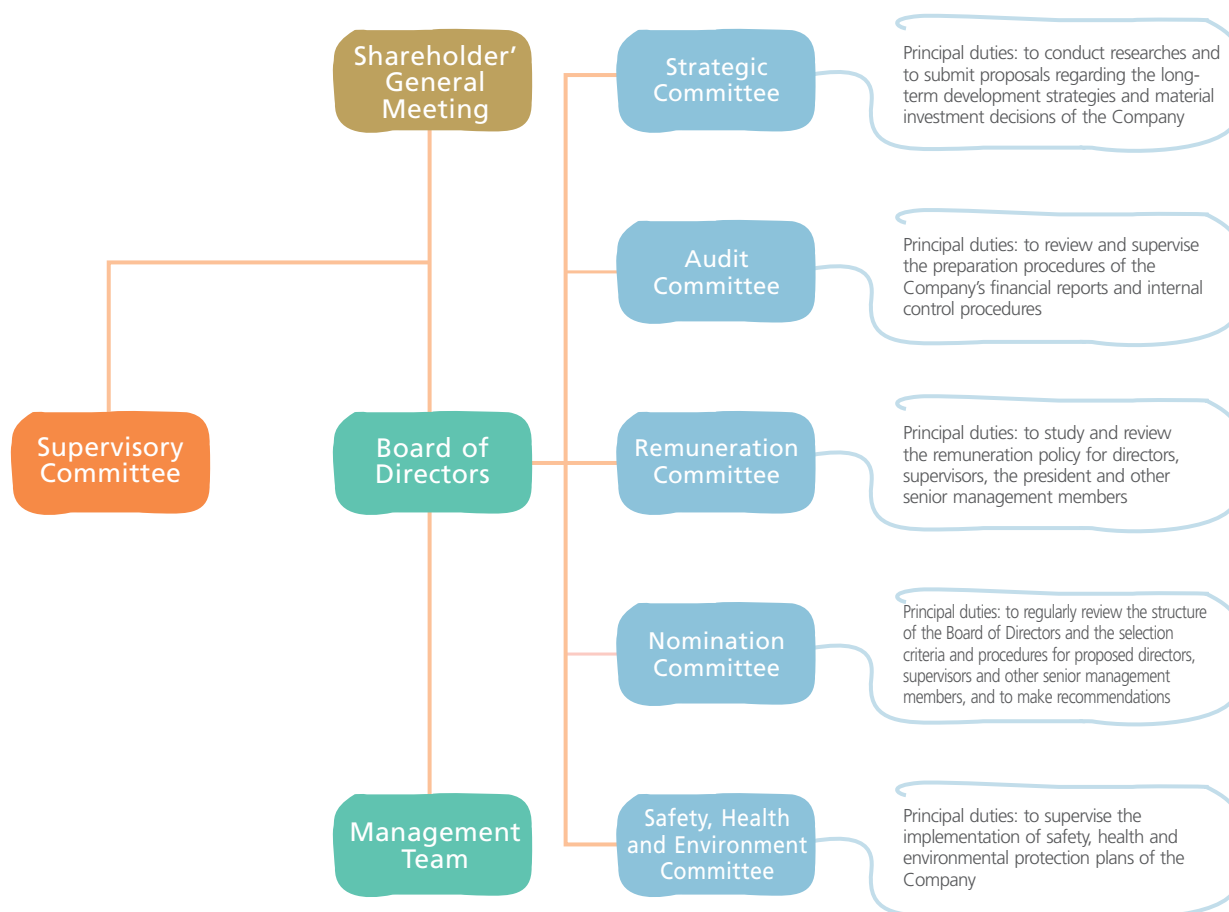




Growth Driver ~ A Long-acting Mechanism for Sustainable Development

Governance and Compliance as the Basis

Based on the firmly rooted philosophy of strict compliance with laws and regulations, China Shenhua has gradually established a modern corporate governance structure whereby the shareholders' general meeting, Board of Directors and its Supervisory Committee as well as senior management have clearly-defined terms of reference, undertake their own responsibilities, execute check and balance and conduct independent operations.



In accordance with the requirements of regulatory authorities and the listing rules, the Company has formulated the procedures for shareholders' general meetings, the Board of Directors, special committees of the Board and the Supervisory Committee to regulate their daily operation. The Company has further designed special rules on daily work and annual report of the audit committee to strengthen its strategic decision-making and risk management and control ability.

General Meeting

General meeting is the authority body of China Shenhua. Shareholders' rights such as right of information, speaking, inquiry and voting are fully safeguarded. Generally, the Company holds general meetings in Hong Kong or Beijing, and the convening, notification, consideration, voting and disclosure of general meetings are made in strict accordance with the Articles of Association and the Rules of Procedures of General Meeting of the Company. In 2012, the Company held 1 annual general meeting, 2 shareholders' class meetings and 1 extraordinary general meeting.



The Company fully safeguards small and medium shareholders' rights and interests. The Company proactively invites small and medium shareholders to attend general meetings, and organizes visits to or meeting with certain small and medium shareholders before general meetings to collect their opinions. At general meetings, sufficient time is given to shareholders for consideration of proposals and for Q&A session, to ensure all shareholders enjoy the same right of information and participation for significant events of the Company. Shenhua Group Corporation Limited as the controlling shareholder of the Company duly exercises its shareholder's right through general meetings and board meetings, where connected shareholders are required to abstain from voting when participating in consideration of connected transactions.

Board of Directors

The Board of Directors of the Company is elected at the general meeting. The current Board of the Company comprises 9 directors, including 1 female director. Directors of the Company have extensive practical experience in macro economy, specific industry, finance and auditing, legal affairs or strategic management. Directors' knowledge structure and expertise areas are complementary, which ensures the scientific and effective decision-making of the Board. The independent non-executive directors are fully safeguarded with necessary conditions for work to ensure their effective fulfilment of duties. In May 2012, Mr. Liu Benren and Mr. Xie Songlin resigned as non-executive directors due to age reason, and Mr. Kong Dong and Mr. Chen Hongsheng were appointed as non-executive directors of the second session of the Board of the Company.

Prior to the board meeting, the special committees of the Board will consider and review the items in the proposal to enhance operational efficiency of the Board. The Board of the Company held a total of 14 meetings in 2012.

Supervisory Committee

The Supervisory Committee of the Company is accountable to the general meeting. Honestly fulfilling its supervisory duties, the Supervisory Committee earnestly protects the interests of shareholders and duly oversees operations and financial position of the Company as well as the performance of duties by the directors and senior management.

The current Supervisory Committee of the Company comprises 3 members, of whom 2 are shareholder representative supervisors and 1 is employee representative supervisor. The Supervisory Committee held a total of 4 meetings in 2012.

Senior Management

Senior management is the executive body of the Company and is accountable to the Board of Directors. The senior management of the Company comprises 11 members, including 1 female. Authorized by the Board of Directors, the senior management manages and makes decisions on the business operation within its scope of authority. Remuneration of the senior management is proposed by the remuneration committee of the Board with reference to annual business performance (including environment, safety production and social harmony performance), subject to consideration and approval by the Board.

The Company's corporate governance bodies exercise check and balance to each other. The Company as a public listed issuer is monitored by its shareholders and the public. The Company engages independent auditors to audit its financial statements and the internal control areas in relation to the preparation of financial statements, and has been improving the overall risk management system to effectively avoid the conflict of interests among the corporate governance bodies.

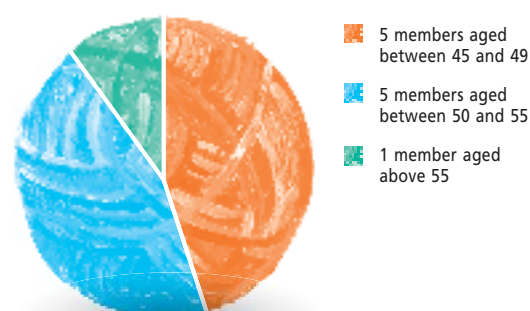
Growth Driver ~ A Long-acting Mechanism for Sustainable Development

Please refer to the relevant chapters in the 2012 Annual Report of China Shenhua for detailed information in respect of general meetings, Board of Directors, Supervisory Committee, senior management of the Company and corporate governance.

Composition of the Board



Senior management of the Company by age



Risk Management and Internal Control

The Company constantly improves the construction of internal control and risk management systems and basic platforms with an aim to strengthen supervision and minimize operating risks. The Company has established a vertical and hierarchical risk management system of “centralized leadership, regional supervision and hierarchical accountability” comprising the Board, the audit committee under the Board, the internal control and audit department and local audit centres, which secures the safety defense-line for the Company. The Company carries out overall risk assessment at the beginning of each year, and makes important risk management and control deployments which are monitored on a quarterly basis.

In 2012, the Company initiated the internal control standard enhancement programme under which *The Standards on Internal Control*, *The Assessment Measures for Internal Control* and the technical manual have been completed, thus further increased the standardization of internal control. Special internal control inspections on capital, materials, tendering and bidding management were selectively made on seven units including the Materials Group to constantly boost the management effectiveness in key areas.

Our internal control system operated well in 2012, with no material flaw identified in connection with its design or execution. Please refer to our 2012 Annual Report for the third party audit report on internal control in connection with the Company's financial report.

Anti-corruption

With regulated responsibility and entitlement, and the coordination of supervision, audit functions and subordinated Supervisory Committee, China Shenhua implements anti-corruption measures comprehensively in education, regulation, supervision, punishment and reform. We have established a punishment and prevention system with a hallmark of Shenhua which is organically integrated with our enterprise intrinsic safety system.



The primary units employed multiple means to publicize anti-corruption laws and regulations.



The Company strengthens risk management and promotes a corruption-free culture centering on prevention and control. The Company focused on corporate leaders to strengthen anti-corruption career and precaution education in 2012, carrying out examinations on their duty-related consumption and activities such as corruption-free undertakings and the report of anti-corruption in duty fulfilment to boost their anti-corruption awareness. Anti-corruption risk prevention and control endeavours were highlighted in major areas, key links and important posts covering investment decisions, property right transactions, financial management, overseas assets, capital operation, materials procurement, tendering and bidding, staffing and project construction in order to strengthen supervision on authority. The Company has established an unobstructed whistle-blowing channel to accept the monitoring by the staff and the public on duty-related corruption, commercial bribery and other misconducts.

The Company adopts a wide range of means to promote anti-corruption education. In 2012, the Company held over 624 anti-corruption education activities with over 39.3 thousand person-times of participations ^{Note}.

Coordinated Operations as the Foundation

The unique business model integrating coal, power, railway, port and shipping operations are the most important core competitive edges for China Shenhua, which is also a strong foundation for the Company to resist market risks for sustainable business growths. Tapping on its integrated strengths in synergy, resource sharing, in-depth collaboration and low-cost operation of the business segments, the Company centers on the maximization of overall profitability to coordinate the business segments with an aim of maximizing value.

The Company's coal, power and transportation cover key areas in coal mining, transportation, and power generation and fuel energy industries. Led by coal sales, the Company proactively expanded the scale of its power segment, strived to safeguard high efficiency of coal production and transportation. Amid its paces to forge ahead, the Company will reinforce the strategic cornerstone role of its coal business, progressively advance the mega-sales strategy relying on transportation channels, optimize the strategic layout of coal markets and power plants, aiming to enhance the profitability of all business segments and the quality of operation on a sustainable basis.

Coal operations are the cornerstone of our development. Responding to the volatile coal market in 2012, the Company took initiatives such as focusing both on coal production and sales, strengthening safety management to ensure smooth production, refining production schedules and properly limiting the output growth of low-calorific value coal. Meanwhile, flexible sales strategies were introduced and coal sources were optimized while exploring new market share, which effectively mitigated the impact from coal price downsides and facilitated the stable growth of business revenue.

Business indicators		2012	2011	Percentage change (%)
Commercial coal production	Million tonnes	304.0	281.9	7.8
Coal sales	Million tonnes	464.6	387.5	19.9
Turnover of self-owned railway transportation	Billion tonne km	176.2	162.3	8.6
Seaborne coal of self-owned ports	Million tonnes	124.4	107.8	15.4
Shipment turnover	Billion tonne nautical miles	82.5	71.5	15.4
Total power output dispatch	Billion kwh	193.46	175.61	10.2

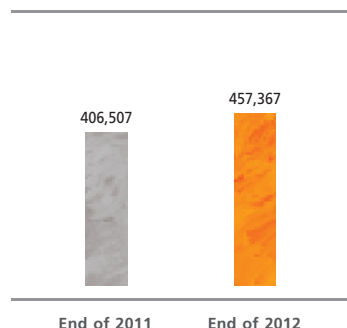
The power segment adopted active measures to address the unfavourable factors such as the increased hydropower output and the sluggish thermal power demand, strengthening the stability management on generators and enhancing its marketing efforts under the sales strategy to maximize power output. The installed capacity was steadily expanded through self-construction, mergers and acquisitions, leading to improvements both in scale and efficiency.

Our railway, port and shipping fleet constituted a large-scale integrated transportation network, and made rational deployments for outbound coal transportation, whereby transportation capacity was effectively utilized in the most profitable operations as far as the overall business is concerned to draw upon our vast synergy and strength in low transportation costs.

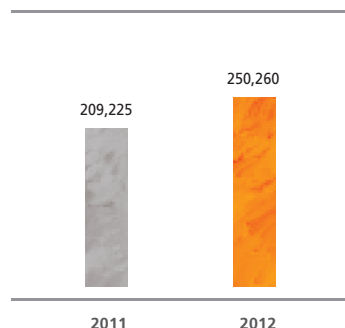
Note: The survey period is from 1 December 2011 to 30 November 2012.

Growth Driver ~ A Long-acting Mechanism for Sustainable Development

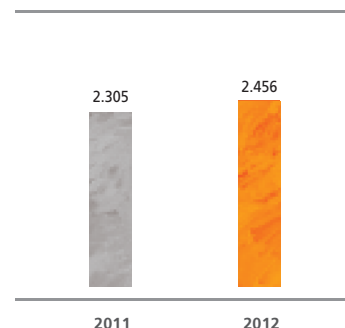
Total assets
(RMB million)



Revenues
(RMB million)



Basic earnings per share
(RMB/share)



Management Enhancement as a Catalyst

Reinforcing the Fundamentals for Overall Management Enhancements

China Shenhua aims to benchmark against leading enterprises at home and abroad, targeting “professionalism” and “specialization” to achieve overall management enhancements. The Company has started the management enhancement programme, and expects to take two years to consolidate its management fundamentals, develop innovative management model for continuous improvements in the value generation capability.





Under its strategic vision and the Twelfth Five-year Plan, the Company adopted a global approach in 2012 to focus on management enhancement in key areas including project construction, overall budget and cost control. At the unit level, the austerity principle was carried forward to exercise stringent cost control over project investment, productive consumption and operating expenses, seeking to translate management enhancement directly into business efficiency.

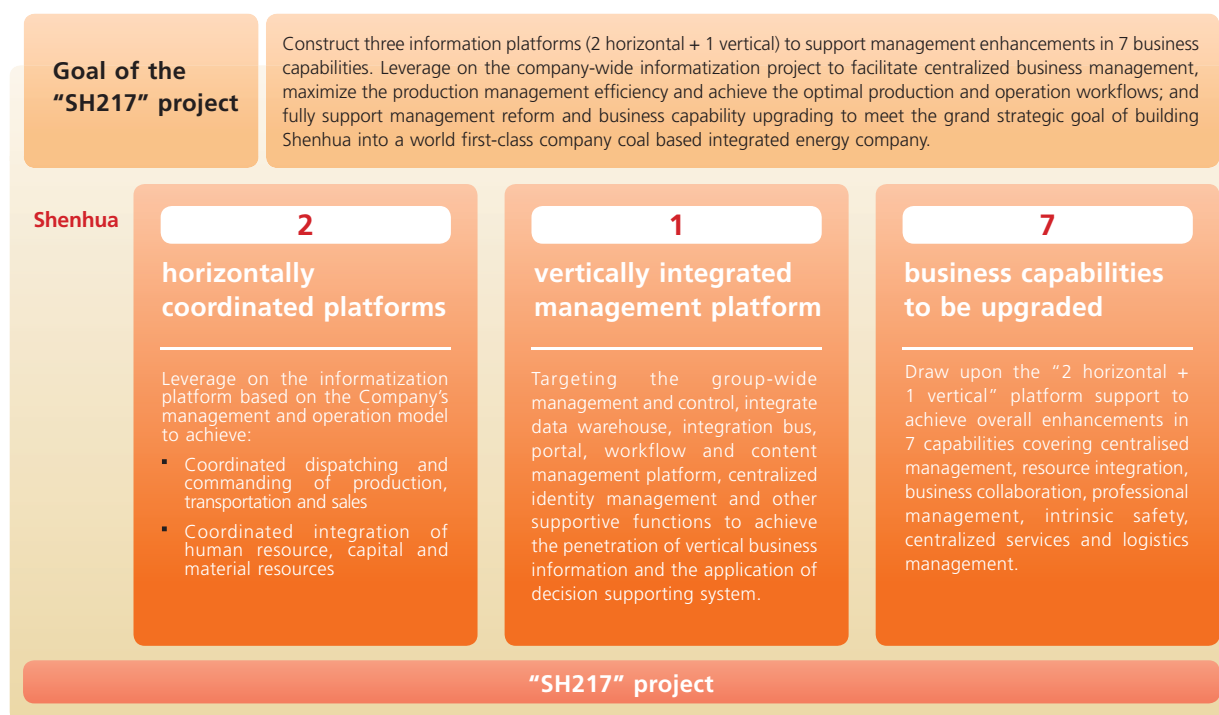
Smooth Progress of the Integrated Informatization Project

China Shenhua will establish a company-wide information platform featuring “centralization”, “transparency”, “control” and “sharing” to bridge its integrated coal, power, railway, port and shipping business chains, thus establishing a resource integration and deployment system incorporating capital, logistics, information and value flows.

Our “SH217” informatization project is designed to create business value to advance business reforms and boost overall management enhancements across the Company. As at the end of 2012, 16 sub-projects of the “SH217” project have completed the first stage construction, 15 of which commenced operation with 180 management innovations achieved.

The Company’s informatization achievements for its integrated coal production, transportation, sales and coal-fired power generation were highly recognized in relevant fields at home and abroad. The “SH217” project commanding office was named the PMO of the Year in China, a project management award for 2012, by the Project Management Institute which is a global authority in project management based in the United States.

The architecture of the “SH217” project



Technological Innovation as the Driver

Targeting an “innovation-driven” enterprise, China Shenhua has established a technological innovation strategy to “support corporate scientific development, lead industrial technological advancement, strengthen national technological competitiveness and take the lead in global coal technologies”. The technological innovation system is constantly improved in light of the philosophy of “leveraging on leading technologies and talents to pursue low-carbon development in high-carbon industry through technological innovation”. The Company focuses on proprietary development of key and core technologies and systematic integration of application technologies to fuel its sustainable development on an ongoing basis.

Growth Driver ~ A Long-acting Mechanism for Sustainable Development

Improvements in Technological Innovation System

The Company has established a technology committee and an expert advisory committee. With the coordination of the headquarters, high-end talents are constantly fostered by Shenhua Management Academy, Shenhua Post-Doctoral Science and Research Work Station and Shenhua Academician Work Station under a tiered R&D and commercialization system incorporating Shenhua Science and Technology Research Institute, Segment Research Center and low-level units. Meanwhile, the Company has established an open innovation model by tapping on the public technological resources.

Shenhua Science and Technology Research Institute: Since its inception in April 2012, the institute has established the Coal Development Strategy Institute, the Information and Intelligence Institute and the Technical and Economic Research Center which have commenced operation. With a focus on development strategy, application technology and technical and economic studies for coal, power and transportation industries, a string of research tasks were carried out including the “Study on Empowering the Influence and Voices of the Coal Industry Worldwide”, the “Study on Global Coal Development Strategy in Future 5-10 Years” and the “Study on Evaluation Indicators and Technological Framework for Green Coal Mining”.

Research centres at the segment level: Guohua Power Branch has established an electric power research institute and Shendong Coal Group has established a coal technology research institute to draw upon their integrated strength in “production, study, research and application” and technological innovations. The institutes focus on key technological barriers to the growth of the business segments to support their safety, production and environmental protection endeavours.

At the business unit level, technological development bodies or posts are established to encourage employees at the front to delve in practical innovations, inventions and technological improvements. Addressing the business characteristics such as wide industrial span, high technological threshold and extensive fields for innovations, the Company proactively cooperates with domestic and overseas scientific institutes, colleges and leading peers. As at the end of 2012, nearly 10,000 experts, scholars and technicians from more than 60 R&D institutions participated in the key technology researches of China Shenhua. The Company also established a designated company to accelerate the commercialization of technological achievements and translate technological innovation into economic benefits.

In 2012, our Chairman was elected as the chairman-in-office of the World Coal Association (WCA), pushing the Company to the cutting edge of scientific and technological research for the global coal industry and providing a new advanced platform to upgrade our R&D strength and participate in major industrial studies.



News link:

WCA, Cornerstone magazine and the WCA Strategy Institute

Founded in 1985 and headquartered in London, the World Coal Association (WCA) is committed to its mission of publicizing the important role of coal to governments, the scientific community and multilateral organizations in a positive and open attitude, and pooling the efforts to address future challenges to the coal industry. Currently WCA has 47 members including coal producers, machinery manufacturing enterprises and relevant professional associations worldwide.

As the WCA official magazine published in Chinese and English, the "Cornerstone" aims to empower the voices of global coal industry participants, build up a trustable bond to publicize the long-term important position of coal among the global energy structure, and become a must-read for energy, environment and planning authorities.

The WCA Strategy Institute will focus its studies on overall, fundamental and forward-looking issues faced by the global coal industry, seeking to promote the sustainability of the global coal industry and the influence of China in the international energy sector.

Shenhua Science and Technology Research Institute, a subsidiary of the Company, set up the Chairman Work Office of WCA, and undertook the establishment of the WCA Strategy Institute, and has organized the Expert Forum on the WCA Strategy Institute and Cornerstone Magazine, and embarked on studies on the prioritized WCA topics.

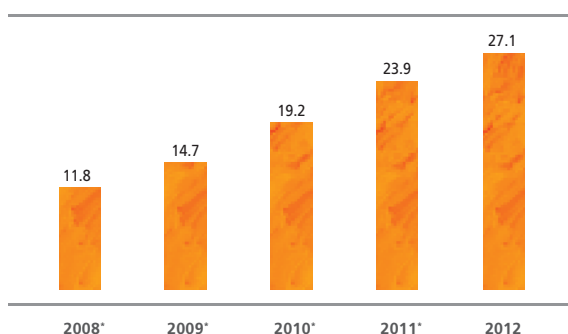


Cover of the first issue of *Cornerstone* magazine

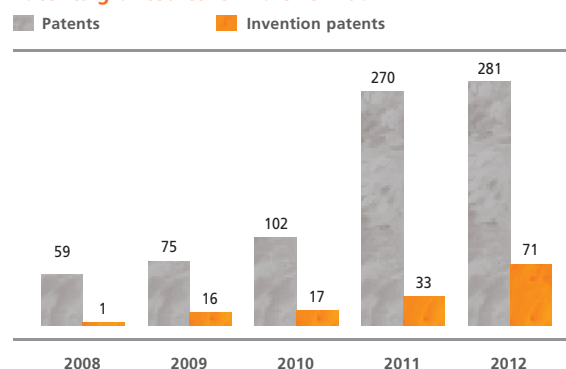
Achievements in Technological Innovations

In 2012, the Company further increased the investment in technological innovations, amounting to approximately RMB2.71 billion, which was mainly used in research on improving production efficiency, environmental protection, safety operation, management innovation, recycling economy and localization of equipment.

China Shenhua's investment in technological innovations
(RMB 100 Million)



Patents granted to China Shenhua



Growth Driver ~ A Long-acting Mechanism for Sustainable Development

In 2012, the headquarters of the Company initiated 85 new technological innovation projects, while subsidiaries (branches) carried out 219 projects funded by themselves. The key projects include: development of high-efficiency full face tunnel machine; million-tonne scale carbon capturing technological development for coal-fired power plants; comprehensive utilization of coal associated resources; system integration and data analysis and processing of railway inspection vehicle; construction technologies for green ecological open-cut coal mines at harsh prairie regions; research and demonstration of key technologies for Shenhua Digitalized Mines, etc.

The Company was granted a total of 281 patents in 2012, including 71 invention patents. As at the end of 2012, the Company has been granted a total of 928 patents, including 143 invention patents. The Company continued to push ahead the research on applied technological projects and the application and promotion of new technological achievements, providing necessary technological support for our sustainable development and greater economic benefits and social benefits.



Case study:

A quality improvement project to push forward the development and utilization of lignite resources in east Inner Mongolia

China has 319.44 billion tonnes of lignite resources, representing 5.7% of its total coal resources. The proven lignite resources are 129.13 billion tonnes, representing 12.7% ^{Note} of the proven coal resources in China. Lignite is the major coal resource for certain subsidiaries (branches) of China Shenhua located in east Inner Mongolia.

The Company has established Clean Coal Company to undertake the lignite quality improvement study in collaboration with various research forces, with an aim to improve the utilization efficiency of lignite by overcoming its drawbacks including high moisture, low calorific value, proclivity to weathering and spontaneous combustion and poor economy as well as the difficulties in long-term storage and long-distance transportation. Through years of efforts, the first production line of the lignite quality improvement project (phase I) with a capacity of 500 thousand tonnes per year smoothly passed the 168-hour trial run in 2012, successfully upgrading lignite to high-grade coal.

Employing our proprietary technology, lignite from open-cut mines of Shenbao Energy Company is processed into raw coal with diameter less than 3 mm through two-stage crushing, and is reshaped into clean coal with enhanced quality through drying and extrusion. Thus, the moisture content in lignite is reduced by approximately 70%, and the calorific value per kilogram is increased from 3,700 kcal to more than 5,500 kcal.

The success of the project marks a breakthrough in China's independent industrialization technology on lignite quality improvement. As result, lignite resources are expected to play an important role as materials for the modern coal chemical industry, thus effectively promoting the efficient development and utilization of lignite resources in east Inner Mongolia.



Note: Data from the third national coalfield forecast information.



Future Plan for Technological Innovations

During the “Twelfth Five-year Plan” period, China Shenhua will proceed with technological innovations under its overall development strategies, with the priorities defined as below:

- ✓ Focusing on the establishment of the leading Shenhua Science and Technology Research Institute and Strategic Research Institute in China to improve technology innovation system and forge the world first-class independent innovation edge;
- ✓ Grasping a set of core technologies on low-carbon energy and obtaining a batch of globally leading core technological achievements, with an aim to maintain globally leading technologies for our coal business, catch up with internationally and domestically leading technologies for our power business, and maintain the domestically leading technologies for our transportation business;
- ✓ Elaborating the leading role of technological innovations in corporate and industrial progresses under a basically established innovation-driven growth model, and taking the lead to develop a series of industrial and national standards based on our core technologies;
- ✓ Cultivating, attracting and retaining a pool of outstanding scientific and technological talents, and forging a research team led by scientists and technologic pacesetters with international influence in relevant sectors; and
- ✓ Fostering an innovation culture with the hallmark of Shenhua.







Operation in
Good Faith

~Creating Value for Partners



Mutual success in harmony is the ultimate objective of China Shenhua's performance of social responsibility. Operation in good faith is our solemn commitment to each of the stakeholders. China Shenhua exerts itself to form a constructive synergy among the corporate, government and society, facilitating mutual development with stakeholders and rewarding them with development achievements.



Operation in Good Faith ~ Creating Value for Partners

We Care About Our Investors

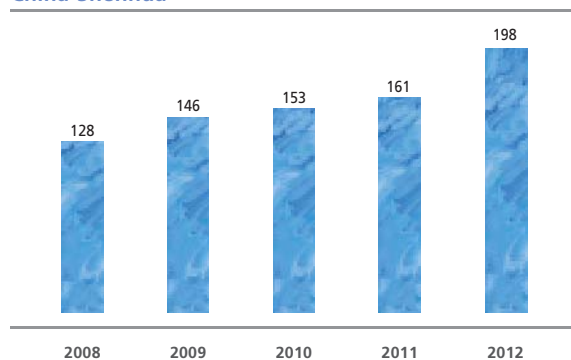
Since listing and in the course of its sustainable and healthy development, China Shenhua, in consideration of both the regulatory requirements and the investors' needs for our operational information, has continued to enhance the transparency and take the initiative to disclose information, maintained investor relations in an active, interactive, professional and standardized manner and established a relatively stable cash dividend distribution policy which brings steady returns for shareholders.

Refining Information Disclosure

Incorporating intensively the changes in macro and industrial environments and the operation conditions of the Company and accommodating the distinct needs and habits of A share and H share investors, the Company enhanced initiatives in disclosures, enriched disclosure contents, so as to improve the usefulness of the information disclosed.

In the results announcements published in 2012, the Company added a special section titled "Review and Prospect of Business Environment" which focused on the analysis of the changes and trends in coal and power industry. The "Management Discussion and Analysis" section in the results announcements laid out in-depth analysis of business operation and financial indicators of the Company, providing the investors with sufficient and clear understanding of the plan of the Company's business development for better assessment of the value of the Company. In respect of the form of disclosures, the Company assisted the investors to gain a comprehensive understanding of the Company with the least effort through the combined use of line charts of business and financial analysis, assets distribution maps, statistic sheets, vivid case study of social responsibility project and abundant business photos.

Number of announcements published by China Shenhua



In 2012, the Company optimized the internal workflow and emphasized the collecting and analyzing of key operation data, major project progress and information on equity acquisitions on a monthly basis. On the premise of constant information disclosure, the Company refined the categories of disclosure and clarified the work standards, so as to make the announcements more targeted. Apart from results announcements, the Company published a total of 198 A share and H share announcements, more than a quarter of which were voluntary announcements.

The Company continues to fully utilize the information platform of the Company's website and tune the website configuration, so as to allow investors to gain access to relevant information more conveniently and speedily.

The Company attaches great importance to insider information management and prevention of insider trading to safeguard the equitable interests of investors. The Company has formulated *Measures for the Administration on Prevention of Insider Trading* to prevent the occurrence of insider trading by closely guarding the insider information, managing personnel with access to the insider information and external users of such information, and sending reminders through intranet, e-mails and SMS to those with access to such information. The Company discloses substantial transactions timely and voluntarily in an effort to reduce information asymmetry and unusual stock price fluctuation.



Maintaining interactive and efficient investor relations

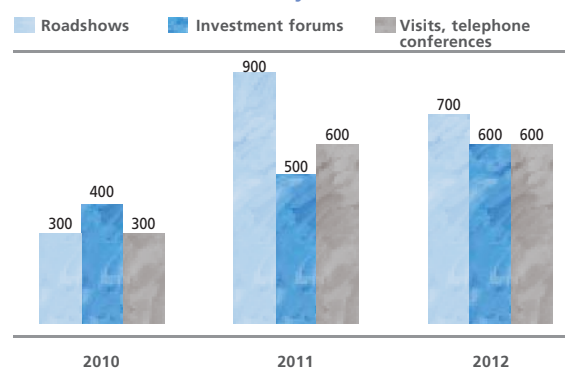
Adhering to the concept of “initiative, interaction, professionalism and efficiency”, China Shenhua constantly communicates with investors in an active and candid manner through myriad channels such as results announcement conferences, results roadshows, reverse roadshows, shareholders meetings, online meetings, investment forums, investor hotline and mailbox, committing to establishing transparent, open and lasting communication mechanism with investors.



The press conference for the 2011 annual results of China Shenhua

In 2012, the volatility in coal market drew great attention from investors on the impact of the changes in coal market to the Company's operation. Therefore, the Company analyze the industry situation on a timely basis and had active discussions with investors, focusing on explaining the integrated operation of each business segment and the ability to fend off risks, which enabled investors to foster new understanding to the Company's valuation methods. During the year, the Company held 2 results roadshows, 1 reverse roadshow and multiple shareholders meetings, to maintain sound communications with investors. The Company more than 1,900 analysts and fund managers during the year.

Number of investors met by China Shenhua



The Company pays close attention to individual investors, making regulation-compliance disclosures in strict accordance to the principle of fairness when delivering information and placing great importance to and answering earnestly phone calls and letter enquiries from individual investors. The Company also pays attention to the hot issues and information needs raised by small and medium investors in the online forum, and gives response in announcements and regular reports if possible.

Operation in Good Faith ~ Creating Value for Partners

Case Study:

Small and Medium Shareholders Meetings

To intensify the communication and exchange between the Company and small and medium shareholders, understand their demands and safeguard their legitimate interests, the Company held three meetings for small and medium shareholders in Beijing, Shenzhen and Shanghai before the 2012 Annual General Meeting of China Shenhua.

The Company exchanged views on their concerned issues such as the strategic planning, operation conditions, dividend distribution policies of China Shenhua. The investment value of the Company was widely recognized among small and medium shareholders at the meeting. These shareholders praised the Company on the active communication with investors and were in the hope that the Company continued to take the lead in coal industry through capital operation, accelerating internationalization, expanding market share and strengthening cost control.

In recent years, China Shenhua continued to enhance the management of capital market and attach great importance to the value creation for small and medium investors. By attending the meetings for small and medium shareholders, the investors gradually gained understanding on the Company's strategic vision, the integrated operation patterns and the development characteristics of each business segment. The Company also formed a clearer view on concerns of investors, which laid a solid foundation for maintaining smooth communications and interactions and achieving mutual growth and development.



Implementing Continuous Stable Cash Dividend Distribution Policy with High Payout Ratio

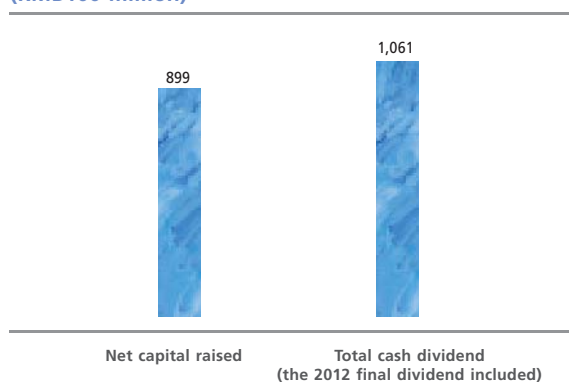
With the concept of maximizing returns to shareholders, the Company implements stable cash dividend distribution policy with high payout ratio which is regularly adjusted upward. Since the final dividend payout when the H share was listed in 2005, China Shenhua has distributed a total of RMB87.04 billion of cash dividend to domestic and overseas shareholders, representing 96.8% of the net capital raised from H shares and A shares of the Company and accounting for 45% of the net profit attributable to shareholders under the Accounting Standards for Business Enterprises. The Company consecutively stayed in top 10 companies listed on the Shanghai Stock Exchange with high payment of annual cash dividend for years.

To increase the transparency in dividend distribution, the board of directors of the Company proposed at the general meeting in 2012 to define in the Article of Association of the Company that the dividend payout ratio shall not be lower than 35% of the net profit attributable to shareholders of the Company, and that the Company shall allow online voting when shareholders consider resolutions on the amendments to the policy of cash dividend distribution, which further clarify the specific terms of the Company's policy of cash dividend distribution and also demonstrate the confidence and commitment of the Company's management to pursue better results and maximize returns to shareholders.

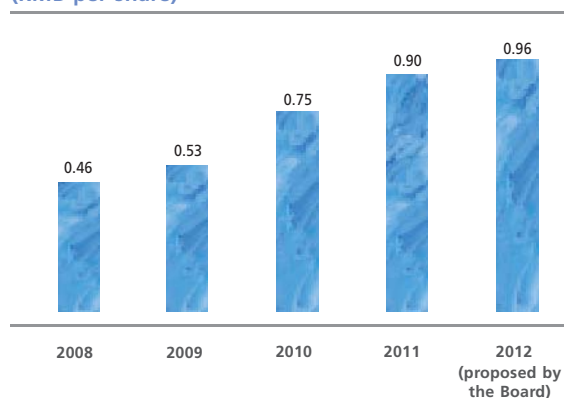
In 2012, the board of directors of the Company proposed to distribute a final dividend for the year of RMB0.96 per share (inclusive of tax), representing 40.1% of the basic earnings per share under the Accounting Standards for Business Enterprises, totaling RMB19.094 billion.



**Total cash dividend of China Shenhua
(RMB100 million)**



**Annual final dividend of China Shenhua
(RMB per share)**



Dividend	Distribution date	Dividend per share (Inclusive of tax)	Total dividend (Inclusive of tax)
		RMB/share	RMB million
Annual dividend distributed before and in 2011	–	–	69,142
Final dividend in 2011	June and July, 2012	0.90	17,901
Final dividend in 2012 (proposed by the board)	–	0.96	19,094
Total	–	–	106,137

We Care About Our Customers

China Shenhua is primarily engaged in the production and sale of thermal coal and operates sizeable power generation business. The major customers for the Company's coal operations are enterprises engaged in power generation, metallurgy and chemical industry, etc. The major customers of our power generation operation are power grid companies who resell the electricity to the end users. Our transportation operation mainly provides internal transportation services for the Company. The Company delivers on its promise, provides products and services to the customers' satisfaction and attaches great importance to the communication with customers, with a view to establish long-term and stable partnership with customers.

In 2012, total revenue from the sales to top five customers of the Company amounted to RMB41,460 million, representing 16.6% of the total revenues of the Company.

Coal Customers

The Company's major product of the coal operation is thermal coal which is mainly transported to the domestic and overseas markets through the Company's railways and ports. Domestically, the coal is primarily sold to regions of north and east China. As for exports, the coal is mainly sold to Korea, China Taiwan and Japan. In 2012, the coal sales of the Company amounted to 464.6 million tonnes. Domestic seaborne coal sales volume amounted to 258.8 million tonnes. In 2012, the coal shipment volume for domestic sales through major ports was 639 million tonnes^{Note}, from which it was estimated that the market share of China Shenhua in the coastal region market was approximately 40.5%.

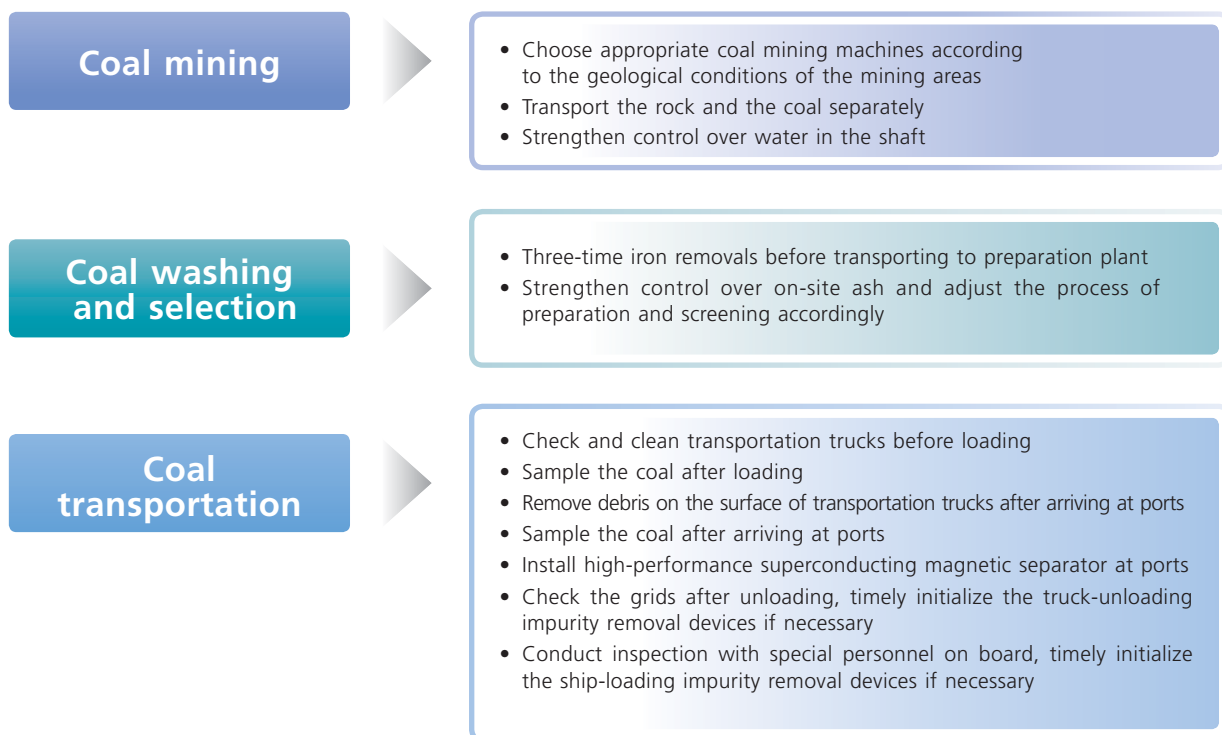
Note: Data from the website of CCTD.

Operation in Good Faith ~ Creating Value for Partners

Upholding the concept of “delivering customer-focused and customer-oriented services”, the Company strictly focuses on the quality of coal, providing coal products that are in line with customers’ needs, and enables branch companies in each sales region to take the initiative to communicate with customers, preventing and reducing disputes with customers and improving quality of services.

Offering High-Quality Products

Coal market witnessed the declining price in 2012 which resulted in higher coal quality requirement from customers. The Company controlled the quality of coal systematically during the whole process of purchasing, washing and selection, transportation and storage, and improved on-site supervision of coal quality and the system for monitoring and forecasting coal quality, achieving stability and improvement of the Company’s coal quality. The Company has formulated rules for controlling the quality of purchased coal in strict compliance with the purchase standards, and takes the consistency of coal quality as the key indicator for assessing suppliers.



Offering Satisfactory Customer Services

The Company manages its customers by dividing them into different levels and regions, so as to provide tailored services and quicken the response time. The Company maintains a smooth communication with customers through sales and order meetings, regular visits, phone communication and questionnaires, and pursues a tolerant and harmonious environment for cooperation. The Company strictly guards the customers’ confidential information obtained during cooperation, so as to nurture a stable and healthy marketing order. In respect of selecting customers, the Company gives priority to customers with standard-conforming management, good credit records and those who actively carry out social responsibilities.

In 2012, the Company considered raising the service quality as the crucial approach to boost market competitiveness. Firstly, the Company optimized its product mix, offering products that could satisfy various types of customers; secondly, the Company organized face-to-face communications between production units and customers, ensuring the coal products offered live up to customers’ needs; thirdly, the Company provided the customers with the widely praised expert services which offered on-site technical assistance to resolve customers’ coal burning issues and offered technical guidance to potential customers on coal burning.



In 2012, Shenhua Trading Group visited and inquired customers every month, promptly collecting the results to prepare the internal publications, such as “Market Information on Coal Quality”, a semi-monthly journal, delivering the timely feedbacks of customers to each units of the Company. All regional subsidiaries under Shenhua Trading Group conducts structural analysis of local key customers, establishing a semi-monthly mechanism to visit key customers, and takes the initiative to invite transportation units to visit the customers so as to help them with acquiring transportation capacity, which effectively elevate customers’ satisfaction.



Case Study:

Resolving practical problems for customers, achieving mutual development

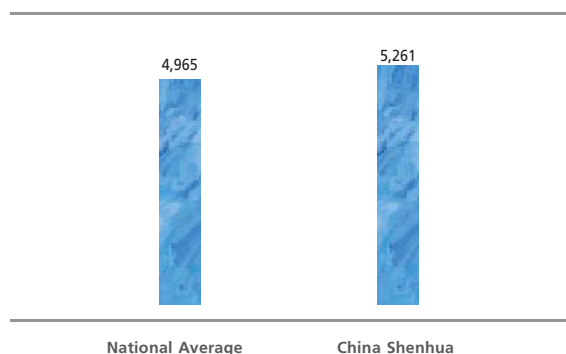
Unexpected problems did occur during the building of Shenhua’s coal. Some coal-fired power plants found that the coal of Shenhua had a low ash fusion temperature which was more disposed to fuse ash into clinker, a threat to furnace safety. To avoid clinker formation, the power plant would lower furnace output which would neither be economic as for the generator sets nor be environment-friendly for the operation and led to incomplete combustion of Shenhua’s coal in furnaces. As a result, some power plants were reluctant to use Shenhua’s coal. To resolve the problem between Shenhua’s coal and high combustion efficiency, the Company comprehensively and systematically studied the operation performance of large boilers and did in-depth research on the parameters of Shenhua’s coal. After many years of efforts, the Company developed a series of clean and efficient technologies for burning Shenhua’s coal which were rapidly promoted among customers.

In 2012, the Company paid 12 technical visits to customers, analyzing and responding to the problem encountered by customers during the use of “Shenhua’s coal” and offering solutions and advice. The Company also organized two groups of production units to pay visits to customers in east and south China, listening to customers’ voice, and formed expert teams to offer technical instructions on burning “Shenhua’s coal” to new and potential customers, which were widely-praised by and well-received among customers. Over years of communication and cooperation, customer gained certain knowledge and understanding towards the characteristics of Shenhua’s coal, thus, effectively enhancing the safety, economy and environmental friendliness of coal-fired electricity generation and achieving win-win development between customers and the Company.

Strengthening Communication with Power Generation Customers to Secure Power Supply

The power business of the Company are mainly located around mine mouth area, areas along the railways, coastal area and middle China. The Company guarantees timely and stable power supply in accordance with the dispatch instructions from power grid companies. In 2012, the Company maintained effective communication with power grid companies in the form of telephone, internet and conferences and ensured the reliability of power generation sets by operating and maintaining equipment according to customers’ requirements. During the year, the Company’s utilization hours of coal-fired power generators reached 5,261 hours, 296 hours higher than the national average of coal-fired power generation sets.

Average utilization hours of coal-fired power generators



Operation in Good Faith ~ Creating Value for Partners

We Care About Our Suppliers

Suppliers are the precious fortune to China Shenhua. The key suppliers of the Company are those who supply mining equipment, power plant main equipment, transportation equipment and other supplies and related services. The Company adheres to the principle of “arm’s length negotiations and achievement of mutual benefits” and always builds long-term strategic partnership with suppliers with excellent qualification, credibility, products and services. The Company’s five largest suppliers in 2012 were domestic suppliers, to whom the Company paid a total of RMB24,311 million for purchases, representing 15.2% of the Company’s total annual purchase.

Based on the principle of “unified management, dynamic assessment, supporting the superior and eliminating the inferior”, the Company singles out suppliers that are highly competent and solid in strength through management procedures of access certification. The Company has established the elimination management mechanism which assesses the quality of suppliers’ products and services on a quarterly and annual basis in order to hold unscrupulous suppliers accountable and eliminate suppliers that fall short of standards. The Company vigorously promotes the management of social responsibilities in supply chains and gives priority to suppliers with energy-conserving and environment-friendly products, standard-compliance management as well as those that are active in fulfilling social responsibilities under the same conditions.

Regular communications are held through annual suppliers’ conference on cooperation and communication, on-site study, joint research and development and suppliers’ training with an aim to foster good business relationships with suppliers. In 2012, the Company organized users to join several study trips to suppliers, effectively enhancing the cooperation and communication. The Company’s Purchase Retracing and Supplier Relationship Management System (SRM System) has been put into operation, effectively shortening the time used in communication and enhancing the transparency of supplier management.

The Company exerts efforts in creating an open and fair environment for procurement, therefore putting procurement bidding under strict regulation through “the separation of management and execution”. In particular, the procurement was collectively carried out by the headquarters and branches (subsidiaries) with enhanced management and supervision over supplies procurement. Teamed up with domestic strategic suppliers, the Company energetically conducts joint R&D and offers technical supports so as to develop high-end equipment that meet the needs of corporate clients, contributing to the development of the national industry.



 Case Study

SRM System becomes a new platform of cooperation and interaction for suppliers

On 9 July 2012, the Purchase Retracing and Supplier Relationship Management System (SRM System) of China Shenhua was officially put online for trial operation. The SRM System is a brand new platform for the Company to consolidate suppliers' resources, standardize supplies procurement and improve the cooperation with suppliers. It is programmed into several modules, covering the management of procurement plans, database of suppliers, life cycle management of suppliers and so on. Suppliers are allowed to apply for access independently, check annual assessment results and procurement demands and progress, etc. The SRM System serves as a new and open platform to select suppliers and carry out transparent procurement.

Before the System was put online, the Company held multiple "System Operating Training Conference" specifically for suppliers in groups, assisting the suppliers to familiarize themselves with system functions and operating basics.



The scene from System Operating Training Conference for Suppliers

By the end of 2012, the number of registered companies which are potential suppliers of the Company in the SRM System had reached 3,133, among which 2,528 centralized procurement suppliers are registered in the Company's headquarters and 605 centralized procurement suppliers are registered in the Company's branches (subsidiaries). With the data support from the SRM System, the Company is able to exercise more standardized and scientific management of suppliers and establish more flexible and efficient communication with suppliers, facilitating the Company to foster harmonious and stable partnership with more superior suppliers.

Production Safety

~Marching towards "Zero Injury"

Safety production principle:

"Accidents can be avoided and risks are controllable"

"Reaching zero injury in coal mines"

"Keeping methane gas emission within the restricted level to avoid any accidents"

"Abnormal shutdowns mean accidents for power plant"

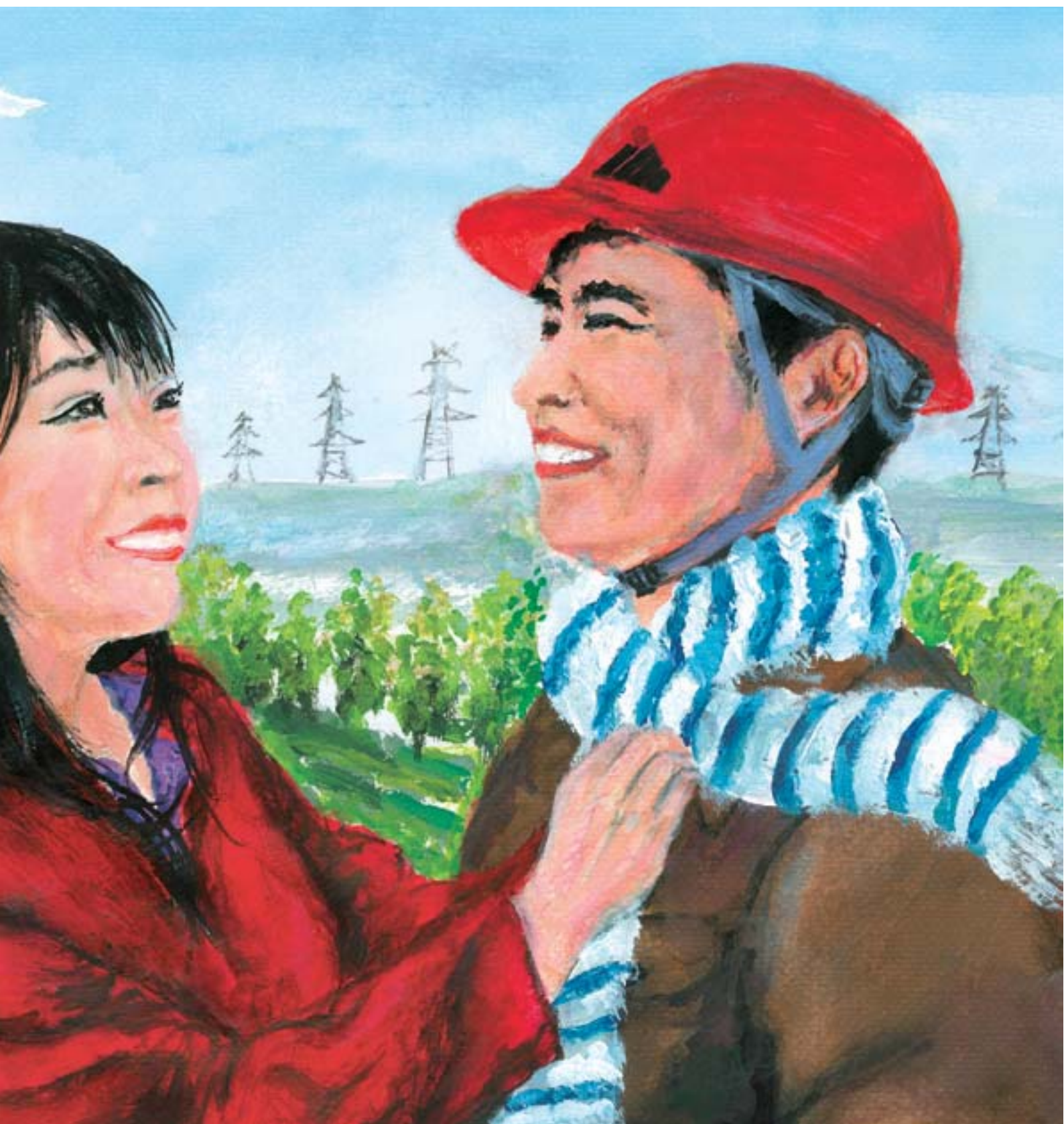
"Equipment failure means accident for railway and port operations"

Production safety objective:

"Preventing serious and above work-related accidents, seeking zero fatality rate and aiming at zero injury"

China Shenhua regards production safety as its primary social responsibility and the primary prerequisite to safeguard staff interests. China Shenhua is committed to creating an "intrinsically-safe" enterprise. The operation of coal production, transportation and power generation business of the Company has maintained a good record of safety. The Company has become a role model in China's coal industry in terms of output, efficiency and production safety.





Safety Production ~ Marching towards “Zero Injury”



Topic: A Safety-based Road Ahead for Coal Mines of China Shenhua

China's coal industry is evolving from an extensive growth model to an intensive one. Generations of coal mining forerunners have taken arduous efforts to move towards the long-cherished dream of turning coal mine into a safe workplace that makes underground workers no longer worry about their safety.

With continuous efforts, “zero fatality rate” can be achieved

Since its establishment, China Shenhua has been shouldering its mission and responsibility of being highly responsible for safety of mining workers, attaching the top priority to safety to aiming to balance safety and speed as well as quality and profitability. Through the efforts during the years, the Company has explored a safety production road tailored for coal mines in China to:

- **Establish an advanced safety philosophy to lay a solid ideological foundation for safety-based growth**

To break the long-held belief of workers such as “Accident is inevitable or just a game of roulette”, China Shenhua aggressively put forward and execute the concepts of “Reaching zero injury rate in coal mines” and “Keeping gas emission within the restricted level to avoid any accidents” as its core safety production guidelines which are backed up by production scheduling, safety investment and other resources, seeking to build up its coal business safely.

- **Structure a risk pre-control and management system as an effective toolkit for safety-based growth**

Since 2005, the Company has joined the efforts of domestic research institutes to study safety management system with reference to the characteristics of its coal mines. Currently, a risk prevention, control and management systems has been developed as a safety management methodology focusing on “prevention and control” and targeting intrinsic safety. The Code on Safety Risk Prevention, Control and Management System of Coal Mines, an industrial standard which is based on the mentioned system, is being promoted nationwide.

Illustration of the Safety Risk Prevention, Control and Management System for China Shenhua's Coal Mines

Risk management process	<ul style="list-style-type: none"> • Identifying all vulnerabilities • Developing management and control standards and measures 	<ul style="list-style-type: none"> • Defining priorities through risk assessment • Ensuring effective execution
Information platform	<ul style="list-style-type: none"> • Hazard source database • Automatic system pre-alarm 	<ul style="list-style-type: none"> • Whole-course management and control • Monitoring the execution and rectification
Assurance system	<ul style="list-style-type: none"> • Establishing a tiered risk leader group • Assigning duties 	<ul style="list-style-type: none"> • Breaking down control units • Covering all aspects and extending to the lowest level
Assessment mechanism	<ul style="list-style-type: none"> • Ten-day check and monthly examination on coal mines • Annual review at the headquarters 	<ul style="list-style-type: none"> • Monthly inspection and quarterly assessment on subsidiaries (branches) • Performance linked to salaries of staff at all level



For instance, drivers of the fully-mechanized coal mining machines at Shendong Shangwan Mine are required to observe 7 safety standards and 8 safety measures on duty, which are set out in flash cards to help understand the on-post risk factors and operational codes at any time, and keep in mind the to-do list and the solution!





- **Explore a path of modern mine construction to safety-based growth**

China Shenhua believes that mines with high technology, quality and efficiency are a strong foundation to coal production. The Company made increased investment in mine design, equipment assurance, professional services, information technology and automation in modern mine construction to ensure safety production.

- **Develop a qualified staff team as a talent pool for safety-based growth**

China Shenhua attaches great importance to coal mining talent introduction and safety training for the staff. The Company has shifted the focus of its talent introduction strategy from worker to student recruitment, vigorously introducing graduates of colleges and technical secondary schools to heighten the staff's calibre. Training centres, internship bases, simulation and emulation training systems are established while the work group management is emphasized to sharpen the front workers' safety skills.

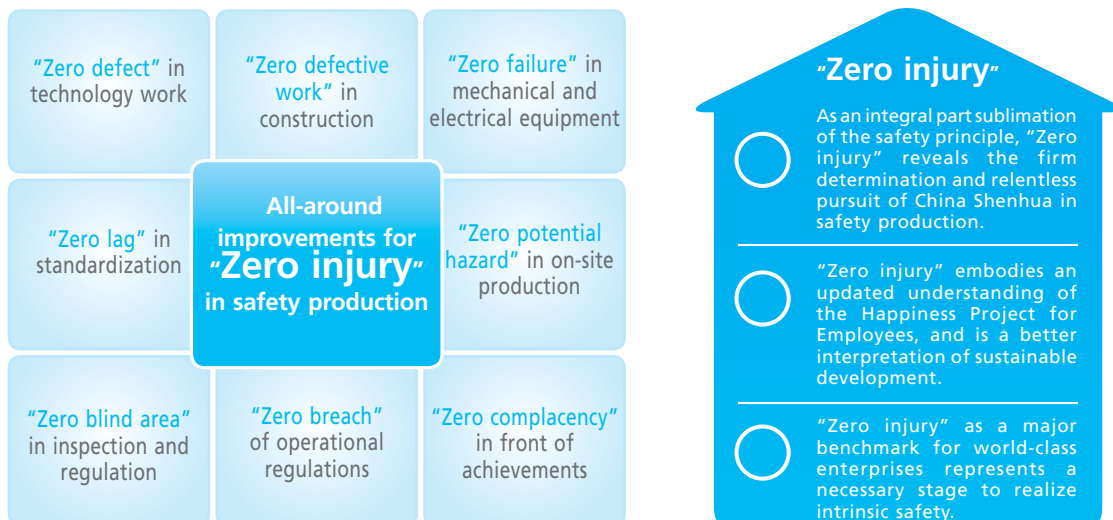
- **Foster a unique safety culture to create a favourable atmosphere for safety-based growth**

China Shenhua takes efforts in fostering the “Life Foremost” safety culture, centering on the Happiness Project for Employees to highlight both heritage and innovation, so that the working conditions of staff can be improved. A string of activities including art performance, cartoon exhibition, accident illustration and safety forum are carried out to enhance the safety culture appeal. Based on the detail-attentive concept, habituation is highly advocated to translate the soft edge of safety culture into a hard strength for safety-based growth.

Thanks to its unremitting efforts through the years, China Shenhua has been scaling new highs. **As at the end of 2012, the Company has a total of 13 coal mines with a continuous production period with zero fatalities exceeding 1,000 days, of which 4 and 2 coal mines exceed 2,000 and 3,000 days respectively. The proposition of “Reaching zero fatality rate in coal mines” has been demonstrated by China Shenhua's practices.**

- **With relentless pursuit, China Shenhua has made smooth progress to reach “zero injury rate”**

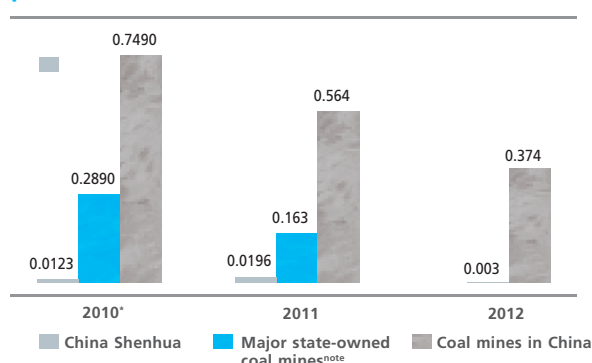
Safe production is only a starting point. China Shenhua understands that any injury would be an affliction for staff and their family. Standing at a new starting point, the Company embraces the “Zero injury rate” concept to attach top priority to staff's safety, setting a higher aim for safety production.



Safety Production ~ Marching towards “Zero Injury”

In 2012, our investment in safety production amounted to approximately RMB4.15 billion. The Company experienced no serious and above accident throughout the year. Our fatality rate per million tonnes of raw coal production was 0.003, which was significantly better than the average domestic level, and continued to maintain a leading international position. Our 15 coal mines were named the Super-safe and Efficient Mines of the Year by the China National Coal Association. No fatal accidents occurred in any of our power, railway, port and shipping segments. No serious social and safety incidents occurred in the Company.

Fatality rate per million tonnes of raw coal production



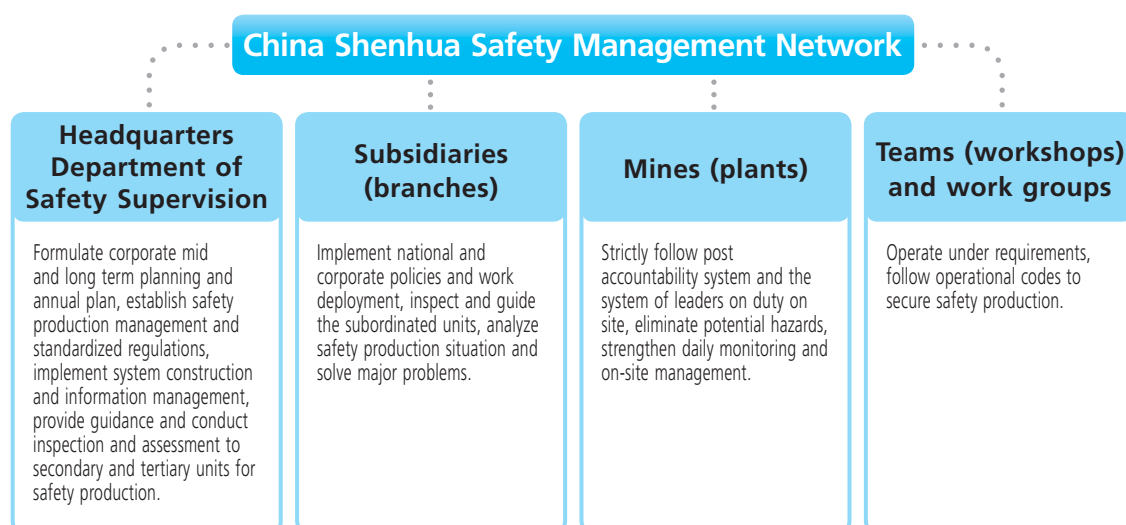
Number of Safe and efficient coal mines of China Shenhua

	Super	Grade 1	Total
2007	16	2	18
2008	13	1	14
2009	15	4	19
2010-2011	15	3	18

Safety is the eternal theme of coal mining enterprises. In light of its “Zero injury” conviction, China Shenhua will earnestly strengthen safety production to forge an intrinsically safe enterprise to live up to its grand goal of “Building a world first-class player”.

Safety Management System of China Shenhua

The board of directors of China Shenhua, as the ultimate decision-making body for safety management, together with its safety, health and environmental committee, are responsible for safety production. In accordance with the principle of “The headquarter supervises, the production units undertake, and all staff participates in”, a tiered safety production management mechanism has been established for headquarters, subsidiaries (branches) and mines (plants, divisions, sections) under a safety management network extending to the lowest level and covering all aspects with specific roles.



Note: As at the reporting date, the statistics of major state-owned coal mines for the year 2012 has not been published.



Safety Management Practices in the Year

Constantly rummaging potential hazards for “safety based on prevention and control”

The Company's business segments made preventive deployments in advance during 2012, further identifying potential safety hazards with an aim at addressing any potential risk point. Safety risks were assessed in time upon identification, with rectification responsibilities clearly defined and working codes established to supervise the corrective progress. During the year, 83 inspection teams were established to conduct more than 100 special inspections by segments, disciplines and stages on coal mines, covering “ventilation and three preventions”, flood prevention, construction in progress, initiating explosives devices, power equipment, railway flood control, ports and shipping with a total of 752 production and construction units (times) inspected. Moreover, dedicated officers were appointed to carry out night, dynamic and spot checks, providing a strong guarantee for safe production.

Focusing on key areas to secure safety production

Focusing on methane gas prevention and treatment. Methane gas is the primary concern in safety production of coal mines. In 2012, the Company had 2 operating coal mines which were identified as high gas content mines. In light of the principle of “Keeping gas emission within the restricted level to avoid any accidents”, the Company made rational production schedules while enhancing monitoring, methane extraction and emission. Through classified management on coal mines and improvements in monitoring and warning system, coupled with enhanced technology research, supervision and assessment, the Company extracted 29.87 million m³ of gas in the year and avoided injury due to gas accident.

Reinforcing emergency rescue management. An emergency rescue facilities framework is established systematically in strict accordance with national regulations. In 2012, Shendong Coal Group newly established 23 emergency refuges and 2 mobile rescue capsules, thus achieving the full coverage of the emergency refuge system. The mine ambulance corps of Shendong Coal Group was honoured a third-class collective prize in the 9th National Mine Rescue Technology Contest.

Improving the reliability of power generation units. With strict control on non-scheduled outage, the Company's power segment conducted in-depth and thorough self-inspections on key areas for power safety including potential equipment weakness, on-site production discipline and infrastructure safety management. The reliability of power generation units was boosted as a whole, technical and economic indicators significantly improved. In 2012, Jinjie Energy, Beijing Thermal, Shenmu Power, Anqing Power Plant of Shenwan Energy Company achieved zero occurrence of non-scheduled outage for two consecutive years, and Jinjie Energy Unit #4, Huanghua Power Unit #3, Taishan Power Unit #1 and Taishan Power Unit #5 were named “Golden Units 2011” of 600MW and other grades by the State Electricity Regulatory Commission.

Securing transportation safety. In 2012, the Company's transportation segment exercised systematic prevention and control on potential safety hazards through spring and winter general inspections. Effective measures were taken for seasonal flood prevention for railways and typhoon responses for ports, thus achieving safety production and ensuring smooth transportation.

Safety Production ~ Marching towards “Zero Injury”

Strengthening research on key technologies to uplift the technology-based safety production level

While reinforcing its Independent development, the Company carried out strategic cooperation with domestic and overseas institutes, leading domestic suppliers of automatic machinery and equipment manufacturers. The dedicated safety technology studies covered coal mining, underground transportation, blasting technologies for open-cut mines, construction of digitalized mines, railway heavy-haul technology and port unloading, etc., seeking to uplift the technology-based safety production level. In 2012, the “Technology and Application of High Bench Casting Blast and Dragline Bucket Dumping for Open-cut Coal Mines” developed by the Company won the National Science and Technology Progress Award (Second Prize); the “Comprehensive Technical Measures for Extending Rail Life of Shuohuang Heavy-haul Railway” won the Science and Technology Progress Award from China Railway Society (First Prize); and the “Development and Application of Homemade Excitation System for 1,000MW Turbo Generator of Guohua Suizhong” won the National Power Science and Technology Progress Award (First Prize).

Case study: Pressing forward the smooth construction of digitalized mines to ensure safety production

Combining advanced mining science, information science, artificial intelligence and computer technology in the world, the project of Shenhua digitalized mines is designed to develop key technological projects tailored for China Shenhua on informatization and integrated automation of coal enterprises. The application of such technologies will lead to a substantial increase in coal mining efficiency, a reduction in underground workforce and an improvement in mine safety practices.

In February 2012, the Overall Plan for Construction of Shenhua Digitalized Mines passed the review of experts. The Company expects to develop a set of proprietary standards for its digitalized mines through three-phase project implementation and business process optimization under advanced management philosophy and methodology secured by informatization construction.



In 2012, the Company started the design of master scheme for the coal mine sub-system through the pilot project at Jinjie Mine of Shendong Coal Group, and completed analysis and planning of the existing commanding and other systems through the pilot project at Daliuta Mine. A range of significant progresses were achieved, including the underground real-time information collection and operational information control system, the remote control human-computer interface system for underground equipment,, all being necessary for construction of world first-class mines.



Emphasizing systematic application to improve standardized level

As at the end of 2012, all businesses have developed intrinsic-safety production standard systems and rating methods. After the comprehensive annual assessment and acceptance inspection on intrinsic-safety systems by 24 inspection teams consisting of 265 professionals, 23 units reached intrinsic-safety level one and 45 units reached intrinsic-safety level two which accounted for 68.7% of production units in total, demonstrating the effectively improved management efficiency and quality of standard safety production operations.

Providing safety training on an ongoing basis

In 2012, the Company provided onsite training and video courses for on the intrinsic-safety system, the NOSA system, emergency responses, self-help and trauma care and fire-fighting knowledge, safety drills, etc. Leveraging the reinforced teacher resources and standard textbooks, the Company focused on standardization of operational behaviours of workers to boost their awareness of independent, mutual and collective protection as well as technical skills. In 2012, the Company provided various safety training sessions to its employees totalling over 370 thousand person-times.

Fostering unique safety culture

To expand the enlightenment channels for safety culture, the Company carried out a series of safety-themed, practical and variegated mass cultural activities to foster positive consensus for safety production. In 2012, Panshan Power was named the “National Model Enterprise of Safety Culture” by the State Administration of Work Safety.



Fire Drill

Safety Production ~ Marching towards “Zero Injury”



Case study:

China Shenhua's safety culture at a glance

China Shenhua takes safety as its top priority, where the safety awareness has been deeply rooted in people of Shenhua. With a radical change in the safety awareness thanks to the efforts through the years, the passive behaviours of “Required Safety” have upgraded to a pursuit of “I Want Safety”.

Production safety rooted in mind. “30km/hour driving underground, light signalling and horns to turn around, ditch parking rules kept in mind; sleeper prohibited underground, ancillary transport for safe and sound, safety grasped in my hand...”, these are punchy oath of safety at daily pre-work meeting of the motor team at the Shigetai Mine of Shendong Coal Group.



Help family member wear the chest card showing safety status

Be responsible for family to let the beloved rest assured. The tyre workshop of Energy Equipment Maintenance Centre under Zhunge'er Company introduced the affection strategy, leveraging kinship, sincerity and cares to build up a firm safety mindset. The work group carried out a series of activities themed “The safety must-do for my family”, “Face-to-face family safety interaction”, “Love calls for safety production” and “Messages of safe and sound”. Such campaigns helped the concept of “I Want Safety” rooted in the staff's mind.

Safety status tagged out. At Bulianta Mine of Shendong Coal Group, chest cards are used to indicate safety status in three colours: green (permitted for duty), yellow (attention) and red (excluded from duty). The cards are put on by relatives of staff before working each day, to confirm the safety status according their sleeping, physical condition, mood, family relations and physical state. The cards are further checked by the team leader or group head on duty at the pre-work meeting, to confirm the on-duty suitability and minimize the potential vulnerabilities.

Multi-channel safety education to secure the performance. At Sanhe Power under Guohua Power Branch, “Conveying Honesty”, a television drama wrote, directed and cast by the staff, was produced in 2012 with a theme of safety production. At Shenbao Energy, 23 typical accidents at coal production, motor running and equipment maintenance posts in recent years were included into the Compilation of Typical Accidents. At Shenmu North Wagon Section of the Rolling Stock Branch, a “safety wall” was embellished with numerous family photographs and caring messages from kinsfolk. “I will remind myself of safety at any time whenever I look through the faces of my daughter and my beloved,” said Mr. Fan, an employee, “just for their smiles.”



Future Plan

During the “Twelfth Five-year Plan” period, China Shenhua will strengthen system improvements and rectification of major potential weakness to upgrade the reliability of its safety production system. Under the advance safety management philosophy, a safety production management and control system with the hallmark of intrinsic safety will be established. The Company expects to build itself into an integrated energy developer with well-established system, top-notch management and internationally leading safety production performance by 2015, which will win global attention and respects by virtue of its sound social responsibility image.

While seeking to eliminate serious liability accident involving 3 or more persons in coal business as well as fatality accident for surface units by 2015, the Company will build up a batch of intrinsically safe mines as the role models to maintain its leading coal production edge in the world. Our power operations aim to avoid serious and above equipment, fire and pollution accident. Our railway and port segment seeks to avoid driving liability accident and major fire accident while eliminating fatality liability accident.





An impressionistic painting of a lush green hillside with a wooden fence in the foreground. The style is soft and painterly, with visible brushstrokes. The background is a solid gold color.

Growth of Employees

~To Strive to Realize the Shenhua Dream



Human resources are the primary resources of China Shenhua. With the strategic aim to build a top-class talent team in energy sector, the Company adheres to the philosophy of "Talent investment is most profitable investment" and the well-established concept of "Human-oriented and talent-based prosperity", seeking to attract and nurture talents by providing smooth career path and sound platform for the growth of employees.

Growth of Employees ~ To Strive to Realize the Shenhua Dream

Harmonious Employment Relationship

Fully Protecting Basic Rights and Interests of Employees

In strict accordance with laws and regulations including the Labor Law, the Labor Contract Law and the Labour Union Law, China Shenhua extends respects and cares to employees and earnestly safeguards their interests. The Company conscientiously implements the company-wide labor contract system, the collective contract system and the employee representative committee system. With establishment and improvement of labor union, the Company uses employee representative committees to build up harmonious employment relationship.

Employee Structure of China Shenhua:

By specialty	As at the end of 2011	As at the end of 2012
Operation and maintenance	55,536	59,813
Management and administration	11,389	12,613
Finance and accounting	1,421	1,416
Research and development and technical support	6,656	8,044
Sales and marketing	2,629	2,331
Others	4,629	4,927
Total	82,260	89,144

By education background	As at the end of 2011	As at the end of 2012
Postgraduate or above	1,522	2,071
University graduate	18,110	22,140
College graduate	20,703	23,025
Below College graduate	41,925	41,908
Total	82,260	89,144

The Company safeguards its employees' rights to know, to speak and to appeal. The employee representative committees and labor unions effectively facilitate democratic supervision and management functions of the Company. All major systems formulated and implemented by the Company, including those on employment, labor contract, employment management and remuneration that are closely related to employees' own interests, have been considered by the employee representative committee under legal statutory procedures to ensure their compliance and effectiveness. There are appealing channels such as labor union, human resources department and office for petitions and the employees' right of appeal is safeguarded by the Company.

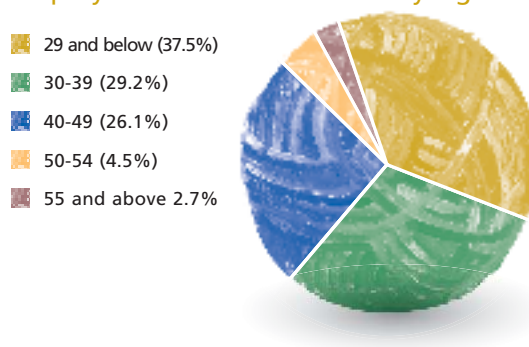
On the basis of equality, mutual benefit and mutual agreement, collective contracts are entered into with the Company by labor union on behalf of employees, and a sound salary growth mechanism has been established to safeguard employees' rights for participation in and knowledge of salary determination. Furthermore, in strict accordance with the principle of "equality, free will and mutual agreement", the basic rights of employees such as personal safety, equal pay for equal work and annual leave are fully safeguarded. No sexual and regional discrimination has been found in the Company.

As at the end of 2012, the Company had a total of 89,144 employees where the percentage of university graduates or above increased from 23.9% in the previous year to 27.2%, leading to a more rational structure of employees. The Company is committed to providing job opportunities to the disabled and ethnic minority while prohibiting any employment of child labors.

Protecting Interests of Minority Employees with Cares

The Company seeks to make work arrangements that are specific to the posts and manageable by the disabled. Paying respects to the habits of ethnic minority, the Company takes initiatives to meet their needs in diet and other aspects. As at the end of 2012, the Company had a total of 278 disabled employees and 4,551 ethnic minority employees.

Employees of China Shenhua by Age





As the coal mining and railway industries in which the Company operates is characterized by high manual labor intensity, there are a limited percentage of female employees. As at the end of 2012, the Company had a total of 17,542 female employees, accounting for 19.7% of total employees. To respect and value female employees, the Company endeavors to arrange positions for female workers according to workload and working conditions. The Female Worker Committee has been established in the headquarter of the Company primarily responsible for the matters relating to female workers, and Special Collective Contract for Female Workers was implemented to safeguard their legitimate rights and special interests. The subsidiaries (branches) introduced specific measures to safeguard the rights and interests of female employees, and made rational adjustments to their vacation, health care arrangements and labor protection supplies.

The Company encourages female employees to hone their skills to enrich their lives. On each International Women's Day (8 March), the Company prepares considerate gifts for female employees.

A corner of the female talent show at Dingzhou Power



Sound Welfare Packages

The Company provides employees with competitive remuneration packages, and personalized benefits. Employee remuneration mainly consists of fixed remuneration, performance remuneration and other benefits. Remuneration is determined on the basis of on-the-post contribution as measured by performance assessment. The overall salary level is adjusted according to laws with reference to economic development, price changes and local conditions. The Company organized annual performance appraisal for employees at all levels in an effective manner in 2012 with actual payment of salary, bonus, allowance and subsidy totalling RMB11,077 million to employees.

The Company has taken up various statutory social insurance programmes, including basic pension insurance and medical insurance, labor injury insurance, unemployment insurance and maternity insurance, and contributed to the housing fund in accordance with the laws. The Company also maintains supplementary pension insurance, supplementary medical insurance and accidental injury insurance, as well as a family member medical benefit system for its employees.

The Company provides pleasant workplaces and benefits to employees such as free business meal and annual physical examination. Employees are entitled to paid leaves and statutory leaves with the remuneration paid under the national regulations.

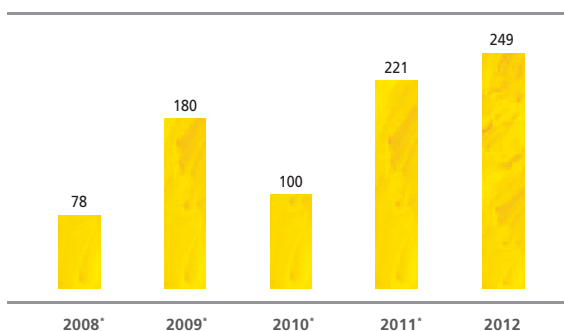
Growth of Employees ~ To Strive to Realize the Shenhua Dream

Occupational Health

The Company always gives a priority to employee occupational healthcare, taking initiatives to address the high manual labor intensity in coal mining and railway operations. Advanced technologies are introduced to enhance control and improvement of working conditions on an ongoing basis. Meanwhile, individual protection measures are improved, and an annual physical examination system is well established where occupational health databases are maintained to identify employees with occupational diseases. In 2012, the Company recorded 10 new cases^{note} of employees with occupational diseases according to the statistical result of physical examinations. Through post rotation, recuperation and medical treatment in a timely manner, occupational patients are attended properly.

Occupational health investment of China Shenhua

(RMB million)



In 2012, under the principle of “Human-oriented precaution as focus and combination of precaution and treatments” and seriously implementing the general requirements of “Source control, scientific prevention and treatment, strict management and rigorous monitoring”, the Company invested over RMB249 million in respect of the occupational health of its employees. Comprehensive controls over dust, noise, heat, toxic and hazardous substances were implemented in a bid to eliminate occupational health hazards and improve workplace conditions.

Focusing on dust control at workplaces. Dust at workplaces is a major factor endangering the health of our employees. At Shendong Coal Group, dust-removing equipment such as negative pressure dedusting system, dry and wet dedusting blowers and automatic sprayers are adopted in fully-mechanized working faces, road-heading faces and transportation systems, thus significantly improving the dust-removing effect. At Zhunge'er Energy, comprehensive control measures based on key technologic research were exercised over the dust in its coal preparation plant, reducing the dust concentration in raw coal system to 20mg/m³, which was granted the first prize of the Science and Technology Progress Award in Inner Mongolia Autonomous Region.

Improving individual protection. At production units of the Company, mechanical transportation is available at major inclined shafts, which reduces the physical exertion of getting to place of work. Workers are equipped with occupational dust masks, ear plugs and safety glasses. Special labor protection supplies including specialized helmet and anti-smashing shoes are developed for workers at key posts, which gradually improved the individual protection effect and comfort.

Improving the management system for prevention and control of occupational hazards. As at the end of 2012, the Company's subsidiaries (branches) and mines have established the leading bodies for prevention and control of occupational hazards to strengthen daily supervision and inspection. At Shendong Coal Group, systematic management endeavors on prevention and control of occupational hazards and occupational health were exercised and Shangwan Mine and Bulianta Mine were respectively named the “National Outstanding Unit for Occupational Diseases Control”.

Career Development Platform

Adhering to the philosophy of “training is the greatest benefit and career development is the best incentive”, the Company continues to improve the training system and the sound platform for the growth of employees by establishing internal career ladders designed especially for management staff, technological professionals and skilled workers.

Note: As at the date of this report, the Company had not received complete diagnosis results for occupational diseases for 2012. The Company would make explanation in the Corporate Social Responsibility Report for 2013 if there is any update on the results. The restated number for 2011 is 13 cases.



A sound training system has been established. In 2012, the Company optimized the design of training courses and deployed internal and external resources to satisfy training needs of employees and enhance their competence. The Company reinforced trainings in aspect of safety production, property rights, occupational health, laws and regulations and energy conservation and carbon reduction, so as to raise our staff's awareness of corporate social responsibility and build a solid foundation for the Company to perform corporate social responsibility. During the year, the Company invested RMB154 million in training and provided various training sessions to employees more than 621 thousand person-times in total, with over 6.531 million accumulated training hours.

The Company provides reasonable career ladders for employees by establishing a performance assessment based promotion system to inspire their work enthusiasm. The Company has established a smooth path for internal promotion. At the headquarter and subsidiaries (branches), each year certain positions are available for the internal candidates selected through open recruitment, to create the opportunities for improvement and development of employees.



Growth of Employees ~ To Strive to Realize the Shenhua Dream



Case study:

Diversified training to empower the dreams of employees

Baoshen Railway Company provided "Training on the front"

Baoshen Railway Company provided 65 training sessions in 2012. Meanwhile, training courses were organized through morning/evening classes and night classes tailored for decentralized railway enterprises without impacting their production schedules. For certain business units, "Training/quiz on the front" was provided to front workers which effectively solved the contradiction between production and education.

Shendong Coal Group tapped on multiple means to improve training effect

In 2012, Shendong Coal Group's Education and Training Center provided 208 training sessions with 15,013 participants. Pilot Sites of Best Practice were established at Bulianta Mine, Shangwan Mine and Baode Mine of Shendong Coal Group. Daliuta Mine established the "Training Room on Unsafe Staff Behaviors" to link training and production closely. Shendong Coal Group developed a three-dimension simulated and animated system, digital effects and sound effect simulation technologies to enable man-machine interaction, thus effectively improving safety education effects. The education and training center of Shendong Coal Group was included into the first batch of 10 "Model Bases of Coal Mine Safety Training" by the State Administration of Coal Mine Safety of the PRC.



An after-work refresher

Guohua Power Branch established an "Online College"

In 2012, Guohua Power Branch developed "Guohua Power Online College", an information platform to promote the upgrading of its talent development and training activities from business flows to information flows. The online education platform rolled out 144 "micro-video" courses covering 3 training centers and including 9 specialty modules in 12 dimensions of competency, providing employees an innovative learning channel with strong scalability, convenience for self-motivation and functionality.



The health knowledge seminar for employees launched by Yuyao Power

"Only one goal – high efficient team building"

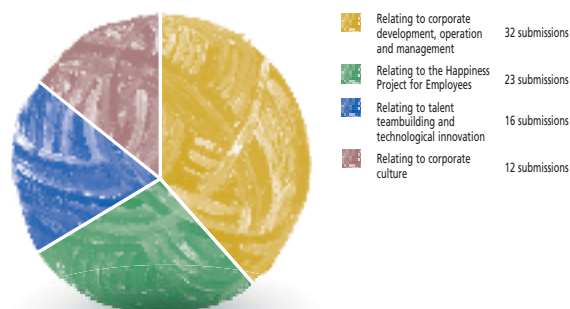




Democratic Corporate Management

To press ahead with democratic management, the Company has established the employee representative committee system to safeguard employees' rights to participate in democratic management, decision making and supervision according to laws, which protects and motivates their initiatives and creativeness for healthy development of the enterprise. Through internal website, periodicals and newspapers, announcements and notices, employees may keep informed of the Company's major operations and updates, thus ensuring their right to know. The Company has established a hotline for the staff's appeals as well as the reception of general manager and mailbox of Chairman for smooth communications between employees and the management of the Company.

Breakdown of proposals submitted by our staff in 2012



Under the employee representative committee, four special committees comprising employee representatives have been established for democratic management, protection of rights and interests, safety production and collection of proposals, as an important platform to listen to the voices of employees. In 2012, the employee representative committee collected 113 proposals from employees, which were summarized into 83 proposals covering a range of topics such as corporate development, operation and management, talent teambuilding and corporate culture. The Company proactively implemented the adopted proposals from employees, and provided positive feedbacks to those that are unable to implement.



Case study:

A "Bridge to Hearts" at Shendong Coal Group

Each subsidiary (branch) of China Shenhua adopted various measures to get close to employees and improve democratic management. Shendong Coal Group launched a "chairman's mailbox". The mailbox provides a convenient channel for employees to voice their appeals, complaints and suggestions. Dedicated department and officer were appointed for maintenance of the "Chairman's Mailbox", to ensure the timely information transfers and handling. The problems beyond the capability of responsible departments were forwarded to superior units or executives for solution.

The mailbox facilitated the direct dialogues of employees with the management, and was highly appreciated by employees of Shendong Coal Group such as the comments in their letters "This is a great channel close to employees" and "such freedom of speech should be cherished", to name a few. Through the mailbox, employees put forward many opinions and suggestions over the year, covering a wide range of topics including safety production, operation and management, democratic progress and the Happiness Project for Employees. Prompt responses to and adoption of the suggestions enhanced the participation enthusiasm and won the supports and trust from employees, and opened a new window for improving democratic management.

In December 2012, the Chairman's mailbox of Shendong Coal Group received 37,748 letters from employees which were summarized into 26,742 issues for publication, of which 23,489 issues were replied with a response rate of 88%. More than 60% appeals in the letters from employees were solved and over 5,000 suggestions were adopted, providing important inputs for improving major decisions, systems and management.

Growth of Employees ~ To Strive to Realize the Shenhua Dream

Employee Happiness Index

It is the Company's goal "to raise its employee happiness index". To achieve this, the Company advances the Happiness Project for Employees measured by the employee happiness index in four levels namely survival, respect and social needs and individual development. We care for our employees and attend to their most immediate, pressing needs and needs that benefit them the most. The Company has created a good working and living environment to boost our employees' pride in the Company and their sense of belonging.

Survival

The most basic living and working needs of our employees are ensured in terms of salaries, benefits and labor protection. A string of living and working issues are earnestly addressed, ranging from clean work clothes for on-duty miners and hot meals in the underground, to the improvements in salaries, staff living quarters and medical conditions. Employees can enjoy better working and living conditions, with the significantly increased work enthusiasm and initiative.

In 2012, a "Healthy Canteen Programme" was carried out in mines, power plants and train depots of the Company. As a result, nourishing foods are served in clean dining rooms to satisfy the preferences of employees.





Respect

The Company proactively introduces advanced management models and production technologies, while keeping on standardizing the workflows and improving the training and guidance to employees. Post duties are well defined with a sound incentive mechanism to foster a fair and open culture and allow employees to work with dignity.

Social Needs

The Company attends to employees' social needs and cares for their physical and mental health. The subsidiaries (branches) vigorously carried out the training on employee health management, allowing employees to work with pleasure. Extending its cares to employees' families, the Company took initiatives to create opportunities for young employees to solve marriage concerns, and carried out ongoing activities such as "Golden Autumn Education Promotion Program" to provide assistance of everyday life to the employees in need. In 2012, the employee representative committee considered and passed the *Management Method on Serious Disease Aid Funds to Employees in Need* and the *Management Method on Subsidies for University Students as Children of Employees in Need*. Hence, the assistance channels for employees were improved, which relieved their concerns for the peace of mind in working.

The Company actively creates the conditions for employees to enrich their spare time and refresh their minds. To this end, the production units have established libraries, gymnasiums, cinemas, karaoke rooms and other cultural facilities. In 2012, the Company's labor union organized a series of events including table tennis games, the "Shenhua Cup" calligraphy and art exhibition, and the "Shipping Cup" football league for our employees, which helped to release work pressure and effectively enhanced the communications among employees.

Individual Development

The Company provides a grand stage for self-fulfilment of employees. A sound platform covering training system, internal opportunities and fulfilment of individual goals has been established for employees to grow. With an open-minded philosophy in employee, the Company embraces the broad vision of "building Shenhua's employees into the most sought-after talents in the industry" in training and supporting employees' individual growth.

Growth of Employees ~ To Strive to Realize the Shenhua Dream

FUTURE PLAN

During the “Twelfth Five-year Plan” period, the Company expects to continuously expand the total number of state-level talents and build up a top-notch talent team in the energy sector. The Company seeks to achieve the talent development goal comprising appropriate growth in total number of talents, significant increase in the number of high-level talents, substantial improvements in talent quality and a further optimized talent structure, while aggressively implementing 10 talent projects in a bid to realize the corporate talent strategy targets.





Case study:

"Devote the knowledge and expertise to my beloved mine"

**—Yang Jinjing,
one of our miners touching the heart of China**

Zhunge'er Energy Company maintains a global record of the highest excavation volume by 395B electric shovel, which is created and maintained by Yang Jinjing, an electric shovel guru in the company's equipment maintenance centre. Through the tenacious studies, he grew up from an ordinary shovel maintenance electrician to an electrical deputy chief engineer in the centre by virtue of his proven techniques. With his unremitting dedication, he solved a series of major equipment difficulties and made outstanding contribution to coal production of Zhunge'er Energy Company.



Yang has solved more than 1,000 major electrical problems in various types of open-cut mining equipment and other auxiliary equipment at the maintenance centre. He has created value of over RMB1.8 billion only in terms of large electric shovels.

Over the years, Yang has organized over 30 programmes in equipment recycling, technology research, maintenance and innovation, leading to cost efficiency of more than RMB30 million. The papers released by him, such as the "Solution on Frequently Burned GTO and Fuse of Inverter Power for 395B Electric Shovel" and the "Application of SIBAS in 495HR Electric Shovel", and played a significant guiding role in production.

In his work, Yang took initiatives to act as a tutor to make full use of his expertise in maintenance of mining equipment. He provided to employees a number of voluntary training sessions in electrical theory to significantly upgrade their theoretical level.

As a well-known technological expert in the industry, Yang faced a lot of temptations and options, such as the offers with high position and salary by some companies which were however refused by him. He did not think himself to be a fool, as pictured in others' eyes, because in his brain, his techniques come from not only his own efforts but also the company's trust and cultivation and colleagues' supports. When he is needed most by the maintenance work at Zhunge'er Energy Company, he could not just leave but should devote his knowledge and expertise to the beloved mine.

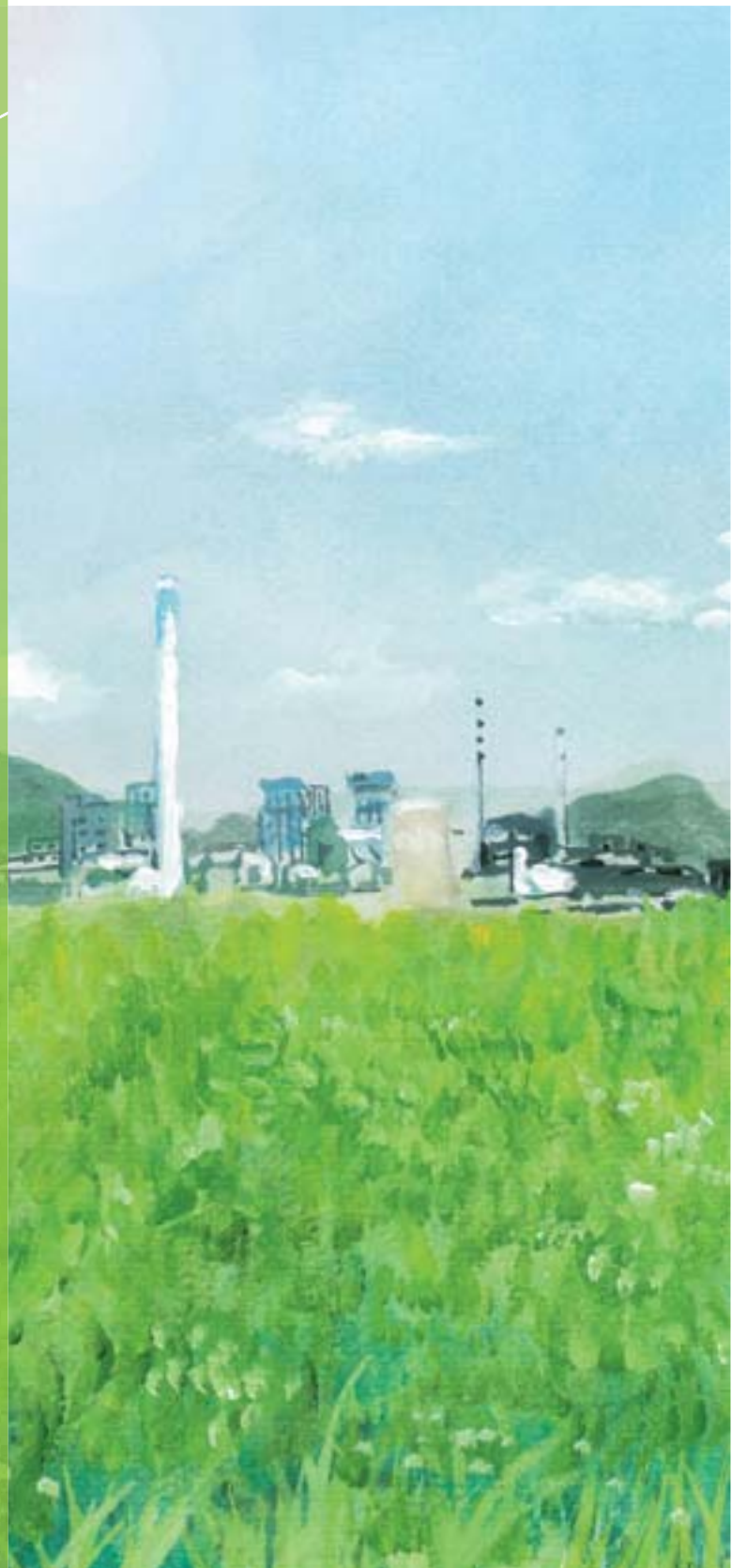
The love and devotion of Yang to our mines inspired and touched the hearts of Shenhua's staff. In 2012, he was honoured in the "Tongmei Cup – the Second Session of Miners Touching the Heart of China". Other winners of the honours from China Shenhua included Chen Sushe (chief engineer of Daliuta Mine of Shendong Coal Group), Guo Jianjun (manager and Party Secretary of Cuncaota Mine of Shendong Coal Group), Gu Xiuhua (head of welding group in department one, maintenance plant one, equipment maintenance centre of Shendong Coal Group), and Chang Jianguo (driver of bucket shovel in Heidaigou Open-cut Mine of Zhunge'er Energy Company). All of them are heroes in ordinary posts, devoting their youth and wisdom as well as knowledge and skills to fuel the development of China's coal mining industry through little-by-little efforts. They are a mirror of the down-to-earth, tenacious, pioneering and devoting spirit of our miners and a carrier of our dream. China Shenhua will strive towards our new growth based upon joint efforts of the excellent staff.

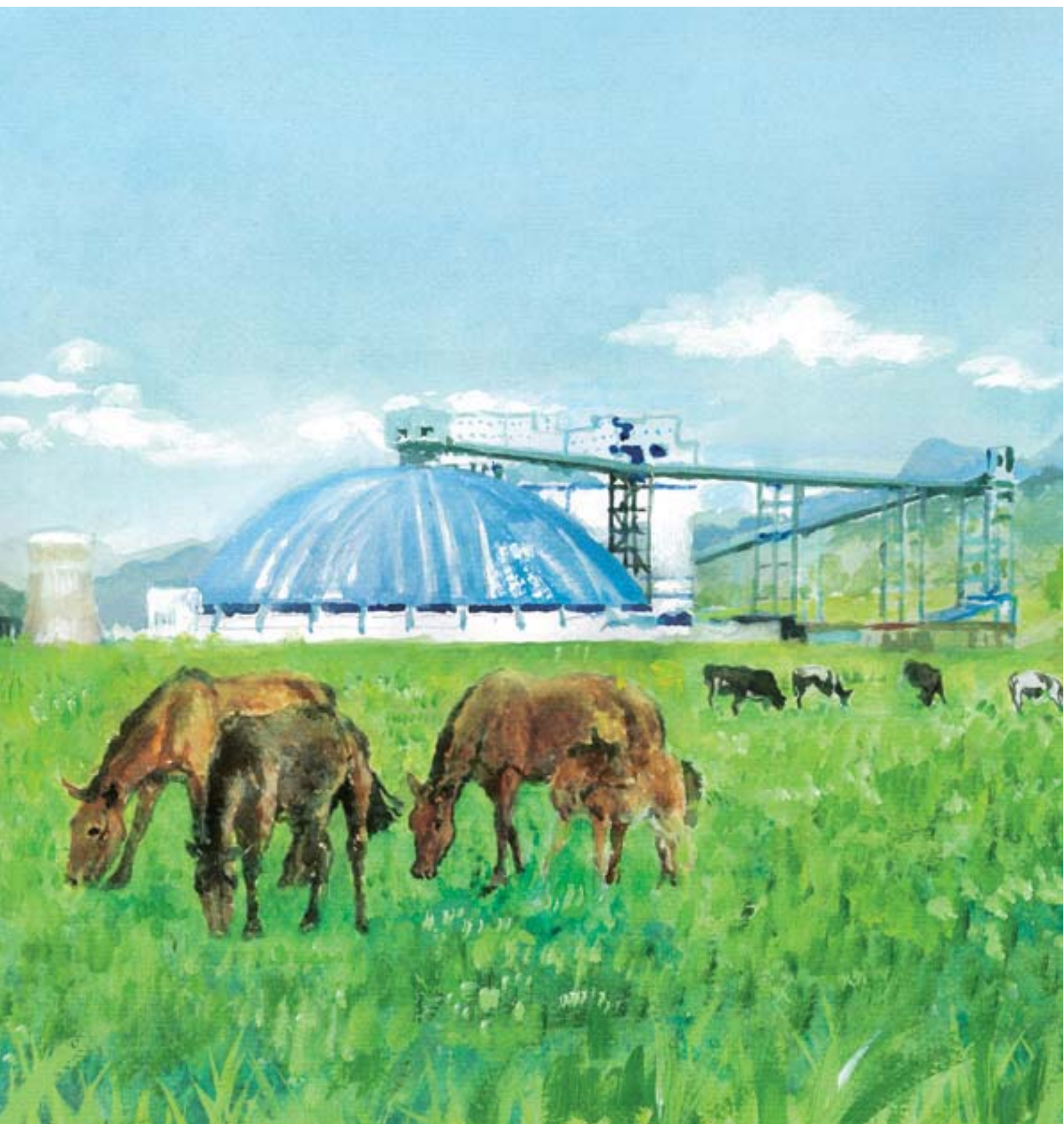
Environmental Protection ~To Pave the Way for Low Carbon Development



Aiming at building a “resource conservation and environmental-friendly” enterprise, China Shenhua has been committed to the construction of “green mines”, “environmental-friendly power plants” and “green distribution channels” by fully implementing the basic state policy of resource conservation and environmental protection. The Company regards resource conservation and environmental protection as key to sustainable development. By continuously optimizing the industrial structure and product portfolio, utilising the potential of technological development and strengthening management and assessment to maximize efficiency of resource utilization and minimize impact on the environment, the Company explored comprehensive solutions focusing on “low-carbon development by high-carbon industry”, thereby making contributions to the building of “beautiful” China. In 2012, there were no major environmental pollution accidents reported in the Company.

In January 2013, Daliuta mine, Bulianta mine, Heidaigou open-cut mine, Yujialiang mine, Baode mine and Shengli Energy, all being subsidiaries of the Company, were recognized as the “Most Beautiful Mines in China”.

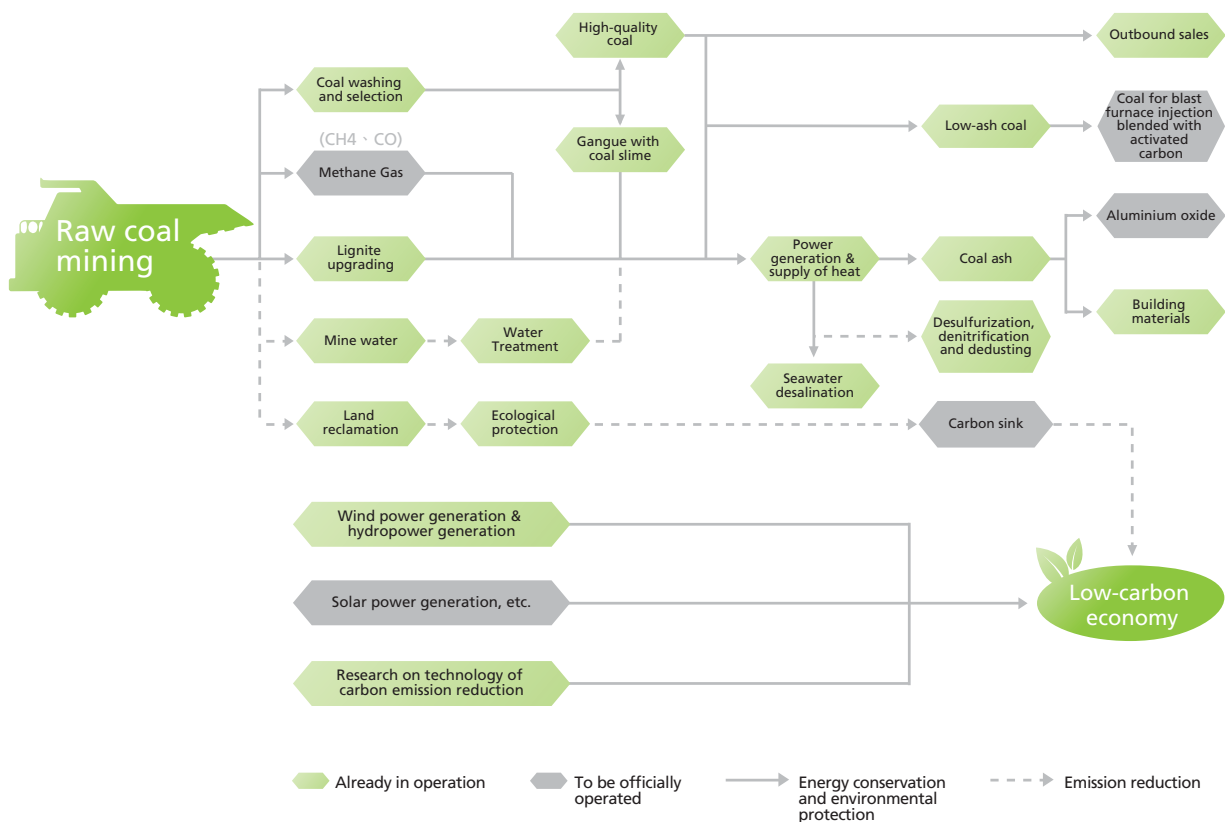




Environmental Protection ~ To Pave the Way for Low Carbon Development

Consistently forging ahead with sustainable development as key to the enhancement of its core competitive edge, China Shenhua has developed a circular economy development model of “resources – products – waste – renewable resources” by deeply incorporating the concept of “resource conservation and environmental protection” into the Company’s operations in an attempt to convert industrial advantages into economic advantages and energy conservation advantages, thereby ensuring the Company’s competitiveness in both domestic and international energy industry.

The sketch diagram of circular economy of China Shenhua



Management of Energy Conservation and Environmental Protection

The Safety, Health and Environment Committee under the Board of Directors of the Company is the highest decision-making body for energy conservation and environmental protection. The Company has established a three-tier management system comprising headquarter, subsidiaries (branches) and plants (mines, sections). In 2012, a leading group for energy conservation and environmental protection was established, thereby improving the coordination and collaboration of integrated working mechanisms. By including the management objectives of energy conservation and environmental protection into the performance assessment system of a “five-model enterprise”, the Company implemented segmented responsibility, segmented work pressure, segmented incentives and restraints from top to bottom in order to accomplish such objectives.

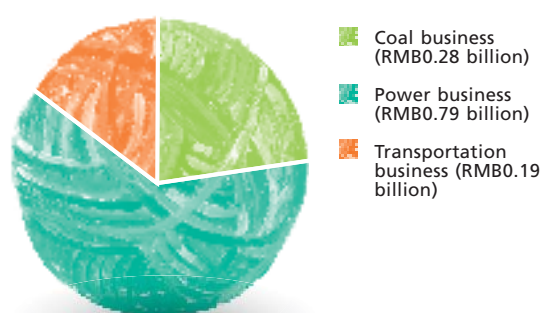


The Company fully strengthened the management of construction projects simultaneously in the following three aspects: environmental impact assessment, water conservation and energy assessment. As for proposed projects, the Company makes proactive plans since the stage of preliminary project listing so as to ensure that all projects have completed procedures of environmental impact assessment, water conservation and energy assessment before construction. As for projects under construction, the Company steps up construction efforts by strictly implementing the environmental impact assessment, water conservation and energy assessment system in a view to ensure all projects have completed procedures of inspection and acceptance before being put into operation. As for projects under production and operation, the Company implements energy conservation and pollution prevention measures in a comprehensive manner in an attempt to ensure long-term and stable up-to-standard operation.

In 2012, the Company promoted the information-based energy conservation and pollution prevention mechanisms in an orderly manner, and established the information statistics and reporting system and the eco-environmental remote sensing monitoring center, thus effectively improving the efficiency of monitoring the implementation progress of energy conservation and environmental protection. The Company continuously improved the management of energy conservation and environmental protection by vigorously implementing various standardized management systems including ISO14001 (environmental management), NOSA and HSE.

In 2012, the Company made an investment of RMB1.26 billion designated for energy conservation and environmental protection, of which the investment in environmental protection and energy conservation amounted to RMB1.02 billion and RMB0.24 billion respectively. Such investment was mainly used for the energy conservation projects such as boiler renovation, collaborative production of heat and power, frequency transformation, utilization of residual heat and pressure; as well as the environmental protection projects such as dedusting, desulfurization, denitrification, comprehensive utilization of water resources, ecological construction and the treatment of coal gangue dumping sites.

Investment Designated For energy conservation and environmental protection – by business



Investment in environmental protection – by purpose



Environmental Protection ~To Pave the Way for Low Carbon Development

Building progress of the three energy conservation and environmental protection systems of China Shenhua in 2012

Statistics	Commenced the operation of the information-based “energy and environment statistics and reporting system”. By achieving online direct reporting of monthly data, quarterly analysis and annual conclusion, a three-tier control platform was preliminarily developed
Monitoring	Established “Shenhua Eco-environmental Remote Sensing Monitoring Center” and effectively carried out resource management, eco-environment special investigation and satellite remote sensing monitoring so as to provide a monitoring, early warning and supporting decision-making platform for resource and environmental management
Assessment	Formulated the “Rules for Assessment of Responsibility under the Energy Conservation and Environmental Protection Objective of Building a ‘Five-model Enterprise’”, and implemented the one-vote veto system for the assessment of performance of responsibility under the energy conservation and environmental protection objectives in key industries and key factories and mines, in a bid to strengthen the incentive and restraint mechanisms

Conservation and Efficient Utilization of Resources

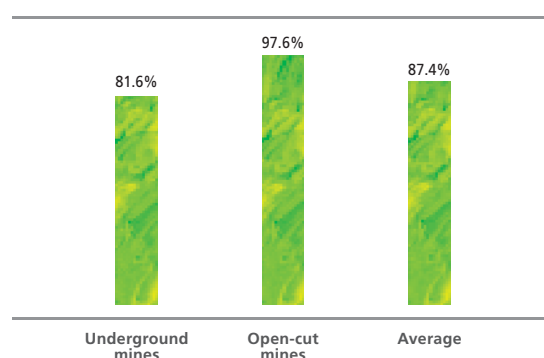
Vigorously promote low-carbon production through energy conservation and consumption reduction

Under its unique operating model incorporating coal, power, railway, port and shipping, the Company improved the building of the energy conservation and emission reduction system, so as to maximize energy conservation and improve energy efficiency. In 2012, comprehensive energy consumption of the Company amounted to 40.55 million tonnes of standard coal^{Note 1}. Comprehensive energy consumption per RMB10,000 output value was 1.98 tonnes standard coal/RMB10,000, representing a year-on-year decrease of 1.5%. The standard average coal consumption for power output dispatch of the coal-fired generators of the Company’s power business was 323g/kwh, representing 3g/kwh below the average level of 326g/kwh^{Note 2} for the standard coal consumption of power output dispatch of power plant with a capacity of 6,000 kw and above in the PRC.

Efficiently exploit coal to provide green energy

Coal resources serve as the fuel to the Company’s future development and are therefore the foundation of the Company’s coal business. Adhering to the development philosophy of “high starting point, high quality, high technology, high efficiency and high profitability”, and based on the geological conditions of different mine areas, the Company upgrades equipment, optimizes the extractive layout of underground mines and makes dynamic adjustments to the mining parameters of open-cut mines by stepping up research efforts so as to reduce stripping ratio, thereby constantly reducing the energy consumption in coal exploitation and maximizing the recovery of coal resources. In 2012, the average recovery rate of the coal mines of the Company stood at 87.4%, of which the recovery rate of underground mines and open-cut mines reached 81.6% and 97.6% respectively, both among the top tier in the industry.

Recovery rate of China Shenhua’s coal mining areas



Note 1: 1 tonne standard coal = 29.3076 gigajoule.

Note 2: The average level for thermal power generation in the PRC is extracted from the *2012 Power Industry Statistics Express*.



Build safe and efficient mines by employing advanced technologies. In 2012, Shendong Coal Group achieved an average reduction of 10km in underground transportation distance by developing and promoting the new technology of surface drilling for transportation of materials. Zhunge'er Company employed a new process for open-cut mine exploitation integrating mining, transportation and dumping operations, which is expected to reduce the transportation of stripped materials by more than 8 million m³ per year, thus effectively reducing the energy consumption in coal production.

Enhance the quality of coal by increasing efforts in coal washing and selection. Taking into account energy utilization and social benefits in a comprehensive manner, the Company carries out coal washing process for all qualified coal for coal washing in an attempt to effectively remove gangue and impurities contained in the coal. The Company sells fine coal with high calorific value by means of outbound shipping, and makes comprehensive utilization of coal gangue picked out from the coal washing and selection process as well as coal with low calorific value on the site, so as to minimize unnecessary transportation and maximize energy efficiency. In 2012, the Company washed and processed raw coal of 260.3 million tonnes, removed gangue of approximately 22.5 million tonnes, and achieved a reduction in railway freight turnover of approximately 13.5 billion tonne km based on the average transportation distance of 600km by railway.

Fulfil product responsibility and promote clean combustion of coal. In view of the special properties of its coal, the Company continuously promotes its research on coal combustion technology and provides customers with technical guidance for the combustion of its coal for the purpose of effectively improving combustion efficiency, reducing pollution emissions and providing maximum green energy to the community. In 2012, Shenhua Trading Group was awarded the third-class prize of the National Energy Technology Progress Award for its achievements of the "Research on and Application of Combustion Performance of Safe, Efficient and Clean Coal for Power Plants".

Refine industrial structure and build clean and environmental-friendly power plants

Following the power development direction of "delivery of cleaner and more efficient coal and comprehensive utilization of resources", the Company has been aggressively constructing environmental-friendly power plants with large capacity and advanced parameters, optimizing power structure and layout, and vigorously carrying out transformation of the existing power generators in terms of supply of heat, capacity expansion and energy conservation, with a view to promote industrial upgrading. As at the end of 2012, the capacity of power generators with 600MW or above accounted for 62.2% of the total capacity of coal-fired power generators. In 2012, the average standard coal consumption for power output dispatch of Guohua Power Branch was 316g/kwh. Suizhong Power, Panshan Power and Zhunge'er Power implemented comprehensive upgrading and transformation, which is expected to save standard coal of 675,000 tonnes per annum upon completion.

Improve transportation scheduling so as to build efficient green channels

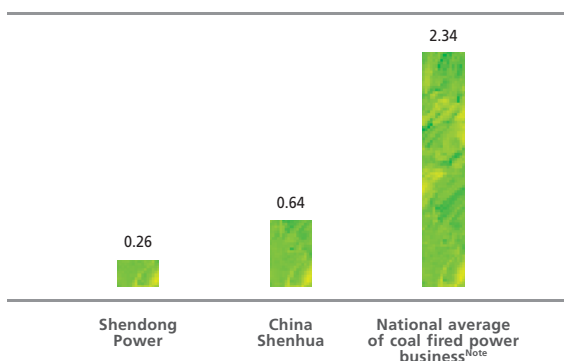
As for transportation business, the Company optimizes the collaborative operation of railway, port and shipping by vigorously promoting advanced and energy-conserving train operation technology so as to effectively reduce energy consumption. In 2012, the Company promoted the use of shore-to-ship power supply technology. Vessels of the Company during port calls are supplied with power from onshore power grid instead of power generated from generators on the vessels, which helps the Company rationalize energy consumption structure and reduce fuel consumption and pollutant emission of its vessels during port calls. Shipping Company and Huanghua Harbour Administration Company implemented renovation projects in relation to shore-to-ship power supply. Shenhua 501 became the first coastal dry bulk carrier which employs shore-based power supply technology in China, and completed 20 voyages involving shore-based power supply with a cumulative power supply of 12.439 million kwh during the year.

Environmental Protection ~To Pave the Way for Low Carbon Development

Conserve water and improve efficiency so as to enhance the utilization of water resources in a comprehensive manner

The majority of mining areas and certain power plants of the Company are located in the western region which suffers from water scarcity. The Company attaches great importance to the conservation and utilization of water resources. Striving to minimize the impact on the water source, the Company vigorously promotes water-conserving measures. In 2012, the Company consumed fresh water totalling 159.5 million m³. Fresh water consumption for raw coal washing and selection was 77 m³ per ten thousand tonnes, and fresh water consumption for thermal power generation was 0.64kg/kwh. Sewage reused by the Company in a comprehensive manner amounted to approximately 84.0 million tonnes, and seawater desalinated reached 9.5 million tonnes.

Fresh water consumption for thermal power generation
(kg/kwh)



Vigorously promote air-cooling units.

The Company has been vigorously promoting air cooling technology among its power plants to reduce water consumption. As of the end of 2012, the installed capacity of the Company's power generation business employing direct air-cooling technology reached 9,720MW, accounting for 23.8% of the total capacity of the Company's coal-fired generators. The fresh water consumption for power generation of Shendong Power Company for the year was 0.26kg/kwh, which was 11.1% of the national average.

Increase efforts in comprehensive utilization of sewage. Taking into consideration the different characteristics of coal, power and transportation industries, the Company has strengthened the comprehensive treatment, recycling and utilization of industrial sewage, mine water (drainage water) and domestic sewage such as ballast water in vessels and power cooling water so as to improve the efficiency of utilization of sewage. During the year, the Company produced sewage totalling approximately 158.4 million tonnes and made comprehensive utilization of sewage of approximately 84.0 million tonnes, achieving a comprehensive utilization rate of approximately 53.0%. In 2012, Shendong Coal Group invested RMB12.3 million in two projects for advanced treatment of mine water, which will increase 4,000 m³ of usable water per day upon operation. Tianjin Coal Dock received 35,000 tonnes of ballast water. This effectively conserved fresh water resources.

Use seawater resources in a rational manner. Based on the local conditions, the coastal power plants of the Company conserve fresh water resources by employing seawater cooling tower technology. Huanghua Power owns three sets of seawater desalination equipment with a water treatment capacity of 32,500 tonnes per day, and has therefore become one of the main sources of fresh water in the local area.

Note: The national average of coal fired power business is extracted from China Power Industry Annual Development Report 2012 of China Electricity Council.



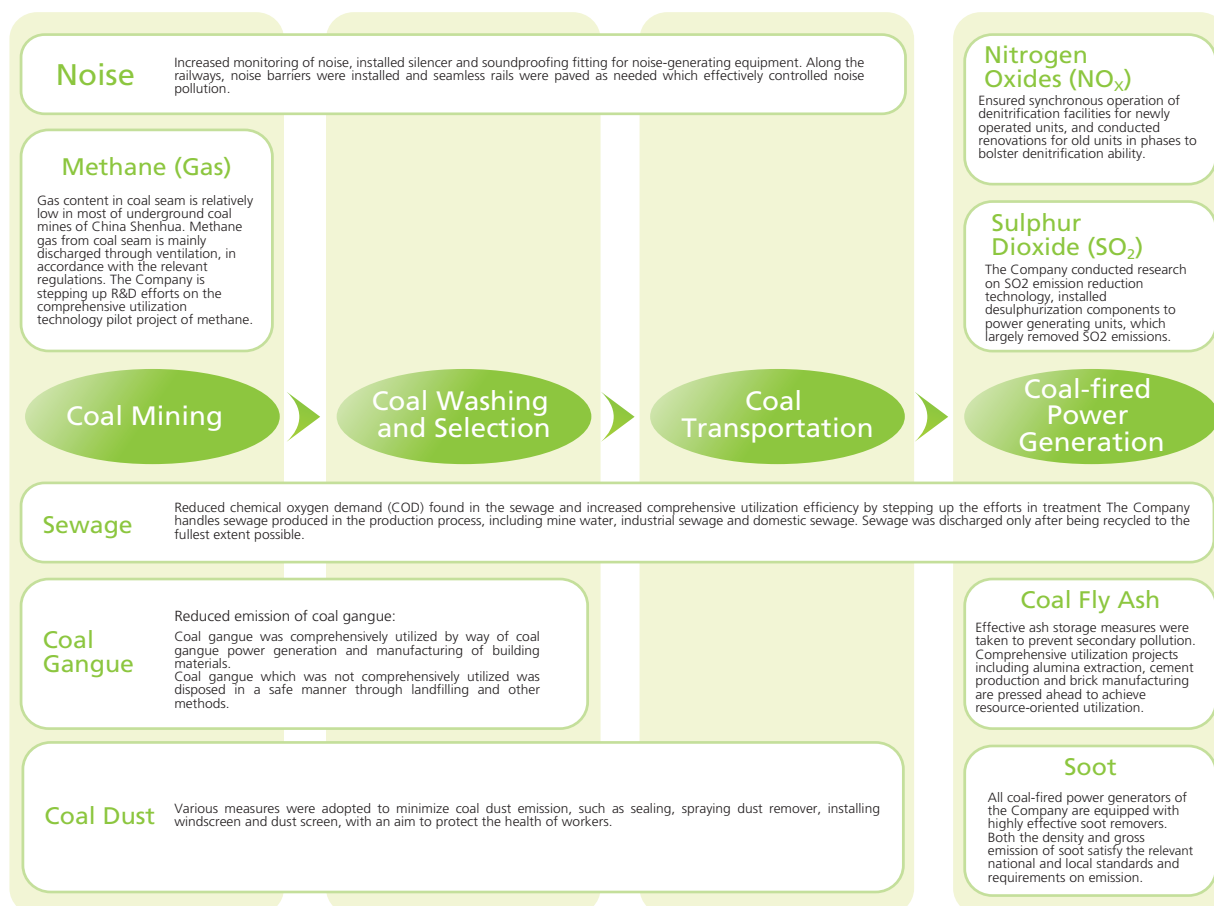
Comprehensive utilization of water resources in 2012

		2011	2012	Year-on-year change
		million tonnes	million tonnes	%
Mine water (drainage water)	Amount produced	93.1	109.4	17.5
	Amount utilized	32.9	51.9	57.8
Industrial sewage	Amount produced	29.8	33.0	10.7
	Amount utilized	23.9	26.7	11.7
Domestic sewage ^{Note}	Amount produced	14.1	16.0	13.5
	Amount utilized	4.7	5.4	14.9

Prevention & Control of Pollution and Comprehensive Utilization

Shenhua is dedicated to the construction of environmentally friendly mining sites, power plants and transport corridors. Adhering to the principle of "Preventing pollution from source, controlling production process and end of pipe treatment", the Company stepped up its efforts in the prevention and control of pollution, attaining clean production and achieving the "recycling, neutrification and reduction" of pollutants.

Summary of Key Emissions and treatments

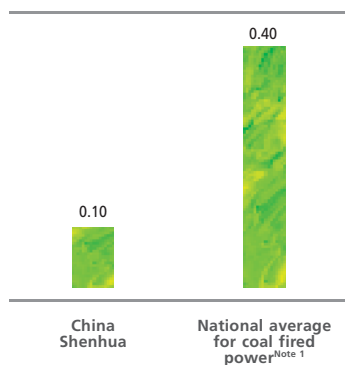


Note: The amounts of domestic sewage produced and utilized disclosed in the 2011 Corporate Social Responsibilities Report of the Company include the domestic sewage treated by Zhunge'er Energy Company for the local community which was not produced by the Company. Such data have been excluded from the 2011 figures in this report.

Environmental Protection ~To Pave the Way for Low Carbon Development

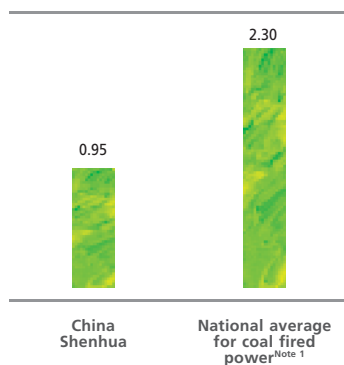
Soot emission of thermal power operations

(g/kwh)

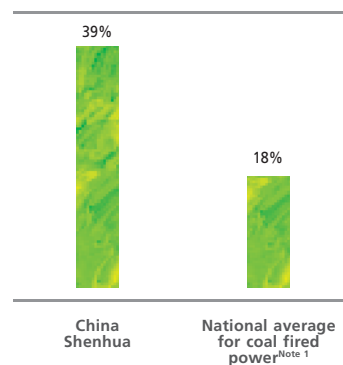


SO₂ emission of thermal power operations

(g/kwh)



Percentage of commissioned denitration generators to installed capacity of coal-fired generators



Solid waste generation and comprehensive utilization by China Shenhua in 2012

Item	Volume generated	Comprehensive utilization volume	Comprehensive utilization rate
	million tonnes	million tonnes	%
Coal Gangue	24.2	6.5	26.9
Coal Fly Ash and Cinder	18.2	13.6	74.7
Other Solid Waste	2.0	1.7	85.0
Total	44.4	21.8	49.1

Other emission by China Shenhua in 2012

Indicator	2011	2012	Year-on-year change
	10 thousand tonnes	10 thousand tonnes	%
SO ₂ Emission of power segment ^{Note 2}	18.8	19.6	▲ 4.3
NO _x Emission of power segment ^{Note 2}	46.8	44.4	▼ 5.1
COD Emission	0.41	0.38	▼ 7.3

Note 1: The national average of coal fired power business is extracted from *China Power Industry Annual Development Report 2012 of China Electricity Council*.

Note 2: According to this report, emission volume of SO₂ and NO_x in 2011 and 2012 is disclosed according to verification results issued by the Ministry of Environmental Protection on the basis of the *Verification Rules for Reduction in Total Emission of Major Pollutants during the "Twelfth Five-Year Plan" Period*. When the 2011 Corporate Social Responsibilities Report of the Company was published, the verified volume of SO₂ and NO_x emissions in 2011 was not released by Ministry of Environmental Protection of the PRC. The emission volume of SO₂ and NO_x disclosed in the report is based on the *Notice on the Printing and Distribution of Central Enterprises Energy Conservation and Emission Reduction Statistical Monitoring Table*.

The key measures for emission treatment by the Company in 2012 include:

Aggressively reducing emission of NOx by refitting power generation units with denitrification technology.

The Company promoted the reduction and control of NOx emission in an orderly fashion, by refitting 3 coal-fired power generation units currently in commission with denitrification technology, as well as modifying 10 coal-fired power generation units with a low NOx combustion burner in 2012. As at the end of 2012, the installed capacity of denitrification units were an industry leading 15,960MW, accounting for 39.0% of the total installed capacity of the Company's coal-fired units. By adopting super low NOx combustion technology, Ninghai Power's No.3 power generation unit reduced emission of NOx from boiler to lower than 100mg/m³, establishing a leading position in the industry for low NOx emission for boiler by way of denitrification modification.

Strengthening control of coal dust and soot, preserving the atmosphere. The Company has adopted various measures such as utilizing closed transportation systems, installing auto sprinkler, and making use of closed coal storage centers in our coal production, storage, transportation and consumption processes. These measures effectively reduced emission of coal dust. The coal storage system of Huanghua Port (Phase III) employed silo-storage technique and began a new era of closed coal storage in ports. As at the end of 2012, Tianjin Coal Dock has a total of 26 electrostatic precipitators to collect ashes, achieving a dust-removal efficiency of above 96%.

Addressing the air pollution issue in Northern China where a higher level of particulate matter (PM) 2.5 at certain times in winter is recorded, Guohua Power Branch, in conjunction with various research agencies, began a specialised research project on PM 2.5 test of flue gas discharged by coal-fired plants, which demonstrated their proactive attempts to further removing dust and protecting the urban environment.

Exploiting the potential of waste reutilization, attaining breakthrough in coal fly ash comprehensive utilization projects. Leveraging on the "Rich aluminum and gallium" advantage of Zhuang'er Mines, the Company explored and pressed forward the "Coal Fly Ash – Aluminum Oxide – Aluminium Profile" comprehensive utilization projects. Our "one-step acid dissolution" technique used in the production of metallurgical grade aluminum oxide has already been granted 10 patents. During 2012, the industrial testing facility of the project overcame numerous technological bottlenecks and successfully produced more than 160 tonnes of aluminum oxide products, realizing a safe, stable and sustainable long-term operation.

Coal transportation and storage facilities in mining sites



Environmental Protection ~To Pave the Way for Low Carbon Development

Building Ecological Civilization and Tackling Climate Changes

Adhering to the principle of “producing coal in an environmentally friendly manner and constructing ecological mining areas”, the Company makes an active presence in water and soil conservation, greening and reclamation, control of sand storm as well as slope protection. The Company believes that “prosperity will follow if we put equal emphasis on greening and mining”, and with that in mind the Company facilitated the building of an ecological civilization. On the other hand, the Company is deeply aware of the global climate change and dedicated resources for seeking solutions, starting from the research of low-carbon energy production technology, recycling economy and reduction in CO₂ emission. The Company proactively exploring the road to the transformation from the traditional energy industry to a low carbon industry.

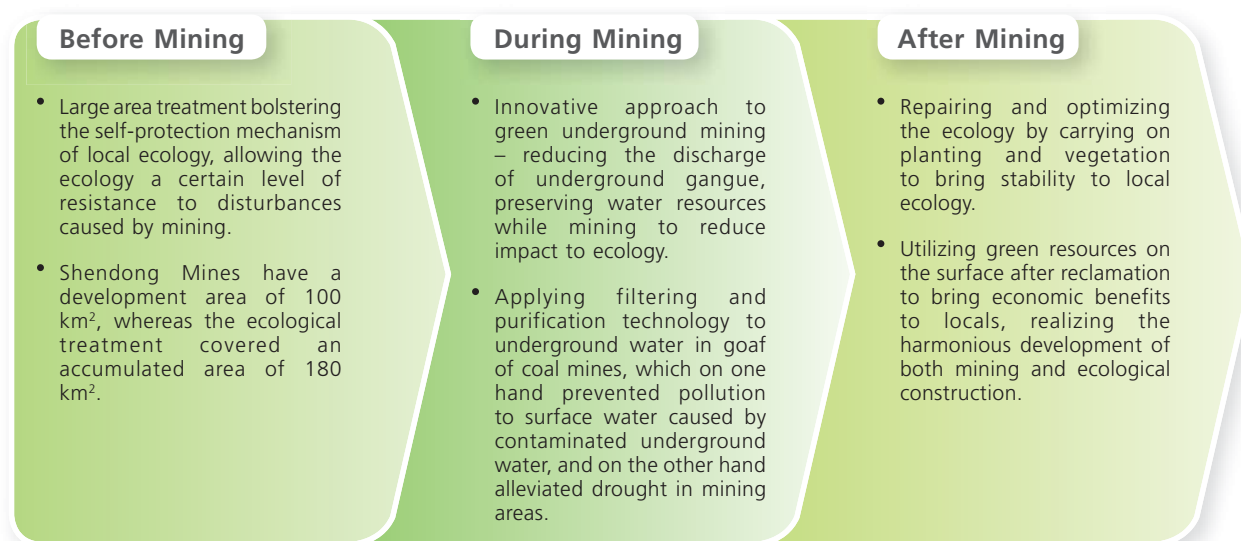
In 2012, the Company invested RMB0.32 billion in ecological construction, increasing greening area by 19.20 million m². The Company established a greening and reclamation fund and kept capitalizing unit coal cost to finance our ecological construction projects, in accordance with the relevant requirements. The balance of accrued reclamation cost of the Company as of the end of 2012 was RMB1,921 million, securing the continuous supply of capital to ecological construction.

Ecological Construction in Underground Mining Area

Facing the challenge of preserving the fragile ecology while undergoing large scale coal mining, the Company evaluated the condition of the regional ecology in each mining area, used innovative approach in promoting the ecology in mining sectors to recover and flourish. The Company followed the guiding principle of treatment before mining, protection during mining, and recuperation after mining, with particular focus on the treatment of subsidence area, gangue (soil) dump site treatment and greening and reclamation of mining areas.

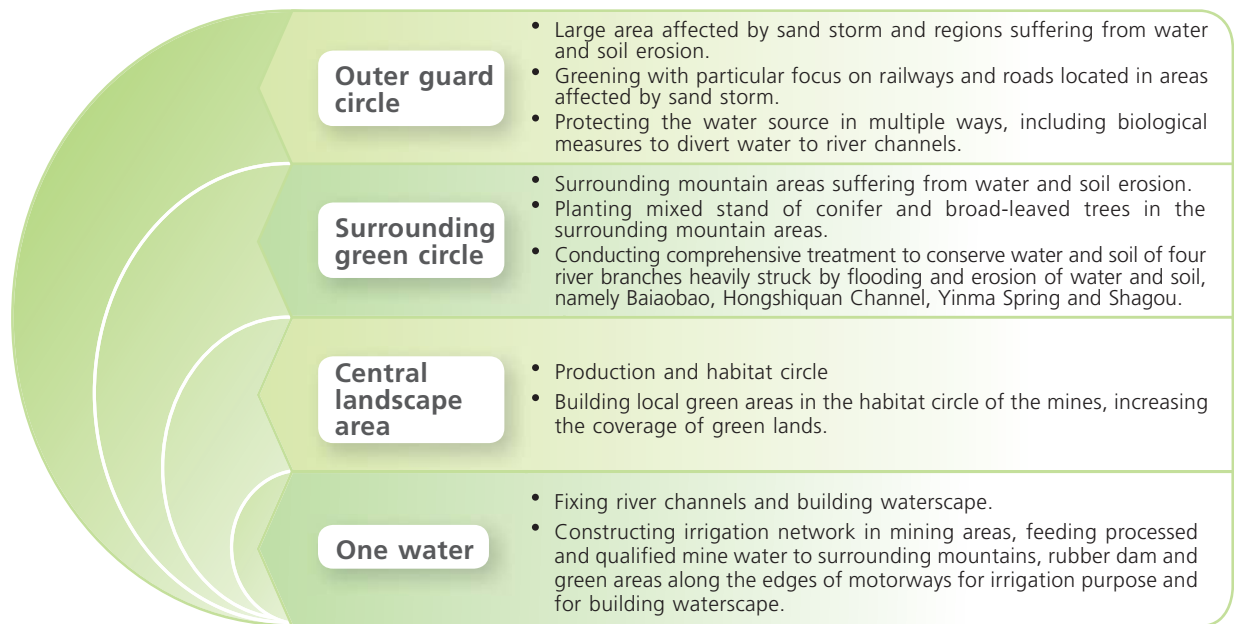
“Three Stages, Three Circles” Ecological Protection and Treatment Mode of Shendong Mines

“Three Stages”: Comprehensive treatment is carried out in 3 stages – before, during and after mining. By way of proactive ecological treatment such as surface-underground interaction, large scale treatment, strengthening of local ecological functions, the Company realized the harmonious development of both resource exploitation and ecological construction.





“Three circles, one water”: To facilitate the comprehensive recuperation and recovery of ecology in mining areas through combining the inner and outer circle, especially emphasizing the control of sand erosion in the outer circle, i.e. large scale implementation of water and soil preservation, ecological construction by dividing mining areas to “three circles, one water”.



After years of treatment, the vegetation coverage for Shendong Mines increased to above 60% from 3%-11% at the initial stage. In 2012, the total area of land treated by Shendong Coal Group was 12.28 million m², where 3.2 million shrubs of various species were planted, and grass seeds were sowed to an area of 2.4 million m².

Treatment of subsidence area: The Company planted trees with economic values such as seabuckthorn, Chinese dwarf cherry, yellowhorn and wild cherry in Daliuta subsidence site, with an aim to building a scientific demonstration base of reclamation and trees with ecological and economic values. The Company adopted comprehensive water preservation measures in Yujialiang subsidence site which involved both building and planting. Firstly the fissure was closed and sealed, then fish-scale pits were dug and lastly restored vegetation by planting scots pines, manchu rose, false indigo and grass. Check dams were also built in trenches to prevent regional water and soil erosion. An additional of 9 million m² of subsidence areas of Shendong Coal Group were treated in 2012.

Environmental Protection ~To Pave the Way for Low Carbon Development

Gangue (Soil) dump site treatment: The Company invested RMB14.2 million, initiated soil reclamation and greening projects with the use of covering soil in accordance to the environmental and water preservation requirements. In order to ensure compliance, the treatment to soil dump site included setting up salix and sand barrier, planting seabuckthorn and other water-preserving trees, sowing grass seeds, and restoring vegetation.



The picture above shows where Shendong Shangwan Mine used to be in 1990, whereas the picture below shows the current vision of the mine after ecological treatment

The picture on the left shows the town of Daliuta in 1991, where Shendong Mine Group was located, whereas the picture on the right is the town of Daliuta at the present time, after the water treatment





Ecological Construction in Open Pit Mines

The Company carried out its open cut mining projects and reclamation projects simultaneously. By making use of internal disposal techniques, the Company minimized land usage and ensured that the soil dump site has a coherent geological structure and landscape with the unmined outskirts. During the reclamation process, depending on the geological properties of the land, the Company facilitated the breeding of various animal species and different combinations of animal communities. This not only enriched the ecological diversity of the mining areas, but also promoted the growth of agricultural products, site-seeing and tourism, and increased income of the local residence while realizing ecological development.

As a coal mining enterprise in the new era, it is our mission to build an ecological civilization and greening our mines. As at today, the coverage of vegetation area exceeded 75% in the Company's Zhunge'er Mines, more than doubled to what would occur naturally. In 2012, while recognizing reclamation as our key mission, Zhunge'er Energy Company brought up a new guiding principle to building an ecological industry – In the soil dump site where conditions were less harsh, the Company constructed 358 thousand m² demonstration sites of ecology, where food plants such as potatoes, corns, cereals, soybeans, vegetables were planted and crops weighing nearly a million Jin were harvested. This marked a new breakthrough for the Company's endeavour in green mining and the building of a beautiful mine!

Simultaneous mining and soil dump site reclamation/greening at the Shengli Energy's Mines



Rich harvest at the ecological and agricultural gardens of the soil dump site of Zhunge'er Energy Company

Environmental Protection ~To Pave the Way for Low Carbon Development

Ecological Construction Along the Railways

The Company endeavours to protect and improve ecology along the railways, employing biological measures to combat desertification, and other greening and conservation techniques. In 2012, along the Company's Baoshen Railway in Northwest China, a biological barrier spanning 12.723 million m² was established, which involved planting 4.910 million shrubs, 244 thousand trees, 9,000 corolla trees of various species, hedgerow stretching 10 thousand meters, rejuvenating 5.74 million m², and managed and protected 67.33 million m² of forest belt.

Developing Regionally Tailored Low-carbon Energy

The Company performed active research and development on renewable energy. The Hengqin Island Wind Farm of Zhuhai Wind controlled and operated by the Company has a total installed capacity of 15.75MW, whereas the hydro-electricity power generators of Bashu Power Company has an installed capacity of 125MW. In 2012, the total power generation of wind power and hydropower generating units of the Company was 470 million kwh, reducing the consumption of standard coal by 160 thousand tonnes and the emission of carbon dioxide by 430 thousand tonnes. Moreover, the subsidiaries (branches) of the Company developed and leveraged on clean energy resources such as solar power, geothermal power to reduce the impact on the environment.

The Company has been actively participating in the implementation of the clean development mechanism (CDM) projects. At present, three CDM projects of Yuyao Power, Zhuhai Wind and Sanhe Power have been approved for UN registration. The proposed CO₂ emission reduction for 2012 was expected to be 529 thousand tonnes CO₂ equivalent.





Promoting Green Office and Nurturing a Culture of Conservation and Low Carbon Emission

Energy and resources consumption at our offices add up to only a tiny fraction when compared to the Company's coal production business. With an aim to protect the environment and reduce carbon emission, the Company pushed forward a full-scale resource conservation campaign and adopted various measures to reduce the usage of energy.

Paper conservation. The Company promoted a paperless working environment where electronic systems were in place to substitute printed documents. In addition, paper usage cap was introduced for every department to encourage recycling.

Electricity conservation. In 2012, the Company removed 50% lighting equipment at its headquarters' parking lot, installed auto-off timer in public areas such as elevators and corridors. The Company further reduced electricity usage by axing the number of lighting facilities in office buildings without affecting the general level of illumination. Throughout the year, the Company consumed 16 million kwh and conserved 45 thousand kwh of electricity.

Promoting low-carbon and environmentally friendly culture. The Company popularized low-carbon environmental protection knowledge by way of television, Internet, newspapers and internal publications. The Company organized themed activities including "Energy Conservation Week" and "World Environment Day", "Conserve every watt of power, every piece of paper, every drop of water" so that all employees can take part in the Company's transition to a more low-carbon and environmentally friendly enterprise.

Future Plan

China Shenhua will persist in the policy of simultaneous planning, implementation and development between business development, energy conservation and environmental protection, and step up its efforts in maximizing energy conservation, comprehensive utilization of resources, prevention and control of pollutants and ecological construction through measures such as management improvement, structure optimization, increased investment and technological innovation. China Shenhua will continue to push on clean production at all fronts, develop a low carbon recycling economy, proactively respond to climate changes, build an ecological civilization diligently in an effort to establish itself as a "resource conserving and environment-friendly enterprise", thus realizing sustainable development.





Connecting with the
Communities

~Building up Harmony for the Society



China Shenhua is part of society and adheres to the principle of "Love our country, contribute to the society and reward the people". While providing products and services to the market, China Shenhua is concerned about the overall interests of the society. By proactively supporting local economic construction and being committed to public welfare, China Shenhua gradually develops its unique way to reward the society.

In 2012, Shengli Energy was named the Most Social Responsible Enterprise in Coal Industry of China 2012; Shendong Coal Group was again honoured the "Prize for Outstanding Contribution to the Local Development" by Wulanmulun Town where it operates.

Connecting with the Communities~ Building up Harmony for the Society

Securing Stable Energy Supplies

Keeping its mission of “Providing green energy for social development” in mind, China Shenhua is committed to stable coal and power supplies with an aim to support social and economic sustainability.

Securing coal supplies with sound contingency reserve. As some coal mines were less active in production due to the volatile coal market in 2012, coal supply shortage was witnessed in certain regions and periods. Adhering to the principle of securing stable energy supplies, China Shenhua made rational production and transportation deployments according to the national contingency reserve plan. Priority was given to coal supplies in regions suffering energy shortage to meet heightened cooling demands and heating demands.

Stabilizing power supply to ensure smooth economic and social development. Tapping on its strengths in large capacity and high performance, the Company's power segment took efforts in improving power supply reliability. Power generation was shrewdly scheduled in a bid to stabilize supply to the power grid especially in the summer demand peaks, major festivals and important national conference sessions as well as inclement weather days.



Case study

Beijing Thermal: a defence of the Capital to secure power supply in flood fighting

On 21 July 2012, Beijing suffered a once-in-61-years heavy rainfall and committed all municipal resources in flood fighting and disaster relief.

The Tonghui River near Beijing Thermal, a branch of Guohua Power, rapidly rose to a historical high with water levels reaching 33.5 metres and discharge water reaching a record high of 500 m³ per second, resulting in the outage of two circulating pumps of Beijing Thermal. Should the remaining pump stop and result in power outage across the plant, the power supply to Beijing grid would decrease by more than 200MW and seriously affect the urgent and over-stretched flood fighting campaign.

Attaching great importance to the issue, Guohua Power Branch and Beijing Thermal dispatched executives and department heads to the affected area, and deployed resources and emergency countermeasures to ensure smooth running of generators. Wading in rains and floods, the staff voluntarily participated in on-site emergency responses including drainage, elimination of potential hazards, equipment and load tuning. Power generation by the two units was secured through unremitting efforts of the staff, which contributed to the stable power supply for the flood fighting campaign.

Ensuring heat supply for a cold winter. Making full use of the heat from its generators in northern areas for winter heating of local residents, the Company is committed to reducing energy consumption of the society as a whole, protecting local ecology and stabilizing the heat supply. As at the end of 2012, the Company's generators providing heat to the locality reached a total capacity of 10,407MW.



Case study



Guohua Zhunge'er renovated heating facilities provided warmth for Xuejiawan

Guohua Zhunge'er is located at Xuejiawan Town, Zhunge'er Banner, Ordos City, Inner Mongolia where winter is long and cold with the lowest temperature of minus 30 Celsius degrees or below.

To stabilize local heat supply in line with the national energy conservation and emission reduction policy, Guohua Zhunge'er completed the renovation of heating facilities of four 330MW generators in 2012, thus securing the heating source for town residents in an area of 6.8 million m².

After completion of the renovation, Guohua Zhunge'er became a dominant heat supplier in the locality. As the first outcome, the instable indoor temperature for Xuejiawan residents became a history, given the heating pipeline circulation flow maintained at 5,700 tonnes per hour, hot water with temperature maintained at 90 Celsius degrees, and a heating capacity up to 12.5 million m². Secondly, the centralized heating by the plant resulted in the retirement of 10 small heating boilers, 2x25MW heating units and 2x100MW heating units in the locality, thus effectively saving thermal coal and energy consumption and improving local ecology, which won the appreciation of Xuejiawan residents as the changes improved their living quality.

Building Harmonious Communities

China Shenhua would not achieve its growth without supports from the communities around its mines, power plants, railways and ports. With ongoing dialogues, the Company is keen to give back to the surrounding communities as its growth continues, seeking to create a safe, convenient and beautiful living environment and promote the common development of the Company and local communities.

Safeguarding residents' interests in the communities. Before launching new projects, the Company's business segments strictly follow the national and local governments' requirements, dealing with relocation compensation and resettlement to safeguard the interests of residents neighbouring the projects. The subsidiaries (branches) keep informed of the needs of surrounding communities through daily communications to properly solve the unfavourable impact from production and operation.

Supporting local infrastructure construction. Through sponsorship and donation, the subsidiaries (branches) of China Shenhua lend supports to infrastructure construction of surrounding areas including highways, hospitals, nursing homes and green communities for the well-being of local residents along corporate development.

Contributing to local education development. The subsidiaries (branches) of China Shenhua continuously carry out subsidization activities such as the "1+1 Project Hope" and "Donation of love", donating to local schools, supporting college students to start native business and offering help to unschooled children and deprived college students, to contribute to local education development. In 2012, the Company held 7 Seminars for Start-ups for local college students with a total of 1,500 participants, which effectively invigorated the local learning atmosphere.

Connecting with the Communities~ Building up Harmony for the Society

Fuelling local economic growth. In recruiting graduates and arranging employment, the Company gives priority to applicants from the places where it operates. In project construction and procurement, the Company has made utmost efforts to guarantee local interests whilst maintaining equality as well as quality. Constantly transporting a large number of living and production materials, the Company's railway becomes an important transportation corridor of local supplies and also a driver of the development of local economy.



Introducing the operation of the Company
to students from the community



Case study

Coal-based diversification — Sidelights on co-development efforts of Shendong Coal Branch

Along with its pace of growth, Shendong Coal Group is committed to fulfilling social responsibility through improving infrastructure and benefiting local livelihood for harmony between the enterprise and local community. Shendong Coal Group has stepped up its investment to support local construction of roads, hospitals, communication and environmental protection. Baode Mine with a longer track record is one of the evidences for the co-development efforts of Shendong Coal Group.

The main fields of Baode Mine situated in Baode County, Xinzhou City, Shanxi Province commenced production in 2002 upon completion the expansion after consolidated into Shendong Coal Branch. Under the philosophy of coal-based production and diversification, it seeks to strengthen the collaboration with local community and government for sound co-development.

Fuelling local economy

**RMB8.165
billion**

local taxes that has been paid
by Baode Mine as at the end of
2012

63%

of employees at Baode Mine are
recruited in the locality

Well-being projects

Baode Mine earnestly participated in the "100 villages, 1,000 persons and 10,000 households" poverty-relief campaign across the county in 2012, and developed specific programmes tailored for villagers and local conditions.

A bridge

connecting Hanfu Road and
the newly established Qiaotou
Square was constructed

A road

of village grade road in Qiaotou
Town was renovated

A business

of animal rearing was
developed for farmers in
Qiaotou Village

Promoting local industrial development

As one of the largest coal enterprises in Xinzhou,
Baode Mine plays a leading role to assist local
coal mines in upgrading the technologies and
expertise on gas pumping and exhausting, and
flood prevention and control.

99 managers

of local coal mines accepted training at
Baode Mine

Construction of new villages for migrants

**RMB320
million**

of relocation compensation
has been paid in total by
Baode Mine since 2003 for
resettlement of involved
villagers

2,123 farmers

moved to the 4 villages
newly established for
migrants

Connecting with the Communities~ Building up Harmony for the Society

Progress was achieved in building harmonious overseas communities. The overseas subsidiaries (branches) of China Shenhua strictly follow local environmental and labour regulations to carry out business while taking initiatives to interact with the community for mutual development. Shenhua Australia provided development funding to the community where it operates and established an open, equitable and transparent programme screening mechanism. In 2012, 9 programmes covering education, health care, culture and other public services were established for the maximum benefit of local community. EMM Indonesia has established a sound community basis through actively organizing sports activities with the community and solving the specific production and living difficulties of neighbouring residents.

The established Gunnedah Rural Health Centre funded by Australia Pty, which is named by the media as an “important community asset” with great local influence





Case study

EMM Indonesia assisted neighbouring villagers to tackle the water shortage in drought season

Indonesia is known for its tropical rainforest climate, where a year is clearly divided into a wet and dry season. At villages relying on underground water, the villagers' wells tend to dry out due to the absence of rainfall in the later stage of the dry season, resulting in water shortage. To solve the difficulties of neighbouring villages in domestic water, EMM Indonesia took initiatives to contact village heads and arranged tank trucks to transport potable water to the neighbouring villagers.

The potable water, after pumped by the company's ship from the river nearby, is further purified by its water treatment facilities and meets the drinking metrics after testing, which satisfies the company's production and living needs while contributing to the neighbouring villages.

The picture shows women and children using the Company's water tank at sunset. Staying close to people by integrating itself into local community and offering villagers the practical helps, EMM Indonesia is expected to go further and better along its efforts to contribute to the local harmony.



Connecting with the Communities~ Building up Harmony for the Society

Systematic Public Welfare Undertakings

China Shenhua adheres to its public welfare philosophy of maintaining balance between business development and social welfare. With a commitment to public welfare in a down-to-earth manner, we insist on incorporating the philosophy of “giving back to the society” in the whole process of our operation. Drawing upon the platform of Shenhua Foundation for welfare undertakings on a long-term and standardized basis, the Company proactively responds to the calls of local welfare activities and provides strong support to the staff in volunteering, aiming to foster a harmonious corporate culture. In 2012, China Shenhua’s external donations amounted to RMB115 million, of which RMB49 million was directly donated to the community, disaster-stricken areas, education sector, social welfare and cultural sectors, and RMB66 million was donated to Shenhua Foundation ^{Note}.

“Carry Forward Generous Love and Advocate Humanity in China”

— Summary of Activities of Shenhua Foundation

In light of its mission of “Showing the caring side of Shenhua in support of public welfare, social harmony and development”, Shenhua Foundation is engaged in a series of welfare programmes under the brand of “Shenhua Loving Care”, making positive contributions through helping children in need, supporting education and caring for those with disabilities. With an aim of having zero operational costs, all workers of Shenhua Foundation are part-time volunteers.

In 2012, Shenhua Foundation was awarded the “Best Model Welfare Organization” by China Association of Social Workers. The “Shenhua Loving Care Activities” were honoured the top 10 social programmes for 2011 at the 3rd Annual Conference for Chinese Social Workers.



Shenhua Loving Care Activities — “Helping a Child Means Helping a Family”



Based on the progress achieved last year, the “Shenhua Loving Care Activities” offer more help by extending the ages of target patients from 0-14 years old to 0-18 years old, lighting up the hope of more families at the brink of a precipice. In 2012, the program funded health cares for 3,830 children, including 655 patients of leukaemia and 3,175 patients of congenital heart disease. Since its inception, the program has expensed a total of RMB118.8 million in offering aids to 5,066 children in aggregate across 1,200 cities and counties in 28 provinces in China.

Picture: Loving Care Ward sponsored by Shenhua Loving Care Activities.

Note: Shenhua Foundation is a non-public foundation set up by China Shenhua. The foundation is in strict accordance with the relevant rules of the *Ministry of Civil Affairs* and the *Articles of Shenhua Foundation* in terms of use the proceeds. According to the Articles of Shenhua Foundation, from any location and at any time, the relevant related parties are not eligible to receive donations from Shenhua Foundation.



Shenhua Loving Care Schools — “Creating Life-Changing Opportunities for More Children”

In support of the education undertakings in old revolutionary bases and poverty-stricken areas, we sponsored 7 “Shenhua Loving Care Schools in Jiangxi and Yunnan. As at the end of 2012, a total of more than RMB30 million under the program was donated to a school in Ruijin City, a school in Jinggangshan City, a kindergarten in Ji’an County, a kindergarten in Xin’gan County and a school in Yugan County in Jiangxi Province as well as a school in Chishuiyuan Town, Zhenxiong County, Yunnan Province, which have been delivered for operation. The Guoche primary school in Pingshang Township, Zhenxiong County, Yunnan Province is under construction with an accelerated schedule.

Picture: The Company’s leaders and volunteers sharing the joys of children at the newly established Shenhua Loving Care kindergarten in Ji’an County.



Shenhua Loving Care Libraries — “Caring the Spiritual World of Children”

Shenhua Loving Care Libraries are established in western China to alleviate the reading difficulty of students in poverty-stricken areas, educate the youths and open their mindset. In 2012, the program donated 4.262 million books to Inner Mongolia, benefiting 1.556 million students in 1,387 schools.

Picture: New books on shelves in the reading room at The 9th Primary School in Dongsheng District, Ordos City.



Other Public Welfare Programs of Shenhua Foundation — Demonstrating the Multifaceted Generous Love of Shenhua

Shenhua Loving Care Walking Aids

The program aims to offer help to the physically disabled suffer from poverty due to amputation, and encourage them to rejoin the society. As at the end of 2012, 100 cases of prosthetic limb attachments were achieved in Zhaotong region, Yunnan Province, while three artificial limb fixation stations in Wenshan Prefecture commenced the services for the local disabled. The modelling work for the first batch of 150 disabled persons in Urumqi City, Changji Prefecture and Turpan City in Xinjiang has been completed, and the prosthetic limbs are now being manufactured.

Shenhua Loving Care Ambulances for Mothers

The Company donated 31 ambulances to 29 poverty-stricken counties and townships in Ningxia Hui Autonomous Region and Nierong County in Tibet Autonomous Region to provide consulting, free clinic, health checks and aid to local residents, which are playing a unique role in reducing maternal mortality, infant mortality and the elimination of neonatal tetanus.

Shenhua Loving Care Education Aids

The Company participated in the establishment of the Education Subsidies for Beichuan Middle School, to support the school to rebuild after the earthquake to introduce and reward outstanding educators and excellent students. Financial assistance is also granted to students in need at Beijing Institute of Technology to accomplish their studies and realize their dreams.

Connecting with the Communities~ Building up Harmony for the Society

On-giving Activities to Spread Love

Advocating the welfare concept of humanity and devotion, the headquarters and subsidiaries (branches) carry out public welfare activities to help those in need through education aids and donations.

“Guarding the hope of growing-up” – a program to aid middle and primary schools: The welfare program was initiated by Guohua Power Branch in 2012 as a long-term education undertaking. A total of 428 employees have participated in the one-to-one mentoring campaign, the first phase of which covers 113 middle and primary school students from impoverished families in Zhangjiakou City, Hebei Province to prevent them from discontinuing study due to poverty.

“Relay for Life” charity program: Australia Pty is active in contributing to the “Relay for Life”, the largest charity program in the world. Through a relay walk in a total length of 293 km, the team comprising 16 employees of the company raised donation of AUD1,934, ranking them top among the participating teams.

“Conserving fishery resources for our ecological Yangtze River”: Taicang Power under Guohua Power Branch proactively participated in the fishery resources proliferation activity for the Yangtze River in 2012, which released a total of 92,500 kg of breeding fish including black carp, grass carp, silver carp, bighead carp, crucian carp and bream as well as 700 kg of hatchlings of *eriocheir sinensis* to improve the ecology of the Yangtze River.

Volunteer Activities

To actively promote volunteer activities, the Company advocates the volunteer spirit of “devotion, friendly affection, mutual aid and progress”, and encourages the staff’s enthusiasm of “happy to participate and contribute in volunteer activities”. In 2012, the Company further expanded its volunteer number, including 33 volunteer teams and 8,673 registered members. Meanwhile, 104 volunteers from the Company have registered to Shenhua Foundation. Led by the volunteer organization, Shenhua volunteers carried out a series of distinctive volunteer activities such as revisiting recipients of caring activities, voluntary book shelving, environmental advocacy, voluntary tree planting



Charm of Shenhua
Volunteers



and promotion of health in communities.

A long-term campaign of Shendong Coal Group Volunteers Association. With a volunteer database to ensure service quality, Shendong Coal Group Volunteers Association entered into volunteer service agreements with 8 target families and carried out a series of activities such as "Conveying Love – Hand in Hand" and "Conveying Love – Affection Around" in 2012, donating over 600 hours.

The representatives of volunteers signed commitment letters, promising solemnly to pursue volunteering on an on-going basis.



Shenhua volunteers bringing vitality and joy to the elderly in a nursing home

Shenhua volunteers and the children



Appendix I:

Appraisals and Awards from Related Parties

Appraisals from Related Parties



Representative of the customers

In our long-term relationship with Shenhua, we have realized deeply that Shenhua is a trustworthy partner. They honor their commitments and treasure customer relations; they provide passionate service and deliver greatest support to their clients at critical moments. I hope that in the future, we can further solidify our close relationship, develop our business, and expand our partnership on an ongoing basis. Let us explore side by side and achieve mutual benefits and a win-win situation.



Huadian Coal Industry Group Co., Ltd.
Sun Bingfu, Deputy General Manager



Representative of the suppliers (service)

China Shenhua Energy Company Limited is a leading coal-based integrated energy enterprise with global competitiveness. It always bears in mind its social responsibility while continuously improving its social value. As its partner bank, SPD Bank is committed to providing Shenhua with comprehensive financial services. We wish that China Shenhua will create more social values, assume more social responsibility and make more contributions to the social development!

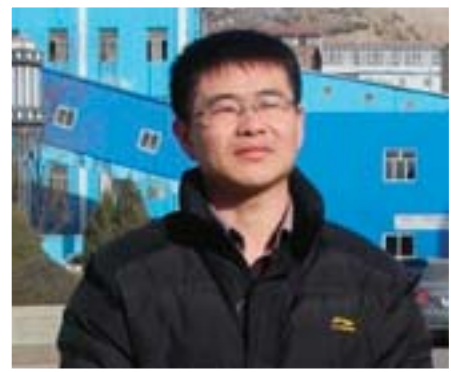


Shanghai Pudong Development Bank Co., Ltd. (SPD Bank)
Ji Guangheng, Executive Vice President of SPD Bank, and President and Party Secretary of Beijing Branch

Representative of the employees

After I came to work at Shenhua upon completion of my PhD degree, I perceived the profoundness of Shenhua's corporate culture and realized the responsibility and mission of the company to ensure the energy security of the country. Under the principle of scientific and sustainable development, Shenhua has provided us with a supportive and humanistic environment, advanced concepts on safety and scientific personnel mechanism. Shenhua provides a platform for me to realize my life's ambition and self-worth. I am grateful and indebted to the company. My best wishes on the future of our company and our country! I hope that more people with the same ambition can join the family of Shenhua to work together in the immense coal-mining areas, accomplish the achievement of Shenhua and contribute to our society and our country with great passion!

王连生



Daliuta Coal Mine, Shendong Coal Group
Wang Liansheng, Fully-mechanized Coal Mining,
Team I

Representative of public welfare program partners

Upholding the concept of "Carrying Forward Generous Love and Advocating Humanity in China", Shenhua Foundation actively embarked on a great number of social philanthropy and public welfare activities, including Shenhua Loving Care Activities (medical assistance), Shenhua Loving Care Schools and Shenhua Loving Care Libraries. The Company made great strides by constantly exploring and pioneering the management system and operating modes in the course of these projects.

Teaming up with China Association of Social Workers, Shenhua Foundation took the initiative to help kids aged 0 to 18 years living in poverty-stricken areas with leukaemia or congenital heart disease. The project not only helped the kids to relieve from pains, but also gave a helping hand to millions of families. The endeavour generated enormous social benefits and was responded by hundreds of banners and thousands of letters from beneficiaries to express their gratitude.

While benefiting a large group of kids with disease over the past two years, Shenhua's model practices for social work have been established through Shenhua Loving Care Activities, which will guide future social work and offer a role model for bringing corporate foundations into full play and fulfilling corporate social responsibilities.

刘良玉



China Association of Social Workers
Liu Liangyu, Vice President

Appendix I:

Appraisals and Awards from Related Parties

Awards

List of Awards in Technology, Safety and Environmental Protection won by China Shenhua in 2012

No.	Level of Award	Name of Award	Awardee
1	National Level	The National Science and Technology Progress Award (Second Prize)	Zhunge'er Energy Company
2	National Level	"The National Energy Science and Technology Progress Award" (First Prize, Second Prize and Third Prize)	R&D projects of Shenhua Trading Group and Guohua Power Branch, etc.
3	National Level	The National Technical Talent Training Outstanding Contribution Award	Zhunge'er Energy Company, Shendong Power
4	National Level	2010-2011 Safe and Efficient Coal Mine (Grand Prize)	15 coal mines including the Daliuta Coal Mine under China Shenhua
5	National Level	The 9th National Coal Mine Rescue Skills Competition (Group Third Prize)	Shendong Coal Group
6	National Level	Power Safety Production Standardization 1st class Enterprise	Yuyao Power
7	National Level	Outstanding Enterprises of The "National Safe and Health Cup" Competition	Panshan Power, Baoshen Railway Company and Shuohuang Railway Company, etc.
8	National Level	The National Safety Culture Demonstration Enterprise	Panshan Power
9	National Level	The National Excellent Enterprise of Circular Economy	Zhunge'er Energy Company
10	National Level	"The Most Beautiful Mine" in China	Daliuta Coal Mine, Bulianta Coal Mine, Heidaigou Open-cut Coal Mine, Yujialiang Coal Mine, Baode Mine and Shengli Energy
11	Provincial (Industrial) level	Grand Prize of the Forestry Department of Shaanxi	Shendong Coal Group
12	Provincial (Industrial) level	Excellent Collective of Energy Conservation during "The 11th Five-Year Plan" period	Zhunge'er Energy Company
13	Provincial (Industrial) level	The 4th Technology Achievement Award for National Power Industry Staff (First Prize)	Guohua Electric Power Research Institute
14	Provincial (Industrial) level	Science and Technology Award of China Occupational Safety and Health Association (Second Prize and Third Prize)	Shendong Coal Group
15	Provincial (Industrial) level	China Power Science and Technology Award (First Prize and Third Prize)	R&D projects of Guohua Power Branch, etc.
16	Provincial (Industrial) level	Innovative Management Achievement of Enterprises in the National Power Industry (Second Prize)	Shendong Power Company



List of PRC Capital Market Awards Won in 2012

No.	Name of Award	Awarder
1.	The Best Board of Directors of Companies Listed on the Main Board in China in 2012, the Best Board of Directors of state-owned Enterprises (Holding) Listed in China in 2012	Moneyweek
2.	The Excellent Company for Corporate Governance, The Largest Capitalization Company Award	Yazhou Zhoukan
3.	Top 100 Market Value of Companies Listed on the Main Board, 2011 Top 10 Best Management Team	Securities Times, New Fortune, China Association for Public Companies
4.	2012 Top 100 Listed Companies of China in Market Value Management and Top 100 in Capital Brand	China Center for Market Value Management, China Center for Financial Research of Tsinghua University, sina.com
5.	The "Most Overseas Influential Brand of Listed Companies Award" in "Golden Bauhinia" Award 2012	Ta Kung Pao Newspaper
6.	China Honesty Enterprise Award	China Enterprise Reform and Development Society, China Enterprise Credit Evaluation Center
7.	2012 Top 100 Chinese Companies for Corporate Social Responsibility	Fortune China
8.	2012 Top 10 Overall Performance of Companies Listed on the Main Board	Southern Metropolis Daily
9.	Top 10 Companies in Growth Dimension under the CCTV Financial 50 Index	China Central Television, China Association for Public Companies
10.	The Most Innovative Chinese Company	Fortune
11.	Ranked the 126th in Forbes Top 2,000 Global Enterprises	Forbes
12.	Ranked 16th in Platts Top 250 Global Energy Companies, the 4th in Overall Performance in Asia and the 1st in Global Coal and Consumer Fuel Company	Platts
13.	"AA" Rank for 2011 Social Responsibility Report	Rankins CSR Ratings (RKS), China Corporate Social Responsibility Research Institute of Beijing Normal University, Det Norske Veritas (DNV)
14.	2011 Top 10 Main Board Listed Companies of the "Annual Report Award of Listed Companies"	Investor Journal, Hong Kong Management Association
15.	"Honorary Award" (Annual Report) and "Bronze Award" (CSR Report) in 2012 Regular Report Competition	ASTRID of the US
16.	"Silver Award" (Annual Report) and "Honorary Award" (CSR Report) in 2012 ARC Competition in the category of energy	Mercomm of the US

Appendix II:

Indicator System on Social Responsibility

Performance of China Shenhua

General Indicators

First Tier Indicators	Secondary Tier Indicators	Performance in 2012
Social Contributions	Social contributions in RMB per share (ASBE)	5.648
	Social contributions in RMB per share (IFRS)	5.709
	Cash dividend in aggregate (RMB million) (2005-2012)	106,137
	Final dividend for 2012 (RMB/share) (inclusive of tax) (proposed)	0.96
	Total tax paid (RMB million)	43,570
	Donations to external parties (RMB million)	115
Financial	Revenues (RMB million)	250,260
	Total assets (RMB million) (ASBE)	453,256
	Total assets (RMB million) (IFRS)	457,367
	Net profit attributable to equity shareholders of the Company (RMB million) (ASBE)	47,661
	Profit attributable to equity shareholders of the Company for the year (RMB million) (IFRS)	48,858
Operational	Commercial coal production (million tonnes)	304.0
	Coal sales (million tonnes)	464.6
	Total power output dispatch (billion kwh)	193.46
	Turnover of self-owned railway transportation (billion tonne km)	176.2
	Seaborne coal of self-owned port (million tonnes)	124.4
	Shipment turnover (billion tonne nautical miles)	82.5
Stakeholder Relations	Number of announcements released	198
	Percentage of purchase from top five suppliers to total purchase (%)	15.2
	Percentage of sales revenue from top five customers to total revenue (%)	16.6
Safety Production	Capital investment (RMB100 million)	approximately 41.5
	Safety production training (person-time)	Over 370,000
	Number of first class intrinsic-safety compliant units	23

First Tier Indicators	Secondary Tier Indicators	Third Tier Indicators	Performance in 2012
Environmental Protection	Investment in environmental protection (RMB100 million)		10.2
	Investment in energy conservation (RMB100 million)		2.4
	Energy utilization	Comprehensive energy consumption (10 thousand tonnes of standard coal)	4,055
		Aggregate energy consumption per RMB10,000 output value (tonne standard coal/RMB10,000)	1.98
	Utilization of water resources	Fresh water consumption (million m ³)	159.5
		Amount of sewage produced (million tonnes)	approximately 158.4
		Utilization rate of waste water (%)	approximately 53.0
	Chemical Oxygen Demand (COD)	Total emission (10 thousand tonnes)	0.38
	CDM projects	Number of registered CDM projects	3
		CO ₂ emission reduction approved of CDM projects for 2012 (10 thousand tonnes CO ₂ equivalent) ^{Note 1}	52.9
Employees' Interests	Ecological construction	Capital investment in water and soil conservation and ecological construction (RMB100 million)	3.2
		New greening area (10 thousand m ²)	1,920
		Number of major environmental pollution accidents ^{Note 2}	0
	Basic information of employees	Number of employees	89,144
		Number of disabled employees	278
		Number of child workers	0
		Number of minority employees	4,551
		Number of female employees	17,542
Technological Innovation	Occupational health	Capital investment (RMB 100 million)	more than 2.49
		Additional employees with occupational disease (cases)	10
	Staff training	Staff training (Person-time)	more than 621,000
		Staff training time in aggregate (hours)	more than 6,531,000
	Capital investment in technological innovation (RMB100 million)		approximately 27.1
	Number of scientific research and development projects undertaken	Number of projects approved by the headquarters	85
		Patents obtained	281
	Intellectual property rights applications	Including: invention patents obtained	71

Note 1: The period of monitoring Yuyao Power project commenced from 1 August 2011 to 31 December 2011. The project is under public notice; the period of monitoring Sanhe Power project commenced from 9 September 2011 to 31 March 2012. The project is under public notice.

Note 2: As defined in *Emergency Countermeasures for Environmental Incidents of the PRC (2006)*.

Appendix II: Indicator System on Social Responsibility Performance of China Shenhua

Coal Production and Transportation Operations

First Tier Indicators	Secondary Tier Indicators	Third Tier Indicators	Performance in 2012
Customer Relations	Coal customers	Customer satisfaction (%) (2011)	94.7
		Coal products satisfaction (%) (2011)	100
	Market share	Coastal market share in the PRC (%)	40.5
Safety Production	Basic conditions	The fatality rate per million tonnes of raw coal production	0.003
		Number of serious accidents and above ^{Note}	0
	Construction results	Mechanization rate of coal mining and excavation (%)	100
		Number of coal mines with a safety record of consecutive 1,000 days or above	13
		Number of super-safe and Efficient Mines	15
Utilization of Resources	Recovery rate in mining area of coal	Average recovery rate in mining area (%)	87.4
		Average recovery rate in mining area of underground coal mines (%)	81.6
		Average recovery rate in mining area of open-cut mines (%)	97.6
	Utilization of energy	Integrated energy consumption of raw coal production (kg standard coal/tonne)	2.58
		Electricity consumption of raw coal production (kwh/tonne)	5.65
		Electricity consumption for the selection of thermal coal (kwh/tonne)	2.36
		Integrated energy consumption per 10 thousand tonne kilometres of railway (kg standard coal/10 thousand tonne kilometres)	26.90
		Integrated energy consumption per 10 thousand tonne throughput of port (kg standard coal/10 thousand tonnes)	3,041.68
		Integrated energy consumption per 1,000 tonne nautical miles of shipping (kg standard coal/1,000 tonne nautical miles)	6.17
	Coal Washing and Selection	Raw coal washed and processed (million tonnes)	260.3
		Gangue removed (million tonnes)	approximately 22.5
		Reduction in railway freight turnover due to gangue removed (billion tonne km)	approximately 13.5
	Utilization of water	Fresh water consumption of raw coal washing and selection (m³/10 thousand tonnes)	77
Emission Treatment	Solid emissions	Production of coal gangue (million tonnes)	24.2
		Integrated utilization of coal gangue (million tonnes)	approximately 6.5

Note: As defined in the "Production Safety Accident Report and Investigation & Treatment Regulations" (No.493 Order of the State Council).



Power Operations

First Tier Indicators	Secondary Tier Indicators	Third Tier Indicators	Performance in 2012
Condition of units at the end of the reporting period	Total installed capacity (MW)		41,798
	Installed capacity of coal-fired generators (MW)		40,877
	Units of 600MW and above	Capacity (MW)	25,420
		Proportion to the total capacity of coal-fired units (%)	62.2
	Desulphurization units	Capacity (MW)	40,577
		Proportion to the total capacity of coal-fired units (%)	99.3
	Denitrification units	Capacity (MW)	15,960
		Proportion to the total capacity of coal-fired units (%)	39.0
	Integrated utilization of the installed capacity in power plant (MW)		5,667
	Installed capacity of heating units (MW)		10,407
Safety Production	Basic conditions	Number of serious accidents and above	0
	Consumption of energy	Average consumption of standard coal for power output dispatch of coal-fired units (g/kwh)	323
Utilization of Resources	Utilization of water resources	Fresh water consumption for thermal power generation (kg/kwh)	0.64
		Water resource from seawater desalination (million tonnes)	9.5
	Utilization of renewable resources	Wind power and hydropower generation in aggregate (100 million kwh)	4.7
Emission Treatment	Sulphur Dioxide (SO ₂) treatment	Indicator of SO ₂ emission from thermal power generation (g/kwh)	0.95
		Total emission (10 thousand tonnes)	19.6
	Nitrogen oxide (NO _x) treatment	Indicator of NO _x emission from thermal power generation (g/kwh)	2.15
		Total emission (10 thousand tonnes)	44.4
	Soot treatment	Indicator of soot emission from thermal power generation (g/kwh)	0.10
	Coal fly ash and cinder	Total generation (million tonnes)	18.2
		Integrated utilization (million tonnes)	13.6

Appendix III:

Cross Reference Sheet of the Disclosure Recommendations of the Shanghai Stock Exchange and the Contents of this Report

No.	Disclosure recommendations of the Shanghai Stock Exchange	Index
Table I "Notice on Strengthening Listed Companies Undertaking of Social Responsibilities and Issuance of 'Guidelines on Environmental Information Disclosure by Companies Listed on the Shanghai Stock Exchange'"		
1	Article 1	Not a requirement regarding the contents of this report
2	Article 2	"CSR Management", "Chairman's Statement", "Growth Driver — A Long-acting mechanism for Sustainable Development", "Operation in Good Faith — Creating Value for Partners", "Growth of Employees — To Strive to Realize the Shenhua Dream", "Environmental Protection — To Pave the Way of Low Carbon Development", "Building a Harmonious Communities", "Systematic Public Welfare Undertakings"
3	Article 3	Not a requirement regarding the contents of this report
4	Article 4	"Social Contribution Value per Share"
5	Article 5(I)	"Occupational Health", "Securing Stable Energy Supplies", "Building a Harmonious Communities", "Systematic Public Welfare Undertakings", "Offering High-Quality Products",
6	Article 5(II)	"Prevention & Control of Pollution and Comprehensive Utilization", "Management of Energy Conservation and Environmental Protection", "Building Ecological Civilization and Tackling Climate Changes"
7	Article 5(III)	"We Care About Our Customers", "Growth of Employees — To Strive to Realize the Shenhua Dream", "We Care About Our Investors"
8	Article 6	Not a requirement regarding the contents of this report
9	Article 7	Not a requirement regarding the contents of this report
10	Article 8	Not a requirement regarding the contents of this report
11	Article 9	Not a requirement regarding the contents of this report
Table II "Guidelines on Environmental Information Disclosure by Companies Listed on the Shanghai Stock Exchange"		
12	Article 1	Not a requirement regarding the contents of this report
13	Article 2	Not applicable
14	Article 3(I)	"Environmental Protection — To Pave the Way of Low Carbon Development"
15	Article 3(II)	"Conservation and Efficient Utilization of Resources"
16	Article 3(III)	"Management of Energy Conservation and Environmental Protection", "Conservation and Efficient Utilization of Resources", "Prevention & Control of Pollution and Comprehensive Utilization"
17	Article 3(IV)	"Conserve water and improve efficiency so as to enhance the utilization of water resources in a comprehensive manner", "Prevention & Control of Pollution and Comprehensive Utilization"
18	Article 3(V)	"Management of Energy Conservation and Environmental Protection", "Prevention & Control of Pollution and Comprehensive Utilization"

Appendix III: Cross Reference Sheet of the Disclosure Recommendations of the Shanghai Stock Exchange and the Contents of this Report

No.	Disclosure recommendations of the Shanghai Stock Exchange	Index
19	Article 3(VI)	"Conserve water and improve efficiency so as to enhance the utilization of water resources in a comprehensive manner", "Prevention & Control of Pollution and Comprehensive Utilization", "Promoting Green Office and Nurturing a Culture of Conservation and Low Carbon Emission"
20	Article 3(VII)	Not applicable
21	Article 3(VIII)	"Appraisals and Awards from Related Parties"
22	Article 3(IX)	"Building Ecological Civilization and Tackling Climate Changes", "Promoting Green Office and Nurturing a Culture of Conservation and Low Carbon Emission"
23	Article 4	Not applicable
24	Article 5	Not a requirement regarding the contents of this report
25	Article 6	"Building Ecological Civilization and Tackling Climate Changes"
26	Article 7	Not a requirement regarding the contents of this report
27	Article 8	Not a requirement regarding the contents of this report
28	Article 9	Not a requirement regarding the contents of this report
Table III Guidelines on Preparation of "Corporate Report on Performance of Social Responsibilities"		
29	Article 1	Not a requirement regarding the contents of this report
30	Article 2	Not a requirement regarding the contents of this report
31	Article 3	About This Report
32	Article 4(I)	"Occupational Health", "Securing Stable Energy Supplies", "Building a Harmonious Communities", "Systematic Public Welfare Undertakings", "Offering High-Quality Products"
33	Article 4(II)	"Prevention & Control of Pollution and Comprehensive Utilization", "Conservation and Efficient Utilization of Resources", "Building Ecological Civilization and Tackling Climate Changes"
34	Article 4(III)	"We Care About Our Customers", "Growth of Employees – To Strive to Realize the Shenhua Dream", "We Care About Our Investors"
35	Article 5	"Social Contribution Value per Share"
36	Article 6	Appendices
37	Article 7	Not applicable

Appendix IV:

Results of Third Party Assurance



Independent Assurance Report

To: The Board of Directors of China Shenhua Energy Company Limited

We have been engaged by the Boards of Directors of China Shenhua Energy Company Limited (“CSEC”) to provide assurance on the information disclosed in its 2012 Social Responsibility Report (“the SR Report”) for the year ended 31 December 2012.

Responsibilities of the Board of Directors

The Board of Directors of CSEC is responsible for the identification, presentation and accuracy of the information contained in the SR Report (“Disclosed Information”) in accordance with the disclosure recommendation of the following guidelines issued by the Shanghai Stock Exchange:

- Notice on Strengthening Listed Companies’ Undertaking of Social Responsibilities and issuance of ‘Guidelines on Environmental Information Disclosure by Companies Listed on the Shanghai Stock Exchange’
- Guidelines on Environmental Information Disclosure by Companies Listed on the Shanghai Stock Exchange
- Guidelines on Preparation of ‘Corporate Report on Performance of Social Responsibilities’ (collectively known as the “SSE Guidelines”).

The Board of Directors is also responsible for determining CSEC’s objectives in respect of social responsibility performance and reporting, including identification of stakeholders and material issues that are relevant to these stakeholders; for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived; and for maintaining adequate records.

Responsibilities of KPMG

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed. Our work was conducted by a professional team who possess environmental and assurance experience. We conducted our work in accordance with the International Standard on Assurance Engagements 3000: *Assurance Engagements other than Audits or Reviews of Historical Financial Information*.

That standard requires that we comply with applicable ethical requirements, including independence requirements of the IFAC (International Federation of Accountants) Code of Ethics for Professional Accountants, and that we plan and perform the engagement to obtain limited assurance about whether the SR Report is free from material misstatement.

Our independent limited assurance report is made solely to CSEC in accordance with the terms of our engagement. Our work has been undertaken so that we might state to the Board of Directors of CSEC those matters we have been engaged to state in this independent limited assurance report and for no other purpose. We do not accept or assume responsibility to anyone other than CSEC for our work, for this independent limited assurance report, or for the conclusions we have reached.



Summary of work performed

A limited assurance engagement on a SR report consists of making inquiries, primarily of persons responsible for the preparation of information presented in the SR report, and applying analytical procedures, comparing the information presented in the SR Report to corresponding information in the relevant underlying sources and other evidence gathering procedures. Our procedures included:

- Interviewing management and staff at CSEC Head Office responsible for collating and reporting the Disclosed Information, and interviewing staff of the centralized departments for business management at CSEC Head Office;
- Comparing the information presented in the SR Report to corresponding information in the relevant underlying sources from CSEC Head Office to determine whether key information contained in such underlying sources has been included in the SR Report;
- Performing analytical review procedures on the selected key indicators relating to environmental protection, production safety and others recommended to be disclosed by SSE Guidelines;
- Visits to some major subsidiaries(branches) in the coal and power business segments, selected on the basis of a risk analysis including the consideration of both quantitative and qualitative criteria;
- Reconcile key financial data in the SR Report with the audited financial statements.

We did not examine information in the SR report relating to the time period prior to 31 December 2007. Where the SR report has included year-on-year comparisons of information not contained in previous reports, we have examined information for 2012, but have not examined the information for previous years.

The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore, a lower level of assurance is provided. In addition, our work was not undertaken for the purpose of opining on the effectiveness of CSEC's systems and procedures related to SR reporting.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the SR Report of CSEC for the year ended 31 December 2012 is not presented fairly, in all material respects, in accordance with the disclosure recommendations of the SSE Guidelines.

This is translation of the Chinese language version of the Independent Assurance Report. If there is any conflict in meaning between the Chinese and English versions, the Chinese version will prevail.

KPMG Huazhen (Special General Partnership)

Beijing
22 March, 2013

Appendix V:

GRI Official Audit Report

The 2012 CSR report of China Shenhua Energy Company Limited adopted the indicator system and relevant disclosure requirements of the third edition of Sustainability Reporting Guidelines (G3.1) issued by Global Reporting Initiative ("GRI"). The report was reviewed by the GRI and the standard application level was B+.

Chart on the levels application of GRI

Application levels of report		C	C+	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures output	Report on: 1.1 2.1-2.10 3.1-3.8, 3.10-3.12 4.1-4.4, 4.14-4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5-4.13, 4.16-4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	G3 Management Approach Disclosures output	Not required		Management approach disclosed for each indicator category		Management approach disclosed for each indicator category	
	G3 Performance Indicators & Sector Supplement Performance Indicators Disclosures output	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environment.		Report on a minimum of 20 Performance Indicators, at least one from each of: Economic, Environment, Human Rights, Labor, Society and Product Responsibility.		Respond on each core G3 and Sector Supplement indicator with due regard to the Materiality Principle by either: (a) reporting on the indicator or (b) explaining the reason for its omission.	



Statement GRI Application Level Check

GRI hereby states that **China Shenhua Energy Company Limited** has presented its report "2012 CSR REPORT" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 21 March 2013

A handwritten signature in blue ink, appearing to read "N. Arbex", is written over a faint, large, stylized globe graphic in the background.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The "+" has been added to this Application Level because China Shenhua Energy Company Limited has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 13 March 2013. GRI explicitly excludes the statement being applied to any later changes to such material.

Appendix VI:

Global Reporting Initiative (GRI) Index

Relevant Requirement of G3.1 Index		Page
Strategy and Analysis		
1.1	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and its strategy	10-12
1.2	Description of key impacts, risks, and opportunities	10
Organizational Profile		
2.1	Name of the organization	1
2.2	Primary brands, products, and/or services	33-35
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	13, 110
2.4	Location of organization's headquarters	115
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	108-111
2.6	Nature of ownership and legal form	110
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	33
2.8	Scale of the reporting organization	1, 50, 92
2.9	Significant changes during the reporting period regarding size, structure, or ownership	2
2.10	Awards received in the reporting period	90



Relevant Requirement of G3.1 Index

Page

Report Parameters		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided	2
3.2	Date of most recent previous report (if any)	2
3.3	Reporting cycle (annual, biennial, etc.)	2
3.4	Contact point for questions regarding the report or its contents	2
3.5	Process for defining report content	2, 13-15
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance	2
3.7	State any specific limitations on the scope or boundary of the report	2
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	2
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report	2
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	2
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	2
3.12	Table identifying the location of the Standard Disclosures in the report	96, 102-107
3.13	Policy and current practice with regard to seeking external assurance for the report	2

Appendix VI: Global Reporting Initiative (GRI) Index

Relevant Requirement of G3.1 Index		Page
Governance		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	13, 18
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	AR 82, 95
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members	19
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	18-19, 50, 55
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance)	19, AR 96
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	19-20
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity	19, AR 84
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	10-11, 41-42, 62-63, 78, 84
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	10-13
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	10-11, 19-20

Relevant Requirement of G3.1 Index**Page**

Governance		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	19-20
4.12	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization has positions in governance bodies, participates in projects or committees, provides substantive funding beyond routine membership dues, or views membership as strategic. This refers primarily to memberships maintained at the organizational level.	24-25
4.13	List of stakeholder groups engaged by the organization	24
4.14	Basis for identification and selection of stakeholders with whom to engage	14
4.15	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	14
4.16	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	14
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	14-15

Economic Performance Indicators		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	2, 15, 21, 51-52, 62, 84
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	70
EC3	Coverage of the organization's defined benefit plan obligations	51
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	14, 36
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	80
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	87
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	84

Appendix VI: Global Reporting Initiative (GRI) Index

Relevant Requirement of G3.1 Index		Page
Environmental Performance Indicators		
EN1	Materials used by weight or volume	64-67
EN3	Direct energy consumption by primary energy source	64-67
EN4	Indirect energy consumption by primary source	64-67
EN5	Energy saved due to conservation and efficiency improvements	64-67
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	74
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	74
EN8	Total water withdrawal by source	65-67
EN10	Percentage and total volume of water recycled and reused	65-67
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	73
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	73, 86
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	70, 74
EN16	Total direct and indirect greenhouse gas emissions by weight	74, 92
EN17	Other relevant indirect emission of greenhouse gas by weight	66-67, 74, 92
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	66-67, 74, 92
EN20	NO, SO, and other significant air emissions by type and weight	66-67
EN21	Total water discharge by weight and destination	65-66
EN22	Total weight of waste by type and disposal method	66-67
EN23	Total number and volume of significant spills	0
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	33-34, 66
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	None during the reporting period
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	66
EN30	Total environmental protection expenditures and investments by type	63-64

Relevant Requirement of G3.1 Index

Page

Social Performance Indicators: Labor		
LA1	Total workforce by employment type, employment contract, and region broken down by gender	50
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region	50
LA4	Percentage of employees covered by collective bargaining agreements	50
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	55
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	41-42, 51
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	56-57, 51
LA10	Average hours of training per year per employee by gender, and by employee category	52
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	52
LA12	Percentage of employees receiving regular performance and career development reviews by gender	51
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	19, 50
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	50
Social Performance Indicators: Human Rights		
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	50, 52
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	50
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	50
Social Performance Indicators: Society		
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	79-80
SO2	Percentage and total number of business units analyzed for risks related to corruption	20
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures	20
SO4	Actions taken in response to incidents of corruption	20
Social Performance Indicators: Product		
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	33-34



- 圖例 Legend
- 省界線
Provincial Boundary
 - 國有或地方鐵路線
State-owned or Local Railway
 - 自有運營鐵路
Self-owned Railway (in operation)
 - 自有在建鐵路
Self-owned Railway (under construction)
 - 自有礦區
Self-owned mines

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

主要資產分佈圖 Assets Distribution Map

2013



- A1. 神東礦區
Shendong Mines
- A2. 准格爾礦區
Zhunge'er Mines
- A3. 勝利礦區
Shengli Mines
- A4. 寶日希勒礦區
Baorixile Mines
- A5. 包頭礦區
Baotou Mines
- A6. 澳大利亞沃特馬克煤礦項目（環評公示中）
Watermark Coal Project in Australia (environmental assessment report available for public opinion)
- A7. 新街台格廟勘查區（探礦權申請中）
Xinjie Talgemiao Exploration Area (applying for exploration license)



- B1. 滄東電力
Cangdong Power
- B2. 三河電力
Sanhe Power
- B3. 定洲電力
Dingzhou Power
- B4. 盤山電力
Panshan Power
- B5. 准能電力
Zhunge'er Power
- B6. 神東電力
Shendong Power
- B7. 國華准格爾
Guohua Zhunge'er
- B8. 國華呼電
Guohua Hulunbeier Power
- B9. 北京熱電
Beijing Thermal
- B10. 綏中電力
Suizhong Power
- B11. 浙能電力
Dingzhou Power
- B12. 錦界能源
Jinjie Energy
- B13. 神木電力
Shenmu Power
- B14. 台山電力
Taishan Power
- B15. 惠州熱電
Huizhou Thermal
- B16. 孟津電力
Mengjin Power
- B17. 太倉電力
Taicang Power
- B18. 陳家港電力
Chenjiafang Power
- B19. 神皖能源
Shenwan Energy
- B20. 巴蜀電力
Bashu Power
- B21. 神福能源
Shenfu Energy
- B22. 印尼煤電
Indonesia Coal Power
- B23. 珠海風能
Zhuhai Wind
- B24. 余姚電力
Yuyao Power



- C1. 神朔鐵路
Shenshuo Railway
- C2. 朔黃鐵路
Shuohuang Railway
- C3. 黃萬鐵路
Huangwan Railway
- C4. 大准鐵路
Dazhun Railway
- C5. 包神鐵路
Baoshen Railway
- C6. 巴准鐵路（在建）
Bazhun Railway (under construction)
- C7. 准池鐵路（在建）
Zhunchi Railway (under construction)
- C8. 甘泉鐵路（2012年底試運行）
Ganquan Railway (trial operation since the end of 2012)



- D1. 黃驊港
Huanghua Port
- D2. 神華天津煤碼頭
Shenhua Tianjin Coal Dock
- D3. 神華粵電珠海煤碼頭（2012年底試運行）
Shenhua Yudean Zhuhai Coal Dock (trial operation since the end of 2012)
- D4. 蘆灣灣項目（籌備中）
Luoyuan Wan Project (under preparation)

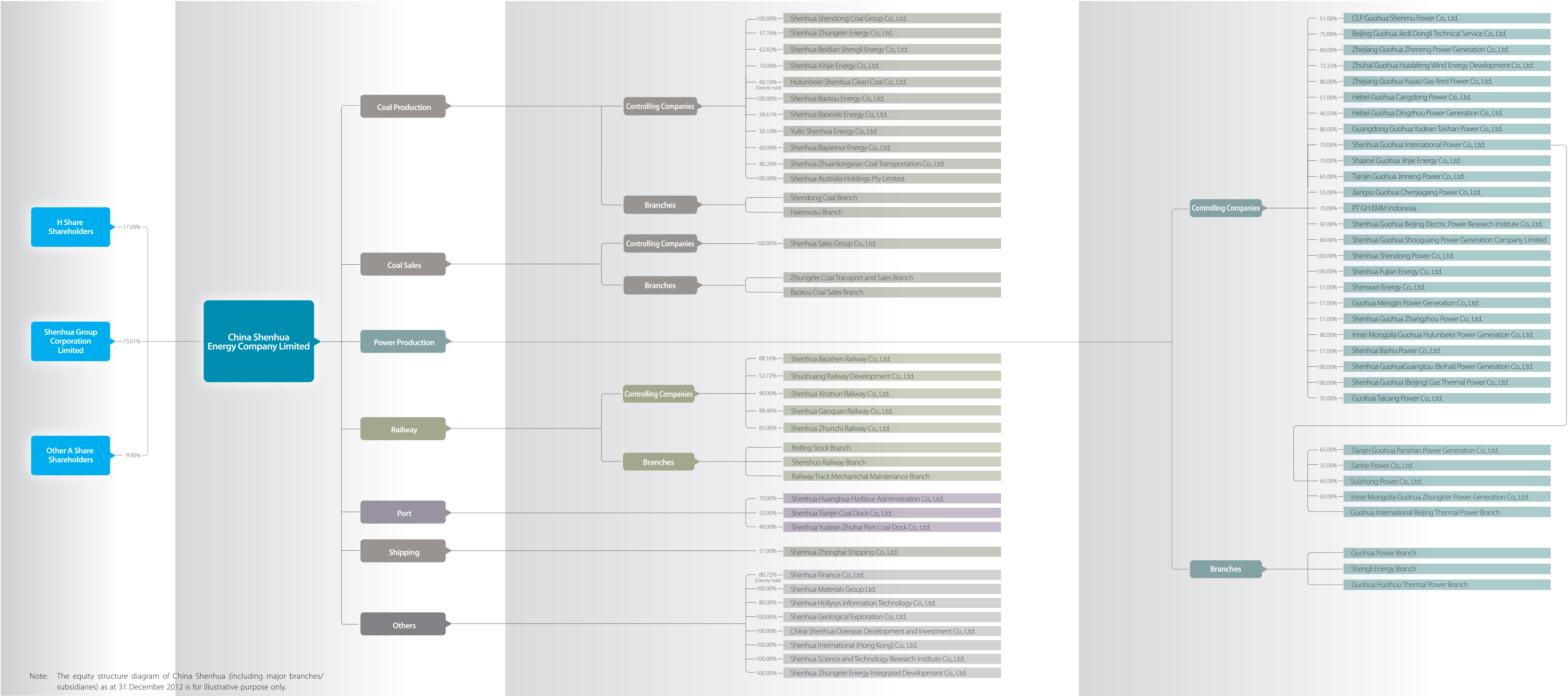


- E1. 神華中海航運
Shenhua Zhonghai Shipping Company

註：於2013年3月22日之分佈圖，僅做示意。
Note: This map as at 22 March 2013 is for illustrative purpose only.



Equity Structure Diagram



Appendix VII:

Definition

Short name	Full name
Shenhua Group Corporation	Shenhua Group Corporation Limited
China Shenhua	China Shenhua Energy Company Limited
Subsidiaries (branches)	Branches and holding subsidiaries of China Shenhua, unless otherwise specified
Shendong Coal Group	The corporation aggregate consisting of Shenhua Shendong Coal Group Co., Ltd. and its subsidiaries
Trading Group	Shenhua Trading Group limited
Zhunge'er Energy Company	Shenhua Zhunge'er Energy Co. Ltd
Ha'erwusu Coal Branch	Ha'erwusu Coal Branch of the Company
Shengli Energy	Shenhua Beidian Shengli Energy Co. Ltd
Shenbao Energy Company	Shenhua Baorixile Energy Co. Ltd
Baotou Energy Company	Shenhua Baotou Energy Co. Ltd
Guohua Power Branch	Guohua Power Branch of the Company
Shendong Power Company	Shenhua Shendong Power Co. Ltd.
Shenshuo Railway Branch	Shenshuo Railway Branch of the Company
Shuohuang Railway Company	Shuohuang Railway Development Co. Ltd.
Baoshen Railway Company	Shenhua Baoshen Railway Co. Ltd.
Rolling Stock Branch	Rolling Stock Branch of the Company
Huanghua Harbour Administration Company	Shenhua Huanghua Harbour Administration Co. Ltd.
Tianjin Coal Dock	Shenhua Tianjin Coal Dock Co. Ltd.
Beijing Thermal	Shenhua Guohua International Power Co., Ltd. Beijing Thermal Branch
Panshan Power	Tianjin Guohua Panshan Power Generation Co., Ltd.
Sanhe Power	Sanhe Power Generation Co. Ltd.
Guohua Zhunge'er	Inner Mongolia Guohua Zhunge'er Power Generation Co. Ltd.
Ninghai Power	Zhejiang Guohua Zheneng Power Generation Co., Ltd.
Shenmu Power	CLP Guohua Shenmu Power Co. Ltd.

Short name	Full name
Taishan Power	Guangdong Guohua Yudean Taishan Power Co., Ltd.
Huanghua Power	Hebei Guohua Cangdong Power Co., Ltd.
Suizhong Power	Suizhong Power Co., Ltd.
Jinjie Energy	Shaanxi Guohua Jinjie Energy Co., Ltd.
Dingzhou Power	Hebei Guohua Dingzhou Power Generation Co., Ltd.
Taichang Power	Guohua Taichang Power Generation Co., Ltd.
EMM Indonesia	PT GH EMM Indonesia
Mengjin Power	Shenhua Guohua Mengjin Power Generation Co., Ltd.
Yuyao Power	Zhejiang Guohua Yuyao Gas-fired Power Co., Ltd.
Zhuhai Wind	Shenhua Zhuhai Guohua Huidafeng Wind Energy Development Co., Ltd.
Zhunge'er Power	Power-generating arm controlled and operated by Zhunge'er Energy Co., Ltd.
Zhunge'er Coal Gangue Power	Inner Mongolia Zhunge'er Coal Gangue Power Co., Ltd.
Shenwan Energy Company	Shenwan Energy Co., Ltd.
Bashu Power Company	Shenhua Bashu Power Co., Ltd.
Shipping Company	Shenhua Zhonghai Shipping Co., Ltd.
Australia Pty	Shenhua Australia Holdings Pty Limited
Shenhua Science and Technology Research Institute	Shenhua Science and Technology Research Institute Co., Ltd.
Clean Coal Company	Hulunbeier Shenhua Clean Coal Co., Ltd.
Logistics Group	Shenhua Logistics Group Cooperation Limited
ASBE	Accounting Standards for Business Enterprises – Basic Standard and 38 specific accounting standards issued by the Ministry of Finance of the People's Republic of China on 15 February 2006 and the Application Guidance to Accounting Standards for Business Enterprises, Interpretations of Accounting Standards for Business Enterprises and other related requirements subsequently issued
Shanghai Listing Rules	Rules Governing the Listing of Shares on the Shanghai Stock Exchange

Appendix VII: Definition

Short name	Full name
Shanghai Stock Exchange	Shanghai Stock Exchange
Hong Kong Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
A share	Ordinary shares that are issued to domestic investors with the approval of CSRC and listed on the domestic stock exchange, and denominated, subscribed and transacted in Renminbi
H share	Ordinary shares that are issued to overseas investors with the approval of CSRC and listed on Hong Kong Stock Exchange, and denominated in RMB, and subscribed and transacted in Hong Kong dollar.

Feedback Sheet and Contact Information

China Shenhua values your opinions on the Company's works on corporate social responsibility and this Corporate Social Responsibility Report. Your opinions and advice will add momentum to continual improvement of our performance and this Report.

Please fax this sheet to +86-10-5813 1814 or email it to 1088@csec.com after you have answered the following questions.

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

2. Which part(s) of this Report are you most interested in?

You are welcome to provide personal particulars if you wish:

Name: _____

Occupation: _____ Organization: _____

Contact address: _____ Postal code: _____

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