



四川能投發展股份有限公司

Sichuan Energy Investment Development Co., Ltd.

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

Stock Code: 1713

2018

Environmental, Social &
Governance Report



About this report

Statement from the Board

The board of directors of the Company together with the directors thereof guarantee that the information contained in this report does not include any false statements, misleading representations or material omissions, and all members jointly and severally accept responsibility as to the truthfulness, accuracy and completeness of the report's content.

Basis of Preparation

This report was prepared in accordance with *the Environmental, Social and Governance Reporting Guide* as set out in Appendix 27 to *the Rules Governing the Listing of Securities* on The Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange"). The reporting period is from 1 January 2018 to 31 December 2018 ("Reporting Period"). A portion of the content consists of a brief review of previous and recent related activities. Meanwhile, we referred to *the China Corporate Social Responsibility Report Guidelines (CASS-CSR4.0)* selectively considering the principal place of business is mainland China. In case of any inconsistency between the Chinese and English versions, the Chinese version shall prevail.

The Group's Businesses

Sichuan Energy Investment Development Co., Ltd. is a vertical integrated electricity supplier and service provider in Yibin City, Sichuan Province and has integrated electric service mode of generating, allocating and selling electricity. The group has 6 power supply companies of county level, 2 power generation companies, 1 power sales company and 1 power engineering construction company. The principal activities of the group include electricity supply, electricity generation, electricity allocation, engineering construction service, new energy, electricity value-added service, etc. At the end of the Reporting Period, the group had 3066 employees. The total assets were RMB 4.4 billion and the net assets were RMB 2.6 billion.

Publication Interval

This report is the annual report of 2018 and the first Environmental, Social and Governance Report released after listed on the main board of the Hong Kong Stock Exchange in December 2018.

Reporting Scope

The scope of this report comprises Sichuan Energy Investment Development Co., Ltd. and its subsidiaries. The information on environment and society herein comprises policies, practical conventions, applicable key performance indicators data and related performance of the group and its subsidiaries.

Sources of Data

The data in this report was derived from internal documents and related statistics of the Sichuan Energy Investment Development Co., Ltd. and its subsidiaries.

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1 Chairman's Statement

On 28 December 2018, Sichuan Energy Investment Development Co., Ltd. ("Sichuan Energy Investment Development", "we" or "the Group") was successfully listed on the Hong Kong Stock Exchange and became the first H-share listed company across the domestic power distribution and sales industry in the mainland of the People's Republic of China (the "PRC"), ushering in a new era for the Group to develop the integrated power services - power generation, distribution and sales. As an energy company that is closely related to national economy and people's livelihood, we are committed to being responsible for serving local economic development, environmental improvement and people's livelihood, responsibilities given by stakeholders, and promoting the sustainable development of enterprises and society.

We always adhere to the concept of green development. The grid-connected power stations are all with clean and efficient hydropower generating units. The annual self-generation capacity of the grid connected power stations is 490 million kWh, which is equivalent to an annual reduction of 421,979 tonnes of carbon dioxide emissions. We strengthen technological transformation, adopt energy-saving power equipment, improve power grid structure, popularise smart meters and other measures to continuously reduce power loss. We are concerned about environmental protection, two power stations - Dengtouxu Power Station and Data Power Station were shut down and dismantled, which contributed positively to improving the living environment of rare fishes in the upper reaches of the Yangtze River. We deploy infrastructure such as charging stations and charging piles to support the promotion of new energy vehicles and boost the development of green ecology.

We always adhere to the concept of safe development. Subject to the principle of "Safety First, Prevention-oriented, Comprehensive Management", we strictly implement safe production responsibility, continuously improve safety management level, so as to ensure safe and stable operation of power grid, and provide reliable power supply security for customers. We reinforce the investment in power safety, adopt new equipment and new technology that are more efficient, safe, stable and energy-saving, ensure the investment in safety funds, strengthen the emergency rescue capability, and continuously solidify the enterprises' safe production base. The Group improves safety education and training, more than 3,600 safety education and training courses have been carried out throughout the year of 2018 to constantly improve employees' safety awareness and safety skills.

We always adhere to the concept of harmonious symbiosis. As an entity dedicated to performing social responsibility, we always focus on the concerns of employees, customers, suppliers and various stakeholders, and fully adopt constructive suggestions throughout the community to increasingly improve the sustainable development ability. We vigorously implement the strategy of strengthening the enterprise by talents, continuously optimise the mechanism for selecting and employing and coaching people, providing a broad development space for employees, and promoting the common progress of employees and the Group. We improve internal control management, optimise approval process, enhance supplier quality and control procurement risks.

We always focus on corporate responsibility. As a state-owned enterprise, we insist on putting the Party's political construction in the first place, improve the basic-level Party organisation construction unceasingly, exert the function of the Party branch as the fighting fort, and truly transform the Party construction advantages into reform and development advantages. We stick to the principle of integrity for the management of an enterprise, we constantly improve the system of punishing and preventing corruption, strengthen integrity education and the mechanism under which we do not dare to, are not able to, or are not willing to become corrupt. We also persist in focusing

on people's livelihood and helping to get the poor out of poverty. Throughout the year of 2018, the electricity bills of those households enjoying the minimum living guarantee and households enjoying the five guarantees reduced by RMB4.16 million, and providing electricity to public welfare activities at preferential price amounted to RMB4.67 million, and the eight poor villages under the couplet assistance plans were all lifted out of poverty.

Finally, on behalf of the Board of Directors of Sichuan Energy Investment Development ("Board"), I would like to thank all shareholders, business partners and customers for your long-term support, understanding and trust. I sincerely thank all the employees for your hard work and dedication, as well as the understanding and support from our employees' families. We will stay true to our mission, continue to move forward, serve the society, and contribute to the bright future, and work hard to build a first-class modern comprehensive energy service enterprise.

On behalf of the Board
Zeng Yong
Chairman of the Board

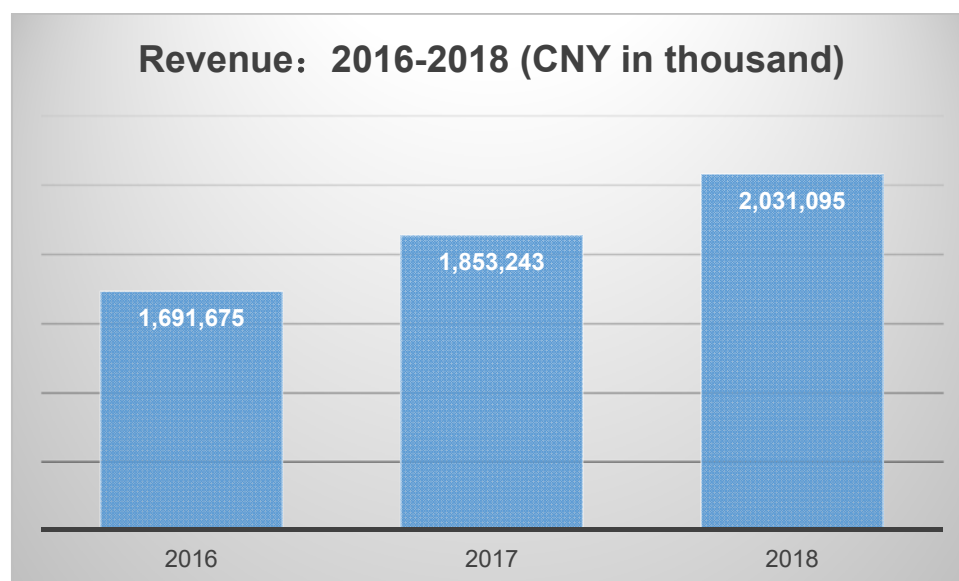
Sichuan Province, the PRC
28 June 2019

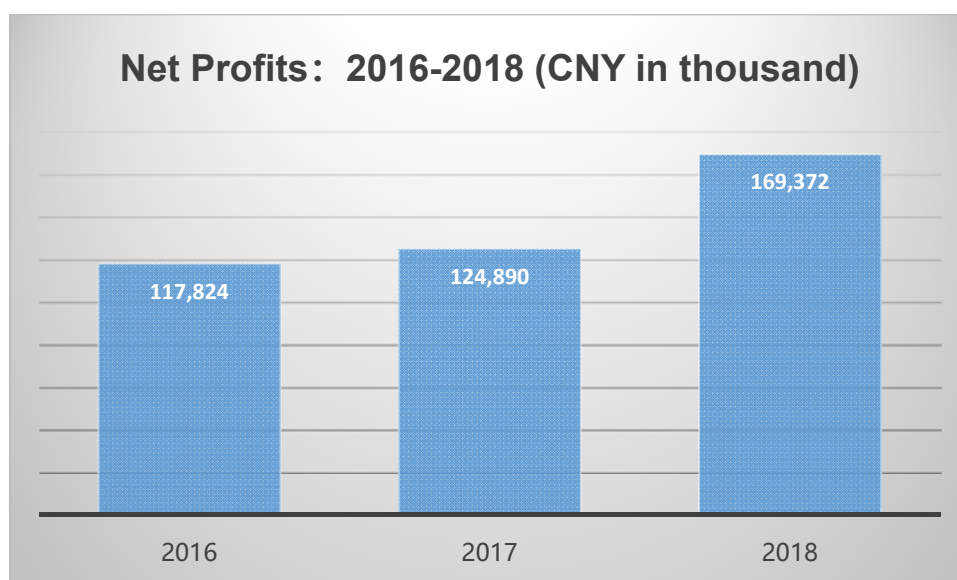
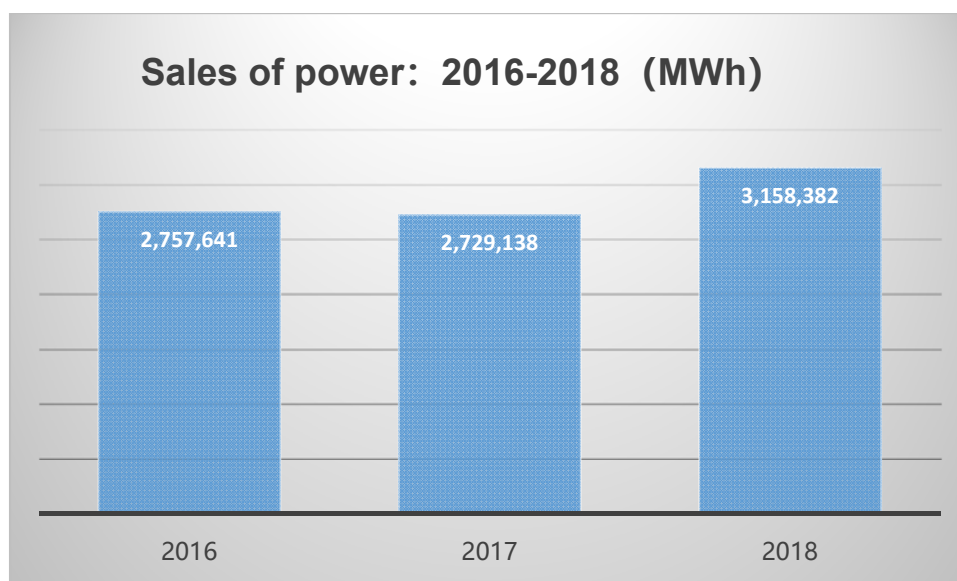
2 About Us

Sichuan Energy Investment Development was established in Chengdu City, Sichuan Province on 29 September 2011. In December 2018, the Group was listed in the main board of the Hong Kong Stock Exchange with stock code of 1713 and became the first H share listed company in domestic electricity allocation and sales industry.

The Group is a vertical integrated electricity supplier and service provider located in Yibin City, Sichuan Province and has complete electricity supply chain covering electricity generation, allocation and sales. We have stable user basis and integrated electricity supply network in Yibin City, which enable us to optimize the utilization of surplus electricity resources in the electricity supply network through efficient electricity distribution. Recently, our business includes (i) electric power business including electricity generation, allocation and sales; and (ii) electricity engineering construction service and related business including electricity engineering construction service, electric equipment and materials sales.

In 2018, the Group realized revenue of RMB 2,031.1 million, demonstrating a year-on-year increase of 9.6%; realized pre-tax profit of RMB 198.1 million, an increase of 38.0%; realized net profit of RMB 169.4 million, a year to year increase of 35.6%; and realized net profit attributable to equity stakeholders of the parent company of 169.2 million, an increase of 35.0%.





As of the end of 2018, we had 35 hydroelectric stations with total installed capacity of 138,680 kW. We had 1 transformer substation of 220 kV (total substation capacity: 180,000 kVA), 19 transformer substations of 110 kV (total substation capacity: 922,000 kVA) and 59 transformer substations of 35 kV (total substation capacity: 500,850 kVA).

3 Summary on Environment, Society and Governance

The electric power industry is the basic industry that guarantees the stable development of the national economy and a livelihood industry that affects the daily lives of thousands of households as well. State-owned enterprises are an important force for promoting economic and social development, safeguarding and improving people's livelihood. As a state-holding electric power service company, the Group was born with the gene of social responsibility and our business would continue due to its responsibility.

3.1 ESG Strategy of the Group

As a modern integrated energy service listed company, the Group actively participates in the reform of China's electric power industry, extends industry service chain and increases the efficiency of electric power services. The Group helps to improve the electric power grid structure, strengthen safety awareness, and improve the quality of electric power services. The Group goes deep into the community and seeks common development with the masses, so as to win the fight against poverty and achieve common prosperity.

The Group strives to create a first-class enterprise with responsibility, high technology and excellent service, and strives to maximize the interests of all stakeholders.

3.2 ESG Governance Structure of the Group

The Group has established an ESG governance structure that combines the upper and lower levels, and has established a working committee led by senior management, middle and grassroots staff to participate in environmental, social and governance reporting. The committee is led by the chairman Mr. Zeng Yong and consists of representatives from departments and subsidiaries which have significant effects on environmental, social and governance of the Group. The committee is responsible for communicating group strategies and specific measures in environmental, social and governance, collecting data and feedback, and acting as a braintrust and propellant in sustainable development.

Subsidiaries

Sichuan Energy Investment Yibin Electricity Co., Ltd. ("Yibin Electricity") 四川能投宜宾电力有限公司 (「宜宾电力」)
Sichuan Energy Investment Gong County Electricity Co., Ltd. ("Gong County Electricity") 四川能投珙县电力有限公司 (「珙县电力」)
Sichuan Energy Investment Xingwen Electricity Co., Ltd. ("Xingwen Electricity") 四川能投兴文电力有限公司 (「兴文电力」)
Sichuan Energy Investment Gao County Electricity Co., Ltd. ("Gao County Electricity") 四川能投高县电力有限公司 (「高县电力」)
Sichuan Energy Investment Junlian Electricity Co., Ltd. ("Junlian Electricity") 四川能投筠连电力有限公司 (「筠连电力」)

Sichuan Energy Power Investment Pingshan Electricity Co., Ltd. (“Pingshan Electricity”) 四川能投屏山电力有限公司（「屏山电力」）
Shuifu Yangliutan Power Generation Co., Ltd. (“Yangliutan Power Generation”) 水富杨柳滩发电有限公司（「杨柳滩发电」）
Sichuan Energy Power Investment Yibin Electricity Engineering Construction Co., Ltd. (“Electricity Engineering Construction”) 四川能投宜宾电力工程建设有限公司（「电力工程建设」）
Sichuan Province Yibin County Changyuan Infrastructure Co., Ltd. (“Yibin Changyuan”) 四川省宜宾县长源实业有限公司（「宜宾长源」）
Sichuan Energy Investment Yibin City Electricity Sales Co., Ltd. (“Yibin City Electricity Sales”) 四川能投宜宾市售电有限公司（「宜宾市售电」）
Sichuan Energy Investment Gao County Yuejiang Power Generation Co., Ltd. (“Yuejiang Power Generation”) 四川能投高县月江发电有限公司（「月江发电」）

Participating Department in the Working Committee

Management Office	Discipline Inspection and Supervision Department
Production and Technology Department	Human Resources Department
Yibin Electric Power Control Centre	Organization Department of Party Committee
Business Management Department	Finance and Assets Department
Construction Management Department	Investment and Development Department
Safety and Environmental Protection Department	

3.3 Stakeholders' Engagement

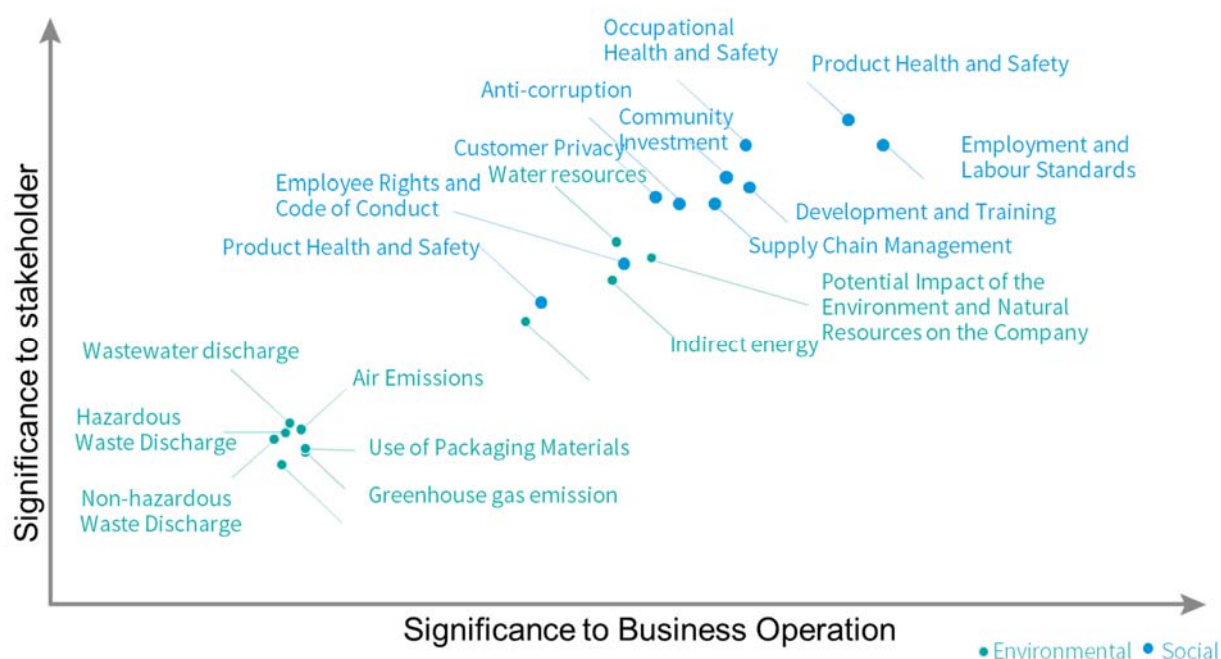
We actively listen to the voices from all parties to maximize the interests and understand the demands of all parties. The stakeholders in respect of environment, society and governance of the Group include staff, suppliers, customers, shareholders, investors, government and communities in which we operate. The Group actively identifies and responds to the demands of stakeholders and communicates effectively with stakeholders through ways including releasing social responsibility reports and staff's participation in social responsibility communication activities and etc.

Stakeholders	Government and shareholders	Employees	Customers	Suppliers	Communities
Target and focus	<ul style="list-style-type: none"> ● Realise the economic, social and political value of state-owned enterprises ● Safe and stable supply of power energy ● Preservation and appreciation of the value of state-owned assets ● Legitimate and compliant operation ● Maximise the interests of shareholders 	<ul style="list-style-type: none"> ● Compensation and benefits ● Protection of rights and interests ● Career development ● Safety and health ● Corporate culture 	<ul style="list-style-type: none"> ● Provide sufficient, stable and safe, environmentally friendly, reasonably priced electrical energy ● Continuously improve service quality ● Respond to customer appeal in a timely manner 	<ul style="list-style-type: none"> ● Jointly abide by business ethics and national laws and regulations ● Strictly regulate safety management ● Keeping promises, win-win cooperation 	<ul style="list-style-type: none"> ● Participate in accurate poverty alleviation ● Participate in community construction ● Support public welfare volunteer activities
Means of communication	<ul style="list-style-type: none"> ● Participate in the discussion of relevant policy-making process ● Contribute to corporate experience ● Proactively guide and influence public policy ● Dialogue with the government where the operation is located ● Additional information disclosure 	<ul style="list-style-type: none"> ● Employee representatives of Board of Supervisors ● Trade union organisation, employee representatives general meeting ● Employee opinion survey and smooth feedback channels ● Additional information disclosure 	<ul style="list-style-type: none"> ● Customer visit ● Timely communication during the service process ● Survey on customer comments and feedbacks ● Additional information disclosure 	<ul style="list-style-type: none"> ● Announce the regulations for suppliers and contractors ● Sharing management experience and technical standards ● Daily business communication ● Additional information disclosure 	<ul style="list-style-type: none"> ● Dialogue with local governments and organisations ● Community visits and exchanges ● Additional information disclosure
Key actions	<ul style="list-style-type: none"> ● Implement national policies and comply with national laws and regulations ● Accept supervision and assessment ● Hold shareholders' meeting on a regular basis ● Hold board meetings on a regular basis ● Convene investor presentation on a regular basis 	<ul style="list-style-type: none"> ● Strengthen the cultivation of employees' cultural skills ● Improve employees' working and living environment ● Guarantee the rights and interests of employees and improve their welfare ● Guarantee employee health and safety 	<ul style="list-style-type: none"> ● Well-planned dispatch and stable supply ● Rapidly respond to disasters and emergencies ● Sincere service and customer first ● Explicit permissions to protect privacy ● Innovative service to benefit users 	<ul style="list-style-type: none"> ● Establish an open and transparent project bidding system ● Prepare legal and equal cooperation contracts ● Improve project construction supervision systems and procedures ● Proactively communicate and coordinate with contractors, and create a safe and healthy working environment ● Provide equal competition opportunities for suppliers 	<ul style="list-style-type: none"> ● Respond to the call for accurate poverty alleviation ● Focus on community power grid and power construction ● Devotion to public welfare and social returns ● Conduct employee volunteer activities ● Hydropower construction, environmental regulation
KPIs	<ul style="list-style-type: none"> ● Power generation capacity and power supply ● Operating revenue and net profit ● Stock value, dividend ● Stock market value 	<ul style="list-style-type: none"> ● Ratio of occupational physical examination ● Staff training times ● Compensation and vacation protection ● Contributions to employees in difficulty 	<ul style="list-style-type: none"> ● Electricity sales ● Grid voltage qualification rate, power supply reliability rate ● Customer information confidentiality 	<ul style="list-style-type: none"> ● Number of suppliers 	<ul style="list-style-type: none"> ● Accurate poverty alleviation participation ● Contributions to social welfare ● Employee volunteer activities

3.4 Materiality Assessment

When assessing the significance of the reporting year, the participants took part in the face-to-face interviews and questionnaire surveys were mostly internal stakeholders, including directors, senior management, middle management and front-line employees. We planned to gradually introduce external stakeholders like customers, suppliers and government in which we operated into the interviews of the materiality assessment. Through interviews and surveys, we had a comprehensive understanding of the focal points, existing opinions and future expectations of stakeholders towards operation, environmental and social governance of the Group, which provided the Group with important guidance and direction to carry out environmental and social governance better in the future.

Based on the analysis and summary of the materiality assessment of stakeholders, we formed the matrix of significance assessment as follows. The productive process of the Group is mostly hydroelectric generation which has limited emissions generation and consumption of resources, therefore, important KPIs center on social field as well as part of the environmental field.



We have fully considered the importance of each KPI in terms of operations and stakeholders. After comprehensive assessment, the following indicators have been selected as important aspects in terms of sustainable development of the Group. While coordinating all environmental and social responsibilities, the Group pays more attention to the following areas.

Environment	Society
Potential effect of environment and natural resources	Product health and safety
Water resource	Employment and Labour Standards
Indirect Energy	Occupational health and safety
Direct Energy	Development and training
	Community investment
	Supply chain management
	Anti-corruption
	Customer privacy

4 Environmental Protection

Environmental Policy

The Group was accompanied by the environment. The daily production activities of the Group are inseparable from stable and sufficient water resources and a great ecological environment is an important guarantee for water resources. Therefore, we have firmly established the concept of socialist ecological civilization and attached importance to environmental protection. We strictly follow environmental laws and regulations in all places of business operations. Meanwhile, we achieve energy conservation, emission reduction, ecological protection and restoration by deepening concepts, upgrading technology and improving systems on the basis of legal compliance.

4.1 Emissions

Energy conservation and emission reduction

Reducing energy consumption on the one hand and helping to reduce pollution on the other hand, energy conservation and emission reduction is a basic national policy that is conducive to the contemporary and beneficial to the future, a major measure that is strongly propelled by governments at all levels in China, and also the focus of the whole society. For a long time, China has been described as a country with vast territory and abundant resources. We have vast land and abundant natural resources, but our large population is often ignored, which result in lack of resources per capita. Moreover, the statement of vast territory and abundant resources overlooks the fact that many resources are limited and non-renewable. Therefore, energy conservation and emission reduction are effective measures to improve the condition and promote the sustainable development of China's economy.

In terms of energy conservation and emission reduction, the Group has adopted three main measures simultaneously in aspects of technology, economy and management. Firstly, we reduce energy consumption by adopting energy-saving power equipment, popularizing smart electric meters and centralized meter reading devices, strengthening technical reformation and improving electric grid structure. Secondly, we focus on electricity management and provide customized energy-saving power supply solutions for customers (especially industrial customers with high energy consumption) through electricity price control, such as peak load shifting, scheduling production during off-peak period and reducing electricity consumption, which help to reduce user's energy cost, optimize electric power supply and reduce avoidable waste. Thirdly, we make good use of economic measures and response to differential pricing policy of the national electric power industry to make electricity prices fully reflect the scarcity, supply and demand relationship and environmental cost of resources. They are all effective ways to change development patterns and achieve healthy and sustainable economic development. Through optimizing electricity sales price structure, we help to reduce cross subsidy, create an atmosphere of energy conservation and emission reduction in the whole society and actively guide users to use electricity reasonably.

Investments in technology and green power promotion

Science and technology are the primary productive forces, and important driving forces for energy conservation and emission reduction as well. The Group attaches great importance to the upgrading of power generation equipment and power supply equipment. We reduce energy consumption by measures including adopting energy-saving power equipment, popularizing smart electric meters and centralized meter reading devices, strengthening technical reformation and improving electric grid structure and etc. In 2018, the Group eliminated 66 old distribution transformers and invested RMB 3 million to purchase new energy-saving equipment. Through technical reformation and environmental protection equipment purchase, we reduced electricity consumption and achieve emission reduction of greenhouse gases indirectly.

Compliance and legal management

Legal and compliant emissions are the bottom line in practice of responsibility of operative management and society of the Group. In 2018, the Group strictly abided the laws related to emissions including *the Environmental Protection Law of the People's Republic of China* (《中华人民共和国环境保护法》), *the Measures on the Management of Hazardous Waste Manifests* (《危险废物转移联单管理办法》) and *the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Wastes* (《中华人民共和国固体废物污染环境防治法》) and strictly implemented the relevant regulations for handling and disposal of waste.

The Group's emissions are mainly small amounts of waste mineral oil produced by the repair and maintenance equipment during electric power generation. The Group signed agreements with third party disposal agencies with relevant qualifications to recycle and dispose of waste mineral oil periodically. Before transferring to the disposal agency, the Group makes classified collections of the hazardous wastes, sets up waste ledger and stores the wastes separately in warehouses which are in accordance with the relevant laws and regulations in the factory. During the use of oil products, the Group focuses on rational planning to eliminate waste, and makes planning in the maintenance and inspection of equipment to achieve appropriateness, no excess and no waste in the use of oil products.

Since the headquarters of the Group does not involve emissions of waste oil, waste gases, etc., the Group currently develops relevant systems and measures based on the characteristics and conditions of each subsidiary. For example, the Yangliutan Power Generation has formulated *the Regulations and Measures for the Management of Waste Water, Waste Oil and Waste Gas Emission of Shuifu Yangliutan Power Generation Co., Ltd.*

During this year, no penalties resulted from non-compliance with emission regulations occurred in the Group.

Item	Statement of Undisclosed Data
Used Oil Emission	The storage records and ledger records of the production and disposal of waste oil were kept in the paper ledger of each subsidiary and the total quantity of waste oil was not significant. Therefore, the data was then not collected for the this report
Wastewater Discharge	The Group's electric power generation process did not involve the discharge of wastewater. The wastewater was mainly produced in the office and was discharged through the municipal sewage pipe network. Therefore, the discharge was not specifically monitored.

Economic and environmental benefits

Greenhouse gas emissions has become a major environmental problem confronted by all mankind. The greenhouse gas emissions governance directly affects the sustainable development of the entire human economy and society and reducing pollutants and greenhouse gas emissions is a topic that the Group attaches great important to. As a hydroelectric generation enterprise, the Group is a producer of greenhouse gas and a contributor to greenhouse gas reduction as well. In terms of production, the Group's greenhouse gas emissions are mainly from the use of electricity, gas and other energy sources in the operation process, as well as various vehicle exhaust emissions. In terms of reductions, the Group's electric power generation process requires almost no fossil fuels and other energy sources other than water, and it reduces a large amount of greenhouse gas emissions compared to conventional thermal power generation.

Item	Total (tons)	CO ₂ Emissions Density (tons/ million revenue in RMB)
Emission Reductions from Electric Power Generation	421,979.21	N/A
Emissions Generated in Business Process	6,205.22	3.06

Details of CO ₂ Emissions Generated during the operation	
Item	Total CO ₂ emissions (tons)
Carbon emission from net outsourced electric power	4,542.15
Carbon emission from use of gas	109.48
Carbon emission from use of gasoline	1,260.56
Carbon emission from use of diesel oil	293.03

On December 19, 2017, the National Development and Reform Commission of the PRC issued *the National Carbon Emissions Trading Market Construction Plan (Power Generation Industry)*, marking the official start-up of China's carbon market. The establishment of the carbon emissions trading market is a milestone in reducing greenhouse gas emissions. The carbon emissions trading will transform the original

pressure from policies and public opinions into economic pressure, not only can it effectively monitor the total carbon emissions of the industry, but also encourage the industry to actively seek clean fuels and green production methods, promote technology development, reduce cost and achieve joint development of economic effects and environmental protection.

The Group actively responded to the construction of the carbon emission market. The subsidiary Yibin City Electricity Sales obtained the membership certificate of carbon emission trading broker (certificate no: SUEE5110015) issued by Sichuan United Environment Exchange on January 3, 2018. Recently, the Group has 6 full-time staff with qualification certificates issued by Sichuan United Environment Exchange (四川联合环境交易所) and has sufficient talent reserves for participation in carbon market trading and construction.

Greenhouse gas emission reduction work is a comprehensive work. We believe that greenhouse gas emission reduction needs to be paid attention to from the beginning, that is, through the scientific and rational use of resources such as electricity and gas that can generate greenhouse gas emissions, thereby realising greenhouse gas emission reduction. The Group has reduced energy consumption in a variety of ways. Please refer to the Use of Resources section in this report for specific information.

4.2 Use of Resources

Resources conservation is China's basic national policy. As a vertical integrated power supplier and service provider, the Group has many green hydroelectric resources in addition to its own green hydroelectricity, and allocate electric power reasonably within its own regional power grid. We reduce energy consumption by measures including adopting energy-saving power equipment, popularizing smart electric meters and centralized meter reading devices, strengthening technical reformation and improving electric grid structure. The resources used in the Group mainly include: gas, electric power, water resources, diesel oil and gasoline. Among them, the focus of resource utilization and consumption is on water resources, electric power and vehicle fuels.

Statistics of Resource Usage				
Item	Unit	Total	Density Unit	Density
Water resource	ton	77,720	tons per capita	25
Electric power Consumption	10 ⁴ kWh	987.67	10 ⁴ kWh per million revenue in RMB	0.49
Gas	cubic meter	58,266	cubic meter per capita	19
Gasoline	liter	482,232	Liters per 100 km	14
Diesel oil	liter	124,166	Please refer to the "Well-planned and efficient use of vehicles" section to see the reasons that data of diesel oil consumption per 100 kilometers cannot be collected.	

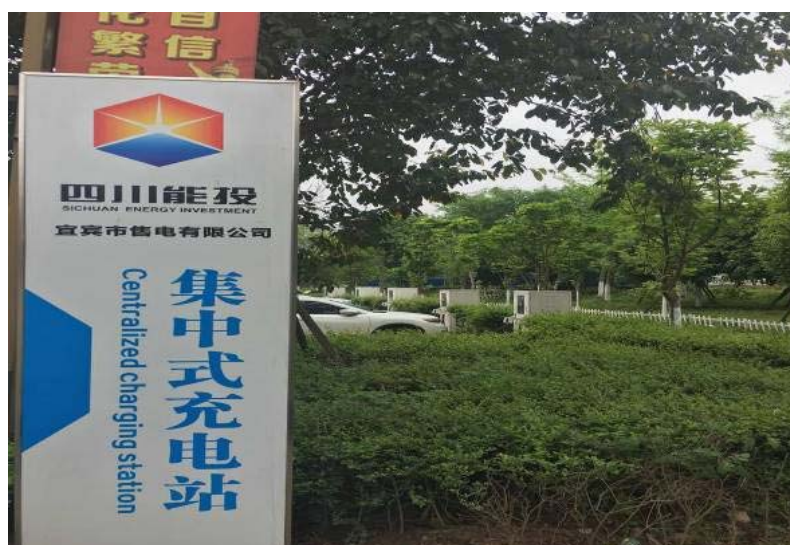
Well-planned and efficient use of vehicles

The Group is responsible for electric power supply in addition to electric power generation. For the purpose of electric power maintenance and repair, the Group has a large fleet of vehicles to meet the need of transportation in the process of electric power generation, transmission and construction. In terms of vehicles, the Group and its subsidiaries implement unified and special management and scheduling on vehicles owned. We set up special ledger to collect and monitor the data of vehicle usage, fuel consumption and mileage and conduct regular analysis to understand the usage and attrition of each vehicle. In the process of purchase, modification and maintenance of vehicles, the products that meet the national environmental standards are purchased to ensure that the exhaust emissions of the vehicles are compliant.

In 2018, the total mileage of the Group's gasoline vehicles was 3,347,157 kilometers, the total gasoline consumption was 482,232 liters, and the gasoline consumption per 100 kilometers was about 14 liters. Diesel consumption was about 124,166 liters, most of which were used by rescue vehicles. Since a large part of the rescue vehicles were managed in an all-inclusive manner, the mileage of these diesel vehicles was not specifically counted. Emissions data bases on gasoline vehicles are as follows (not included in the aforementioned carbon dioxide emissions):

Emission from gasoline vehicles	Emission (tons)	Emission Density (g / 100 km)
NO _x	3.12	93.21
SO _x	0.01	0.30
Particulates	0.30	8.96

In addition to manage fuel vehicles orderly, the Group develops charging stations and charging piles for new energy vehicles to keep pace with the times, adapt to social needs and satisfy ecological development. As of the end of the Reporting Period, the Group has invested in the construction of 50 sets of DC charging piles and 7 sets of AC charging piles in Yibin City, and most of them have been officially put into operation.



Charging station in Junlian

Hydropower, the clean energy

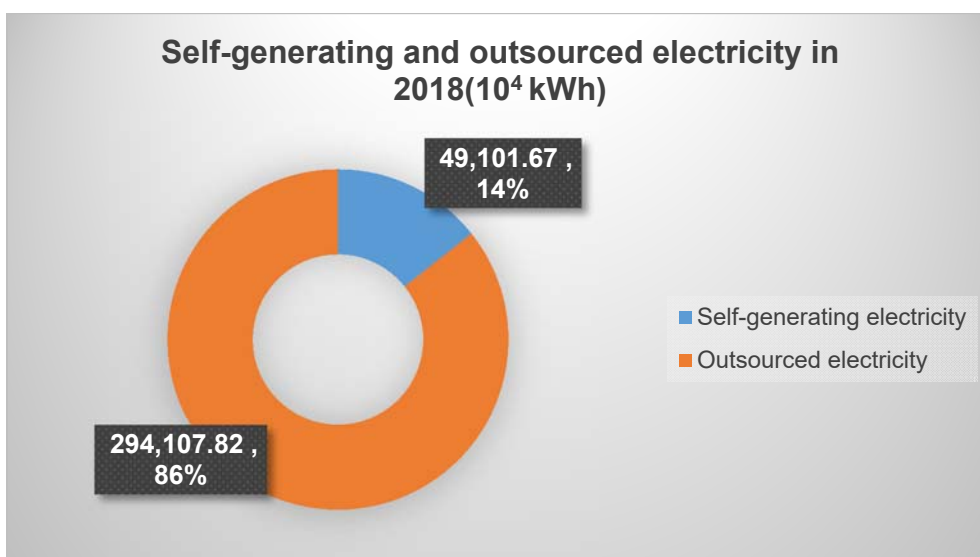
The Group has 35 hydropower stations with a total installed capacity of 138,680 KW. The basic principle of hydropower generation is to use the water level difference to generate electricity with water turbine generators, that is, to turn the potential energy of the water into the mechanical energy of the water wheel, and then to drive the generator with mechanical energy to obtain electricity. Water resources are an indispensable core element in the power generation process, but the water resources used in the power generation process are only the medium, and the process does not result in water consumption and pollution by the large. Compared with traditional thermal power generation, hydropower generation has the characteristics of low cost and no pollution after construction, and it is truly clean energy.

In 2018, the total water withdrawal of all power stations of the Group was 10,404,590 kilo cubic meters. The Group paid a total of about RMB 2.9 million for water resource tax and expense. In addition to the water resources used in the electric power generation process, the Group's water consumption is mainly resulted from office and domestic use of water in the headquarters, subsidiaries and branches of the Group. During the Reporting Period, the total water consumption of the Group was approximately 77,720 tons and annual water consumption per capita was approximately 25 tons.

In 2018, the Group's hydropower stations generated a total of 490 million kWh of electricity, of which hydropower stations and their offices used 4.64 million kWh, with a self-use ratio of 1% and use of self-generating electricity decreased by 21% compared to 2017. The Group regards self-sufficiency ratio as one of the performance indicators for hydropower stations to encourage hydropower stations to actively explore and try to supply electricity with lower energy consumption, and to supply clean energy to users as much as possible.

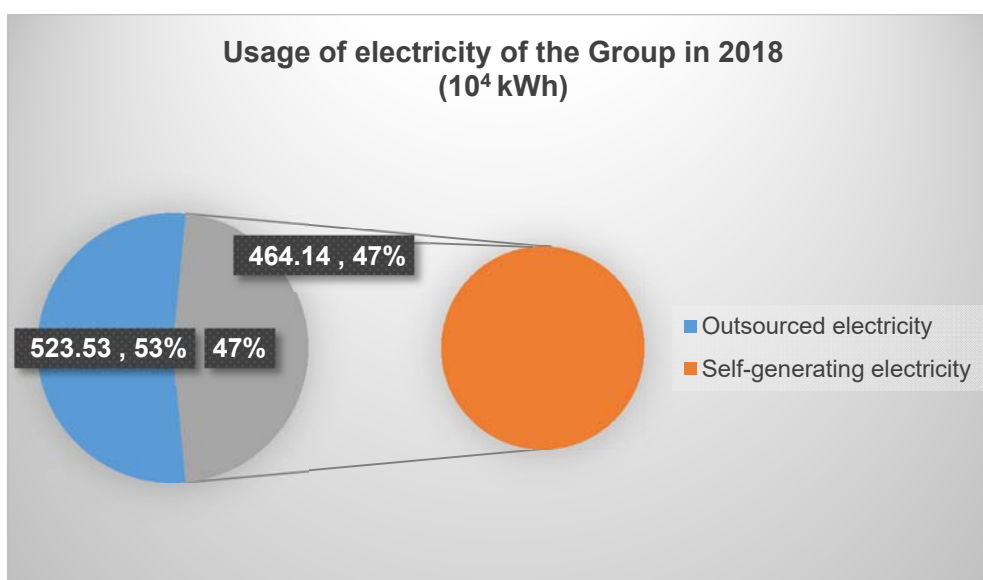
In 2018, self-generating and outsourced electricity of the Group (both of which are mainly used for external electricity supply) are disclosed in the chart below:

Statistics on sources of self-generating and outsourced electricity	
Category	Electricity(10 ⁴ kWh)
Self-generating electricity	49,101.69
Outsourced electricity	294,107.82
Total	343,209.51



In 2018, the Group used 9.88 million kWh of electricity, which is composed as follows:

Statistics on the usage of electricity of the Group	
Category	Electricity (10 ⁴ kWh)
Usage of self-generating electricity	464.14
Usage of outsourced electricity	523.53
Total	987.67



Green offices and energy conservation

Energy resources conservation is the fundamental way to protect the ecological environment. Conservation behavior and green office practice are important ways of practicing green development concepts. Implementation of simplicity, moderation, green and low-carbon, and prohibition from waste and luxury consumption are good practices for building conservation-oriented enterprise. Starting from small things around us is the value of practicing green office of the Group.

Firstly, in terms of water and electricity conservation, we enhance publicity of energy conservation and consumption reduction to call attention to close unused electric power sources. We post slogan in each office, and urge staff to remind and supervise each other.

Secondly, the Group encourages video conferences instead of business trips. The headquarters cut down unnecessary investigations and inspections of the subsidiaries. On the one hand, we stress that investigations and inspections should be performed with targets, plans and conclusions, and investigations and inspections not related to production and operation should be strictly limited. On the other hand, for necessary investigations and inspections, we call on the coordination and joint action between departments of the headquarters to save cost of travel. We control events and number of staff for business travel in general. For matters that can be dealt with through phone call, internet and mail, we do not arrange field work in principle to improve business travel efficiency and reduce travel frequency.

Thirdly, the Group attaches great importance to save administrative cost. Offices at all levels strictly review the types and quantities of applications of office supplies every month. We timely control the quantities of office supplies planning to purchase and reduce unnecessary purchase according to stock situation. We strive to implement a paperless office in all departments of every company of the Group to reduce the purchase of printing paper and the maintenance costs of printing equipment and consumables. Employees must abide by the regulations of office supplies usage when apply for office supplies, and use of office supplies with no plan is prohibited. We allocate office equipment reasonably to decrease attrition, increase utilization and extend the life of office supplies. The offices of companies at all levels tighten the supervision of the courier fee and the expense of printing business cards. The good office cost planning and budget not only promotes the cost saving, but also reduces the chances of corruption.

Other resources

In addition to the resources mentioned above, such as water resources, electricity, gasoline, diesel oil, etc., the Group will also use gas, packaging materials and other resources in the production and living process. The gas is mainly used in the dining rooms of the Group and its subsidiaries. The quantity of natural gas used by the Group that could be independently accounted in 2018 is 58,266 cubic meters. In terms of packaging materials, they are mainly the packing of outsourced equipment and materials related to electric engineering construction. The selection and operation of product packaging are carried out at the product supplier, and the Group has no direct control over them. The packaging materials of outsourced equipment and materials of the Group are strictly controlled, especially for packaging materials with large area or from equipment with special packaging requirements. In many cases, those packaging materials need to be recycled by suppliers of the products. Therefore, the Group does not incur significant consumption in packaging materials, and no specialized usage statistics is collected.

4.3 Environment and Natural Resources

Environment and natural resources have special significance to the Group, and hydropower stations are interdependent with the environment and resources. Without a stable hydrological environment, hydropower stations cannot operate normally and efficiently. At the same time, the scientific and reasonable layout, construction and management of hydropower stations can not only achieve good economic benefits, but also play a positive role in maintaining the ecological environment.

Due to the inherent dependence of the Group and the environment, Sichuan Energy Investment Development attaches great importance to the protection of the environment and natural resources in the production and operation process.

Water storage and flood prevention efforts

Hydropower stations have certain environmental and social values, and they can also comprehensively control regional waters in addition to electric power generation. A hydropower station is an important part of establishing a flood control and disaster reduction security system, which can play an important role in defense and control of floods and droughts. A hydropower station is also the guarantee for establishing the farmland water conservancy foundation, regulating water distribution, irrigating farmland, and improving water conservancy service. Meanwhile, relying on the function of water ecological environment protection system establishment, hydropower stations can improve the sustainable development function of water conservancy and ultimately achieve the harmonious development of people and water.

Green development and environmental protection

Certainly, except for the advantages of hydropower stations, their construction and operation have a negative impact on the ecological environment to some extent, including the impact on river ecosystems, water quality and biodiversity, etc. The Group fully understands the importance of improving the issues and has taken a series of measures to reduce or even eliminate the ecological impact.

The Group fully considers the environmental and ecological impacts in the construction and site selection of hydropower stations, electric power projects and transmission equipment. The construction of the projects requires environmental impact assessment, ecological factors consideration of locations, water bodies and biology and approval from relevant authorities. Construction starts after reaching all the standards.

We also actively cooperated with the state to construct ecological protection zones. In 2018, we shut down and demolished two power stations, Dengtouxu Power Station (邓头溪电站) and Data Power Station (大塔电站). The Dengtouxu Power Station and the Data Power Station was built in 1980 and 1982 respectively, located in the buffer zone of Yuexi River, a national nature reserve for rare and endemic fishes in the upper reaches of the Yangtze River and was hydropower stations that already existed before the establishment of the reserve. According to regulations noted in *the Notice on Further Strengthening Supervision and Management of Development and Construction Activities Related to Nature Reserves* (Huanfa [2015] No.57) (《关于进一步加强涉及自然保护区开发建设活动监督管理的通知》(环发[2015] 57号)), *the Notice on Accelerating the Resignation of Hydropower Stations Within the Protection Zones of Yibin County* (Yixianfuhuan [2017] No.185) (《关于加快推进宜宾县各类保护区范围内水电站退出工作的通知》(宜县府函[2017] 185号)) and *the Rectification*

Scheme for the National Nature Reserve for Rare and Endemic Fishes in the upper reaches of the Yangtze River (Yihuanduban [2017] No.80) (《长江上游珍稀特有鱼类国家级自然保护区问题整改方案》(宜环督办〔2017〕80号)) issued by the Bureau of the Ministry of Environmental Protection in May 2015, hydropower stations built before the establishment of reserve need to be closed as well. The Group cooperated actively, completed the shutdown and demolition of the two power stations, successfully got the acceptance of relevant administrations and truly protected the natural and ecological environment. At the same time, the Group properly settled down the previous staff of the two demolished power stations.

In the process of environmental assessment, the Group fully considers factors on five aspects and comprehensively considers the environmental impacts of the construction of new dams and electric power projects. Firstly, whether the project is in accordance with industrial policy and whether the location is in line with the planning; Secondly, whether the project occupies basic farmland or damages forests, grasslands, wildlife habitats, natural landscapes and cultural relics; Thirdly, whether the power frequency electric field, power frequency magnetic field, radio interference and noise of the project area meet the corresponding evaluation standards, and whether there are waste disposal measures such as solid waste and sewage; Fourthly, the rationality of construction technology, measures and process, and whether reduce the amount of newly increased soil erosion to the minimum, and whether it causes geological disasters including landslides and collapses; Fifthly, whether it influences or damages the biodiversity, leads to changes in water temperature and quality, breeding of mosquitoes and flies and transmission of diseases.

In addition to the construction of hydropower stations, the Group also considers the protection of the ecological environment during the operation of hydropower stations.

In consideration of ecological balance of the reservoir area, the Group's subsidiary Yangliutan Power Generation purchased 70,000 fries, including 20,000 fries of yellow-head catfish, 20,000 fries of chub, 20,000 fries of green rasbora and 20,000 fries of rock carp in 2018. The total cost was RMB 97,000 and the fries were placed in the reservoir area and watershed near the hydropower station. In addition, we have set warning signs such as "No Fishing" on the reservoir area of the dam and the downstream right banks, and conducted regular inspections to prevent illegal fishing.





In addition to the protection of ecological diversity, the Group also attaches great importance to the cleanliness of the water environment. The water environment is open and flowing, and sometimes there will be floating garbage from the upper reaches of the river or withered branches and leaves that fall into the water along the banks. Therefore, the Group actively cooperates with the environmental protection ministries of the areas of hydropower stations to regularly salvage the garbage in the hydropower station watershed. In 2018, the Yibin Electricity organized staff to salvage garbage for no less than 24 times and dispatched more than 770 people. The relevant expense was around RMB 150,000. A total of 763 man-time and about RMB 92,000 was spent by the Yangliutan Power Generation to solve the matter of river garbage. In 2018, the average duration of monthly river garbage salvage work was 19 days. In 2018, the Gongxian Electric Power spent RMB 13,500 to perform river garbage salvage in hydropower station watershed and it took a total of 135 hours. In average, about 12 man-time participated in salvage every month.

Ecological flow

The flow is the blood of the river. Ecological flow refers to the flow of water required to maintain the ecological environment in the watershed, and it is the minimum water flow that maintains the living environment of creatures and ecological balance of lower reaches. Ecological flow regulation is the weakest segment affecting the green development of rural hydropower. As long as we grasp the ecological flow, we are able to fundamentally change the current situation. Therefore, the attention and management of ecological flow is an important means to protect the ecological environment of the river and promote scientific, rational, orderly development and sustainable use of water resources. In accordance with the overall requirements for the rectification of the ecological flow matters of hydropower stations in Sichuan Province and Yibin City, the subordinate company has formulated an ecological flow rectification plan in 2018 and will rectify it according to the plan in 2019.

5 Social Responsibility

As a state-owned enterprise focused on electric power production and service, the Group is born and accompanied with responsibilities. Electricity is an indispensable source of energy for the production and living of the entire country and society. The stability and sustainability of electric power supply directly affect the stability of economy and society. As one of the main electric power supply entities in Yibin City, the Group undertakes important social responsibilities for the city. In addition, as a state-owned enterprise, the Group actively practices the social responsibilities of state-owned enterprises. As a responsible state-owned enterprise, it is necessary to achieve both economic and social benefits, and neither can be slackened. The achievement of economic benefits builds the foundation for better social benefits; and the achievement of social benefits help to realize the value of economic benefits better. Both of them are indispensable and interdependent. Therefore, the Group has attached great importance to all aspects of social responsibility including employment, product liability, supply chain, anti-corruption and community investment and etc.

5.1 Employment

A stable enterprise and employee relationship is an important factor in achieving the Group's sustainable development. The Group believes that we and our employees are not only a simple relationship of employment, but also a kind of partnership – employees are the foundation of business operation and sustainable development of the enterprise and the enterprise is the stage for employees to develop their talents and achieve their successful career.

Equal employment in compliance with laws and regulations

The Group and its subsidiaries strictly abide by *the Labour Law of the People's Republic of China* (《中华人民共和国劳动法》), *the Labour Contract Law of the People's Republic of China* (《中华人民共和国劳动合同法》) and *the Social Security Law of the People's Republic of China* (《中华人民共和国社会保险法》) to protect the legitimate rights and interests of employees, and we fully pay the wages, social insurance and housing fund of employees on time.

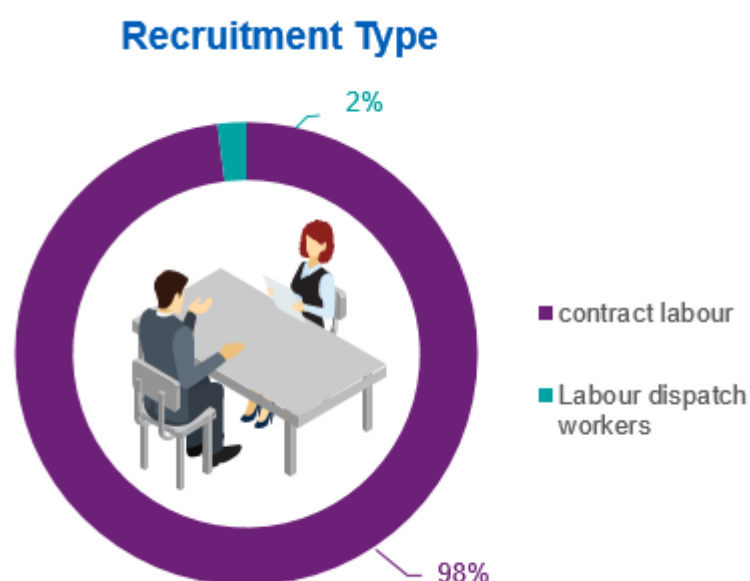
In light of the situation of Sichuan Energy Investment Development, the Group has formulated employment policies related to employee recruitment, promotion, and wages, such as *the Measures for Employment Management* (《员工聘用管理办法》), which summarizes the protection of employees and forms a special standard.

The principle of equality runs through all aspects of employment, including recruitment, training, career development and promotion. The Group proposes fair competitions and will not discriminate against any employee based on gender, age, marital status, religious beliefs, race, nationality or health condition. The Group embodies sexual equality in the recruitment, training and promotion. In the selection and appointment of cadres, the Group attaches great importance to morality first while having both ability and integrity, emphasizes the superiority of career, the appropriateness of staff and positions and the suitability of staff and work, focuses on the justice performance and public acceptance, and does not allow any gender discrimination. In the field of professional technology, the head of investment and development of the headquarters, the deputy general manager of the Gongxian Electric Power in charge of construction planning and marketing, the deputy general manager of the Electric Power Engineering Construction in charge of market development, consulting and design are

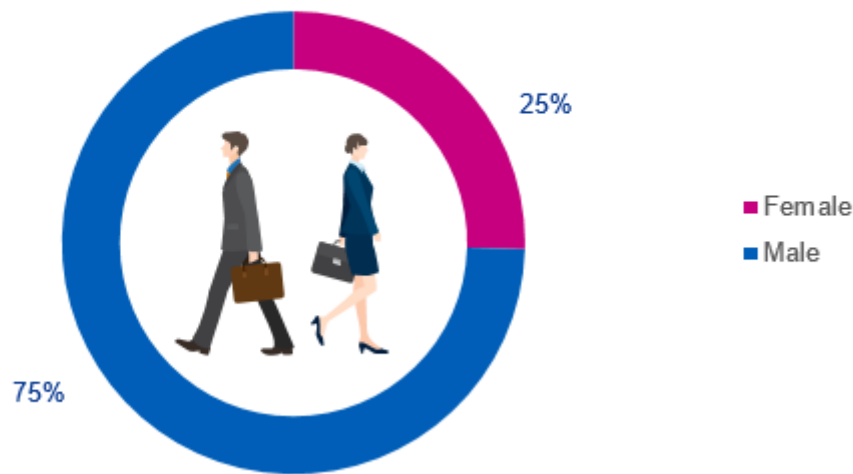
all female cadres. As of the end of the Reporting Period, female employees accounted for approximately 25% in the Group and female staff accounted for 15.59% among leaders of the middle-level or above.

Creating job opportunities and attracting talents

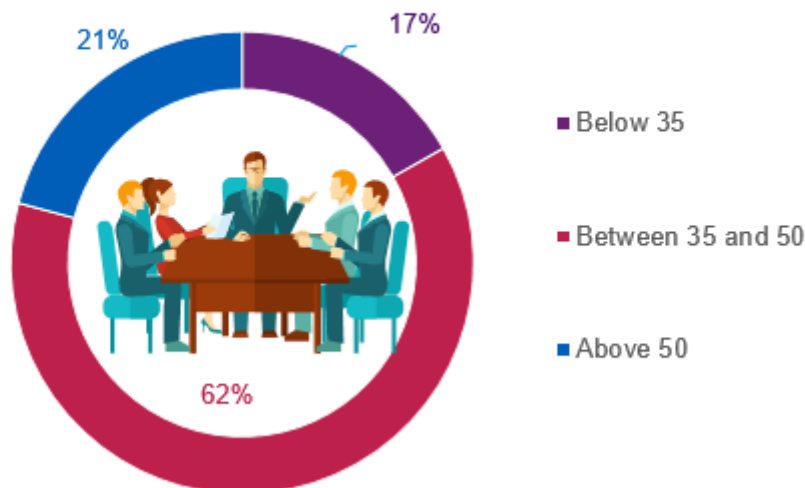
President Xi Jinping pointed out that the development of the country and the revitalization of the nation depend on talents, and talents are the foundation of national revitalization, the basis of enriching people and the source of development. The key to solve the problems in China is the Party, the people and the talents. The Group regards 'Development through talents' as an important strategy, and takes multiple measures at the same time to provide a strong support of talents and intelligence for achieving high-quality development. Therefore, the Group broadens its ways of talents recruitment and actively recruits all kinds of talents through campus recruitment, social recruitment and headhunting. In addition, the Group also lays stress on local talents and staff localization which contributes to the development of local employment. As of 31 December 2018, the Group had a total of 3,066 employees, who mainly came from Sichuan province that consisted of 98% of contract labour and 2% of labour dispatch workers. Among all the employees, the male employees accounted for about 75% and the female employees accounted for about 25%. About 17% of the employees were under the age of 35, about 62% of the employees were between the age of 35 and 50, and about 21% of the employees were over the age of 50. Senior management accounted for about 1% of the employees, and middle management accounted for 2% of the employees and grass-roots staff accounted for 97% of the employees. The employees of the Group remained stable and the annual employee attrition rate was 0.65% in the Group in 2018, of which 1 employee from the headquarters quitted and 19 employees from the subsidiaries quitted. The employees with length of service over 20 years accounted for 69% and the average length of service in the Group was 22 years.



Gender



Age



Compensation incentives and results sharing

We deeply understand that salaries and benefits reflect the personal value of labours, and are the major source of income for most employees as well. Therefore, the Group attaches great importance to the timely and fully payment of employee salaries and benefits, and provides various supplementary employee benefits in addition to basic salaries and statutory social benefits. Through improving the salary and benefit policies, we can meet the basic material and spiritual demands of employees, so that employees can work in the Group with peaceful minds. The Group provides a variety of supplementary benefits for our employees, including supplementary medical insurance, supplementary commercial insurance, annual medical examination, employee meals, employee birthdays celebrations and festive greetings. In addition, supplementary pension insurance has been carried out in the headquarters of the Group. In the future, we may gradually expand the coverage of supplementary pension insurance according to the actual situation of the performance and development of the Group.

Caring for the employees and giving them a better life

For many employees, the enterprise is also a big family for them. The Group stands in employees' perspective and thinks what employees worry about, enriches employees' life, solves employees' problems and safeguards employees' rights and interests in various ways.

In terms of labour union construction, except that Yibin City Electricity Sales has not established labour union, all subsidiaries have established trade unions.

The daily activities held by the labour unions at all levels of the Group include several



aspects as below: Firstly, we lay emphasis on the overall quality development of cadres, and organize various training and skill competitions in a targeted manner. For example, we organized cadres to participate in the training of the Sichuan Federation of Trade Unions (四川省总工会), conducted skills training for front-line employees, delivered lectures on news photography, official etiquette, and job skills and held skill

competitions including "Ankang Cup" knowledge competition ("安康杯" 知识竞赛) and other job skill competitions to continuously improve employees' quality and professional skills; Secondly, we deepen the disclosure of corporate affairs and promote democratic management. The trade unions at all levels of the Group fully play

their roles in democratic management and democratic supervision, earnestly implement the relevant system of corporate affairs disclosure, and elect the employee directors and employee supervisors according to law, and establish an effective democratic management mechanism; Thirdly, we organize various cultural and sports activities, including organizing the



first "Power Cup" men's basketball games, reading activity on the Women's Day, outings, speech contests, singing competitions and theatrical performance, etc.; Fourthly, we conduct staff condolences and care activities including 'send warmth' activities on the Spring Festival, condolences activity on 1 July, 'cool delivery in the summer' activity, and condolences on 1 August and the Double Ninth Festival. We go deep into the grassroots to visit employees in need, veteran cadres and old Party members, care for the frontline grassroots employees, help employees to solve difficulties and deliver care from the organization. Fifthly, we help employees in need. We conduct timely count to understand the situation of employees in need, set up a ledger for employees in need and implement dynamic management, actively strive for Provincial SASAC Special Assistance Fund Special Subsidies (省国资委专项帮扶资

金) and special subsidies for female employees in need and sick staff with cancers and other illness, and carry out help work for employees in need with multiple measures and policies. We implement 'Golden Autumn Education Aid' to help families in need to bear part of the education expenses of their children to guarantee the rights of their children to receive education. Above measures alleviated the pressure of life, conveyed the care from the Group, and let employees and their families feel the warmth of the big family.



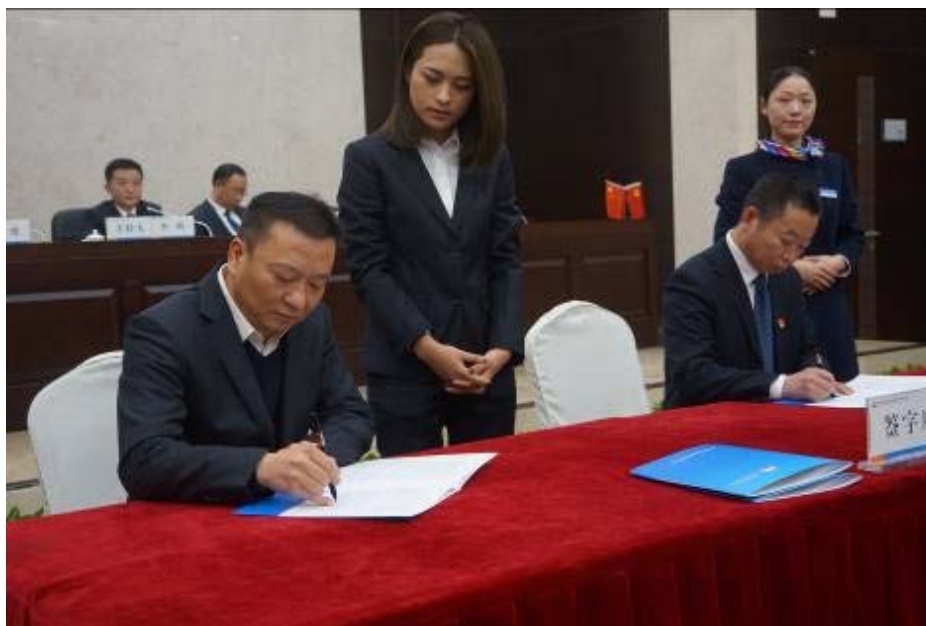
5.2 Health and Safety

Safety is at the root of the electric power generation. From a macro perspective, the safety of electricity generation is directly related to the order of people's daily life and the development of the national economy. Ensuring the safety of electric power production can promote a virtuous cycle of power companies and have a positive promotive effect and significance for building a harmonious and stable electric power environment; from a micro perspective, the safety of electricity production is also closely related to the lives and health of the employees of the Group. Therefore, based on the principle of "safety first, precaution crucial and comprehensive management", the Group strictly implements secure production responsibilities in its work, continuously increases investment, management and education of electric power safety, and eventually improves the level of secure production of electric power.

Work safety and individual responsibility

The Group strictly abides by the *Work Safety Law of the People's Republic of China* (《中华人民共和国安全生产法》), the *Law of People's Republic of China on the Prevention & Control of Occupational Diseases* (《中华人民共和国职业病防治法》) and the *Standards for the Management of Labour Protection Goods in Employing Units* (《用人单位劳动防护用品管理规范》) and other relevant laws and regulations, and always puts the working environment with health and safety for employees in the important position in daily management and strategic decisions, and resolutely puts an end to security violations.

At the same time, the Group has also compiled a working system related to secure production and environmental protection in light of its own actual conditions, and is now gradually integrating various systems. The Group attaches great importance to the implementation of safety responsibilities at various levels. At the beginning of each year, the Group will sign annual responsibility statements for secure production with its subsidiaries and various departments, and require subordinate companies to sign responsibility statements for secure production with their respective functional departments and grassroots stations to clarify the safety responsibilities and work division of each department and position. The clarification of responsibilities is more



conducive to the implementation of measures, allowing all members to participate, implement and eventually achieve work safety.

Safety equipment as a hardware guarantee

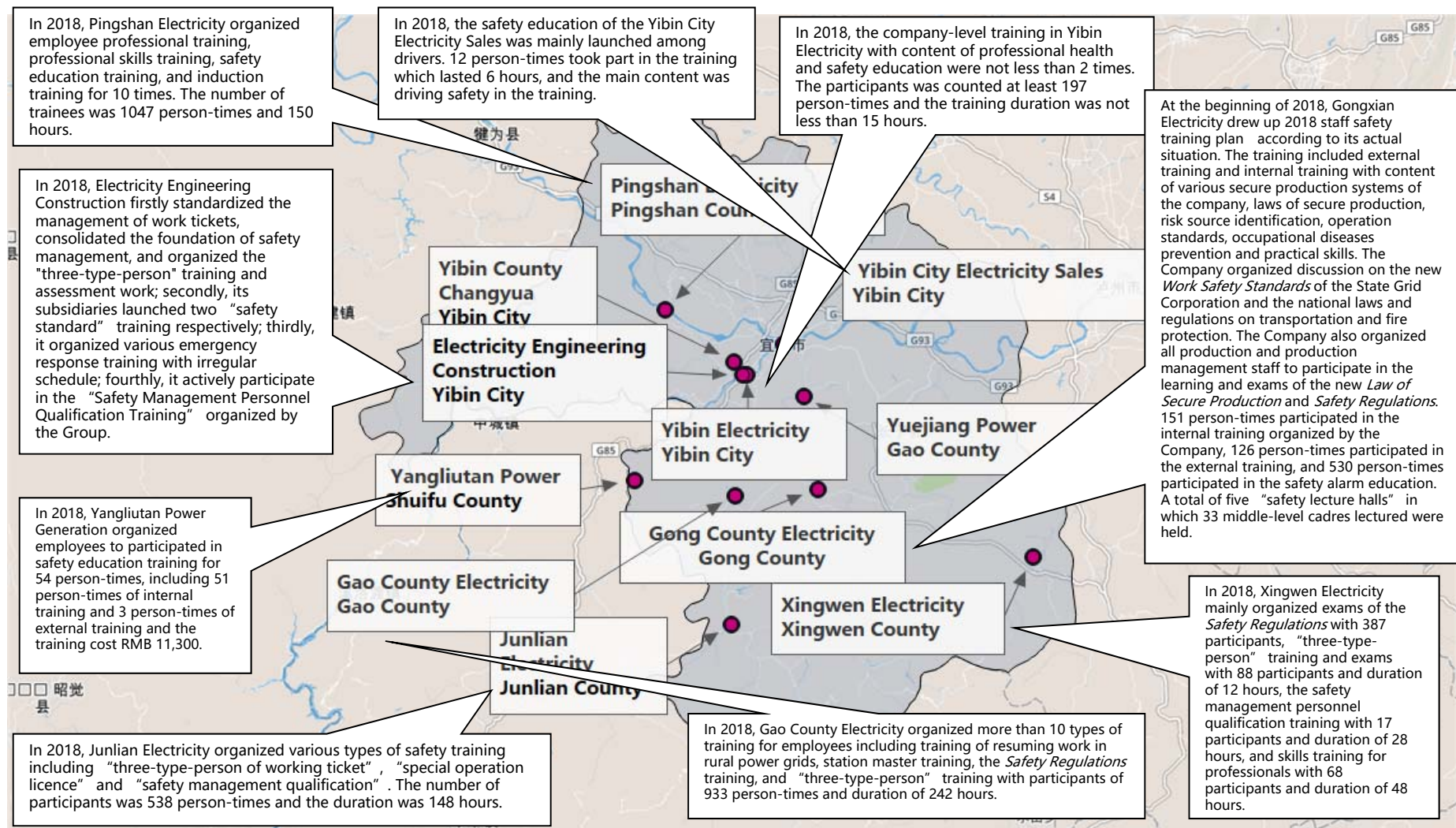
Electric power equipment is the basis for the generation and supply of electricity and operation of the Group. Electric power equipment needs to be constantly upgraded to match the latest technology. For outdated and aging equipment, the Group need to upgrade and replace them timely, and promote the introduction and research of technology and apply new equipment and technology with better efficiency, safety, stabilization and energy-saving effect. We require regular review on the research and learning progress on the new equipment of equipment management staff to ensure that the new equipment can not only play its excellent performance, but also guarantee safety and reliability. At the same time, we pay attention to the timely maintenance and modification of the equipment in use to prevent the equipment from running with problems or malfunctioning and resulting in the loss of property and personal safety of the Group. The guarantee of the quality and safety of electric power production equipment has laid a solid material foundation for safe electric power production.

Safety facilities and equipment are one of the important guarantees for employees' safety. The Group provides sufficient financial support in hardware and maintenance of safety facilities. In 2018, the Group made provisions and use of secure production and protection funds in strict accordance with the national laws and regulations, totaling approximately RMB 13.98 million.

Safety education

The Group's safety training adopts a variety of educational training forms such as 'three-level' safety education, "three-type-person" training, safety management staff training, safety knowledge examination, and construction in progress safety training. The safety training is organized by subsidiaries respectively according to their own business characteristics and major working demands, including laws, regulations and rules, safety and environmental requirements, fire security demands, professional health knowledge, and professional skills. In 2018, the Group and its subsidiaries have organized more than 3,600 training related to safety education, and all training courses have accumulated more than 650 hours.

The following chart shows the achievements of training and education in the aspect of safety of the subsidiaries of the Group:



Occupational health and putting people first

In order to prevent, control and eliminate hazards of occupational disease, prevent and treat occupational diseases, protect the health and related rights and interests of the employees of the Group, facilitate the production and operation environment, improve occupational health work, and promote the sustainable development of the Group, the Group strictly abide by *the Law of People's Republic of China on the Prevention & Control of Occupational Diseases* (《中华人民共和国职业病防治法》).

In 2018, a production accident occurred in the group. While the subordinate Gaoxian Electric Power Shahe Power Supply Station was handling a user's in-wire disconnection problem, an electric shock accident occurred due to the negligence of workers and resulted in one employee's death of the Group. The Group expressed great regret and sorrow for the occurrence of the incident, regarded the incident as a warning for the staff health and work safety of the Group. To draw inferences from this instance, the Group implemented stricter management with stricter attitude to eliminate the reoccurrence of such incidents.

During the Reporting Period, the working days missed due to work-related injuries was approximately 57.83 days, and the lost workday rate was 0.08%.

5.3 Development and Training

The Group has always adhered to the strategy of "passing on the spirit of artisans and developing enterprise by talents". In recent years, the Group has focused on improving the overall quality of its employees, continuously strengthening the construction of its talent team, forming a distinctive talent training mechanism through a variety of ways, including that the veteran brings the green hand and the master brings the apprentice, creating a new path combining the talent development with corporate development, and providing a powerful boost to the high-quality and sustainable development of the enterprise.

Multi-level training with different emphases

The Group arranges training according to the employees' aptitude and the combination of theory and practice in the arrangement of the training. For employees with different positions and different needs, the training is arranged to be in line with their career planning and ranks, helping employees to better adapt to new positions through training and continuously improve their job skills. In 2018, the Group held a total of 512 training sessions. Among them, there are 45 management trainings, 66 further education training, and 401 professional skills training. There were 13 trainings for senior management, 73 training for middle management, and 423 training for grassroots staff. In 2018, the number of participants in the training reached 11,368 person-times, including 532 person-times of senior management, 1,350 person-times of middle-level management, and 9486 person-times of grassroots staff training. The training coverage rate reached 100%, and the per capita training duration was 19.5 hours per year.

Technical skills and cultural cultivation

In addition to the focus on the technical improvement of employees, the Group also attaches great importance to the cultivation of employees' cultural literacy. The profound cultural literacy is the prerequisite for establishing a lofty professional ideal

and the necessary guarantee for realizing the lofty professional ideal. The improvement of cultural literacy is beneficial to employees' more sensible view of personal development and corporate development. It is also beneficial to their 'being competent and fully enjoying the happiness of work' in their careers, and it contributes to promoting the harmonious development of society, enterprises and themselves.

Skills competition

The Group actively organizes the employee to participate in or holds various types of employee skill competitions, which enables the employee to practice in competitions. It not only enhances employees' interest in learning, but also cultivates their operational skills, and promotes communication with the buddy companies.

From November 10 to 12 in 2018, the Sichuan Skills Competition hosted by the State-owned Assets Supervision and Administration Commission of Sichuan Provincial Government (四川省政府国有资产监督管理委员会), Sichuan Provincial Department of Human Resources and Social Security (四川省人力资源和社会保障厅) and Sichuan Federation of Trade Unions was held in the Qingbaijiang District of Chengdu (成都市青白江区). The competition attracted 22 large state-owned enterprises across the province to participate in. There are 3 competition items including substation equipment maintenance, power cable installation and operation, and lifting and loading machinery operation.



Pingshan Electricity won the second group prize of the substation equipment maintenance and the second group prize of the power cable installation and operation. Xingwen Electricity won the second group prize of the power cable installation and operation. The united team of the Group (Gong County Electricity and Electricity Engineering Construction) won the third group prize of the power cable installation and

operation. 14 employees of the Group won individual awards. In addition, the team from Pingshan Electric Power also swept the group prizes and 'four first prizes' of individual awards in the second employee skills competition of the Sichuan Hydropower Investment and Management Group Co., Ltd. (四川省水电投资经营集团有限公司) and the third employee skills competition of Sichuan Energy Investment Development held in July 2018.

5.4 Labour Standards

Freedom of employment and the prevention of child labour

In accordance with the laws and regulations of *the Labour Law of the People's Republic of China* (《中华人民共和国劳动法》), *the Law of the People's Republic of China on the Protection of Minors* (《未成年人保护法》), and *the Provisions on Prohibition of Child Labour* (《禁止使用童工规定》), it is clearly stated that it is not allowed to employ persons under the age of 18, and conduct a rigorous review in the recruitment process to avoid misuse of child labour in *the Measures for Employment Management* (《员工聘用管理办法》). The healthy growth of adolescents and children requires the joint protection of people from all over the country. The group therefore strongly opposes the use of child labour and regards it as a criterion for supplier selection.

We insist on fully respecting the employees' freedom of employment. During the employment, there is no such thing as detaining valid documents, collecting deposits, forced labour or arrears of wages. There were no incidents of child labour use or forced labour during the Reporting Period as well.

Focusing on the big picture

Providing uninterrupted electrical energy for social production and people's lives is an important mission of energy development. Therefore, many power-related equipment, especially electric power transmission equipment, need to maintain stable operation for 24 hours without interruption. It is also because of the special nature of this industry that many posts of the Group (especially front-line employees) have to implement a three-shift work mechanism to ensure the safe operation of equipment and timely dispatch of repairs and rescues. The Group is very grateful to the attitude of putting the interest of the whole above everything else of this part of employees. We will schedule on a voluntary basis and provide the employees with leave for compensation to ensure the sufficient rest and compensation according to the laws and regulations of *the Labour Law of the People's Republic of China* (《中华人民共和国劳动法》) and *the Tentative Provisions on Payment of Wages* (《工资支付暂行规定》).

5.5 Supply chain management

The supply chain runs through the starting point, process and end point of the production and operation of the enterprise. The stable and continuous supply plays an important role in the enterprise. For the Group, effective supply chain management can not only reduce costs, but also make rational use of enterprise resources and avoid waste of resources. More importantly, supply chain management has realized an effective connection between electric power generation, transmission, purchase, and

sales, and has achieved a reasonable flow of electric current, information flow, and capital flow. Supply chain management has dismantled the walls of enterprises and connected the independent information of each enterprise, which played an important role in linking the preceding and the following. Based on this, the Group attaches great importance to sustainable supply chain construction and adheres to responsible procurement and green procurement.

Responsible procurement and continuous supply

The power suppliers include the State Grid Yibin Power Supply Co., Ltd. (国家电网宜宾供电公司), the Yunnan Power Grid Zhaotong Power Supply Bureau (云南电网公司昭通供电局), the grid-connected hydropower stations in and out of the supply area. The multi-source power structure provides us with sufficient power to ensure the local economic and social development and the electricity demand for people's living. The procurement from the suppliers and the evaluation of power suppliers strictly abide by the *Electric Power Law of the People's Republic of China* (《中华人民共和国电力法》) issued by the country. The supply of power should be 100% guaranteed and the outsourcing of power should abide by regional power arrangement. The Group has small room when it comes to the selection of power provider. In addition to the procurement of electricity, the Group's main procurement focuses on the purchase of materials during the construction of electric power facilities. In the procurement process, in addition to considering economic factors, the Group also evaluated the environmental performance of suppliers from the below three dimensions, and ensured that suppliers with good quality and excellent raw materials were selected in the procurement process. During the Reporting Period, our main suppliers come from Sichuan and Yunnan province.

Firstly, we check whether the suppliers have violated the laws and regulations due to the pollution to the ecological environment during the operation; secondly, we verify whether the products provided by the suppliers meet the environmental protection standards. For example, when the Group purchases the employee's uniforms, it is clearly required that the suppliers' products should meet the standards set by the national clothing industry, the ingredients and materials meet the standards of samples and the environmental protection indicators is in line with *the Limits on formaldehyde content in textiles* (《纺织品甲醛含量的限定》) of the country with the provision of quality test reports issued by relevant administrations. It plays an important role in protecting the health of employees, and also has a greater significance for guiding suppliers to fulfill environmental responsibilities; thirdly, in the comprehensive evaluation of suppliers, we actively refer to related certification and standards (such as ISO9001 certification management system) and regard it as a bonus in the evaluation.

Multidimensional cooperation with strategic partners

About 80% of the Group's electricity supply comes from third-party electric power suppliers, such as the State Grid Yibin Power Supply Co., Ltd. (国家电网宜宾供电公司), the Yunnan Power Grid Zhaotong Power Supply Bureau (云南电网公司昭通供电局). Therefore, the partnerships with suppliers play an important role in our daily operations and the implementation of business plans. The Group attaches great importance to strategic partnerships with suppliers, communicates with suppliers in a timely manner, and communicates regularly to build a solid and stable foundation for the Group's stable power supply. In addition, we believe that the relationship with

suppliers is not only procurement relationship, but also a partnership. Through mutual communication and learning, we learn from suppliers' excellent experience in business management, energy conservation and emission reduction to continuously improve our own operations.

5.6 Product Responsibility

Well-planned and stable power supply

The Group is well aware of the importance of power stability. Unstable power supply may not only cause damage to electrical equipment and facilities, but also cause interruption of power supply for a large number of users, and even lead to the collapse of the entire electric system, with severe consequences left behind. Therefore, maintaining the stability of power system operation is of great significance to the safe and reliable operation of power system and the protection of the lives and property of the people. The Group always endeavours to create more power while generating less power loss.

In terms of power generation, we attempt to reduce the loss of unit generating capacity by improving power generation technology, and the efficiency and conversion rate of power generation. The main source of the Group's electricity is produced by hydropower plants owned or operated by us or purchased from third-party suppliers, and then distributed to industrial, commercial networks, households and other users through the Group's power grid (including step-up and step-down substations and transmission and distribution lines (for final use)). Through measures such as technological transformation of worn-out facilities, improvement of power grid structure, and enhancement of equipment maintenance and repair, the Group improves equipment health, power supply reliability and power quality to achieve stable power supply, voltage and frequency. We reduce power loss while stabilising the quality of power generation, and decrease power loss during the transmission while improving power storage. The Group monitors the real-time data acquisition of power plants, substations and users to ensure voltage qualification rate and power supply reliability rate. During the Reporting Period, the main indicators of the Group's power supply have satisfied the requirements of national and industry standards, with the grid voltage qualification rate of 99.60% and the power supply reliability rate of 99.72%.

Rapid response to disasters and emergencies

As a power service enterprise, power emergency rescue and rush repair are the Group's basic duties. The Group's emergency management capability is reflected in how to improve emergency rescue and rush repair capability. In respect of emergency rescue, we avoid power outage accidents through more stable equipment and safer lines. On the other hand, scientific dispatching is used to ensure that accidents can be disposed of in a timely manner to minimise losses.

In order to further strengthen the emergency response capacity of safety production, standardise the emergency response procedures, and direct the handling of power grid accidents in a timely and scientifically and effectively manner, the Group and its subsidiaries also hold emergency exercise on a regular basis. Emergency exercise helps to improve the emergency response capacity of dispatching centre of the Group with respect to emergency events of power grid, enhance the safety awareness of employees, verify the completeness and operability of emergency plans, identify and solve the weak points and outstanding problems in emergency plans, strengthen the flexibility of grid operators regarding grid emergencies, improve the psychological quality of grid operators and their ability to analyse and handle large accidents.



Among different types of power accidents, power outage caused by natural disasters and other factors is a challenge to the Group's capability of emergency management and power protection. The occurrence of such power accidents is characterised by large scale and complexity, and furthermore, whether the power supply can be restored in time also relates to whether other rescue work can be carried out effectively and concerns the lives and property of the people. Therefore, the Group not only actively participates in rescue activities, but also constantly sums up the lessons learned and enhances the capability of emergency management and power protection.

After the 5.7-magnitude earthquake jolted Xingwen County on 16 December 2018, the chairman of the Group kept a close attention on the disaster and immediately pass on the instructions of and quickly made relevant work arrangements: requiring every county rescue team to activate the emergency plan with immediate support, so as to ensure timely power supply. The pioneers of Party members of various companies played a leading role in the rescue and disaster relief, upon receiving the command, rushed to the disaster area in time to ensure the restoration of power supply as soon as possible, and provided reliable power protection for earthquake relief and post-disaster reconstruction work. By 12 p.m. on 19 December 2018, we restored the power supply for 16,766 households who were affected by the earthquake in Xingwen County. At the critical moment of earthquake relief effort, Sichuan Energy Investment Development responded proactively and in an orderly manner, always kept the significance of politics and the overall situation in mind. The performance of the Group was fully affirmed by the Xingwen County government, and subsequently we received the letter of thanks from the Party Committee and People's Government of Xingwen County.



Sincere service that puts the customer first

Our power supply service area covers two districts and five counties in Yibin City, namely Cuiping District and Xuzhou District (formerly administrative region under Yibin County), Gao County, Gong County, Junlian County, Xingwen County and Pingshan County and some neighbouring areas. The power supply service area is about 9,254 square kilometers, accounting for 68.6% of the administrative division of Yibin City. How to better serve our customers is a key concern of the Group. The Group provides users with comprehensive, integrated, on-line and off-line power service.

In terms of off-line service, the Group provides users with an environment for power consultation and business process, so as to actively and timely solve the various needs of users. In accordance with the requirements of the *Notice of the National Energy Administration on Matters Concerning Reducing Burden on Enterprises in the Field of Renewable Energy* (Guonengfaxinneng [2018] No. 34) (《国家能源局关于减轻可再生能源领域企业负担有关事项的通知》(国能发新能〔2018〕34号)), Sichuan Energy Investment Development issued the *Management Standards on Distributive Grid-connected Photovoltaic (Trial)* (《分布式光伏并网管理标准 (试行)》) to standardise and streamline the business process for grid-connected photovoltaic, thereby effectively improving the efficiency of grid-connected photovoltaic services. In addition, the Group issued the *Notice on Squeezing the Time of Application for Power of Sichuan Energy Investment Development* (《关于压缩用电报装时间的通知》), so as to improve efficiency. A green channel with a sound environment has been established for the application for power.

In terms of on-line service, the Group also makes full use of the characteristics of timeliness, intelligence and convenience. We communicate with users regarding power supply in a timely manner through short message, telephone, WeChat, etc., to avoid unnecessary losses and troubles to users. As at the end of the Reporting Period, the Group has realised 7/24 business consulting services, and promoted on-line business processing, materials pre-qualification, appointments for power service and other functions gradually.

The Group has also made full use of the benefits brought by the development of scientific and technological information, with payment methods enriched. We have cooperated with a number of financial institutions to start withholding and collection services, bank ATM payment services, Internet website-based payment services. We have built WeChat payment platform, with power supply self-service payment terminal, aiming to achieve multi-channel payment.

Furthermore, the Group attaches great importance to customer experience and the feedback as well, therefore, we conduct surveys on customer satisfaction on a regular basis so as to identify the issues existing in the Group's service. For the problems mentioned by the users in the feedback, we organise special personnel to investigate, follow up, and timely provide feedback. The Group has also issued the *Administrative Measures on Complaints and Reports for Power Supply Services (Trial)* to standardise complaining and reporting, strengthen accountability, and improve service style. In 2018, the Group received 15 complaints, for which the Group organised personnel to conduct special investigations, and propose current and subsequent rectification measures for existing problems, and prepare special investigation reports to record and manage those complaints.

Explicit permission and technical support

As the Group's operations directly involve a large number of end users and personal privacy of users, so we adopt a special internal control system, configured with specific hardware and software devices to protect related information from being leaked. In terms of system, the Group has established the Marketing System Authority Management Practices and Network Security Management to define a clear division of labour and authority, only authorised personnel have access to users' data. In terms of hardware, the server is fully protected and backed up, internal and external networks must be completely physically isolated in order to ensure equipment security. In terms of software, a data protection system is established to prevent potential data leakage, focusing on network security, network monitoring, network auditing, network interconnection and network configuration so as to ensure software security.

Innovative service that benefits users

In general, the Group's power selling price is approved or regulated by the relevant national pricing departments, so there is no much price discount that the Group can offer to users. However, the Group has effectively reduced the cost of power connection through innovative power supply services.

- Start green channel service for power business, implement the principle of “specially assigned personnel for specific projects” for the tracking of project progress. Ensure that power supply lines are constructed beyond users' property line so as to reduce the cost of power connection.
- Considering the restorative growth of Yibin's regional economy and innovative and entrepreneurial enterprises and the small and micro enterprises, the access capacity of low-voltage projects has been increased from 50 kVA to 160 kVA, which raises the standard of low voltage access capacity and lowers the investment in the access to the system by users.
- The Group's subsidiaries regularly conduct general surveys on power consumption, together with on-site interviews on user satisfaction on a random basis, which has achieved good results.
- Make recommendations from a professional perspective on the rationality and feasibility of the customers' power consumption plan, advise them to use new energy-saving equipment, introduce measures to improve power quality so as to reduce losses and save energy.

5.7 Anti-corruption

The foundation of the Group's sustainable development could be shaken by corruption. Therefore, the Group attaches great importance to anti-corruption and upholding integrity and strictly prohibits corruption. In this regard, the Group adheres to the combination of macro planning and enterprise practice, the combination of temporary solution and permanent cure, the combination of short-term and long-term goals, and the combination of inheritance and innovation, so as to further promote the construction of Party conduct and discipline, and raise serious alarm bells over corruption.

Under the leadership of the discipline inspection committee of the Group, the Group has earnestly studied and implemented Xi Jinping's socialist thought with Chinese characteristics and the spirit of the 19th National Congress of the Communist Party of China (CPC), comprehensively implemented the superior decisions and arrangements with respect to the construction of Party conduct and anti-corruption work. By focusing on the central task of the Group and the commitment to the implementation of primary

duty and major work, we further strengthens the supervision, disciplines execution and accountability, and consistently promotes the construction of Party conduct, in order to provide strong discipline guarantee for the reform and development of the Group.

During the Reporting Period, no corruption incidents were identified.

System improvement and putting prevention first

With reference to relevant national laws and regulations and the experience accumulated in practice, the Group has completed the amendments or new versions of various rules and regulations, including *Implementation Regulations for the Establishment of Implementation Outlines for the Sound System to Punish and Prevent Corruption of CPC Committee of Sichuan Energy Investment Development Co., Ltd.* (《中共四川能投发展股份有限公司委员会关于建立健全惩治和预防腐败体系实施纲要的实施细则》), *Assessment Methods for Building Integrity and Accountability of Party conduct* (《党风廉洁建设责任制考核办法》), *Rules of Procedure for Discipline Inspection Committee* (《纪委会会议事规则》), *Administrative Measures for Inspection* (《巡察管理办法》), *Implementation Regulations for Administration of Leadership Integrity Archives* (《领导人员廉洁档案管理实施细则》). The fight against corruption and corrosion is implemented through measures such as education on precaution, system establishment, supervision mechanism, reform and innovation, and leadership coordination.

Firstly, establishing a long-term mechanism for education on precaution, and building a defence line to resist corruption and decadence. Improving the anti-corruption education for leaders, Party members and staffs, and key personnel at all levels; at the same time, establishing and improving the work pattern of publicity and education, and strengthening the building of corporate integrity culture.

Secondly, improving the anti-corruption and upholding integrity system, and standardizing the power operation and behaviours of employees. Improving the power supervision and control mechanism; strengthening the anti-corruption and upholding integrity in enterprise decision-making and business management; improving the quality and level of system construction, and enhancing the enforcement of system.

Thirdly, improving the supervision, controlling mechanism and increasing the ability to prevent corruption. Strengthening the supervision over the corporate leadership and its members, especially the main leaders; strengthening the supervision over key sections and important positions in business management; playing the role of various supervision bodies and forming a joint force of supervision.

Fourth, promoting reform and innovation, and preventing corruption from its source. Improving the enterprise asset and resource supervision and management system, forming an institutional restraint mechanism; improving the corporate governance structure and forming a power balance mechanism; improving the selection and appointment system of enterprise leaders, and establishing a standardized personnel mechanism.

Fifth, making use of the important effect of punishment and enhancing the deterrent effect of investigating cases. Persisting in punishment on corruption and the safeguard of corporate asset security; handling cases according to law and improving the level of discipline review; value and making use of the deterrent effect of investigating cases.

Finally, strengthening leadership and organisational coordination to form an effective working mechanism. Strengthening the guidance over the construction of the system to punish and prevent corruption, and effectively reinforcing the construction of the discipline inspection and supervision team; giving full play to the coordination role of the discipline inspection committee.

Ethics and anti-corruption education

In order to further strengthen the integrity construction of Party conduct, and reinforce the party spirit cultivation, law and discipline awareness of Party members and cadres, in 2018, the Discipline Inspection Committee organised a total of more than 30 Party members and middle-level leading cadres to participate in the integrity-themed education activities in Sansuci Integrity Education Base in Meishan City (眉山市三苏廉政教育基地).

Through the on-the-spot visit to the Sansuci Integrity Education Base, we were touched by the moving stories and integrity spirit of Sansu (Su Xun, Su Shi, and Su Zhe), who were diligent in politics and showed their love for the people, impartially used the authority, honest and upright.



This guide all Party members and cadres to continuously improve self-education, the sense of being upright in practice, and effectively build a strong thought defence line against corruption and corrosion. The Discipline Inspection Committee specially organised personnel to make a microfilm, named Red Packet, reflecting the anti-corruption in the field of poverty alleviation. The Committee also organised the activity of watching another microfilm, Official Entertainment, released by the Central Commission for Discipline Inspection. The subsidiaries of the Group also carried out a series of integrity caution education activities in conjunction with their respective circumstances, such as visiting the Yibin City Integrity Education Base, watching the caution education film, Descend from Honour to Dishonour(《荣辱两重天》), and conducting education activities at Jinjiang Prison and Hanwangshan Prison, and organising speech contests regarding practice of honesty, etc. The Group conducted a total of 8 caution educations with more than 400 participants, and 33 education films with attendance of 538.

Through various forms of integrity publicity and education activities, the majority of Party members and cadres have received sound and solid education; the awareness of integrity and self-discipline and law-abiding has been generally strengthened; the thought defence line to resist corruption and corrosion has been further solidified, creating a healthy integrity culture atmosphere throughout the Group.

Family tradition, family motto and home-based integrity

Integrity and honesty seem to be independent and different from family tradition and family motto, but there is a deep connection essentially. As the saying goes: To rule his state well, he had to first educate his family. To educate his family, he had first to cultivate himself. To educate his family is the spiritual bond that sustains cultivating himself and ruling his state. His official position won't be set right if he fails to set his family right. Good family tradition and family motto play an important role in cultivating employees' integrity and honesty, with imperceptible and subtle influence.

The Group made overall arrangements and actively mobilised all employees and their relatives to participate in the collection and creation of more than 150 pieces of good family tradition and family motto works characterised by promoting uprightness, self-cultivation and educating his family, advocating integrity and staying close to life from the perspective of family tradition, family motto, family letters, painting, film and television, calligraphy, comics and others. After several rounds of screening, 39 pieces were selected and reported to Sichuan Energy Industry Investment Group Co., Ltd. for further appraisal. The subsidiaries of the Group have carried out a series of family tradition and family motto promotion activities related to integrity and honesty, and disseminated the results in a delightful way, to enable all Party members and cadres to learn the essence of domestic disciplines while strengthening Party spirit, integrity and self-cultivation, cultivate himself and educate his family with the principle of honesty, and promote China's excellent traditional culture, with aim to drive good code of ethics based on good family tradition.

Since the launch of these events, the Group and its subsidiaries have organised a total of 13 story telling activities themed on family tradition, collected 123 pieces of excellent works related to family tradition and family motto, and created 35 pieces of works of calligraphy, painting and photography.



Promoting integrity through learning

In order to improve the ideological understanding of Party members and cadres, and to enhance the self-awareness and responsibility of integrity and self-discipline, the CPC Committee and Discipline Inspection Committee of Sichuan Energy Investment Development (川能投发展党委、纪委组织) organised a knowledge test on the integrity construction of Party conduct, with more than 500 participants, covering all members of the Group and its subsidiaries. During the rematch of knowledge test on the integrity construction of Party conduct held by the Group, the team from Sichuan Energy Investment Development advanced to the finals with the first place in the group. In the final, the team won the second place with a total score of 210 points and was awarded the second prize.

The subsidiaries of the Group proactively organised Party members and cadres to join integrity knowledge tests, including activities such as integrity education discussions, integrity-themed talks, and signing letter of commitment to integrity. The activities of integrity knowledge test and competition among Party members and cadres have deepened their understanding of integrity construction of Party conduct, strengthened the understanding of laws and regulations, enabled the learning for the purpose of practice, realised the purpose of learning by way of tests and promoting integrity by

way of learning, and enhanced the integrity awareness of all Party members and cadres.

Since the launch of these events, the Group and its subsidiaries have organised a total of 29 learning discussions on integrity knowledge, with 516 participants, 25 Q&A sessions on integrity knowledge, with 701 participants.



5.8 Community Investment

Poverty alleviation

Poverty alleviation is an effective and important way to promote economic development and national governance in this new era. We always do our utmost to focus on taking targeted measures to help people lift themselves out of poverty and concentrate on solving the difficulties in poverty-stricken areas and for those in need, and promote targeted poverty alleviation, which will create a social atmosphere of mutual support and cooperation, striving together for a relatively comfortable life and common prosperity, which will also create a ruling atmosphere of caring for poverty-stricken areas and the poor people, on behalf of the people and for the people, as well as creating a constructive force to solve social problems together. The poverty alleviation efforts in China have made a major direct contribution to accelerating the global anti-poverty process and provided valuable experience for global anti-poverty practices.

The Group's poverty alleviation efforts reflect the idea of people-oriented and sharing harmony. Therefore, on the one hand, the Group focuses on the poverty alleviation efforts on targeted poverty-stricken villages, concentrated on helping the poverty-stricken people, and on the other hand, we emphasise infrastructure construction, implement universal power services, and benefit the people by reducing power price and offer preferential price for the power for public good activities. The Group has

effectively fulfilled the social responsibilities of a state-owned enterprise and assumed the responsibility for the protection of the society, for which it has been well recognised by the public.

The Group's poverty alleviation efforts were mainly carried out under the leadership and arrangement of the local Party committee and government of Yibin City. Meanwhile, in accordance with the poverty alleviation arrangements of the Group, we actively participated in the poverty alleviation efforts of its subsidiaries of through purchase in lieu of donation.

In 2018, the Group's poverty alleviation efforts mainly cover three aspects: firstly, help the poverty-stricken villages to get out of poverty by promoting poverty alleviation through industrial development, strengthening infrastructure construction and implementing projects to fight against spiritual poverty, and other practical assistance measures. Secondly, implement projects to benefit the people, assist in the implementation of the policy of free basis for power consumption for those households enjoying the minimum living guarantee and households enjoying the five guarantees. In 2018, the Group reduced the electricity bills of those households by a total of RMB 4.15 million, and offered a discount for the public utilities such as public lighting and water supply in major counties and towns by about RMB4.67 million. Thirdly, assist Sichuan Hydropower Investment and Management Group Co., Ltd. to reconstruct rural power network, so as to effectively improve the power consumption in rural areas.

The couplet assistance plans of the Group's subsidiaries cover 8 villages, including 4 provincial-level poverty-stricken villages, 3 municipal-level poverty villages and 1 county-level poverty-stricken village, namely, provincial-level poverty-stricken villages: Shilong Village of Yibin County, Zhenwu Village of Luorun Town of Gao County, Xinjian Village of Gong County, Huangni Village of Kongque Town of Junlian County; municipal-level poverty villages: Tuantian Village of Pingshan County, Youfang Village of Pingshan County, Xuehua Village of Pingshan County; county-level poverty-stricken village: Guankou Village of Xingwen county. All of these villages are located in Yibin County. Since receiving couplet assistance assignments in August 2014, the Party committees at all levels of the Group attached great importance to the preliminary study and deployment. We actively cooperated with the municipal-level and county-level Party Committee of Yibin in deploying the task of tackling and promoting poverty alleviation. Xinjian Village of Mutan Town of Gong County and Xuehua Village of Zhongdu Town of Pingshan County were lifted out of poverty in the year of 2018. The other 6 couplet assistance villages also shook off poverty before the end of 2018.

Community construction based on industrial advantages

In terms of community service, the Group focuses on community construction based on the industrial advantages as a power enterprise, by actively integrating the professional expertise into the construction of the communities where we operate.

- The Group organises on-site household inspection, rectification and identification with respect to power consumption voltage of poverty-stricken households and those lifted out of poverty in the areas we serve, and complete the task of power consumption of those lifted out of poverty. We have performed power capacity increase for those villages with faster load growth based on our self-raised funds, providing a strong power guarantee for the daily use of power by the masses.
- The Group promotes livelihood engineering projects and infrastructure construction. The subsidiaries of the Group actively assisted the poor-stricken villages in completing road construction, housing renovation, and relocation.

During the year of 2018, the road newly constructed amounted to 22.6 kilometres, the rehabilitation for road hardening amounted to 53.5 kilometres, with 60% of the construction of two bridges and culverts completed, which solved the transportation problems for the people. We completed 20 drinking water projects, 13 traffic engineering projects, construction of 396 square meters of village offices, 5 centralised water supply points, 44 new water pools, 100 street lamps, and 43 environmental sanitation garbage pools, which comprehensively tackled the production and living difficulties of villagers.

- The Group strengthens industrial support to realise the revitalisation of industries. Yibin Electricity proposed to develop the planting industry based on the original industry of the target to be helped. More than 200 mu of plums and 50 mu of high-quality oranges were newly planted, the average income of poor households in Shilong Village increased by RMB6,000. Gao County Electricity assisted the development of the aquaculture industry, and planted 1,250 mu of mulberry seedlings, tea seedlings and tea-oil tree seedlings. A total of 13,000 baby chicks were distributed by the aquaculture fund through the aquaculture cooperative. Gong County Electricity helped poor villages to develop 900 mu of sericulture, 960 mu of cinnamomum petrophilum, 50 beef cattle herds, 4,054 hogs on hand, and 5 large-scale farms. The annual per capita net income of the poor households in the village amounted to RMB5,526. For the target of aid, Junlian Electricity adopted the method of “Leadership to Help a Group and Cadres to Help a Household” to implement ABC classification assistance management for poor households in Huangni Village (A refers to the model households easily to be lifted out of poverty, B refers to the households likely to be lifted out of poverty, C refers to the households not easily to be lifted out of poverty). We vigorously pushed the people in Hunagni Village to develop yellow cattle, oil sunflower, walnut, ginger, peach and other industries. In the meantime, through active communication with Party committees at the level of township governments and villages, we mobilised the villagers to promote the Party building demonstration project “Oil Sunflower Planting” and develop tourism sightseeing industry, receiving more than 1,000 tourists throughout the year of 2018. We contributed a total of RMB18,000 to Huangni Village for accurate Party building poverty alleviation funds and material engineering cost, which helped build oil mills and put them into use. These efforts have made positive contributions to the expansion of village collective economy and industrial development.

Giving back to society

The person who gives is given and the person who receives is offered. With a heart committed to returning the society by way of action, the Group proactively participates in various activities of giving back to the society. In 2018, the Group organised a total of 42 Party member service teams with more than 1,000 participants, 18 Party member executive forces with more than 200 participants, and 9 youth volunteer teams with more than 175 participants to support flood and disaster rescue, rush repair, poverty alleviation, voluntary labour, community volunteering services, etc.

In terms of the efforts of supporting flood and disaster rescue, rush repair, the Group took the lead and made use of its rich experience and professional electricity technology to participate in various disaster relief activities such as geological disaster, floods and fires, so as to rescue the affected people, recover the site and support disaster relief efforts.

The subsidiaries of the Group also participated in various regional and inter-regional rescue and disaster relief efforts based on their respective location.

- Due to the transformer breakage arising from the landslide at Tuanshanchong of Changning Village, Yibin Electricity under the Group assisted in the rescue of the affected warehouses, relevant materials of transformer stations and the property of the people nearby, as well as the repair of unplanned blackouts caused by the natural disaster.
- In 2018, Gao County Electricity under the Group conducted more than 10 rescue efforts in natural disasters such as windstorms, heavy rains, ice and snow, and resumed power consumption for tens of thousands of people in a timely manner, and together with the brother companies, Electricity Engineering Construction and Xingwen Electricity, actively participated in the post-earthquake rescue efforts after a major flood in Zhongdu Town of Pingshan County, restored damaged lines in the disaster site and eliminated various safety hazards. In addition, Gao County Electricity also served tens of thousands of people in the county through “Zero Hour Project” and temporary rush repairs. It provided power supply guarantees for tens of thousands of students during the senior high school entrance examination and college entrance examination, and also guaranteed power supply for major festivals and special events.
- Gong County Electricity carried out inspections and repairs for the lines and equipment in severely affected areas such as Shangluo Town, Didong Town, Yuhe Miao Zu Town, etc., and cut the power in dangerous buildings to ensure the orderly progress of earthquake relief work by relevant departments, while paying attention to timely restoration of power supply, so as to ensure the reliability of power consumption, shorten repair time, and improve user satisfaction.
- During the Reporting Period, Junlian Electricity repaired 17 damaged lines, 2 damaged poles and 18 damaged platforms due to natural disasters, assembled 16 pole bases, and repaired 7 collapsed pole bases, replaced and repaired 4 distribution transformers, thereby restoring power supply to nearly 1,500 users in time. Junlian Electricity also restored power for the jurisdiction where 10 kV line trip and outage, partial breakage and pole collapse occurred.
- Xingwen Electricity carried out disaster relief activities against the 16 December 2018 earthquake in Zhoujia Town of Xingwen County, and quickly restored 12 damaged 10Kv lines, achieving normal power supply for about 16,800 households, providing power supply security for disaster relief and post-disaster reconstruction.
- Pingshan Electricity responded quickly to the fire at a household in Qingping Town and surrounding villagers, it immediately organised rescue team to the fire site and took actions to cut the power before starting the rescue and helping to transfer commodities.
- Yangliutan Power Generation organised the rescue efforts for the instability of the left abutment deformation body of Yangliutan Hydropower Station arising from the disaster, and in the meantime, carried out safety publicity activities in the reservoir area to explain to the masses the safety precautions of the hydropower station reservoir area, and some prevention and emergency measures for geological disasters and publicise the knowledge about self and mutual medical aid.

In addition to disaster relief, the Group also attaches great importance to advocating volunteer services and encourages its subsidiaries to continuously provide community volunteer services based on their own strengths and local needs.

The Group and its subsidiaries proactively participate in the community and merge with the masses, organise, conduct and participate in various forms of community support services.

- Yibin Electricity carries out voluntary labour service such as society for the aged sick, nursing homes, etc.
- Gao County Electricity goes into the poverty-stricken households, helps to install illuminating equipment and check other lighting facilities for free. It also actively participates in the activities of application for model sanitary county and voluntary labour service, clears the garbage for community streets, walls, railings, posters for psoriasis, etc.
- Gong County Electricity cares for empty nesters, checks the safety of power lines and installs indoor lighting equipment.
- Junlian Electricity carries out power connection projects for poor households, rectifies the hidden dangers of indoor lines, organises the outdoor installation of the government's "One District and Three Belts" village office, and eliminates the potential safety hazards of poor households across the entire supply area.
- Pingshan Electricity successfully performed the electricity guarantee task for Sichuan Flower Ecotourism Festival Session and the Third Pear (Plum) Flower Festival & Cultural Tourism Festival of Jinping, the Third Sichuan "Pinshan Chaoqing" Cultural Tourism Festival with the theme of Tea Tourism Integration and Revitalisation of Rural Areas.

Electricity has brought great convenience to the people's production and life. People's daily life is also increasingly exposed to a variety of electrical appliances such as electrical appliances and wires. Therefore, each and every one should pay attention to how to use electricity safely. The Group promotes electricity use for the electricity users in the community; holds lectures on the safe use of electricity in classrooms for primary and secondary schools and for community residents, issues brochures to publicise the latest knowledge on safe electricity use and common sense of saving electricity to thousands of households.

Hydropower construction

Hydropower construction projects have positive impacts on the surrounding community and environment. By the end of 2018, Sichuan Energy Investment Development had a total of 35 hydropower stations with a total installed capacity of 138,680 kW. The positive effects of hydropower station operations on the environment and society are mainly reflected in the following five respects. Firstly, hydropower is to meet the needs of local economic and social development, provides electricity guarantee for the economic development and the improvement of people's living conditions. Secondly, hydropower provides clean energy, which is conducive to sustainable energy use and greenhouse gas emission reduction, it also mitigates local air pollution. Thirdly, it offers water for infrastructure construction, irrigation and other production activities. Fourth, it creates a more stable and safer environment for river shipping, improves shipping conditions and local transportation, thereby providing more conveniences for local economic development. Fifth, it improves the natural landscape and provides possibilities for developing tourism and sightseeing, and varied forms of local economic development as well.

Reference Table for ESG General Disclosures

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)			Index	
Aspect	Description		Section	Page
A. Environmental				
A1 : Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that significantly affect the issuer regarding air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes. Note: Air emissions include NOx, SOx and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.		4.1	14-17
	KPI A1.1	The types of emissions and respective emission data.	4.1	14-17
	KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.1	14-17
	KPI A1.3	Total hazardous wastes produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Note 1	Note1
	KPI A1.4	Total non-hazardous wastes produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Note 1	Note1
	KPI A1.5	Description of measures to mitigate emissions and results achieved.	4.1	14-17
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	4.1	14-17
A2 : Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used for production, storage, transportation, buildings, electronic equipment, etc.		4.2	17-21
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	4.2	17-21
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	4.2	17-21
	KPI A2.3	Description of energy use efficiency initiatives and results achieved.	4.2	17-21
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	4.2	17-21
	KPI A2.5	Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	4.2	17-21

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)			Index	
Aspect	Description		Section	Page
A3 : Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.		4.3	22-24
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	4.3	22-24
B. Society				
B1 : Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that significantly affect the issuer regarding compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		5.1	25-29
	KPI B1.1	Total workforce by gender, employment type, age group and geographical region.		25-29
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.		Note3
B2 : Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that significantly affect the issuer regarding providing a safe working environment and protecting employees from occupational hazards.		5.2	29-33
	KPI B2.1	Number and rate of work-related fatalities.		29-33
	KPI B2.2	Lost days due to work injury.		29-33
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.		29-33
B3 : Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external programmes paid by the employer.		5.3	33-35
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).		33-35
	KPI B3.2	The average training hours completed per employee by gender and employee category.		33-35
B4 : Labor Standard	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that significantly affect the issuer regarding preventing child and forced labour.		5.4	35
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.		35
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.		Note 4

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)			Index	
Aspect	Description		Section	Page
B5 : Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.		5.5	35-37
	KPI B5.1	Number of suppliers by geographical region.		35-37
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, as well as how they are implemented and monitored.		35-37
B6 : Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that significantly affect the issuer regarding health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.		5.6	37-40
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.		Note 2
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.		37-40
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.		37-40
	KPI B6.4	Description of quality assurance process and recall procedures.		Note 2
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.		37-40
B7 : Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that significantly affect the issuer regarding bribery, corruption, fraud and money laundering.		8	40-44
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.		40-44
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.		40-44
B8 : Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		9	44-48
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).		44-48
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.		44-48

Note 1: The Group's production and operation practically do not involve the emission of non-hazardous waste. The harmless waste generated in daily office operation is disposed of by the property management companies and is not significant. Therefore, there is no separate statistics for disclosure. The hazardous waste is mainly waste oil. The storage records and ledger records of the production and disposal of waste oil was kept in the paper ledger of each subsidiary and the total amount of waste oil was not significant. Therefore, the data was then not collected for in this report.

Note 2: This item is not applicable because the Group's business includes the production and supply of electricity, as well as power-related services, which do not involve sales returns.

Note 3: As the Group's employees' overall attrition rate was low, only the total attrition rate was disclosed (see 5.1 Employment) and the employee attrition rate was not disclosed by gender, age and region.

Note 4: As the Group has no incidents of child labour use or forced labour during the period, this item is not applicable.