

中广核  CGN

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

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

Environmental,
Social and
Governance
Report
2020



Natural Energy Powering Nature

Content

01	Definitions	2	10	Green Operation	27
02	About the Report	3		Green Management System	27
	Reporting Period and Scope	3		Monitoring and Management	29
	Reporting Standard	3		Mechanism for Emission and	
	Confirmation and Approval	3		Discharge	
	Report Acquisition and Feedback	3		Use of Energy and Resources	34
03	Chairman's Statement	4		Addressing Climate Change	37
04	President's Statement	6	11	Caring for Employees	39
05	Distribution of Projects	8		Standardized Employment	39
06	Highlight of 2020	10		Occupational Health and Safety	41
	Financial and Operating Highlights	10		Mutual Growth and Progress	44
	Performance of Environmental	12	12	Quality Assurance	46
	Protection			Supply Chain Management	46
	Employees' Career Development and	12		Intellectual Property Rights and	48
	Occupational Health and Safety			Privacy	
	Community Contribution	12	13	Giving Back to the Society	49
07	About CGN New Energy	13		Poverty Alleviation by Industrial	49
	Company Overview	13		Development	
	Corporate Value	13		Education and Science Education	50
	Brand Standards	13		Combating Against the Pandemic	51
	Internal Code of Conduct	13	14	Comprehensive Performance	53
	Honors and Awards of the Group	14		Corporate Governance	53
08	Stakeholder Engagement and	19		Quality Assurance	53
	Materiality Assessment			Green Operation	54
	Communication with Stakeholders	19		Caring for Employees	57
	Materiality Assessment	21		Contribution to Society	60
09	Corporate Governance	23	15	Prospects in 2021	61
	Governance Structure	23	16	Independent Assurance	62
	Economic Responsibility	24		Statement	
	Anti-corruption	25	Appendix I	Laws and Regulations the Group	66
	Risk Prevention	26		has Complied with during the	
				Reporting Period	
			Appendix II	Content Index of the ESG Reporting	70
				Guide of the Stock Exchange	
				and GRI Sustainability Reporting	
				Standards	



01 Definitions

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

“the 13th Five-Year Plan”	the 13th Five-Year Plan for Economic and Social Development of the People’s Republic of China
“the 14th Five-Year Plan”	the 14th Five-Year Plan for Economic and Social Development of the People’s Republic of China and the Long-Range Objectives Through the Year 2035
“the 19th NCCPC”	the 19th National Congress of the Communist Party of China
“the 2nd, 3rd, 4th and 5th Plenary Session of the 19th CCCPC”	the 2nd, 3rd, 4th and 5th Plenary Session of the 19th Central Committee of the Communist Party of China
“CPC Central Committee”	Central Committee of the Chinese Communist Party
“Board”	the board of directors of the Company
“CGN”	China General Nuclear Power Corporation, a state-owned enterprise established in China and the controlling shareholder of the Company
“the Company”, “CGN New Energy”, “we”	CGN New Energy Holdings Co., Ltd
“China”	the People’s Republic of China
“EHS”	Environmental Health and Safety
“ESG”	Environmental, Social and Governance
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Insurances and Housing Fund”	the social endowment insurance, urban employee medical insurance, work-related injury insurance, maternity insurance and unemployment insurance in China
“Korea”	the Republic of Korea
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“MPF”	the Mandatory Provident Fund in Hong Kong
“Mainland China”	the mainland of the People’s Republic of China
“National Development and Reform Commission”	the National Development and Reform Commission of the People’s Republic of China
“National Pension”	the National Pension in Korea
“OHS”	Occupational Health and Safety
“Report”	2020 ESG report of the Company
“Reporting Period”	the period from 1 January 2020 to 31 December 2020
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Stock Exchange”	Hong Kong Exchanges and Clearing Limited
“US\$”	the United States dollar, the lawful currency of the United States of America
“%”	per cent

02 About the Report

CGN New Energy Holdings Co., Ltd. is delighted to publish its fifth ESG report. The Report aims to present the environmental and social issues related to the sustainable development of the Group to its key stakeholders, for their better understanding of the Group's concept, actions and related performance in sustainable development.

REPORTING PERIOD AND SCOPE

Unless otherwise specified, the Report mainly describes the specific policies and performance of the Group's efforts in sustainable development during the period from 1 January 2020 to 31 December 2020. For the sake of continuity and comparability of the Report, some data and contents in the Report have been extended as needed. Please refer to the section titled "Comprehensive Performance" in the Report for details on relevant data.

The main contents of the Report cover the Group's wind, solar, gas-fired, coal-fired¹, oil-fired, hydro, cogeneration and fuel cell in China and Korea. Contents of the Report are mainly based on and determined through the materiality assessment. Please refer to the chapter headed "Stakeholder Engagement and Materiality Assessment" for details of the process.

REPORTING STANDARD

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

CONFIRMATION AND APPROVAL

The contents disclosed in the Report are in compliance with the ESG disclosure requirements of "Comply or Explain" in the ESG Reporting Guide (2016 edition) under Appendix 27 of the Listing Rules. The Report was approved by the Board in March 2021 to ensure that it covers major ESG issues of the Group. The Board and all the directors of the Company warrant that there are no false records, misleading statements or material omissions in the Report, and they shall individually and collectively accept full responsibility for the truthfulness, accuracy and completeness of its contents.

REPORT ACQUISITION AND FEEDBACK

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

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

¹ Excluding Huangshi I and II Coal-fired Projects in Hubei.

03 Chairman's Statement

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

In 2020, the global and various countries' economy continued to and tended to slow down under the impact of the global COVID-19 pandemic. However, under the strong leadership of CPC Central Committee, China actively fought against the COVID-19 pandemic, resumed work and production and became the only main economy achieving an increasing economic growth in the world. China's gross domestic product realized a breakthrough of a trillion RMB, which created a beneficial environment for the global society to fight against the COVID-19 pandemic and economic recession. The year 2020 was the final year of implementing the 13th Five-Year Plan and the first year of implementing the 14th Five-Year Plan. In addition, the Central Economic Work conference gave the notion of "doing a good job in working towards carbon peak and carbon neutrality" in 2020 and strived to realize the target of carbon neutrality. On a new starting point, China will continue to face challenges, go forward and strive to build a modern socialist country as well as carry on reform and opening-up and contribute to the world by its development and fulfillment of responsibility. In the aspect of energy development, the Chinese government continues to actively adjust domestic energy structure. Chinese wind power and photovoltaic industry have shifted from a large-scale development to a high-quality development. The major task for current development of the industry during the 14th Five-Year Plan is to realize grid parity for wind power and photovoltaic power generation. As of 31 December 2020, China's installed capacity of renewable energy power generators reached approximately 934 GW with a growth of 17.5% year-on-year. Among it, the accumulated grid-connected wind power capacity reached 281.5 GW and the accumulated grid-connected solar power capacity reached 253.4 GW, respectively, which had a year-on-year growth of 34.6% and 24.1%, respectively. China's energy structure maintained green and low carbon development and the power generation from non-fossil fuels further increased.



03 Chairman's Statement

The 2020 national policies on photovoltaic and wind power tariffs were officially announced. The National Development and Reform Commission issued the Notice on Matters Related to the Policies for On-Grid Tariff of Photovoltaic Power Generation in 2020 (《關於2020年光伏發電上網電價政策有關事項的通知》) to confirm the 2020 on-grid tariff policies on photovoltaic power generation that the guidance tariffs in each resources area would be further decreased. In addition, the policies on wind power tariffs for 2020 were confirmed in the Notice on Improving the Policies for Wind Power On-Grid Tariff (《關於完善風電上網電價政策的通知》) issued by the National Development and Reform Commission in May 2019. The policy of the new energy industry in 2020 basically continued the policy guidance of last year, but the external environmental uncertainty caused by the COVID-19 pandemic had enormous impacts on the strategic layout, project development, project construction, project operation and maintenance of investment enterprises. Furthermore, subsidies for renewable energy had further declined, imposing higher requirements on project resource endowments and cost control.

The Group always adheres to the mission of “develop clean energy and building a beautiful China”, continues to increase investment in new energy, accurately seizes the opportunities in development of realizing China’s “Carbon Neutrality” target, maintains a high quality, efficient and innovative development, and actively creates a diversified asset profile, and a mature model of operation and management. On the one hand, great efforts will be made to consolidate our advantages in terms of sizes and quality of wind power and solar power projects and enhance the market competitiveness of CGN New Energy. On the other hand, we will hold fast to the basic principles of “safety first, quality foremost, pursuing excellence”, to continuously improve the talent selection and training mechanism, to optimize team building and internal governance, to safeguard the legitimate rights and interests of key stakeholders including shareholders and to enhance corporate brand value.

Chen Sui
Chairman

24 March 2021

04 President's Statement

2020 was an extraordinary year for China. In 2020, China gained achievements in battling against the pandemic which caught the world's attention, with a steady economic recovery and becoming the only economy achieving economy growth in the world. In this year, the gross domestic product in China exceeded a trillion RMB, reaching a new step forward. The "Six Stability" and "Six Guarantees" policies were effectively implemented, stabilizing the fundamentals for the national economy. The "Three Tough Battles" also attained crucial achievements. In this year, the country continued to push forward multiple policy establishments, initiated experimental work, and energy structural reform entered a new climax. Furthermore, China issued targets to achieve emission peak by 2030 and carbon neutrality by 2060. Under the guidelines from the 19th NCCPC and the spirit of the 2nd, 3rd, 4th and 5th Plenary Session of the 19th CCCPC, renewable energy has come to a stage of high quality development, in the hopes of improving consumptive issues in clean energy. The 14th Five-Year Plan is an important window period for promoting energy transition and green development. Our nation is continuously pushing forward renewable energy as the main body of energy consumption during the 14th Five-Year Plan, to establish a solid foundation for achieving the strategic target of a non-fossil fuel energy consumption proportion of 25% in 2030. In 2020, the energy production of renewable energy in China took up approximately 29.5% of the national energy production. As of 31 December 2020, the Group's power generation projects have an attributable installed capacity of 7,550.6 MW with the power generation of approximately 13,825.2 GWh, whereas clean and renewable energy projects (i.e. wind, solar, gas-fired, hydro, and fuel cell projects) accounted for 77.4% of our attributable installed capacity.

During the Reporting Period, CGN New Energy has made a number of major breakthroughs in the development of clean energy. Newly added attributable installed capacity of CGN New Energy was over 1,264.6 MW, among which the attributable installed capacity of wind power increased by 57.2% and the attributable installed capacity of solar power increased by 24.5%. In addition to actively developing new energy projects, the Group also adheres to the principle of environmental protection first in the process of project operation. In site selection, construction and operation, the Group persists in carrying out protection work of the ecological, atmospheric, and aquatic environment, proactively responds to climate change, and has been consistently pursuing sustainable development.



04 President's Statement

In addition to implementing the concept of green development, CGN New Energy actively fulfills its social responsibilities in terms of employee remuneration and social investment. The clean energy industry is a relatively brand-new sector that has expanded rapidly in recent years and is in desperate need of manpower. We value the contribution of our employees. Apart from our regular review of employee benefits, we carried out a number of employee-oriented activities this year. Furthermore, we attach great importance to safe production. During this year, we continued to organize various safety training programs and invited experts for lectures to enrich our employees' knowledge in safety. While caring for employees' needs, we also attach importance to the development of communities around our business operation sites. In 2020, we responded to the nation's call and proactively organized and coordinated every work to combat against the COVID-19 pandemic, and continued to carry out various community care activities with the themes of poverty alleviation, education, and environmental protection, which were widely recognized by the local government and the public, achieving a harmonious and win-win situation between the Group's development and the community.

Looking ahead, clean energy remains the focus of the national energy revolution, and its development is expected to continue to be supported by relevant favorable policies. CGN New Energy will always adhere to the basic principles of "safety first, quality foremost, pursuing excellence", continuously improve the talent selection and training mechanism, optimize team building and internal governance, so as to achieve the goal of consolidating the foundation for the Group's sustainable development and contribute to the green energy development of the country and even the region.

Li Yilun
President

24 March 2021

05 Distribution of Projects



Henan, China



Total Installed Capacity

546.6 MW



5.7 MW



250 MW

Gansu, China



Total Installed Capacity

843 MW



87 MW

Qinghai, China



Total Installed Capacity

50 MW



160 MW

Sichuan, China



Total Installed Capacity

51 MW

Hunan, China



Total Installed Capacity

140 MW



14.5 MW

Guizhou, China



Total Installed Capacity

140 MW

Guangxi, China



Total Installed Capacity

135.9 MW



144 MW

Jiangxi, China



Total Installed Capacity

125 MW

Inner Mongolia, China



Total Installed Capacity

193 MW

Shaanxi, China



Total Installed Capacity

0.7 MW

05 Distribution of Projects



Guangdong, China



Total Installed Capacity

16.4 MW

Shanghai, China



Total Installed Capacity

4.5 MW

Hainan, China



Total Installed Capacity

24.3 MW

Anhui, China



Total Installed Capacity

31 MW



294.6 MW

Shanxi, China



Total Installed Capacity

199 MW

Zhejiang, China



Total Installed Capacity

173 MW



10.6 MW

Hebei, China



Total Installed Capacity

89.6 MW

Hubei, China



Total Installed Capacity

24 MW



100 MW



176.5 MW



2,020 MW

Shandong, China



Total Installed Capacity

437.6 MW



35 MW

Jiangsu, China



Total Installed Capacity

246.5 MW



31 MW



63 MW

Fujian, China



Total Installed Capacity

8.9 MW

Korea



Total Installed Capacity

507 MW



1,549.1 MW

06 Highlight of 2020

FINANCIAL AND OPERATING HIGHLIGHTS

Revenue	US\$1,150 million, decreased by 9.9% as compared with 2019 (2019: US\$1,276 million)
EBITDA	US\$494 million, increased by 23.8% as compared with 2019 (2019: US\$399 million)
Net profit attributable to the owner of the Company	US\$162 million, increased by 45.8% as compared with 2019 (2019: US\$111 million)
EPS	3.78 US cents, increased by 45.8% as compared with 2019 (2019: 2.59 US cents)
Attributable installed capacity	7,551 MW, increased by 20.1% as compared with 2019 (2019: 6,286 MW)
Power generation	13,825 GWh, increased by 2.1% as compared with 2019 (2019: 13,541 GWh)

Clean and renewable energy portfolio	Attributable installed capacity	Year	Attributable installed capacity	Conventional energy portfolio
Solar, Wind, Hydro, Gas-fired	5,842.0 MW (77.4%)	2020	1,708.6 MW (22.6%)	Coal-fired, Oil-fired, Cogeneration
	4,550.4 MW (72.4%)	2019	1,735.6 MW (27.6%)	
	3,504.9 MW (66.5%)	2018	1,769.6 MW (33.5%)	

- CGN New Energy Hubei Branch became the first enterprise in Wuhan High-tech Industrial Development Zone to resume production.



06 Highlight of 2020

- Established the first suite of electric power marketing information platform for new energy in the PRC.



- Launched a smart offshore wind power operation platform in December 2020.



The Report presents the basic financial and business status of CGN New Energy in 2020. For details, please refer to our 2020 Annual Report.

06 Highlight of 2020

PERFORMANCE OF ENVIRONMENTAL PROTECTION

Facing the increasingly serious environmental challenges, CGN New Energy has continuously implemented the ecological and environmental protection concept of “lucid waters and lush mountains are invaluable assets”. It incorporates green and environmental considerations in the entire process from site selection, deliberation, construction to operation and maintenance of projects. CGN New Energy also proactively develops clean energy business. We always adopt the “three-in-one” approach of “environmental protection first in preliminary design, striking a balance between construction progress and environment construction, and incorporating environmental considerations in production” and roll out a variety of initiatives on ecological and landscape protection, atmospheric environment protection, water environment protection, and various energy and resources conservation.

In 2020, the Group’s power generation volume of solar, wind and hydro portfolio were 6,690.50 GWh, contributing to the power industry for addressing global climate change, reducing air pollution and mitigating environmental impacts.

In 2020, generation of the following pollutants were reduced²:

Carbon dioxide (CO ₂)	5,606,639.00 tonnes
Nitrogen oxides (NO _x)	1,304.65 tonnes
Sulfur dioxide (SO ₂)	1,251.12 tonnes
Smoke and dust	254.24 tonnes
Wastewater	361,287.00 tonnes

EMPLOYEES’ CAREER DEVELOPMENT AND OCCUPATIONAL HEALTH AND SAFETY

A good employee team brings a steady stream of development impetus for CGN New Energy. Considering the business nature of the Group, we design and customize high-quality training programs. We also invite senior and part-time lecturers to give content-rich and practical lectures according to the actual needs from the corporate level to employees. In addition, we always adhere to the basic operating principle of “safety first”, standardize the occupational health code, provide staff with personal protective equipment, arrange occupational health examination, and provide diversified safety training.

COMMUNITY CONTRIBUTION

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

² The data were calculated according to the emission and discharge volume of carbon dioxide, nitrogen oxides, sulfur dioxide, soot and wastewater per unit of electricity generated by thermal power plant stated in the Annual Development Report 2020 of Power Industry in China, and referring to the Group’s power generation data of solar, wind and hydro portfolio during the Reporting Period.

07 About CGN New Energy

COMPANY OVERVIEW

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

Our assets portfolio currently comprises wind, solar, gas-fired, coal-fired, oil-fired, hydro, cogeneration and fuel cell projects located in the China and Korea power markets. Our business in China covers 18 provinces, two autonomous regions and a municipality. In terms of the overseas market, we have 2 gas-fired projects and 1 fuel cell project with 4 phases in Yulchon, Korea, as well as 1 oil-fired project in Daesan. As of 31 December 2020, projects in the China and Korea accounted for approximately 72.8% and 27.2%, respectively, of the Group's gross attributable installed capacity of 7,550.6 MW.

CORPORATE VALUE

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

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

BRAND STANDARDS

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

INTERNAL CODE OF CONDUCT

1. 4 principles for CGN staff: Integrity and transparency, professionalism, efficient execution and team work
2. 4 principles for management team: Being a good example, capable operation, caring for employees, fairness and integrity

07 About CGN New Energy

HONORS AND AWARDS OF THE GROUP

- 2020
 - CGN New Energy received 3 Outstanding Quality Management Achievement Awards for China's power industry from China Association for Water and Electricity Quality Management



- CGN New Energy was awarded with the "InnoESG Prize" 2020 in Hong Kong



- Received the Certificate of Scientific and Technological Achievements Evaluation in respect of the scientific research results of the "Research on the Application and Practice of Ubiquitous Internet of Things Technology in Wide-area Distributed Project Management"



07 About CGN New Energy

- CGN New Energy received 2 awards in relation to “Second Prize for Achievements in Activities of the Electricity Development Quality Control Group in 2020” (2020年度電力建設質量管理小組活動二等成果獎) from the China Electric Power Construction Association



- Two scientific and technological achievements, namely Research and Application of Technology for Analysis of Harmonic Source Positioning in New Energy Stations and Research and Application in Enhancement of Design of Grounding Network of Fishing-Photovoltaic Power Complementary Photovoltaic Station, won “Third Prize in 2020 Scientific and Technological Advancement Award for Power Development” awarded by China Electric Power Construction Association



07 About CGN New Energy

- 2019
- CGN New Energy won the “2019 Hong Kong Corporate Governance Excellence Award” by CHKLC and the Centre for Corporate Governance and Financial Policy of Hong Kong Baptist University in Hong Kong



- CGN New Energy won the InnoESG Prize in Hong Kong, which was held by Society Next Foundation and other organizations



- CGN New Energy won the “Best IR by Chairman/CEO”, “Best IR Company”, and “Best Investor Meeting” by the 5th Investor Relations Awards of Hong Kong Investor Relations Association



07 About CGN New Energy

- The project "The Establishment and Application of 3x3x3 Grid Quality Management System in Wind Power Plant" in Huangminshan, Anqiu, Shandong Province won the excellence award of the quality technology award of China Quality Association in 2019. At the same time, it won the title of 2018 Excellent Wind Farm in the power industry and the 5A rating

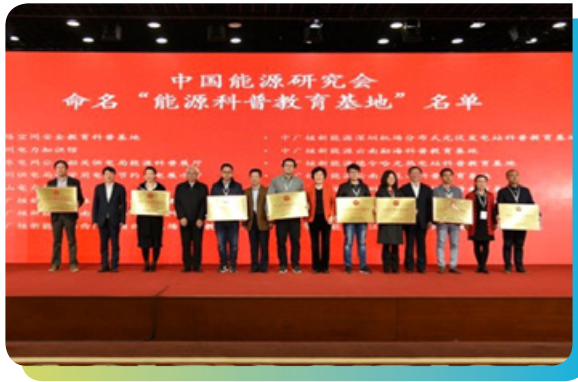


- Wuhai 50 MW Photovoltaic Base Project in Inner Mongolia Autonomous Region was awarded the "China Power Quality Project of 2019", which is the first mountain photovoltaic power generation project in China to be awarded the prize, and it was awarded two certificates in engineering and production



07 About CGN New Energy

- 2018
 - Two informatization projects of CGN New Energy won the “Second Prize of 2018 Annual Power Innovation Award” respectively
 - 11 clean energy power stations owned by CGN New Energy won the title of “Energy Science Education Base”



- “2018 National Outstanding Wind Power Development Unit” by China Wind Energy Association



- Ninghai Yishi Wind Farm Project won the title of “National Water and Soil Conservation Ecological Civilization Project” by the Ministry of Water Resources in China
 - The “Best Corporate Governance Award” and the “Best Annual Report Design Award” of “2017 China Financial Market Awards for Listed Companies”

08 Stakeholder Engagement and Materiality Assessment

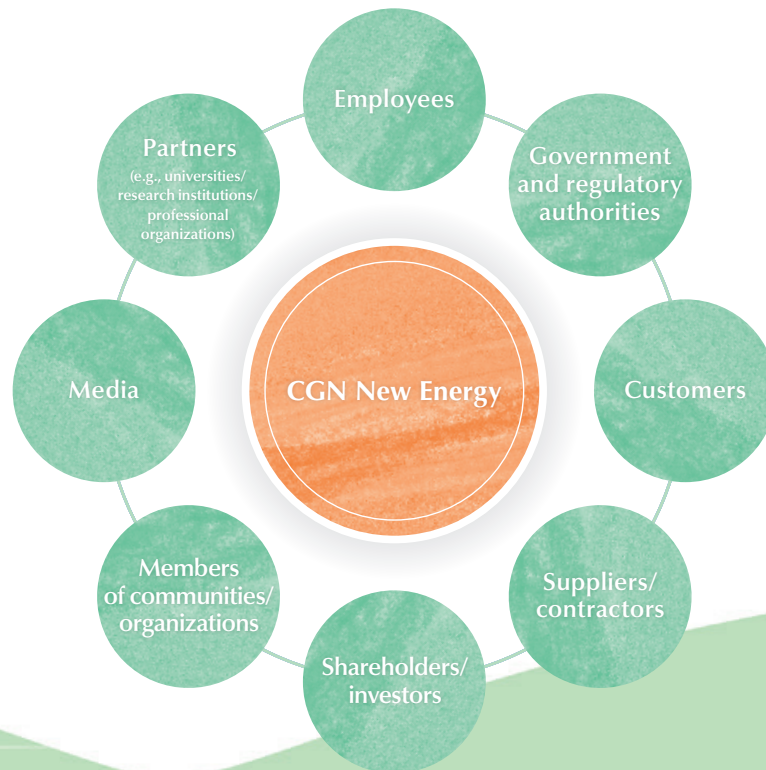
COMMUNICATION WITH STAKEHOLDERS

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

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

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

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



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

08 Stakeholder Engagement and Materiality Assessment

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

Key stakeholders	Main communication channel	Frequency
Employees	Employee meeting/forum Employee performance appraisal interview Employee satisfaction survey On-site investigation and research Employees' recreational activities and volunteering activities	Annually
Government/regulatory authorities	Telephone/e-mail Meeting and interview	From time to time
Clients	Telephone/e-mail Interview	From time to time
Suppliers/contractors	Issue invitation for bids on procurement of products/ services Inspection and supervision of work Supplier conference Telephone/e-mail Interview	From time to time
Shareholders/investors	Shareholders' meetings Investor conferences Press releases/announcements Visits Telephone meetings	During the Reporting Period, the Company communicated with investment banks, securities firms and different types of investors. During the Reporting Period, the Company held its 2020 annual general meeting in the form of video conference in Hong Kong, Beijing and Shenzhen. In addition, the Company held a special general meeting in Hong Kong. Shareholders' meetings are held annually in general.
Members of communities/ organizations	Telephone/e-mail Interview	From time to time
Media	Press releases/announcements Media special interview	During the Reporting Period, the Company constantly updated the media and the public on the latest development of CGN New Energy through press releases/announcements. Media interviews are conducted from time to time based on actual needs.
Business partners (e.g., universities/research institutions/professional teams or individuals)	Inspection and supervision of work Telephone/e-mail Interview	From time to time

08 Stakeholder Engagement and Materiality Assessment

MATERIALITY ASSESSMENT

In order to reflect CGN New Energy's ESG impacts to the full extent in the Report, and considering the ESG information requested by key stakeholders for the Group, the Group identified the material topics to be disclosed in the 2020 ESG Report through the following materiality assessment process.

Process for identifying material topics	Step 1	Identify the most relevant ESG topics of CGN New Energy
	Step 2	Conduct materiality assessment survey
	Step 3	Create the materiality matrix according to the survey result and identify the priority of topics
	Step 4	Review and confirm the materiality of identified topics

In identifying the most relevant ESG topics related to CGN New Energy, we have considered the current industry background and trends, based on the Group's strategy and business characteristics, with reference to relevant standards or guidelines for sustainable development.

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

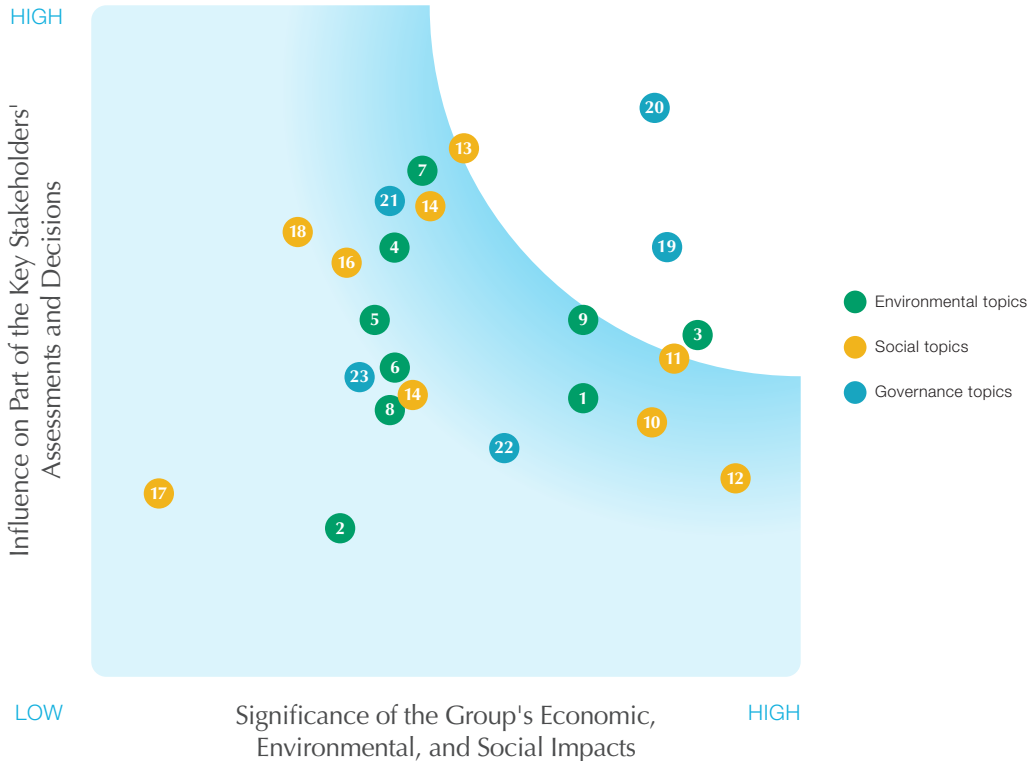
Through an anonymous questionnaire survey method, the Group widely collected and solicited opinions from part of the Group's key stakeholders. The survey collected a total of 886 valid questionnaires from the management³, employees, suppliers/contractors⁴, as well as shareholders/investors. Based on the feedback from stakeholders and confirmation from the Company's management, the material topics of the 2020 ESG Report were finally determined.

³ Refers to personnel with the highest decision-making authority over the operation of the Company or the related affairs of various department.

⁴ Refers to fuel suppliers and operation-related service providers.

08 Stakeholder Engagement and Materiality Assessment

Matrix of CGN New Energy 2020 Materiality Assessment



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

Through the comprehensive analysis of the data and information collected in the survey, as well as consideration of the impact of related ESG issues to the Group and part of key stakeholders, CGN New Energy obtained the survey results of material issues as listed in the above matrix and identified 6 material topics (i.e. items 3, 9, 11, 13, 19, and 20 as shown in the above table) that relevant stakeholders are most concerned about. The results of the analysis have been reviewed by the Group's senior management. The Report will focus on these material issues and address the needs of stakeholders for information disclosure on the premise that the Report conforms to the Listing Rules of the Stock Exchange.

09 Corporate Governance

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

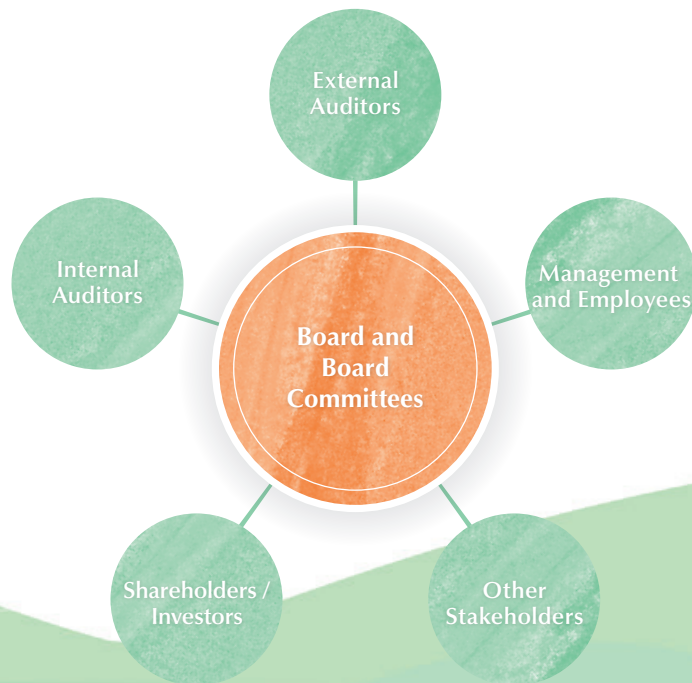
GOVERNANCE STRUCTURE

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

CGN New Energy believes that good corporate governance is essential to the Group's internal governance and the interests of shareholders. We have a corporate governance structure consisting of the Board and board committees, internal auditors, shareholders, management, and employees. In the form of multi-participation, the comprehensive coverage of the Group's governance policy and the effectiveness of its implementation are further consolidated.

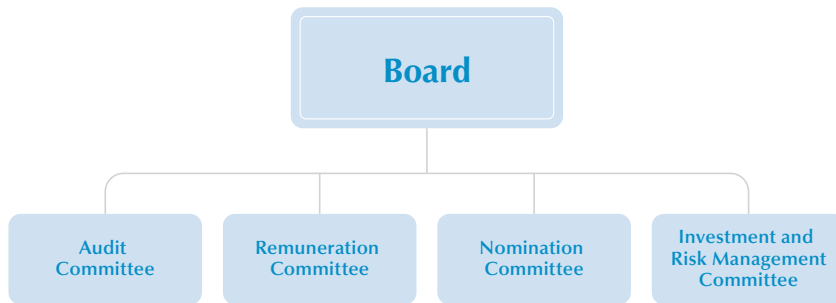
As the supervisor of the Group, the Board is responsible for formulating and approving policy matters, improving strategic guidelines, maintaining risk management and internal control systems, and supervising the performance and professional development of senior management. As of the end of the Reporting Period, the board committees of the Company include the Audit Committee, Remuneration Committee, Nomination Committee and Investment and Risk Management Committee. The corporate governance team is committed to upholding CGN New Energy's interests and making fair and clear decisions on major operational issues of the Group, so as to promote the Group's evergreen development and create value for each of our key stakeholders.

Corporate governance structure of CGN New Energy:



09 Corporate Governance

Governance structure of CGN New Energy:



The Report basically presents the corporate governance system and work of CGN New Energy in 2020. For details, please refer to the “Corporate Governance Report” contained in our 2020 Annual Report.

ECONOMIC RESPONSIBILITY

The Group gives full play to the advantages of the “headquarters financing” mode to build a diversified financing platform on the basis of traditional bank financing by continuously considering market policy changes and facilitating the expansion of the Group’s asset portfolio. Through constantly exploring a variety of capital market financing tools, the Group constantly optimizes its capital structure and debt structure, in order to lay a solid foundation for the sustainable development of the Group.

09 Corporate Governance

ANTI-CORRUPTION

CGN New Energy strictly complies with the relevant laws and regulations relating to bribery, extortion, fraud and money laundering in the operating regions, including Mainland China, Hong Kong and Korea. The names of relevant laws and regulations that we have complied with during the Reporting Period, as well as an overview of the Group's compliance with the laws and regulations, are listed in "Appendix I" of the Report. The Group formulates and strictly implements various internal management policies on prevention of bribery, extortion, fraud and money laundering in the course of operation.

With the integrity value of "integrity is the new energy" and the integrity vision of "illuminating happiness with the sunshine of integrity", we uphold the culture of high integrity in the corporate governance structure and pursue better corporate governance on the basis of being compliant with the law. We have also incorporated the integrity culture into the development of every employee of CGN New Energy, and they are committed to acting with a high level of integrity and ethical standards. We have developed the Employee Code of Conduct to specify the codes of conduct and requirements by which all employees must abide, thus ensuring the management and employees to reach a clear consensus. We strictly require all business units to closely follow the anti-corruption principle, hence we have formulated the Management System of Discipline Inspection, the Provisional Administrative Measures for Gifts Accepting and Offering and the Regulations on Supervision and Disciplinary Action to set up standards of employee behavior and raise awareness of honest business practices.

In the meantime, the Group has developed the Regulations on Whistleblowing and Reporting based on the Listing Rules, which encourages employees to raise concern in confidence for any misconduct, malpractice and corruption relating to our business. This has established correct values, fostered a culture of honest and righteous business practices, and improved the Group's corporate governance effectiveness.

Providing Confidential Ways for Whistleblowing

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

Policy for Prohibiting Illegal Retaliation and Discrimination

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

09 Corporate Governance

RISK PREVENTION

Internal management and control

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

Financial Supervision

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

Information Security Management

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

10 Green Operation

As a firm advocate and practitioner in the field of new energy, CGN New Energy provides the society with safe, reliable, environmental-friendly, and affordable electricity, and strives for a bluer sky, greener hills, and cleaner water. CGN New Energy continuously carries out environmental protection management from multiple aspects, actively cooperates with the national policy of “comprehensively strengthen ecological and environmental protection and promote the tough fight for prevention and control of pollution”, and strives to reduce the environmental impact of the Group in the process of business development and establish a green operation model. We hope that we can promote the green and sustainable development in China through our green energy business characteristic, as well as the continuous improvement of environmental management system.

GREEN MANAGEMENT SYSTEM

CGN New Energy has established a complete environmental management system to support and standardize the Group’s environmental management under the operation principle of “to use resources wisely and maintain a continuing development”. The Group has an environmental protection leadership group, which comprehensively leads the Group’s environmental protection work. The Group’s significant impacts on the environment and natural resources from its operation activities include disturbance of soil, water and vegetations during the construction of new power generation plants, as well as fuel consumption and emissions during the operation of some conventional energy projects. The Group has formulated and strictly enforced various management regulations relating to air emissions, wastewater and waste, as well as management policies to reduce the adverse impact of its operations on the ecological environment.

Main duties of the environmental protection leading group include:

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

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

At present, most of the power generation projects we have put into operation have obtained ISO 14001 Environmental Management System Certification. The Group requires all newly acquired or completed power generation projects to obtain the above management system certification qualification within two years after the acquisition or completion to strengthen the environmental compliance of the project operation.

10 Green Operation

CASE SHARING: ACTIVELY PRACTICING GREENING AND CONSTRUCTING ECO-FRIENDLY WIND FARM

Dedicated to fulfilling its social responsibility, CGN New Energy actively practices the environmental protection belief of “lucid waters and lush mountains are invaluable assets”, promoting greening in wind farms and improving the local ecological environment.

Taking the Tuci Wind Farm in Xiangshan, Zhejiang as an example, the project has implemented a number of treatment measures and conducted slope improvement and greening projects according to its topography, construction environment and other factors, so as to control the soil erosion during the construction process, and restore local vegetations, thereby creating a good ecological landscape.



Current vegetation at Tuci Wind Farm in Xiangshan, Zhejiang

In addition, the Tuci Wind Farm will scatter flower seeds on the slopes, the side of the road shoulders, and the periphery of the wind turbine equipment platform every spring, creating beautiful scenery and floral scents everywhere at the site. At the same time, the project organizes all employees and their families to participate in voluntary tree planting activities during the annual Arbor Day to plant bayberry, peach, pear, and other fruit trees around the equipment platform and on the outer slope of the road, enhancing the environmental awareness of employees while greening the environment.



Employees and their families participating in tree planting activities

10 Green Operation

MONITORING AND MANAGEMENT MECHANISM FOR EMISSION AND DISCHARGE

CGN New Energy strictly complies with the relevant laws and regulations on air emissions, discharges into water and land, generation of hazardous and non-hazardous waste, and noise control in the operating regions, including Mainland China, Hong Kong and Korea. The names of relevant laws and regulations that we have complied with during the Reporting Period, as well as an overview of the Group's compliance with the laws and regulations, are listed in "Appendix I" of the Report.

Atmospheric emissions

The main atmospheric pollutants produced by the Group, including smoke and dust, sulfur oxides and nitrogen oxides, are mainly from fuel combustion during the operation of the coal-fired, cogeneration and gas-fired projects. In order to mitigate the impact of atmospheric pollutants from fuel combustion on the environment, the relevant projects of the Group have set up and operated exhaust gas treatment devices. In addition, we monitor our air emissions effectively through a comprehensive emissions monitoring system and daily management mechanism to ensure that all project companies comply with local laws and regulations on atmospheric pollutants. Through the formulation of strict management system, including the Regulations of Desulfurisation, Denitrification, and Dust Removal Operations, the Management System relating to the Start and Stop of Desulfurisation Facilities, the Dust and Ash Removal Evaluation and Statistics Provisions and other documents, for the operation and maintenance of air emission treatment facilities, as well as setting out the relevant personnel operating rules, we ensure the emissions meet with standards from the aspect of internal governance.

We actively promoted the proportion of investment in clean and renewable energy projects (i.e., wind, solar, gas-fired, hydro and fuel cell projects) during the Reporting Period, and continued to expand the proportion of clean and renewable energy projects in the Group's attributable installed capacity.

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

Our operation in Mainland China has been strictly in compliance with the Emission Standard of Air Pollutants for Coal-fired Power Plants to ensure the emissions of smoke and dust, sulfur oxides and nitrogen oxides are below the concentration level of 20 mg/m³, 50 mg/m³, 100 mg/m³ respectively. We reduce emissions from electricity production continuously by measures such as improving technology and upgrading equipment to realize ultra-low emissions.

10 Green Operation

Daily management of atmospheric pollutants:

- Install boilers that comply with environmental protection requirements and implement the "Three Simultaneous" green system to meet the emission standards for boilers
- The production departments of project companies carry out regular inspection and maintenance on the exhaust gas emission system, exhaust gas treatment facilities and CEMS online monitoring system to ensure all systems are in normal operation and record the inspection results

Treatment methods of atmospheric pollutants:

- Flue gas from boilers is discharged at height after treatment in the flue gas precipitator system
- Magnesium oxide and limestone is used for desulfurization treatment
- Meeting the NO₂ emission standard through low nitrogen burning and selective catalytic reduction (SCR) desulfurization

Monitoring methods of atmospheric pollutants:

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

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

Nitrogen Oxide (NO _x)	966.05 tonnes, 30.5% year-over-year decrease (2019: 1,389.28 tonnes)
Sulfur Oxide (SO _x)	97.70 tonnes, 24.6% year-over-year decrease (2019: 129.59 tonnes)
Smoke and dust in exhaust gas	55.42 tonnes, 30.5% year-over-year decrease (2019: 79.70 tonnes)

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

Total greenhouse gas emissions (Scope 1 and 2) ⁵	16,703,425.33 tonnes CO ₂ eq, 6.0% year-over-year decrease (2019: 17,774,698.17 tonnes of CO ₂ eq)
Greenhouse gas emissions per MWh of electricity generated	1.21 tonnes of CO ₂ eq, a decrease of 8.0% year-on-year (2019: 1.31 tonnes of CO ₂ eq)

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

⁵ The data includes greenhouse gas emissions of Scope 1 (direct emissions) and Scope 2 (indirect emissions caused by the use of energy).

10 Green Operation

CASE SHARING: DEVELOPING RENEWABLE ENERGY AND PROMOTING NATIONAL GREEN DEVELOPMENT – XITIESHAN PHOTOVOLTAIC POWER PROJECT

The Xitieshan Photovoltaic Power Project is located in Xitieshan, Haixi Prefecture, Qinghai, China, standing at 132 kilometers south from Golmud City and 72 kilometers northwest from Dachaidan Town. The project has an installed capacity of 100 MW, covering an area of approximately 280 hectares. The Xitieshan Photovoltaic Power Project can generate an average of 170 million kWh of electricity per year, and can help reduce the emissions of carbon dioxide by approximately 170,000 tonnes per year.



Xitieshan Photovoltaic Power Project

As the first 100 MW photovoltaic power project in Qinghai Province, the Xitieshan Photovoltaic Power Project has received unanimous praise from the Qinghai Provincial Government and the local power company during both the construction and operation phases of the project. Since its commencement, the project has withstood the tests of construction in the oxygen-deprived plateau area, as well as rare sandstorms and other extreme weather conditions, and has been connected to the grid and begun generating electricity according to the schedule. The project not only generates energy efficiencies, but also generates objective social and economic benefits for the project area and drives the collaborative development of the area.

10 Green Operation

Produced Wastewater

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

We strive to meet the regulations of the places where we operate through active efforts in daily management, such as sewage management and treatment undertaken by the Production Management Department and the Safety, Quality and Environmental Department, along with various measures and supervision initiatives.

Daily management of wastewater discharge:

- The Production Department and Safety, Quality and Environmental Department of each project company are responsible for the wastewater management and treatment as well as making records accordingly
- For project construction which involves wastewater discharge, the department-in-charge is responsible for signing the environmental protection agreement with the contractors and the Safety, Quality and Environmental Department should ensure that wastewater is discharged in compliance with the standards

Treatment methods of wastewater:

- In the wastewater treatment system, wastewater undergoes sedimentation and neutralization until it meets the standards and is discharged to wastewater treatment plants

Monitoring methods of wastewater:

- Safety, Quality and Environmental Department engages third-party inspection bodies to monitor wastewater discharged by project companies and maintains inspection record

During the Reporting Period, the discharged amount of wastewater was as follows:

Wastewater	482,337.80 tonnes, 50.8% year-over-year decrease (2019: 980,616.10 tonnes)
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10 Green Operation

Hazardous and Non-hazardous waste

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

For the treatment of hazardous waste produced, the Group strictly complies with the Guidance on Disposal of the Waste Materials in Production, Operation and Maintenance, where the responsible department collects and stores the waste at designated warehouses. We place and store the waste at designated spots within the factory area and the keeper, who are trained for professional waste disposal, shall register and deliver the waste to qualified third-party institutions for further treatment and file the "five copies of the transit manifest".

We entrust professional resource recovery companies with payment to recover the exhausts and fuel combustion by-products with reuse value such as fly ash and desulfurized gypsum. This approach not only reduces the impact of waste on the environment but also reduces the Group's operating costs.

All business units of the Group are committed to the principle of "repair and reuse, proper storage, full utilization, revenue generating and expenses cutting" to reduce waste production during operation. The procurement departments of project companies are responsible for collecting waste and obsolete materials while the production management departments are responsible for obsolete material recycling. Based on the principles of "economic reasonableness, quality assurance, centralized management and prioritized utilization", the Group carries out necessary repair work on components and parts dissembled at the production sites, so as to recover their original functionality. This substantially reduces waste production and lowers operating costs.

We internally grant "Repair and Reuse" awards to individuals and business units which have outstanding performance on repairing and reusing work to raise green awareness of employees. The value of repaired and reused materials is jointly determined by the procurement department and production management department of each project company and the award is based on the original value of the materials before repair. The production management department regularly summarize the completed repair and reuse projects and makes recommendation on awards.

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

Total hazardous waste produced	90,907.59 tonnes, 65.2% year-over-year decrease (2019: 261,457.51 tonnes)
Hazardous waste produced per MWh of electricity generated	0.0066 tonnes, 65.9% year-over-year decrease (2019: 0.019 tonnes)

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

Total non-hazardous waste produced	31,376.03 tonnes, 58.9% year-over-year decrease (2019: 76,313.11 tonnes)
Non-hazardous waste produced per MWh of electricity generated	0.0023 tonnes, 59.7% year-over-year decrease (2019: 0.0056 tonnes)

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

Total amount of fly ash recycled	90,727.46 tonnes, 64.7% year-over-year decrease (2019: 256,836.00 tonnes)
Recycling rate of fly ash	100%, 1.8% year-over-year increase (2019: 98%)
Total amount of desulfurized gypsum recycled	8,158.67 tonnes, 67.7% year-over-year decrease (2019: 25,246.50 tonnes)
Recycling rate of desulfurized gypsum	100%, 11.1% year-over-year increase (2019: 90%)

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

10 Green Operation

USE OF ENERGY AND RESOURCES

CGN New Energy adopts the three-in-one approach of “environmental protection first in preliminary design, striking a balance between construction progress and environment protection, and incorporating environmental considerations in production”. It not only rolls out a variety of initiatives on ecological and landscape protection, atmospheric environment protection and water environment protection, but also emphasizes energy and resource saving in the operation. The Group formulates and strictly implements various internal management policies on the use of energy and water resources.

Energy utilization

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

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

Total energy consumption	17,865,538.78 MWh, 25.7% year-over-year decrease (2019: 24,058,855.17 MWh)
Energy consumed per MWh of electricity generated	1.29 MWh, 27.3% year-over-year decrease (2019: 1.78 MWh)

During the Reporting Period, the Group continued to promote the development of green energy, and the construction and operation of various clean energy projects proceeded steadily. At present, the development pattern of the Company’s wind power business contains the comprehensive development of offshore and onshore business and the comprehensive development of wind power generation and professional services, separately. The standardization, systematization, and scale of wind power construction and operation and maintenance of the Group are at the leading edge of the industry. With the increasing proportion of the Group’s investment in renewable energy in the future, the energy consumption of the Group is expected to decline further.

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

- Continuously strengthen the safety foundation, focus on improving the level of meticulous management in production, and further improve the safety operation level and comprehensive management efficiency of the project;
- Pay close attention to and actively respond to the market power system reform and regional policy changes, strengthen the study of power sales strategy, and take efficiency as the starting point to carry out various power transactions as a whole;
- In terms of project construction, with improving project construction quality management as the benchmark, controlling construction cost as the goal, constantly improve project construction process management, so as to fully promote the efficient and high-quality production of the projects;
- Keep close track of the development trend of the industry, seize the opportunities of new energy development, strengthen the reserve of high-quality resources, persist in exploring and promoting the innovation of development model, and accelerate the completion of high-quality projects.

10 Green Operation

CASE SHARING: RATIONAL USE OF ABUNDANT ENERGY RESOURCES IN INLAND MOUNTAIN AREAS – TAIGU FANCUN WIND POWER PROJECT

Located in Taigu County, Jinzhong City, Shanxi, China, the Taigu Fancun Wind Power Project is a key project of Shanxi in 2018. The project has an installed capacity of 99 MW, with 45 wind turbines of 2.2 MW capacity installed.



Wind turbine hoisting at the Taigu Fancun Wind Power Project

The project effectively utilizes the relatively abundant wind power resources in the eastern mountains of Jinzhong City, and uses wind power to provide high-quality and reliable green energy for Jinzhong City and the surrounding areas, further alleviating the reliance on traditional energy sources such as coal-fired power generation in the local area. In addition, the operation of the project plays an important role in promoting energy conservation and emission reduction, improving the level of electricity supply, protecting the ecological environment, and promoting sustainable economic and social development in Shanxi and even Northern China.

10 Green Operation

Water resource management

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

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

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

Total water used	7,160,472,078.60 m ³
Surface water (water of rivers, lakes and seas) used	7,159,739,129.40 m ³
Municipal water (tap water) used	715,284.20 m ³
Ground water (water of wells and springs) used	17,665.00 m ³
The water discharged back to the rivers, lakes, seas and lands after self-pretreatment and reaching standards	7,156,997,877.40 m ³
Total water consumed ⁶	3,474,201.20 m ³
Water consumed per MWh of electricity generated	0.251 m ³
The circulating water used	24,272,621.50 m ³

Water consumed per MWh of electricity generated as compared with 2019

Decreased by 56.0%

During the daily operation of the Group, the largest amount of water is used in boilers of thermal power plants, and the water source is mainly surface water. Most of the water used by thermal power plants will be discharged to the adjacent rivers, lakes, seas, and other natural environments after self-pretreatment to reach discharge standards. In order to reduce the actual water consumption, the Group's thermal power projects actively strengthen the management on the use of water resources. Relevant management methods include introducing new boiler combustion technology, transforming existing boiler equipment, rationally using circulating water in the projects, and improving the capacity of boiler wastewater pretreatment. With the improvement of the Group's management on the use of water resources year by year and the Group's continuous growth of attributable installed capacity of renewable energy projects, the water consumption in the Group's daily operation is expected to decline steadily in the future.

In addition, since 2013 and 2014, when the eastern and middle routes of the South-North Water Transfer Project started officially operating, the water scarcity situation in part of north and east China has been alleviated. During the Reporting Period, as most of the water intensive projects⁷ in operation of the Group were located at areas near rivers, lakes and seas, in Henan Province, Jiangsu Province, Shanghai City and Hubei Province of China and Jeollanam-do and Chungcheongnam-do of Korea, the Group did not face any issues in sourcing water that is fit for purpose.

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

⁷ Includes coal-fired, cogeneration, gas-fired, and oil-fired projects in China and Korea.

10 Green Operation

ADDRESSING CLIMATE CHANGE

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

In order to implement the relevant national operational directives on reaching peaking carbon emission by 2030 and carbon neutrality by 2060, and to assume the responsibilities of being a centrally administrated state-owned enterprise, CGN New Energy is determined to its strategies of propelling its development in the new energy business with a hope to secure any opportunities in the wind power industry and photovoltaic power industry, and actively participated in industry exchange meetings. For instance, in December 2020, the Company participated in the 2020 China Offshore Wind Engineering and Technology Conference and took part in a forum session with peers in industry chain under the theme of "Sharing Innovated Engineering Technologies and Discussing the Ways to Achieve Grid-Parity". Against the backdrops of goals of achieving "peaking carbon emission" and "carbon neutrality", the conference aimed to explore ways to achieve grid parity of offshore wind power, expedite the innovation and advancement of engineering technologies, and help solve difficult issues in the industry chain. We had in-depth discussions and shared ideas with guest attendees in regards to the above topics.

CGN New Energy incorporates climate-related issues into its operational risk assessment and management. During the Reporting Period, under the assistance of a professional consultancy, the Company identified and confirmed significant climate-related issues (including risks and opportunities) that may have an impact on the Group from the perspective of "possible financial impact on the Group", as shown below.

Climate-related risk	Risk description
Acute risks	Increased severity of extreme weather events, such as typhoons and floods
Chronic risks	Changes in rainfall and extreme fluctuations in weather patterns
Technology risk	Upfront cost investment for low-emissions technology transition
Market risk	Change in customer (power offtaker) demand Increase in raw material costs
Reputation risk	Increasing stakeholder attention or negative feedback Change in market preferences
Policy and legal risks	Increases in greenhouse gas emissions pricing Requirements and regulation of existing products and services Increased reporting requirements for emission

10 Green Operation

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

We will continue to closely monitor issues and address the potential risks, seize relevant opportunities, and disclose relevant information in a timely manner. CGN New Energy will continue to promote the development of clean and renewable energy by leveraging our technology reserves and operational experience, and at the same time, continuously increase efforts in terms of energy-saving and emission reduction, joining hands with different parties and contributing to the effective response to global climate change.

11 Caring for Employees

CGN New Energy's continuous success depends on recruiting and retaining talents for its sustainable growth. We are concerned about the improvement of employees' professional skills and their physical and mental health at work and are committed to maintaining a good working environment that values integrity, diverse development, cooperation, and communication.

STANDARDIZED EMPLOYMENT

CGN New Energy strictly complies with the relevant laws and regulations on compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfares, as well as laws and regulations related to prevention of child labor and forced labor in the operating regions, including Mainland China, Hong Kong and Korea. The names of relevant laws and regulations that we have complied with during the Reporting Period, as well as an overview of the Group's compliance with the laws and regulations are listed in "Appendix I" of the Report. The Group has formulated and strictly abided by the internal management policies on compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfares, and those related to the prevention of child labor and forced labor.

CGN New Energy implements the internal Recruitment and Deployment Management Process and arranges standardized interview and assessment for employees during recruitment in accordance with the management system to make appointments based on merits. The Group pledges to treat job applicants and employees of different gender, colour, nationality, ethnicity, cultural background, religious belief, family background and sexual orientation fairly and openly when arranging recruitment, hiring, training, rewards, promotion and development, and strictly prohibits any forms of differential treatment and discrimination. As of the end of the Reporting Period, the total number of employees of the Group was 1,837 (3.0% year-over-year increase), with 103 of them being ethnic minorities (0.95% year-over-year increase), representing 5.61% of total employees^a.

The Group strictly prohibits any use of child labor and forced labour. When recruiting new employees, the Group will check the applicant's identity card, academic certificates, and other documents, thus to ensure the applicant's age meets the legal requirement. The Group also sets requirements for prospective employees in the Employee Handbook that prospective employees must ensure all relevant materials submitted are true, legal and effective when going through the entry procedures. The Group will inspect the originals of relevant certificates and keep copies of all materials. Any problematic documents will be handled in accordance with relevant regulations, including immediate termination of probation or termination of labor contracts without compensation. At the same time, the Group requires relevant employees in the Labor Employment Management System that they shall truthfully inform applicants of their job content, working conditions, working location, occupational hazards, safety production status, and remuneration during the recruitment process to ensure that they understand the rights and obligations of the job, while the regulations on working hours and overtime working are also stipulated in the Employee Handbook, so as to eliminate forced labor.

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

In addition, we conduct annual performance appraisals and assessments for all employees and arrange salary adjustments and promotions according to the ability, performance, and other factors of each employee. The Group will demote or transfer the employee with poor appraisal results in succession. If such employee's further assessment is still not up to standard, the Group will negotiate with the employee to terminate the labour contract and pay reasonable severance according to the laws.

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

- Reasonable salary and considerate benefits
- Detailed job responsibilities in line with the position
- Working hours which meet the requirements of national and local laws and regulations
- Annual leave, personal leave, sick leave, marriage leave, maternity leave, etc.

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

11 Caring for Employees

- Regular performance appraisal and assessment, and comprehensive arrangement of salary adjustment and promotion
- Timely paid Insurance and Housing Fund, Mandatory Provident Fund (MPF) and National Pension in accordance with relevant laws and regulations of Mainland China, Hong Kong and Korea respectively

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

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

Country and region	Mainland China	Hong Kong	Korea	Other countries and regions
Number of employees	1,619	22	196	–
Percentage ratio	88.13%	1.20%	10.67%	–

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

Age group	Under 30	Between 30 and 50	Above 50
Number of employees	516	1,178	143
Percentage ratio	28.09%	64.13%	7.78%

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

Employment type	Full-time	Part-time
Number of employees	1,837	–
Percentage ratio	100%	–

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

Gender	Male	Female
Number of employees	1,528	309
Percentage ratio	83.18%	16.82%

During the Reporting Period, the Group's cost of employee welfare was as follows:

Staff cost	Amount
Salaries and allowances (US\$'000)	74,794
Retirement benefits scheme contribution, including directors' emoluments (US\$'000)	11,041

11 Caring for Employees

OCCUPATIONAL HEALTH AND SAFETY

Operational Risk Management

CGN New Energy strictly abides by the laws and regulations relevant to providing a safe workplace and protecting employees from occupational hazards in its operating regions, including Mainland China, Hong Kong and Korea. The name of relevant laws and regulations that we have complied with during the Reporting Period, as well as an overview of the Group's compliance with the laws and regulations are listed in "Appendix I" of the Report. The Group has formulated and strictly implemented various internal management policies on preventing employees from occupational injuries.

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

To consolidate the effectiveness of the Group's occupational health and safety management, we have set up a "Safety, Quality and Environmental Department", which is responsible for coordinating and monitoring all matters relating to occupational safety and health of CGN New Energy. In addition, we have also developed a series of occupational safety and health management systems, including the Identification of Hazards Sources, Risk Assessment and Control System, the Potential Safety Risks Investigations and Treatment System, the Dangerous Items Management System and the Occupational Health and Safety Management System, etc., for employees to identify workplace safety risks and potential hazards, and to provide clear guidance to ensure that each production process can be conducted in safe working condition.

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

Project region	OHS management system establishment	OHS system certification	Number of accidents during the Reporting Period
China	Established	OHSAS 18001 certificated	0
Korea	Established	ISO 45001 certificated KOSHA 18001 certificated	0

We always adhere to the occupational health and safety management policy of "prevention is better than cure". CGN New Energy firmly implements accountability system where the responsibility of any project falls upon whoever takes primary charge of the project. Each project company of the Group sets up a leading group focusing on managing safety related risks according to the Risk Management Measures of Comprehensive Energy Safety formulated by the Group and coordinates all employees from up to general manager and down to general employees to conduct safety production. The Group rewards groups and individuals who make outstanding contributions to production safety and employees' occupational health and safety, and penalizes those who violate the work safety system and operational regulations and refers those who violate laws and regulations to the judicial authorities.

11 Caring for Employees

The Group requires all project companies and departments to identify all production and management hazards in order to develop corresponding safety risk management measures, and to implement them before formal construction. The effectiveness of the measures, such as the integrity of the working equipment and the compliance of the front stand used for work-at-height, is constantly monitored through regular safety inspection activities. In addition, the Group also equips relevant employees with personal protective equipment according to the national power industry-related standards. Safety tools (such as safety helmet, glove, safety belt for work-at-height, shoes of labour protection, etc.) are distributed according to employees' working positions to prevent employees from falling, being electrocuted, being injured by falling objects or being injured by other toxic substances. Safety officers from all departments supervise employees to use the relevant tools properly and provide employees with sufficient equipment to reduce workplace safety risks.

In addition, in order to further consolidate the results of the occupational health and safety management and ensure that there is no work-related casualty, CGN New Energy also develops and implements internal policies such as the Life Red Lines of Production, Operation, and Maintenance, the Management Red Lines of Production, Operation, and Maintenance, the STAR Self-check Card, and the Safety Management System on Sites, etc. for all employees in projects to learn.

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

Stop	Pause or stop for a while before work, focusing on the task ahead
Think	Think about the task-related risks, whether the Life Red Lines of Production, Operation, and Maintenance has been implemented, and plans are made
Act	Start working according to plan
Review	Check and review whether there are omissions upon completion of tasks

11 Caring for Employees

Health and Safety Training

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

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

During the Reporting Period, various OHS training activities were organized by our project companies:

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

11 Caring for Employees

MUTUAL GROWTH AND PROGRESS

Providing comprehensive occupational training for employees is vital for achieving mutual benefits for both employees and the corporate. CGN New Energy attaches great importance to improving the professional skills of employees and adheres to its strategy of building a strong enterprise with talents. Upholding its talent concept of “make the best of one’s talent and create a future together”, the Group combines CGN’s talent training management system and the business characteristics of CGN New Energy, and regularly provides free and diversified professional skills training and clear career development path for employees based on the skills requirements of each position at different energy power generation projects. The Group has formulated and strictly implemented various internal management policies to improve the professional skills of its employees.

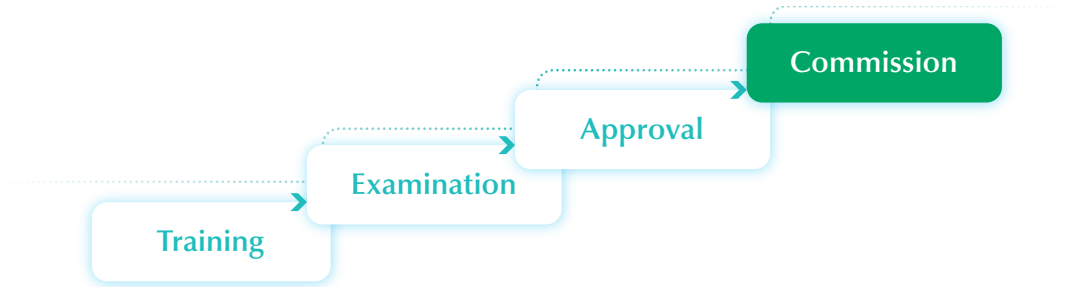
Relevant skills training aims at improving the daily work skills of relevant employees. The Group hopes that such training can improve the work efficiency of employees and enhance their professional skills, so that employees can create value for CGN New Energy as well as get opportunities to improve their professional competitiveness. Besides, we also actively provide a full range of vocational skills upgrading opportunities for other employees to enable every employee to make use of their talents, expand their vocational skills and enrich their self-value through diversified training courses.

Nurturing management talents:



11 Caring for Employees

Nurturing technical talents:



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

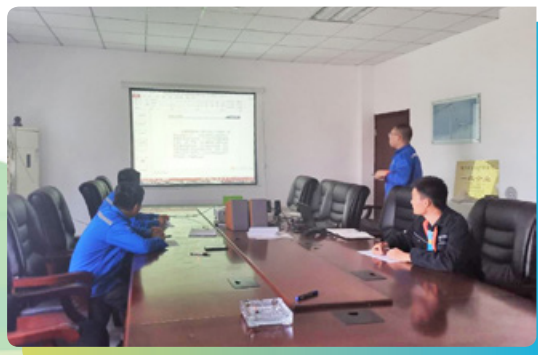
CASE SHARING:

In order to continuously improve the technical capabilities of employees, Lankao Zhongyuan Wind Farm of the Group organized several studies, and promoted the improvement of the capabilities of all employees through summarizing experiences and mutual exchanges.



Organizing a learning conference at Lankao Zhongyuan Wind Farm

In order to allow all personnel at the Group's Shagou Phase I Wind Farm to gain knowledge while improving their personal business skills, technical and safety training were organized four times per month, thus satisfying the development needs of the society and the industry, and enhancing personal competitiveness.



Shagou Phase I Wind Farm organized technical and safety training

12 Quality Assurance

Adhering to the concept of win-win cooperation, CGN New Energy has established a wide range of cooperative partnerships with many enterprises and scientific research institutions specializing in non-nuclear clean energy and pays ongoing attention to the development of the industry. The Group works together with various business partners to jointly overcome challenges and continuously promote the win-win development of new energy industry and make contributions to social progress. In addition, we are committed to selecting business partners who reflect our values and our commitment to sustainability.

CGN New Energy strictly abides by the laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress in its operating regions, including Mainland China, Hong Kong and Korea. The names of relevant laws and regulations that we have complied with during the Reporting Period, as well as an overview of the Group's compliance with the laws and regulations are listed in "Appendix I" of the Report. The Group has formulated and strictly implemented various internal management policies on the safety of electricity supply, protection of customer privacy and environmental and social risks in the supply chain.

SUPPLY CHAIN MANAGEMENT

As the essential part in the quality assurance of the Group's operation, suppliers play an important role in supporting our business development. CGN New Energy takes "safety first, quality foremost, pursuing excellence" as the basic principles of corporate operation and development and "precise enacting, orderly execution and efficient monitoring" as the system philosophy. We are committed to maintaining a good collaborative relationship with our suppliers, and have formulated and implemented relevant systems based on the policy of "mutual benefit, common development, environmental protection, benefit the people" to standardize the performance of both sides and achieve the goal of harmonious development of mutual benefit and win-win.

During the Reporting Period, we worked with 956 suppliers from Mainland China, Hong Kong and Korea, mainly covering three types of suppliers including fuel, engineering projects and general equipment services. In order to standardize the procurement process, we have developed stringent management measures on the assessment of suppliers' performances. A comprehensive supplier performance assessment is carried out regularly while covering at least seven dimensions including technology, quality, cost, delivery, responsive service, environmental protection and social responsibility. For suppliers whose contracts are being enforced, performance assessments are arranged at least once a year by each major subsidiary company. The assessment results will be used as the basis for supplier qualification and the subsequent procurement review. Priority is given to suppliers with outstanding performances. On the contrary, we will consider discontinuing cooperation with suppliers with poor performance.

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

Country and region	Mainland China	Hong Kong	Korea	Other countries and regions
Quantity	681	0	275	–
Percentage ratio	71%	0%	29%	–

In order to improve the environmental awareness of our suppliers, we have signed the Supplier (Outsourcing Project) Environmental and Safety Control Agreement with each supplier to monitor their ESG performance, reduce pollution and avoid safety accidents during production. The aforesaid agreement has stipulated the Group's requirement regarding environmental protection and OHS. If any supplier has caused serious pollution incidents, we will handle the incident in accordance with relevant national laws and regulations and terminate the contract accordingly. In the process of construction, we will standardize the production and operation behaviour of employees of each construction unit in accordance with our Management and Assessment Measures on Outsourcing Safety Production and clarify the assessment rules and the handling procedure of all kinds of production safety violations and misconducts.

12 Quality Assurance

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

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

Suppliers are classified as "potential supplier", "qualified supplier" and "restricted supplier" for management. "Potential supplier" refers to those members on the CGN e-Commerce Platform ("ECP") who have not passed the qualification review or whose qualification review has expired, while "qualified supplier" refers to the suppliers who have passed the qualification review or re-assessment in the corresponding product category. "Restricted supplier" refers to those who have been suspended from evaluation or banned from use due to restrictive measures such as blacklisting, debarment, bid restriction, temporary freeze, etc., including suppliers involving in improper bidding, bribery, major breach of contract, major liability incident, major negative social evaluation, and other undesirable behaviors. If a supplier is listed as a restricted supplier, we will prohibit or restrict business dealings between the subsidiary and the supplier.

The "qualification review status" of suppliers is marked on the ECP system based on the aforesaid principles. Contracts and orders should only be signed with qualified suppliers that have passed the qualification review. At the same time, we further subdivide the qualified suppliers into three categories, where the projects, goods and services purchased from suppliers are prohibited from crossing their class obtained from qualification review and their respective supplier category.

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

12 Quality Assurance

CASE SHARING: CGN NEW ENERGY 2020 SUPPLIER CONFERENCE WAS SUCCESSFULLY HELD



CGN New Energy 2020 Supplier Conference for Domestic Business was held on 11 June 2020 in Beijing. The theme of the conference was "Breaking New Ground, Keeping Faith and Winning Together", focusing on how CGN New Energy and its supplier partners work together and achieve high-quality development after new energy industry has entered the era of parity bidding. Strict pandemic prevention and control measures were formulated for the conference, with an online live broadcast simultaneously.

INTELLECTUAL PROPERTY RIGHTS AND PRIVACY

We attach great importance to the protection and management of intellectual property rights. All employees of CGN New Energy are responsible for protecting the Group's intellectual property rights, abiding by all relevant laws and regulations and respecting the intellectual property rights of other institutions and individuals. The Group strictly implements the confidentiality obligations of corporate secrets set out in the internal Employee Handbook for effective implementation of internal intellectual property rights management measures.

In addition, we strictly manage clients' information and encrypt the business data. The client's information shall be under the special management of specific personnel. Except for special cases approved by the Group, employees of irrelevant positions shall not solicit clients' information. During the Reporting Period, there was no breach of client privacy or loss of clients' data or any substantiated complaint.

13 Giving Back to the Society

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

At present, CGN New Energy's community investment focuses on poverty alleviation by industrial development, supporting education development, science education and emergency relief. We hope to help the people in surrounding areas and other people in need to improve their living conditions through our own operation in project sites and welfare donation. At the same time, we can also bring hope to the next generations of the local communities and give an impetus of sustainable development in the communities in the future. Pursuant to the poverty alleviation and other community investment-related national policy requirements, the Group actively communicates with the community, strengthens the management of the project location, giving back to the society through contribution to community work.

POVERTY ALLEVIATION BY INDUSTRIAL DEVELOPMENT

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

CGN New Energy actively fulfils its social responsibility as a centrally administrated state-owned enterprise while rapidly developing high-quality new energy business. CGN New Energy makes targeted efforts in poverty alleviation, upholds its distinctive poverty alleviation principles of "alleviate real poverty by doing actual poverty alleviation work, take real responsibilities by actually taking responsibilities" and contributes its greatest effort to win the battle against poverty. Upholding its concept of "build a project to benefit people", CGN New Energy has constructed a caring map within the country for its work on poverty alleviation. Throughout the years, CGN New Energy has undertaken the national mission of targeted poverty alleviation, and made contribution in terms of personnel support and donations on poverty alleviation.

CASE SHARING: CONSTRUCTING LEYE WIND POWER PROJECT ENTRUSTED TO BE MANAGED BY CGN NEW ENERGY FOR POVERTY ALLEVIATION AND ESTABLISHING LONG-TERM AND STABLE POVERTY ALLEVIATION MECHANISM

In order to assist in the long-term and stable poverty alleviation of Leye County, Baise, Guangxi, the Group utilized the Leye County's rich wind resources, and invested RMB1.5 billion in the area to build a 200 MW wind power project that is entrusted to be managed by CGN New Energy for poverty alleviation⁹. Over RMB400 million was invested in the first phase of the project, which the project is jointly held by the Group and 63 poor villages in Leye County, of which 63 villages and 110,000 people benefited from this construction. The construction of the first phase of the project commenced on 17 October 2020, and will be connected to the grid and put into operation by the end of 2021.



Construction site of the Leye Wind Power Project that is entrusted to be managed by CGN New Energy for poverty alleviation

With the aid of advanced experience accumulated by the Group throughout the years, the Group stepped into Leye County to explore a new model of poverty alleviation by technological industrial development, helping Leye County to consolidate the achievements in poverty alleviation, promoting rural revitalization of Leye County, and driving local economic development.

⁹ This project has not been officially put into operation during the Reporting Period, and thus is not included into the scope of performance data of this Report.

13 Giving Back to the Society

EDUCATION AND SCIENCE EDUCATION

The development of CGN New Energy is supported by the advancement of technology. Therefore, we believe knowledge is the greatest treasure, and hope to transfer knowledge to surrounding communities. We are dedicated to bringing more resources on scientific education to the regions where our projects operate. Through arranging volunteer visits to relevant regions to impart knowledge and equipping the next generation with adequate educational resources equally, we hope to improve the livelihoods of people and further contribute to the society via spreading knowledge.

CASE SHARING: SPREADING SCIENTIFIC KNOWLEDGE IN CLEAN ENERGY AND INCREASING RATIONAL COGNITION OF THE GENERAL PUBLIC

In terms of scientific knowledge, CGN New Energy proactively responds to the key instructions from Chinese President Xi Jinping to “place scientific knowledge and technological innovation onto the same level”, and implements CGN’s strategic deployment of “technological innovation, high quality, create the finest”. Whilst developing and expanding our businesses, we are also committed to spreading scientific knowledge around clean energy to increase the rational cognition of the general public towards clean energy.



Modou Mountain Wind Farm,
an entrusted management project of
CGN New Energy



Modou New Energy Science Education Base
of the entrusted management project of
CGN New Energy

13 Giving Back to the Society

The Modou Science Education Base hosted by the Modou Mountain Wind Farm, an entrusted management project of CGN New Energy, is by far the largest new energy scientific knowledge education base in China. Its annual admissions can reach around 12,000 person-times. The base received the title of “Energy Scientific Knowledge Education Base” by the China Energy Research Society in September 2018, the title of “Electricity Scientific Knowledge Education Base” by the Chinese Institute of Electrical Engineering in November 2019, and the title of “Scientific Knowledge and Education Base in Yunnan Province” by the People’s Government of Yunnan Province in September 2020.

Modou Mountain New Energy Science Education Base focuses on science education in wind power, whilst also covering nuclear power, solar power and hydro power. Science education venues such as new energy science education pavilion, model square, blade exhibition area, new energy film and television centre, and exhibition halls are set in the base, and separated attached facilities such as wind turbine scientific knowledge viewing deck, hundred-metre viewing science education wall, science education hiking trail, and new energy cultural corridor are open to the general public for free.

COMBATING AGAINST THE PANDEMIC

Facing the severe situation under the COVID-19 pandemic, people across the nation have united to fight against the pandemic. CGN New Energy entrusted the advantage of a wide project coverage across areas, proactively manifested the responsibility as a centrally administrated state-owned corporation and provided donations and aid across local governments, surrounding communities, and villages where our projects are located, to assist in winning the battle against the pandemic. At the same time, the Group simultaneously carried out multiple measures to safeguard power generation, and proactively cooperated with local governments to transfer every resource to satisfy the needs in combating against the pandemic and electricity supply, effectively managed and operated facilities and conducted data analysis to ensure the facilities were operating steadily.

Furthermore, the frontline operation and maintenance workers of the Group reported their personal and family’s health information in a timely manner via the online platform. Through the promotion of “pandemic prevention and safeguarding electricity supply committee”, “operating workers’ mental relief committee”, and the operation of work such as “pandemic prevention and safety production training”, “operational professional skills contest”, the Group deployed work related to safe production and pandemic prevention, providing strong safeguard towards a comprehensive restart of work in 2020.

CASE SHARING: PROACTIVELY SAFEGUARDING POWER SUPPLY FOR HUBEI FOR PANDEMIC PREVENTION

In 2020, during the hardest times under the COVID-19 pandemic in Mainland China, CGN New Energy’s frontline workers in Hubei stood fast to their positions to safeguard steady power production under the conditions of wearing full health protection. Between 24 January and 1 April in 2020, the Group’s accumulated on-grid power in Hubei province had reached 390,000 MWh, which provided power supply in areas had hit by the pandemic in its battle against the pandemic.



13 Giving Back to the Society

CASE SHARING: GIVING OUT PANDEMIC PREVENTION RESOURCES TO LOCAL COMMUNITIES AND PROMOTING PANDEMIC PREVENTION MEASURES



CGN New Energy Henan Huicuishan Wind Farm, an entrusted management project of CGN New Energy, assisted the local government in carrying out pandemic prevention work, and delivered pandemic prevention resources to each village's pandemic prevention checkpoints, in order to contribute to victory in the battle against the pandemic.

CASE SHARING: CONTRIBUTING TO AREAS WITH ETHNIC MINORITIES TO FIGHT AGAINST PANDEMIC



Dalad Banner is the area with the highest infected cases at the beginning of the COVID-19 pandemic within the Inner Mongolia Autonomous Region in China. After acknowledging the situation that the People's Hospital of Dalateqi was facing severe shortage in protective equipment, CGN New Energy's Inner Mongolia Branch procured 40 buckets (100 litres in total) of rubbing alcohol, 20 buckets of surgical disinfectant (500 kg in total), and 100 pieces of medical protective clothing within the shortest time possible through multiple channels, with a total value of approximately RMB45,000.

The Group's community investments during the Reporting Period were as follows:

Money contributed to the community or charity

RMB1,885,000

14 Comprehensive Performance

In terms of statistics and presentation of performances, the Group adopts the “operational control” approach to define organizational boundaries. The statistical and calculation methodology used in the Report are appropriately indicated. Past data and information of some indicators have been sorted out and presented. Due to the project scope expansion of ESG-related data in 2020 compared to 2019, as well as the cessation of operations of some traditional energy projects in 2020, data of some indicators were changed from previous years. The “N/A” in each list indicates that the relevant data are not disclosed or not counted in the year or that the data are not applicable for comparison. Unless otherwise stated, the data provided in this section are the aggregate data of the corresponding year or the data as of December 31 in the corresponding year in relation to the Group’s projects with operational control and offices in Mainland China, Korea and Hong Kong.

CORPORATE GOVERNANCE

Economy and Governance

Economic performance:

Indicator	2020	2019	2018
Revenue (US\$'000)	1,149,892	1,276,281	1,358,487
Operating profit (US\$'000)	287,467	231,618	199,181
Net assets (US\$'000)	1,297,381	1,009,447	954,284
Earnings per share ¹⁰ (US cents)	3.78	2.59	2.06
Income tax (US\$'000) ¹¹	37,533	41,564	33,767

Preventing bribery and anti-corruption:

Indicator	2020	2019	2018
Number of cases involving bribery, extortion, fraud and money laundering	0	0	0

QUALITY ASSURANCE

Product and service quality

Operational performance:

Indicator	2020	2019	2018
Number of lawsuits in which operations are suspected of safety and health issues	0	0	0
Number of cases in which operations are suspected of infringing intellectual property rights	0	0	0
Number of complaints about leaking clients' information	0	0	0

¹⁰ Represents basic and diluted earnings per share of the Company.

¹¹ Represents the Company's income tax expense for the year.

14 Comprehensive Performance

Number and region of suppliers:

Indicator	2020	2019	2018
Total number of suppliers	956	1,330	1,936
Mainland China	681	1,093	1,705
Hong Kong	0	0	0
Korea	275	237	226
Other countries and regions	0	0	5

GREEN OPERATION

Emission and discharge

Atmospheric pollutant emissions:

Indicator	2020	2019	2018
NO _x (tonne)	966.05	1,389.28	1,501.02
SO _x (tonne)	97.70	129.59	281.50
Smoke and dust in exhaust gas (tonne)	55.42	79.70	113.18

Greenhouse gas emissions:

Indicator	2020	2019	2018
Total greenhouse gas emissions (Scope 1 and 2) ¹² (tonne CO ₂ eq)	16,703,425.33	17,774,698.17	17,874,972.55
Scope 1			
CO ₂ (tonne)	3,823,608.83	4,877,713.61	4,963,335.87
CH ₄ (tonne)	894.58	929.56	1,008.26
N ₂ O (tonne)	1,325.74	1,378.14	1,492.48
SF ₆ (tonne)	531.40	531.40	531.40
Reduction of trees' emissions ¹³ (tonne CO ₂ eq)	80.85	68.86	75.44
Scope 2			
CO ₂ (tonne)	15,721.36	18,012.93	N/A
Intensity			
Greenhouse gas emissions in total per MWh of electricity generated (tonne CO ₂ eq)	1.21	1.31	1.34

¹² Scope 1 greenhouse gas emissions are calculated based on the global warming potential values of the IPCC Fifth Assessment Report, and are presented in carbon dioxide equivalent. Scope 2 greenhouse gas emissions are calculated based on relevant conversion factors provided by 2019 Development Report of the Electricity Industry in China and the international environmental group "Climate Transparency".

¹³ The tree emission reduction data are calculated based on the conversion factors provided by the Hong Kong Environmental Protection Department and the Hong Kong Electrical and Mechanical Services Department.

14 Comprehensive Performance

Amount of non-hazardous waste generated:

Indicator	2020	2019	2018
Total non-hazardous waste produced (tonne)	31,376.03	76,313.11	79,092.39
Boiler sludge (tonne)	22,681.87	47,804.00	62,520.51
Desulfurized gypsum (tonne)	8,158.67	28,056.50	16,040.60
General waste/domestic waste (tonne)	359.32	291.16	261.82
Waste paper (tonne)	2.92	1.81	1.40
Iron scrap (tonne)	173.25	159.64	268.06

Intensity			
Non-hazardous waste produced per MWh of electricity generated (tonne)	0.0023	0.0056	0.0059

Amount of hazardous waste generated:

Indicator	2020	2019	2018
Total hazardous waste produced (tonne)	90,907.59	261,457.51	274,538.89
Waste battery (tonne)	1.01	2.12	2.39
Waste oil (tonne)	178.75	84.09	178.21
Waste paint (tonne)	0.37	0.30	0.24
Waste insulation materials (tonne)	0	–	10.87
Fly ash (pulverized fuel ash) (tonne)	90,727.46	261,371.00	274,347.18

Intensity			
Hazardous waste produced per MWh of electricity generated (tonne)	0.0066	0.019	0.021

Wastewater discharge:

Indicator	2020	2019	2018
Wastewater (tonne)	482,337.80	980,616.10	721,126.43

Intensity			
Wastewater discharged per MWh of electricity generated (tonne)	0.035	0.072	0.054

Compliance of emission and discharge:

Indicator	2020	2019	2018
Number of cases involving illegal emissions and discharge of pollutants into the environment	0	0	0

14 Comprehensive Performance

Use of Energy and Resources

Energy consumption¹⁴:

Indicator	2020	2019	2018
Total energy consumption (direct and indirect energy) (MWh)	17,865,538.78	24,058,855.17	26,705,987.07
Direct energy			
Coal (MWh)	5,333,417.96	10,553,010.95	11,802,082.24
Natural gas (MWh)	12,484,843.84	13,455,144.85	14,870,233.30
Indirect energy			
Coal gas (MWh)	43.02	23.37	21.18
Gasoline (MWh)	2,612.21	2,306.15	1,067.08
Diesel (MWh)	240.22	2,095.75	2,184.37
Fuel oil (MWh)	16,768.74	14,695.75	3,596.84
Liquefied petroleum gas (LPG) (MWh)	51.91	52.00	N/A
Purchased electricity (MWh)	27,560.87	31,526.33	26,802.07

Intensity	2020	2019	2018
Energy consumed per MWh of electricity generated (MWh)	1.29	1.78	2.01

Water consumption:

Indicator	2020	2019	2018
Total water intake (m ³) ¹⁵	7,160,472,078.60	7,327,731,390.66	N/A
Surface water (m ³)	7,159,739,129.40	7,326,226,671.30	7,884,356.00
Municipal water (m ³)	715,284.20	1,491,295.36	919,500.00
Ground water (m ³)	17,665.00	13,424.00	4,755.00
Amount of water discharged into natural environment after pre-treatment (m ³)	7,156,997,877.40	7,320,006,027.30	N/A
Total water consumption (m ³) ¹⁶	3,474,201.20	7,725,363.36	8,808,611.00

Intensity	2020	2019	2018
Water consumed per MWh of electricity generated (m ³)	0.251	0.571	0.663

Other	2020	2019	2018
Circulating water (m ³)	24,272,621.50	5,782,123.00	14,230,875.00

¹⁴ Energy consumption data were calculated based on the amount of purchased electricity and fuels consumed and relevant conversion factors provided by the International Energy Agency.

¹⁵ Includes surface water, municipal water and ground water.

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

14 Comprehensive Performance

Mitigating Impact on Natural Environment

Amount of wastes recycled during operational process:

Indicator	2020	2019	2018
Fly ash (pulverized fuel ash) (tonne)	90,727.46	256,836.00	260,199.10
Desulfurized gypsum (tonne)	8,158.67	25,246.50	16,040.60
Paper (tonne)	0.69	2.05	2.19

Environmental conservation:

Indicator	2020	2019	2018
Special funds for environmental protection invested by the projects in Mainland China (RMB)	37,943,585.28	26,213,597.00	18,370,248.34
Number of trees held as high as 5 meters or above	3,515	2,994	3,280

Compliance of environmental protection:

Indicator	2020	2019	2018
Number of cases involving damage to the natural environment	0	0	0

CARING FOR EMPLOYEES

Employment

Cost of employee welfare:

Indicator	2020 US\$'000	2019 US\$'000	2018 US\$'000
Salaries and allowances	74,794	65,096	54,873
Retirement benefits scheme contributions, including directors' emoluments	11,041	11,427	12,926

14 Comprehensive Performance

Employee composition:

Indicator	2020	2019	2018
Total number of employees	1,837	1,783	1,917
Number of employees of ethnic minorities	103	117	N/A
Percentage ratio of employees of ethnic minorities	5.61%	6.56%	N/A
By gender			
Male employees	1,528	1,480	1,521
Female employees	309	303	396
By age group			
Age under 30	516	433	459
Age between 30 and 50	1,178	1,157	1,184
Age above 50	143	193	274
By employment type			
Full-time	1,837	1,783	1,917
Part-time	0	0	0
By resident working region			
Mainland China	1,619	1,545	1,703
Hong Kong	22	44	55
Korea	196	194	151
Other countries and regions	0	0	8

Employee turnover:

Indicator	2020	2019	2018 ¹⁷
By gender			
Male employees	0.87%	2.18%	6.35%
Female employees	0.44%	2.26%	10.83%
By age group			
Age under 30	0.54%	3.78%	7.93%
Age between 30 and 50	0.71%	1.78%	6.73%
Age above 50	0.05%	1.03%	6.85%
By resident working region			
Mainland China	0.01%	2.03%	7.02%
Hong Kong	0%	0%	N/A
Korea	0%	2.51%	N/A

¹⁷ The data for 2018 concerning the gender, age group and resident working region of employees only include Mainland China.

14 Comprehensive Performance

Remuneration and diversity:

Indicator	2020	2019	2018
Ratio of remuneration of female employees to male employees			
Management	1.0	1.0	1.0
General employees	1.0	1.0	1.0
Percentage ratio of female management			
Senior management ¹⁸	0%	0%	N/A
Middle-level management ¹⁹	9.36%	13.89%	N/A

Occupational health and safety

Employees' health and safety:

Indicator	2020	2019	2018
Number of work-related fatalities	0	0	0
Number of reportable injuries ²⁰	1	1	1
Injury rate (per 200,000 working hours)	0.05	0.06	0.16
Severe injury rate (per 200,000 working hours)	0.81	11.28	25.43
Lost days due to work injury	15	200	162

Development and training

Employee training:

Indicator	2020	2019	2018
Percentage of employees who received vocational development training²¹			
Male employees	85.80%	89.94%	34.39%
Female employees	95.61%	89.53%	30.30%
Senior management	100.00%	100.00%	100.00%
Middle-level management	52.24%	43.08%	100.00%
General employees	89.04%	91.57%	66.67%
Average hours of vocational development training received per employee²²			
Male employees (hour)	60.21	61.51	28.32
Female employees (hour)	59.80	74.69	22.12
Senior management (hour)	115.70	156.80	40.00
Middle-level management (hour)	77.50	79.25	15.00
General employees (hour)	54.79	63.34	13.65

¹⁸ In this Report, it refers to the position of assistant president or above at the Group's headquarters, and members of the Board of Directors.

¹⁹ In this Report, it refers to the positions of director and senior manager at the head office and department director and above at each branch level of the Group.

²⁰ Refers to inability of employees to work normally for 3 days or more due to work-related accidents.

²¹ The data scope of the percentage of employees receiving vocational development training includes employees at Mainland China and Hong Kong, and is calculated based on "Total number of trained employee of the category/total number of employee of the category".

²² The data scope of the average hours of employees receiving vocational development training per employee includes employees at Mainland China and Hong Kong, and is calculated based on "Total number of training hours of the category/total number of trained employee of the category".

14 Comprehensive Performance

CONTRIBUTION TO SOCIETY

Community investment

Public charity:

Indicator	2020 RMB	2019 RMB	2018 RMB
Money contributed to community/charity issues ²³	1,885,000.00	1,030,000.00	1,974,652.66

²³ Includes monetary value of input fund and resources for poverty relief and public charity.

15 Prospects in 2021

At the General Debate of the 75th United Nations General Assembly in September 2020, Chinese President Xi Jinping stated that China will increase its national contribution, and adopt stronger policies and measures, and strive to achieve peak carbon dioxide emissions by 2030 and carbon neutrality by 2060. Therefore, in 2021, China's energy structure may continue to develop towards low-carbon development, where the scale of investment in renewable energy is expected to further expand, and the proportion of domestic renewable energy will continue to rise. China's 14th Five-Year Plan clearly specifies the goal of achieving "significant results in the green transformation of production and lifestyle, more reasonable allocation of energy resources, great improvement of efficiency utilization, and continuous reduction in the total discharge of major pollutants" and other new development targets. China is vigorously advocating the development of clean energy, which provides new opportunities for the rapid development of CGN New Energy's related business. We will continue to focus on the clean energy market and make it our primary responsibility to provide safe, environmental-friendly and affordable clean energy to the society, actively respond to the national appeal, and strive to become a leader in the industry.

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

Facing the future macroeconomic environment and the development trend of the electric power industry, the Group will continue to adhere to the mission of "developing clean energy and building a beautiful China", having the vision of "to become the outstanding contributor of global non-nuclear clean energy" in mind, upholding the concept of sustainable development in all environmental and social aspects, constantly seeking to acquire other high-quality clean and renewable energy power generation projects, promoting core competence of operation and maintenance in wind power and solar power generation businesses, and striving to improve the Group's competitiveness and market position in the non-nuclear clean energy industry.

16 Independent Assurance Statement

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

CECEP (HK) Advisory Company Limited (“**CECEPAC (HK)**” or “**We**”) has been engaged by CGN New Energy Holdings Co., Ltd. (“**CGN New Energy**”) to conduct an independent limited assurance engagement (the “**Assurance Engagement**”) on the information and data related to sustainable development in the 2020 Environmental, Social and Governance Report (the “**ESG Report**”) of CGN New Energy.

CECEPAC (HK) evaluated the nature and extent of ESG Report of CGN New Energy’s adherence to the AA1000 Assurance Standard v3 (the “**AA1000AS v3**”). Moreover, CECEPAC (HK) has also been engaged to conduct the Assurance Engagement on the reliability and accuracy of specific performance information disclosed in the ESG Report in accordance with the 2016 edition of Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) published by the Stock Exchange of Hong Kong Limited (the “**SEHK**”).

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

I. INDEPENDENCE AND COMPETENCE

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

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

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

II. CGN NEW ENERGY’S RESPONSIBILITIES

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

III. ASSURANCE PROVIDER’S RESPONSIBILITIES

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

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

16 Independent Assurance Statement

IV. ASSURANCE SCOPE

- The scope of the Assurance Engagement is limited to information and data in the ESG Report that relates to CGN New Energy and its subsidiaries only and does not include CGN New Energy's suppliers, contractors, and information or data provided by other third parties;
- Type 2 Moderate Level of Assurance was adopted to evaluate the nature and extent of CGN New Energy's adherence to the four principles (Inclusivity, Materiality, Responsiveness and Impact) in accordance with AA1000AS v3;
- Specified performance information disclosed in the ESG Report was agreed upon and selected between CGN New Energy and CECEPAC (HK) for assurance. The selected information is as follows:
 - Key performance indicator(s) related to the topic "Social and Economic Compliance"¹
 - Key performance indicator(s) related to the topic "Energy Use and Efficiency"
 - Key performance indicator(s) related to the topic "Employee Remuneration and Promotion Mechanism"
- CECEPAC (HK)'s assurance work was with respect to information disclosed from 1 January 2020 to 31 December 2020. Any information that falls outside this period or any other data that is disclosed in the ESG Report is not included within the assurance scope. Therefore, we do not express any conclusions on this information; and
- The scope of the Assurance Engagement is confined to the information provided by CGN New Energy only. Any queries regarding the content or related matters within this assurance statement should be addressed to CGN New Energy only.

V. METHODOLOGY

CECEPAC (HK) conducted Assurance Engagement only within the scope of Wuhai 50 MW Photovoltaic Base Project in Inner Mongolia (內蒙古烏海50兆瓦光伏項目) and the Taigu Fancun Wind Power Project in Shanxi (山西太谷范村風電項目) of CGN New Energy, and the assurance work included:

- Evaluating the appropriateness of CGN New Energy's stakeholder engagement process;
- Conducting interviews² with personnel involved with sustainability management, report preparation and the provision of relevant information;
- Assessing whether the reporting and management approach for the ESG Report responded to the principles of Inclusivity, Materiality, Responsiveness and Impact as defined in the AA1000AS v3;
- Conducting sampling of evidence pertaining to data reliability and quality for selected specified performance information;
- Recalculating selected specified performance information;
- Assessing the degree of conformity of the ESG Report with the ESG Reporting Guide; and
- Performing other procedures we deemed necessary.

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

¹. The assurance scope is limited to the examination of non-financial information, so the compliance of economic aspect under "Social and Economic Compliance" is not included in the Assurance Engagement.
². Being limited by the spread of coronavirus disease (COVID-19), the Assurance Engagement was conducted through online interview in the form of telephone conference.

16 Independent Assurance Statement

VI. LIMITATIONS

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

VII. CONCLUSIONS

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

Inclusivity

CGN New Energy has identified key stakeholders. Regular communication with the key stakeholders is carried out in various ways to understand their expectations and concerns continuously. In our professional opinion, CGN New Energy adheres to the Principle of Inclusivity.

Materiality

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

Responsiveness

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

Impact

CGN New Energy has identified and fairly presented impacts that were measured and disclosed in a probably balanced and effective way. CGN New Energy has established processes to monitor, measure, evaluate and manage impacts that lead to a more effective decision-making and result-based management within an organization. In our professional opinion, CGN New Energy adheres to the Principle of Impact.

SEHK's ESG Reporting Guide

The general disclosure and key performance indicators of the environmental and social aspects in the ESG Report, in all material respects, are disclosed in accordance with the "Comply or Explain" Provisions of the ESG Reporting Guide of the SEHK. CGN New Energy has disclosed the involvement of key stakeholders in the assessment process of material topics; has described objectively the impact of its business and has calculated and disclosed relevant environmental and social data. Our findings and views on the ESG Report have been either adopted or explained by CGN New Energy prior to the issuance of this assurance statement.

Specified Performance Information

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

16 Independent Assurance Statement

VIII. RECOMMENDATIONS

We recommend that CGN New Energy considers strengthening the below items in the future:

- Continuously refine the data management process to further improve data accuracy through regular communication, consolidation and analysis of data performance as well as training for relevant personnel involved in data collection and reporting;
- Set long-term goals and action plans to continuously support CGN New Energy's response to material topics and to facilitate the long-term planning on corporate sustainability initiatives.



6 July 2021
Hong Kong

Appendix I Laws and Regulations the Group has Complied with during the Reporting Period

The laws and regulations ²⁴ corresponding to the contents of ESG Reporting Guide		Compliance of the Group
A. Environment		
Aspect A1:	Emissions	
Mainland China	Environmental Protection Law of the People's Republic of China Atmospheric Pollution Prevention and Control Law of the People's Republic of China Environmental Protection Tax Law of the People's Republic of China Regulation on the Implementation of the Environmental Protection Tax Law of the People's Republic of China Law of the People's Republic of China on Prevention and Control of Water Pollution Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes	During the Reporting Period, the Group did not violate any laws and regulations related to atmospheric emissions, discharges into water and land, generation of hazardous and non-hazardous waste, and mitigation of noise listed in "Appendix I" of the Report.
Hong Kong	Water Pollution Control Ordinance Waste Disposal Ordinance	
Korea	Clean Air Conservation Act* Noise and Vibration Control Act* Water Quality and Aquatic Ecosystem Conservation Act* Wastes Control Act* Act on the Promotion of Saving and Recycling of Resources* Environmental Impact Assessment Act*	

* For identification purpose only.
²⁴ The Group's operation complies with laws and regulations; and the laws and regulations which the Group has complied with include but are not limited to the contents listed in Appendix I.

Appendix I Laws and Regulations the Group has Complied with during the Reporting Period

The laws and regulations ²⁴ corresponding to the contents of ESG Reporting Guide		Compliance of the Group
B. Social		
Aspect B1:	Employment	
Mainland China	Labor Law of the People's Republic of China ²⁵ Labor Contract Law of the People's Republic of China Regulation on the Implementation of the Employment Contract Law of the People's Republic of China Social Insurance Law of the People's Republic of China Regulation on Paid Annual Leave for Employees Law of the People's Republic of China on the Protection of Women's Rights and Interests ²⁶ Law of the People's Republic of China on the Protection of Minors ²⁷ Labor Dispute Mediation and Arbitration Law of the People's Republic of China Regulation on the Administration of Foreign Labor Cooperation Law of the People's Republic of China on the Protection of Disabled Persons Regulation on the Employment of the Disabled	During the Reporting Period, the Group did not violate any laws and regulations related to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, and other benefits and welfare listed in "Appendix I" of the Report.
Hong Kong	Employment Ordinance ²⁸ Employees' Compensation Ordinance Minimum Wage Ordinance	
Korea	Labor Standard Act* Fair Hiring Procedure Act* Employment Insurance Act* Employment Security Act* Framework Act on Employment Policy	

* For identification purpose only.

²⁵ To avoid repetitive statement, the laws and regulations also apply to "Aspect B2" and "Aspect B4" in this appendix.

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

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

²⁸ To avoid repetitive statement, the laws and regulations also apply to "Aspect B4" in this appendix.

Appendix I Laws and Regulations the Group has Complied with during the Reporting Period

The laws and regulations ²⁴ corresponding to the contents of ESG Reporting Guide		Compliance of the Group
Aspect B2:	Health and Safety	
Mainland China	Production Safety Law of the People's Republic of China Provisions on the Supervision and Administration of Occupational Health at Work Sites Fire Protection Law of the People's Republic of China Law of the People's Republic of China on the Prevention and Control of Occupational Diseases Regulation on Work-Related Injury Insurances Labor Insurance Regulations of the People's Republic of China	During the Reporting Period, the Group did not violate any laws and regulations related to providing a safe working environment and protecting employees from occupational hazards listed in "Appendix I" of the Report.
Hong Kong	Occupational Safety and Health Ordinance	
Korea	Occupational Safety and Health Act* Act on Fire Prevention and Installation, Maintenance, and Safety Control of Fire-Fighting Systems* Industrial Accident Compensation Insurance Act*	
Aspect B4:	Labour Standards	
Mainland China	Provisions on the Prohibition of Using Child Labor	During the Reporting Period, the Group did not violate any laws and regulations related to preventing child and forced labour listed in "Appendix I" of the Report.
Korea	Child Welfare Act*	

* For identification purpose only.

Appendix I Laws and Regulations the Group has Complied with during the Reporting Period

The laws and regulations ²⁴ corresponding to the contents of ESG Reporting Guide		Compliance of the Group
Aspect B6:	Product Responsibility	
Mainland China	Electric Power Law of the People's Republic of China Production Safety Law of the People's Republic of China Trademark Law of the People's Republic of China Standardisation Law of the People's Republic of China Regulations for the Implementation of the Standardisation Law of the People's Republic of China Tort Law of the People's Republic of China Patent Law of the People's Republic of China	During the Reporting Period, the Group did not violate any laws and regulations related to health and safety, advertising, labelling and privacy matters relating to products and services and methods of redress listed in "Appendix I" of the Report.
Korea	Electric Utility Act*	
Aspect B7:	Anti-corruption	
Mainland China	Criminal Law of the People's Republic of China Anti-Unfair Competition Law of the People's Republic of China Law of the People's Republic of China on Bid Invitation and Bidding Anti-Money Laundering Law of the People's Republic of China	During the Reporting Period, the Group did not violate any laws and regulations related to bribery, extortion, fraud and money laundering listed in "Appendix I" of the Report.
Hong Kong	Prevention of Bribery Ordinance	
Korea	Unfair Competition Prevention and Trade Secret Protection Act*	

* For identification purpose only.

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

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

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

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)		Applicable Indicators of GRI Sustainability Reporting Standards	Location of Disclosure or Remarks
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	GRI 103: Management Approach: Disclosure 103-2	Green Operation – Use of Energy and Resources; Issues relevant to the use of packaging materials are not applicable to the Group due to the Group's business nature.
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	GRI 302: Energy: Disclosures 302-1 and 302-3	Green Operation – Use of Energy and Resources; Comprehensive Performance
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	GRI 303: Water: Disclosure 303-1	Green Operation – Use of Energy and Resources; Comprehensive Performance
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	GRI 103: Management Approach: Disclosure 103-2 GRI 302: Energy: Disclosures 302-4 and 302-5	Green Operation – Use of Energy and Resources
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	GRI 103: Management Approach: Disclosure 103-2 GRI 303: Water: Disclosure 303-3	Green Operation – Use of Energy and Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	GRI 301: Materials: Disclosure 301-1	This indicator is not applicable to the Group due to the Group's business nature.

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

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)		Applicable Indicators of GRI Sustainability Reporting Standards	Location of Disclosure or Remarks
Aspect A3: The Environmental and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	GRI 103: Management Approach: Disclosure 103-2	Green Operation
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	GRI 103: Management Approach: Disclosures 103-1 and 103-2 GRI 303: Water: Disclosure 303-2 GRI 304: Biodiversity: Disclosure 304-2 GRI 306: Effluents and Waste: Disclosures 306-3 (c) and 306-5	Green Operation
B. Social			
Employment and Labour Practices			
Aspect B1: Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	GRI 103: Management Approach: Disclosure 103-2 GRI 419: Socioeconomic Compliance: Disclosure 419-1	Caring for Employees – Standardized Employment; Laws and Regulations the Group has Complied with during the Reporting Period
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	GRI 102: General Disclosures: Disclosures 102-8 (a), 102-8 (b), and 102-8 (c) GRI 405: Diversity and Equal Opportunity: Disclosure 405-1(b-ii)	Caring for Employees – Standardized Employment; Comprehensive Performance
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	GRI 401: Employment: Disclosure 401-1 (b)	Comprehensive Performance

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

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)		Applicable Indicators of GRI Sustainability Reporting Standards	Location of Disclosure or Remarks
Aspect B2: Health and Safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	GRI 103: Management Approach: Disclosure 103-2 GRI 419: Socioeconomic Compliance: Disclosure 419-1	Caring for Employees – Occupational Health and Safety; Laws and Regulations the Group has Complied with during the Reporting Period
KPI B2.1	Number and rate of work-related fatalities.	GRI 403: Occupational Health and Safety: Disclosure 403-2	Comprehensive Performance
KPI B2.2	Lost days due to work injury.	GRI 403: Occupational Health and Safety: Disclosure 403-2	Comprehensive Performance
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	GRI 103: Management Approach: Disclosure 103-2 and 103-3	Caring for Employees – Occupational Health and Safety
Aspect 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 courses paid by the employer.	GRI 103: Management Approach: Disclosure 103-2 GRI 404: Training and Education: Disclosure 404-2(a)	Caring for Employees – Occupational Health and Safety, Mutual Growth and Progress
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Not covered by the GRI Standards	Comprehensive Performance
KPI B3.2	The average training hours completed per employee by gender and employee category.	GRI 404: Training and Education: Disclosure 404-1	Comprehensive Performance

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

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)		Applicable Indicators of GRI Sustainability Reporting Standards	Location of Disclosure or Remarks
Aspect B4: Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	GRI 103: Management Approach: Disclosure 103-2 GRI 419: Socioeconomic Compliance: Disclosure 419-1	Caring for Employees – Standardized Employment; Laws and Regulations the Group has Complied with during the Reporting Period
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	GRI 103: Management Approach: Disclosure 103-2 GRI 408: Child Labor: Disclosure 408-1(c) GRI 409: Forced or Compulsory Labor: Disclosure 409-1(b)	Caring for Employees – Standardized Employment
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	GRI 103: Management Approach: Disclosure 103-2 GRI 408: Child Labor: Disclosure 408-1(c) GRI 409: Forced or Compulsory Labor: Disclosure 409-1(b)	Caring for Employees – Standardized Employment
Operating Practices			
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	GRI 103: Management Approach: Disclosure 103-2	Quality Assurance – Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	GRI 102: General Disclosures: Disclosure 102-9	Quality Assurance – Supply Chain Management; Comprehensive Performance
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	GRI 103: Management Approach: Disclosure 103-2 GRI 308: Supplier Environmental Assessment: Disclosures 308-1 and 308-2 GRI 414: Supplier Social Assessment: Disclosures 414-1 and 414-2	Quality Assurance – Supply Chain Management; Comprehensive Performance

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

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)		Applicable Indicators of GRI Sustainability Reporting Standards	Location of Disclosure or Remarks
Aspect B6: Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	GRI 103: Management Approach: Disclosure 103-2 GRI 416: Customer Health and Safety: Disclosure 416-2 GRI 417: Marketing and Labeling: Disclosures 417-2 and 417-3 GRI 418: Customer Privacy: Disclosure 418-1 GRI 419: Socioeconomic Compliance: Disclosure 419-1	Quality Assurance; Laws and Regulations the Group has Complied with during the Reporting Period; Issues relevant to health, advertising, labelling and remedial actions concerning the supplied electricity are not applicable to the Group due to the Group's business nature.
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not covered by the GRI Standards	This indicator is not applicable to the Group due to the Group's business nature.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	GRI 102: General Disclosures: Disclosures 102-43 and 102-44 GRI 103: Management Approach: Disclosure 103-2 GRI 418: Customer Privacy: Disclosure 418-1	The principal business of the Group is mainly power generation and does not involve direct contact with end-users of the electricity, thus this indicator is not applicable to the Group.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Not covered by the GRI Standards	Quality Assurance – Intellectual Property Rights and Privacy
KPI B6.4	Description of quality assurance process and recall procedures.	Not covered by the GRI Standards	This indicator is not applicable to the Group due to the Group's business nature.
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	GRI 103: Management Approach: Disclosures 103-2 and 103-3	Quality Assurance – Intellectual Property Rights and Privacy

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

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)		Applicable Indicators of GRI Sustainability Reporting Standards	Location of Disclosure or Remarks
Aspect B7: Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	GRI 103: Management Approach: Disclosure 103-2 GRI 205: Anti-corruption: Disclosure 205-3 GRI 419: Socioeconomic Compliance: Disclosure 419-1	Corporate Governance – Anti-corruption; Laws and Regulations the Group has Complied with during the Reporting Period
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	GRI 205: Anti-corruption: Disclosure 205-3	Comprehensive Performance
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	GRI 102: General Disclosures: Disclosure 102-17 GRI 103: Management Approach: Disclosures 103-2 and 103-3	Corporate Governance – Anti-corruption
Community			
Aspect 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.	GRI 103: Management Approach: Disclosure 103-2	Giving Back to the Society
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	GRI 203: Indirect Economic Impacts: Disclosure 203-1(a)	Giving Back to the Society
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	GRI 201: Economic Performance: Disclosure 201-1(a-ii)	Giving Back to the Society – Poverty-Alleviation by Industrial Development, Education and Science Education, Combating Against the Pandemic; Comprehensive Performance