



新天绿色能源股份有限公司
China Suntien Green Energy Corporation Limited

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

A-share stock code: 600956 H-share stock code: 00956

2022

Environmental, Social and Governance Report

WE OUTPUT CLEAN ENERGY ONLY





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ABOUT THIS REPORT

This report is a true reflection of China Suntien Green Energy Corporation Limited actively fulfilling its economic, social and environmental responsibilities and achieving comprehensive, coordinated and sustainable development. The forward-looking descriptions of the business plans and development strategies involved in the report do not constitute a substantial commitment of the Company to investors.

SCOPE

Organisational scope: This report covers China Suntien Green Energy Corporation Limited and organisations under its management.

Timeframe: 1st January 2022 to 31st December 2022. Certain items mentioned are outside the aforementioned timeframe.

Publication cycle: This report is published on an annual basis along with the publication of the Company's annual report.

REPORTING STANDARDS

The report was prepared according to the Environmental, Social and Governance Reporting Guide in Appendix 27 of the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "HKEX ESG Guidance"), with reference to the GRI standards of Global Sustainability Standards Board (GSSB GRI Standards), and with reference to the *Notice on Strengthening Listed Companies' Assumption of Social Responsibility/Issuing the Guidelines on Listed Companies' Environmental Information Disclosure* by Shanghai Stock Exchange (SSE).



EXPLANATIONS ON DATA

Financial data in the report are extracted from the 2022 annual report. Other data are extracted from the Company's internal management system and statistics, and partly comprise of data from previous years. Unless otherwise stated, RMB is used in this report as its functional currency.

REPORTING FORM

The report is issued in print and electronic versions. Please visit www.suntien.com to download the report. Please call 86-0311-85278106 if you need a print version.

EXPLANATIONS ON ABBREVIATED NAMES

For convenience, expressions including "China Suntien Green Energy Corporation Limited", "Suntien", the "Company", the "Group" or "we" are used in the report. Regarding major subsidiaries of the Company, Hebei Natural Gas Limited is referred to as "Hebei Natural Gas", HECIC New Energy Co., Ltd. is referred to as "HECIC New Energy", Caofeidian Suntien Liquefied Natural Gas Co., Ltd. is referred to as "Caofeidian Company", and HECIC Offshore Wind Power Co., Ltd. is referred to as "HECIC Offshore Wind Power".

CONTACTS

The Office of the Board of Directors, China Suntien Green Energy Corporation Limited

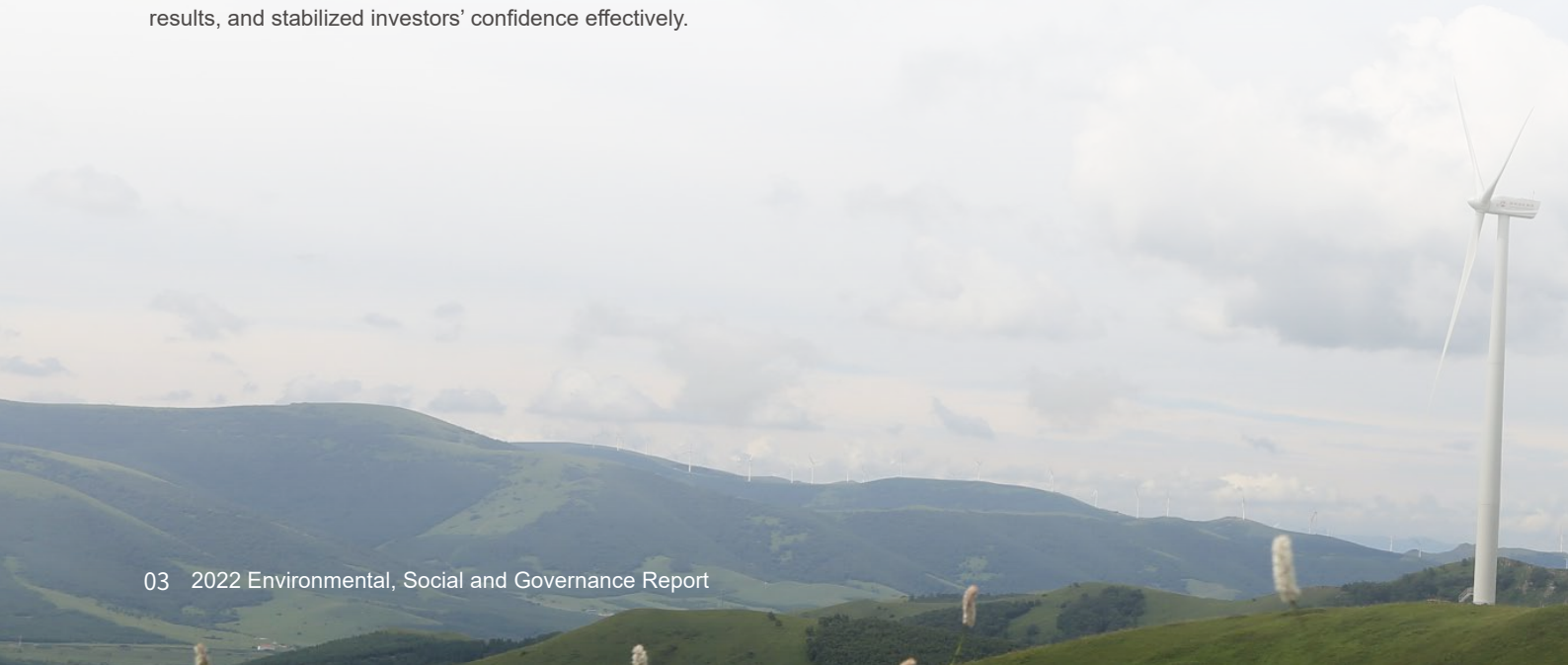
Address: Block A, Yu Yuan Plaza, No. 9 Yuhua West Road, Shijiazhuang City, Hebei Province, PRC

CHAIRMAN'S STATEMENT

Chairman | **Cao Xin**



The year 2022 has been extremely important in the history of the Party and the State. As the report to the 20th CPC National Congress indicated, “based on China’s energy and resource endowment, we will work faster to develop a system for new energy sources and adjust or improve the energy mix and advance initiatives to reach peak carbon emissions in a well-planned and phased way.” In this context, Suntien resolutely implemented the major strategy of the CPC Central Committee on “peaking carbon emission and achieving carbon neutrality” (dual carbon) and the brand-new energy security strategy of “Four Revolutions, One Cooperation”. With clean energy business at the core, we seized great opportunities presented by the development of new energy sources, continued to expand our business scale, and achieved steady growth in operating results, and stabilized investors’ confidence effectively.



In the face of various risks and challenges like the once-in-a-century changes across the world and climate change, Suntien realizes that balancing short and long-term business needs is an essential prerequisite for steady and robust growth. Always bearing in mind our founding aspiration to “develop green energy on a rolling basis”, we endeavour to grow in tandem with our country and generate great resonance with the era. In 2022, Suntien was awarded an “AA” MSCI ESG rating and made its way too many lists of public companies winning the Wind ESG Best Practice Awards.

Suntien made headway in accomplishing the main objectives and major tasks of economic and social development in the 14th Five-Year Plan period. We continued to optimise the industry structure, explored the potential of the clean energy market, and made every effort to ensure a stable supply of energy products. As a result, we won a sustainable competitive edge in the domestic and international markets, and significantly enhanced our ability to preserve and increase the corporate value. Our annual operating revenue reached RMB18.561 billion, representing a year-on-year increase of 15.01%.

Suntien never overstepped the bottom line of environmental quality and stuck to the green development path. In 2022, our consolidated wind farms generated 14,031 million kilowatt-hours of electricity, photovoltaic (PV) plants generated 167 million kilowatt-hours of electricity, and natural gas business transported 4,501 million cubic metres of natural gas. Suntien got actively involved in climate change response as per the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), to coordinate and oversee the identification, assessment, and addressing of climate risks in a comprehensive manner. At the same time, we continued to develop a comprehensive environmental management system, utilised energy and other resources more efficiently and generated great economic benefits, strengthened waste management requirements, and promoted biodiversity conservation at all levels, while building awareness of energy conservation and environmental protection among employees to seek green development.

Suntien firmly established the concept of safety development and continued to uphold the management policy of “Life First, Safety First, Green Development; Full Diligence, Risk Prevention and Control, Continuous Improvement”. In practice, we kept improving our internal management policies, put in place a sound health, safety and environment (HSE) management system, and standardised safety management during production and operation, thus enhancing the intrinsic safety protection capabilities. Meanwhile, we continued to carry out various safety inspections in key areas and eliminated the hazards identified, with a view to creating a safe production environment. In 2022, Suntien spent RMB63.72 million on work safety.

Committed to attaining innovation-driven development and building an intelligent energy enterprise, Suntien obtained 16 authorised invention patents and 52 utility model patents throughout the year with research and development (R&D) expenses reaching RMB427.16 million, a year-on-year increase of 493.09%. We worked hard to retain a high-calibre workforce by encouraging employees to pursue self-growth and taking good care of them. The staff feeling respected, valued and safe would underpin our sustained development. Meanwhile, we were active in promoting industry development and joined hands with partners to share and win together. Concerned about the people’s well-being, we comprehensively pushed forward rural revitalization, consolidated the results achieved in poverty alleviation, and contributed to local economic development.

In the future, Suntien will always uphold the leadership of the Party and rely on the sustainable development management system, to forge ahead amid the continued innovation. Laser-focused on our business development goals, we will leverage our competitive edge in the new energy industry and advanced industrial technologies to form a new pattern of people-centred sustainable development. At the same time, we will bear in mind our missions, commitments and responsibilities, put our development on a solid footing, and elevate the level of intrinsic safety and environmental protection. Everyone at the Company will work together to move forward steadily along the pathway to high-quality development.

ABOUT US

Consolidated Installed
Capacity of Wind Power

5,811.85 MW

Management Capacity of
Wind Power

6,072.45 MW

Attributable Capacity of
Wind Power

5,482.49 MW

Wind Power Generation

14.031 billion kWh

Natural Gas Transportation
Volume

4.501 billion Cubic
Metres

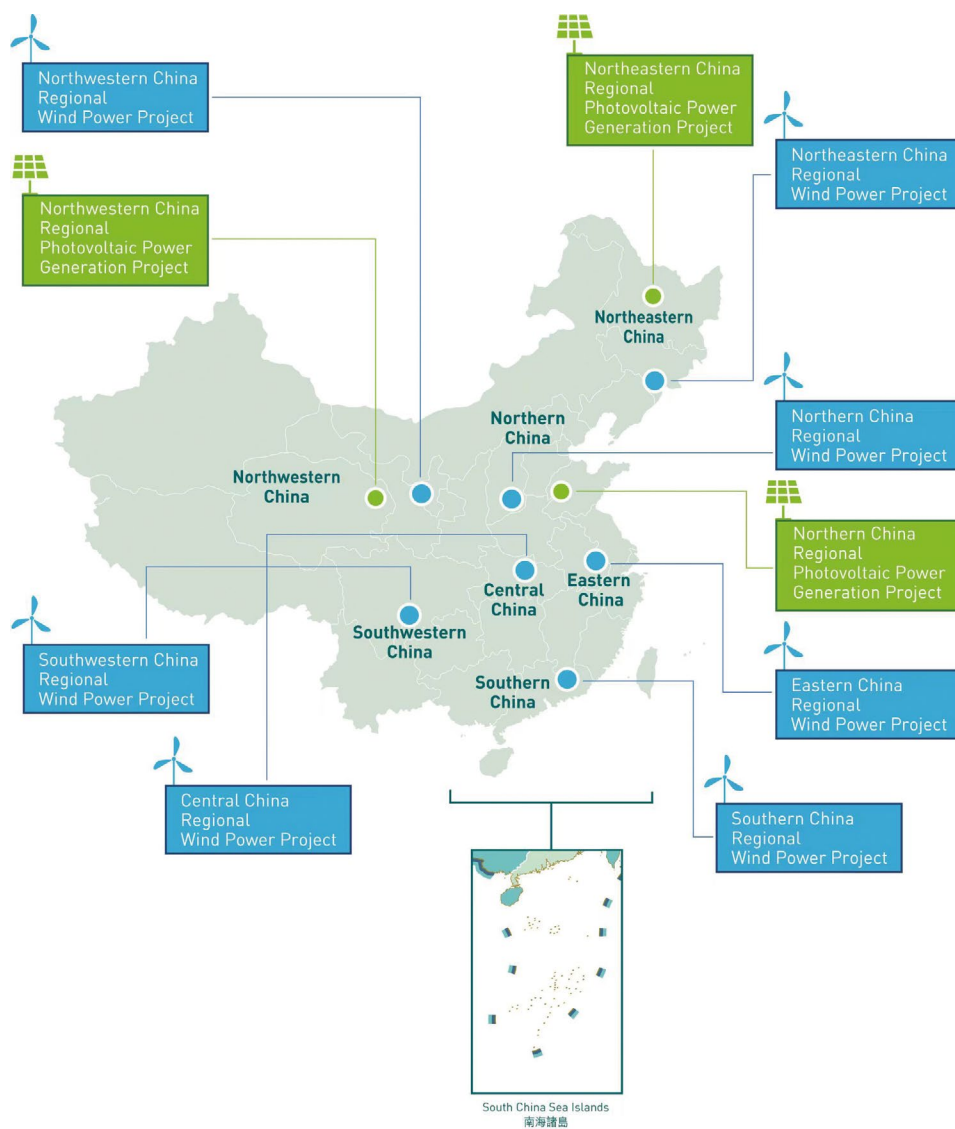
Natural Gas Sales Volume

3.885 billion Cubic
Metres

China Suntien Green Energy Corporation Limited was established on 9 February 2010 with contributions made by the promoter shareholders of Hebei Construction & Investment Group Co., Ltd. (HECIC) and HECIC Water Investment Co., Ltd. The Company was listed on the Main Board of the Hong Kong Stock Exchange on 13 October 2010 (H-share stock code: 00956). The listing of the Company's A Shares was completed on 29 June 2020 (A-share stock code: 600956) at the Shanghai Stock Exchange. The Company is a leader in the development and utilisation of clean energy in North China. It has two major business segments: wind/PV power and natural gas.

BUSINESS DISTRIBUTION

Wind power and PV business distribution diagram



CORPORATE GOVERNANCE

Suntien closely integrates strengthening the leadership of the Party with improving corporate governance, to continuously improve the corporate governance system and build a dynamic, streamlined, efficient and well-functioning governance mechanism. The Company continues to promote compliance management, ensure clean and efficient operations, safeguard the rights and interests of investors, and enhance its corporate value effectively.

As part of its efforts to strictly abide by the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Guidelines for the Governance of Listed Companies*, and other pertinent laws and regulations, Suntien has improved its Articles of Association and put in place a modern corporate governance structure, in which the Shareholders' General Meeting, the Board of Directors and its special committees, the Board of Supervisors, and the Senior Management are assigned with clearly-defined duties and responsibilities, and work efficiently in strict accordance with rules of procedure to ensure the Company can operate steadily and robustly. In 2022, Suntien held 4 shareholders' general meetings, 20 Board of Directors meetings (Board meetings) and 10 Board of Supervisors meetings.

In 2022



Suntien held
4
shareholders'
general meetings



20
Board of Directors
meetings (Board
meetings)



10
Board of Supervisors
meetings

For the specific responsibilities and composition of the Board of Directors and its special committees as well as the Board of Supervisors, please refer to the *2022 Annual Report of China Suntien Green Energy Corporation Limited*.

The Company continuously optimised its information disclosure policies and processes, actively erected bridges to connect with investors, and adopted various means to maintain interaction and communication with investors and potential investors. Through regular business results releases and roadshows, the Company made its governance information known to the public in a timely manner, solicited recommendations and opinions from market players, and provided feedback on various suggestions from investors.

Internal Control and Risk Management

The Company adopts a risk-oriented internal control system and establishes a hierarchical structure where the Board of Directors, the Audit Committee, the Risk Control Committee, the Audit and Regulation Department, and subsidiaries assume responsibilities at their respective level, so as to ensure that internal control and risk management can be carried out effectively. The Company conducts internal auditing and risk prevention & control as per the working principle of "tightening internal control and audit supervision to guard against various business risks".



Internal Controls

Suntien promoted the update and iteration of its internal control policies and processes, thereby ensuring that various businesses of the Company could be carried out in reliance of applicable basis and in line with relevant systems. The Company newly adopted and revised six internal control regulatory documents, including the *Internal Control Manual*, the *Management Measures for Internal Control Evaluation*, and the *Working Guidelines for Necessary Systems Required by Project Companies*, instructed subsidiaries to spot and correct internal control deficiencies by category, and made sure that every policy could be assigned to a dedicated person to take charge, all of which provided a strong guarantee for the effective implementation of internal control measures.

In 2022, Suntien carried out an internal control self-evaluation in accordance with the pertinent regulations of the SSE and in light of its actual conditions, and also prepared the *Annual Internal Control Self-Evaluation Report* to evaluate the overall effectiveness of internal controls carried out by the headquarters and the management units. The reach of internal control evaluation was extended to the third-tier enterprises, and the coverage of such evaluation went beyond 90% in terms of business revenue and operating assets, which further enhanced the internal control management level of the Company.

Risk Management

Suntien revised the *Comprehensive Risk Management Manual*, in which it examined the workflows of risk assessment, risk forewarning, and risk response, set out the approval authority and responsibilities for each aspect of work, and improved the risk prevention and control mechanisms, thus paving the way for the smooth implementation of risk prevention and control.

In a comprehensive risk inventory, Suntien revised and optimised the original risk forewarning indicators, and added risk alert indicators in the categories of project safety risk, project quality risk, and environmental risk combining with its actual risk management conditions. In addition, the Company also carried out a risk assessment for 2023. Through risk identification, evaluation and analysis, it finally formed its risk ranking and risk mapping, and expanded the scope of risk assessment to all subordinated units.

Suntien carried out an online training course in the title of “2022 Professional Capacity Building for Risk Management Team”

From 23 to 25 November 2022, Suntien invited renowned professors from the National Accounting Institute and Renmin University of China to give a three-day training course where they interpreted a number of national norms such as the *Basic Norms for Enterprise Internal Control* and the *Measures for the Compliance Management of Central Enterprises* and analysed actual cases in three fields, that is, internal control, risk management, and compliance management in accordance with the *Three-Year Training Plan on Risk Management (2022-2024)*. A total of more than 150 people from the headquarters and management units of the Company attended the training, effectively enhancing the level of expertise and risk prevention and control capability of internal control and risk management teams.

Online training



A total of more than

150

people from the headquarters and management units of the Company attended the training



Suntien risk management online training

Anti-corruption

In strict compliance with the *Anti-Monopoly Law of the People's Republic of China*, the *Law against Unfair Competition of the People's Republic of China*, and other pertinent laws and regulations, Suntien abides by the code of business conduct, participates in market competition in accordance with the law, and opposes any form of commercial bribery, money laundering, monopoly, and unfair competition. The Company has a comprehensive mechanism for monitoring and auditing business ethics. The Audit Committee under the Board of Directors is responsible for overseeing matters related to business ethics. The Company has formulated the *Business Ethics Management Measures*, which requires all employees and suppliers to abide by business ethics, intensify supervision and management in production and daily operations, and promptly identify and resolve violations. In addition, the Company has incorporated regular inspections of business ethics into the scope of its supervisory duties, specifying that the compliance with business ethics and standards will be inspected once every three years.

Suntien continues to crack down on anti-corruption and enhance integrity in compliance with the pertinent laws and regulations such as the *Criminal Law of the People's Republic of China*, the *Supervision Law of the People's Republic of China*, and the *Provisions on the Integrity in Practice of Leaders at State-owned Enterprises*, as well as a number of internal management documents such as the *Measures for the Prevention of Commercial Bribery* and the *Interim Measures for the Implementation of the Party Conduct and Integrity Responsibility System*. In 2022, there were no corruption lawsuits against Suntien.

Suntien has incorporated Party building into every aspect of work to greatly press ahead with its reform and development and boost high-quality development of enterprises as per a number of internal documents such as the *Measures for the Implementation of the "Three-Importance and One-Large" Decision-making System*, the *Measures for the Evaluation of Operation Improvements by Party Building*, and the *Interim Measures for Efficiency Supervision*. In 2022, the Company continued to improve Party conduct and uphold integrity, and signed the *Party Conduct and Integrity Responsibility Letter* with the senior management personnel of the headquarters and the heads of management units.

Suntien is committed to educating its staff about Party conduct and integrity to achieve the all-employee coverage of related activities. The Company's Discipline Inspection Committee organised discipline inspection staff at all levels to attend its training and compiled *A Collection of Warning Education Materials* to raise the bottom-line awareness of managers and employees. In 2022, Suntien held 2,806.31 hours of anti-corruption training, with the average training hours per capita being 0.79.

In 2022



there were no corruption lawsuits against Suntien

Suntien held

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with the average training hours per capita being

0.79



The Company's Party Committee convened a conference on enhancing Party conduct and integrity awareness

In July 2022, Suntien's Party Committee organised a conference on enhancing Party conduct and integrity awareness to educate members of the leadership team, middle management personnel and employees at all levels across the Company on how to build a firm line of defence against corruption and maintain integrity in practice. The conference aimed at calling on Party organisations at all levels of the Company to create a clean and upright atmosphere.



An integrity awareness lecture given by Discipline Inspection Committee Secretary of Hebei Natural Gas to Party members and staff at the primary level

Suntien takes letters, visits and complaints via phone calls, discloses related phone numbers and correspondence addresses, and safeguards the legitimate rights and interests of whistleblowers and complainants in accordance with the *Business Ethics Management Measures*, the *Rules for Supervision and Discipline Execution*, and other internal policies. After receiving a report, the relevant staff will verify the clues. During the investigation process, they will strictly implement the confidentiality and recusal system, control the scope of access to the clues, protect the whistleblower from retaliation, and safeguard his or her rights and interests in accordance with the law.

Party Building

Suntien takes Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as a guide, comprehensively implements the guiding principles of the 20th CPC National Congress, implements the “first task” system, and thoroughly acts on the decisions and arrangements made by the CPC Central Committee. In practice, it works harder to build distinctive brands of primary-level Party organizations and branches, pushes forward Party history learning sessions and activities in the form of theoretical learning group vigorously, strengthens news communication, corporate culture, and building of the Communist Youth League (CYL) organizations and youth volunteer teams, so as to improve the governance efficiency of Party building continuously. In 2022, the Company's Party Committee convened meetings as required to study relevant major operation and management matters, giving full play to its leading role in “steering the way forward, managing the overall situation, and guaranteeing the implementation”.

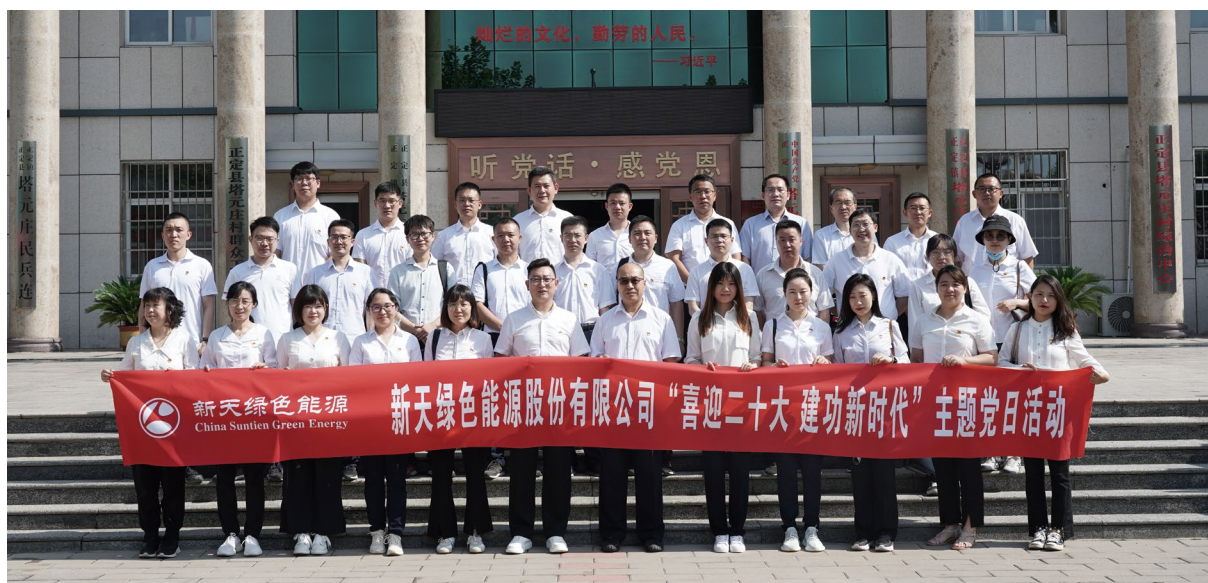
The Party Committee of the Company carried out education and training activities in strict accordance with the *Plan of China Suntien Green Energy Corporation Limited to Implement the National Education and Training Programme for Party Members during 2019-2023*, to tighten the full governance of the Party, integrate Party building with every aspect of work for common growth, and exploit the key role of Party branches and the exemplary role of Party members, thus providing a strong political guarantee for the high-quality development of the Company.

Suntien's Party Committee organised a Party consciousness raising conference

In July 2022, the Party Committee of Suntien organised a Party consciousness raising conference to commend the "Model Party Members of Suntien", "Model Party Affairs Workers of Suntien", "Model Party Organization Secretaries of Suntien", and "Model Primary-level Party Organisations of Suntien" for the year 2021. Mr. Mei Chunxiao, Secretary of the Party Committee and President of the Company, gave a Party consciousness lecture called "Reaching Consensus by Freeing Minds, Forging Ahead for a Better Future" through a combination of offline and online means to members of the leadership team, middle management personnel, and employees at all levels of the Company.

Suntien's Party Committee organised a Party day activity with the theme of "the 20th CPC National Congress Ushers in a New Era"

In July 2022, the Party Committee of Suntien organised a Party day activity on the theme of "the 20th CPC National Congress Ushers in a New Era" for more than 30 Party members and some applicants for Party membership. Visiting a red education base, they traced the footprints of General Secretary Xi Jinping and were impressed by his people-oriented leadership and down-to-earth conduct.



Suntien organised a Party day activity

Suntien's Party Committee conducted a training session to enhance the ability of the Party building team and to regulate Party members with Party discipline

In December 2022, the Party Committee of the Company organised a training session to enhance the ability of the Party building team and to regulate Party members with Party discipline. A total of 110 Party affairs workers and more than 210 Party members attended the training, which covered many aspects of content, such as the guiding principles of the 20th CPC National Congress, the Party Constitution and regulations, Party history learning, interpretation of current policies, Party conduct and integrity, Party building practices and Party building of state-owned enterprises (SOEs). Through the training, the attendees gained an in-depth understanding of the 20th CPC National Congress in terms of its rich content, guiding principles, and practical requirements contained in the guiding principles of the 20th CPC National Congress, and deepened their comprehension of the requirements for Party conduct, integrity in practice, and fight against corruption, thus geared up for future work ideologically and realistically.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT

Pursuing an approach to integrated and coordinated development, Suntien integrates environmental, social and corporate governance (ESG) into its development strategy, continues to improve its ESG governance framework and operational mechanism, firmly promotes the efficient development and utilisation of clean energy, provides quality energy products and services, and actively responds to the requirements and expectations of stakeholders. In doing so, it strives to become a model in practising the concept of sustainable development and fulfilling corporate social responsibilities (CSRs).

Board ESG Statement

Suntien has established an ESG-oriented business philosophy and an effective ESG management and governance mechanism that promotes the harmonious integration of Suntien with the environment and society and creates sustainable environmental, social, and corporate values.

By setting up a three-level ESG governance structure including the Board of Directors, Suntien ensures the effective implementation of ESG management and social responsibility work. As the highest decision-making body of Suntien, the Board of Directors is responsible for overseeing, approving, and making decisions on strategies, policies, objectives, risks and related ESG matters of the Company to ensure the integration of ESG philosophy and corporate strategy. The President's Office Meeting has been set up under the Board of Directors, and it is responsible for reviewing the Company's ESG strategy and goals, collecting work reports of the Company's ESG Working Group on a regular basis, revealing the Company's current conditions in ESG management, and ensuring that it is consistent with the Company's development direction.

The Board of Directors regularly reviews and identifies material ESG issues, lists of ESG risks, and ESG-related objectives of the Company, and manages and monitors the same as a priority to ensure that the ESG concept is integrated into the Company's development strategy, that the ESG management gets aligned with the Company's business strategy, that its ESG objectives are achieved, and that its ESG performance is improved. To guarantee the effectiveness of ESG monitoring, the Company provides the Senior Management with the training on ESG expertise or skills and ensures it has access to the internal and external resources and expertise applicable to the ESG management process.

This report discloses in detail the progress and achievements of Suntien's ESG work in 2022 and has been reviewed and approved by the Board of Directors on 23 March 2023. The Board of Directors and all Board members of the Company guarantee that there are no false records, misleading statements or major omissions in the content of this report, and take individual and joint responsibility for the authenticity, accuracy and completeness of the content.

ESG Management System

Suntien has strictly abided by the “HKEX ESG Guidance” and the *Guidelines for Environmental Information Disclosure of Listed Companies of the Shanghai Stock Exchange* in its ESG work constantly. Pursuant to the *Management Rules on Environmental, Social and Governance (ESG) and Social Responsibility Management*, the Company has further optimised its ESG management structure, set out the management process of key issues, including climate change, stakeholder communication, and ESG information disclosure, and improved the effectiveness of ESG management. In 2022, Suntien was awarded an “AA” MSCI ESG rating; made its way to many lists of public companies winning the 2022 Wind ESG Best Practice Awards, which mainly included the 2022 Wind ESG Best Practice Awards: A-share Listed Companies, the 2022 Wind ESG Best Practice Awards: A-share Listed Companies (Environmental), the 2022 Wind ESG Best Practice Awards: A-share Listed Companies in Utilities Sector, the 2022 Wind ESG Best Practice Awards: H-shared Listed Companies, and the 2022 Wind ESG Best Practice Awards: A-share Listed Companies in Utilities Sector.

Suntien has established a “governance-management-execution” three-level ESG management framework featuring a complete structure, a clear hierarchy, explicit rights and responsibilities, and efficient operation.

The Board of Directors of the Company

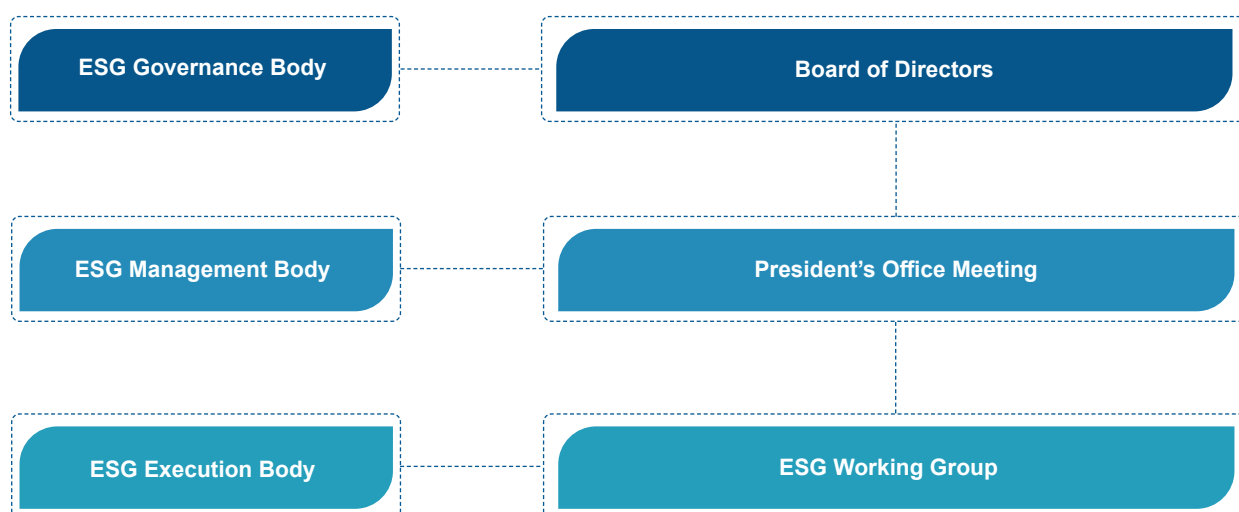
- As the governance body of the ESG matters, is mainly responsible for the approval of Suntien's ESG strategy, risk management results, and related reports;

The President's Office Meeting

- As the management body of the ESG affairs, is mainly responsible for reviewing the Company's ESG work plan and target implementation as well as ESG risk management and reporting disclosure, and regularly reporting to the Board of Directors; and

The ESG Working Group

- As the execution body, is mainly responsible for formulating the Company's ESG work plan, getting various aspects of work done properly and gathering the progress status of ESG goals.



Suntien ESG management system

Stakeholder Communication

Suntien values stakeholder communication and has identified the feedback and expectations of various stakeholders on the Company, so as to enhance its ESG performance in a targeted manner and effectively respond to the needs of various parties.

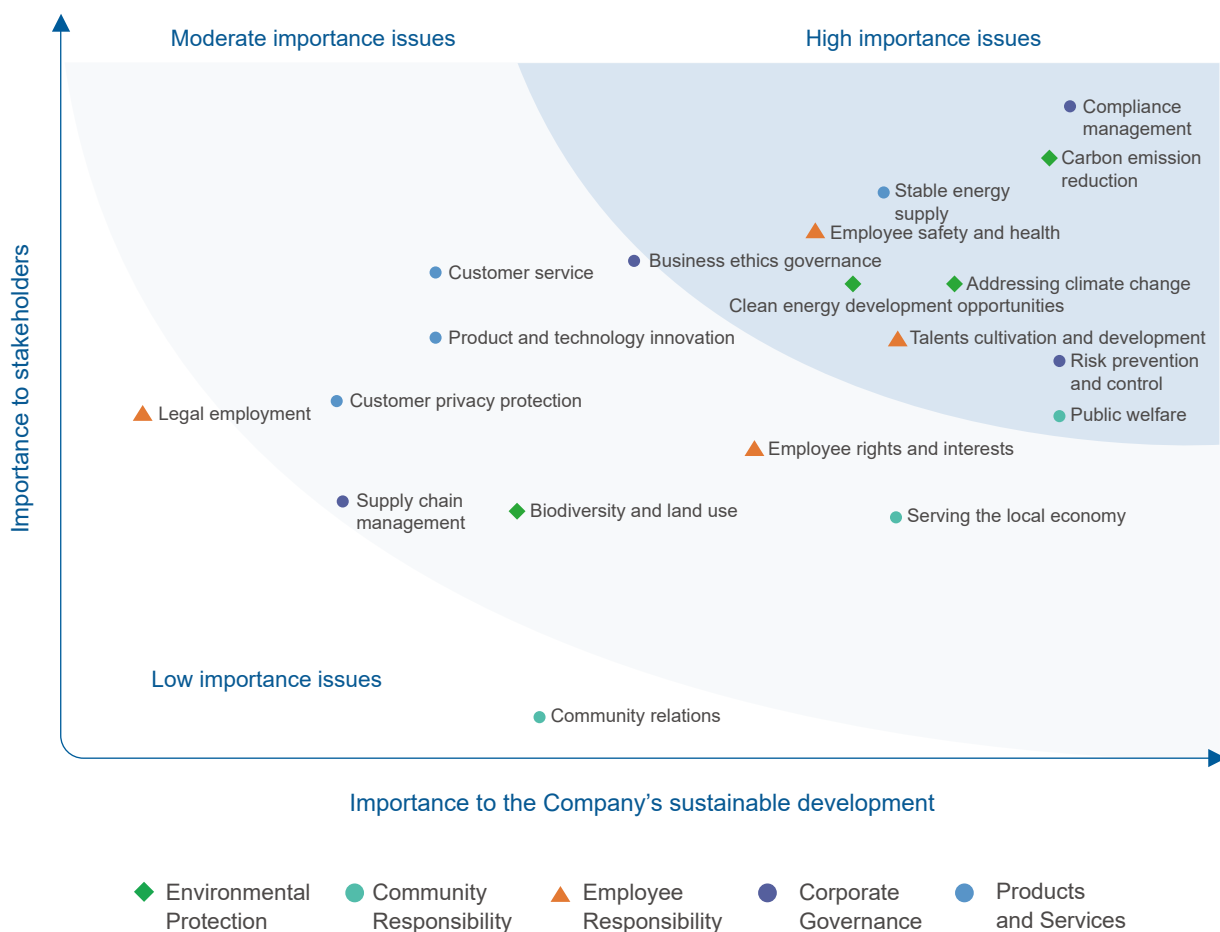
Channels of stakeholder communications and their focus

| Stakeholder type | Needs | Responses | Communication Channels |
|---|---|--|---|
|  Shareholders | <ul style="list-style-type: none"> Continuous stable investment returns Timely information disclosure Enterprise operation in compliance with laws and regulations | <ul style="list-style-type: none"> Improve business diversity Establish a system for regular information disclosure Improve internal compliance system | <ul style="list-style-type: none"> Annual reports and corporate announcements Information dissemination channels including roadshows |
|  Employees | <ul style="list-style-type: none"> Decent working environment Ample opportunities for career development Competitive remuneration packages Health and safety protection | <ul style="list-style-type: none"> Improve internal management systems such as staff recruitment and promotion Enriched daily life Provide diverse work and life security for employees | <ul style="list-style-type: none"> Internal website Internal corporate publication Suntien WeChat subscription account |
|  Suppliers | <ul style="list-style-type: none"> Fair, just and open procurement process Punctual fulfilment of contractual obligation | <ul style="list-style-type: none"> Ensure transparency in procurement process and receive internal and external supervision Reasonable management and control of cash to ensure timely payment | <ul style="list-style-type: none"> Announcements and notices for procurement and tender on governmental websites Corporate corruption reporting hotline |
|  Customers | <ul style="list-style-type: none"> Continuous, reliable and safe supply of natural gas Timely response to customer demands Service quality improvements | <ul style="list-style-type: none"> Establish a comprehensive safety supervision and response system Improve customer complaint handling process, and establish a responsibility identification system for customer complaints Compile a standardised service manual | <ul style="list-style-type: none"> Regular community promotions for safe use of gas Visit dissatisfied customers Conduct customer satisfaction surveys |
|  Government | <ul style="list-style-type: none"> Drive local and surrounding industry development Enterprise operation in compliance with laws and regulations | <ul style="list-style-type: none"> Provide job opportunities and pay taxes at the location of operations Cooperate with government supervision and improve internal compliance monitoring Ensure compliance with laws and regulations regarding environment, safety and integrity | <ul style="list-style-type: none"> Participate in government meetings and regularly visit the government Receive governmental supervision |
|  Community | <ul style="list-style-type: none"> Contribute to community development Participation in community activities to maintain good communication | <ul style="list-style-type: none"> Improve local infrastructure in terms of road and power grid construction Aid rural development in terms of assistance provided to designated persons Maintain good communication with local residents and herdsmen | <ul style="list-style-type: none"> Survey of community representatives Visits in daily operation |
|  Banks | <ul style="list-style-type: none"> Good creditworthiness and strong ability to pay debts Stable business development | <ul style="list-style-type: none"> Pay debts on time to maintain creditworthiness Strengthen cooperation with domestic and foreign banks | <ul style="list-style-type: none"> Regular direct communication |
|  Academic institutions | <ul style="list-style-type: none"> Continuous investment in innovation Strengthen cooperation with academic institutions to improve ability to apply research results | <ul style="list-style-type: none"> Increase internal R&D investment, improve intellectual property and innovation management Increase cooperation and exchanges with universities, colleges and other research institutions | <ul style="list-style-type: none"> Cooperation fairs |

Response to ESG Reporting Principles

Principle of materiality

Suntien identifies and screens ESG issues through anonymous questionnaires every three years as per the requirements of the "HKEX ESG Guidance" and with reference to international ESG initiatives and standards as well as the list of ESG issues of general interest to the industry. Given the analysis and evaluation results of the questionnaires gathered, the Company charts the matrix of material issues and reports such issues to the Board of Directors for deliberation and approval. Under the precondition of no major change to the Company's business environment, the material issues approved by the Board of Directors in 2020 are used for focused disclosure in 2022.





Principle of being quantitative

Suntien has established a standardised ESG indicator management tool covering the headquarters and its subsidiaries, regularly quantifies key quantitative indicators including all “environment” categories and part of “social” categories in the “HKEX ESG Guidance”, and consolidated such indicators during the year to finally prepare this report for external disclosure. Where certain data involve calculations or transformations, the standards, guidelines and guidance used have been disclosed in the body of the report. ESG quantitative data are detailed in the sections of this report.

Principle of balance

This report has been reviewed and confirmed by the Company’s Board of Directors, which promises that the content of the report is objective and fair, the content disclosed can be viewed through the Company’s official information disclosure channels or public media.

Principle of consistency

This report has consistent disclosure scope with that of the previous ESG reports and is free of any major adjustment. It adopts consistent disclosure statistical methods, and further details the part of disclosure categories corresponding to the “HKEX ESG Guidance” and the *Guidelines for Environmental Information Disclosure of Listed Companies of the Shanghai Stock Exchange*. The multi-year comparative data of ESG is detailed in the sections of this report.

01

ADDRESSING CLIMATE CHANGE

Climate change has an unprecedented impact on the world and it is imperative for countries, companies, and individuals to explore feasible and effective countermeasures. Suntien takes active actions to cope with climate change and keeps improving the governance framework for climate issues. By identifying and responding to climate risks and opportunities, adopting climate actions, and setting clear targets and goals in a timely and proactive manner, the Company will minimise the impact of its operations on the environment and contribute to the green development from the overall of human society.





1.1 Climate Governance

1.2 Climate Strategy



1.3 Climate Risk Management

1.4 Metrics and Targets

Climate Governance

Since the proposal of the “carbon peaking and carbon neutrality” goal, China has been making great efforts to reduce energy consumption and restructure its industries. With the launch of the carbon trading market, the green clean energy consumed as a proportion of the total has surged sharply in the country. In the process, more enterprises start to realize the importance of addressing climate change. As the 20th CPC National Congress made the latest strategic arrangements for the “carbon peaking and carbon neutrality” goal in 2022, China will accelerate the planning and development of a system for new modern energy sources and thoroughly advance the energy revolution.

In response to national calls, Suntien gets actively involved in climate change governance and has established an environmental management and climate governance framework with the Board of Directors as the governance body, to oversee the identification, assessment and addressing of climate risks on all fronts.

| Level | Organization | Duties |
|--|---|--|
|  Governance body | >> Board of Directors | <ul style="list-style-type: none"> Take overall charge of the Company's work related to climate change Review the climate change risks and opportunities identified by the Company Regularly review and discuss the progress toward the climate change target |
|  Management body | >> President's Office Meeting | <ul style="list-style-type: none"> Finalise the annual work plan and related policies for climate change Summarise and report to the Board of Directors on climate risk management Organise the annual assessment of change risks |
|  Execution body | >> ESG Working Group (consisting of the Safety Inspection Department, the Production Technology Department, the Project Management Department, and other related departments) | <ul style="list-style-type: none"> Develop a climate change response programme and related management policies given the characteristics of the businesses under its jurisdiction Identify environmental protection and climate change risks given the actual phases of businesses under its jurisdiction (construction phase and operational phase) Assess climate change risks as requested by the President's Office Meeting |

Climate Strategy

To identify climate change risks and opportunities on a regular basis and ensure its responses to climate risks and opportunities are proactive, timely, and accurate, Suntien has formulated its 14th Five-Year Plan and incorporate climate change as a consideration in the formulation of its strategy. Keenly aware of the requirements for developing new-type electricity systems and its development strengths, the Company will focus on the energy market and strive to achieve breakthroughs in a wide range of fields such as subsequent development of wind and PV projects, investment and development in pumped storage, exploration of new energy storage technologies and expansion of hydrogen energy business, thus further broadening the types and routes of renewable energy development and utilisation.

Highlights of Suntien's 14th Five-Year Plan

Optimise the distribution of centralised wind and PV power projects under development

Leveraging its first mover advantages in old wind farms, the Company will create development models such as increasing the turbulence intensity of wind farms and replacing small wind farms with large ones, explore innovative paths for new energy power consumption, and develop attractive, cost-effective green, carbon-negative, innovative project modes.

Optimising the development mode of distributed PV projects

With the summarised development experience, the Company will strengthen risk response measures, introduce more development, operation, and maintenance modes, establish efficient and rapid investment processes, and prioritise developing commercial and industrial distributed PV projects of high quality.

Focus on promoting pumped storage projects

By forming a specialised team for pumped storage and capitalising on external expertise, the Company will strive to make substantial breakthroughs in the field of pumped storage and explore routes to combined development of pumped storage and new energy projects.

Explore how to use new energy storage technologies

The Company will thoroughly study various types of new energy storage technologies, actively contact government authorities and power grid companies to promote the introduction of compensation policies, and establish reasonable and economic business modes.

Work hard to scale up the hydrogen energy business

The Hydrogen Energy Technology Development Centre will be set up to survey the development of the hydrogen energy industry, actively expand its business in the fields of the hydrogen energy equipment production and assembly and the green hydrogen consumption, and construct and operate hydrogen production stations.

Undertake mergers and acquisitions (M&As) of new energy projects

Given the market landscape and the characteristics of its management, the Company will formulate M&A plans, establish a standardised M&A process, and carry out new energy M&A projects nationwide.

Strengthen equipment risk control

The Company will set up a routinised risk control mechanism that features timely detection, rapid disposal, and precise control of climate risks by taking a wide array of measures, which include strengthening the efforts to screen hidden dangers, enriching technical means for supervision, implementing special technical renovations, assessing the level of health, and promoting comprehensive equipment management.

Accelerate the digitalised and intelligent transformation and upgrading

The Company will focus on promoting the construction of digitalised and intelligent scenarios, the evolution of integrated information platforms, and the development of business information systems, make every effort to put related application scenarios into use, improve the efficiency of climate change management by digital and intelligent means, and explore innovative management modes based on digital and intelligent technologies.

Climate Risk Management

Suntien has integrated climate change risks into its overall risk management system and brought under management the whole process of identifying, assessing, and responding to climate risks and opportunities, thus laying a solid foundation for the timely and effective avoidance of climate risks, capture of climate opportunities and adoption of countermeasures.

Risk Identification

By taking into account the best practices of peer companies in climate change risk identification, Suntien has comprehensively identified transition and physical risks that may occur, have occurred, or are highly relevant to its business, and has formulated risk response measures to further ensure the stability of its sustainable development.

| Risk category | Risk type | Risk points | Actions |
|------------------|-----------------------|---|--|
| Transition risks | Policy and legal risk | The policy documents China issued have significantly changed the structure of the existing energy industry, including the <i>Guiding Opinions on Accelerating the Development of a Unified Electricity Market System Nationwide</i> and the <i>Opinions on Improving Institutional Mechanisms and Policy Measures for Green and Low-carbon Transition of the Energy Mix</i> . | Suntien strictly complies with national policies, keeps abreast of changes in such policies, proactively promotes climate change-related planning, and explores new modes of low-carbon management given the life cycle of its products, thus getting prepared for dealing with policy and legal risk. |
| | Technical risk | In the "carbon peaking and carbon neutrality" era, the world economy is moving from resource-dependent to technology-dependent. Technological innovation could provide a strong impetus for peaking carbon emissions and achieving carbon neutrality. It is inevitable that enterprises will use major breakthroughs in key technologies to underpin the green transition of production and lifestyle. | Suntien continues to explore green energy technologies, increases investment in technological innovation, accelerates the low-carbon transformation of the industry chain, and discovers more industrial development modes under the new circumstances. |
| | Market risk | In recent years, the complex international situation, along with the increasing uncertainties, has posed severe challenges to the global energy supply chain. Furthermore, a series of problems in the energy market, such as inconsistent policies and rules, impeded resource flows, local protection, and regional barriers, have hindered the energy market from functioning well and achieving economies of scale. | In the face of volatile market demands, Suntien relies on the smart city plans implemented in different regions to collaborate with other nearby green energy businesses in developing multi-energy complementarities and creating local green energy economies of scale. Meanwhile, the Company has established a set of efficient management mechanisms suitable for its future development, striving to get a favourable position in the fierce market competition in the future. |
| Physical risks | New energy business | Extreme or abnormal weather events caused by climate change, such as thunderstorms, typhoons, floods, and snowstorms, could have a serious impact on the operation of wind farm equipment, resulting in increased operating costs, reduced power generation efficiency, unstable power production, etc. | Suntien always conducts wind resource tests prior to wind power generation construction projects to assess the potential installed capacity in a region and to reduce the adverse impact of physical climate change risks by formulating special construction programmes. |
| | Natural gas business | Extreme or abnormal weather events due to climate change, such as thunderstorms, typhoons and floods, could compromise the safety of natural gas storage and transportation pipeline equipment, while global warming or extremely cold weather would cause fluctuations in natural gas demand to intervene in gas companies' business planning. | Suntien strives to enhance the management of its own natural gas pipeline network operations and maintenance, predict peak demands and improve its peak-shaving capability, and make assets and operations more resilient to the stress brought about by climate change risks. |

Opportunity Identification

As climate change draws close attention at home and abroad, low-carbon operation and renewable energy have pointed out two key directions for the global energy transition. The proposal of the “carbon peaking and carbon neutrality” policy has greatly impacted the structural transformation of the economy, especially in the areas of energy mix, energy use, and energy technology.

Suntien, as an enterprise engaged in the development and utilisation of new energy and clean energy sources, will seize the climate-presented opportunities to give full play to its business advantages. Taking clean energy consumption as a starting point, the Company will cast a green, low-carbon energy consumption system with wind and PV power as the mainstay, supplemented by hydrogen energy, energy storage, and intelligent management, to optimise and innovate its business modes.

New energy business

New energy projects
on the fast track of
development

- As relevant national policies evolve, the revenue model of annual guaranteed grid-connected new energy allocation and storage projects is undergoing profound changes, and market-scale grid-connected new energy projects and pumped storage power stations have grown at a way faster pace.

Comprehensively
accelerating the
development of a modern
energy system

- Accelerating the formation of a clean, low-carbon, safe and efficient energy system is necessary to achieve the “carbon peaking and carbon neutrality” goal. For energy enterprises, it is important to attach equal importance to both centralised and distributed power generation, vigorously expand the scale of wind and PV power generation, improve the complementary and intelligent adjustment ability of power systems, strengthen the convergence of generation, grid, load and energy, and promote the large-scale application of various technologies.

Energy storage industry
entering the stage of
large-scale and high-speed
development

- As the power system reform accelerates and policies continue to change, developing new energy storage is seen as an important initiative to enhance the regulation capacity, comprehensive efficiency, and security level of energy and power systems.

Transformation of the energy
mix hardly effected by any
single energy source

- It is necessary to improve the utilisation of resources by means of multi-energy complementary integration, big base, centralized and distributed forms. At the same time, the integration of the new energy industry with other industries and the synthetic development of ecology and civilization will be emphasised.

Natural gas business

Ever-growing demand for
natural gas

- In recent years, China has continued to implement pollution control, energy conservation and emission reduction as well as clean heating policies. In this context, the use of natural gas has become an important means of carbon reduction and environmental protection. Meanwhile, the steady development of the Chinese economy and society will also drive the continued growth of natural gas demand.

Multi-energy
complementation promoting
urbanisation and green
energy consumption

- The urban fuel projects have the potential for mutually beneficial commercial cooperation in the operation of energy platforms, including supply of combined cooling, heating and power, multi-energy utilisation and smart communities. The natural gas industry can collaborate with other nearby green energy businesses in developing multi-energy complementarities to create local green energy economies of scale.

The State vigorously
building a natural gas
reserve system

- In recent years, the State has striven to build a multi-level natural gas reserve system, focused on solving the bottleneck problems in gas storage capacity building and operation, and actively promoted the construction of gas storage facilities to strike the dynamic balance of natural gas supply and demand and enhance the ability to ensure supply.

The further improved
network of LNG receiving
stations

- The demand for LNG in China has been increasing in recent years. LNG receiving stations have become an essential infrastructure for receiving imported LNG. Further improving the network of LNG receiving stations will become an important part of China's natural gas production, supply, storage and marketing system. The external pipelines of LNG receiving stations will be interconnected with pipeline networks at all levels and connected to inland cities to meet China's growing demand for natural gas.

Metrics and Targets

To ensure timely and effective responses to the identified climate change risks and opportunities, the Company has developed a comprehensive set of climate change metrics and targets.

To build a new type of innovative power systems, the Company has devised its plans and targets for various businesses such as PV power development, pumped storage, new energy storage, hydrogen energy, and natural gas, which would accelerate the clean and low-carbon transition of the energy consumption mix and maximise environmental benefits.



PV development

- Summarise project development experience and strengthen risk response measures;
- Focus on developing commercial and industrial distributed PV projects of high quality.



Pumped storage business

- Focus on the feasibility analysis of pumped storage projects;
- Work to get projects included in the national reserve.



New energy storage business

- Undertake in-depth analysis and scientific research on the operation mechanism and business model of flywheel energy storage in the building of new power systems to explore new engines for business growth.



Hydrogen energy business

- Increase input in the R&D of hydrogen production equipment and key materials;
- Promote the localisation of hydrogen production technologies.



Natural gas business

- Continuously press ahead with key projects to form a network of projects in the province;
- Build additional regional maintenance and repair centres to ensure the stability of the natural gas supply;
- Survey the incremental demand of downstream users to expand the share in the natural gas end-user market.

Accelerating the construction of distributed PV projects

In 2022, the Company accelerated the investment in a number of distributed PV projects such as the 23.4MW distributed PV project of Great Wall Motor (GWM) in Baoding, Hebei, the 1MW distributed PV project of the GWM Industrial Park, and the holistic rooftop distributed PV project (the first phase) in Julu County. The above projects are all clean energy power generation projects that have no impact on the local water environment. The rooftop PV power station will create a good technology and environment-themed landscape in the region and help to promote the development of local high-tech, environmental protection industries, and generating considerable social and economic benefits.

Positive progress in pumped storage business

In 2022, the Company participated in an equity investment for the construction of Hebei Fengning pumped storage power station project, the designed total installed capacity of which amounted to 3,600 MW, which will be developed in two phases with installed capacity of 1,800 MW each for pumping and water retention functions such as peak load regulation and valley filling. As at 31 December 2022, the Hebei Fengning pumped storage power station project had seven units put into operation to generate electricity. During the Reporting Period, the Company added 6,400 MW to the agreed pumped storage power. The four projects with a total capacity of 5,800 MW, including the Huanghuatan Pumped Storage Power Station in Laiyuan, Baoding, Hebei, the Qiaojiahe Pumped Storage Power Station in Yixian County, Baoding, Hebei, the Sandaogou Pumped Storage Power Station in Luanping, Chengde, Hebei, and the Yangjiaqiao Pumped Storage Power Station in Pingshan County, Shijiazhuang, Hebei, were included in the list of key early projects for pumped storage energy during the 14th Five-Year Plan period in Hebei Province.

Actively exploring and trying new energy storage business

In 2022, the Weichang Flywheel Energy Storage Demonstration Project and the Jingxing Flywheel Energy Storage Demonstration Project were included in the “2022 List of Independent Energy Storage Demonstration Projects on the Grid Side of Provincial Planning (First Batch)” issued by the Development and Reform Commission of Hebei Province, which are located in the northern grid of Hebei Province and the southern grid of Hebei Province, respectively. The Company will also keep trying to invest in new energy storage projects outside the province.

Steady progress in the R&D of hydrogen energy technology

In 2022, the Company continued to promote the R&D of hydrogen energy technology, with excellent results achieved in this field. “Key Technology and Application Demonstration of Large-scale Renewable Energy Coupled Hydrogen Production”, a key R&D project in Hebei Province, passed the second annual evaluation successfully. The national-level innovation platform called “National Collaborative Research and Development Centre for Hydrogen Energy and Renewable Energy” passed the preliminary examination of the National Energy Administration and entered the review process with the highest score in terms of comprehensive performance.

International renewable energy certificates and related transactions

As the trading price in the international carbon emission reduction market picked up in 2022, Suntien seized the favourable opportunity to finish 800,000 tons of certified emission reductions (CERs), 100,000 tons of voluntary emission reductions (VERs), and the issuance and trading of 600,000 international renewable energy certificates (I-RECs) within a period of five months, claiming a trading revenue of approximately RMB9.52 million.

- The “49.5MW Wind Farm Project in the Weixian County Air Grassland” and the “Ruyi River Wind Power Project in Yudaokou, Weichang, Hebei Province” issued 800,000 tonnes of CERs, registering a trading revenue of RMB6.98 million and relatively high unit prices under the Clean Development Mechanism (CDM) throughout the year. The reductions of the remaining 8 verified carbon standard (VCS) projects are being issued in an orderly manner.
- Completing the issuance and verification of emission reduction certificates for the 49.5 MW wind power project in Caozhagou Village, Zhangbei and the 49.5 MW wind power project in Hanfengling Village, Lingqiu County, Shanxi, with 400,000 tonnes of emission reductions expected to be issued.
- A total of 600,000 RECs were issued and another 600,000 I-RECs are being issued and traded in an orderly manner.

Suntien established an equity fund to mainly invest in green energy industries such as wind power, PV power, hydrogen energy, and energy storage

On 18 January 2022, after consideration by the Board of Directors, Suntien agreed that its wholly-owned subsidiary, HECIC Huineng New Energy Co., Ltd. (“HECIC Huineng”), would participate in the establishment of the Hebei Suntien Green Shuifa Carbon Neutrality Equity Investment Fund (“Suntien Shuifa Carbon Neutrality Fund”).

The Suntien Shuifa Carbon Neutrality Fund is targeted at investments in green industries, including but not limited to wind power, PV power, hydrogen energy, energy storage, and integrated smart energy. It aims to create greater social value in accordance with market-based principles, while ensuring capital safety.

The Company continued to increase and optimise the distribution of wind power and PV power generation stations, and actively coordinated the implementation of natural gas pipeline construction to ensure that it could grasp climate change-presented opportunities to achieve the “carbon peaking and carbon neutrality” goal as scheduled.



Annual significant performance



Wind power

- New wind power consolidated capacity reached **138.00** MW.

>> • The consolidated wind farm achieved **14,031** million kWh of power generation in the year, an increase of **4.17%** compared to last year.

- The approved capacity increased by **771.5** MW, and the accumulative approved capacity of projects not yet commenced was **2,020** MW.



PV power

- New PV filing capacity reached **320.08** MW.

>> • The PV power generation in the year hit **167** million kWh, a **0.86%** increase compared with last year.



Natural gas

- Newly-added natural gas pipelines reached **742.49** kilometres with a total of **8,347.23** kilometres of operational pipelines.

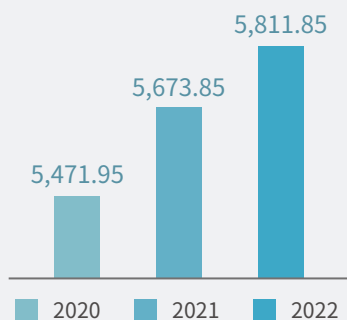
>> • The total volume of natural gas transmission amounted to **4,501** million cubic meters, an increase of **8.27%** compared to the same period of the previous year.

- The gas sales volume totalled **3,885** million cubic meters, an increase of **2.01%** compared to the same period of the previous year.

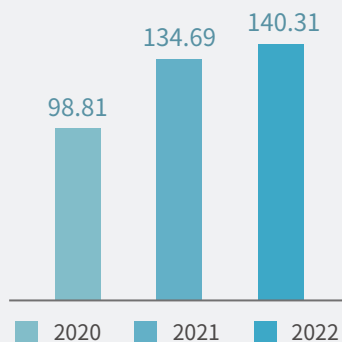
In 2022, the Company generated a total of 14,198 million kWh of green electricity, which is equivalent to avoidance of 11.7559 million tonnes of carbon dioxide emissions (approximately 828 g of carbon dioxide per kWh of thermal power generation nationwide), approximately 1,434.00 tonnes of sulfur dioxide emissions (approximately 0.101 g of sulfur dioxide per kWh of thermal power generation nationwide), approximately 2,158.10 tonnes of nitrogen oxide emissions (approximately 0.152 g of nitrogen oxide per kWh of thermal power generation nationwide) and 312.36 tonnes of dust emissions (approximately 0.022 g of soot per kWh of thermal power generation nationwide)¹.

¹ Note: Conversion factors come from the 2022 Annual Development Report on China's Electricity Industry by China Electricity Council.

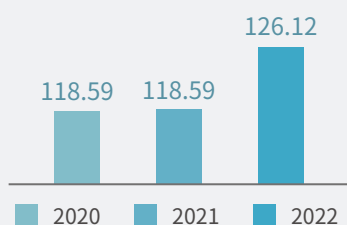
Cumulative holding wind power consolidated capacity (MW)



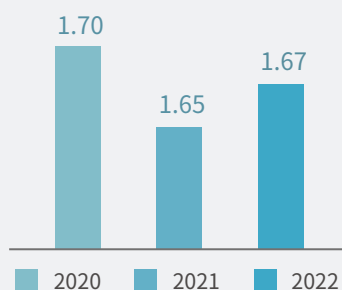
Annual holding power generation of the consolidated wind farms (100 million kWh)



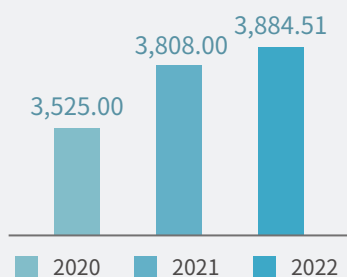
Cumulative holding PV installed capacity (MW)



Cumulative holding annual PV power generation (100 million kWh)



Sales volume of natural gas (million cubic metres)



In addition to continuing to optimise its operations and exploring clean energy markets, Suntien has also kept monitoring its greenhouse gas (GHG) emissions so as to avoid and effectively address the impact of climate risks on itself and minimise the impact of its operations on climate change. In 2022, the Company emitted 20,204.62 tonnes of carbon dioxide equivalent.

Greenhouse gas emissions of Suntien in 2022²

| GHG emissions (tCO ₂ e) | 2020 | 2021 | 2022 |
|---------------------------------------|-----------|-----------|-----------|
| Scope I | 6,445.91 | 6,408.75 | 2,304.77 |
| Scope II | 22,711.96 | 18,818.96 | 17,899.85 |
| Total emissions | 29,157.88 | 25,227.71 | 20,204.62 |

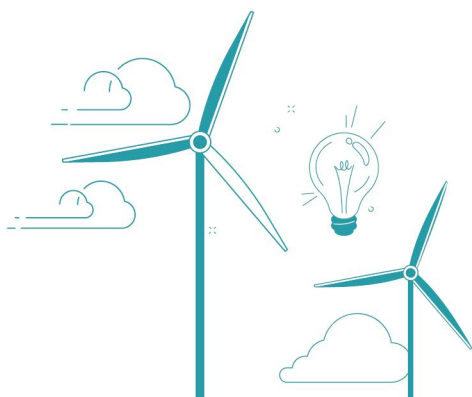
² Scope I greenhouse gas (GHG) emissions are calculated based on the *GHG Emission Accounting Methodology and Reporting Guidelines for Other Industrial Enterprises* and are derived by converting gasoline, diesel, LPG and natural gas usage. In Scope II, the Company adjusted the basis for calculating GHG emissions from electricity consumption in 2022. It converted electricity consumption by referring to the *Guidelines on Enterprises Greenhouse Gas Emissions Accounting and Reporting - Power Generation Facilities (Revision in 2022)* (H.B.Q.H. [2022] No. 111). In 2020 and 2021, the conversion of electricity consumption referred to the *Average CO₂ Emission Factors of Regional Power Grids in China for 2012*.



02

STABLE ENERGY SUPPLY

Always spearheaded by the security concept of “making safety the priority, sharing responsibilities, managing and controlling risks before any problem happens”, Suntien is committed to rendering customers with high-quality products and services and providing clean energy to society in a stable and sustainable manner through the more sophisticated production and operation processes, better service quality, and a higher level of technological innovation.





2.1 Safety Management

2.2 Ensuring Energy Supply

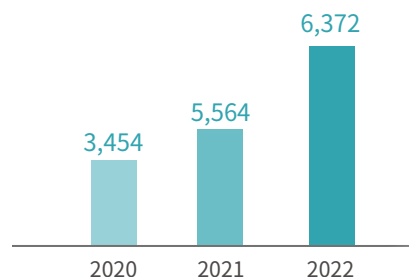
2.3 Project Quality

2.4 Customer Service

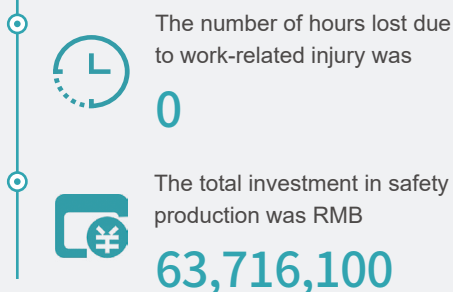
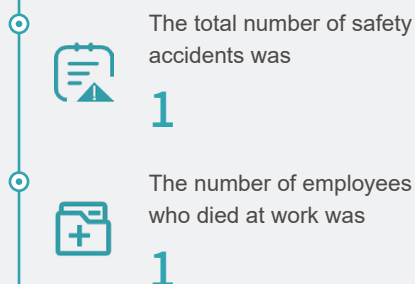
Safety Management

Suntien has always attached high importance to work safety, taken “zero accident” as its safety management goal, firmly established the concept of safety development, and raised red line awareness. In 2022, the Company continued to improve its internal management policies, put in place a sound system for occupational health, safety, and environment (hereinafter referred to as “HSE”) management, enhanced the standardization of production safety, and carried out relevant training and publicity activities, comprehensively improving its production safety performance and management standard. The number of employees who died at work was 1 in 2022, and was 0 in 2021 and 2020.

Investment in work safety in 2020-2022
(RMB10,000)



In 2022



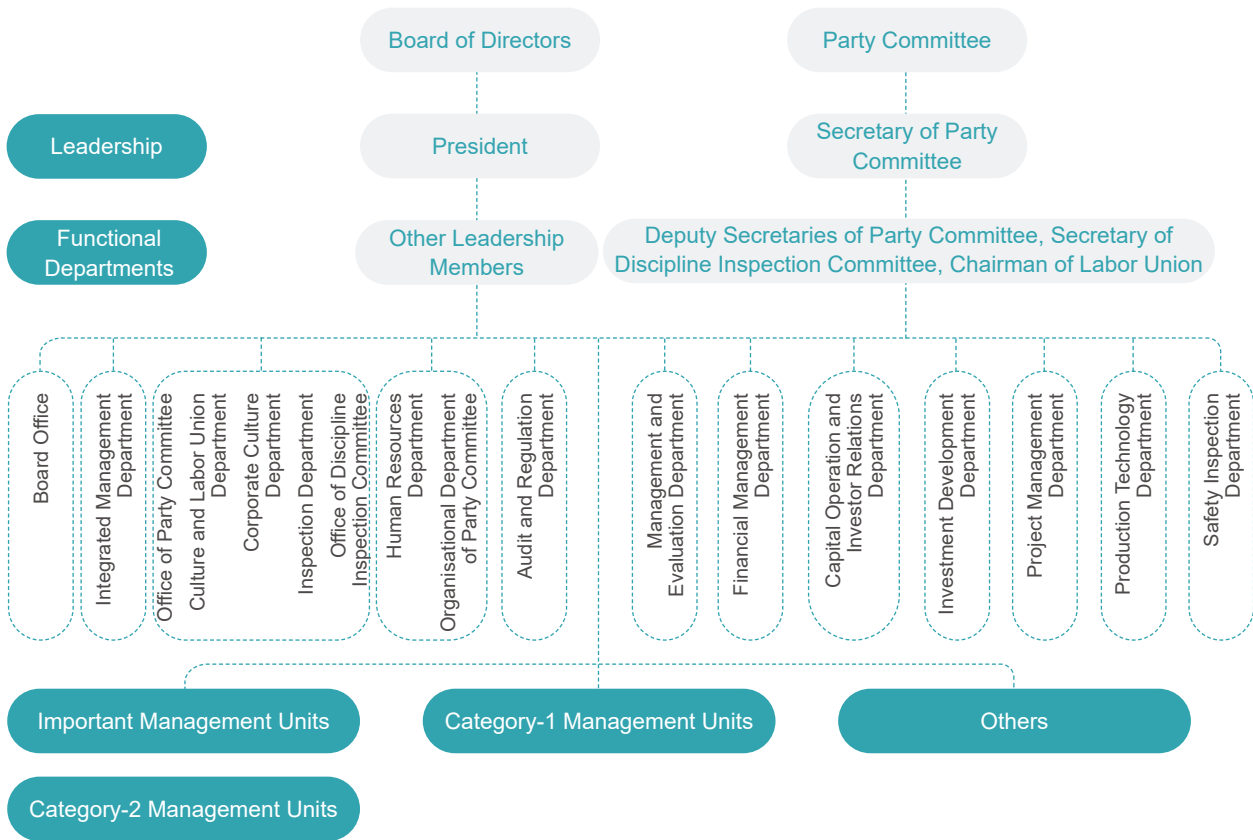
Construction of Safety System

Suntien has formulated several internal management measures regarding safety supervision and inspection, occupational health and safety, emergency response and incident handling in strict accordance with the *Production Safety Law of the People's Republic of China*, the *Production Safety Regulation of Hebei Province*, the *Tentative Measures for Removal, Inspection and Rectification of Incidents and Hidden Dangers in Safe Production* and other relevant laws and regulations. In 2022, the Company issued nine new internal management policies such as the *Measures for the Management and Review of the HSE Management System*, the *Working Guidelines on Safety Commitment and HSE Action Plan*, and the *Emergency Response Management Measures* and updated 27 internal guidance documents, including the *Management Measures on Safety Risk Grading and Control*, the *Occupational Health Management Measures*, and the *Implementation Rules on the Emergency Response Plan for Production Safety Accidents*, to further standardise safety management during production and operation and enhance the intrinsic safety assurance capability.

**Supervision and Inspection***Safety Inspection Management Measure**Management Measures for the Investigation and Management of Hidden Dangers**Management Measures for Safe Production Inspection at Each Level and Removal, Inspection and Rectification of Incidents and Hidden Dangers**Management Measures for Safety Inspection and Monitoring of Major Hazards**Fire Safety Management Measures**Labor Protective Articles Supervision and Management Measures**Provisions on the Issuance and Management of Labor Protective Articles**Occupational Health Management Policy**Measures for the Management of Production Safety Violations against Regulations**Management Measures for Incentives of Production Safety**Management Measures for Penalties of Production Safety**Management Measures for Dangerous Operations**Measures for Safety Management at Sites of Production and Operation with Great Danger and Hazardous Factors**Fire Protection Regulations for Wind Turbines***Occupational Health***Occupational Health Management Measures**Measures for Safety Management at Sites of Production and Operation with Great Danger and Hazardous Factors**Labor Protective Articles Supervision and Management Measures**Safety Culture Management Measures**Safety Management Policy for Production and Business Premises with Greater Danger and Hazard Factors**Occupational Health Management Policy**Measures for the Management of Production Safety Education and Training Assessment***Emergency Response Plans***Emergency Response Plan Management Measures**Integrated Emergency Response Plan for Safe Production Incidents**Fire Emergency Response Plan**Long-distance Natural Gas Pipeline Major Hazard Incident Response Plan**Emergency Response Management Measures***Incident Handling***Incident Reporting, Inspection and Handling Measures**Production Incident Inspection Procedures*

In 2022, To implement the occupational HES-related policies and regulations of the State and consolidate the primary responsibility system for work safety, Suntien has built an systematic, standardised, and efficient HSE management system to continuously improve its HSE management performance, taking into account the actual business conditions and the characteristics of its affiliated enterprises.

The Production Safety Committee is the highest decision-making body of the Company for HSE management, with the President of the Company as the director and the senior executive in charge of production safety, and heads of functional departments as members, responsible for reviewing major production safety matters of the Company and inspecting and supervising the daily production safety of all business units. In 2022, the Production Safety Committee held four production safety meetings to solve productionsafety problems with coordinated efforts according to the actual situation of the Company. There has formed a positive interaction of the two major business segments of the Company, that is, new energy and clean energy, in terms of production safety.

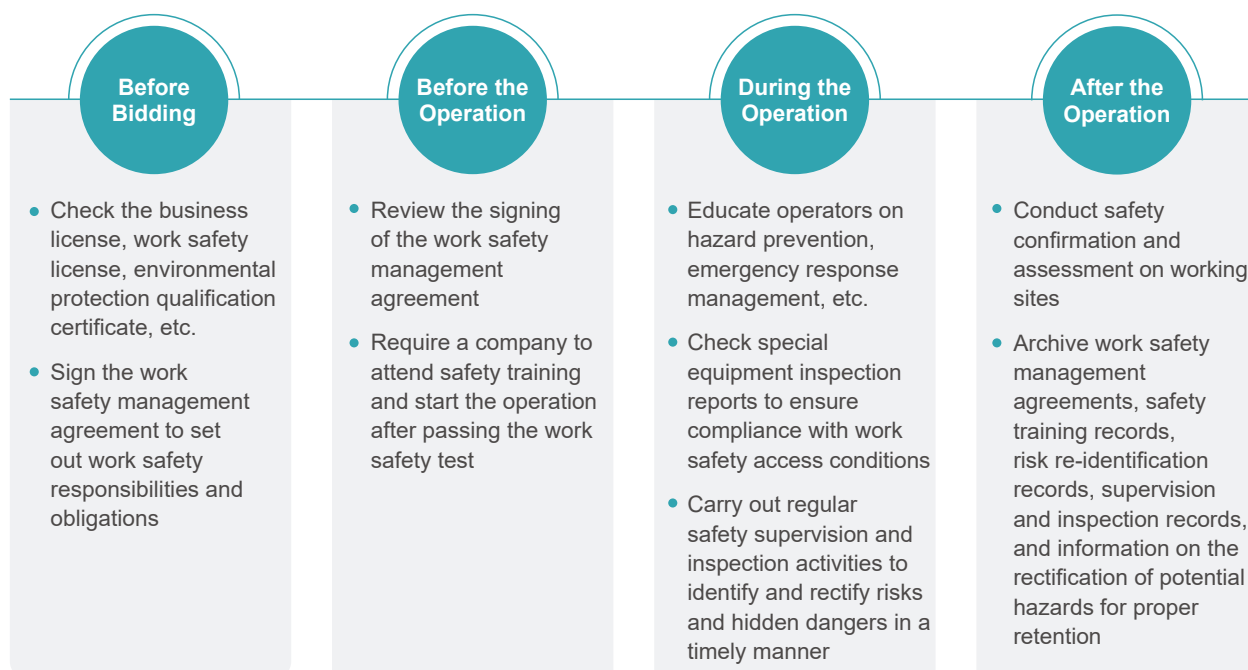


Organisational chart of the Work Safety Committee

As per the principle of “three controls and three musts”, Suntien specifies the safety management responsibilities of all departments and positions in the Company, establishing a full production safety responsibility system. By signing safety responsibility letters and conducting annual HSE performance appraisals at the levels of headquarters, business regions, subsidiaries, departments, and employees, the Company breaks down the safety objectives, key tasks, and basic guarantees to fully implement the main responsibility for safety operation. Besides, it regards safety performance as an important condition for the selection, evaluation, and appointment of managers, and strictly follows the “one vote veto” rule for work safety. At the same time, the Company has drawn up performance veto indicators in the safety responsibility letter, linking safety performance with executive remuneration and deducting the performance-based salary in full if a large work safety incident or above occurs.

Suntien has promoted the standardisation of production safety, conducted annual self-assessments and reviews of standardised external ratings, and rectified the problems identified in accordance with the review reports. During the Reporting Period, all units of Suntien have completed their annual self-assessments and 22 units of them have passed the reviews of standardised external ratings. At the same time, the Company has continued to improve the “dual control” mechanism for safety production, to engage in safety risk grading and control as well as hidden danger screening and governance and updated the list of risks under graded control in the security management system through risk assessment, grading and identification processes. With respect to the comprehensive internal safety auditing, the Company completed internal audits on the establishment of the “dual control” mechanism for Hebei Natural Gas, HECIC Offshore Wind Power, Shanxi-Gansu-Ningxia Region, etc. in 2022.

Suntien has formulated and implemented the *HSE Management Measures for Contractors and Suppliers* to strengthen the safety review and supervision of contractors and suppliers in their operations, and conduct comprehensive evaluation in all aspects (before bidding and before, during and after the operation).

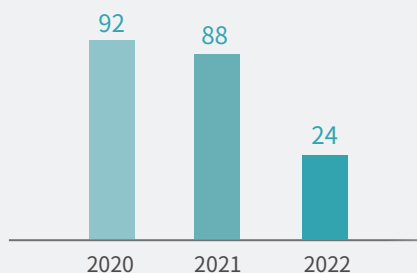


Hidden Danger Screening and Emergency Drills

Suntien has always attached importance to the long-term progress of production safety. It started to implement a three-year action of special remediation of production safety since 2020, and formulated the *Three-year Work Implementation Plan for Special Remediation of Work Safety 2022 of China Suntien Green Energy Corporation Limited*, according to which the Company would continue to carry out various types of special safety inspections and hidden danger remediation activities for key areas and risk points to promptly identify and eliminate safety hazards, establish a good safety production environment and order, and ensure production safety.

In 2022, Suntien identified a total of 2,103 potential hazards that could lead to incidents, of which 1,977 were rectified and passed acceptance, which accounted for 94% of the total. The remaining hazards are being rectified as scheduled. Of these, the headquarters of the Company identified 24 hidden hazards, all of which were rectified.

Number of potential hazards identified in safety inspections at the headquarters of Suntien in 2020-2022



In 2022



The total number of accident hazards identified at the headquarters of Suntien was

24



The completion rate of hidden danger investigation and management was

100%

³ The "dual control" mechanism means a dual prevention mechanism featuring safety risk grading and control as well as hidden danger screening and governance.



Gas safety inspection

In 2022, Suntien formulated the *Implementation Plan for Gas Safety Inspection and Remediation*, focusing on nine comprehensive inspections and rectifications. Specifically, a total of 52 hidden dangers were identified, of which 50 were rectified, and the remaining two are being rectified according to the emergency response plans. The work done in this field has improved the long-term gas safety mechanism across the Company, thus laying a solid foundation for safe, stable, and healthy development.



Fire hazard inspection

Suntien issued the *Notice on Fire Safety Inspection of High-rise Buildings* to comprehensively carry out fire safety inspections on buildings of all units. A total of 20 hidden dangers were found, all of which have been rectified in a closed-loop manner. As a result of the fire safety inspection, employees of different units improved their fire safety awareness and operational skills, thus ensuring work safety across the Company.



Crackdown on long-distance pipeline pressure hazards

Suntien cracked down on long-distance pipeline pressure hazards in a systematic manner, with the identified hazards rectified as scheduled and up to standard. In 2022, the Company eliminated 11 pipeline pressure hazards and passed the inspection and acceptance by the relevant government agencies successfully.



Staff canteen inspection

Suntien carried out a comprehensive inspection and rectification of staff canteens to check the gas safety situation in 85 staff canteens. A total of 65 hidden hazards were identified across the Company in August 2022, 64 of which have been rectified in a closed-loop manner, and the remaining one is being rectified according to the emergency precautionary measures.



Inspection and elimination of hidden dangers in critical periods

Suntien carried out seasonal safety inspections, including spring & autumn fire safety and summer flood control, for critical periods such as New Year's Day, Spring Festival, National Day, the 20th CPC National Congress, the Beijing 2022 Winter Olympics, the annual "two sessions" (the NPC and CPPCC), and the resumption of work and production from COVID-19 to ensure the continued stability of the Company's safety production.

Hebei Natural Gas conducted a potential hazard inspection and internal audit of work safety

In 2022, Hebei Natural Gas organised the “Risk Re-Identification for Assessment, Hidden Hazards Re-inspection for Complete Elimination” campaign, where the identified safety hazards were included in the ledger of hidden dangers and rectified as required to ensure a stable production and operation environment at the company.

At the same time, Hebei Natural Gas carried out an internal audit of work safety smoothly as per the principles of “solidifying the foundation to making improvements”. The company continued to promote the construction of the “Two Controls” mechanism, management of major hazard sources, safety education and training management, and improvement of emergency response capabilities. In addition, it conducted a systematic and comprehensive investigation of all its branches and subsidies in basic safety management, city gas, long-distance transmission stations, gas refilling stations and primary gas refilling stations, engineering construction, and user safety, and completed internal safety audits of 21 units. During the Reporting Period, a total of 441 problems were spotted in the internal safety audit, all of which were rectified as scheduled.

During the Reporting Period

- The total number of issues identified by the Natural Gas Safety Internal Audit was

441

- The completion rate of the rectification plan was

100%

HECIC Offshore Wind Power organised fire safety outreach training

In October 2022, HECIC Offshore Wind Power organised an outreach training activity for fire safety, in which attendees mainly learned how to break doors and windows with fire axes and use fire shovels correctly, how to operate fire extinguishers and fire hoses to extinguish fires, and how to tie fire-escape knots, crawl through climbing nets and develop balance skills by walking on suspension bridges.



A fire safety outreach training activity held by HECIC Offshore Wind Power

Suntien continues to improve a system for the management of emergency response plans and standardise its emergency response management efforts. In 2022, the emergency response plan working group revised five emergency response plans, including the *Integrated Emergency Response Plan for Work Safety Incidents*, the *Emergency Response Plan for Fire Fighting and Evacuation*, and the *Emergency Response Plan for Public Health Incidents*. At the same time, Suntien conducts annual emergency drills given the problems found in its business to enhance the staff's ability to deal with unexpected situations.

A fire emergency drill for the Chongli wind-powered hydrogen production project by HECIC New Energy

In November 2022, the Chongli Project Department of HECIC New Energy conducted a fire safety drill with more than 20 participants. Through this drill, the staff further raised their fire safety awareness and fire fighting skills, better understood the importance of fire prevention in forests, and got better prepared for fire rescue.



A fire drill for the Chongli project by HECIC New Energy

A gas leak emergency drill carried out by Laiyuan Branch of Hebei Natural Gas

In June 2022, Laiyuan Branch of Hebei Natural Gas conducted a drill against the natural gas leak emergency rescue plan. During the drill, all departments of the branch worked together to repair the leaking pipeline and restore the gas supply as fast as possible. The drill tested the reasonableness and operability of the emergency plan and the coherence of various departments, thus enhancing the emergency handling ability of the staff and the emergency management standard of the branch.



A gas leak emergency drill carried out by Laiyuan Branch of Hebei Natural Gas

Building a Culture of Safety

Suntien continues to promote the building of a safety culture. In light of its business characteristics and post needs, the Company carries out science-based and effective safety training activities, including safety awareness raising activities, HSE management system training, safety knowledge dissemination, and incident case learning sessions, to enhance the safety awareness and skills of employees at all levels.

Safety awareness raising activities

- The Company organised the “Work Safety Month” awareness enhancing activities, publicised HSE-related information through WeChat groups, public accounts, etc., and promoted the safety culture that would advocate “complying with the work safety laws and being the first responsible persons”.
- The “Fire Safety Awareness Month” campaign was launched, in which 88 fire safety training sessions were organised with a total attendance of 9,647, improving the fire safety knowledge and skills among all staff members.

HSE management system training

- A total of 95 members of the HSE system building group from various departments and management units of the Company were organised to attend on-site and online training sessions on the building of the HSE management system.
- After taking offline and online training, a total of 34 persons passed the test and became certified HSE management system auditors of the Company.

Safety knowledge dissemination activities

- A “100-day Safety Knowledge Quiz for 2022” was carried out with an attendance of 9,276, which stimulated the enthusiasm of safety management personnel for learning the laws and regulations on work safety as well as the Company’s safety management rules and norms.
- The fifth “Ankang Cup” safety knowledge quiz was held, in which online quizzing, live-streamed final, and interaction with audience through WeChat, among other methods, were employed to engage more employees.
- A total of 330 employees from various positions in the Company were encouraged to enrol in the Certified Safety Engineer training programme conducted by professional agencies, where they took a total of 1,176 courses. Finally, 287 employees attended the Certified Safety Engineer examination.

Incident case learning activities

- The safety management personnel from various departments and management units of the Company were organised to study the important discourse of President Xi Jinping on work safety and watch videos of typical incident cases. This move helped raise safety awareness of the leadership team.
- The Company organised 16 incident case learning sessions and uploaded nine case explanation videos to the Changfeng Classroom Platform.

Average hours of work safety training per employee in 2020-2022



2022 Safety Workshop held by Hebei Natural Gas

In June 2022, Hebei Natural Gas organised the 2022 Safety Workshop. With the theme of “complying with the work safety laws and being the first responsible persons”, the workshop had in-depth communication and exchanges on the *Law on Production Safety*, the duties of the first responsible person of an enterprise, the 15 measures for work safety, and the key points of safety training, among other topics. Therefore, it helped branches and subsidiaries of Hebei Natural Gas better understand their main responsibilities for work safety, enhanced the business skills of safety management personnel, and facilitated the safe, stable, and sustainable development of the company.



Law on Work Safety



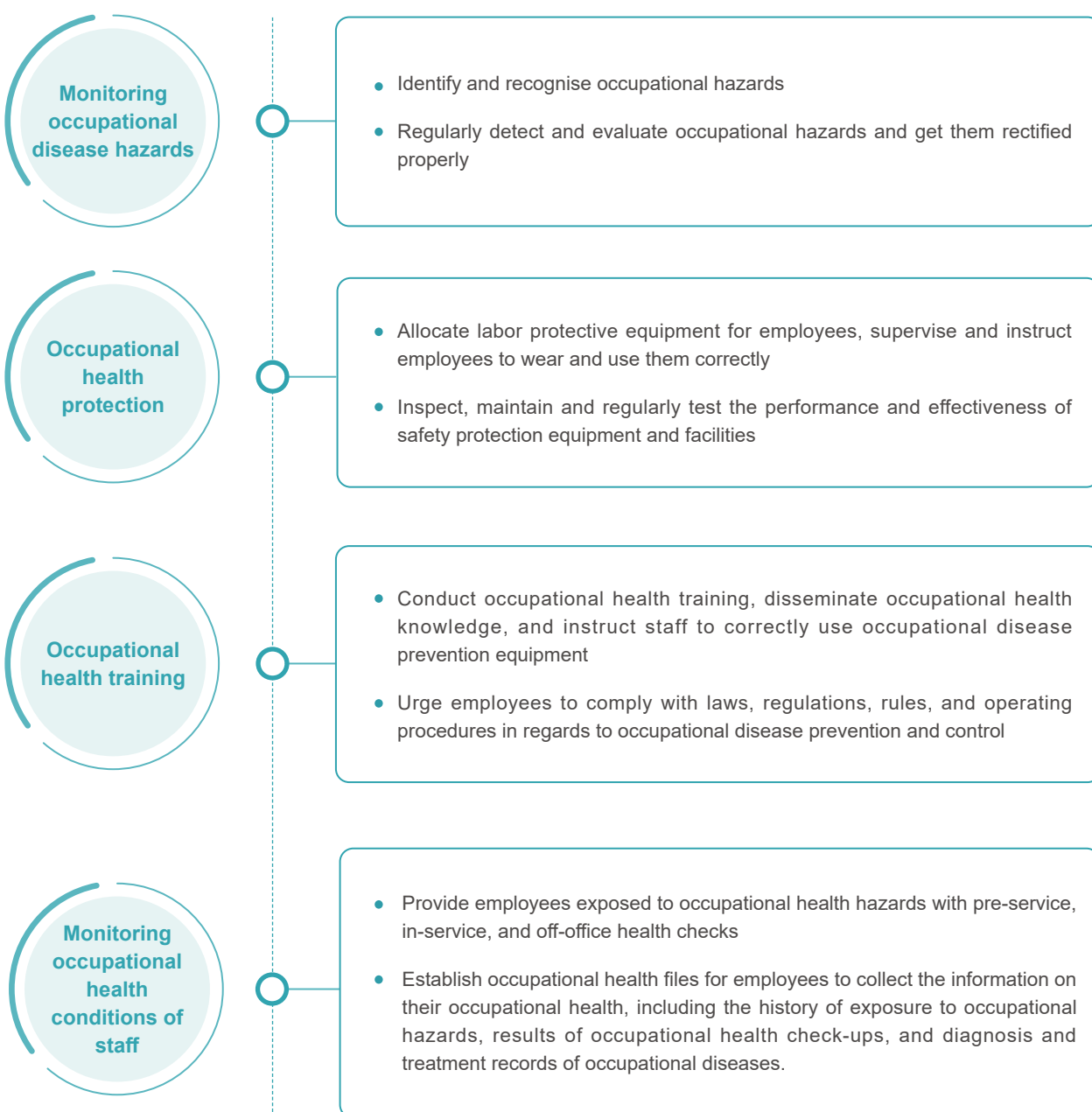
15 measures for work safety



Key points of safety training

Occupational Health and Safety

Suntien attaches great importance to the occupational health of all employees. It strictly complies with the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, has formulated the *Occupational Health Management Measures* and other internal management documents, gets actively aligned with the requirements of the ISO45001 Occupational Health and Safety Management System, continuously improves its occupational health and safety management system, and provides employees with a healthy and safe working environment to effectively protect their rights and interests with respect to health.



Ensuring Energy Supply

Suntien has always pursued high standards in the development and utilisation of natural gas and electricity resources. Actively engaged in production and operation, it continuously improves service quality and technical innovation, guarantees the supply of natural gas and electricity, and contributes to the stable development of society.

To withstand the severe test of peak gas consumption in winter, Suntien has formulated a targeted response plan in advance, continuously improved its emergency supply capacity, and reserved gas for emergency use through the integrated peak shaving system of “multi-source gas supply and multi-point gas storage” to ensure the orderly operation during peak demand periods and stable gas supply to customers.

A tough battle to ensure electricity supply by HECIC New Energy

At the beginning of 2022, HECIC New Energy organised all functional departments to do work related to early warnings for abnormal weather conditions, material operations, logistic services, etc. and set up a task force to ensure electricity supply, which examined power supply ensuring measures given actual conditions on site, formulated professional power supply ensuring plans, and completed all tasks related to ensuring power supply.

In addition, a high-tech subsidiary of HECIC New Energy brought together the professional technicians from the centralised regulation centre, the production technology department, and the front-line stations to form a technical support team, which greatly improved the efficiency of alleviating shortages through professional technical means, effectively fighting the “tough battle” for power supply reliability.



HECIC New Energy made inspection of equipment

Ensuring stable supply in winter by Hebei Natural Gas

At the end of 2022, to ensure that residents keep warm during the winter, the regulation centre of Hebei Natural Gas closely monitored the pressure and inventory of the pipeline network and reasonably dispatched gas resources among different regions through an intelligent regulation system. The maintenance and repair centre was on standby around the clock to help customers with troubleshooting and daily maintenance, helping to ensure a stable energy supply.



The regulation centre of Hebei Natural Gas made real-time monitoring

Project Quality

Suntien strictly controls the quality of projects and operation & maintenance services, continues to promote the building of a quality management system, complies with national and industry standards, and has developed several internal documents, including the *Project Construction Management Measures* and the *Manual on Standards of Wind Farm Projects Construction and Management* to further refine management tasks and responsibilities and streamline the quality control processes. Meanwhile, the Company facilitates all its subsidiaries to strengthen the quality assurance of project construction and ensure the quality of energy transmission pipelines and facilities. Due to the special nature of the industry, Suntien is not involved in the recalls of sold and shipped products.

Suntien regulates project safety control while improving project quality. The Company has invited external experts for peer-to-peer technical exchanges and project instructions. The experts could assist Suntien to understand the latest developments of the industry, carry out process control and inspection, and improve the quality of project management on all fronts. Meanwhile, the Company has compiled and implemented the *Project Construction Safety Management Measures*, to continuously improve the project construction safety assurance and supervision system, clarify safety management responsibilities, and introduce a series of safety measures such as the management of project construction safety targets, graded control of safety risks, safety inspection, infrastructure emergency management.

Suntien conducted a safety inspection on Caofeidian Company

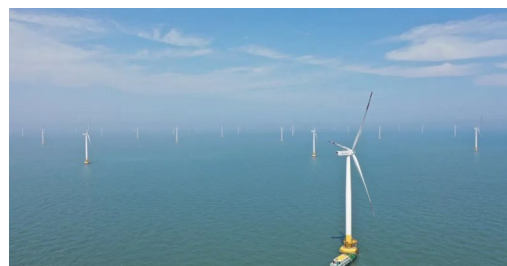
Mei Chunxiao, Secretary of the Party Committee and President of Suntien, led a team to the construction site of the Caofeidian Company project, where they carried out a special inspection on work safety, focusing on the implementation of special work safety actions, safety management at the construction site, assessment of safety risks before commissioning, etc.



Safe inspection on Caofeidian Company

Two projects of Suntien won the China Installation Project Quality Awards

In 2022, the Laoting Bodhi Island Project of HECIC Offshore Wind Power and the Kangbao Yongfeng Wind Power Project of HECIC New Energy strictly supervised and controlled the construction process and ensured the project safety and quality, both of which won the highest honour in China's installation industry, that is, China Installation Project Quality Awards (China Installation Star).



Laoting Bodhi Island Offshore Wind Power Project

Customer Service

Adhering to the philosophy of “Customer-Oriented and Service First”, Suntien makes every effort to provide user-friendly, professional, and efficient services to our customers. HECIC New Energy maintains timely communication with local power grids so that their demands and needs can be promptly and fully satisfied, while Hebei Natural Gas needs to serve the vast number of residents and enterprise users and provide various customer services. The Company has taken several measures to optimise the customer experience, establish a diverse communication mechanism, and respond to customer needs on time, all of which could improve customer satisfaction in all aspects.

Customer Service System

Hebei Natural Gas has built and improved its innovative customer service system, which is committed to improving customer satisfaction by combining online and offline methods from systems, service standards, complaints, and feedback, among other dimensions.

Hebei Natural Gas developed six management measures including the *Standardised Management Measures for Customer Services*, the *Complaint Handling Process*, and the *Rules on Customer File Management* to improve various types of work rules and protect customer information and privacy. In 2022, Hebei Natural Gas updated three new management systems, including the *Rules for the Management of Customer Service Files*, and revised four management documents, including the *Rules for the Management of Grading and Rectification of Potential Safety Hazards in Residential Households*, to ensure the standardised management of various businesses, such as facility maintenance and user safety protection.

Hebei Natural Gas conducts customer service workshop

In 2022, Hebei Natural Gas conducted a customer service workshop in which 171 customer service staff members attended online training, mainly involving the handling of special cases that arise from bill payment via WeChat, the summary and analysis of indicators used in regular user safety checks, and the interpretation of related policies. The workshop enabled the company's customer service staff to better understand their work and answer various questions from users, well positioned to provide more convenient and attentive customer services.

In 2022



171

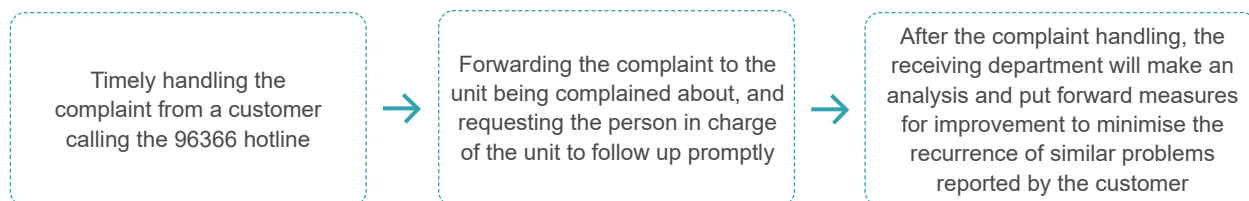
customer service staff
members attended online
training



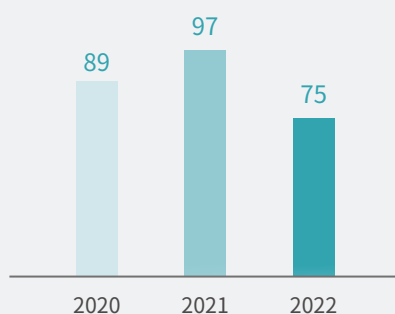
Customer service workshop training site

Suntien is committed to providing customers with quality, efficient, and professional services, and promises to answer customers' questions, handle their complaints, and provide feedback in a timely manner. In 2022, Hebei Natural Gas took 75 customer service complaints, all of which were handled properly.

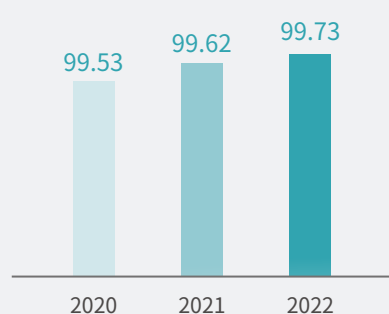
Telephone complaint handling process of Hebei Natural Gas



Number of customer complaints in 2020-2022



Customer satisfaction survey results in 2020-2022 (%)



Jointly Building Community Safety

To ensure the gas safety of residents, Hebei Natural Gas has installed gas safety devices for users, organised household safety inspections to identify and rectify hidden dangers, and repaired appliances of households with leaking problems. For customers who have not opened an account or are unable to do so, Hebei Natural Gas provides laser methane telemetry leakage detection to ensure the gas safety of customers.

Hebei Natural Gas installed gas safety devices for users

In 2022, Jinzhou Company of Hebei Natural Gas helped users install self-closing valves and metal hoses. In addition to door-to-door installation upon appointment, staff of the company also answered users' questions and explained gas safety measures to them. By 20 September 2022, 11,010 households completed the retrofitting, and gas safety checks were conducted for all local households.



Installation of gas safety devices

Suntien attaches great importance to popularising the knowledge about gas safety and raising awareness of gas safety among all people. Together with Hebei Natural Gas, it has launched a variety of content-rich safety awareness campaigns to help more customers know how to use gas safely and create a safe and clean-living environment. During the Reporting Period, Hebei Natural Gas spent RMB494,200 on safety awareness campaigns and provided 15,209.75 hours of relevant services in total.



In 2022,
The cumulative investment on safety
awareness campaigns was RMB

494,200



The cumulative duration was

15,209.75 hours

Hebei Natural Gas launched gas safety awareness campaigns in communities

Guided by the safety concept of "strict inspection and prevention first", Ningjin HECIC Company, a subsidiary of Hebei Natural Gas, carried out gas safety awareness campaigns in local communities in June 2022, where staff members distributed the *Handbook on Gas Use Safety for Residents*, explained to customers the precautions for proper gas use, disseminated knowledge of gas safety, and raised awareness of safe gas use, thus creating a safe environment.



Gas safety awareness campaigns

Hebei Natural Gas launched a gas safety awareness campaign in a local school

In 2022, Shijiazhuang Jiran Company, a subsidiary of Hebei Natural Gas, carried out a public benefit activity called “Gas Safety on Campus” at Qutou Town Middle School, to disseminate basic knowledge on gas safety to students, including “how to use gas facilities correctly and how to deal with hidden gas hazards”. The activity greatly enhanced awareness of gas safety among students.



园区动态 加强燃气安全宣传教育 呵护校园安全

Gas safety awareness campaign in school

People-friendly Services

In 2022, Hebei Natural Gas made comprehensive progress in digitalised and intelligent services by improving service quality and efficiency internally and broadening service channels externally. The company continued to optimise the application of TCIS customer service management system, hotline system, mobile security inspection and maintenance platform, and other systems or platforms, and further developed a host of functions such as online business hall, online shopping mall, intelligent customer service robot, and aggregated payment. At the same time, it developed several business modules for customer services such as bill payment, consultation, appointment, security inspection, device maintenance, and enquiry, and got them connected or integrated with various business systems and platforms to continuously improve the comprehensive management of intelligent services.

Hebei Natural Gas actively developed and continuously built an intelligent customer service platform to realise human-robot interactions. Robots were embedded into online customer service modules of its online business hall and online shopping mall, to help answer some simple questions and pay return visits, thus improving service efficiency.



Integrated platform for intelligent services

In order to improve the convenience of bill payment, Hebei Natural Gas promotes the use of self-service bill payment on transfer machines through WeChat official accounts, informing property management companies and residents' committees, etc. In addition, it actively promotes easy and convenient payment devices for Bluetooth top-up, encouraging users to pay their bills online. In 2022, convenient bill payments accounted for 83.71% of the company's total, an increase of 13% compared to 2021.

In 2022

- The percentage of convenience payments from Hebei Natural Gas throughout the year was **83.71%**
- The rate of improvement over 2021 was **13%**

Hebei Natural Gas offered a wide range of convenient bill payment options

Chengde Branch of Hebei Natural Gas provided a variety of bill payment methods, such as transfer machines, “Hebei Natural Gas Online Business Hall” applet and self-service bill payment at convenience stores, so that customers could pay their gas bills as close to their home as possible. The customer service hotline of Chengde Branch was available 24 hours a day to promptly meet customers' needs such as bill payment. It took an average of 200 customer calls per day and sent more than 40,000 SMS messages to remind gas safety and promote convenient bill payment a day.

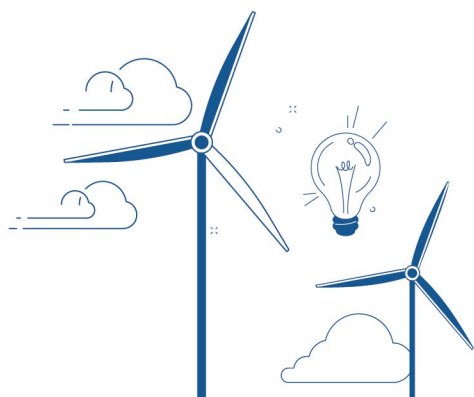


Convenient bill payment options

03

COORDINATED DEVELOPMENT OF INDUSTRY

Technology and innovation are the primary productive force. To keep pace with the times, Suntien uses innovative technology to create smart products and seek steady development. At the same time, the Company continuously urges suppliers to conduct refined management and strengthens communication and collaboration across the industry, working together to build a positive and sound development ecosystem.





3.1 Scientific and
Technological Innovation

3.2 Industry Communication

3.3 Supply Chain Management

Scientific and Technological Innovation

Suntien is committed to the R&D of advanced technologies and product innovation. While strictly complying with the *Law of the People's Republic of China on the Advancement of Science and Technology*, the *Law of the People's Republic of China on Promoting the Transformation of Scientific and Technological Achievements*, and other relevant laws and regulations, it has formulated a number of internal management documents such as the *Production-education-research Cooperation Management Measures* and the *Measures for the Management of Rewarding Scientific and Technological Achievements*. In 2022, Suntien invested about RMB427,157,800 in R&D, and reported a total of 166 scientific and technological projects and informatisation projects.

In 2022

invested about RMB

427,157,800 in R&D,

and reported a total of **166** scientific

Building a "Digital Suntien"



Suntien has established the Digitalised and Intelligent Transition Committee, which consists of a working group and a technical group. The committee is responsible for coordinating the work related to digitalised and intelligent transition and approving the plans towards digitalised and intelligent transition. Under the overall leadership of the committee, the Company goes digitalised and intelligent on all fronts to realise the objectives set out in its 14th Five-Year Plan.



Suntien has built a digitalised intelligent platform as a unified access to the collaborative office, human resources, performance data management, and other systems. With the notices of these systems displayed in one place, the unified work interface creates a system of digitalised and intelligent operations and further expands the application of relevant scenarios.



To realise the leakage of production data in the new energy sector, Suntien has built a data lake system, which aggregates the data in business systems of different units layer by layer to serve various digitalised and intelligent scenarios. In the future, Suntien will focus on connecting system data to the lake to improve the management efficiency across the Company.

Progress of production-education-research projects

The project of "Key Technology and Application Demonstration of Hydrogen Production by Proton Exchange Membrane (PEM) Electrolysis of Pure Water Based on Wind Power under Island Operation Mode"

The project is carried out together with Hebei University of Technology, CSSC 718th Research Institute, Beijing Goldwind Smart Energy Technology Co., Ltd., and other units and has been granted special research funds worth RMB2 million by the Hebei Provincial Department of Science and Technology. By implementing the project, Suntien will acquire the core technologies in the large-scale wind-powered hydrogen production from pure water in an efficient, reliable, stable, and low-cost manner as well as a wide array of related technologies with independent intellectual property rights (IPRs) such as capacity configuration, integrated design methods, and collaborative control over wind-powered direct hydrogen production.

The demonstration project of "Research on and Application of Key Technologies in Long-distance Pure Hydrogen Pipeline"

In cooperation with CNPC Bohai Equipment Manufacturing Co., Ltd., Yanshan University, and other units, the project focuses on the research of key technologies and safe operations related to long-distance pure hydrogen pipelines in terms of raw materials, design, manufacturing, etc. and has been granted special funding support worth RMB 1 million from the Hebei Provincial Department of Science and Technology. It is aimed to deal with the technical mismatch between renewable energy hydrogen production with pure pipeline transmission.

The project of "Key Technology and Application Demonstration of Large-scale Renewable Energy Coupled Hydrogen Production"

This project is undertaken by Suntien in collaboration with Hebei University of Science and Technology, Hebei University of Technology, and other units, which has successfully passed the annual evaluation of the Hebei Provincial Department of Science and Technology.

Suntien attaches importance to the management of scientific and technological achievements and actively takes effective measures to safeguard its IPRs. In strict accordance with the applicable laws and regulations such as the *Patent Law of the People's Republic of China* and the *Implementation Rules of the Patent Law of the People's Republic of China*, the Company has formulated a number of internal documents such as the *Measures for the Management of Intellectual Property Rights* to continuously improve the IPR management system, build up scientific and technological innovation capabilities, and avoid the risk of infringement. In 2022, Suntien obtained 73 authorised IPRs, including 16 invention patents, 52 utility model patents, and 5 software copyrights. 2 scientific and technological achievements of the Company won the First Prize of Scientific and Technological Advance Awards from China Electrotechnical Society and the 2022 Scientific and Technological Innovation Awards for Electric Power, respectively.



The First Prize of Scientific and Technological Advance Awards from China Electrotechnical Society



The 2022 Scientific and Technological Innovation Awards for Electric Power

In 2022

- Suntien obtained **73** authorised IPRs,
- including **16** invention patents,
- **52** utility model patents,
- and **5** software copyrights.
- **2** scientific and technological achievements of the Company won the First Prize of Scientific and Technological Advance Awards from China Electrotechnical Society and the 2022 Scientific and Technological Innovation Awards for Electric Power, respectively.

Industry Communication

Keenly aware that its development is inseparable from the industry to which it belongs, Suntien maintains close ties with peers and works together with them to share advances in science and technology, build a path of growth, and empower the sustainable development of the industry as a whole.

Suntien participated in the formation of a professional committee on hydrogen energy industry and equipment

In November 2022, the inaugural meeting of the Professional Committee on Hydrogen Energy Industry and Equipment, China Electrotechnical Society/the Hydrogen Energy Industry and Equipment Seminar took place in Shijiazhuang. The committee will carry out academic exchange activities, train compound talents in the field of hydrogen energy industry and equipment, and bring together the research, production, and energy consuming units in the upstream and downstream sections of the industry chain. Under the leadership of the committee, the Company will undertake relevant specific businesses to convert the R&D results related to hydrogen energy into actual application, thus contributing to the realisation of the dual carbon goal in China.

Suntien got involved in the preparation of an offshore wind power planning report in Hebei Province

Hebei Province resumed the development of offshore wind power in 2022. As a member of the Hebei Provincial Task Force for Offshore Wind Power, Suntien was thoroughly involved in the preparation, review, and approval of the *Hebei Provincial Offshore Wind Power Planning Report*. Besides, the offshore wind power sites selected by the Company on its own were included in the *Hebei Provincial Offshore Wind Power Plan*, which has been submitted to the National Energy Administration after being commented on by natural resources, maritime, and other authorities. The work in this field has enabled Suntien to continuously improve its core technology and promote the coordinated development of the industry.

Suntien and Towngas held a strategic cooperation seminar

In October 2022, Suntien and Towngas China Co., Ltd. held a meeting to further cement cooperation among the upstream, midstream and downstream sections of the natural gas industry chain. During the meeting, after being briefed on the business structure of Suntien, the two sides reviewed their past cooperation, and expressed their intention to fully leverage their existing advantages, take their strategic cooperation to a new level, set an example for industry cooperation, and seek long-term development together.



Photo of the strategic cooperation seminar

Supply Chain Management

In strict accordance with the applicable laws and regulations such as the *Bidding Law of the People's Republic of China* and the *Regulations on the Implementation of the Bidding Law of the People's Republic of China*, Suntien added the *Measures for the Management of Material Suppliers* to the original set of internal documents and revised the *Measures for the Management of Material Procurement*. Meanwhile, it has incorporated the ESG performance of suppliers into the processes of supplier access, evaluation and withdrawal, so as to continuously improve the supplier management system and enhance the quality of suppliers. In 2022, Suntien had 372 suppliers in total.

In 2022



had
372
suppliers in total

Supplier access

Suntien requires suppliers to strictly comply with the pertinent laws and regulations of China in the process of supplier access, and all suppliers are required to sign the *Supplier Commitment Letter*, to create a transparent procurement environment. Meanwhile, the Company has also listed the certification in environmental management, quality management, occupational health and safety management, and other qualification systems as one of supplier assessment criteria. This means that the suppliers who have been certified will score higher than those not. HECIC New Energy revised the *Rules for the Implementation of Project Construction Bidding Management* to regulate bidding practices, ensure the quality of bidding, protect the legitimate rights and interests of both parties, and improve return on investment.

Certification of suppliers in 2022



Certification of contractors in 2022



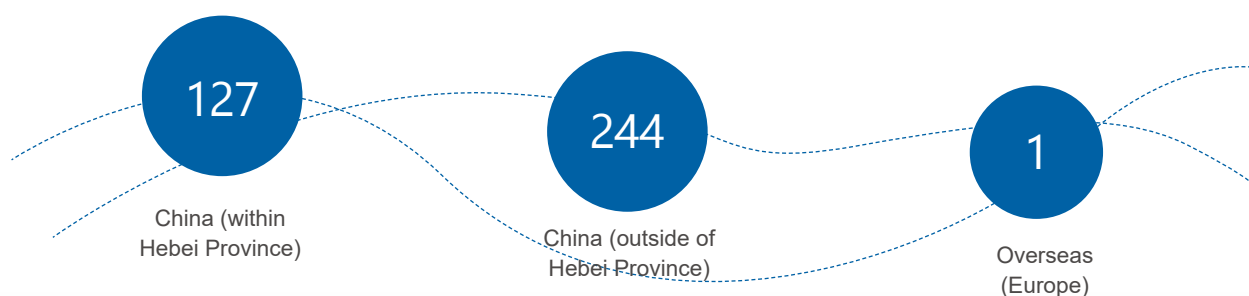
Supplier management

In accordance with the internal management documents such as the *Management Measures for Supplier Evaluation*, the *Management Measures for Project Construction Suppliers*, and the *Management Measures for Bad Supplier Behaviour*, Suntien evaluates the suppliers who have fulfilled the contracts, forms the annual evaluation results, and carries out the subsequent bidding and supplier management in accordance with the evaluation results and management requirements. Supplier evaluation could enable the Company to offer incentives to suppliers who perform contracts in good faith and penalise suppliers who behave badly, and provide guidance for its project bidding and procurement processes, thus underpinning the smooth construction of projects.

Supplier assessment criteria

| Supplier category | Scoring criteria |
|-----------------------|--|
| Excellent suppliers | Achieve 85 points or higher in the annual review (including 85 points) |
| Qualified suppliers | Achieve 60-85 points (including 60 points) in the annual review |
| Unqualified suppliers | Achieve less than 60 points in the annual review |

Distribution of suppliers in 2022



Supplier withdrawal

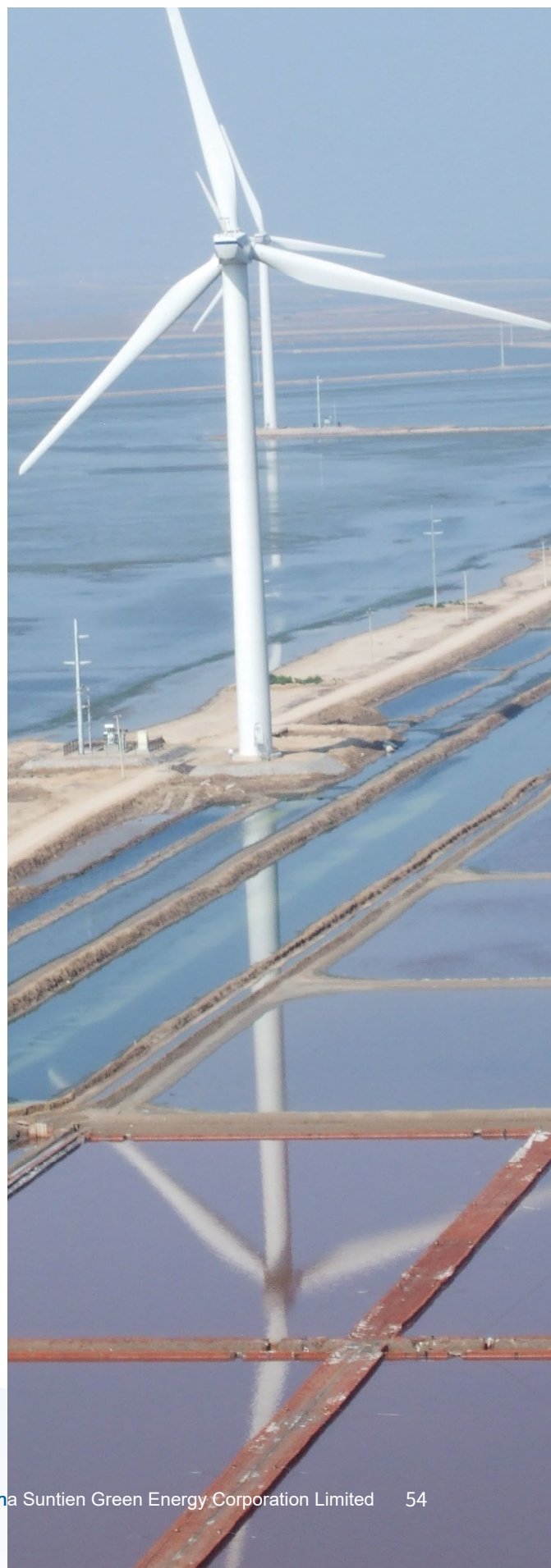
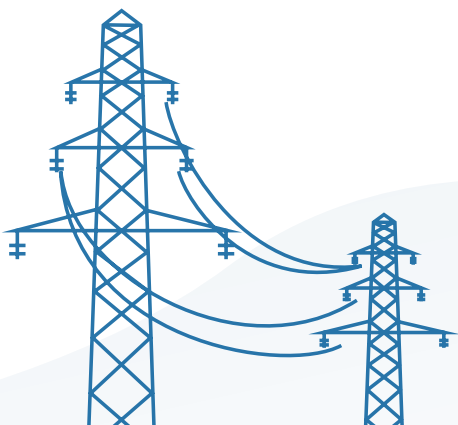
Suntien will place unqualified suppliers with an annual review score of less than 60 points under observation and then for acceptance evaluation. Those who pass the acceptance evaluation will be included in the management of qualified suppliers, while those who still fail the acceptance evaluation will be included in the blacklist of suppliers. For suppliers who are blacklisted, the Company will take a series of management measures such as suspending cooperation for rectification and depriving the right to carry out new businesses. At the same time, suppliers will be directly included in the blacklist if they have integrity issues or serious violations of laws, in a bid to ensure the positive development of the supply chain and lay a solid foundation for the sustainable development of the industry.

Supplier communication

Suntien values communication with its suppliers and actively maintains positive interactions with them through exchange activities. The Company helps suppliers improve their product quality and safety management, committed to growing together with the value chain.

Suntien held the “Technical Exchange Month” campaign with suppliers

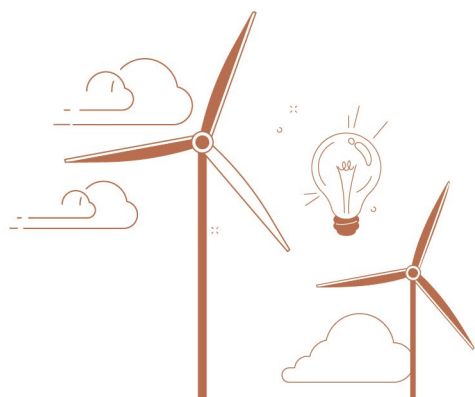
To serve the implementation of the development strategy for the 14th Five-Year Plan period and strengthen the training of project management personnel, Suntien held the “Technical Exchange Month” campaign, which mainly involved wind power, natural gas, PV, and other business sectors, and covered exchanges on cutting-edge technologies and management experience in a wide range of fields such as quality management of wind farms, supervision of major equipment construction, energy storage, new energy equipment, gas power plants, LNG storage tanks, and large-diameter long-distance pipelines, providing a new opportunity and impetus to create and enhance the atmosphere of technical research and facilitate the long-term sustainable development of the Company and its suppliers.



04

BUILDING A DEVELOPMENT PLATFORM

Suntien regards employees as its most valuable asset and adheres to the concept of people-oriented development. It keeps improving its employee communication and promotion mechanism and provides employees with considerate corporate care with an aim to create an equal, inclusive and harmonious workplace.





4.1 Employment and Welfare

4.2 Training and Development

4.3 Care and Communication

Employment and Welfare

Suntien strictly complies with the *Labour Law of the People's Republic of China*, *Employment Contract Law of the People's Republic of China*, *Employment Promotion Law of the People's Republic of China*, and *Law of the People's Republic of China on the Protection of Minors* and other relevant laws and regulations and amends regulations such as the Measures for Staff Management of China Suntien Green Energy Corporation Limited. It upholds legal and compliant employment, prohibits the employment of child labour and forced labour in any form, and limits the use of juvenile workers, and ensures the protection of the human rights of employees. Meanwhile, the Company upholds the principle of fair and justified employment and prohibits any discrimination on the basis of gender, age, national origin and cultural background during recruitment to provide equal job opportunities for all applicants.

During the year, the Company revised and improved the *Measures for Staff Recruitment and Management* to recruit outstanding talent in an open and transparent manner and continuously improved the employment mechanism. As of 31 December, 2022, the total number of Suntien employees under labour contracts was 2,564, 2 of which are from Hong Kong, Macau or Taiwan. There were no incidents of child labour and forced labour during the year, and the coverage of collective negotiation agreements reached 100%.

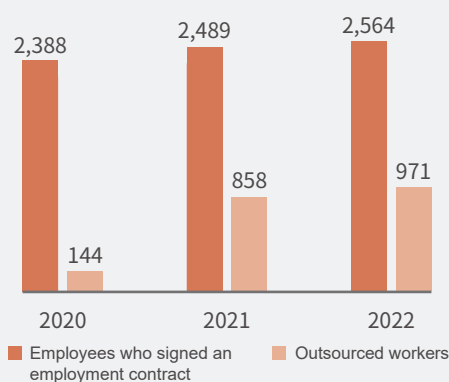
In 2022



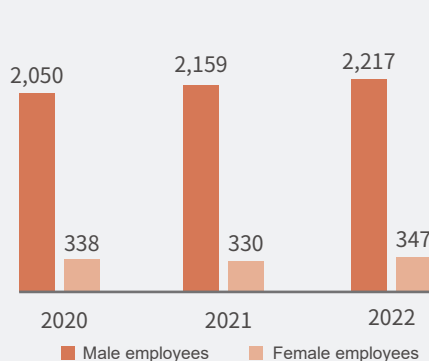
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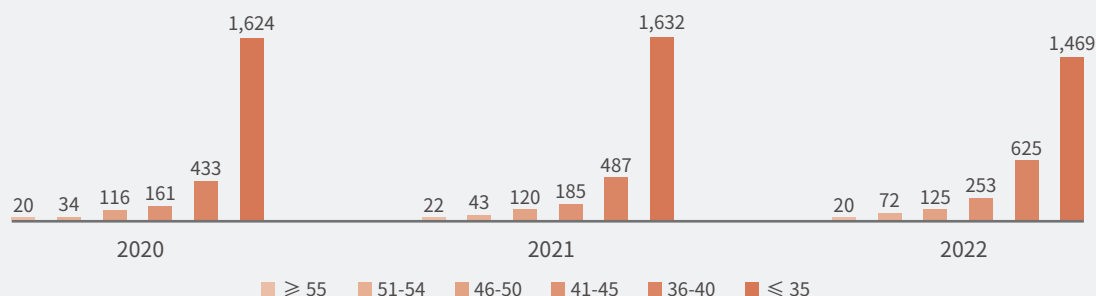
The composition of employees from 2020 to 2022:
by employment type (person)



The composition of employees from 2020 to 2022:
by gender (person)



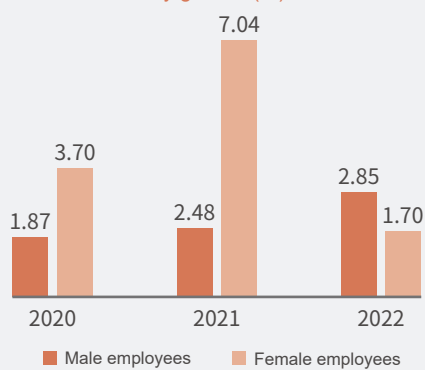
The composition of employees from 2020 to 2022:
by age group (person)



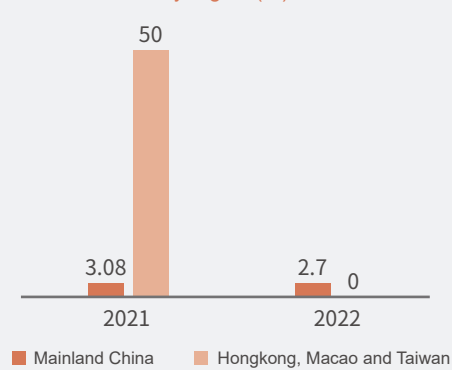
Employees who left (person) and employee turnover rate (%) from 2020 to 2022



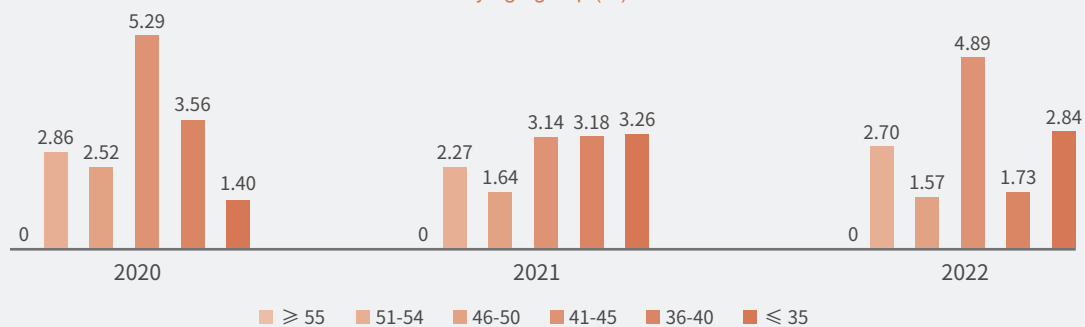
Employee turnover rate from 2020 to 2022: by gender (%)



Employee turnover rate from 2021 to 2022: by region (%)



Employee turnover rate from 2020 to 2022: by age group (%)



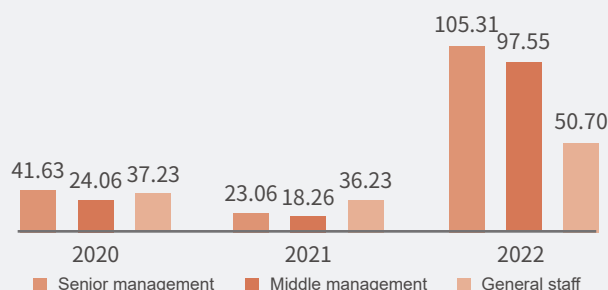
Suntien continuously improves the salary management system. It has revised the *Remuneration Management Measures* to perform remuneration classification and grading management and optimize the remuneration allocation system. Incentives and disincentives are associated with performance appraisals to ensure reasonable salary and income distribution.

Suntien has revised the *Employee Benefits Regulations* in accordance with national laws and regulations. It continuously contributes to five social insurances and one housing fund in full for employees. In addition to the existing insurances, the Company offers supplemental medical insurance, supplemental work injury insurance, accidental injury and tax-advantaged health insurance for employees to improve the employee medical benefit and security system. Meanwhile, we strictly follow the *Management Measures for Employee Attendance and Leave* to protect employees' annual leave, wedding leave, legal holidays, maternity leave and other welfare leave.

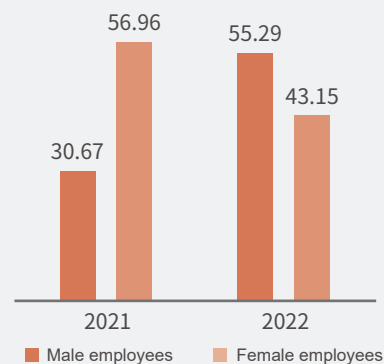
Training and Development

The growth of employees is the fundamental driving force for a company to keep moving forward. Suntien continuously pays attention to the growth and development of employees. It has formulated internal regulations such as the *Employee Training Regulations of China Suntien Green Energy Corporation Limited* and the *Administrative Measures for the Selection and Recruitment of Managerial Staff* to implement the training management mechanism, improve the training system and staff growth and development system, and widen channels for the growth of talent, and empower the Company's talent pool. By 2022, the training coverage rate of employees by gender and employee type has reached 100%, and the training hours per employee amount to 53.65 hours.

Training hours per employee from 2020 to 2022:
by employee type (hours)



Training hours per employee from 2021 to 2022:
by employee gender (hours)



Training system

Suntien expedites talent development and keeps improving its characteristic talent training system by empowering the management, leadership, safety managers and new employees in many dimensions based on industry development, the actual situation of the Company and the needs of the employees.



Suntien adopts a flexible training approach of “combining online and offline channels, multilevel and decentralised” and actively implemented the *Three-year Training Plan for Middle-level Managers and Leaders from Enterprises Under the Company (2022-2024)*. The Company took the lead in organising training for middle-level managers and leaders in enterprises under the Company as well as training for cadres of various departments such as Party building, finance, engineering, production, human resources, and auditing.



Suntien organised an online training camp for newly promoted managers and explored the new way of “Suntien Online Classroom Live Streaming + Community Operation + Online Assessment” to promote training. The 28 newly appointed managers were deeply involved in classes to learn management theories, systems and process logic, etc., accelerate their adaption to new roles, and help the team to keep improving their competencies.



Suntien organised the participation of the Group's online training course themed “Lifelong Learning and Empowerment Training in the New Era” by its leadership team based on the management authority of cadres and selected high potential talent from the company system to participate in the Group's “Online Training Class for young cadres”.



Suntien delivers general and professional training both online and offline for new employees. General training includes occupational ethics, rules and regulations, job responsibilities, management knowledge, etc., while professional training includes work skills, operating procedures, business management, etc.

Suntien organised a leadership improvement training course for middle- and senior-level management

Suntien invited famous teachers to organise a four-week leadership improvement training course for the middle- and senior-level management through live streaming to learn things on four topics, namely, interpretation of the spirit of the 20th National Congress of the CPC, the carbon peak and neutrality strategy, digital intelligence empowerment, and leadership thinking. The course helped the management develop and broaden new ideas and improve organisational leadership to promote the sustainable development, transformation, and breakthroughs of the Company.

Suntien organises and carried out an assessment for the selection of foreign language talents

In order to strengthen the development of foreign language proficiency of the Company's professional and technical talents and to meet the requirements of the Company's listing of A+H shares and the demand of international business for foreign language talents, Suntien organised and carried out an annual assessment for the selection of foreign language talents for 2022 and a two-month business English training programme to arouse all staff's interest in learning foreign English and improve their foreign language proficiency.

Hebei Natural Gas conducted skills identification for operational employees

Suntien identified job skills of operational employees to strengthen their safety compliance in daily operations and on-site emergency disposal and implement the production safety responsibility system. Branches and subsidiaries compiled identification programmes based on the summary of appraisals in the past years by starting with the Company's priorities and skill weaknesses. They carried out skills training and identification. After systematic training and appraisals throughout the year, the pass rate and good rate of comprehensive performance reached 100% and the excellent rate 80.01%.

Suntien has established the "Building a Future Smartly" management talent development programme

Suntien has established the "Building a Future Smartly" management talent training programme for high potential staff in the company system through online training, centralised training, the experience sharing from good performers and benchmarking. The programme is an online classroom training session themed basic Party theories and Party spirit education, macro situation and industry development, self-management and growth, and general skills. Trainees may sign up for and learn relevant courses by clicking on the "Building a Future Smartly" online management personnel training from featured courses on the home page of the Company's Changfeng Classroom. They will write down what they have learned and receive examination and assessment.

Training management

Suntien has set up a multi-level training management system to continuously empower employees as needed by offering online courses, delivering internal trainer training, building a learning organisation, etc.

Focusing on promoting Suntien's online courses: Due to the requirements of digital transformation, Suntien focuses on promoting online courses and keeps improving online training programmes. We have designed different learning programmes through online courses to continuously meet the training needs of various personnel in our company. In 2022, Suntien launched 18 learning programmes with 144 internal courses in 12 categories, a total of 767 students, 68% login rate, 10,626.3 learning hours, and 6,265 attendances.

Promoting the building of an internal trainer system in depth: In order to strengthen the cultivation of talents, Suntien organised an online micro lecture competition and an offline internal trainer skill improvement training class to promote the building of the Company's internal trainer system and to accumulate and collect the Company's excellent organizational wisdom.

In 2022

learning programmes with
144 internal courses

6,265 attendances

10,626.3 learning hours

Suntien carried out the third micro lecture design and development workshop and micro lecture competition

In July 2022, Suntien carried out the micro lecture design and development workshop. A total of 36 internal trainers participated in the training and produced more than 20 micro lectures by selecting topics, crafting outlines, writing scripts, recording audio and synthesizing videos. In September of the same year, Suntien launched its third "Co-creation of Wisdom" micro lecture competition with 62 entries. This activity enabled internal trainers to think deeply, gain experience and knowledge, and improve business skills. It allowed the organisation to pass on and keep updating its experience and help the company cultivate talents.



A total of **36** internal trainers
participated in the training



micro lecture competition
with **62** entries



Suntien micro lecture competition

Accelerating the building of a "learning" organisation: Suntien constantly strengthens the building of a talent pool to help with its high-quality development. In 2022, we organised the annual professional title pre-examination process and set up three professional evaluation teams for engineering, economics and accounting to review application materials from 72 employees and conduct quantitative evaluation. The *Incentive Scheme to Encourage Employees in the Company System to Obtain Professional and Technical Certificates* was formulated to provide guidance for and encourage employees to improve their professional skills and promptly develop more professional talents urgently needed for the Company's business transformation and operation development, thus helping the enterprise to develop in a high quality manner.

Employee development

In order to achieve its long-term development and overall improvement, Suntien has formulated and implemented the *Implementing Scheme for Competing for Posts Among Management Personnel of Enterprises Under the Company* and *2022 Implementing Scheme for Working on Secondment at the Grassroots Level* and revised the *Management Regulations on the Selection and Appointment of Middle-level Managers*, *Management Regulations for the Leaders of Enterprises Under the Company*, and other relevant internal systems to clarify promotion channels and qualifications of employees in various positions and at different levels. In addition, we have established a clear performance appraisal mechanism in accordance with the *Job Performance Regulations* to help employees achieve their management goals and work assignments and enable employees and the Company to grow together.

In 2022, Suntien removed 11 worst-performing and incompetent employees from their positions in accordance with the *Implementing Scheme for Competing for Posts Among Management Personnel in Enterprises Under the Company*. The measure has promoted competition for posts among the middle management of enterprises under the Company. Meanwhile, we also updated the terms and conditions of our appointment agreements in a timely manner and organised all units of the Company and the system to sign appointment agreements with 211 members of the management team from 83 units in accordance with the terms of office of the managers in their units and relevant requirements of contractual work plans, so as to further stimulate the vitality of the enterprise.



Care and Communication

With adherence to the concept of being people-oriented, Suntien continues to build a harmonious, safe and healthy working environment and a healthy and happy working atmosphere.

Employee care

Suntien has always cared for its employees in all aspects and angles and strives to create a comfortable working environment. By continuously caring for the physical and mental health of employees and organising sports activities, the Company improves the physical fitness of employees, helps them balance their work and life, and brings corporate warmth to every employee's heart, thereby enhancing employees' satisfaction.

Caofeidian Suntien Liquefied Natural Gas and Offshore Wind Power had the second friendly soccer match



Friendly soccer match site

In June 2022, Caofeidian Suntien Liquefied Natural Gas and Offshore Wind Power had the second friendly soccer match in the Caofeidian Industrial Zone. Team members fully demonstrated their football skills on the field. After the match, the team members said that such sports activities had enriched their lives in leisure time and demonstrated the unity and fighting spirit of the Company's staff. This activity also enhanced the friendly communication between the sister companies and boosted their energy at future work.



The labour union of Suntien Science and Technology Co., Ltd. delivered special training on employees' mental health

In April 2022, Suntien Science and Technology Co., Ltd. delivered special online training on employees' mental health, focusing on the handling of psychological stresses and establishment of a psychological protection system. During the training, the employees actively interacted with the trainer in a good atmosphere. Suntien Science and Technology Co., Ltd. will continue to increase its care for its employees and improve their cohesion and happiness.



Employees participated in online training on employees' mental health

Employees of Hebei Jinjianjia Natural Gas Co., Ltd., an associated company of Suntien, had a casual run around a lake to celebrate the CPC Founding Day

Employees of Hebei Jinjianjia Natural Gas Co., Ltd., an associated company of Suntien, had a casual run around Beike Lake at any pace to show its prosperity, increase the friendship of employees and enhance corporate cohesion. The activity was a great success with the participation by all departments of the company. The employees demonstrated the good spirit of being proactive, hardworking and striving for greatness with their sweat.



Employees participated in casual run around a lake and took a group photo

Blessings

Suntien continuously cares for female employees and sends blessings during holidays. It provides comprehensive, practical protection for employees, creating a caring and equal corporate atmosphere and continuously improving cohesion and happiness among employees.

Suntien's labour union held a lamp-making activity to celebrate the Women's Day on 8 March

On 8 March, Suntien's labour union organised a lamp-making activity to celebrate the Women's Day. This activity enriched cultural lives of Suntien's women employees in leisure time, enhanced their creativity and cohesion, and also allowed them to feel the charm of handicraft and experience the fun of art creation.



Lamp-making activity on the Women's Day on 8 March

Hebei Natural Gas organised an activity themed "Making Perfume Sachets for the Dragon Boat Festival in Summer"

To promote traditional culture and enrich cultural lives of employees in leisure time, Hebei Natural Gas organised an activity themed "Making Perfume Sachets for the Dragon Boat Festival in Summer". The company prepared various kinds of sachets for employees, selected many Chinese herbs as fillings, and showed the employees the fillings with five different benefits. During the event, the employees selected scented sachets and filled them with herbs. They made the sachets altogether while communicating with each other.

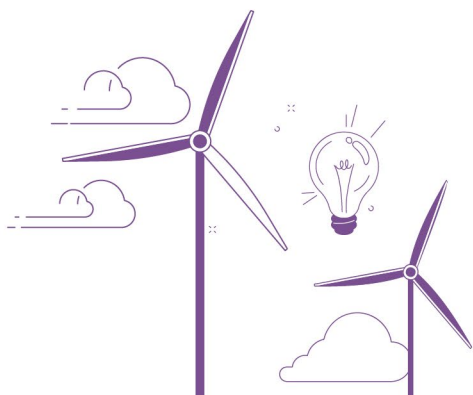


An activity themed "Making Perfume Sachets for the Dragon Boat Festival in Summer" site

05

PROMOTING GREEN OPERATION

Suntien insists on promoting its green operation by continuously consolidating the environmental management system, improving the efficiency of resource use, establishing a sound waste management system, and participating in biodiversity protection efforts. These practical actions have demonstrated the Company's commitment to green and low-carbon development.





5.1 Energy Conservation and
Consumption Reduction

5.2 Waste Management

5.3 Biodiversity Conservation

Energy Conservation and Consumption Reduction

Suntien strictly abides by the *Environmental Protection Law of the People's Republic of China*, the *Environmental management systems—Requirements with guidance for use*, and other laws and regulations and national standards concerning environmental protection. It has formulated the *HSE Management Manual* to further clarify the Company's environmental management structure, management approaches and methods for promoting environmental stewardship and establish an environmental management system with clear responsibilities and a complete chain among all full-time personnel from each management unit.

Suntien conducts environmental protection supervision in an all-round way and implements main responsibilities at each level. It regularly inspects the implementation of various energy conservation and emission reduction measures and sorts out problems regarding environmental protection approval to lay a foundation for the comprehensive promotion and expansion of environmental protection monitoring efforts.



By the end of 2022, Suntien invested cumulatively

RMB **25,173.3** thousand in environmental protection⁴

We strictly abide by the *Energy Conservation Law of the People's Republic of China*, *Renewable Energy Law of the People's Republic of China*, and other relevant laws and regulations. We have developed the *Regulations on Energy Conservation and Emission Reduction* for the Company and its subsidiaries. An energy conservation and emission reduction team has been set up to include efforts to conserve energy and reduce emissions in regular work across departments and at all levels to further improve the Company's environmental management structure and increase the environmental consciousness of employees.

In 2022, Hebei Natural Gas formulated the *Energy Management Regulations* and *Regulations on Environmental Protection Management* to strengthen the management and supervision of energy and water conservation, strictly control the consumption of various energy and resources, promote the application of new technologies, new processes, new equipment and new materials for energy conservation, improve energy and resource utilization efficiency and economic effectiveness, and provide conditions for sustainable development and environmental protection.

⁴ As the Company's wind power projects under construction were significantly reduced in FY2022 compared to the previous year, it invested less in environmental protection efforts related to vegetation restoration, soil and water conservation, etc.

Energy-saving technology improvement measures

Equipment and
facilities

- The Company strictly implements its systems and standardised equipment operation procedures to avoid equipment leakage, improve the equipment utilisation rate, and extend the service life of equipment. As of the end of 2022, **99.97%** of the Company's in-service equipment and **99.97%** of the standby equipment operated well;
- The Company advances several energy-saving technology transformation and innovation projects including the project of installing oil-collecting devices on a pitch motor to seek energy conservation from equipment, i.e. the source of energy consumption;
- The Company has developed a Gamesa 2.0MW unit with adaptation to a low-temperature environment and a high-speed braking safety protection system to reduce energy consumption for the start-up of wind generators in cold winter.
- HECIC New Energy relies primarily on self-generated electricity to meet the demand for electricity in the station and reduce the use of external power.

IT-based
management

- The Company has initially built a data lake system where the digital scenarios of health assessment and production management can be quickly developed on a standardised basis for different units, which is the key means for data interconnection and interoperability and integrated linkage;
- HECIC New Energy makes it possible to monitor and manage stations online through the building of an IT-based system to reduce the staff's energy consumption.
- As the first provincial grid company realising unmanned operation and automatic distribution in China, Hebei Natural Gas has further lowered electricity consumption of personnel on shift.

Fulfilment of energy
consumption goals

- Hebei Natural Gas's annual target of energy consumption per RMB10,000 value added in 2022 was **14.5kg** of standard coal equivalent/RMB10,000, which has been successfully fulfilled as Hebei Natural Gas's comprehensive energy consumption per RMB10,000 value added was **9.9kg** of standard coal equivalent/RMB10,000 by the end of 2022.



Distributed World Environment Day publicity posters and organised the viewing of environmental protection publicity videos

Hebei Natural Gas printed World Environment Day publicity posters and distributed them to various branches and subsidiaries to promote environmental protection concepts such as "building a global home where people and nature live in harmony" and "advocating a simple and moderate, green and low-carbon, civilised and healthy way of production" to call on all employees to become environmental protection propagandists, promoters and practitioners.



Environmental protection publicity and study

Played World Environment Day publicity banners in a loop on an electronic screen

Hebei Natural Gas played World Environment Day publicity slogans on an electronic screen to create a strong atmosphere of caring for nature and protecting the environment throughout the company and to stimulate employees' awareness of environmental protection.



World Environment Day e-poster

Sent notices and documents on environmental protection to employees

Hebei Natural Gas sent notices and documents on energy conservation to environmental protection workgroups and gave high priority to environmental laws and regulations as well as regulatory documents in its publicity campaigns to promote orderly progress of environmental protection.

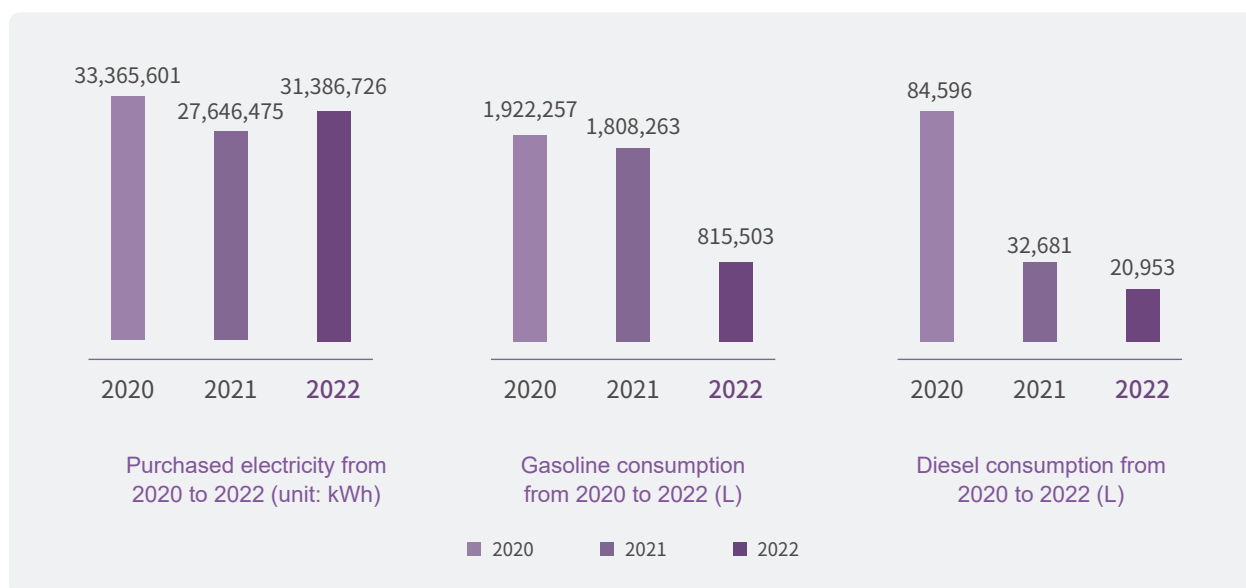


Energy conservation and emission reduction publicity in a WeChat workgroup

Suntien focused on clean energy to promote the progress of its ecological environment protection work. The Company's operation did not involve any consumption of packaging materials, and the operation of the projects did not involve water consumption, waste water discharges and waste gas emissions.

Energy consumption of Suntien from 2020 to 2022

| Energy Type | Unit | 2020 | 2021 | 2022 |
|--|------------------------------|------------|------------|------------|
| Purchased electricity ⁵ | kWh | 33,365,601 | 27,646,475 | 31,386,726 |
| Gasoline ⁶ | L | 1,922,257 | 1,808,263 | 815,503 |
| Diesel | L | 84,596 | 32,681 | 20,953 |
| Natural gas ⁷ | m ³ | 842,581 | 1,051,198 | 190,261 |
| Liquefied gas | m ³ | 23,298 | 8,829 | 5,689 |
| Total GHG emissions | tCO ₂ e | 29,158 | 25,228 | 20,205 |
| Energy consumption per RMB 10,000 revenue ⁸ | tce/RMB10,000 | 0.0060 | 0.0043 | 0.0027 |
| Total greenhouse gas emissions per RMB10,000 revenue | tCO ₂ e/RMB10,000 | 0.0223 | 0.0158 | 0.0109 |

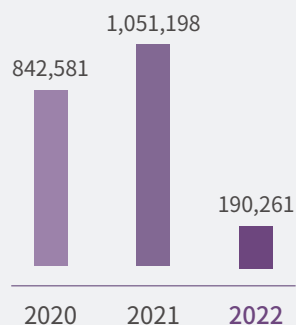


⁵ In 2022, employee dormitories was included in the calculation of purchased electricity, some companies shifted from natural gas to electricity, and the office area expanded, resulting in a increase in purchased electricity usage.

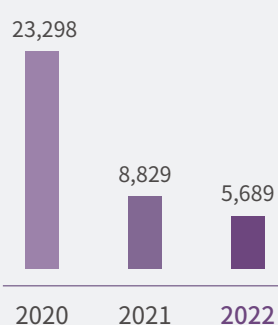
⁶ In 2022, only company-owned vehicles were included in the calculation of gasoline usage, resulting in a decrease in gasoline usage.

⁷ In 2022, some companies shifted from natural gas to electricity, resulting in a decrease in natural gas usage.

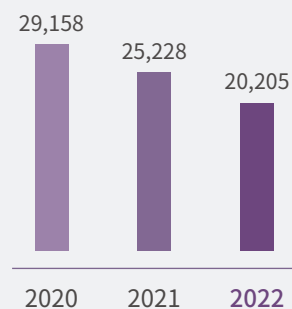
⁸ The comprehensive energy consumption is calculated according to the *General Rules for the Calculation of Comprehensive Energy Consumption GB-T2589-2008*.



Natural gas consumption
from 2020 to 2022 (m³)

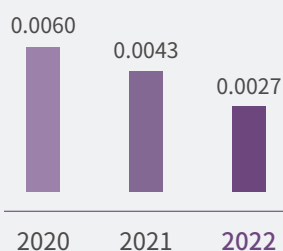


Liquefied gas consumption
from 2020 to 2022 (m³)

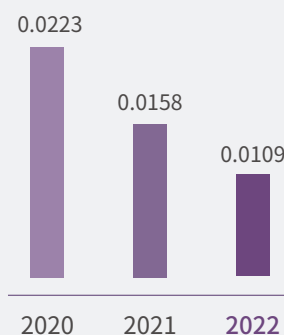


Total greenhouse gas emissions
from 2020 to 2022 (unit: tCO₂e)

■ 2020 ■ 2021 ■ 2022



Energy consumption per RMB10,000 revenue
from 2020 to 2022 (tce/RMB10,000)



Total greenhouse gas emissions per RMB10,000
revenue from 2020 to 2022 (tCO₂e/RMB10,000)

■ 2020 ■ 2021 ■ 2022

Waste Management

Suntien abides by the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, and other relevant laws and regulations. During operations, Suntien strictly manages and supervises the process of using resources and discharging wastes. For the waste generated in the production process, we have formulated the *Regulations on Disposal of Waste Materials* and *Regulations on the Disposal of Productive Wastes*, which elaborate the definition of dangerous waste in the production process and clarify the procedures for disposing of waste materials. For other waste generated during corporate operation, the *Regulations on Equipment Management* and *Regulations on Environmental Protection Management* formulated by Hebei Natural Gas and the *Regulations on Disposal of Wastes* formulated by HECIC New Energy have all strictly regulated the harmless treatment of wastes and avoid environmental pollution caused by wastes as much as possible.

The hazardous wastes produced during Suntien's operations include used batteries, used devices and waste oils. In 2022, we actively improved our hazardous waste management strategy by developing and publishing the *Hazardous Waste Disposal Proposal*, which defines how to handle hazardous wastes in each process. We have also set up a hazardous waste emergency team to manage the recycling, collection, transportation and storage processes of hazardous wastes in accordance with the emergency plan for hazardous waste treatment to ensure that they meet national safety and environmental protection requirements.

Some of Suntien's methods for disposing of hazardous wastes



- Work with recycling companies to apply for the *Hazardous Waste Movement Manifests*
- Equip collection and transportation personnel with acid-proof work clothes, special goggles, acid-proof gloves and other personal protective equipment
- Clean up warehouses and loading and unloading sites to keep the environment clean after all the hazardous wastes are loaded



- Put up obvious signs on transport vehicles with the *Hazardous Waste Movement Manifests* to receive inspections and inquiries from relevant authorities
- Develop detailed transportation plans and routes as well as emergency response plans and be equipped with emergency facilities, equipment and personal protective equipment by transportation units
- Equip each vehicle with waste attendants who have been trained with relevant professional knowledge to ensure the timely and effective handling of various emergencies
- Prevent leakage, spillage, scattering, and overloading during transportation



- Set up a hazardous waste room for the standardised temporary storage of hazardous wastes generated from production or operations
- Hire professional institutions to dispose of used batteries and used devices
- Recycle **100%** of the waste oils generated from operations through self-owned oil filters and commission a third-party institution to conduct regular inspections

In 2022

Suntien continuously maintained a recycling or reuse rate of

100%

Non-hazardous wastes generated from Suntien's operations mainly include construction waste, earthwork, packaging waste and office waste. We collect and manage the said non-hazardous wastes separately to maximise the utilisation rate of wastes and promote resource recycling.

2020-2022 Suntien's treatment volume and density of non-hazardous waste

| Waste type | Unit | 2020 | 2021 | 2022 |
|--------------------------------|-----------------|---------|------------|------------|
| Non-hazardous wastes | Tonne | 202.25 | 11.45 | 18.67 |
| Density of non-hazardous waste | Tonne/RMB10,000 | 0.00016 | 0.00000716 | 0.00001006 |

Suntien's exhaust emissions in 2022⁹

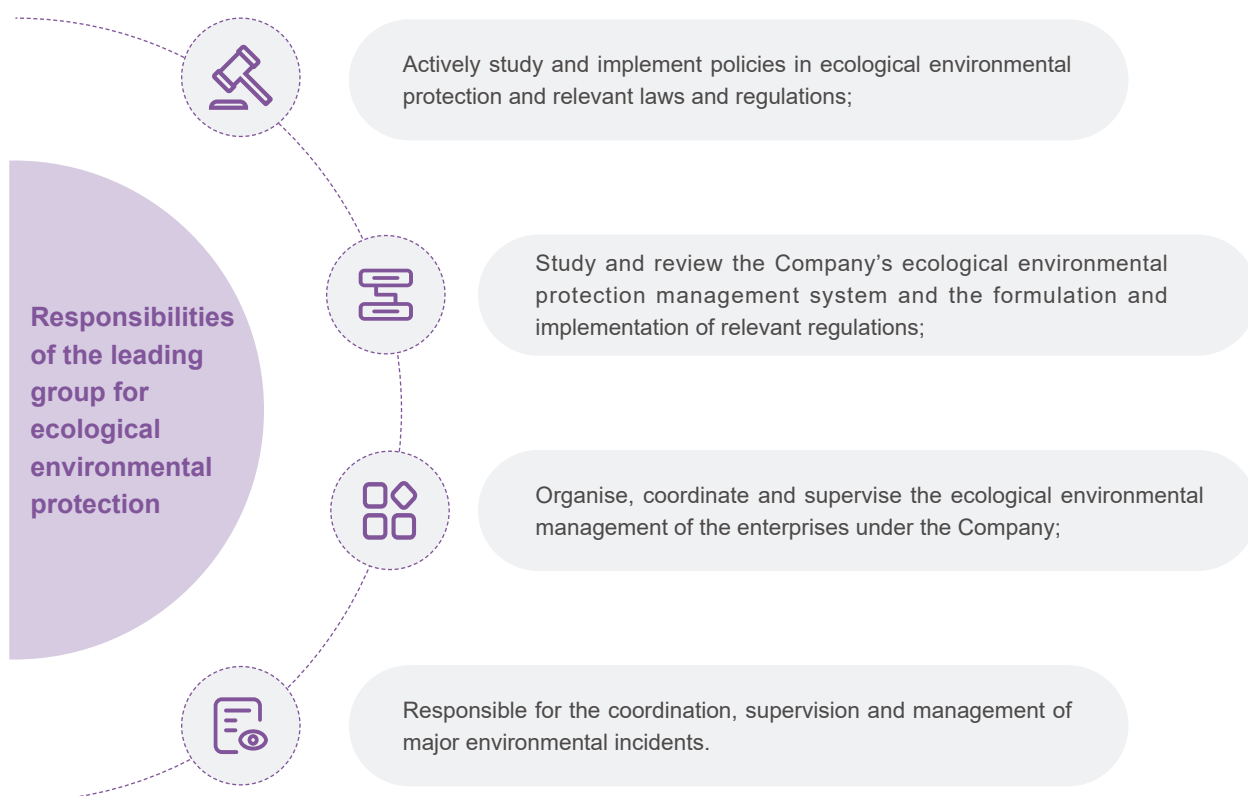
| Emission type | Data (kg) |
|------------------------------------|-----------|
| Total sulfur oxide emissions | 12.33 |
| Total nitrogen oxide emissions | 6,007.48 |
| Total particulate matter emissions | 575.63 |

⁹ The total amount of exhaust gas emitted decreased as only company-owned vehicles were included in the calculation of gasoline usage and vehicle mileage for 2022.

Biodiversity Conservation

Suntien actively responds to the call of the United Nations and the Chinese government, upholds the concept of ecological civilisation, and makes every effort to promote biodiversity conservation. We strictly abide by laws and regulations such as the *Environmental Protection Law of the People's Republic of China* and the *Regulations on Managing Ecological Environmental Protection of Construction Projects*. We have formulated internal management regulations such as the *Regulations on Managing Ecological Environmental Protection* and the *Measures for Managing Ecological Environmental Protection of New Energy Companies*. We keep improving biodiversity protection strategies during operations to make new contributions to the building of a living Earth community.

The Company has set up a leading group for ecological environmental protection to clarify the management structure of biodiversity protection and responsibilities at each level and steadily promote biodiversity conservation objectives. The leading group for ecological environmental protection is led by the president of the Company and a part-time environmental protection administrator has been appointed for each management unit to ensure the implementation of ecological environmental protection efforts. In 2022, Suntien compiled the *2022 Responsibility Letter for Energy Conservation and Environmental Protection Targets* for the Company and each of its subsidiaries, to define responsibilities at each level and ensure the accomplishment of environmental protection targets and biodiversity conservation tasks.





Ecological environment control targets

- No general or more severe environmental emergencies;
- No incidents that have a serious impact on the Company's system, or that are criticized in a circulated notice or incur administrative punishment by the ecology and environment department at or above the provincial level.



Ecological environment management targets

Study and implement in a timely manner new ecological environmental policies and laws and regulations promulgated by the state and local authorities, and incorporate ecological environmental work into annual work plans;

Strengthen the management of the process towards ecological environment targets, make a breakdown of the targets in the target responsibility letter and delegate them to units level by level, guide subsidiaries to formulate effective implementation plans for pollutant control, and ensure that responsibilities are undertaken, and measures and inputs are put in place;

Strengthen the publicity and education of environmental protection and green development, and raise employees' awareness of ecological environmental protection.

Implement
policies

Complete
system

Strengthen
management

Conduct
training

Raising
awareness

Establish and improve the Company's ecological environmental protection management system, formulate its methods for the management and assessment of ecological environmental protection, and strengthen the guidance and supervision on energy saving and environmental protection governance in subsidiaries;

Carry out training and drills on environmental emergency plans, keep improving a safeguard mechanism for ecological environmental emergency responses, and improve the ability to handle environmental emergencies;

Suntien's biodiversity conservation philosophy is embodied in work arrangements throughout the life cycles of all projects. We take several measures during construction and production operation stages of projects to carry out ecological restoration or develop various projects with less ecological impact, so as to avoid or reduce the negative effects of the projects on the ecological environment as far as possible.



Before construction

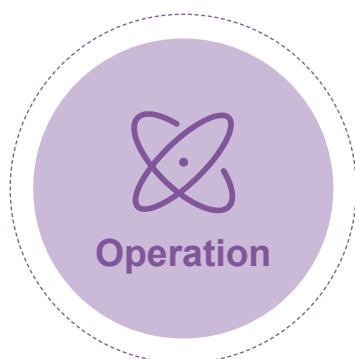
- Carry out project feasibility research and environmental impact assessment;
- Formulate a soil and water conservation plan;
- Propose pollution control measures and soil and water conservation measures

During construction

- In wind farm construction projects, strictly abide by various laws and regulations at all levels, including the *Notice on Regulating the Use of Forest Land in Construction of Wind Farms*;
- Develop environmental emergency plans;
- Regularly carry out training and drills on emergency plans;
- Regular monitor drinking water sources against the national drinking water management standards;
- Minimise the construction cycle time and ecological impact;
- Strictly control pollutant emissions;
- Recover waste or perform harmless treatment;
- Reduce construction noise;
- Respect the indigenous people living in the area where construction sites are located as well as their local culture and folk customs.

After construction

- Issue the *Acceptance and Survey Form for Environmental Protection of the Completed Construction Projects* after the construction project is completed;
- Perform ecological restoration such as the reclamation of the surrounding land and fish stocking.



Operation

- Strictly implement the preventive measures and requirements for local ecological environmental protection;
- Formulate special protection measures;
- Care about biodiversity conservation and promote environmental and ecological protection.

Caofeidian Suntien Liquefied Natural Gas started to prepare plans for the ecological restoration of fishery resources and fish stocking

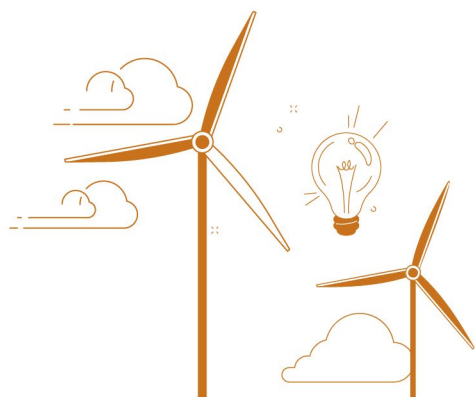
In July 2022, Caofeidian Suntien Liquefied Natural Gas started to prepare plans for the ecological restoration of fishery resources and fish stocking for the Tangshan LNG project and Tangshan LNG export pipeline project (Caobao section), aiming to improve the population structure of aquatic creatures, water quality and the ecological environment of the waters and protecting the biodiversity of the area by artificially replenishing aquatic resources.



06

CONTRIBUTING TO SOCIAL DEVELOPMENT

Suntien always keeps in mind its corporate citizenship and actively undertakes social responsibility based on its own development. Suntien has always responded to the call of the country and adhered to the public welfare philosophy of “sharing whatever we have”. The Company focuses on maintaining relationships with communities during project construction and contributes to the development of society by devoting itself to village revitalisation and public welfare and charity while making itself stronger.





6.1 Rural Revitalization

6.2 Communication with Local
Community

6.3 Charity and Public Welfare

Rural Revitalization

Suntien thoroughly implements the requirements of “unchanged responsibility, policy, help and supervision even after poverty relief” in accordance with national policies to consolidate achievements in poverty alleviation and ensure the achievement of practical results of rural revitalization.

Since 2016, Suntien has selected three cadres as a task force for each of seven consecutive years to perform targeted poverty alleviation and eradication and consolidate and develop achievements in poverty alleviation for a transition to village revitalisation in Leguo Village, Huangqi Town, Fengning County. The task force offered targeted, scientific help through diverse channels and multiple means to grow the collective economy of the village and ensure “two no worries and three guarantees”¹⁰ and drinking water safety. The task force sticks to the bottom line of preventing return to poverty on a large scale and promotes the implementation of various assistance policies, improving the local economic development.

Completion of Suntien's Village Revitalisation Targets in 2022

- ✓ The annual per capita income of the registered people to get rid of poverty was not less than RMB7,300
- ✓ No return to poverty on a large scale throughout the year
- ✓ Realisation of “two no worries and three guarantees” and no drinking water safety problems throughout the year
- ✓ Implementation of Party building activities to celebrate the CPC Founding Day and publicity and education on the “20th National Congress” and Party policies

In 2022, in order to consolidate achievements in poverty alleviation and achieve an effective transition to rural revitalisation, Suntien stuck to the bottom line of not returning to poverty on a large scale and steadily promoted rural construction and improved rural governance while advancing rural economic development and helping rural people increase their income. The specific work was as follows:

Promoted the sustained income growth of people lifted out of poverty

Achieved the goal of steadily increasing the income of the registered people to get rid of poverty

- Early warning and monitoring mechanism: detected those who may return to poverty among targets for monitoring to prevent return to poverty earlier, verified information quickly, provided targeted assistance measures, and eliminated risks steadily
- Paid daily visits to households: visited each farm household to learn about their situation such as their production and living conditions and if their income had increased
- Ensured timely follow-ups and assistance: follow up with the implementation of assistance policies for those who are prone to return to poverty or fall into poverty

Consolidated achievements in poverty alleviation to build a better village with richer villagers

- Ensured drinking water safety: actively carried out investigation and dynamic monitoring of drinking water safety in Leguo Village, paying constant attention to the amount and quality of drinking water, the convenience of water consumption and the attainment of the water supply guarantee rate by villagers
- Publicized a relevant policy: visited households on a regular basis to actively promote the policy of monitoring and helping villagers to prevent return to poverty
- Helped with household verification: assisted village cadres in conducting household verification, studying and judging risks of returning to poverty, including eligible villagers as targets for monitoring to prevent return to poverty, and taking several measures to strengthen protection and consolidating poverty relief efforts to increase villagers' income steadily

¹⁰ “two no worries and three guarantees”: No worries about food and clothing, compulsory education, basic medical care and housing are all guaranteed

Optimised rural governance

Promoted Party policies

- Carried out activities: carried out Party building activities to celebrate the CPC Founding Day and publicity and education on the “20th National Congress”

Built and strengthened village party organisations

- Assisted in the building of the “two committees” in villages: helped the village party organisations to improve their ability and work style, and to perform their duties and responsibilities in village development and governance

Promoted rural construction

Provided services for people

- Cared for people in need: strengthened the care for the disabled, households enjoying the five guarantees, low-income households, households with long-term chronic diseases, households with sudden difficulties, and households lifted from poverty and other vulnerable groups; and visited farmers' homes, cared for elderly people without family, and did practical things for the public

Carried out the “Reform on Problematic Toilets”

- Performed comprehensive investigation and rectification: comprehensively and thoroughly investigated every toilet in every household in a village, identified real problems and made rectifications to promote the “Toilet Revolution” and improve the living environment in rural areas



The task force and Party members of Leguo Village carried out Party building activities to celebrate the CPC Founding Day

The task force participated in
the daily working meeting of
Leguo Village



The task force and the Party
secretary of the village paid
visits to households



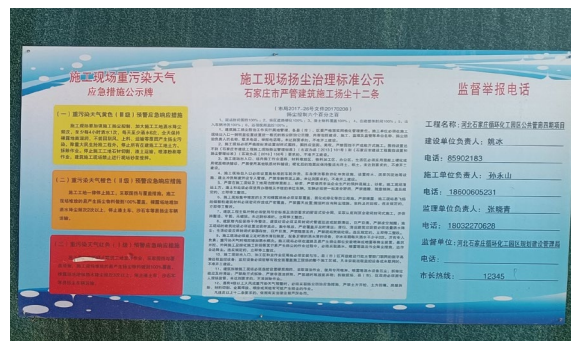
Communication with Local Community

While developing its own business, Suntien prioritises the interests of the local people and contributes to their wellbeing through the promotion of communication with them and devotion to the development of the local community.

In strict accordance with local laws and regulations, Suntien neither develops nor operates in the protected areas and will hire a third party to perform a community impact assessment before project commencement and proceed with a project only with approval given after the assessment. During the whole project development cycle, the Company set up channels to hear the voices of the public and proactively conducted multiple rounds of communication with the community and villagers' representatives. It obtained the support and understanding of the local people based on a full understanding of public opinions to ensure the smooth construction of projects.

Community communication by Hebei Natural Gas

According to the *Construction Safety Inspection Standards*, Hebei Natural Gas set up fencing for all the project sites under construction, and put in place signs respectively for project overview, management personnel and supervision telephones, fire protection, safety production, and civilized construction and a floor plan of the construction site to ensure access to personnel in charge of the project in case of cross-construction or community disputes. In 2022, Hebei Natural Gas had zero community dispute caused by construction.



Project sign set up at the construction site of Hebei Natural Gas



Charity and Public Welfare

Since inception, Suntien has always adhered to the value of taking up social responsibility as a state-owned enterprise. While seeking business development, Suntien actively participates in public welfare and charitable activities and fulfils its social responsibility as a state-owned enterprise and a listed company. In 2022, Suntien devoted a total of RMB10,800 and 369 hours to the charity and public welfare activities.¹¹

Classification of public welfare activities carried out by Suntien in 2022



Donation to support education

- In January 2022, Hebei Natural Gas visited three poverty-stricken students sponsored by the company in Pingshan County and their families and donated money to help the students with their education.



Hebei Natural Gas visited and sponsored poverty-stricken students

¹¹ The total amount and length of investment in public welfare activities have decreased because the investment in public welfare activities in terms of safety has been disclosed in the customer service section and is not repeated here.



Volunteer activities

- The employees of Hebei Natural Gas actively take part in public welfare activities and joined the ZEBRA RESCUE volunteer team in their spare time, contributing to road rescue and vehicle rescue.
- In 2022, HECIC New Energy launched a one-month volunteer activity called “Stand Steady as the Youth, Carry Forward the Volunteer Spirit”. During the activity, employees from wind farms cleaned up garbage along the way in their daily inspection and operation and maintenance to restore the original state of nature.
- In 2022, HECIC New Energy extensively launched a voluntary blood donation activity to promote a healthy and civilised lifestyle and the spirit of “humanity, fraternity and devotion”. The employees actively participated in it.



HECIC New Energy employees participated in public welfare activities



OUTLOOK FOR 2023

As the world undergoes the accelerated great changes unseen in a century, China's economy is under triple pressures from demand contraction, supply shocks, and weakening expectations, but the fundamentals that will sustain long-term growth remain unchanged. China's total energy demand is huge in size and grows fast, and new energy sources have unparalleled advantages over traditional fossil energy sources in terms of environmental protection, cleanliness, and sustainability. At the same time, the "dual carbon" policy system is maturing, and the rigid environmental constraints are becoming more stringent, which in turn will promote deep energy conservation and clean and low-carbon energy development. All of these changes present new opportunities and challenges for Suntien.

Looking back to 2022, Suntien acted on the "Two Mountains" concept proposed by the State, vigorously developed wind power and natural gas, explored the use of other renewable and clean energy sources, actively promoted the close integration of Party leadership with corporate governance, integrated the concept of sustainable development into its business management, and propelled the industry towards holistic progress and low-carbon development through advanced technologies. Practising the people-centred philosophy, the Company played its role as a state-owned enterprise in facilitating the rural revitalisation drive and helping the people lead a better life.

Making new progress amid the stability. The year 2023 is the commencing year for the full implementation of the guiding principles put forth at the 20th CPC National Congress and a bridging year for the implementation of the 14th Five-Year Plan. In the year, Suntien will take Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as a guide, act on the new development concept in a complete, accurate and comprehensive manner, and earnestly implement the new strategy for energy security and the tasks related to the dual carbon goal. In terms of business development, the Company will focus on the high-quality industry development and the healthy development of the capital market, and make coordinated progress in green transformation, innovation-driven growth, quality improvement and efficiency enhancement, and other aspects to achieve robust and steady operation. With respect to project construction, the Company will continue to improve the quality and efficiency of projects, raise the level of project management, ensure intrinsic safety, and pursue the approach to comprehensive project management. In the area of team building, the Company will make protecting employees' rights and interests one of its top priorities. While ensuring the occupational health and safety of employees, it will do better in talent training, build a high-calibre workforce, and strive to break new ground as a listed clean energy company.



HKEX ESG INDICATOR INDEX

| ESG Indicators | | Location in the Report |
|--|---|------------------------|
| Environmental | | |
| A1 Emissions | General Disclosure: Information relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer | P69-76 |
| | A1.1 The types of emissions and respective emissions data | P28, 73-76 |
| | A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility) | P28, 73-74 |
| | A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility) | P75-76 |
| | A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility) | P75-76 |
| | A1.5 Description of the emission target(s) and steps taken to achieve them | P23-28, 69-76 |
| | A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them | P75-76 |
| A2 Use of Resources | General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials | P69-70 |
| | 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) | P73-74 |
| | A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility) | P73 |
| | A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them | P69-72 |
| | A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them | P73 |
| | A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced | P73 |
| A3 The Environment and Natural Resources | General Disclosure: Policies on minimising the issuer's significant impact on the environment and natural resources | P69-80 |
| | A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them | P69-80 |

| ESG Indicators | | Location in the Report |
|-----------------------------|---|------------------------|
| A4 Climate Change | General Disclosure: Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer | P19-20 |
| | A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them | P19-28 |
| Social | | |
| B1 Employment | General Disclosure: Information relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer | P57-66 |
| | B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region | P57 |
| | B1.2 Employee turnover rate by gender, age group and geographical region | P58 |
| | | |
| B2 Health and Safety | General Disclosure: Information relating to providing a safe working environment and protecting employees from occupational hazards: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer | P31-40 |
| | B2.1 Number and rate of work-related fatalities that occurred in each of the past three years including the reporting year | P31 |
| | B2.2 Lost days due to work injury | P31 |
| | B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored | P31-40 |
| | | |
| B3 Development and Training | General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. | P59-62 |
| | B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management) | P59 |
| | B3.2 The average training hours completed per employee by gender and employee category | P59 |
| B4 Labour Standards | General Disclosure: Information related to preventing child and forced labour: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer | P57 |
| | B4.1 Description of measures to review employment practices to avoid child and forced labour | P57 |
| | B4.2 Description of steps taken to eliminate such practices when discovered | P57 |

| ESG Indicators | | Location in the Report |
|----------------------------|---|------------------------|
| B5 Supply Chain Management | General Disclosure: Policies on managing environmental and social risks of the supply chain. | P52-54 |
| | B5.1 Number of suppliers by geographical region | P53 |
| | B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored | P52-54 |
| | B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored | P52-54 |
| | B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored | P52-54 |
| B6 Product Responsibility | General Disclosure: Information relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer | P42-43 |
| | B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons | Not applicable |
| | B6.2 Number of products and services related complaints received and how they are dealt with | P43-44 |
| | B6.3 Description of practices relating to observing and protecting intellectual property rights | P49-50 |
| | B6.4 Description of quality assurance process and recall procedures | P42 |
| | B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored | P43 |
| B7 Anti-corruption | General Disclosure: Information relating to bribery, extortion, fraud and money laundering: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer | P9-10 |
| | 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 | P9 |
| | B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. | P9-10 |
| | B7.3 Description of anti-corruption training provided to directors and staff | P9-10 |
| 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. | P83-88 |
| | B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport) | P83-88 |
| | B8.2 Resources contributed (e.g. money or time) to the focus area | P83-88 |

GRI STANDARDS INDEX

| Instructions for use | Suntien Green Energy Corporation Limited reported the information cited in this GRI Index with reference to the GRI Standards from 1 January 2022 to 31 December 2022. | | |
|--|--|---|--------|
| GRI 1 used | GRI 1: Foundation 2021 | | |
| GRI Standard | Disclosure item | Sections | Pages |
| GRI 2: General Disclosure 2021 | | ABOUT THIS REPORT | P01 |
| The organisation and its reporting practices | | | |
| 2-1 | Organisational details | ABOUT US | P05-06 |
| 2-2 | Entities included in the organisation's sustainability reporting | ABOUT THIS REPORT | P01-02 |
| 2-3 | Reporting period, frequency and contact point | ABOUT THIS REPORT | P01-02 |
| 2-4 | Restatements of information | ABOUT THIS REPORT | P01-02 |
| Activities and workers | | | |
| 2-6 | Activities, value chain and other business relationships | ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT | P14-15 |
| 2-7 | Employees | BUILDING A DEVELOPMENT PLATFORM | P57-66 |
| 2-8 | Workers who are not employees | COORDINATED DEVELOPMENT OF INDUSTRY | P52-54 |
| Governance | | | |
| 2-9 | Governance structure and composition | CORPORATE GOVERNANCE | P07 |
| 2-10 | Nomination and selection of the highest governance body | CORPORATE GOVERNANCE | P07 |
| 2-11 | Chair of the highest governance body | ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT | P07 |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT | P12-13 |
| 2-13 | Delegation of responsibility for managing impacts | ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT | P12-13 |
| 2-14 | Role of the highest governance body in sustainability reporting | ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT | P12-13 |
| 2-16 | Communication of critical concerns | ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT | P14-15 |
| 2-17 | Collective knowledge of the highest governance body | ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT | P12-13 |
| Strategy, policies and practices | | | |
| 2-22 | Statement on sustainable development strategy | ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT | P12 |
| 2-23 | Policy commitments | ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT | P12-13 |
| 2-24 | Embedding policy commitments | ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT | P12-13 |
| 2-25 | Processes to remediate negative impacts | ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT | P14-15 |
| 2-26 | Mechanisms for seeking advice and raising concerns | ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT | P14-15 |
| 2-28 | Membership associations | COORDINATED DEVELOPMENT OF INDUSTRY | P51 |

| GRI Standard | Disclosure item | Sections | Pages |
|---|--|---|-----------------------------|
| Stakeholder engagement | | | |
| 2-29 | Approach to stakeholder engagement | ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT | P14 |
| 2-30 | Collective bargaining agreements | BUILDING A DEVELOPMENT PLATFORM | P57 |
| GRI 3: Material Topics 2021 | | | |
| 3-1 | Process to determine material topics | ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT | P15 |
| 3-2 | List of material topics | ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT | P15 |
| 3-3 | Management of material topics | ENVIRONMENTAL, SOCIAL AND GOVERNANCE MANAGEMENT | P15 |
| Economic | | | |
| GRI 201: Economic Performance 2016 | | | |
| 201-1 | Direct economic value generated and distributed | CONTRIBUTING TO SOCIAL DEVELOPMENT | P03-04, 26-27, 57-59, 83-88 |
| 201-2 | Financial implications and other risks and opportunities due to climate change | ADDRESSING CLIMATE CHANGE | P21-22 |
| GRI 203: Indirect economic impacts 2016 | | | |
| 203-1 | Infrastructure investments and services supported | CONTRIBUTING TO SOCIAL DEVELOPMENT | P83-88 |
| 203-2 | Significant indirect economic impacts | CONTRIBUTING TO SOCIAL DEVELOPMENT | P83-88 |
| GRI 204: Procurement Practices 2016 | | | |
| 204-1 | Proportion of spending on local suppliers | COORDINATED DEVELOPMENT OF INDUSTRY | P52-54 |
| GRI 205: Anti-corruption 2016 | | | |
| 205-1 | Operations assessed for risks related to corruption | CORPORATE GOVERNANCE | P09-10 |
| 205-2 | Communication and training about anti-corruption policies and procedures | CORPORATE GOVERNANCE | P09-10 |
| 205-3 | Confirmed incidents of corruption and actions taken | CORPORATE GOVERNANCE | P09-10 |
| Environmental | | | |
| GRI 302: Energy 2016 | | | |
| 302-1 | Energy consumption within the organization | PROMOTION OF GREEN OPERATION | P69-74 |
| 302-3 | Energy intensity | PROMOTION OF GREEN OPERATION | P69-74 |
| 302-4 | Reduction of energy consumption | PROMOTION OF GREEN OPERATION | P69-74 |
| 302-5 | Reduction in energy requirements of products and services | PROMOTION OF GREEN OPERATION | P69-74 |
| GRI 304: Biodiversity 2016 | | | |

| GRI Standard | Disclosure item | Sections | Pages |
|---|---|-------------------------------------|----------------|
| 304-1 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | PROMOTION OF GREEN OPERATION | P77-80 |
| 304-2 | Significant impacts of activities, products, and services on biodiversity | PROMOTION OF GREEN OPERATION | P77-80 |
| 304-3 | Habitats protected or restored | PROMOTION OF GREEN OPERATION | P77-80 |
| GRI 305: Emissions 2016 | | | |
| 305-1 | Direct (Scope 1) GHG emissions | ADDRESSING CLIMATE CHANGE | P28 |
| 305-2 | Energy indirect (Scope 2) GHG emissions | ADDRESSING CLIMATE CHANGE | P28 |
| 305-4 | GHG emissions intensity | PROMOTION OF GREEN OPERATION | P73-74 |
| 305-7 | Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions | PROMOTION OF GREEN OPERATION | P76 |
| GRI 306: Waste 2020 | | | |
| 306-1 | Waste generation and significant waste-related impacts | PROMOTION OF GREEN OPERATION | P75-76 |
| 306-2 | Management of significant waste-related impacts | PROMOTION OF GREEN OPERATION | P75-76 |
| 306-3 | Waste generated | PROMOTION OF GREEN OPERATION | P75-76 |
| 306-4 | Waste diverted from disposal | PROMOTION OF GREEN OPERATION | P75-76 |
| 306-5 | Waste directed to disposal | PROMOTION OF GREEN OPERATION | P75-76 |
| GRI 308: Supplier Environmental Assessment 2016 | | | |
| 308-1 | New suppliers that were screened using environmental evaluation criteria | COORDINATED DEVELOPMENT OF INDUSTRY | P52-54 |
| 308-2 | Negative environmental impacts in the supply chain and actions taken | COORDINATED DEVELOPMENT OF INDUSTRY | P52-54 |
| Social | | | |
| GRI 401: Employment 2016 | | | |
| 401-1 | New employee hires and employee turnover | BUILDING A DEVELOPMENT PLATFORM | P57-58 |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | BUILDING A DEVELOPMENT PLATFORM | P57, 59, 64-66 |
| 401-3 | Parental leave | BUILDING A DEVELOPMENT PLATFORM | P59 |
| GRI 403: Occupational Health and Safety 2018 | | | |
| 403-1 | Occupational health and safety management system | STABLE ENERGY SUPPLY | P40 |
| 403-2 | Hazard identification, risk assessment, and incident investigation | STABLE ENERGY SUPPLY | P34-37 |
| 403-3 | Occupational health services | STABLE ENERGY SUPPLY | P40 |
| 403-4 | Worker participation, opinion soliciting, and communication on occupational health and safety | STABLE ENERGY SUPPLY | P40 |
| 403-5 | Worker training on occupational health and safety | STABLE ENERGY SUPPLY | P38-40 |

| GRI Standard | Disclosure item | Sections | Pages |
|--|---|---|----------------|
| 403-6 | Promotion of worker health | STABLE ENERGY SUPPLY | P40 |
| 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | STABLE ENERGY SUPPLY | P40 |
| 403-8 | Workers covered by an occupational health and safety management system | STABLE ENERGY SUPPLY | P40 |
| 403-9 | Work-related injuries | STABLE ENERGY SUPPLY | P31 |
| 403-10 | Work-related ill health | STABLE ENERGY SUPPLY | P31 |
| GRI 404: Training and Education 2016 | | | |
| 404-1 | Average hours of training per year per employee | BUILDING A DEVELOPMENT PLATFORM | P59-62 |
| 404-2 | Programmes for upgrading employee skills and transition assistance programmes | BUILDING A DEVELOPMENT PLATFORM | P59-62 |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | BUILDING A DEVELOPMENT PLATFORM | P63 |
| GRI 405: Diversity and Equal Opportunity 2016 | | | |
| 405-1 | Diversity of governance bodies and employees | BUILDING A DEVELOPMENT PLATFORM | P57 |
| GRI 413: Local Communities 2016 | | | |
| 413-1 | Operations with local community engagement, impact assessments, and development programmes | PROMOTION OF GREEN OPERATION AND CONTRIBUTING TO SOCIAL DEVELOPMENT | P77-80,86 |
| GRI 416: Customer Health and Safety 2016 | | | |
| 416-1 | Assessment of the health and safety impacts of product and service categories | STABLE ENERGY SUPPLY | Not applicable |
| 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | STABLE ENERGY SUPPLY | None |
| GRI 418: Customer Privacy 2016 | | | |
| 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | STABLE ENERGY SUPPLY | None |

INFORMATION FEEDBACK

Dear readers,

Thank you for taking the time to read China Suntien Green Energy's "2022 Environmental, Social and Governance Report". We look forward to your feedback. Please send us your completed questionnaire by mail, e-mail after scanning, or by fax, or call us directly to offer your opinions.

Address: Block A, Yu Yuan Plaza, No. 9 Yuhua West Road, Shijiazhuang City, Hebei Province, PRC

Postal code: 050000

Email: esg@suntien.com

1. Which type of stakeholders is your institution in relation to Suntien?

☐ Shareholder ☐ Employee ☐ Supplier ☐ User ☐ Government ☐ Community ☐ Bank ☐ Academic institution

2. Have you read the Environmental, Social and Governance Report of China Suntien Green Energy? (If your answer is no, please ignore items 3, 4 and 5)

☐ Yes ☐ No

3. If yes, did you read the print version or the electronic version?

☐ Print ☐ Electronic

4. Which version do you prefer?

☐ Print ☐ Electronic

5. Your evaluation of the 2022 ESG Report:

Readability (easy to understand, well designed, intriguing, easy to locate the information required)

☐ 3 points (good) ☐ 2 points (mediocre) ☐ 1 point (poor)

Credibility (whether the information in the report is true and reliable)

☐ 3 points (good) ☐ 2 points (mediocre) ☐ 1 point (poor)

Information integrity (taking into account both positive and negative aspects of performance, whether it meets your information needs)

☐ 3 points (good) ☐ 2 points (mediocre) ☐ 1 point (poor)

In addition to the disclosures already made in the report, what else would you like to see?

The reporting team of the "2022 ESG Report of China Suntien Green Energy"

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新天绿色能源股份有限公司
China Suntien Green Energy Corporation Limited