

**Environmental, Social and
Governance Report**



CONCORD NEW ENERGY GROUP LIMITED

incorporated in Bermuda with limited liability

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Introduction

About the Report

The Environmental, Social and Governance ("ESG") Report is the eighth ESG report prepared by Concord New Energy Group Limited and its subsidiaries (hereinafter referred to as "Concord New Energy", the "Group" or "we"). In order to facilitate readers to fully understand the Group's ESG performance, this report should be read together in conjunction with the *Corporate Governance Report* in the Group's *2023 Annual Report*. This report has been reviewed and approved by the Board of Directors of the Group (the "Board").

REPORTING SCOPE

Unless otherwise specified, this report is covering the period from January 1 to December 31, 2023.

We regularly review the scope of the report to ensure that significant impacts to the Group's overall business portfolio are covered. We have determined the scope of the report to be all of the Group's main businesses, namely the Group's power generation business and other businesses (including the intelligent operation and maintenance services, consultancy and EPC (engineering, procurement and construction) services, energy storage system integration services, provision of distributed power plant finance lease services), according to the nature of the products sold or services provided.

REPORTING GUIDELINES

This report has been prepared in accordance with Appendix C2 the *Environmental, Social and Governance Reporting Guide* (the *ESG Reporting Guide*) of the *Listing Rules of the Hong Kong Exchanges and Clearing Limited*, with reference to the *GRI Sustainability Reporting Standards* (*GRI Standards*) of the Global Reporting Initiative (GRI) and the Ten Principles of the United Nations Global Compact (UNGC). For the relevant contents of the sub-section on "Responding to Climate Change", reference is made to the *Guidance on Climate Disclosures* of the Hong Kong Exchanges and Clearing Limited ("HKEX") and Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

REPORTING PRINCIPLES

The report was prepared based on the principles of "materiality", "quantitative", "balance", and "consistency".

Materiality: We have followed the *ESG Reporting Guide* to carry out materiality assessment work. Our working procedures include: i) identifying relevant ESG issues, ii) assessing the materiality of issues, and iii) reviewing and confirming the assessment process and results by the Board. We report on ESG issues based on the results of the materiality assessment. For details of the materiality assessment, please refer to the section "Material Issues".

Quantitative: We have followed the *ESG Reporting Guide*, referred to applicable quantitative standards and practices and adopted quantitative methods to measure and disclose applicable key performance indicators. The measurement standards, methodologies, assumptions and/or calculation tools of the key performance indicators in this report, as well as the source of the conversion factors used, have been explained in the corresponding context (where applicable). We have set environmental targets in 2021, including numerical figures and directional statements, and the target progress is reviewed this year. The relevant environmental targets and progresses are described in the section "Responding to Climate Change".

Balance: This report objectively discloses positive and negative information to ensure that the content presents the ESG performance of the Group in an impartial manner during the reporting period.

Consistency: This report has been prepared with the same method used in previous years, and some changes have been explained in the corresponding positions.

DESCRIPTION OF DATA

All data in this report are from the Group's relevant statistical reports or other official documents, and all monetary amounts are listed in RMB.

ACCESS TO THE REPORT

The Report is available online on the website of the HKEX (www.hkexnews.hk) and our Group website (en.cnegroup.com). Should there be any discrepancy between the Chinese and English contents, the Chinese contents shall prevail.

BOARD STATEMENT

The Board oversees environmental, social and governance of the Group issues with the support of the ESG Committee, a professional sub-committee. The ESG Committee consists of 3 directors with risk management experience or industry experience, who participate in climate change, anti-corruption and other ESG special training organised by the Group and have ESG-related professional knowledge. Information on ESG issues is reported to the ESG Committee by the ESG Steering Group. The ESG Committee formulates effective strategies to bring the environmental and social targets into correspondence with our business targets, and reports to the Board on ESG work at least once a year. In this year, we have reviewed and optimised the ESG strategy to further clarify the Group's ESG key work. Please refer to the section "ESG Strategy" for details.

The Board has participated in the assessment, prioritisation, and management of ESG issues (including risks and materiality to the Group's business). The key ESG risks, including human resources, climate change and other risks,

have been incorporated into the Group's comprehensive risk management system. Within the Group, from the main business leaders to the senior management, the possibility, impacts and risk trends of key ESG risks are considered, and risk response measures are formulated. The Board has reviewed these key risks and was aware of the measures taken and made recommendations. For more information on materiality assessment and risk management, please refer to the *Corporate Governance Report* in the Group's *2023 Annual Report* and the following sections "Materiality Assessment" and "Risk Management". During the reporting period, the Board has reviewed and discussed the establishment and progress for the environmental targets. All the Group's annual environmental targets have been achieved and progress has been made as planned for both medium- and long-term targets.

This report also discloses in detail the above environmental, social and governance related issues, which have been reviewed and approved by the Board on 6 March 2024.

Message from the Chairman



Chairman Liu Shunxing

In 2023, the Group firmly implemented its established development strategy, adhering to the mission of "promote a harmonious development between human and nature by supplying superior clean energy and service". We proactively adapted to electricity market reforms and achieved significant progress in green power trade and green certificate sales. The Group actively broadened its reach into new horizons, establishing global market presence and initiating all kinds of new businesses. The Group emphasizes leading through technology strategy by boosting investments in technological innovation. We also focus on value creation and return to society with practical actions.

In 2023, the Group's business continued to grow, with an attributable power generation of 7.82 billion GWh and an increase in the attributed installed capacity of wind and photovoltaic (PV) power stations to 4,050 MW. We have secured new investment projects of 2,099 MW in China. In addition, we have advanced our international market layout by establishing representative offices in North America, Europe, Asia to promote the development of projects.

By the end of 2023, the Group has reduced carbon dioxide emissions by 55.46 million tons through providing clean electricity and saved 112.61 million tons of water. With the growth of global green consumption demand, we seize market opportunities and actively carry out green electricity and green certificate sales to help more enterprises to realise low-carbon green transformation and enhance the green value of products.

In 2023, the Group has increased its investment in techno-

logical innovation and actively carry out technological transformation and innovation. Give full play to its own technical advantages, we participate in the preparation of a number of technical specifications and industry standards, and work with partners from all walks of life to improve the quality of renewable energy development.

The Group is committed to creating a respectful, equal and diverse working environment, and has developed a number of systems to protect the legitimate rights and interests of all employees and partners. We pay attention to social welfare and contribute to society in various ways such as charitable donations, education supports, and community development supports.

Through our dedicated efforts in 2023, we have received recognition and opened a new chapter of "sustainable and high-quality" development. We have not only been in the lead of 84% of companies in the industry of S&P Global Corporate Sustainability Assessment 2023 score, but also reached an MSCI ESG rating by Morgan Stanley Capital International of AA and become the sole company in the renewable electricity sector across Chinese mainland and Hong Kong to receive the AA rating. This signifies that our ESG performance has reached an industry leading level.

Looking ahead to 2024, we will firmly implement the established development strategy, seize opportunities, and meet challenges. With broad vision and in-depth exploration, we will achieve better results and create a more beautiful, harmonious, and sustainable future.

About Concord New Energy

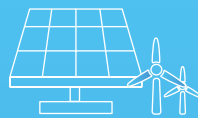
Company Profile

Concord New Energy Group Limited (Stock code 182.HK), founded in 2006, is a comprehensive and international renewable energy developer and supplier that specialises in integrating wind and solar energy projects. The Group's main businesses include investment and operation of wind and solar power plants, and wind and solar power generation service businesses (including consulting, design and EPC, financial leasing, energy storage system integration, net zero, green power & renewable energy certificate).

Concord New Energy has developed and installed over 4GW of projects in various global markets, including China, the United States, Italy, Spain, South Korea, Malaysia, and others. Concord New Energy is committed to achieving harmony between nature and human development by delivering high-quality clean energy and professional services.

Attributable installed capacity over

4_{GW}



Power plant investment

The Group is dedicated to diversifying renewable energy power plant projects, with a focus on accelerating the building of power infrastructure and increasing the production capacity of clean power. Currently, the Group owns grid-connected wind power and solar power plants with an attributable installed capacity of 4,050MW in 20 provinces and regions of China, the United States and other regions. The capacity of newly added standalone energy storage stations was 340MW/600MWh. In 2023, the Group added attributable installed capacity of 512 MW.



Consulting, design and EPC

Concord Power Consulting & Design (Beijing) Corp., Ltd. (hereafter CPCD), the Group's holding subsidiary, has acquired Class A credit rating for consulting in the power industry (thermal power, hydropower, nuclear power and renewable energy), Class B professional qualification in the power industry (wind power generation, substation engineering and power transmission engineering), Class B professional qualification in renewable energy power generation (the highest level), and Class B qualification in engineering investigation (engineering survey and geotechnical engineering (Investigation)). CPCD has engineering consulting design experience in wind power projects exceeding 50GW, PV projects exceeding 18GW and energy storage exceeding 7GW. Its projects spread China and overseas regions such as West Africa, Southeast Asia, Central Europe, and the United States.



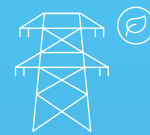
Financial leasing

Tianjin Green Energy International Leasing Co., Ltd. (hereafter "Green Energy Leasing"), the Group's wholly-owned subsidiary, extends its business from the industry to financing by adhering to the "industry + finance" strategy. It focuses on distributed PV and wind power stations, energy storage and other sub-divided industries, aiming to solve financing difficulties faced by the small and medium-sized power plants' owners. By the end of 2023, it has successfully provided financing of over RMB3 billion to dozens of private investors, with a cumulative capacity of nearly 1GW.



Energy storage system integration

Edge Power Technology Co., Ltd. (hereafter "Edge Power"), the Group's wholly-owned subsidiary, focuses on the research and development (R&D), and manufacturing of new types of power storage system products with long useful life and high safety, and provides industry partners with original design manufacturer (ODM)/original entrusted manufacture (OEM) manufacturing services, as well as "one-stop" planning and design, construction and operation guarantee services for source and grid-side energy storage stations and industrial and commercial energy storage systems.



Net zero, green power & renewable energy certificate

The Group is committed to providing customers with one-stop carbon-neutral solutions. To meet the needs of different clients, the Group provide a variety of power purchase package services, green power and renewable energy certificate trading services, integrated energy services, carbon asset development and management services and low carbon consulting services, which will assist customers in low-carbon and green transformation and enhance the green value of their products, and help them realise green, low-carbon and sustainable development. A cumulative total of 1.5 billion kWh of green power traded.

2023 Sustainability Practice Overview

Rating Performance¹

MSCI	S&P Global ²	CDP	Wind
The Group has reached an MSCI ESG rating of AA , and is the only AA-rated enterprise in the renewable electricity industry in Chinese Mainland and Hong Kong.	The Group's S&P Global Corporate Sustainability Assessment (CSA) 2023 score is ahead of 84% of companies in the industry, with a year-on-year increase of 11%.	The Group's CDP Climate Change 2023 Questionnaire rating of B is among the highest of its peer companies in China.	The Group's Wind ESG rating was upgraded from A to AA , ranked among the nation's leading independent power producers and energy traders by industry segment.

Key Performance

2023 Key Performance		Unit	Data
 Business	Total Assets	Hundred million RMB	312.4
	Profit Attributable to Equity Shareholders	Hundred million RMB	9.6
	Revenue	Hundred million RMB	25.9 ³
	Total Attributable Installed Capacity	MW	4,050
	Attributable Power Generation	GWh	7,824
 Environment	CO ₂ Emission Reduction	Kilotons	7,916
	Standard Coal Saving	Kilotons	3,100
	NO _x Emission Reduction	Tons	1,973
	SO ₂ Emission Reduction	Tons	1,892
	Water Saving	Kilotons	12,241
	Revenue from Green Certificate and Green Electricity Sales	Ten thousand RMB	7,621
 Society	Total Workforce	Person	995
	Training Hours per Employee	Hour	37.47
	Percentage of Total Employees Trained	%	100
	Annual Coverage Ratio of Safety Training	%	100
	Total Recordable Incident Rate per 200,000 Hours Worked	Incident per 200,000 hours	0
	Total Amount of Community Donation	Ten thousand RMB	207.28
	Total Number of Community Donation Projects	Number	7
 Governance	Proportion of Female Directors	%	36.4
	Proportion of Independent Directors	%	36.4
	Coverage Ratio of Anti-corruption Training for Directors	%	100

¹ Ratings/scores and related information are from publicly available information as of February 29th, 2024, unless otherwise noted.

² Statistics are as of the end of 2023.

³ Figure is for continuing operations for the year ended in December 31st, 2023.

Honours & Awards

Units Rewarded	Title of Awards
The Group	2023 China's Top 500 Energy Enterprise (Groups)
	Zhaopin "China's Preferred Employer of the Year 2023"
	Liepin "2023 Beijing Renewable Energy Industry Best Employer"
	Yicai "China Corporate Social Responsibility Ranking 2023 Yicai-Environmental and Ecological Contribution Award"
	Cailian Press "2023 Cailian Press ESG Profound Awards Environmentally Friendly Pioneer Enterprise"
	Roadshow China "the 7 th China IR Annual Awards Best ESG Award"
	13 th Philanthropy Festival ESG Summit "ESG Pioneer Company of the Year 2023"
CPCD	China New Energy International Alliance "2023-2024 China's New Energy Pioneer for International Development (Comprehensive)"
	Certified as "Specialised, Refined, Distinctive, and Innovative Small and Medium-sized Enterprises" in Beijing
	List of "Science and Technology-based Small and Medium-sized Enterprises" in Beijing
Green Energy Leasing	The designed "Dachaidan 1 Million kW Affordable PV Phase I Project" awarded the second prize of Beijing Excellent Engineering Survey and Design Award
	The designed "Fangzheng Tuanjie Wind Power Grid Parity Project" awarded the third prize of Beijing Excellent Engineering Survey and Design Award
	Tianjin Local Financial Supervision and Administration Bureau "Tianjin Financial Leasing Company Regulatory Rating A"
	Tianjin Local Financial Supervision and Administration Bureau "The Second Batch of Typical Cases of Tianjin Leasing Companies Supporting the Development of the Real Economy from 2022 to 2023"
	China Photovoltaic Industry Association Financial Professional Committee "Vice Chairman unit"
	The 17 th Asia PV Innovation Exhibition and Cooperation Forum "China Distributed Photovoltaic Innovation Brand 2022"
Edge Power	2023 China Financial Leasing General Manager Forum "2023 Financial Leasing Industry Outstanding Leader Award"
	The 12 th China Leasing Conference Star Cup "Star of the Year Award"
	The 3 rd China International New Energy Storage Conference on Technologies and Engineering Applications "2023 China New Shared Energy Storage Project of the Year Award"
	The 10 th Global Solar & Energy Storage Conference "2023 Best Energy Storage Demonstration Project"
	Hunan Xiangyin Energy Storage Station Project receives the "2023 High-Tech Gold Ball Award - Annual Project Case"
Solarbe Awards, "2023 China's Rising Star in Energy Storage Industry"	

Power Plant Rating	Project Title
China Electricity Council "5A Wind Farm"	<ul style="list-style-type: none"> Wuhe Jindashan Wind Power Project Yilan Dongsheng F Wind Power Project Jingmen Lixi Wind Power Project Yongzhou Qiaotoupu Wind Power Project Tongyu Wulanhua DE Wind Power Project
China Electricity Council "5A Photovoltaic Power Station"	<ul style="list-style-type: none"> Xishui Fishery-PV Project Dachaidan Haoyuan PV Project
China Electricity Council "4A Wind Farm"	<ul style="list-style-type: none"> Tongyu Wulanhua F, Xinfu D Wind Power Project Fangzheng Jiangwan Wind Power Project Yilan Dongsheng E Wind Power Project Jingmen Shengjingshan Wind Power Project
China Electricity Council "3A Wind Farm"	<ul style="list-style-type: none"> Yushan Quanshui Wind Power Project Baimangying Wind Power Project
China Electricity Council "3A Photovoltaic Power Station"	<ul style="list-style-type: none"> Eryuan PV Project Yanyuan Xiadagou PV Project



Sustainable Future with ESG Commitments

01



Concord New Energy strives "to be a leading sustainable clean energy enterprise". We constantly promote the integration of ESG concept into strategic development and corporate governance, and advance the optimisation of our ESG strategy and ESG management level. We also closely engage with stakeholders to understand their demands and expectations and drive common development.



Materiality Assessment

Stakeholder Engagement

Concord New Energy attaches importance to the stakeholder communication, establishes effective mechanisms for stakeholder participation, and actively adopts reasonable suggestions from stakeholders in formulating ESG strategies and promoting ESG development. In this year, the main communication between the Group and stakeholders is as follows:

Key Stakeholders	Interests	Major Communication Channels
 Governments and Regulators	<ul style="list-style-type: none"> • Corporate Governance • Resource Use • Waste Management • Ecological Environmental Protection • Employment Compliance and Human Rights • Compliance Management • Promote Low-carbon Energy Transformation in Society • Production Safety 	<ul style="list-style-type: none"> • Information Reporting • Conference • Face-to-Face Communication • Phone Call • Questionnaire
 Employees	<ul style="list-style-type: none"> • Diversity and Equal Opportunity • Employment Compliance and Human Rights • Talent Attraction and Retention • Employee Training and Development • Occupational Health and Safety • Corporate Culture Building 	<ul style="list-style-type: none"> • Staff Meeting • Face-to-Face Communication • Training • Employee Activity • Employee Satisfaction Survey
 Shareholders and Other Investors	<ul style="list-style-type: none"> • Corporate Governance • Risk Management • Compliance Management • Talent Attraction and Retention • Production Safety • Renewable Energy Opportunities 	<ul style="list-style-type: none"> • Annual Report • Announcement and Notice • General Meetings of Shareholders • Phone Call/E-mail • Questionnaire
 Suppliers, Contractors, and Business Partners	<ul style="list-style-type: none"> • Responsible Supply Chain Management • Production Safety • Renewable Energy Opportunities • Compliance Management • Industry Cooperation and Progress • Ecological Environmental Protection 	<ul style="list-style-type: none"> • Conference • Phone Call • Official Correspondence • Questionnaire • Training
 Clients	<ul style="list-style-type: none"> • Technology Innovation • Optimise Customer Service • Renewable Energy Opportunities • Information Security and Privacy Protection • Compliance Management 	<ul style="list-style-type: none"> • Conference • Phone Call • Official Correspondence • Clients Visiting • Questionnaire
 Public and Community	<ul style="list-style-type: none"> • Climate Change and Carbon Emission • Ecological Environmental Protection • Renewable Energy Opportunities • Community Engagement and Contribution • Promote Low-carbon Energy Transformation in Society • Production Safety 	<ul style="list-style-type: none"> • Public Survey • Visiting and Interview • Questionnaire

We always pay attention to the expectations and demands of our stakeholders, and carefully collect, collate and analyse their suggestions and opinions in order to respond to the concerns and expectations of all parties in a timely manner. We adopt a variety of methods to keep communication channels open, and through practices such as inviting stakeholders to participate in decision-making and activities related to corporate sustainable development, we continuously improve the effectiveness of stakeholder participation, which provides important references for the Group in identifying the most relevant and important issues and updating and improving ESG strategies.

Material Issues

To better reflect the corporate development and changes in the external environment, we conduct systematic and precise evaluation to reidentify the actual and potential impact of the Group's activities and business relationship on economy, environment, and society. We identify and update the material issues each year through questionnaires or internal and external assessment. Meanwhile, we prioritise the issues and adjust them as appropriate in accordance with the materiality of the issues' impact. The assessment result of material issues is reviewed by management and the Board to accurately identify the needs of internal and external stakeholders and clarify the focus of the ESG work.

In 2023, we followed the steps below to conduct stakeholder survey from two major dimensions: impact on the Group's development and impact on society and environment.

Step 1: Identify Material Issues

01

We have identified 23 ESG material issues under five categories that highly correlate with Concord New Energy in accordance with national policies, domestic and international reporting standards, best industry practices in ESG, and interests of capital markets and stakeholders.

Step 2: Conduct Stakeholders Survey

02

We have conducted a questionnaire survey on material issues among the government and regulators, shareholders and other investors, suppliers, contractors and business partners, customers, the public and community, employees, management, and other internal and external stakeholders, with 475 replies collected, which serve as the data basis for our materiality assessment.

Step 3: Analyse Materiality

03

We conducted rational analysis for the result of the questionnaire while considering national policies, capital markets, best industry practices and key points of interest from internal and external experts. Through the analysis, we assessed the significance of the issues, determined the priority, and generated the final ESG Materiality Matrix.

Step 4: Review by Management and the Board

04

Management and the Board have reviewed the materiality assessment result, provided suggestions based on the Group's operating conditions, and confirmed the key disclosures, as well as future objectives and implementation plans for ESG management.

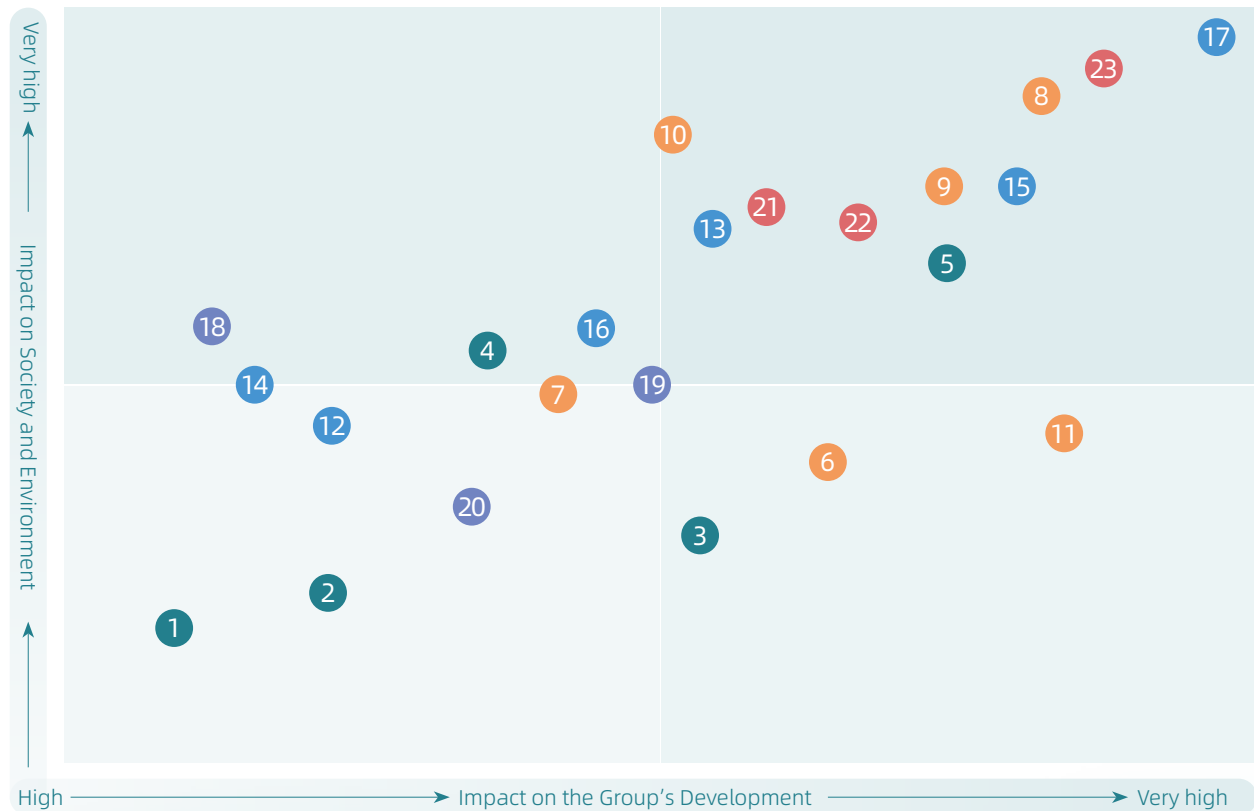
ESG Strategy	Issues	Major Impact Scope			Relevant Chapter
		Upstream	Self-operated	Downstream	
Environment	1 Waste Management	✓	✓	✓	Emissions Management
	2 Resource Use	✓	✓		Use of Resources
	3 Climate Change and Carbon Emission	✓	✓	✓	Responding to Climate Change
	4 Ecological Environmental Protection	✓	✓		Harmony with Nature and Ecology
	5 Green Energy Trading	✓	✓	✓	Responding to Climate Change
Talent	6 Employment Compliance and Human Rights	✓	✓		Protection of Employees' Rights and Interests
	7 Diversity and Equal Opportunity		✓		Employee Diversity and Inclusion
	8 Talent Attraction and Retention		✓		Employee Benefits and Care
	9 Employee Training and Development	✓	✓		Employee Growth and Development
	10 Occupational Health and Safety	✓	✓		Occupational Health and Safety
	11 Corporate Culture Building		✓		Concord New Energy Culture Building (Topic)
Operation	12 Responsible Supply Chain Management	✓	✓		Responsible Supply Chain
	13 Technological Innovation		✓	✓	Innovative Technology Development and Application
	14 Optimise Customer Service		✓	✓	Service Quality Guarantee
	15 Renewable Energy Opportunities	✓	✓	✓	Responding to Climate Change
	16 Information Security and Privacy Protection	✓	✓	✓	Information Security and Privacy Protection
	17 Production Safety	✓	✓		Comprehensive Safety Management
Community	18 Industry Cooperation and Progress	✓	✓	✓	Industry Development and Exchanges
	19 Promote Transformation to a Low-Carbon Energy Society	✓	✓	✓	Responding to Climate Change Prosperity with Community
	20 Community Engagement and Contribution		✓	✓	Progress with Society
Governance	21 Corporate Governance		✓		Corporate Governance
	22 Risk Management		✓		Risk Management
	23 Compliance Management	✓	✓		Business Ethics

The Group maintains a dynamic focus and assessment of its development needs, internal and external environments, and stakeholder expectations. The Group has identified and evaluated the issues that are material to the Group's development and to society and environment in the current year based on the results of the analysis of the material issues survey conducted in 2023.

The newly added material issues for the Group compared to 2022 are as follows

- [5 Green Energy Trading] responds to the "dual carbon" goals, societal hot topics, and the Group's development strategy.
- [11 Corporate Culture Building] aims to create intrinsic support and sustainable drive within the company.
- [17 Production Safety] reflects the Group's active commitment to safety production responsibility in its business operations and value chain, fortifying safety production defences and building harmonious labour relations.
- [18 Industry Cooperation and Progress] reflects the Group's leadership and promotion within the industry.
- [19 Promote Transformation to a Low-Carbon Energy Society] highlights the contribution of the Group's renewable energy generation to accelerating societal energy transformation and promoting carbon reduction.
- [22 Risk Management] reflects the Group's risk management framework and assessment and control of risks.

The results of materiality assessment will also serve as an important reference for the Group's ESG strategy formulation and ESG information disclosure.



ESG Development Strategy

The Group clearly regards the ESG strategy an integral part of its Five-Year Development Strategy, navigates its sustainable development from the strategic level and speeds up the establishment of a green, low-carbon and circular operation system for sustainable development.

ESG Strategy

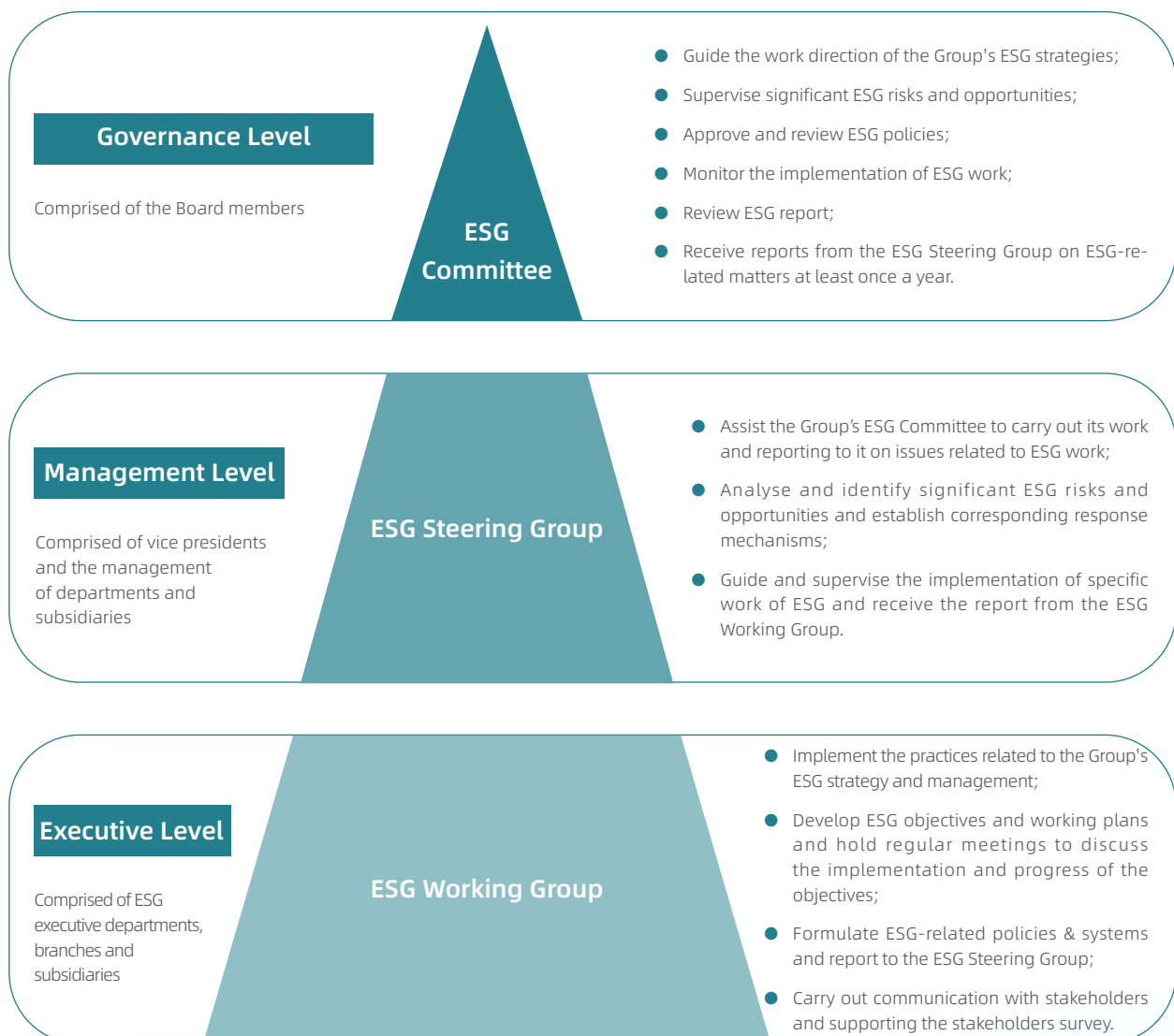
We actively promote sustainable development of the Group's business and society, and constantly improve ESG performance. Guided by the Group's ESG strategy and United Nations Sustainable Development Goals (SDGs), we formulate the Group's ESG strategy by combining stakeholders' concerns and our own business. To ensure that the ESG strategy continuously aligns with the Group's business operations and strategic development, we iteratively update the ESG strategy and develop a Concord New Energy ESG strategy encompassing Environment, Talent, Operation, Community, and Governance.



ESG Governance Structure

Concord New Energy is constantly promoting the deep integration of ESG development strategy with corporate operation. A comprehensive ESG governance structure provides effective support for better defining the direction of ESG management, implementing ESG strategy, and deploying ESG work. The Board supervises the various ESG issues to ensure the effectiveness of ESG management process and guarantee that we invest enough resources to support the development and improvement of ESG performance.

The Group has linked the remuneration of executive directors and senior management to sustainability (ESG) performance indicators. We consider safety management indicators (including but not limited to safety incidents, safety risk control, construction safety, and production safety), risk management, anti-fraud management, legal compliance operation, renewable energy project development, technological innovation, ESG rating management and system construction as crucial reference indicators affecting the performance assessment of executive directors and senior management. ESG indicators highly relevant to these individuals carry a weight of up to 10% in their performance evaluations. In addition, we have set up safety and environmental protection special awards in production safety, safety project construction, and environmental protection, aiming to incentivise outstanding contributions from senior management and employees.



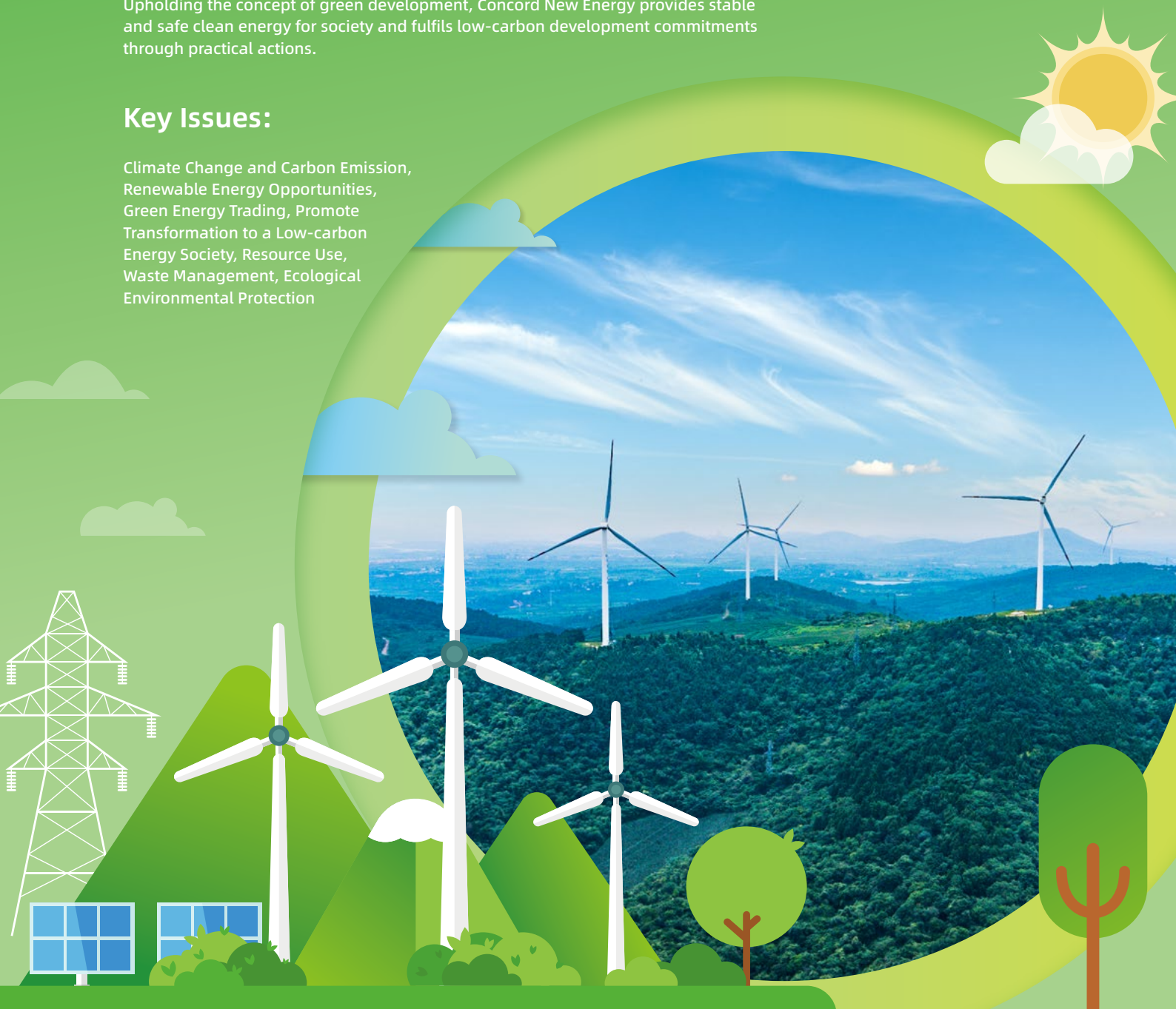


Low-carbon Commitment Through Green Development 02

As global warming intensifies, low-carbon transition has become an inevitable path for human beings to tackle climate change and achieve sustainable development. Upholding the concept of green development, Concord New Energy provides stable and safe clean energy for society and fulfils low-carbon development commitments through practical actions.

Key Issues:

Climate Change and Carbon Emission,
Renewable Energy Opportunities,
Green Energy Trading, Promote
Transformation to a Low-carbon
Energy Society, Resource Use,
Waste Management, Ecological
Environmental Protection



Responding to Climate Change

Concord New Energy actively responds to global warming and strives to improve the climate resilience of the enterprise's operations as well as its upstream and downstream value chains. We vigorously develop our clean energy business to reduce greenhouse gas (GHG) emissions for society.

Adhere to the recommendations of TCFD, we have formulated [Climate Change Policy](#), identified the risks and opportunities of climate change, and disclosed our progress and other climate-related information to key stakeholders around the four core areas: Governance, Strategy, Risk management, and Metrics and targets.

Governance

Concord New Energy has equally integrated climate change issues into the ESG governance structure and overall strategy development process with other major ESG issues.

To promote the continuous improvement of the Group's sustainability performance and to ensure that climate change related issues are effectively managed, we have linked the remuneration of our Executive Directors and Senior Management to climate-related performance indicators. These indicators include risk management (climate-related risks and opportunities), renewable energy project development, and technological innovation, etc. In this year, we conducted climate change training for the Board members with 100% coverage.

Governance Level

The Group has established an ESG Committee at the Board level to oversee climate change related matters, with responsibilities that include:

- Guide the Group's climate-related vision, targets, strategy, transformation plans and direction;
- Oversee the assessment of climate change related risks and opportunities;
- Regularly monitor and review the implementation of climate change matters and target process;
- Receive reports from the ESG Steering Group on climate change matters at least annually.

Management Level

The ESG Steering Group consists of the Group's vice presidents and the management of departments and subsidiaries, with responsibilities that include:

- Assist the ESG Committee to carry out its work and report on climate change related matters;
- Guide and supervise the implementation of climate change strategies and targets;
- Organise the identification of climate change risks and opportunities, conduct quantitative climate risk assessment and establish response mechanisms, and report to the ESG Committee on a regular basis;
- Receive regular reports from the ESG Working Group on climate change related matters.

Strategy

As a corporate social responsibility practitioner, Concord New Energy firmly believes that the Group has the responsibility and ability to contribute to mitigating the impacts of climate change and assisting in "dual carbon" governance.

We fully consider the risks and opportunities of climate change and have integrated our response strategy into the Group's development strategy. We continue to promote the construction and operation of wind, solar and energy storage stations, and actively participate in green certificate trading to promote green energy market transactions; enhance the efficiency of power generation and ensure the stability of clean energy supply through planned climate change response measures and the promotion of the application of intelligent operation and maintenance modes; and standardise our

green operation and management to practise environmental protection concepts and fulfil our low-carbon commitments.

In 2023, we carried out the identification, analysis, and assessment of climate-related risks and opportunities and conducted analysis of physical risks and transition risks through climate scenario analysis. We assessed the impact of different GHG emissions on the Group's operations or supply chain and incorporated the assessment results into the strategic resilience considerations, to better sort the risks and prioritise management efforts, provide information for risk response decisions, optimise the allocation of resources, help business development adapting to future climate change, so as to safeguard the Group's sustainable development.



Scope and Methodology of Scenario Analysis

1 Scope

Covers the Group's main business, including wind power and PV power plants, manufacturing bases and office operation sites, etc;

2 Timeframe

The analysis spans short-term (0-1 year), medium-term (1-10 years), and long-term (10-40 years) periods based on the Group's business development priorities, strategic development goals, and the changing cycle of the renewable energy business sector;

3 Climate scenarios and assumptions

Physical risks refer to the impact of changes in weather and climate conditions themselves on the business development of an enterprise, including both acute risks (including floods, typhoons, cold snaps, landslides, etc.) and chronic risks (including temperature rise, sea level rise, wind speed trends, etc.). We used two Representative Concentration Pathways (RCPs) from the Intergovernmental Panel on Climate Change (IPCC), namely RCP4.5 (Low Emissions Scenario) and RCP8.5 (High Emissions Scenario) to analyse potential physical risks. Transition risks refer to the risks associated with a series of policy, legal, technological and market changes in the transition to a low-carbon economy in order to mitigate and adapt to climate change. We use the International Energy Agency's IEA NZE 2050 (Net Zero Emission by 2050 Scenario) and IEA APS (Announced Pledges Scenario) to analyse potential transition risks and opportunities.

Physical Risks	<p>RCP4.5 (Low Emissions Scenario, global average temperature rise of 1.1°C -2.6°C by 2100)</p> <p>This scenario simulates changes in GHG emissions that rise slightly in the early years, and peak and begin to decrease around 2040. Generally, the scenario is consistent with the GHG emissions pathway resulting from the implementation of the 2015 Nationally Determined Contributions (NDCs) (by 2030), under which CO₂ emissions will peak rapidly and are expected to be reduced by 50% globally by 2080.</p>
	<p>RCP8.5 (High Emissions Scenario, global average temperature rise of 2.6-4.8°C by 2100)</p> <p>This scenario simulates a future GHG emissions trend without any policy constraints. With no mandatory emission reduction targets, requirements, or measures incorporated into the pathway projections, GHG emissions in this scenario will continue to rise.</p>
Transition Risks	<p>IEA NZE 2050 (Net Zero Emission by 2050 Scenario)</p> <p>This scenario assumes that the global energy sector will achieve net-zero carbon dioxide emissions by 2050, with advanced economies reaching net-zero emissions in advance of others. Besides, the emission reduction pathways depicted in this scenario assume that the reduction rate of CO₂ emissions associated with the non-energy sector will follow the same trend as that of the energy sector.</p>
	<p>IEA APS (Announced Pledges Scenario)</p> <p>This scenario assumes that all climate commitments made by governments worldwide (includes Nationally Determined Contributions (NDCs) and longer-term net-zero targets at national level) will be met in full and on time. Under this scenario, China is expected to achieve its 2060 carbon neutrality target as planned.</p>

4 Methodology

By taking into account our current operational situation, we use professional models to assess the impact of acute and chronic risks with different materiality under different scenarios and timeframes. Based on this assessment, we identify types of physical risks that have a material impact. Considering the geographical location of operational sites, industry information, and asset types, we employ climate-related financial models to assess and quantify the potential financial loss of the entity's assets due to specific climate risks under different timeframes and carbon emission intensity. For transition risks, we assess the changes in Climate-Value at Risk (Climate VaR) in the short-, medium-, and long-term to inform decision-making on resource allocation for regulatory compliance, cleantech investment and R&D, etc.

Based on our operating location and industry information, we have analysed the potential impact, impact segments and cycles, and potential financial impact of various types of physical risks that have the potential to have a material impact. The major physical risks identified are shown in the table below.

Risks	Description of Risks and Potential Impact	Responses
Acute Risks- Typhoon S	<ul style="list-style-type: none"> Typhoons may cause damage or malfunctions to power generating units, resulting in reduced power generation or interruption of production; Typhoons result in changes in wind speed, risk, and wind load, causing increased vibration and stress on equipment, affecting the stability and reliability of power generation; Typhoons bring heavy rain and cloudy weather, reducing the efficiency of PV panels and leading to a decline in power generation; Typhoons may lead to faults in the transmission and distribution systems, breaking or collapsing transmission lines, and damaging transformers, thereby causing power interruptions in power supply and affecting the stability of transmission and distribution networks. 	<ul style="list-style-type: none"> Consider the potential impacts of typhoons and other extreme weather during the entire life cycle of the power plant, including site selection, design, equipment selection, construction, and operation; Pay close attention to the warning and monitoring results of typhoons and other acute disasters, and keep abreast of the impact path of disasters in advance; Build emergency plans and conduct emergency drills for flood prevention and control, etc., equip rescue equipment such as flood control sandbags, and take professional measures such as deploying drainage systems and flood barriers; Strengthen equipment inspections and checks, regularly maintain and service equipment, reinforce equipment and facilities with potential hazards, and reduce the risk of accidents; Purchase insurance for relevant assets to compensate for the potential impacts of natural disasters.
Acute Risks- Landslides S	<ul style="list-style-type: none"> Landslides may lead to shift or destroy foundations and destabilise soils, which may in turn lead to tilting and deflection of power plant foundations or movement, deformation or even damage to equipment and plant, resulting in instability in power generation; Landslides may pose safety risks, threatening the safety of on-site personnel where the landslide hazard occurs. 	<ul style="list-style-type: none"> Carry out geological investigation and engineering geological evaluation and select geologically stable areas as construction sites during the power plant site selection process; Optimise the paths of lines and roads to reduce the disturbance of soil and increase the stability of foundations with comprehensive reinforcement measures during power plant design; Step up enforcement of water conservation and implement project supervision requirements throughout the entire process in terms of water conservation project construction management.
Acute Risks- Code Waves L	<ul style="list-style-type: none"> Extreme weather conditions such as cold waves and frost may cause icing on wind turbine blades, resulting in the failure or restriction of turbine operation; Cold waves affect the stability of the transmission system and may produce cable ice cover on overhead lines, which in severe cases may lead to power accidents such as tower collapses. 	<ul style="list-style-type: none"> Implement blade modifications, using heating methods to timely de-ice the blades and ensure the stability of power generation; Reduce the impact of snow and ice weather by optimising overhead lines and setting up falling ice protection and other initiatives.
Chronic Risks- Wind Speed Trend L	<ul style="list-style-type: none"> Weakening of surface wind speeds, changes in wind direction, etc. may affect the rotational speed and output power of wind turbines, affecting the efficiency and electricity generation of wind turbines, which in turn may have an impact on revenues. 	<ul style="list-style-type: none"> Diversify layout to decentralise and rationally distribute wind power generation capacity to different regions, increasing the overall reliability and stability; Use the online operational digital management platform to conduct real-time monitoring and analysis of wind speed and other operational variables, prejudice risk points, and deploy maintenance and other work in advance; Conduct monthly diagnosis through the "warning diagnosis module", conduct on-site inspections based on the results and perform testing and reinforcement on key equipment.

Notes: S Short-term M Medium-term L Long-term Impact segment: Upstream Direct operation Downstream

Depending on where it operates, Concord New Energy analyses the short-, medium-, and long-term operational impacts of material physical risks, including extreme precipitation, sea level rise, wind trends, and river flooding. Based on the currently available data and information, we have conducted a financial impact assessment of the risks, of which extreme precipitation risk is likely to result in higher financial losses in the short-, medium- and long-term under the low emission scenario than under the high emission scenario. The risk of sea level rise does not have a significant financial impact on the Group.

Concord New Energy has analysed each of the four types of risks, including policy and legal risks, technological risks, market risks and reputational risks, and identified the major transition risks as shown in the table below.

Risks	Description of Risks and Potential Impact	Responses
Policies and laws L	<ul style="list-style-type: none"> The accelerated progress of reforms in the power industry and policies related to carbon neutrality may impact the planning and development of our projects; Regulatory risks related to climate change and ESG are becoming increasingly stringent, and failure to comply with relevant policies and laws may increase the risk of compliance costs for the Group, increasing costs and damaging to the reputation. 	<ul style="list-style-type: none"> Conduct real-time monitoring of emerging policies, laws and regulations in the operation locations and timely adjust to the project distribution; proactively develop renewable energy projects to ensure an efficient and stable supply of renewable energy; Actively respond to climate-related information disclosure requirements, improve information transparency, and promptly track risks arising from the adjustment of existing laws and regulations.
Technologies S M L	<ul style="list-style-type: none"> The continuous acceleration of the renewal of energy production equipment and the development of new technologies will have an impact on the entire energy industry. Failure to adapt quickly to this change may result in a loss of competitive advantage in the market. 	<ul style="list-style-type: none"> Strengthen scientific research and improve design standards for distributed power generation and energy storage technologies to ensure stable output from the sites; For details, please refer to the section: Innovative Technology Development and Application.
Markets S M L	<ul style="list-style-type: none"> Driven by the renewable energy market, the number of PV power generation projects is growing rapidly, and the requirements for PV technology are increasing; Due to the imbalance in the development levels of renewable energy electricity in various regions and the electricity load is low in some areas, the phenomenon of wind and PV power curtailment may not be eliminated in the short term. 	<ul style="list-style-type: none"> Pay close attention to the price trend of equipment such as wind turbines and components during the planning and construction of power plants to control the cost of construction projects; Continue to track and evaluate wind and solar resources, and prioritise the location of wind and solar energy resources with the best economic benefits for project development and construction; Continue to optimise assets, adjust project distribution, and increase development efforts in areas with unlimited electricity potential.
Reputation S M L	<ul style="list-style-type: none"> The public is increasingly concerned about environmental protection issues. Negative public opinion may arise if local ecosystems and biodiversity conservation are ignored during the project site selection and construction phases. 	<ul style="list-style-type: none"> Strictly comply with biodiversity-related regulations, implement environmental protection measures and increase the application of environmental protection technologies to minimise the impact of the project on the surrounding ecological environment.

Notes: S Short-term M Medium-term L Long-term Impact segment: Upstream Direct operation Downstream

With the response to climate change becoming an industry consensus, the low-carbon transition and green development trend will also bring opportunities for corporate development. Concord New Energy will seize these opportunities by continuing to focus on the large-scale utilisation of renewable energy, energy storage and other technology development, and persisting in the development of clean and low-carbon energy and services. By integrating our response strategies into our overall business planning, we will be able to better minimise the risks of climate change and seize the opportunities.

Opportunities	Description of Opportunities and Potential Impact	Responses
Resource Efficiency S M L	<ul style="list-style-type: none"> Enterprise presents new opportunities for growth through resource efficiency and energy efficiency, as well as efficient use of public utility resources (including water and energy). 	<ul style="list-style-type: none"> Regulate the use of energy, water, and waste by all employees. In our daily practice, we have implemented a number of environmental protection measures, such as using energy-efficient equipment and promoting the use of new energy official vehicles, in order to improve the efficiency of resource utilisation; For details, please refer to the section "Implementing Green Operations".
Energy Sources S M L	<ul style="list-style-type: none"> In view of the national "dual carbon" strategy, there is increasing demand for offsetting carbon emissions, with the demand for green electricity and green certificates increased accordingly within corresponding markets. 	<ul style="list-style-type: none"> Actively develop the green certificate business, support the development of renewable energy in the era of grid parity and contribute to increasing the willingness of social capital to invest in renewable energy. By the end of the reporting period, the Group's green certificate sales revenue has exceeded RMB45 million; Participated green power trading in 7 provinces and settled the volume. The actual cumulative settled green power trading volume is 639 million kWh, an year-on-year increase of 116.6%. With the gradual commissioning of grid parity projects in various provinces, the Group's scale of green electricity and green certificate trading will continue to increase in the future.
Markets S M L	<ul style="list-style-type: none"> Major countries and regions are stepping up their voluntary contributions to coping with climate change, thus stimulating the largescale leapfrog development of renewable energy, promoting renewable energy to become the leading direction of global energy low-carbon transition. The <i>Renewable Energy Development Plan for the 14th Five-Year Plan Period</i> predicts that by 2050, about 80% of global electricity consumption will come from renewable energy sources, and the market capacity will continue to expand; Renewable energy is set to become the dominant energy source, requiring a significant increase in the flexibility of the power system, including the large-scale adoption of power storage system, virtual power plant and other technologies to ensure a flexible and reliable power supply; Improving the reliability and standardisation of products through fully automated production is the future trend to promote the industry to provide new energy storage systems with high safety; Develop products and services that adapt to the new needs of climate change, and encourage enterprises to constantly expand new business and explore new areas. 	<ul style="list-style-type: none"> Committed to diversifying its renewable energy power plant projects, accelerating the construction of power infrastructure, and realising an increase in clean power capacity, and the International Business Division is also actively exploring overseas renewable energy power projects. Continue to expand the construction scale of clean energy power plants. In 2023, the total construction scale reached 2,299MW, representing a year-on-year increase of 16%. Additionally, the new attributable installed capacity achieved 512MW, including 380MW for wind powder and 132MW for PV power; The Group's subsidiary, Edge Power, focuses on the research and development and manufacturing of long-life, high-security new power storage system products. In 2023, the first production base was built and achieved the designed annual capacity of the 5GWh fully automatic line. By the end of the reporting period, three independent energy storage power station systems, three wind distribution storage systems and one industrial business energy storage system were successfully delivered, totalling 697MWh; From renewable energy to finance, the Group's subsidiary Green Energy Leasing focuses on financial leasing in the renewable energy industry, with stable development in the fields of distributed PV, decentralised wind power, and user-side energy storage, and is actively researching on charging piles, biomass waste power generation and other innovative businesses in 2023. During the year, more than 50 projects were placed with a total placement amount of about RMB400 million, and new installed capacity of more than 120MW, of which more than 20MWh have been realised in the brand-new field of user-side energy storage, with the overall placement amount increasing by 81% year-on-year.
Product and Services S M L	<ul style="list-style-type: none"> Continuous technological advancement in PV, energy storage, operation and maintenance of renewable energy projects has helped to improve the efficiency and quality of renewable energy development, reduce the cost of energy, and enhance the Group's competitiveness. 	<ul style="list-style-type: none"> Focused on the efficiency promotion and technology transformation for super doubly-fed, additional installation of winglet on blades, dual-mode transformation, PV panel coating, and blade leading-edge protection to promote electricity generation efficiency in wind power and PV; Formed the core technology for the production and integration of electrochemical energy storage direct current(DC) cabinet through independent research and development, of which the liquid-cooled energy storage module products and liquid-cooled energy storage DC cabinet products have been put into application. Launched PV storage for renewable generation projects and DC cabinet products for wind power storage systems, and a complete set of energy storage system solutions for independent energy storage power stations, as well as comprehensive technical service capabilities for energy storage system design, original equipment manufacturer (OEM), post-operation and maintenance.
Resilience M L	<ul style="list-style-type: none"> Enterprise actively constructs office buildings that comply with leading green building standards both domestically and internationally, in order to continually manage the energy efficiency and other green performance of their operating premises, thereby increasing climate resilience; Enterprise continually strengthens its capacity to respond to climate change risks and seeks new opportunities. This proactive approach aims to enhance operational capabilities under different conditions, empower the reliability of the supply chain, and increase the resilience of the enterprise, suppliers, customers, and other stakeholders in dealing with climate change. 	<ul style="list-style-type: none"> The Group's Beijing headquarter building has obtained LEED Gold Certification, and adjusted a number of energy-consuming equipment to reduce resource usage and carbon emissions during operation by transforming the existing building into a green building; Actively collaborate and communicate with supply chain partners on climate change response. Through relevant actions in the procurement field, it continuously conveys the concept of coordinated sustainable development to all suppliers.

Risk Management

We have incorporated climate change risk management into our overall risk management system. Through the process of "risk identification - risk assessment - risk response - monitoring and improvement", we have determined our risk control and response programs, which is reviewed by the ESG Committee at least once a year.

Climate risk identification



Climate risk assessment



Climate risk response



Climate risk monitoring and risk improvement

Each year, we identify and collect information on transition risks and physical risks that may affect the Group's business objectives or become increasingly serious, and understand the potential consequences, sources and causes of risks through measures such as aggregation and filtering, risk inventory, benchmarking analysis, and value creation analysis, etc., so as to output and update the Group's climate risks and opportunities list on a regular basis.

We perform risk analysis and risk evaluation on the initial information and risk list collected. The results are then summarised, collated and comprehensively balanced to generate a risk rating matrix. The Group conducts a systematic scenario analysis of climate change physical risks and transition risks, identifying those with substantial impacts on the Group's business, and sorts the risks to determine the priority of management work.

We conduct in-depth analysis of the material climate risks identified in the assessment, including the impact of the entire value chain of direct operations, supply chain and clients. We summarise, collate, and analyse information on climate risk events or loss events and continuously monitor them, as well as regularly assess the impact level of the risks annually to provide early warning for subsequent climate risk management. Based on the results of risk identification, assessment and early warning, the Group formulates and adopts targeted control measures (including risk assumption, risk avoidance and risk reduction, etc.) for climate risks to minimise potential losses.

The ESG Committee and the ESG Steering Group regularly monitor the effectiveness of climate risk response measures. The Group revises its management measures in a timely manner for risks whose impacts have not been reduced to an acceptable level. In this process, management assesses, and reviews implemented measures, identifies and addresses potential problems, and makes necessary adjustments and improvements to ensure that potential risks can be effectively reduced.

Metrics and Targets

Concord New Energy actively responds to the challenges of climate change and continuously strengthens its environmental management system. We have actively carried out the supply chain GHG accounting project, started to set short- and medium-term carbon emission reduction targets, designed and planned emission reduction roadmaps, and implemented a climate change scenario analysis project and gradually transitioned to quantitative analysis.

At this stage, we have set targets for mitigating climate change risks in terms of both business operations and daily operations, and are actively reviewing the progress of our targets:

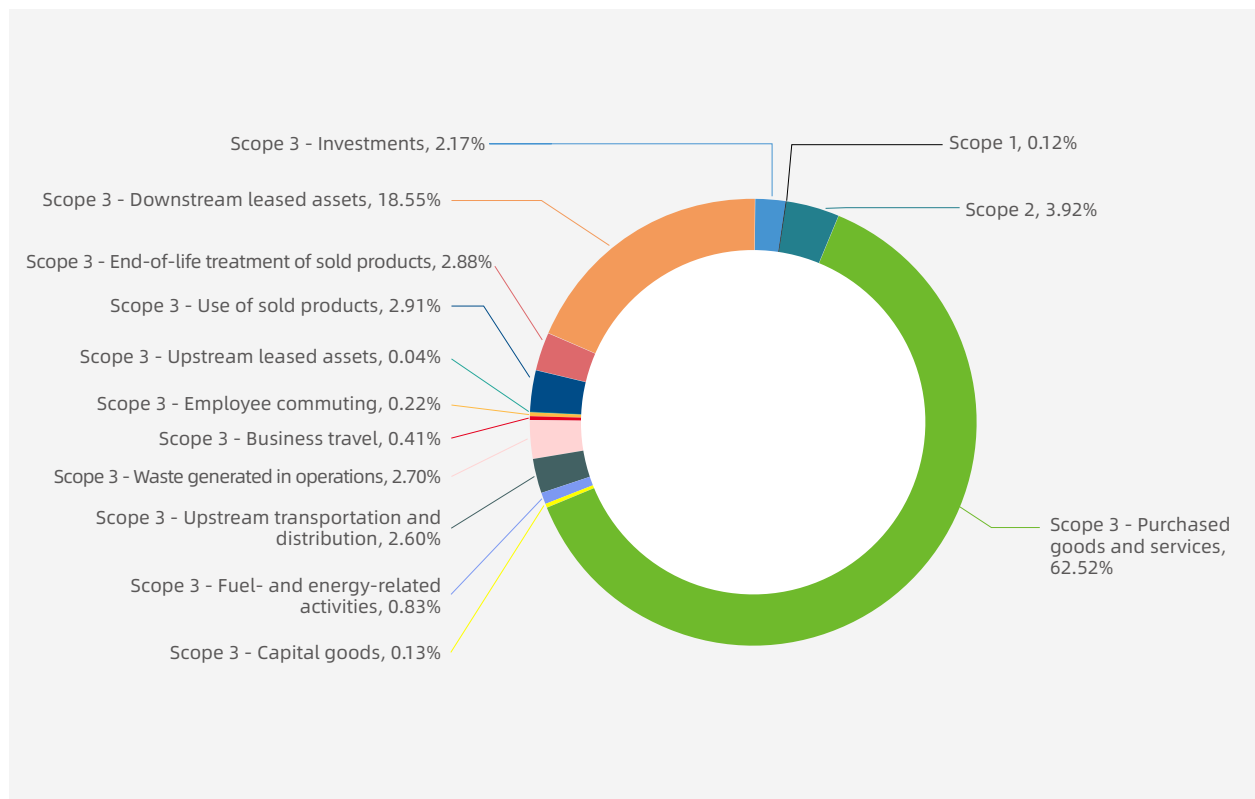
Target	Target Timeframe	2023 Progress
Business Level		
The cumulative GHG emission reduction of 65,000 kilotons will be achieved through the provision of green electricity to society.	By 2024	By 2023, the corresponding cumulative GHG emissions has reduced 55,460 kilotons through the provision of green electricity to society, which has reached the expected stage.
Operational Level		
The annual electricity consumption of the Beijing headquarter office building will be reduced by 20,000 kWh, GHG emission will be reduced by 14.2 tons compared with 2019.	By 2025	In this year, the electricity consumption of the Beijing headquarter office building was 464,700 kWh, a reduction of 11,900 kWh from 2019, and a reduction of 8.5 tons of GHG emissions, which has reached the expected stage.



Concord New Energy conducts an annual inventory and accounting for Scope 1 and Scope 2 emissions, and for the first time in 2023, we have conducted a full-scope Scope 3 carbon inventory and measurement, laying the foundation for a comprehensive accounting of value chain emissions to monitor and manage GHG emissions. We identified Category 1 purchased goods and services, Category 2 capital goods, Category 3 fuel- and energy-related activities, Category 4 upstream transportation and distribution, Category 5 waste generated in operations, Category 6 business travel, Category 7 employee commuting, Category 8 upstream leased assets, Category 11 use of sold products, Category 12 end-of-life treatment of sold products, Category 13 downstream leases assets and Category 15 investments are Scope 3 emission categories associated with the Group, with production-related purchased goods and services and downstream leased assets accounting for the highest proportion.

In this year, the Group's GHG emissions are listed as follows:

GHG Emissions	Unit	2023
Direct Emissions (Scope 1)	tons of CO ₂ equivalent	277.43
Indirect Emissions (Scope 2)	tons of CO ₂ equivalent	9,392.27
Other Indirect Emissions (Scope 3)	tons of CO ₂ equivalent	230,088.99



Implementing Green Operation

Concord New Energy pays great attention to the impact of our operation on the environment. We advocate green operation at the Group level by reducing the use of energy and water, improving management of waste and emissions, and protecting natural resources.

In this year, the progress of our targets on resource use and waste management is listed as follows:

Target	Target Timeframe	2023 Progress
Resource Use		
Taking 2019 as the base year, the annual electricity consumption of the Beijing headquarter office building will be reduced by 20,000 kWh.	By 2025	In 2023, the electricity consumption of the Beijing headquarter office building was 464,700 kWh, a reduction of 11,900 kWh from 2019, which has reached the expected stage.
Water-saving faucets are used 100% in the Beijing headquarter office.	Annually	Done.
Waste Management		
The Beijing headquarter office building will implement 100% garbage classification.	Annually	Done.
The annual rate of harmless waste treatment will remain at 100%.	Annually	Done.

The Group recognise that a sound environment management system will help us carry out green operation related measures more effectively. We continue the environmental system certification for the Group to enhance the management level of energy and emissions, reduce adverse impact on the environment, and meanwhile establish a good social image for the Group. CP&D and Edge Power, the Group's subsidiaries, have obtained the ISO 14001 certificate.



Use of Resources

While complying with relevant national laws and regulations, Concord New Energy have also formulated and issued the [Energy Efficiency Policy](#) to promote green operation at the Group level. We integrate the concept of resource conservation into daily management of the workplace and all power plants to increase resource efficiency. We raise employees' environmental awareness by distributing environmental protection publicity materials and carrying out public welfare activities.

The Beijing headquarter office building has obtained the LEED Gold Certification. It features multiple energy-saving and environmental protection designs that have effectively improved the Group's resource efficiency.

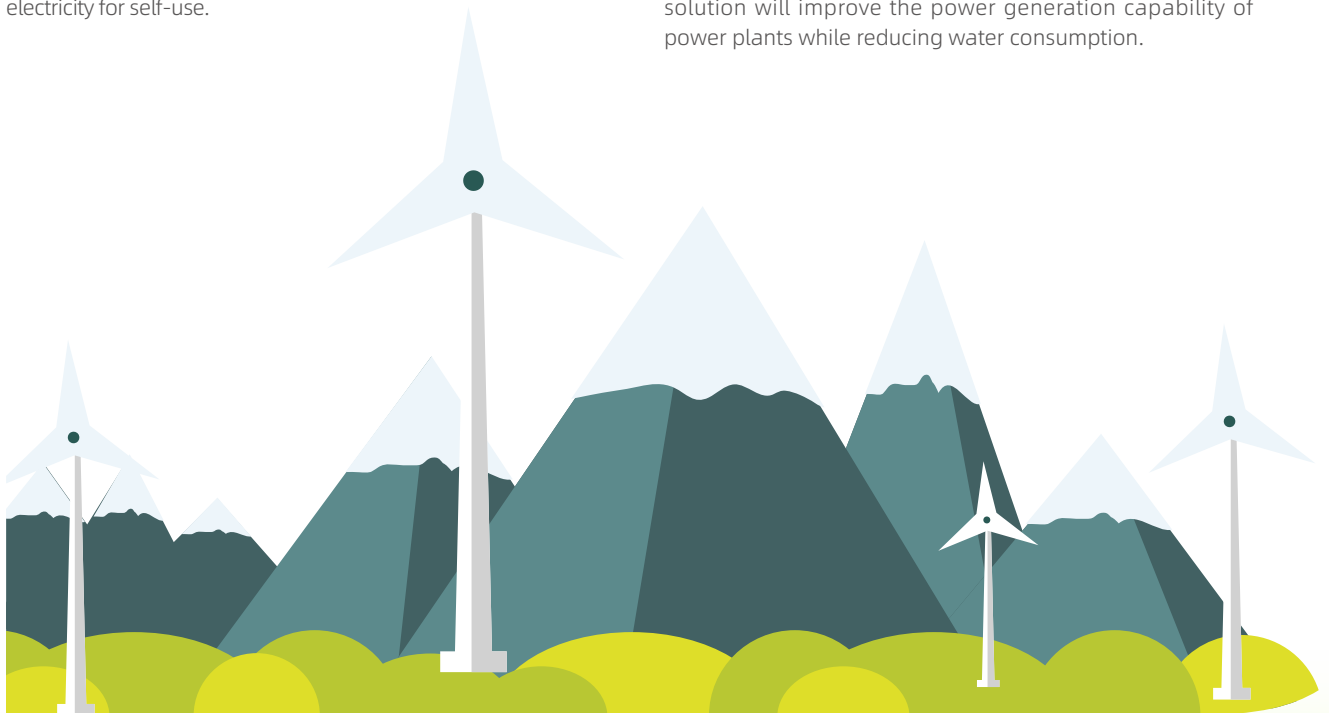
- Applied highly efficient and energy-saving electric and heating, ventilation equipment units, LED energy-saving lights and water-saving taps to improve the building's overall energy performance;
- Adopted intelligent control equipment to adjust electricity and temperature modes according to actual demand to achieve intelligent perception.

The Group encourages the use of new energy electric vehicles to replace traditional energy vehicles to reduce gas consumption of official vehicles. In this year, the amended *Concord New Energy Vehicle Management Measures* required that priority should be given to new energy vehicles in purchase of vehicles with the same specifications and class. By the end of the reporting period, pure electric vehicles accounted for 21% of the official vehicles of the headquarter.

The Group practises green operation in project management. When wind and PV power plants operate normally, the plants preferentially use self-generated clean energy electricity to reduce the use of non-renewable energy. In this year, the Group's power plants generated 177 million kWh of green electricity for self-use.


In addition, all power plants adopt resource conservation measures based on their operation characteristics to effectively reduce the consumption of energy and water. The Group adopts measures such as adjusting the voltage gear of main transformers to reduce electricity consumption within the plants. Furthermore, we reduce the consumption of non-renewable electricity by installing PV panels on the roof at booster station.

We are also keen on exploring water and electricity conservation solutions within the power plants in operation. For example, the Qinghai Dachaidan PV project is exploring the application of cleaning robots to realised water-free cleaning of components. The large-scale application of this solution will improve the power generation capability of power plants while reducing water consumption.




Emissions Management

Major emissions arising from the Group's operation include waste from the workplace and power plants and sewage from construction and operation. We have identified the *Measures for the Transfer of Hazardous Wastes* and other laws and regulations and carry out emissions monitoring and management to ensure compliance with national discharge standards of pollutants and wastes. We also pay attention to the impact of emissions on residents in the surrounding area. A land acquisition coordination team is established for each project to inform the nearby residents of the project plan and other information. In this way, we protect the right to know of the residents and minimise the adverse impact of the Group's operation on the surrounding environment.



Waste Management

- In all workplaces and power plant bases, we strictly carry out compliance collection, classification, storage and transfer of different categories of waste so as to prevent environment pollution. We record, manage, and track hazardous wastes in a unified way by optimising the management process, specifying policies and responsibilities, and building hazardous waste storage. We also raise employees' safety awareness through posting safety signs and other measures.
- We set targets for waste management in the workplace area, and implement garbage classification and recycling of wooden packaging boxes in multiple workplaces. In addition, we advocate the paperless office, avoid using disposable cups, and promote scientific and reasonable recycling methods for waste paper, desks, chairs and other office supplies.
- In this year, we achieved the target of 100% harmless waste treatment in the office area. All batteries purchased were environmentally friendly alkaline and lead-free mercury batteries. We also carried out harmless recycling of printer toner cartridge.



Sewage Discharge

- We formulate consistent regulations for sewage treatment measures requiring construction wastewater to be collected in a consistent manner and resolutely not allowed to be discharged. After special treatment, the wastewater can be used for dust spraying at the construction site and vehicle and machinery cleaning. Meanwhile, we install sewage treatment devices inside the plant. After treatment, domestic sewage can be used for green plant irrigation and road cleaning to realise the recycling of water.

Noise Management

The Group observes the *Law on Prevention and Control of Pollution From Environmental Noise* and other relevant laws and regulations, and we have established responsibility system for noise pollution prevention and control. The noise pollution prevention and control facilities for construction projects are designed, constructed and put into operation simultaneously with the main projects. We also communicate with residents around the project site on their opinions to protect their rights and interests.

We formulate customised noise reducing measures for all areas affected and optimise or update the design plan. During construction, we apply the new type of piling construction machinery for wind turbine to greatly reduce the construction noise. Currently, all our wind power projects are designed with more stringent noise control requirements than national and industrial standards. For projects with noise or shadow-sensitive issues, we conduct noise and shadow assessment. For equipment locations with noise issue, we take measures to control the noise within the standards which do not disturb the ambient environment. These measures include adjusting the equipment location, installing sawtooth trailing edge on wind turbine blades and customising and optimising control strategies.

Green Concept Promotion

The Group makes efforts to enable our employees, suppliers and the public to recognise the importance of green and environmental protection. By promoting the sustainability concept, we call on them to take part in relevant green practices. We established an ESG knowledge dissemination channel for employees, conducting ESG-series theme activities to embody green environmental principles and cultivate a corporate green culture.

ESG Green Reports Science Column

We have released a special edition on carbon emissions and biodiversity protection on the corporate promotion platform, "ESG Green Reports", to educate the public and employees on basic concepts. They also can understand the impact of the Group's operation on the environment and recognise the significant impact of their own green practices on the environment. This year, a total of 12 articles have been published in this column.



ESG-themed Activities

This year, the Group has conducted a total of four ESG-themed events, with approximately 440 employee participations.

- The environmentally friendly bag DIY activity held on the "World Earth Day" aims to promote employees to implement environmental behaviour and enhance environmental protection awareness. The event received more than 100 creative reusable bag works.
- On "World Environmental Day", a waste plastic recycling event was conducted, along with a plastic reduction initiative extended to all employees. This was to encourage them to explore sustainable reuse methods for waste plastic products in their daily lives, promoting the concept of a green and circular lifestyle.
- In October, we organised the ESG event at the National Botanic Garden. The aim was to cultivate teamwork and raise awareness among employees about biodiversity conservation.
- We initiate the coffee grounds recycling activity, transforming discarded coffee grounds into soap. This conveys the concept of "limited resources, infinite circulation" to employees.



We continue to pass on our sustainable development concept to all suppliers through relevant procurement actions. We regularly communicate with suppliers to gain constant insights into their sustainability related plans and actions. Meanwhile, we guide and encourage suppliers to improve their sustainability performance through online training. In this year, the supplier training coverage rate reached 100%, effectively disseminating climate related information and skills to suppliers.

Harmony with Nature and Ecology

Concord New Energy attaches great importance to ecological and environmental protection and continuously enhance our ability to protect nature and ecology. During all phases of project development, construction and operation, we take effective measures to protect biodiversity and ensure soil and water conservation. We contrive development from a higher standpoint of harmonious coexistence between man and nature.

The Group has developed and released the [Ecological and Environmental Protection Policy](#) to specify its commitments to biodiversity protection, soil and water conservation and other aspects. The ESG Committee supervises the Group's matters related to ecological and environment protection, tracks and monitors policy implementation.

Biodiversity

The Group is committed to protecting biodiversity. We formulate protection plans and take multiple measures to fulfil our responsibilities for biodiversity. The measures include abiding by regulations in the project location, conducting biodiversity impact assessment, and protecting and maintaining the habitat conditions for local species. We work with our employees, suppliers and business partners in practising the concept of sustainable development including biodiversity protection, and communicate with stakeholders on relevant subjects. We encourage supplier partners to comply with regulations of biodiversity protection to avoid the impact of business operation on important biological habitats and the ecological environment.

For details, please refer to the Group's [Ecological and Environmental Protection Policy](#).

Project Initiation

- We try to keep out of key biological habitats, including all kinds of nature reserves, bird migration pathway and ecological conservation redline, and assess bird migration. By the end of the reporting period, all construction projects of the Group do not involve bird migration related issues.
- We also keep projects away from water source protection areas, reservoirs, rivers and lakes to reduce the impact of the project on the surrounding water environment.

Guangxi Rong'an Wind Power Project: Water Source Ecology and Water Safety Protection

Guangxi Rong'an Project Phase III is a mountain wind power project constructed in complex terrain. During site survey and design in the early stage, we discovered that the designed transport route for some wind turbines involved water sources of local villagers. To protect the ecological environment of water sources, we adjusted the route path during design process to ensure the safety of water supply for residents while minimising the impact of project construction on the natural ecological environment.

Project Construction

- To mitigate impact on wildlife, we avoid constructing in bird migration period and minimise construction noise and light at night.

Project Completion

- Imitating the combination of trees and shrubs in natural forests, we adopt the vegetation recovery measure of combining grass with shrubs. In addition, we also enrich planted species and ensure the stable growth of recovered vegetation, providing strong support for recovery of biodiversity.
- Currently, this measure has been implemented in a number of projects in Donglan, Mengzhuling, Shangcheng and other places.



Mengzhuling: Vegetation Recovery in the Spoil Area

Water and Soil Conservation

Concord New Energy establishes a sound system of soil and water conservation system and management procedures, strengthens the construction of regulatory mechanisms, and reinforces the implementation of corporate responsibility. We continue to increase investment in soil and water conservation for existing projects and new projects in construction.

Management	Supervision	Acceptance Inspection
<p>In the whole process of projects planning and design, bidding and procurement, on-site construction, acceptance inspection and record-filing, we adhere to the principle of "Three Simultaneous" and ensure the water conservation measures are designed, constructed and put into operation simultaneously with the main projects.</p> <p>During construction, design is carried out simultaneously for soil and water conservation projects and the main projects. For instance, soil and water conservation projects including road drainage ditches, culvert pipes and vegetation planting projects are constructed concurrently with the main projects, which effectively reduces the area of damage to the mountain and accelerates the progress of vegetation recovery.</p> <p>After completing the main projects of the road and platform, we step up the maintenance for soil and water conservation projects to effectively mitigate soil and water loss.</p>	<p>We continuously enhance inspection and supervision during project execution. In accordance with <i>Measures for Administration of Water and Soil Conservation Programs for Production and Construction Projects (Trail)</i>, we strictly follow management procedures by examining the implementation of soil and water conservation measures and vegetation recovery measures in all projects quarterly and completing the monitoring report. We track issues by means of site inspection, vegetation monitoring, area monitoring and remote sensing monitoring, and rectify problems identified.</p> <p>Meanwhile, we further standardise the internal acceptance inspection process for water and soil conservation projects by inspecting and accepting the performance of various site measures rigorously in accordance with the contract. Through constant efforts and exploration, positive outcomes have been seen in soil and water conservation in all projects of the Group this year.</p>	<p>We conduct site inspection for the naturally recovered area in the completed main projects and prepare the acceptance inspection report based on the general monitoring report.</p> <p>We invite external experts to the meeting for acceptance inspection of water and soil conservation facilities, and then optimise the report and conservation facilities on site in accordance with the experts' opinions and site conditions. After the water and soil conservation acceptance inspection result is disclosed in the public notice, we will submit the optimised documents to the relevant administrative authority for registration.</p>

Soil Restoration Project

The Group takes multiple measures to ensure the sustainable use of soil. This year, to protect and utilise the soil resource at the plough layer more scientifically, the Heilongjiang Tonghe Wind Power Project prepared a special plan before construction to guide the proper removal of soil at the plough layer. During construction, we removed and stored the soil that might be impacted in strict compliance with the plan. After completion of construction, we restored the soil, thereby reducing damage to the soil structure and natural resources.

Forests, nurturing life and soil, are a paramount concern in environmental protection and soil and water conservation. Concord New Energy abides by the laws and regulations such as the *Forest Law* and the *Regulations on the Implementation of the Forestry Law*, and local forest management regulations of our operations. We carefully protect the forest land with important ecological function in ecologically fragile and sensitive area and prohibit any brutal construction that destroys forest land and trees to avoid exploitation of forests. The locations of our projects and operations do not involve any deforestation risks. We commit to working together with our suppliers and partners to eliminate the deforestation risk in our supply chain and make contribution to forest protection.



Steady Operation Emphasises Responsibility

03

Seek progress while maintaining stability and take the initiative. Concord New Energy continuously improves the safety management system, develops innovative technologies, adheres to win-win cooperation with the supply chain, and promotes the stable and high-quality development of the Group's business.

Key Issues:

Production Safety, Technological Innovation, Renewable Energy Opportunities, Optimise Customer Service, Information Security and Privacy Protection, Responsible Supply Chain Management



Comprehensive Safety Management

Concord New Energy adheres to the safety management principle of "safety first, prevention as a priority, and integrated management", identifies and implements *Work Safety Law*, *Administrative Regulations on the Work Safety of Construction Projects*, *Regulations on Work Safety Permit*, and other laws and regulations related to safety in production and operation, so as to ensure the safety of employees and safe and effective operation of the Group's business.

In this year, there were no major violations of safety laws and regulations, or safety liability incidents within the Group, and no work-related fatalities or working days lost due to work-related injuries.

Safety Governance

The Group implements a hierarchical control mechanism for safety management, which builds a multi-level safety management structure comprising the Safety Management Committee, the Safety and Environmental Protection Supervisory Department and project company to ensure that the safety responsibilities at all levels are implemented on a step-by-step basis, and to form a comprehensively-covered, synergistic and efficient safety management system.



The Group continuously improves the safety management system and enhance the level of safety management. This year, we formulated the *Management Measures for Safe and Civilised Construction of Engineering and Construction Projects* and other policies, and revised the *Regulations on the Administration of Production Safety* and the *Regulations for Reward and Punishment of Safety and Environmental Protection Work*, implementing more stringent safety construction standards and systems for engineering construction to ensure production safety and project quality.

We have organised the formulation of *Safety Visualisation Manual* to further unify the safety facilities of the plants and stations in the Group and to promote safety standardisation. Meanwhile, we have started the work on acquiring the production safety standardisation certificate steadily to strengthen the Group's safety standardisation. By the end of the reporting period, 3 branches (subsidiaries) had acquired certificates, with plans to extend this coverage to the entire Group within 3 to 5 years.

To enhance the professionalism of the Group's safety management system, we have assigned full-time safety management personnel to project companies with construction and production scales exceeding 200MW. The full-time personnel have obtained certificates, thus enhancing the safety management level at the project sites. By the end of the reporting period, we had assigned a total of 31 full-time and part-time safety management personnel to the projects.

For details, please refer to the Group's [Safety Policy](#).

Safety Risk Control

To strengthen risk prevention and control, and eliminate the safety hazards at their source, Concord New Energy has established a firm sense of responsibility, a sound risk management and control mechanism, and a hierarchical management system. These measures enable the Group to prevent and resolve risks more effectively, thus strictly adhering to the bottom line of production safety.

In this year, the Group has organised related risk identification activities such as flywheel installation, energy storage and power generation, and composite tower installation, and has compiled a list of safety risk identification to accurately recognise potential hazards associated with these new formats. Taking the example of the flywheel installation at a project in Shanxi Province, the Group, through risk points identification, operational steps (hazards source) identification, risk level and impact degree assessment, control measures development, enhanced safety risk identification and control efforts, thereby improving production safety management capabilities.

The Group consistently conducts multi-layered, multi-dimensional on-site safety hazard inspections with the leadership of the Safety and Environmental Protection Supervisory Department and collaboration across multiple departments. This aims to identify potential safety risks, rectify safety hazards, ensure employee safety, and achieve the Group's production safety objectives. Additionally, the Safety and Environmental Protection Supervisory Department involves external experts in on-site guidance and inspection to further elevate the level of safety inspections and hazard detections.

The Safety and Environmental Protection Supervisory Department has completed a full-coverage inspection of the projects under its jurisdiction semi-annually and formed inspection reports. The reports detailed the safety hazards, rectification measures and the expected time completion, and the department has supervised and urged the projects to implement the rectification measures as scheduled. By the end of the reporting period, the Safety and Environmental Protection Supervisory Department had issued 67 inspection reports, with 2,218 safety hazards identified and 97.23% completion rate of rectification.

The Group strictly follows the emergency work guideline of "handling emergencies with joint actions led by the Group and coordinated among departments with different responsibility levels". We have established a sound emergency response process, and have done a solid job in responding to various security emergencies. We require each project company subordinate to the Group to develop an emergency plan based on the actual situation, so as to raise the risk awareness of employees and contractors on emergency incidents and to ensure life safety. In this year, the Group provided guidance to 8 branches stations, assisting in the formulation of a total of 208 emergency plans. Additionally, the Group supervised and encouraged various units to conduct 263 emergency drills in total, further enhancing the emergency response capabilities of each unit.

By the end of the reporting period

Number of safety hazards identified

2,218

Number of emergency drills conducted by units

263

Operation Safety

Concord New Energy always attaches great importance to operation safety, follows the safety management policies formulated by the Group, and strictly implements all rectification measures to achieve operation safety.

Equipment Safety

In this year, the Group worked to address frequent failures of wind turbines, and used scientific reliability index evaluation system to analyse the reliability of wind turbines. We categorise data based on dimensions such as the affected power generation, the number of defects elimination, and the safety impact. Through data analysis, we clarified the solution for different types of disturbances to reduce the failure rate of the wind turbines.

Production Safety

The Group has refined implementation measures. Engineers and technicians at production bases, laboratories and engineering project sites are equipped with safety gear. In addition, we have revised the *Regulations for Reward and Punishment of Safety and Environmental Protection Work* and the *Management Measures for Safety and Environmental Protection Awards for Engineering and Construction Projects*. These revisions assign safety responsibilities to all departments and employee's compensation, which can motivate employees to work on safety and environmental protection, and further implement accountability.

Fire Safety

The Group continues to strengthen fire safety management. In accordance with the *Fire Protection Law*, the *Work Safety Law* and other laws and regulations, we carry out the fire safety policy of "putting prevention first and combining prevention with firefighting". In this regard, we are committed to preventing fire incidents through regular update of electrical components, smoking bans in office buildings, inspections of machine rooms, etc. We also conduct regular publicity and training activities to raise employees' awareness of fire safety and capabilities of emergency response.

Safety Culture Construction

Concord New Energy promotes the publicity of production safety in a variety of effective ways, and actively organises all departments to fully implement the Group's production safety policies and initiatives to create a safety-conscious atmosphere.

We conduct specific safety training based on the job responsibilities and requirements of employees in different positions. For management personnel, we organise training on relevant safety laws and regulations to enhance safety management skills. Construction personnel involved in the project are required to undergo on-site safety education for newcomers and returning workers, as well as safety retraining upon returning to work. They are allowed to work only after successfully completing the assessment. We also

facilitate learning for construction personnel on applicable production safety laws, operating procedures, and accident cases, to enhance their compliance awareness and safety skills, and standardise their safety behaviours. In this year, the Group conducted 2 intensive safety trainings and 9 internal safety trainings.

We are actively promoting the development of a safety culture within the Group, providing all employees with training on safety, environmental protection and fire-related knowledge. In this year, we released 15 training sessions on the Safety Micro Classroom and published 63 articles in the OA module of safety concept, covering topics such as safety knowledge dissemination, accident cases, advanced safety practices, and applicable laws and regulations.

SAFETY TECHNOLOGY TRAINING AND EMERGENCY DRILLS FOR ENERGY STORAGE STATIONS

To comprehensively strengthen the Group's safety technology management level of energy storage stations, and improve the professional technical capability and emergency response capability of the production and project operation and maintenance personnel of branches, we organised and carried out safety technology training sessions for energy storage stations this year.

More than 200 persons had participated in the training, and 30 in on-site emergency drills, which effectively enhanced their knowledge of the technology and safety risk points of the energy storage system integration.



Energy Storage Plant Safety Technology Training Site of Concord New Energy

CONDUCT THEME ACTIVITIES OF "PRODUCTION SAFETY MONTH"

To effectively enhance the safety awareness of all employees and the professional competence and skills of the Group's main responsible personnel and safety management personnel, the Group launched the "Production Safety Month" activities in June 2023 under the theme of "Everyone practises safety behaviours and knows emergency responses". We organised all branches and project companies to carry out 48 safety theme presentations, with a total of 678 people participating.

We invited several experts to conduct specialised training sessions on leadership in safety, risk grading control, hazard investigation management, and accident liability and safety culture. In addition, we organised management personnel to study important discourses on production safety and construction personnel to watch production safety warning and education videos, so as to strengthen

their focus on production safety and create a production safety culture.



The Training Session for the Main Responsible Personnel and Safety Management Personnel of the Group in 2023

Product Responsibility

To further facilitate the energy transition and ensure a stable supply of renewable energy, Concord New Energy has persistently allocated resources to advance the development and application of technologies in the field of clean energy. Through the deployment of digital construction methodologies, we have ensured a stable output of the power plants.

Innovative Technology Development and Application

Scientific and technological innovation is the core driver for the transition to a green and low-carbon economy. To respond to the national policies and guide the development of enterprises, Concord New Energy actively promotes the development and application of technologies in the field of clean energy. The Group pays close attention to the development and application of new technologies in the industry, follows up on the trends, and has conducted various featured research initiatives based on the business development. In this year, the Group invested a total of RMB23.3 million research fund in science and technology projects.

RESEARCH AND DEVELOPMENT AND APPLICATION OF DIRECT CURRENT (DC) CABINET FOR ELECTROCHEMICAL ENERGY STORAGE

The research results of the Group's science and technology project *Liquid Cooling Iron Phosphate Lithium Battery Energy Storage Pack and DC Cabinet Product Research and Development* have been tested by the third-party authority with three patents declared. The successful acceptance of the project marks that Concord New Energy has mastered the core technology of the production and integration process of DC cabinet for electrochemical energy storage through independent research and development, laying a solid foundation for the production of market-oriented products. At present, the research results of the project include modules for liquid cooling energy storage, which have been applied to projects of Xiangbei, Cuomei, and Tonghe; and DC cabinets for liquid cooling energy storage, which have been applied to Bozhou energy storage microgrid, supporting the energy saving and emission reduction at bases.



Xiangyin Project Liquid Cooling Energy Storage DC Cabinets

Through the selection of Innovation Award, we encourage our employees to identify, analyse and evaluate problems in their daily work, and enhance their awareness on "active and positive innovation", so that they can develop innovative solutions that are closely associated with the Group's business, and create excellent technological and economic benefits. In this year, the Innovation Award Selection Office received 53 innovative working achievements submitted by 20 departments and units, and a total of 18 projects won the Innovation Award, providing incentives totalling RMB1.8 million for the winning projects.

In this year

Amount of research fund invested in science and technology projects

RMB **23.3** million

APPLICATION OF ANCHOR BOLT SHEAR WALL IN CLIFFSIDE SECTIONS

The access road of a project is located in the limestone area of cliffside with narrow road and many sharp turns. To solve the problem of bulk equipment entering the site, the project company adopted a scheme combining anchor bolt deep-root anchoring, retaining shear wall, concealed column, coupling beam, and reinforced concrete pavement after multiple comparisons and demonstrations.

This scheme is simple in process and allows multiple procedures to be carried out simultaneously with cross-operations, greatly saving construction costs and time compared with conventional construction schemes. After implementation, the road built meets the transportation needs of bulk equipment for the project, laying a good foundation for the project to be connected to the grid and generate electricity ahead of schedule, while providing convenient transportation for local government and villagers.

Service Quality Guarantee

Customer Service

Concord New Energy prioritises service quality and has established a sound service system to respond to customers' suggestions in a timely manner. We follow up the entire project process, and conduct customer satisfaction surveys annually. We develop a detailed improvement plan based on customer feedback, continuously optimising our project

services and ensuring the customer experience. In this year, the subsidiaries of the Group conducted satisfaction surveys as planned and made corresponding improvements based on the results. Among them, the overall customer satisfaction rate of CPCD achieved 100%, and Edge Power achieved 97%.

Intelligent Operation and Maintenance Management

We conduct real-time monitoring of natural resources and collect operational data and feedback on failures to achieve comprehensive multi-dimensional analysis of the Group's power plants, thereby ensuring their stable operation.

Data from Concord New Energy's power plants are gradually connected to our own self-developed data centre system, which enables advanced intelligent analyses and applications such as environmental data detection, equipment operation analysis, and indicators benchmarking of power plants, including power

generation efficiency analysis, root cause analysis of wind turbine losses, inverter performance analysis, and cleaning early warning, so as to fully gain comprehensive insights into the operational status of the station and responding promptly. By the end of the reporting period, 36 wind power plants had been connected, accounting for 58.06% of the power plants held; 14 PV power plants had been connected, accounting for 58.33% of the holdings; and 2 energy storage stations had been connected, accounting for 66.67% of the holdings.

Wind Monitoring Data Management Platform

- In 2023, the Group's Technology Centre upgraded the Wind Monitoring Data Management Platform. The platform is now embedded with the Group's cloud server with additional functions such as compatibility of multiple data formats and account authority management, enabling a more secure and efficient management of the Group's wind data in the early stages.

"PowerInsights" Intelligent Analysis System

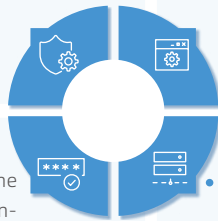
- The PowerInsights system developed by the Group directly captures and analyses data such as wind and solar, equipment operating variables and other data in the Power+ system, and regularly analyses the offline data to form guidance and analysis reports, so as to achieve accurate analysis of on-site operating data. This enables us to subsequently formulate improvement measures and implement relevant initiatives based on the conclusions of the reports and on-site conditions, thereby ensuring the stable operation of power plants.

"EAM" Asset Management System

- In this year, the Group continued to optimise the EAM system, and developed the function of on-site indicator calculation and assessment. On-site employees input the daily work order processing information into the system, and the system calculates and analyses the corresponding on-site production technical indicators. Responsible personnel at the site, regional and company levels can utilise the analysis results to guide and evaluate the on-site work, and provide support for deficiencies to improve the on-site work quality.

Video Evidence System

- The Video Evidence System synchronises the work order information on EAM system and associates it with the operation video, supporting supervisors to carry out online safety reviews of the operation process. We set up hierarchical review indicators at different levels, thus forming a dynamic closed-loop management model that fully avoids information missing and enhances the comprehensiveness and traceability of the management. In addition, the system facilitates the online and remote working for safety supervisors and ensures the continuity of the management.



Information Security and Privacy Protection

The Group strictly complies with the *Measures for Cybersecurity Administration in the Electric Power Industry*, the *Provisions on the Security Protection of the Electric Power Monitoring Systems* and other regulations. Additionally, the Group has established a sound information security and privacy protection management system, and has formulated and issued the [Data Security and Privacy Protection Policy](#) applicable to all employees of the Group. This policy clarifies the Group's responsibilities and obligations of information security and privacy protection and helps to ensure that the Group pays full attention to the protection of information security and customer privacy in the pursuit of business development.

The ESG Committee oversees information security and privacy protection matters, and the Group's vice president oversees the execution of information security and privacy protection related matters and reports regularly to the ESG Committee.

We continue to strengthen information security management measures and improve the level of information security risk prevention while gradually promoting informatisation and digitalisation of production and operation.

- We have introduced the bastion host to manage computing resources in public and private clouds in a unified manner, which addressed unclear responsibilities of personnel, untimely permission grants and withdrawals and other problems encountered during IT operation and maintenance.
- We have established VPN encrypted communication channels to enhance data transmission security, and back up critical business data for disaster recovery, traceability and audit purposes.
- We regularly scan security vulnerabilities to identify risks in the system and applications, and develop relevant response

strategies to fix critical issues in a timely manner to ensure that the core data is safe and reliable.

- We have deployed network security devices at power plants, which can realise the dual security isolation through both hardware and software and targeted data transmission, to ensure data security.
- We have further deployed network security protection systems, gradually installing more typical protection facilities such as longitudinal encryption devices, network intrusion detection, network situational awareness systems, security log auditing, firewalls, host protection devices, and positive isolation devices.

We adopt a "Zero Tolerance" attitude towards information leakage and invasion of customer privacy. Our *Data Security and Privacy Protection Policy* outlines the types and nature of information that may be collected, the use of such information, permissions and consents for such information, and the measures we take to retain, store, and protect such information (for example, we will not disclose information to third parties or use it for purposes other than those defined specific purposes unless we have the obtain consent or are required to do so by other applicable regulations). In the year, no information leakage incident incurred within the Group.

In this year, the Group cooperated with local police stations to carry out trainings on information security, privacy protection, and anti-fraud, which was publicised to all employees through personal participation and live broadcasting. In addition, we published articles on information security in the Group's internal platform account to enhance our employees' anti-fraud capabilities and ensure the information security of the Group, power plants and our customers.



Responsible Supply Chain

Concord New Energy continues to improve the supply chain management system, practices green and responsible procurement and emphasises suppliers' efforts in building integrity. Additionally, the Group proposes ESG management initiatives and requirements for suppliers, and works with suppliers to promote green and sustainable development.

Supply Chain ESG Management

Strictly implementing the *Bidding Law* and other relevant laws and regulations, we have formulated the [Supply Chain Management Policy](#) and the *Measures for the Supervision and Administration of Bidding* to standardise the supply chain management from multiple dimensions. We have established a supply chain management system led by the Procurement and Bidding Centre and under the ultimate responsibility of the ESG Committee to standardise the supply chain management process.

We have established a robust supplier management process to manage suppliers throughout the whole process including admission assessment and qualification review, evaluation and assessment, and rectification and implementation, taking

into account their environmental and social risks. We have formulated and published the [Supplier Code of Conduct](#), to guide contractors, suppliers and other potential partners on human rights protection, environmental management and business ethics, etc.

We assess and categorise suppliers based on the importance of equipment, materials or services provided by suppliers and the degree of contribution to the Group development to identify key suppliers and subject them to rigorous management. We also identify key ESG risks based on the industry and operation of critical suppliers, and place emphasis on their ESG performance to ensure the sustainability and stability of the supply chain.

Supplier Admission

- We implement strict procedures to review suppliers' qualification in management capability on environment, health and safety (EHS), legal risks, quality control, green production, delivery capability, etc. Bidding qualification can only be obtained after pre-qualification;
- Suppliers are strictly selected through a full-process review, including pre-qualification, communication, site or factory inspection to announcement of candidates and final selection;
- Suppliers with high carbon management level are given preference;
- Bidders are required to pass the quality, environment, occupational safety and health management system certification and have a complete quality assurance system.

Supplier Assessment

- We establish a list of qualified suppliers, where we conduct strict supervision and annual assessment on comprehensive indicators;
- We conduct annual assessment, focusing on multiple indicators, such as suppliers' profitability, product quality, governance structure, service awareness, sustainable development, corporate reputation, and contractual capabilities;
- We incorporate ISO certification, health and safety, portion of green energy use, carbon footprint calculation, and use of recycled materials into the supplier inspection and assessment list as assessment indicators.

Supplier Exit

- Suppliers that fail to meet the ESG requirements will be required to take rectification measures, and those that have not satisfied the qualifying criteria within the prescribed time will be removed from the list of qualified suppliers.

Percentage of certified suppliers by the end of the reporting period

100%
ISO 14001

100%
ISO 9001

100%
ISO 45001

We attach importance to the sustainable management of supply chain, and require suppliers to comply with relevant environment, social and management requirements, to implement the Group's requirement of green product selection. For example, the main engine plants cooperating with us are actively using renewable energy technologies to create zero-carbon and low-carbon parks.

REGULATION OF LABOUR STANDARDS AND HUMAN RIGHTS PROTECTION FOR SUPPLIERS

When entering into contracts, we require contractors to pay a certain amount of deposit or set up a special account for the wages of migrant workers, which will be under supervision, so as to protect their legitimate rights and interests. Contractors who have defaulted on payment of wages to migrant workers will not be selected. In addition, suppliers shall comply with occupational safety and health related laws and regulations and related requirements, to provide a safe and healthy working environment for the employees.

IMPLEMENTATION OF ANTI-FRAUD POLICY FOR SUPPLIERS

The Group has implemented an anti-fraud policy for suppliers (including suppliers and construction units, etc.), and informs or trains all suppliers in appropriate forms of compliance with the rules and ethical integrity advocated by the Group. For example, we read out the *Honesty Commitment Agreement* in the bidding process, set up an official website reporting platform and open reporting channels, and incorporated the responsibility and obligation of requiring suppliers to report potential fraud to the Audit Department of the Board in a timely manner into the contract terms to used it as a reference for supplier assessment.



Supply Chain Capacity Building

We conduct ESG training sessions for procurement employees and suppliers of the Group, and share good practices with suppliers to improve their sustainability performance and management capabilities.

The Group implements supplier training plans and provides suppliers with online anti-fraud professional ethics courses and training sessions of bidding and procurement policy and process through the training and learning platform - CNE Learning and Innovation Centre. In addition, we provide policy promotion and information reporting links on the platform. New suppliers can obtain the admission qualification after completing the training and information reporting on the platform.

The Group invites external experts to conduct sustainable supply chain training for all internal procurement personnel. The training covers topics such as human rights, EHS, and business ethics, which helps to comprehensively enhance procurement personnel's understanding of supply chain ESG management, and further optimise supply chain management. In this year, the coverage of supplier anti-corruption training is 100%.

In this year

Coverage ratio of supplier anti-corruption training

100%





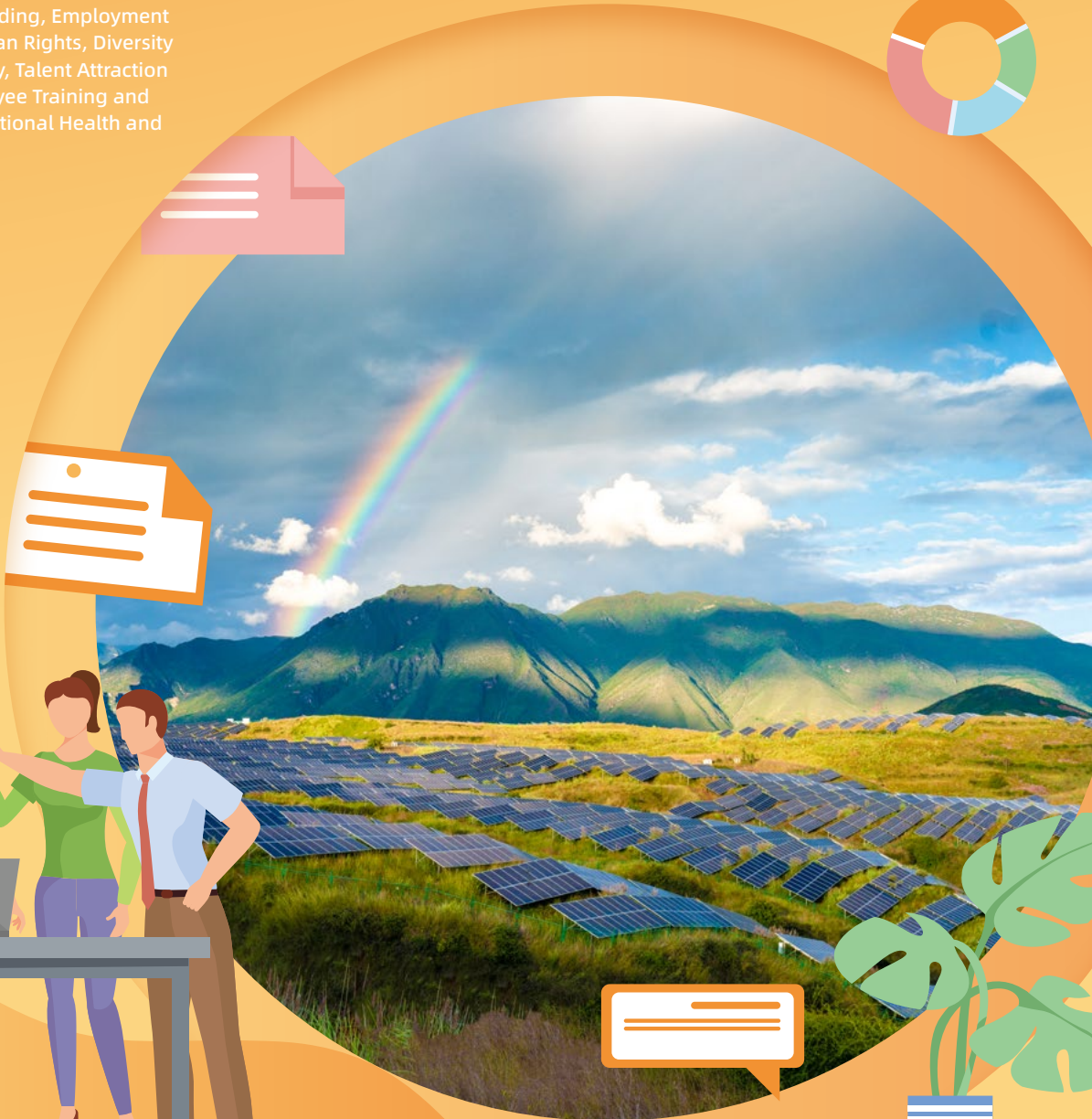
Excellent Workplace Develops Talents

04

Concord New Energy upholds the “people-oriented” philosophy and protects the legitimate rights and interests of employees. We forge a workplace of respect, equality and diversity to attract and retain talents, and provide employees with comprehensive welfare plans and development paths to achieve the common development of the Group and employees.

Key Issues:

Corporate Culture Building, Employment Compliance and Human Rights, Diversity and Equal Opportunity, Talent Attraction and Retention, Employee Training and Development, Occupational Health and Safety



Topic

Concord New Energy Culture Building

We have built a comprehensive corporate culture system, including six parts: mission, vision, values, corporate spirit, management guidelines and behavioural guidelines. By cultivating our corporate culture, we inspire a sense of mission, value and pride among our employees internally, demonstrate our corporate social responsibility and brand influence externally, and promote the sustainable development of the Group.

The Group has carried out practices to develop corporate culture to promote the implementation of the corresponding system and unify employees' perception and understanding of the Group's corporate culture. In February 2023, the Group updated and released the *Concord New Energy Corporate Culture Manual*. All departments and branches/subsidiaries

carried out corporate culture publicity for all employees through regular team meetings, thematic workshop and other channels to assist employees in comprehending the core concepts of corporate culture. In order to display its corporate culture in a more intuitive manner, the Group designed and released a set of posters. These posters are now displayed in all offices and meeting spaces nationwide, enriching our corporate culture's atmosphere throughout the Group.

The Group released the internal magazine of corporate culture *In Concord New Energy (CNE)* to select and record the stories of CNE people that can reflect the spirit of CNE culture, and to inspire and motivate more CNE people. Through in-depth interviews with employees from various departments, we have refined ordinary but glittering employee stories to tell the corporate culture of the Group. The employee stories not only reflect the struggle and growth of individuals, but also the process of mutual achievement and value creation between the employees and the Group. By the end of the reporting period, 8 corporate culture stories were published in the *In CNE*.



IN CNE -- ENTERPRISE CHAPTER

Liu Hao and his team demonstrated the spirit of enterprise and striving for excellence in the first phase of 200MW wind power project of Yilan Wind Power Storage Integration Project of the Group. At the request of the Design Institute and the Group, Liu Hao and his team had to confirm over 30 geographic locations and legal statuses within a short period of time. With unremitting efforts and collaboration, the team completed the research of the 31 wind turbine sites in 2 days and confirmed the availability of 18 of the sites. Their enterprising spirit not only provided more site selection possibilities for the Design Institute, but also laid a solid foundation for the future development of the Yilan Project. This is also the best realisation of the enterprising spirit in the corporate culture.

IN CNE -- COOPERATION CHAPTER

In order to quickly respond to the requirements of client, the Sichuan Branch of the Group carried out an investigation of the equipment of the step-up substations and identified that a station did not have the ability for fast frequency modulation (FM), and it was urgent to carry out the FM technical reform work. To face this problem, Sichuan Branch carried out cross-departmental cooperation with multiple departments of the Group to deploy the FM technical reform work. Through the development of local upgrading of old inverters and optimisation of FM schemes, the primary FM requirements were successfully met, and the cost was saved by about 87%. The FM technical reform problem of Sichuan Branch was finally solved through cross-department collaborative operation, which vividly demonstrated the determination of the team to solve the problem cooperatively.

Human Resources Strategy

Concord New Energy consistently uphold the core value of "people-oriented, value creation, and excellence pursuit". We released the "Five Highs" human resource (HR) strategy goals: harness "High collaboration" to stimulate organisational vitality, employ "High growth" to ignite business dynamism, and apply "High motivation" to energise staff. It aims to build a team of "High-quality" and "High-performance" talents, focusing on staff's value creation and capability enhancement.

"Five Highs" HR Strategy Goals

High Collaboration

- Sort out the organisational structure, maintain the vitality and competitiveness of the organisation, and continuously carry out dynamic organisational diagnosis and analysis.
- Adhere to the goal of human efficiency, closely follow the business development, and allocate talents with efficiency and high-quality.
- Develop channels for publicity and pay attention to the physical and mental health of employees. Protect the multi-dimensional rights and interests of employees and create a diverse and inclusive cultural atmosphere.
- Improve digitalised work efficiency of HR, and efficiently serve internal and external needs.

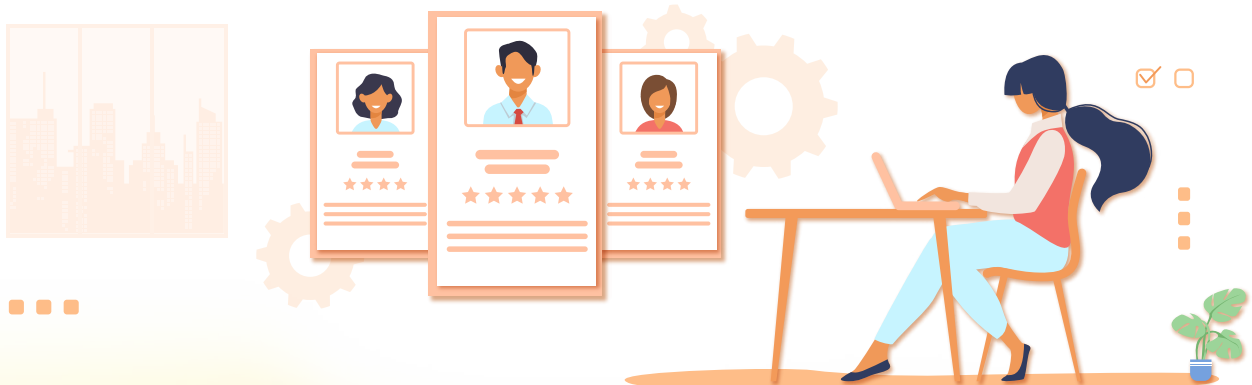
High Growth

- Evaluate talents dynamically and train and identify talents efficiently through multiple channels.
- Establish a thorough career cycle training system for employees, and provide a comprehensive vocational training system, including leadership training, safety training, anti-corruption training and job skills training, to achieve personal and professional development of employees.

High Motivation

- Optimise the performance system, establish a comprehensive promotion mechanism, encourage the organisation and individual performance improvement, and lay the foundation for the construction of high-performance talent team.
- Emphasise diversified incentive methods to stimulate employees' work enthusiasm and encourage their personal growth.

High-quality
High-performance Talents



Multi-Dimensional Rights and Interests Protection

As a member of UNGC, Concord New Energy is committed to complying with international human rights conventions and incorporating them into its corporate governance activities, including the *Universal Declaration of Human Rights*, the *Guiding Principles on Business and Human Rights*, the *Ten Principles of the United Nations Global Compact* and the *Convention on the Elimination of All Forms of Discrimination against Women* issued by the United Nations, as well as the *Core Labour Standards* issued by the International Labour Organisation ("ILO"). We uphold and safeguard human rights and adopt a "Zero Tolerance" stance against discrimination and harassment.

The Group has formulated human rights related policies and issued the human rights protection commitment, which

apply to all employees, suppliers and partners of the Group. To mitigate the likelihood of human rights violation, we have established a formal due diligence process for human rights risk, which includes human rights protection commitment, human rights risk identification and assessment, and implementation of prevention/mitigation measures and reporting.

Through conversation with experts, reference to international human rights norms, risk assessment and spot checks, we routinely review potential human rights risks and assess vulnerable groups facing human rights-related challenges. For the identified key human rights risks, we implement targeted risk prevention or mitigation measures within the Group and regularly review the risk reduction process for relevant issues.

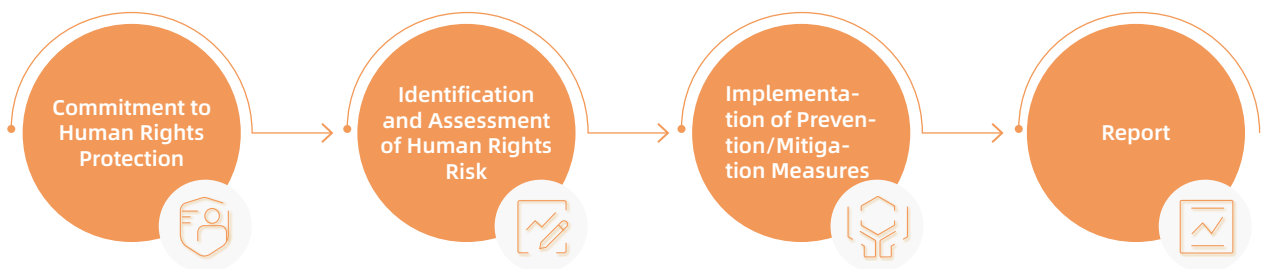
Groups vulnerable to human rights violations

Our employees, female employees, and external personnel such as suppliers and partners.



Potential human rights risks

Forced labour, child labour, human trafficking, freedom of association, right to collective bargaining, equal pay for equal work, discrimination, harassment or violence, occupational health and safety, protection of personal information and privacy.



Due diligence process for human rights risks

We conduct human rights due diligence for the Group and project companies in a regular basis. This year, the Group adopted a sampling method to assess the business processes and potential human rights risks in the value chains of one branch and two project companies in South China, as well as one branch in the East China region. Based on the investigation, no significant human rights risk issue was identified with Concord New Energy during the assessment period. In particular, with regard to the human rights issues summarised through the risk identification process that require focused response, we have taken relevant targeted risk mitigation or remedial measures across the Group, including but not limited to fully informing the Group of the employment system regarding working hours, attendance and leave, and adopting a flexible/concentrated leave system for production employees; fully implementing the gender equality policy, attaching importance to women's career development, and granting multi-dimensional benefits protection to women; establishing an all-encompassing, full-coverage safety management network in terms of organisation, system, risk, emergency response, practice, supervision and assessment, safety culture, education and training, etc., so as to comprehensive safeguard the health and safety of all employees.

Protection of Employees' Rights and Interests

In strict compliance with the requirements of the *Labour Law*, the *Labour Contract Law*, the *Provisions on the Prohibition of Using Child Labour* and other laws and regulations, and with reference to the *ILO Declaration on Fundamental Principles and Rights at Work*, the *Forced Labour Convention* and other relevant conventions issued by ILO, Concord New Energy iteratively improves the human resources management system to protect the rights and interests of employees in the areas of recruitment, termination, remuneration and promotion.

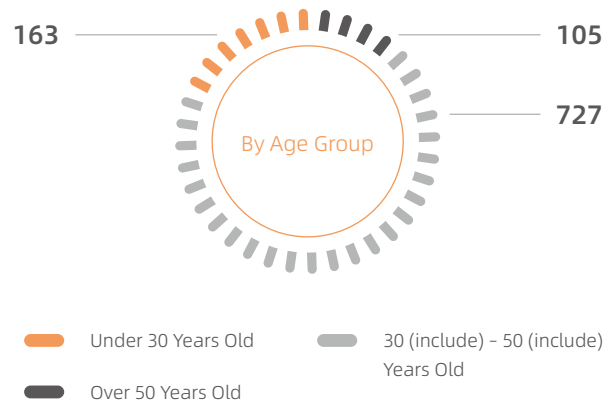
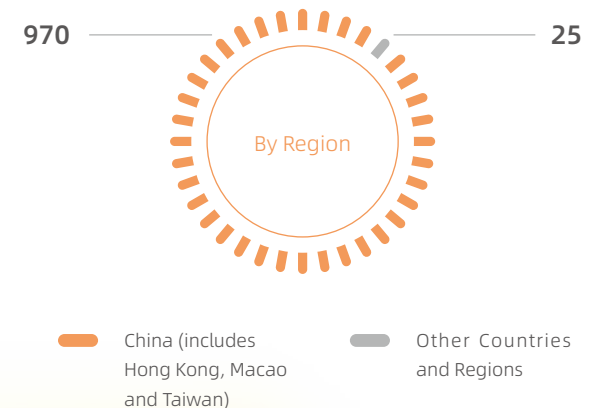
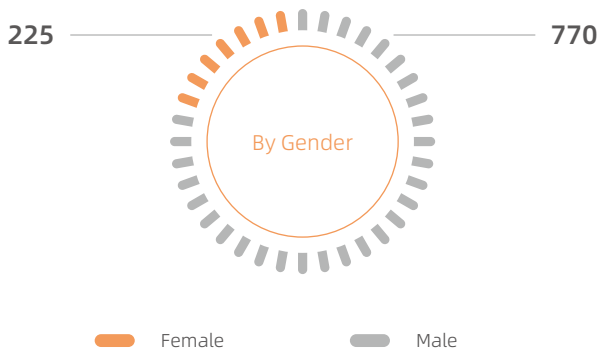
Concord New Energy is committed to providing an equal workplace free from discrimination, harassment and abuse for employees. We emphasise lawful and compliant employment, promote equal and decent employment, and

continuously monitor violations of employment regulations to protect our employees, especially female employees, from any unfair treatment. We uphold freedom of speech and encourage open communication and full expression of opinions. The Group guarantees employees' freedom of association and the right to join and organise trade unions and respects the right of employees to negotiate on an equal footing with the Group and to conclude collective contracts. In this year, the Group organised employee representatives to complete a signing of collective bargaining agreement covering all female employees of the Group.

For details, please refer to the [Diverse Employee Protection System](#).

Employee Diversity and Inclusion

Concord New Energy continues to pursue the concept of diversity and inclusion and advocates a diversified employment policy to develop and cultivate a diversified workforce. To develop international business, the Group carries out localised recruitment and attracts and retains local talents in compliance with local laws and regulations. By the end of the reporting period, the composition of the Group's workforce was as follows:



As a signatory of the Equal by 30, we actively promote equal pay, gender diversity and equal opportunities in the clean energy sector. We fully implement the gender equality policy, advocate to provide equal development platforms and opportunities for all employees and actively guarantee equal pay for equal work, in a bid to build harmonious and stable employment relationships. We are also concerned about the challenges or difficulties that female employees may face in the workplace and offer them necessary support. In this year, the Group formulated the [Special Rules on the Labour Protection of Female Employees in Workplaces](#), which applies to all female employees of the Group and was signed by nearly 50 female employee representatives. This policy guarantees the rights and interests of female employees in a variety of areas, including labour and employment, wages and benefits, and occupational health and safety, publicise the policy internally on a regular basis.

We regularly carry out trainings related to diversity and inclusion policies for all employees, which include policy dissemination, employee cultural activities, and anti-discrimination and anti-harassment in the workplace. This aims to raise employees' awareness of professional ethics and foster the values of diversity and inclusion. Meanwhile, our senior management actively supports policies and initiatives related to diversity, monitors and continuously optimises the Group's management and promotes the diversified development of our employees.

Diversity indicators for women



Share of women in total workforce

22.6%

Share of women in senior management positions

19.2%

ACTIVITIES FOR FEMALE EMPLOYEES ON INTERNATIONAL WOMEN'S DAY

To improve workplace care for female employees, the Group organised a training on the flower arrangement art and workplace etiquette for Women's Day on March 8th, 2023. All female employees of the Group were invited to participate in this activity, which enriched their cultural life.



Training on the Flower Arrangement Art and Workplace Etiquette for Women's Day 2023



Employee Benefits and Care

Employee Communication

We have established a multiple-channel and smoothed employee communication and complaint mechanism. Employees can fully express their opinions through various means, such as communicating with the Group's Human Resources Department, satisfaction surveys and employee requirement research.

For violations or behaviours detrimental to the rights and interests of employees, the Group has set up the [HR-related Employee Grievance Policy and Handling Mechanism](#), which specifies the scope and procedure of grievance to safeguard the legitimate rights and interests of employees.

The Group has developed confidentiality and protection measures. Each employee involved in the grievance investigation must keep the names of those involved, the details of complaints and the existence of complaints absolutely confidential. If it is inconvenient to identify themselves, employees can utilise the anonymous reporting channel to make complaints. We are committed to taking protective measures so that no person involved in the complaint will receive deliberate harm or retaliation during or after the complaint is filed.

The Group conducts a satisfaction survey covering all employees every year. In 2023, we conducted the satisfaction survey through an anonymous questionnaire, covering all employees of the Group. We engaged a professional third party to send out, collect, analyse and summarise the questionnaires, and formulated and implemented targeted improvement plans to continuously enhance employee satisfaction and recognition of the Group. The questionnaire covers both satisfaction and dedication. The satisfaction dimension includes 5 major areas, namely "material benefits", "warmth and humanistic care", "sense of purpose and mission", "effective communication" and "growth opportunities". In addition, the dedication dimension includes two major areas, namely "individual dedication" and "organisational empowerment".

Recovery rate of questionnaires for 2023		95.6% (Questionnaire data validity rate 99.68%)
Satisfaction results (out of 100)	2023	2022
Employee Dedication	89.78 ↑	85.67
Employee Satisfaction	86.07 ↑	83.90

With anonymous questionnaires and based on the feedbacks from employees, we fully understand their demands and suggestions. We value the opinions of our employees and use them as a basis for optimising and improving various mechanisms for employees and enhancing their sense of identification and belonging.

Continuous Improvement Mechanism

- Conduct open and transparent communication with employees to understand their demands and expectations, respond to their concerns and issues as many as possible, and establish good communication channels.
- Share the Group's development strategy with employees and encourage them to participate in decision-making to stimulate their sense of engagement.
- Continuously optimise the overall incentive system and the combination of short-, medium- and long-term and various welfare projects to provide diversified welfare options and enhance the transparency of the Group's welfare policy.
- Actively conduct market research and offer competitive remuneration, optimise existing performance evaluation, incentive plans and promotion mechanisms to stimulate the motivation and creativity of employees.
- Actively communicate with employees on career planning and goal setting, optimise existing training and career development projects and external learning resources, and encourage employees to participate in cross-departmental projects or teamwork to broaden skill and knowledge horizons.

Employee Benefits

Concord New Energy has established a comprehensive benefit system for all in-service employees. Various benefits, including anniversary and special holiday activities, are offered to improve employees' sense of happiness and belonging at work. We work to support employees' work and life in a comprehensive way. Our employee benefits extend to the families of our employees. Considering the needs of childcare, we provide our employees with a maternity allowance to support their childcare needs during their working life, strictly implement a parental leave policy, provide flexible working hours for breastfeeding female employees and create private and convenient breastfeeding spaces in the office area.

Special Holiday Activities

- Women's day
- Children's day

Leisure & Entertainment

- Employee clubs
- Brisk walking activities

Employee Care

- Employee mutual fund
- Condolence money for funerals
- Gift money for marriage and childbirth
- Shower room
- Staff locker room
- Public storage space for employees
- Nursery room

Exclusive Benefit

- Seniority allowance
- Communication subsidy
- Transportation allowance for visiting relatives
- Working meal allowance
- Hardship allowance
- Travel meal allowance
- Family allowance

Anniversary

- Birthday gift
- Holiday gift

Health & Safety

- Annual physical examination
- Supplementary medical insurance
- Health consultant for medical services

Based on the results of previous year's employee satisfaction survey, the industry remuneration and benefits survey and the interview results with the Group's various businesses, we further reviewed and optimised the existing benefits system. In total, we revised 5 management measures related to benefits, including the *Management Measures for Employee Attendance and Leave*, the *Management Measures for Family Reunion Allowance*, the *Management Measures for Overseas Allowance, Welfare and Travel Reimbursement*, the *Management Measures for Allowance in Xizang Area*, and the *Management Measures for Housing Allowance*. Meanwhile, we introduced paid leave for physical examinations, extended the validity period of marriage leave applications, and expanded the scope and increased the amount of subsidies for domestic and overseas employees.

Employee Care

Giving high priority to employee cares, the Group organises various employee care activities to raise their sense of happiness. The Group not only organises various health activities to reduce employees' stress, including health lectures online and offline and private fitness lessons, but also encourages employees to participate in cultural and sports activities, such as sports clubs for badminton, basketball and football.

BRISK WALKING ACTIVITIES IN SPRING AND AUTUMN

To cultivate a healthy lifestyle among our employees, the Group organises two "brisk walking activities" every year, inviting employees to walk out of the office and embrace nature. In this year, we held brisk walking activities at Beijing Zoo and National Botanical Garden. Meanwhile, we set up task sites on the corporate culture topics to make the activity more enjoyable. Employees could receive a souvenir by completing the task.

By organising brisk walking activities, the Group not only encourages employees to enhance their physical fitness and get close to nature, but also enhances team cohesion and employees' sense of corporate culture identification through fun tasks that incorporate the corporate culture.



PRIVATE FITNESS LESSONS

The Group invited an expert from the Sports Rehabilitation Centre of Beijing Sport University to give private fitness lessons to employees. During the lessons, employees learned the movement of sports and fitness, fitness precautions and other aspects. Through the private fitness lessons, the Group not only enhanced employees' health awareness and knowledge of sport science, but also created a positive working atmosphere, remarkably improving employees' physical fitness and work efficiency.



"CNE CUP" MIXED TEAM BADMINTON COMPETITION

In October 2023, the second "CNE Cup" mixed team badminton competition was successfully held. On the court, the players released their pressure and enjoyed the fun of sports. At the same time, they showed the fighting spirit of pursuing excellence of CNE people. Holding the "CNE Cup" badminton match is conducive to enhancing the employees' awareness of physical exercise and improving the collective cohesion.



Champion Team of the 2nd CNE Cup

Occupational Health and Safety

In strict compliance with the *Work Safety Law*, *Fire Protection Law*, *Law on Prevention and Control of Occupational Diseases*, *Implementation of the Regulation on Work-Related Injury Insurance* and other laws and regulations, the Group attaches great importance to the occupational health and safety of its employees. We continuously optimise the occupational health management system. To this end, the Group has publicly issued the *Safety Policy* covering all employees, suppliers and contractors, which includes establishing safety management systems and objectives, clarifying safety responsibilities and duties, developing emergency plans and safety monitoring systems, and for-

mulating risk mitigation action plans based on risk priorities.

Dedicated occupational health and safety employees have been involved in the development of the *Safety Policy*, while the business units regularly identify occupational health and safety risks and update relevant policies accordingly. The Group regularly reviews the policy effectiveness and the ESG Committee follows up and monitors the policy implementation to continuously enhance the capacity of occupational health and safety management. In this year, there were no work-related fatalities among the Group's employees and contractors.

Organisational support

- Occupational health and safety related work is supervised by the ESG Committee, with multi-departmental collaboration among the Safety Management Committee, Safety and Environmental Protection Supervisory Department, Administration Department, Engineering Construction Management Department, Production and Operation Department;
- The Group implements national regulations on production safety and labour protection to maximise the protection of employees' occupational health and safety and labour hygiene.

System guarantee

- The Group has set up an occupational health management system at the group level and occupational health management systems and regulations for subsidiaries;
- Management mechanisms, including warning, reporting, training and publicity, labour protection articles management, and hazard monitoring, are continuously improved;
- The Group formulates systems such as the *Management Standards for Entry of Visitors*, including the health and safety of contractors in the consideration of the Group's occupational health and safety management.

Materials supply

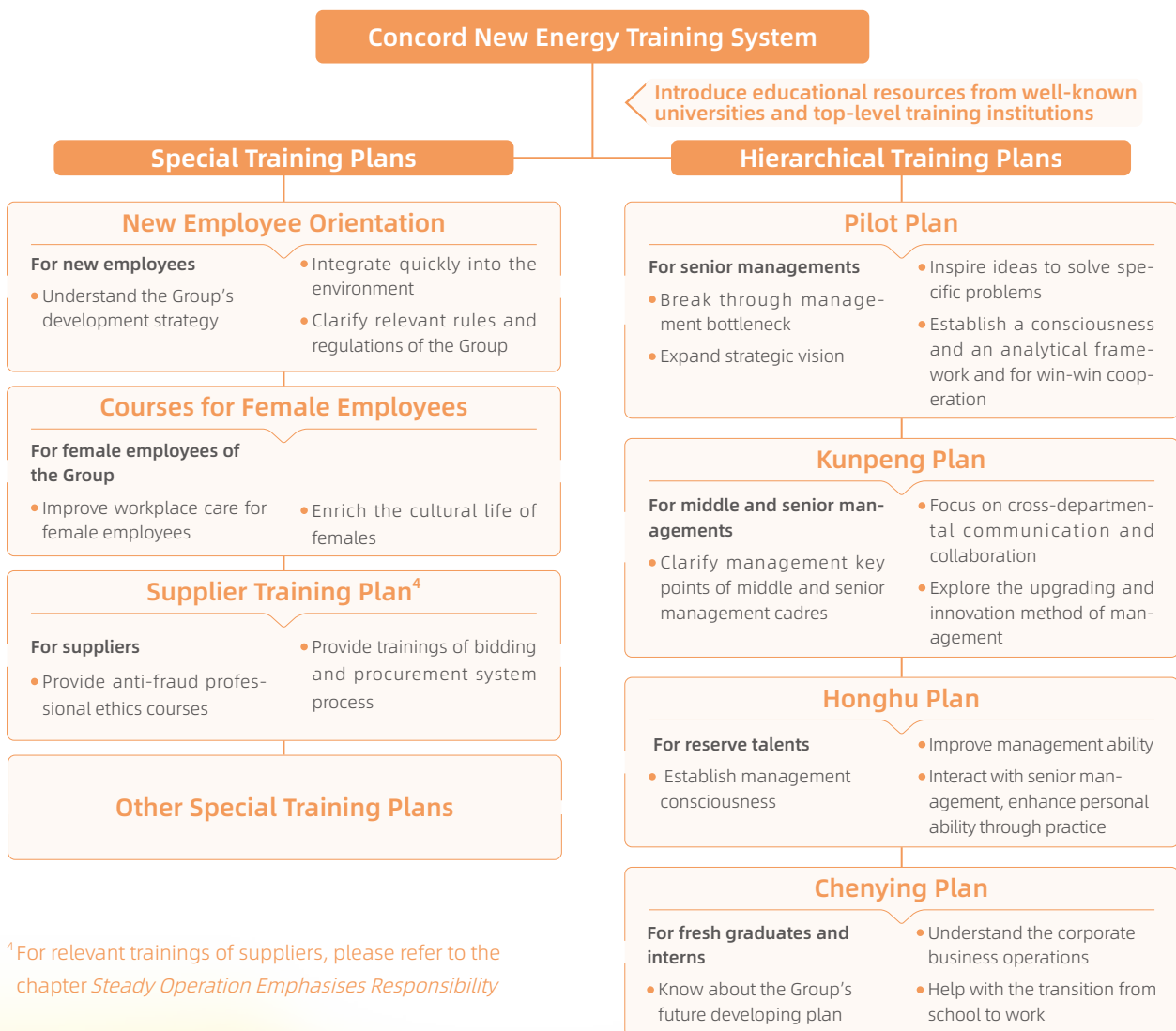
- The Group regularly organises and carries out the identification of safety factors and hazard sources, establishes an emergency plan system, and strengthens the internal safety construction and risk prevention and control capabilities;
- The Group regularly distributes labour protection supplies, instructs and supervises employees' standard wearing of protection supplies, and provides Automated External Defibrillator (AED) in the office building;
- The Group offers sufficient funds for occupational health and safety education and training, labour protection articles, and physical examination related to occupational disease screening;
- The Group organises annual health examination for all employees. We adjust the health examination package items based on the health needs of our employees. to protect their health. In this year, the Group added the human papillomavirus typing (HPV typing) examination for married female employees to ensure that the health examination items are more comprehensive and targeted to meet the health needs of employees.

Employee Growth and Development

Training Development

Concord New Energy attaches great importance to talent development and empowers employees to improve their professional skills and realise their professional values. In 2023, Concord New Energy continued to update and optimise the training system. We introduced educational resources from well-known universities and top-level training institutions and have built Hierarchical Training Plans and Special Training Plans based on the level and hierarchy of the trainees to meet the career development needs of all types of employees. In this year, the Group also conducted an annual training requirements survey to understand the employees' actual needs and optimise the training system, with an overall participation rate of 83%.

The Group continues to increase the investment in employee training. In September 2023, we officially launched a new learning platform for all employees - CNE Learning and Innovation Centre. This platform offers more than 1,400 courses covering the Group's strategy and corporate culture, management, as well as professional and general skills courses, and regularly pushes thematic courses for all employees to learn. By the end of the reporting period, over 1,000 employees had participated in online learning and exams on the "CNE Learning and Innovation Centre" platform. In this year, the Group's training investment per capita amounted to RMB4,023.



For the Pilot Plan, Kunpeng Plan, Honghu Plan and Chenying Plan, the Group formulated a four-level strategic training camp programme, which precisely positioned the training camp at each level, clarified training objectives, refined trainee profiles and established curriculum system. In this year, the Group's management and leadership development trainings covered all employees of the Group.

LEADERSHIP TRAINING - "HONGHU PLAN"

The "Honghu Plan" training programme was targeted for the reserved talents for building up a talent pool for front-line management and develop their leadership skills. In March 2023, we launched phase II of the fifth "Honghu Plan" training programme for reserve management talents. We invited outstanding internal lecturers to share their professional growth journey through thematic seminars, thereby enhancing the reserve management talents' in-depth understanding of the corporate culture, new leadership, and professional knowledge. We also provided external training including management courses, sand table simulation and cultural development to help the reserve talents to make the transition from general business to management roles. A total of 58 participants were enrolled in the fifth phase of the "Honghu Plan". After a two-year systematic training program, 19 of them have achieved career promotions, accounting for 32.8% of the trained personnel. Among them, 5 female participants have been promoted, representing 26.3% of the promoted individuals.



NEW EMPLOYEE ORIENTATION

The Group provides quarterly orientation training for new employees, which covers online and offline courses on topics such as corporate culture, safety training, anti-fraud and professional ethics, to help new employees understand the Group's development strategies and regulations, and quickly integrate into the working environment. This year, the coverage ratio of new employee training was 100%, and the employee retention ratio was 87.5%, reflecting the Group's strong emphasis on talent development and retention.



FINANCIAL SPECIALTY TRAINING

This year, the Group organised two financial specialty trainings. The first training event, named the "2023 First Half Year Group Financial Training Seminar", was held in April 2023. The content of this training covered various aspects such as explanations of financial responsibilities, key points for contract review, analysis of common issues in accounting centres, and tax training. A total of 91 financial personnel participated in this event. In October 2023, we organised the "Financial Management Training Conference". This training was more professional and in-depth, covering knowledge in multiple areas such as project development, industrial collaboration, legal compliance, and project company engineering management. These two financial specialty trainings combined professional knowledge learning with the sharing of practical experiences and group discussions. This approach not only effectively improved the knowledge level of financial personnel but also greatly strengthened their professional abilities.

协合新能源集团2023年度财务培训会议



ENGLISH CORNER

Based on the development plan of overseas business, in 2023, the Group set up an English Corner for all employees and launched the six-month English learning journey to help employees grow together with the Group. The English Corner carries out its activities through various means such as online recorded lessons, focused offline communication with Chinese/foreign teachers, daily reading practice with check-in, and self-assessment exercises after class. To motivate learners, a points accumulation system is employed to gradually guide students to speak English. By the end of the reporting period, the English Corner had more than 360 participants, and significantly improved the English proficiency of our employees.



The Group has formulated a series of internal policies such as the *Training Management System* and *Management Measures for Training of Dispatched Cadres* to advocate on-the-job learning for employees. We encourage all employees (including part-time and contract employees) to actively participate in professional and technical qualification examinations relevant to the requirements of their jobs, support them in obtaining specific qualifications or national titles, and bear the associated costs. In this year, a total of 17 employees received job-related certificates in engineering, production and project management. The Group organised employees participate in the professional title evaluation process. A total of 1 person successfully passed the intermediate management professional title evaluation conducted by State Grid Talents Exchange, 8 people passed the senior professional title evaluation, and 11 people passed the intermediate and deputy senior title evaluations organised by their respective provinces.

At the end of the reporting period

Number of average employee training hours

37.47

Number of employees passed the deputy senior title evaluation conducted by State Grid Talents Exchange

8

Number of employees received job-related certificates

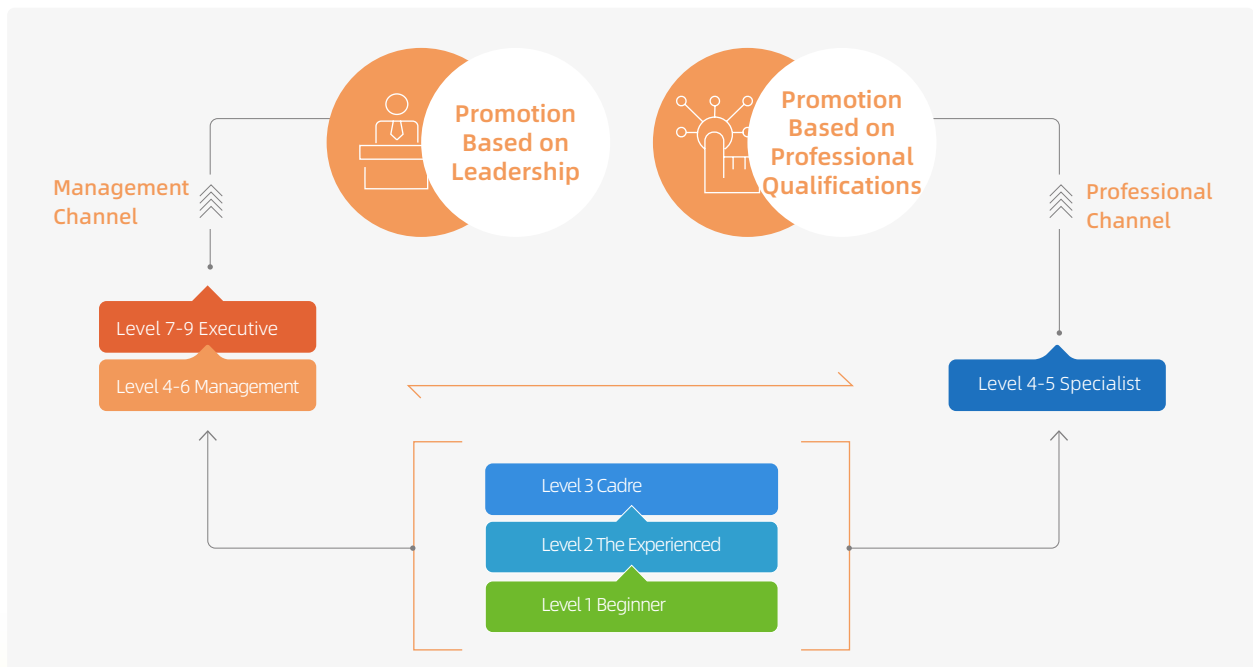
17

Number of employees passed the intermediate and senior professional title evaluation organised by their respective provinces

11

Performance and Promotion

Concord New Energy has implemented a comprehensive performance evaluation and promotion mechanism for all employees and established a dual-track career development system of “Management + Professional” to open up career development paths. Through a qualification system based on professional sequences and a competency system based on management sequences, we help employees clarify their current development goals and future development directions. This enhances the management and professionalisation levels of our employees, better meets their self-development needs, supports the high-quality development of the Group, and achieves a win-win situation for both employee career development and the Group’s business development.



The Group has established the [Corporate Compensation, Benefits and Performance Management Policy](#) and conducted diversified performance management evaluations for employees. Based on the total score of employee performance evaluations, differences in self-assessments, and performance content, we provide a list of recommended personnels for performance interviews to management, and the annual performance interview coverage is 100%.

Main performance appraisal types:



Management by objectives: Assess performance on a quarterly basis based on the fulfilment of the individual’s key tasks/objectives;

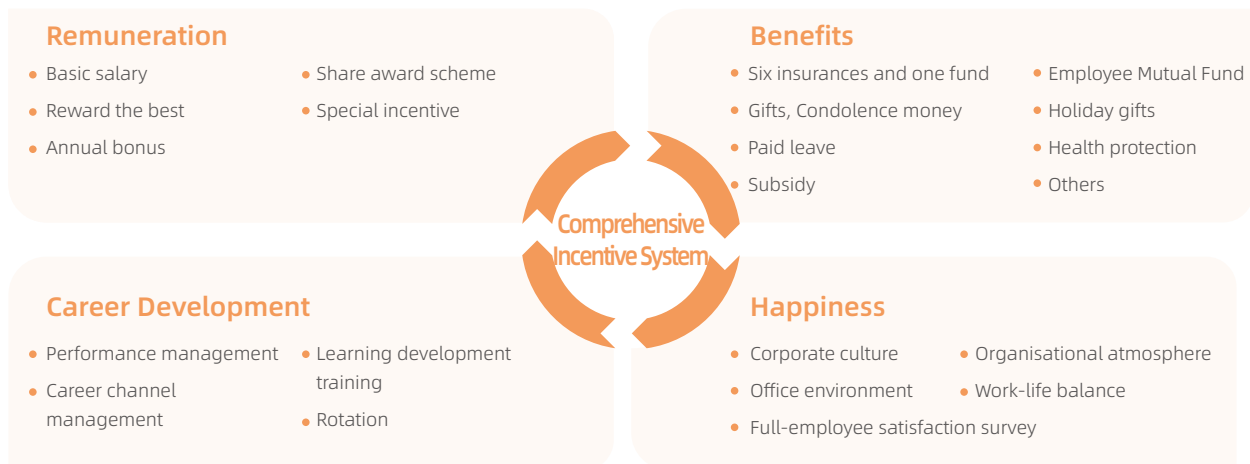
Multidimensional performance appraisal: Adopt various methods and dimensions to guarantee scientific, objective, rigorous and fair evaluation results, and carry out a 360-degree performance evaluation;

Team-based performance appraisal: Comprehensively assess employees’ performance and achievement of objectives based on the self-evaluation, evaluation by business-related personnel and superiors. This helps employees meet the requirements of their positions and improve their skills in targeted areas, effectively combining project team business objectives with team performance;

Agile conversations: Adopt flat management and establish multiple communication channels, such as internal email and DingTalk, to continuously engage in communication with employees.

Employee Motivation

The Group implements a comprehensive incentive system to continuously attract and motivate talents through remuneration, benefits, career development and happiness at work.



The Group is committed to providing employees with fair and competitive remuneration and benefits. Among which, the remuneration consists of basic salary, bonus, share incentives and special incentives. The remuneration of the Group’s executive directors consists of a fixed salary plus performance-based bonus, while that for the independent non-executive directors consists of a fixed salary plus share-based incentives. In accordance with the *Share Award Scheme*, the Group grants share award scheme for middle and senior management and key business employees. Under the plan, we offered restricted shares to eligible core employees based on their seniority, work contribution, personal performance and business performance as assessment factors, thereby encouraging them to create value for

the Group and supporting the effective implementation of the Group’s medium- and long-term strategies.

Each subsidiary formulates employee incentive systems with their own unique characteristics based on the comprehensive incentive system of the Group. For example, Green Energy Leasing provides employees with business commissions and performance evaluation-related incentives. Among them, the performance evaluation is conducted at both the company level and special project level. Company level awards include General Manager Special Award, Outstanding Team and Outstanding Employee. The special project level awards include Outstanding New Joiner, Best Performance, Professional Elite, Breakthrough Award and other categories.



Community Prosperity as Social Responsibility

05

The Group adheres to the concept of "Social Responsibility" and is committed to promoting community prosperity in conjunction with its partners. We collaborate closely with our partners to promote communication and healthy development of the industry. We are deeply involved in the practice of social co-prosperity, carrying out community welfare activities and educational assistance programs to help local economic growth and expand employment opportunities. We actively fulfil our corporate social responsibility, grow and share the future with the community.

Key Issues:

Industry Cooperation and Progress, Promote transformation to a low-carbon energy society, Community Engagement and Contribution



Win-Win Partnership

Public Policy

The Group keeps pace with new trends in industry development and strengthens cooperation with governments and relevant regulatory authorities. We assist in the formulation of industry standards, provide professional advice for the development of public policies, and promote technological innovation and standardised development of the industry. By the end of reporting period, the Group had participated in the formulation of 17 industry standards, of which 8 had been published. We had participated in formulation of 6 industry guidance documents cumulatively, of which 5 had been published.

- In 2023, Edge Power, a subsidiary of the Group, made significant contributions to the energy storage technology standards field by participating in the development of three group standards, namely the *Safety Test Standards for Lithium-ion Batteries Used in Energy Storage*, *Technical Specifications for Energy Management System of Electrochemical Energy Storage Stations* and *Liquid-cooled Radiators for Energy Storage Batteries*. With standardised key parameters and test methods, these standards have effectively led the technical development and normative construction of the energy storage industry.
- In April 2023, the Group signed a *Strategic Cooperation Framework Agreement* with Wuhan, Hubei to establish strategic cooperation in headquarters economy, development and utilisation of solar energies, R&D and manufacturing of energy storage equipment, and hydrogen energy industry, deepening the government-enterprise cooperation in the renewable energy industry.
- In July 2023, the Founding Conference and the First Committee Meeting of Wind Disaster Mitigation and Energy Utilisation Committee under the China Association for Engineering Construction Standardisation was successfully held. The Group participated in the review of various drafts and discusses the important issues of wind disaster mitigation and wind energy utilisation. The founding of the Committee can help to improve the scientific and technological standards of the industry and promote the healthy development of standardisation in engineering and construction.



The Founding Conference and the First Committee Meeting of Wind Disaster Mitigation and Energy Utilisation Committee under the China Association for Engineering Construction Standardisation

Industry Development and Exchanges

Relying on our professional advantages, we continue to deepen industrial exchanges and cooperation while developing our own business, working together with the industry to explore the possibility of greater value. In this year, the Group organised a total of 71 person-time to attend industrial and technical exchanges meetings, covering professional directions such as wind power, PV, energy storage, hydrogen energy, new electric power systems, electricity market, carbon market, finance lease, etc.

- In April 2023, the Group hosted the Fifth (2023) Technical Forum of the Wind Resources Group of the Renewable Energy Society, which attracted more than 300 experts and professionals from wind power development enterprises, design institutes and universities, etc;
- In May 2023, Green Energy Leasing was invited to give a speech at the SNEC 16th (2023) International PV Power Generation and Smart Energy Conference and the 11th Global Green Energy and PV Financial Summit, where our representative shared feasible solutions to the common pain points of "small and scattered" distributed PV projects, promoting the development of distributed PV projects;
- In August 2023, at the Second China International Energy Storage Exhibition and 10th International Conference on Optical Storage and Charging, Edge Power was unveiled and officially launched a complete solution for the energy storage system on the source grid side, helping the energy storage system to comprehensively improve its safety and reliability;
- In April 2023, the Group was invited as the only green power solution supplier to participate in the 11th China Information Technology Expo (CITE 2023) held in Shenzhen Convention and Exhibition Center (Futian). Through this exhibition, the Group not only further explored the electronic component industry, but also realised a deep integration of renewable green power solutions with the electronic component industry.



Concord New Energy Hosted the Fifth (2023) Technical Forum of the Wind Resources Group of the Renewable Energy Society



Edge Power R&D Director Released Energy Storage System Solutions at the 10th International Conference on Optical Storage and Charging



Green Energy Leasing Gave a Speech at the 11th Global Green Energy and PV Financial Summit



Mr. Chen Hui, Vice President, was Invited to Attend the "China Electronic Components Innovation and Supply Chain Security Development Summit" and Delivered Speech

Prosperity with Community

Support for Economy and Employment

The Group is committed to promoting the integrated development of the PV power generation industry and the agriculture, forestry, animal husbandry and fishery industries, developing farming and agriculture based on local conditions, and protecting local environment and biological resources. It is not only contributing to the diversification of the local economy but also providing employment opportunities for local residents.

The 70MW fishery-PV complementary project in Nandagang Hebei covers an area of 2,048 acres, with an effective fishing water surface of 1,500 acres. It has formed a new power generation model of generating electricity on the water surface and breeding underwater, achieving the goals of land appreciation, enterprise efficiency improvement, and government tax increase. The shading effect of PV modules can reduce the temperature of the water surface and reduce the evaporation of water, which greatly improves the survival rate of fish and shrimp, and also increases the income of aquaculture. In this year, the Hebei Nandagang fishery-PV complementary project harvested about 55,000kg of Pacific white shrimp, which significantly improved the economic benefits of local fishery. This project combines agriculture with green PV power generation and has achieved overall social benefit.



Hebei Nandagang Fishery-PV Complementary Project

The Xiangbei agricultural-PV complementary project in Hubei Province integrates PV power generation with environmental protection. After the completion of the project, the land will be leased back to a professional agricultural development company for intensive development. Based on the local climate characteristics, high-value-added medicinal herbs and other crops will be planted under the PV arrays. The expected output value in 2023 is RMB500,000. The agricultural-PV complementary power generation model maximises the utilisation of clean energy and land resources, effectively combining green organic agriculture with clean energy production while protecting the red line of cultivated land. It optimises land use efficiency and achieves a win-win situation for farmers, enterprises, and the government.



Hubei Xiangbei Agricultural-PV Complementary Project

In this year, to support local government's initiative of providing employment for relief, the Group's 30MW PV power generation project in Cuomei County offered flexible work opportunities for local Xizang residents, attracting the local flexible employment personnel from surrounding villages and counties to work on the construction site. In addition, the project placed emphasis on skills training for young people who had dropped out of school, and organised training in one-off electrical installation technology to help improve local residents' skills and provide them with new income opportunities.

Promote Green Development

The Group is actively fulfilling its social responsibilities. Through project donations, financial support, renewable energy solutions and other ways, we are leading the way in building a good environment and promoting the transition of communities towards green development.

Our Fishery-PV Complementary Project Phase II in Nandagang promoted wetland restoration, enhanced wetland ecosystem function and protected biodiversity in the local communities around the project site through donation.

Green Energy Leasing, a subsidiary of the Group, provided financial support and innovative renewable energy solutions to small and medium-sized private enterprises, helping them to solve financing difficulties and high financing costs for building renewable energy power plants. This effectively promoted the construction of new energy power plants and demonstrated the great potential of Green Energy Leasing in promoting the use of clean energy, reducing carbon emissions and advancing the green development. In this year, Green Energy Leasing provided financial support to related programmes such as a rail equipment enterprise, an integrated urban operation enterprise, and a power line component enterprise, helping them to carry out renewable energy power plant construction.

Progress with Society

Community Welfare

Concord New Energy is passionate about social welfare, actively fulfils its corporate social responsibilities, and continuously gives back to the society and the community through donations and other supports. In this year, the Group implemented a total of 7 community donation projects, with a total donation amount of RMB2,072,800.

HELPING TO FIGHT FLOOD DISASTER IN HEILONGJIANG

In the summer of 2023, parts of Heilongjiang Province were ravaged by floods and geological disasters. To help with the post-disaster recovery and help the people in the affected areas tide over the difficulties and rebuild their homes, the Group's Heilongjiang Branch donated RMB400,000 to Yilan and Tonghe County (RMB200,000 each) for flood relief.

SUPPORT TO HUBEI YOUTH DEVELOPMENT FOUNDATION

This year, the Group's Hubei Branch participated in the Voluntary Public Welfare Carnival of Hubei Province at Huazhong University of Science and Technology. During this event, the Group donated RMB100,000 to the Hubei Youth Development Foundation and won the award of "Outstanding Contribution Unit of Hubei Youth Volunteer Initiative". The donation reflects the Group's commitment to youth education and social welfare and inspires more enterprises and individuals to participate in public welfare.



SPONSORSHIP FOR WILD EMPIRE CHORAL GROUP

On November 18th, 2023, the Group sponsored Wild Empire Choral Group, a local choir that conducted a charity performance at the School of the Arts (SOTA) Concert Hall in Singapore. This choir is dedicated to support young individuals from less privileged and vulnerable backgrounds and consists of a total of 40 members at this moment. The success of this performance demonstrated the Group's commitment to social welfare and its humanistic care for less privileged and vulnerable groups.



Successful Performance by Wild Empire Choral Group

Education Support

Over the years, the Group has continuously invested in education, adhered to school-enterprise cooperation, and supported the future development of society through educational assistance. By the end of the reporting period, the Group has donated to North China Electric Power University for 17 consecutive years, with a total donation around RMB3.98 million, a total of 1,602 students with excellent academic performance and 119 outstanding teachers.

THE FOURTH UNIVERSITY-ENTERPRISE COOPERATION BETWEEN THE GROUP AND NORTH CHINA ELECTRIC POWER UNIVERSITY

In January 2024, we reached the fourth scholarship donation agreement with North China Electric Power University, totalling RMB3 million which will be used for scholarship and education, talent training, laboratory construction and other aspects to show our support for education.



The Group Signed Donation Agreement with North China Electric Power University





Sound Governance for Sustainable Development

06

The Group adheres to governance as its root and always maintains a high level of governance. We have built a comprehensive corporate governance structure to ensure fairness and transparency in decision-making. We continue to strengthen enterprise risk management and adhere to honest and compliant operations to safeguard the Group's evergreen development.

Key Issues:

Corporate Governance, Risk Management, Compliance Management

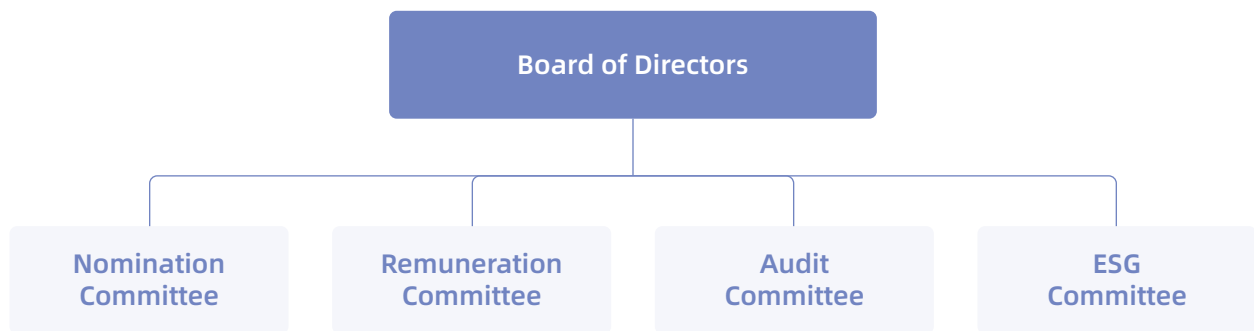


Corporate Governance

Governance Structure

Concord New Energy has established a standardised and efficient governance structure in accordance with the law, and has set up the Nomination Committee, Remuneration Committee, Audit Committee and ESG Committee under the Board to provide long-term value to stakeholders via strengthening supervision and management and enhancing visibility and management effectiveness.

The Board convenes meetings on a regular basis. By the end of the reporting period, a total of 7 general meetings, 22 Board meetings, 1 Nomination Committee meeting, 4 Audit Committee meetings, 2 ESG Committee meetings and 1 Remuneration Committee meeting had been held. Board meetings held in 2023 had an attendance rate of 100%. The convening and voting procedures of all meetings were in compliance with laws and regulations and relevant provisions. All voting results were legal and valid, laying a solid foundation for the standardised operation of the Group.



Diversity and Independence of the Board

The Board consists of 11 directors, including 6 executive directors, 1 non-executive director and 4 independent non-executive directors. Independent directors account for 36.4% of the Board. The current Board members have a wide range of expertise in business administration, law, finance, and energy management, and are experienced in industry, finance and risk management. This enables the Board to take a more holistic view to improve decision-making and optimise the top-level governance.

The Group has developed and implemented a Board diversity policy, whereby we consider multiple factors in the selection and appointment of Board candidates. These factors include but are not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. In doing so, we ensure that we bring a diversity of insights and perspectives to the Board's decision-making. The Nomination Committee reviews the policy on a regular basis and discusses any revisions that may be required, and recommends any such revisions to the Board for consideration and approval. By the end of the reporting period, the Board comprises four female directors, and at least one third of the directors of the Audit Committee, the Remuneration Committee, the Nomination Committee and the ESG Committee were female.

By the end of the reporting period

4

Female directors

36.4%

Proportion of independent directors

Risk Management

Risk Management Structure

The Group has established a comprehensive risk management and internal control system, which is coordinated and controlled by the Board. The Audit Committee oversees the design and implementation of the system to ensure that it can fulfill its intended functions in practice in a sustainable and effective manner.

The Group has established an internal audit function and it is independent of the daily operation of the Group. The internal audit function reports independently to the Audit Committee in respect of the matters including audit plan and resources, executed audit procedures and material audit findings, and conduct effectiveness analysis and independent assessment on the Group's risk management and internal control systems.

Risk Assessment and Control

The Group attaches importance to risk management and internal control. To effectively implement the Group's comprehensive risk management, we have formulated the *Risk Management System, Internal Control and Work Management Guidelines* and other rules and regulations related to risk management and internal control. It has also formed a complete risk assessment and control process covering risk identification, risk assessment, risk response, risk monitoring and improvement to timely identify, assess, analyse and respond to risks. Through effective risk management and continuous monitoring, the stability of the Group's business activities is ensured.

For the investment and operation of renewable energy power plants, our main business, we assess the possible adverse factors and have identified the main risks, including exchange rate risk, policy risk, market risk, climate risk, etc. Meanwhile, in order to adapt to the changing operating environment, the Group proactively identifies and assesses emerging risks and closely monitors them in the risk management process.

Emerging risk	Description	Response
Geopolitics	Geopolitics poses potential risks to our international operations, such as employment restriction, travel suspension, supply chain disruption and import/export control.	<ul style="list-style-type: none"> ● The Group keeps abreast of the international situation and actively participates in external seminars or forums to gain more opportunities for cross-disciplinary exchanges and improve its ability to judge the geopolitical environment. ● The Group continuously monitors changes in political and economic risks and studies the operation risks in different countries. In response to risk events and news, we conduct timely risk assessment and intensify monitoring on countries or regions with high geopolitical risks.

Risk Awareness and Culture

We believe that risk management should be a shared responsibility for employees at all levels. To ensure that all employees have a clear understanding of internal risk management and monitoring systems and procedures and strengthen the dissemination of relevant knowledge, we provide online and offline special risk management training for all directors and employees, covering key aspects such as compliance and risk management, thereby raising employees' awareness of risk management.

The Group has conducted multiple knowledge promotional and training activities related to risk management. In this year, we have achieved a 100% coverage rate for risk management training among employees and a 100% coverage rate for risk management training among directors.

Business Ethics

We believe in the importance of upholding business ethics in the global business environment, and are committed to conducting business with the highest standard for integrity and ethics to safeguard the legitimate interests of customers, business partners, shareholders and other stakeholders.

Intellectual Property Protection

Concord New Energy attaches great importance to the protection of intellectual property and patents. In strict accordance with the requirements of laws and regulations such as the *Trademark Law*, the *Patent Law* and the *Copyright Law*, the Group has established and improved the intellectual property management system, formulated and implemented the *Intellectual Property Management Rule* and other internal intellectual property work administrative measures, improved the ability of intellectual property risk prevention and control and ensured that the Group's innovations and intellectual property assets are protected in a comprehensive and timely manner. In this year, the Group newly obtained 1 authorised invention patent and 14 authorised utility model patents.

The Group firmly protects its own intellectual property and legitimate rights and interests, while respecting the intellectual property of others. We have established a review mechanism and feedback channels and clearly defined the ownership of intellectual property to avoid intellectual property disputes caused by unclear ownership. In addition, we take appropriate measures in accordance with the law for technologies and contents that may give rise to infringement. In this year, no intellectual property infringements occurred within the Group.

In this year, the Group newly obtained

Authorised invention patent

1

Authorised utility model patents

14

The Group attaches great importance to shaping and improving the brand image, and continues to strengthen standardised management and related publicity. We have formulated the *CNE Manual for Visual Identification of Company Brand Image*, which provides uniform language and systematic visual logo symbols. As a result, the visual application and the process and requirement of advertisement of the Group's brand has been standardised, which maintain the Group's corporate image, and continue to shape the brand influence.



Anti-corruption

The Group strictly comply with the *Interim Provisions on Banning Commercial Bribery* and other laws and regulations, and have improved its anti-corruption management system, formulated and published the [Code of Ethics & Conduct](#) and the [Integrity and Compliance Policy](#), which apply to all employees (including regular employees, part-time employees, casual laborers, top management and directors of the Group). We require all employees to familiarise themselves with and comply with the Group's *Code of Ethics & Conduct* and to promote compliance by others. All employees are required to cooperate with the Group's fraud investigations.

For contractors, suppliers and other potential business partners with whom the Group has business dealings, we have formulated and issued the [Supplier Code of Conduct](#) and the [Supply Chain Management Policy](#) to further clarify the requirements on business ethics. We require all partners to sign the *Honesty Commitment Agreement*. In this year, the signing rate of the *Honesty Commitment Agreement* for all newly signed partners was 100%.

In the year, there were no concluded corruption lawsuits brought against the Group or our employees.

The Group attaches importance to and continuously improves our audit on anti-corruption, monitoring and review mechanisms, integrating anti-corruption risk management into our business management.

- Conduct internal anti-corruption audits on a regular or occasional basis, including regional company audits and special audits. The scope of anti-corruption audit basically covers all the Group's main businesses and areas every three years;
- Focus on monitoring whether there are any improper dereliction of duty such as corruption, bribery and other misconducts by our employees, suppliers, contractors and other key personnel related to funds, expenses and settlements, bidding and procurement, engineering projects and other business areas;
- After the audit is completed, a report and corrective measures are formed and reported to the management. Strict implementation of rectification measures is carried out for the identified issues, and responsible person, rectification measures and rectification periods are clarified.

The Group attaches importance to building a culture of integrity and honesty among our employees, contractors, and suppliers. We conduct online and offline anti-corruption training every year to ensure that all employees of the Group, including part-time employees and directors, are covered. In this year, a total of 4 anti-corruption, integrity and compliance training sessions were conducted across the Group, with a total of 1,100 participants. The coverage of anti-corruption training achieved 100% for employees and 100% for the Group's directors.

To promote cooperation on integrity and honesty, we provided training to all suppliers that have conducted business transactions during this year on integrity, compliance, code of conduct, and other aspects, the training coverage ratio was 100%.

NEW EMPLOYEES TRAINING ON ANTI-FRAUD AND CODE OF ETHICS & CONDUCT

In 2023, we provided anti-fraud and code of ethics and conduct training that focused on the popularisation of anti-fraud awareness and the code of ethics and conduct to all new employees to ensure that they are aware of the Group's "Zero Tolerance" attitude towards corruption.

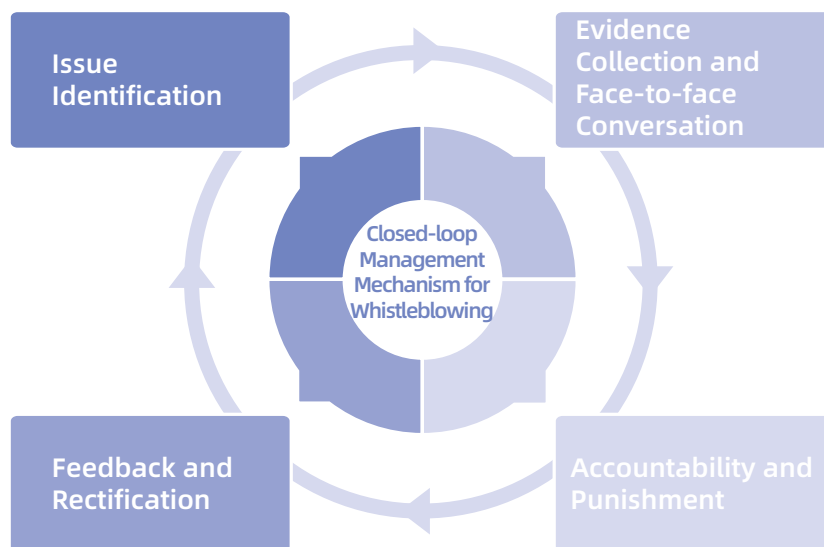
ONLINE ANTI-FRAUD TRAINING FOR ALL EMPLOYEES

In 2023, we organised an online anti-fraud training and assessment to all employees through the CNE Learning and Innovation Centre platform. We selected "Taking Kickbacks", a common fraud in private sectors, to explain in depth which laws and regulations are violated by this misconduct, and to warn the employees to adhere to honesty in work. The employee examination passing rate is 100%.

Whistleblowing and Whistleblower Protection

The Group maintains a zero-tolerance attitude towards any violation of business ethics, and any such violation will result in severe penalties once verified. We have published the [Whistleblowing Policy](#) to encourage all our employees, contractors, suppliers and potential business partners to report any misconduct or malpractice found, so as to maintain an internal and external environment of integrity and honesty through joint efforts.

We implement full-process closed-loop management for the issues reported. Our investigation procedures include issue identification, evidence collection and face-to-face conversation, accountability and punishment, and feedback and rectification. This ensures that the entire investigation is compliant and effective, and that issues are identified and resolved in a timely manner.



For whistleblower protection, we have multiple reporting channels for all relevant parties, including our employees and suppliers, and implement comprehensive whistleblower protection measures. We strictly keep the whistleblowing information to limited persons within the Group and keep all investigation information confidential. As for any leakage or retaliation against whistleblowers, we reserve the right to pursue legal liability.

Public Whistleblowing Channels :



Address:

Audit Department at CWP Bldg., No.9 South Shouti Rd., Haidian District, Beijing, 100048, P.R.C. or Suite 3901, 39th Floor, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong;



E-mail:

complaint@cnegroup.com



Hotline:

010-88314954/18810347126



Official Website:

<https://en.cnegroup.com/audit.html>

Appendix

Key Performance Indicators

Unless otherwise specified, the environmental KPIs provided in this section only cover the business of the Group's wholly-owned businesses in Chinese Mainland, whereas its joint-venture operations are not included.

1. EMISSIONS

KPIs	Unit	2021	2022	2023
Total GHG Emissions (Scope 1 and Scope 2)	Tons	6,667.87	9,251.96	9,669.70
Direct Emissions (Scope 1)	Tons	1,641.28	1,646.91	277.43
Indirect Emissions (Scope 2)	Tons	5,026.59	7,605.05	9,392.27
GHG Emission Intensity	g/kWh	1.74	1.77	1.61
Total Hazardous Waste	Tons	11.53	3.14	7.14
Hazardous Waste Intensity	Tons/million revenue	0.005	0.001	0.003
Total Non-hazardous Waste	Tons	166.07	223.47	85.59
Non-hazardous Waste Intensity	Tons/million revenue	0.075	0.093	0.033

- Notes:
1. Due to its business nature, the major air emissions of the Group are GHG emissions. The Group's GHG inventory includes carbon dioxide, methane and nitrous oxide.
 2. Direct Emissions (Scope 1) are mainly from fuel consumption, refrigerant and fire extinguisher fillings escape. The Group identifies SF₆ emissions and no SF₆ emissions were generated by the Group in 2023. GHG emissions data is presented in carbon dioxide equivalent and calculated based on the National Standard of the People's Republic of China *General Rules for the Calculation of Comprehensive Energy Consumption (GB/T 2589-2020)* and the *2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 Revision)* published by the Intergovernmental Panel on Climate Change (IPCC). In 2023, the Group ceased to consolidate Intelligent operation and maintenance business (the "Intelligent O&M") in the consolidated financial statements which involves the use of more official vehicles than the other businesses of the Group. GHG emissions from fuel consumption in Intelligent O&M during the year are not included.
 3. Indirect Emissions (Scope 2) are mainly from purchased electricity. The Chinese mainland region refers to the national grid emission factors in the *Notice on the Management of Greenhouse Gas Emission Reporting by Enterprises in the Power Generation Sector for 2023-2025* issued by the Ministry of Ecology and Environment of the People's Republic of China and Singapore Branch refers to the Singapore Grid Emission Factors in the *EIB Project Carbon Footprint Methodologies (Version 11.3)* of the European Investment Bank for accounting. In 2023, the number of new power plants commissioned was increased and the manufacturing base of Edge Power was put into operation, led to an increase in the Group's GHG emissions from purchased electricity.
 4. Hazardous waste mainly includes waste toner cartridges, ink cartridges, waste fluorescent tubes, lead-acid batteries, etc. Waste toner cartridges, ink cartridges, waste fluorescent tubes and other hazardous office waste are recycled by qualified service providers.
 5. Non-hazardous waste mainly includes household garbage, which is calculated according to the *Handbook on Domestic Discharge Efficiencies for Towns in the First Nationwide Census on Contaminant Discharge* published by the State Council. Restate the total non-hazardous waste data for 2021 and 2022.

2. RESOURCES USE

KPIs	Unit	2021	2022	2023
Total Energy Consumption	MWh	15,109.91	19,209.90	17,448.11
Direct Energy Consumption	MWh	6,689.07	6,696.57	978.31
Petrol for Official Vehicles	MWh	6,478.96	6,276.93	909.41
Diesel for Official Vehicles	MWh	210.11	419.64	68.90
Indirect Energy Consumption	MWh	8,420.84	12,513.33	16,469.80
Purchased Electricity	MWh	8,420.84	12,513.33	16,469.80

KPIs	Unit	2021	2022	2023
Energy Consumption Intensity	kWh/kWh	0.004	0.004	0.003
Water Consumption	Tons	15,417.62	11,676.97	26,900.09
Water Consumption Intensity	Tons/million revenue	7.01	4.87	10.39

- Notes:
1. Energy consumption is calculated by the data of electricity and fuel with reference to the coefficients in the *General Rules for the Calculation of Comprehensive Energy Consumption (GB/T 2589-2020)*, the national standards of the People's Republic of China.
 2. In 2023, the Group ceased to consolidate Intelligent O&M in the consolidated financial statements which involves the use of more official vehicles than the other businesses of the Group. Petrol and diesel consumption for official vehicles in Intelligent O&M during the year are not included.
 3. In 2023, the number of new power plants commissioned was increased and the manufacturing base of Edge Power was put into operation, led to an increase in the Group's purchased electricity and water consumption.
 4. Energy consumption intensity refers to the ratio of energy consumed to electricity generation.
 5. Water consumption refers to tap water, which is sourced from municipal water supply.
 6. According to the nature of operation, the indicators of the total packaging material used and intensity are not applicable to the Group.

3. HUMAN RESOURCES

Number of Employee

KPIs	Unit	2021	2022	2023
Total Workforce	Person	1,907	2,574	995
By Gender				
Male	Person	1,596	2,202	770
Female	Person	311	372	225
By Employee Category				
Management	Person	203	311	297
Non-management	Person	1,704	2,263	698
By Age Group				
Under 30 Years Old	Person	862	1,174	163
30 (include) -50 (include) Years Old	Person	941	1,267	727
Over 50 Years Old	Person	104	133	105
By Lines of Service				
Headquarter Office Management	Person	173	217	246
Project Development, Construction and Production Management	Person	351	450	505
Design, Leasing, Energy Storage, etc.	Person	101	113	244
Intelligent O&M	Person	1,282	1,794	-
By Region				
China (includes Hong Kong, Macao and Taiwan)	Person	1,900	2,563	970
Other Countries and Regions	Person	7	11	25
By Ethnicity				
Minority Nationality	Person	-	-	59
Non- minority Nationality	Person	-	-	936

Notes: In 2023, the Group ceased to consolidate Intelligent O&M in the consolidated financial statements and the human resources data related to this business are not included in the Group's overall statistics.

Employee Turnover Rate

KPIs	Unit	2021	2022	2023
Overall Turnover Rate	%	8.9	8.4	9.4
By Gender				
Male	%	8.5	8.0	9.8
Female	%	10.1	9.8	7.8
By Age Group				
Under 30 Years Old	%	12.0	16.7	16.0
30 (include) -50 (include) Years Old	%	9.6	8.0	7.5
Over 50 Years Old	%	0.0	4.2	11.0
By Region				
China (includes Hong Kong, Macao and Taiwan)	%	8.7	8.3	9.3
Other Countries and Regions	%	30.0	15.4	10.7

Notes: Turnover is defined as the employee who passes the probation period voluntarily (including retirement) and involuntarily leaves the Group.

Employee Training

KPIs	Unit	2021	2022	2023
Training Hours per Employee	Hour	103.70	147.44	37.47
Percentage of Total Employees Trained	%	100	100	100
By Gender				
Percentage of Male Employees Trained	%	100	100	100
Percentage of Female Employees Trained	%	100	100	100
Average Training Hours for Male Employees	Hour	102.79	153.19	37.03
Average Training Hours for Female Employees	Hour	108.28	113.42	38.98
By Employee Category				
Percentage of Management Trained	%	100	100	100
Percentage of Non-management Trained	%	100	100	100
Average Training Hours for Management	Hour	52.92	80.08	63.42
Average Training Hours for Non-management	Hour	109.57	157.35	35.60

Notes: In 2023, the Group ceased to consolidate Intelligent O&M in the consolidated financial statements and the employee training data related to this business are not included in the Group's overall statistics.

Health and Safety

KPIs	Unit	2021	2022	2023
Number of Work-related Fatalities¹	Person	1	0	0
Rate of Work-related Fatalities	%	0.05	0	0
Lost Days Due to Work Injury	Day	0	0	0
Number of Recordable Occupational Injuries	Incident	-	-	0
Total Recordable Incident Rate (TRIR)² (Per 200,000 Hours Worked)	Incident per 200,000 hours	-	-	0

Notes: 1. In the past three years, there was one work-related fatalities in the Group, which happened in 2021 and caused by a traffic accident when an employee was on a business trip.

2. Disclosure of data on the Number of Recordable Occupational Injuries and Total Recordable Incident Rate (TRIR) (Per 200,000 Hours Worked) begin in 2023.

New Employee Hires

KPIs	Unit	2023
Rate of New Employee Hires	%	33.9
By Gender		
Male	%	77.4
Female	%	22.6
By Age Group		
Under 30 Years Old	%	30.0
30 (include) -50 (include) Years Old	%	66.2
Over 50 Years Old	%	3.9
By Region		
China (includes Hong Kong, Macao and Taiwan)	%	97.3
Other Countries and Regions	%	2.7
Rate of Open Positions Filled by Internal Candidates	%	28.9

4. SUPPLIER

KPIs	Unit	2021	2022	2023
Total Number of Suppliers	Number	200	215	295
By Region				
China (includes Hong Kong, Macao and Taiwan)	Number	197	212	284
Other Countries and Regions	Number	3	3	11

5. ANTI-CORRUPTION

KPIs	Unit	2022	2023
Number of Concluded Legal Cases Regarding Corrupt Practices Brought Against the Group's employees	Event	0	0
Number of Concluded Legal Cases Regarding Corrupt Practices Brought Against the Group	Event	0	0
Participation Rate of Anti-corruption Training for Employees	%	95.0	94.3
Participation Rate of Anti-corruption Training for Directors	%	100	100

6. COMMUNITY DONATION

KPIs	Unit	2023
Total Amount of Community Donation	Ten thousand RMB	207.28
Number of Community Donation Projects	Number	7

ESG Reporting Guide Index

Subject Areas	Disclosure Requirements	Remarks
Governance Structure		
-	<p>A statement from the board containing the following elements:</p> <p>(i) a disclosure of the board's oversight of ESG issues;</p> <p>(ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and</p> <p>(iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.</p>	<p>Introduction</p> <p>>About the Report</p> <p>Sustainable Future with ESG Commitments</p> <p>>ESG Development Strategy</p>
Reporting Principles		
-	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	<p>Introduction</p> <p>>About the Report</p>
Reporting Boundary		
-	<p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>	<p>Introduction</p> <p>>About the Report</p>
A.Environmental		
Aspect A1: Emissions	<p>General Disclosure Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p>	<p>Low-carbon Commitment Through Green Development</p> <p>>Implementing Green Operation</p> <p>>Harmony with Nature and Ecology</p> <p>Appendix</p> <p>>Key Performance Indicators</p>
	A1.1 The types of emissions and respective emissions data.	<p>Appendix</p> <p>>Key Performance Indicators</p>
	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)	<p>Appendix</p> <p>>Key Performance Indicators</p>
	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	<p>Appendix</p> <p>>Key Performance Indicators</p>
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	<p>Appendix</p> <p>>Key Performance Indicators</p>

Subject Areas	Disclosure Requirements	Remarks
Aspect A1: Emissions	A1.5 Description of emissions target(s) set and steps taken to achieve them.	Low-carbon Commitment Through Green Development Appendix >Key Performance Indicators
	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.	Low-carbon Commitment Through Green Development >Implementing Green Operation Appendix >Key Performance Indicators
Aspect A2: Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.	Low-carbon Commitment Through Green Development >Implementing Green Operation
	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).	Appendix >Key Performance Indicators
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix >Key Performance Indicators
	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Low-carbon Commitment Through Green Development Appendix >Key Performance Indicators
	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.	Low-carbon Commitment Through Green Development Appendix >Key Performance Indicators
	A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable
Aspect A3: The Environment and Natural Resources	General Disclosure: Policies on minimising the issuer's significant impacts on the environment and natural resources.	Low-carbon Commitment Through Green Development >Harmony with Nature and Ecology
	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Low-carbon Commitment Through Green Development >Harmony with Nature and Ecology
Aspect 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.	Low-carbon Commitment Through Green Development >Responding to Climate Change
	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.	Low-carbon Commitment Through Green Development >Responding to Climate Change

Subject Areas	Disclosure Requirements	Remarks
B.Social		
Employment and Labour Practices		
Aspect B1: Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Excellent Workplace Develops Talents
	B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Excellent Workplace Develops Talents >Multi-Dimensional Rights and Interests Protection Appendix >Key Performance Indicators
	B1.2 Employee turnover rate by gender, age group and geographical region.	Appendix >Key Performance Indicators
Aspect B2: Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Steady Operation Emphasises Responsibility >Comprehensive Safety Management Excellent Workplace Develops Talents >Employee Benefits and Care
	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix >Key Performance Indicators
	B2.2 Lost days due to work injury	Appendix >Key Performance Indicators
Aspect B3: Development and Training	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Steady Operation Emphasises Responsibility >Comprehensive Safety Management Excellent Workplace Develops Talents >Employee Benefits and Care
	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Excellent Workplace Develops Talents >Employee Growth and Development
	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Appendix >Key Performance Indicators
	B3.2 The average training hours completed per employee by gender and employee category.	Appendix >Key Performance Indicators

Subject Areas	Disclosure Requirements	Remarks
Aspect B4: Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Excellent Workplace Develops Talents >Multi-Dimensional Rights and Interests Protection
	B4.1 Description of measures to review employment practices to avoid child and forced labour.	Excellent Workplace Develops Talents >Multi-Dimensional Rights and Interests Protection
	B4.2 Description of steps taken to eliminate such practices when discovered.	Excellent Workplace Develops Talents >Multi-Dimensional Rights and Interests Protection
Operating Practices		
Aspect B5: Supply Chain Management	General Disclosure: Policies on managing environmental and social risks of the supply chain.	Steady Operation Emphasises Responsibility >Responsible Supply Chain
	B5.1 Number of suppliers by geographical region.	Appendix >Key Performance Indicators
	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.	Steady Operation Emphasises Responsibility >Responsible Supply Chain
	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Steady Operation Emphasises Responsibility >Responsible Supply Chain
	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Low-carbon Commitment Through Green Development >Implementing Green Operation Steady Operation Emphasises Responsibility >Responsible Supply Chain
Aspect B6: Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Steady Operation Emphasises Responsibility >Product Responsibility
	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 service related complaints received and how they are dealt with.	Steady Operation Emphasises Responsibility >Product Responsibility
	B6.3 Description of practices relating to observing and protecting intellectual property rights.	Sound Governance for Sustainable Development >Business Ethics
	B6.4 Description of quality assurance process and recall procedures.	Steady Operation Emphasises Responsibility >Product Responsibility
	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Steady Operation Emphasises Responsibility >Product Responsibility

Subject Areas	Disclosure Requirements	Remarks
Aspect B7: Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Sound Governance for Sustainable Development >Business Ethics
	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.	Sound Governance for Sustainable Development >Business Ethics Appendix >Key Performance Indicators
	B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Sound Governance for Sustainable Development >Business Ethics
	B7.3 Description of anti-corruption training provided to directors and staff.	Sound Governance for Sustainable Development >Business Ethics Appendix >Key Performance Indicators
Community		
Aspect B8: Community Investment	General Disclosure: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Prosperity as Social Responsibility >Progress with Society >Prosperity with Community
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Prosperity as Social Responsibility >Progress with Society >Prosperity with Community
	B8.2 Resources contributed (e.g. money or time) to the focus area	Community Prosperity as Social Responsibility >Progress with Society >Prosperity with Community Appendix >Key Performance Indicators

GRI Standards Index

Statement of use	Concord New Energy has reported the information cited in this GRI content index for the period 2023.1.1 to 2023.12.31 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosure 2021		
1. Organization and its reporting practices	2-1	Organizational details Introduction >About Concord New Energy
	2-2	Entities included in the organization's sustainability reporting Introduction >About the Report
	2-3	Reporting period, frequency and contact point Introduction >About the Report
	2-4	Restatements of information Change in the measurement methodologies. We restated the total non-hazardous waste data for 2021 and 2022.
	2-5	External assurance Appendix >Independent Assurance Report
2. Activities and workers	2-6	Activities, value chain and other business relationships Introduction >About Concord New Energy
	2-7	Employees Appendix >Key Performance Indicators
	2-8	Workers who are not employees There are no workers who are not employees.
3. Governance	2-9	Governance structure and composition Introduction >About the Report Sustainable Future with ESG Commitments >ESG Development Strategy
	2-10	Nomination and selection of the highest governance body Please refer to <i>2023 Annual Report</i>
	2-11	Chair of the highest governance body Shunxing Liu
	2-12	Role of the highest governance body in overseeing the management of impacts Introduction >About the Report Sustainable Future with ESG Commitments >ESG Development Strategy Low-carbon Commitment Through Green Development >Responding to Climate Change
	2-13	Delegation of responsibility for managing impacts Sustainable Future with ESG Commitments >ESG Development Strategy
	2-14	Role of the highest governance body in sustainability reporting Introduction >About the Report Sustainable Future with ESG Commitments >ESG Development Strategy

GRI STANDARD	DISCLOSURE	LOCATION
3. Governance	2-15	Conflicts of interest Please refer to <i>2023 Annual Report</i>
	2-16	Communication of critical concerns Sustainable Future with ESG Commitments >Materiality Assessment >ESG Development Strategy
	2-17	Collective knowledge of the highest governance body The Group regularly or irregularly provides the directors with the latest laws, regulations and regulatory requirements documents and carries out necessary training, including but not limited to ESG general knowledge, climate change, anticorruption, etc.
	2-18	Evaluation of the performance of the highest governance body Please refer to <i>2023 Annual Report</i>
	2-19	Remuneration policies Please refer to <i>2023 Annual Report</i>
	2-20	Process to determine remuneration Please refer to <i>2023 Annual Report</i>
	4. Strategy, policies and practices	2-22
2-23		Policy commitments Excellent Workplace Develops Talents >Multi-Dimensional Rights and Interests Protection
2-24		Embedding policy commitments Excellent Workplace Develops Talents >Multi-Dimensional Rights and Interests Protection
2-25		Processes to remediate negative impacts Sound Governance for Sustainable Development >Business Ethics Excellent Workplace Develops Talents >Multi-Dimensional Rights and Interests Protection >Employee Benefits and Care
2-26		Mechanisms for seeking advice and raising concerns Sound Governance for Sustainable Development >Business Ethics Excellent Workplace Develops Talents >Multi-Dimensional Rights and Interests Protection >Employee Benefits and Care
2-27		Compliance with laws and regulations No major violation of laws and regulations have occurred in this year.
2-28		Membership associations The Group is a member of UNGC.
5. Stakeholder engagement	2-29	Approach to stakeholder engagement Sustainable Future with ESG Commitments >Materiality Assessment
	2-30	Collective bargaining agreements Excellent Workplace Develops Talents >Multi-Dimensional Rights and Interests Protection

GRI STANDARD	DISCLOSURE	LOCATION
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Sustainable Future with ESG Commitments >Materiality Assessment
3-2	List of material topics	Sustainable Future with ESG Commitments >Materiality Assessment
3-3	Management of material topics	Please refer to the following table.

GRI STANDARD	DISCLOSURE	LOCATION
GRI 201: Economic Performance	GRI3: Topic management disclosures	How it manages Economic performance Please refer to <i>2023 Annual Report</i>
	Topic disclosures	201-1 Direct economic value generated and distributed Please refer to the <i>2023 Annual Report</i> for operation related financial information. Other information is subject to confidentiality requirements and will not be reported.
		201-2 Financial implications and other risks and opportunities due to climate change Low-carbon Commitment Through Green Development >Responding to Climate Change
GRI 204: Procurement practice	GRI3: Topic management disclosures	How it manages procurement practices Steady Operation Emphasises Responsibility >Responsible Supply Chain
GRI 205: Anti-corruption	GRI3: Topic management disclosures	How it manages anti-corruption Sound Governance for Sustainable Development >Business Ethics
	Topic disclosures	205-2 Communication and training about anti-corruption policies and procedures Sound Governance for Sustainable Development >Business Ethics Appendix >Key Performance Indicators
		205-3 Confirmed incidents of corruption and actions taken Sound Governance for Sustainable Development >Business Ethics Appendix >Key Performance Indicators
GRI 302: Energy	GRI3: Topic management disclosures	How it manages energy Low-carbon Commitment Through Green Development >Implementing Green Operation
	Topic disclosures	302-1 Energy consumption within the organization Appendix >Key Performance Indicators
		302-3 Energy intensity Appendix >Key Performance Indicators
		302-4 Reduction of energy consumption Low-carbon Commitment Through Green Development >Implementing Green Operation
GRI 302: Energy	Topic disclosures	302-5 Reductions in energy requirements of products and services Low-carbon Commitment Through Green Development >Implementing Green Operation

GRI STANDARD		LOCATION	
GRI 303: Water and Effluents	GRI3: Topic management disclosures	How it manages water and effluents	Low-carbon Commitment Through Green Development >Implementing Green Operation >Harmony with Nature and Ecology
		303-1 Interactions with water as a shared resource	Low-carbon Commitment Through Green Development >Harmony with Nature and Ecology
	Topic disclosures	303-2 Management of water discharge-related impacts	Low-carbon Commitment Through Green Development >Implementing Green Operation
		303-3 Water withdrawal	Low-carbon Commitment Through Green Development >Harmony with Nature and Ecology Appendix >Key Performance Indicators
GRI 304: Biodiversity	GRI3: Topic management disclosures	How it manages biodiversity	Low-carbon Commitment Through Green Development >Harmony with Nature and Ecology
		304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Low-carbon Commitment Through Green Development >Harmony with Nature and Ecology
	Topic disclosures	304-2 Significant impacts of activities, products and services on biodiversity	Low-carbon Commitment Through Green Development >Harmony with Nature and Ecology
		304-3 Habitats protected or restored	Low-carbon Commitment Through Green Development >Harmony with Nature and Ecology
GRI 305: Emissions	GRI3: Topic management disclosures	How it manages emissions	Low-carbon Commitment Through Green Development >Implementing Green Operation
		305-1 Direct (Scope 1) GHG emissions	Appendix >Key Performance Indicators
	Topic disclosures	305-2 Energy indirect (Scope 2) GHG emissions	Appendix >Key Performance Indicators
		305-3 Other indirect (Scope 3) GHG emissions	Low-carbon Commitment Through Green Development >Responding to Climate Change
		305-4 GHG emissions intensity	Appendix >Key Performance Indicators
		305-5 Reduction of GHG emissions	Low-carbon Commitment Through Green Development >Responding to Climate Change >Implementing Green Operation
GRI 306: Waste	GRI3: Topic management disclosures	How it manages waste	Low-carbon Commitment Through Green Development >Implementing Green Operation
		306-1 Waste generation and significant waste-related impacts	Low-carbon Commitment Through Green Development >Implementing Green Operation
		306-2 Management of significant waste related impacts	Low-carbon Commitment Through Green Development >Implementing Green Operation
	Topic disclosures	306-3 Waste generated	Appendix >Key Performance Indicators

GRI STANDARD		LOCATION
GRI 308: Supplier Environmental Assessment	GRI3: Topic management disclosures	How it manages supplier environmental assessment Steady Operation Emphasises Responsibility >Responsible Supply Chain
	Topic disclosures	308-1 New suppliers that were screened using environmental criteria Steady Operation Emphasises Responsibility >Responsible Supply Chain
		308-2 Negative environmental impacts of supply chains and actions taken Steady Operation Emphasises Responsibility >Responsible Supply Chain
GRI 401: Employment	GRI3: Topic management disclosures	How it manages employment Excellent Workplace Develops Talents >Multi-Dimensional Rights and Interests Protection
	Topic disclosures	401-1 New employee hires and employee turnover Appendix >Key Performance Indicators
		401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees Excellent Workplace Develops Talents >Employee Benefits and Care
		401-3 Parental leave Excellent Workplace Develops Talents >Employee Benefits and Care
GRI 403: Occupational Health and Safety	GRI3: Topic management disclosures	How it manages occupational health and safety Steady Operation Emphasises Responsibility >Comprehensive Safety Management
		403-1 Occupational health and safety management system Steady Operation Emphasises Responsibility >Comprehensive Safety Management
		403-2 Hazard identification, risk assessment, and incident investigation Steady Operation Emphasises Responsibility >Comprehensive Safety Management
		403-3 Occupational health services Steady Operation Emphasises Responsibility >Comprehensive Safety Management
	Topic disclosures	403-4 Worker participation, consultation, and communication on occupational health and safety Steady Operation Emphasises Responsibility >Comprehensive Safety Management
		403-5 Worker training on occupational health and safety Steady Operation Emphasises Responsibility >Comprehensive Safety Management
		403-6 Promotion of worker health Steady Operation Emphasises Responsibility >Comprehensive Safety Management
		403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships Steady Operation Emphasises Responsibility >Comprehensive Safety Management
403-8 Workers covered by an occupational health and safety management system Steady Operation Emphasises Responsibility >Comprehensive Safety Management		

GRI STANDARD		LOCATION	
GRI 403: Occupational Health and Safety	Topic disclosures	403-9 Work-related injuries	Steady Operation Emphasises Responsibility >Comprehensive Safety Management Appendix >Key Performance Indicators
		403-10 Work-related ill health	Steady Operation Emphasises Responsibility >Comprehensive Safety Management
GRI 404: Training and Education	GRI3: Topic management disclosures	How it manages training and education	Excellent Workplace Develops Talents >Employee Growth and Development
	Topic disclosures	404-1 Average hours of training per year per employee	Appendix >Key Performance Indicators
		404-2 Programs for upgrading employee skills and transition assistance programs	Excellent Workplace Develops Talents >Employee Growth and Development
		404-3 Percentage of employees receiving regular performance and career development reviews	Excellent Workplace Develops Talents >Employee Growth and Development
GRI 405: Diversity and Equal Opportunity	GRI3: Topic management disclosures	How it manages diversity and equal opportunity	Excellent Workplace Develops Talents >Multi-Dimensional Rights and Interests Protection
	Topic disclosures	405-1 Diversity of governance bodies and employees	Excellent Workplace Develops Talents >Multi-Dimensional Rights and Interests Protection Appendix >Key Performance Indicators
GRI 406: Non-discrimination	GRI3: Topic management disclosures	How it manages nondiscrimination	Excellent Workplace Develops Talents >Multi-Dimensional Rights and Interests Protection
	Topic disclosures	406-1 Incidents of discrimination and corrective actions taken	No incidents of discrimination have occurred in this year.
GRI 408: Child Labour	GRI3: Topic management disclosures	How it manages child labour	Excellent Workplace Develops Talents >Multi-Dimensional Rights and Interests Protection
	Topic disclosures	408-1 Operations and suppliers at significant risk for incidents of child labor	No incidents of child labor have occurred in this year.
GRI 409: Forced or Compulsory labor	GRI3: Topic management disclosures	How it manages forced or compulsory labor	Excellent Workplace Develops Talents >Multi-Dimensional Rights and Interests Protection
	Topic disclosures	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	No incidents of forced or compulsory labor have occurred in this year.

GRI STANDARD		LOCATION
	GRI3: Topic management disclosures	How it manages local communities
		Community Prosperity as Social Responsibility >Progress with Society >Prosperity with Community
GRI 413: Local Communities	Topic disclosures	413-1 Operations with local community engagement, impact assessments, and development programs
		Community Prosperity as Social Responsibility >Progress with Society >Prosperity with Community
		413-2 Operations with significant actual and potential negative impacts on local communities
		There were no operating points with actual or potential significant negative impact on local community during this year
GRI 414: Supplier Social Assessment	GRI3: Topic management disclosures	How it manages supplier social assessment
		Steady Operation Emphasises Responsibility >Responsible Supply Chain
	Topic disclosures	414-1 New suppliers that were screened using social criteria
		Steady Operation Emphasises Responsibility >Responsible Supply Chain
		414-2 Negative social impacts in the supply chain and actions taken
		Steady Operation Emphasises Responsibility >Responsible Supply Chain
GRI 418: Customer Privacy	GRI3: Topic management disclosures	How it manages customer privacy
		Steady Operation Emphasises Responsibility >Product Responsibility
	Topic disclosures	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data
		No substantiated concerning breaches of customer privacy and losses of customer data have occurred in this year

Independent Assurance Report



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English Translation for Reference Only

Independent practitioner's assurance report

To the Board of Directors of Concord New Energy Group Limited

We have been engaged to perform a limited assurance engagement on the selected 2023 key data as defined below in the 2023 Environmental, Social and Governance Report ("ESG report") of Concord New Energy Group Limited (the "Company").

Selected key data

The selected key data in the Company's 2023 ESG report that is covered by this report is as follows:

- Direct Emissions (Scope 1) (Tons)
- Indirect Emissions (Scope 2) (Tons)
- Total Energy Consumption (MWh)
- Petrol for Official Vehicles (MWh)
- Diesel for Official Vehicles (MWh)
- Purchased Electricity (MWh)
- Water Consumption (Tons)
- Total Workforce (Person)
- Overall Turnover Rate (%)
- Training Hours per Employee (Hour)
- Percentage of Total Employees Trained (%)
- Total Number of Suppliers (Number)
- Participation Rate of Anti-corruption Training for Employees (%)
- Participation Rate of Anti-corruption Training for Directors (%)
- Number of Community Donation Projects (Number)

Our assurance was with respect to the year ended 31 December 2023 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2023 ESG report.

Criteria

The criteria used by the Company to prepare the selected key data in the 2023 ESG report is set out in the basis of reporting of the key data (the "basis of reporting") after this assurance report.

普华永道中天会计师事务所（特殊普通合伙）
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(Page 2/3)**Management's Responsibilities**

Management of the Company is responsible for the preparation of the selected key data in the 2023 ESG report in accordance with the basis of reporting. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the selected key data in the 2023 ESG report that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Management

We have complied with the independence and other ethical requirement of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibilities

It is our responsibility to express a conclusion on the selected key data in the 2023 ESG report based on our work.

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". This standard requires that we plan and perform our work to form the conclusion.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the Company's 2023 selected key data in the 2023 ESG report has been prepared, in all material respects, in accordance with the basis of reporting. Our work involves assessing the risks of material misstatement of the selected key data in the 2023 ESG report whether due to fraud or error, and responding to the assessed risks. The extent of procedures selected depends on our judgment and assessment of the engagement risk. We have performed the following procedures:



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- 1) Interviews with relevant departments at the Headquarters of the Company involved in providing information for the selected key data within the ESG report; and
- 2) Analytical procedure;
- 3) Examination, on a test basis, of documentary evidence relating to the selected key data on which we report;
- 4) Recalculation; and
- 5) Other procedures deemed necessary.

Inherent Limitation

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

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the 2023 selected key data in the 2023 ESG report is not prepared, in all material respects, in accordance with the basis of reporting.

Restriction on Use

Our report has been prepared for and only for the board of directors of the Company and is not to be used for any other purpose. We do not assume responsibility towards or accept liability to any other parties for the content of this report.

PricewaterhouseCoopers Zhong Tian LLP

Shanghai, China

April 22, 2024

Basis of Reporting

1. Direct Emissions (Scope 1) (Tons): Direct emissions (Scope 1) of GHG emissions refers to the direct GHG emissions from petrol and diesel consumption, refrigerant and fire extinguisher filling fugitive emissions of the headquarter and wholly-owned business of the Concord New Energy Group Limited in China during the reporting period, in accordance with the *National Standard of the People's Republic of China General Rules for the Calculation of Comprehensive Energy Consumption (GB/T 2589-2020)* and the *2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 Revision)* published by the Intergovernmental Panel on Climate Change (IPCC).

2. Indirect Emissions (Scope 2) (Tons): Indirect emissions (Scope 2) of GHG emissions refers to the indirect GHG emissions generated by the purchased electricity of the headquarter and wholly-owned business of the Concord New Energy Group Limited in China and the Singapore Branch during the reporting period. The emission factors are accounted for in accordance with the *Notice on the Management of Greenhouse Gas Emission Reporting by Enterprises in the Power Generation Sector for 2023-2025* issued by the Ministry of Ecology and Environment of the People's Republic of China and *EIB Project Carbon Footprint Methodologies (Version 11.3)* of the European Investment Bank.

3. Total Energy Consumption (MWh): Total energy consumption refers to the total consumption of direct energy and indirect energy of the headquarter and wholly-owned business of Concord New Energy Group Limited in China and the Singapore Branch during the reporting period. Among them, direct energy consumption includes petrol and diesel consumption by official vehicles, and indirect energy consumption includes purchased electricity.

4. Petrol for Official Vehicles (MWh): Petrol for official vehicles refers to the total consumption of petrol by official vehicles of the headquarter and wholly-owned business of Concord New Energy Group Limited in China during the reporting period, which is accounted for in accordance with the *National Standard of the People's Republic of China, General Rules for the Calculation of Comprehensive Energy Consumption (GB/T 2589-2020)*.

5. Diesel for Official Vehicles (MWh): Diesel for official vehicles refers to the total consumption of diesel by official vehicles of the headquarter and wholly-owned business of Concord New Energy Group Limited in China during the reporting period, which is accounted for in accordance with the *National Standard of the People's Republic of China, General Rules for the Calculation of Comprehensive Energy Consumption (GB/T 2589-2020)*.

6. Purchased Electricity (MWh): Purchased electricity refers to the purchased electricity of the headquarter and wholly-owned business of Concord New Energy Group Limited in China and the Singapore Branch during the reporting period.

7. Water Consumption (Tons): Water consumption refers to the municipal water consumption of the headquarter and wholly-owned business of Concord New Energy Group Limited in China during the reporting period.

8. Total Workforce (Person): Total workforce refers to the number of formal employees of Concord New Energy Group Limited as of the end of the reporting period, excluding interns, outsourced employees, labor dispatch employees and third-party employees.

9. Overall Turnover Rate (%): Overall turnover rate refers to the ratio of the number of employees who left Concord New Energy Group to the number of employees during the reporting period. The number of employees is the sum of the total number of employees as of the end of the reporting period and the number of employees who left the Group during the reporting period. The statistical scope of employees who left the Group is the employees who pass the probation period and left the Group voluntarily (including retirement) and involuntarily.

10. Training Hours per Employee (Hour): Training hours per employee refers to the number of training hours per formal employee of Concord New Energy Group Limited during the reporting period.

11. Percentage of Total Employees Trained (%): Percentage of total employees trained refers to the percentage of formal employees who participated in trainings of Concord New Energy Group Limited during the reporting period.

12. Total Number of Suppliers (Number): Total number of suppliers refers to the total number of suppliers of engineering equipment category managed in the supplier pool by Concord New Energy Group Limited as of the end of the reporting period.

13. Participation Rate of Anti-corruption Training for Employees (%): Participation rate of anti-corruption training for employees refers to the percentage of employees who participated in anti-corruption training of Concord New Energy Group Limited during the reporting period, and the employees do not include directors.

14. Participation Rate of Anti-corruption Training for Directors (%): Participation rate of anti-corruption training for directors refers to the percentage of directors who participated in anti-corruption training of Concord New Energy Group Limited during the reporting period.

15. Number of Community Donation Projects (Number): Total number of community donation projects refers to the total number of community donation projects of the Concord New Energy Group Limited during the reporting period.

Reader Feedback Form

Dear Readers,

Hi!

Thank you for taking the time to read the 2023 ESG Report of Concord New Energy Group Limited. In order to enhance our ESG management and improve the quality of ESG management and report, your valuable comments and suggestions are highly appreciated. We will fully consider your advice, and promise to keep your information confidential.

You may contact us via:

Address: CWP Bldg., No.9 South Shouti Rd., Haidian District, Beijing, 100048, P.R.C.

Tel: +86-10-88317888

E-mail: ESG@cnegroup.com

Fax: +86-10-88317777

Concord New Energy Group
April 2024

Please rate your level of agreement with the following statements from 1 to 5 (1 being strongly disagree and 5 being strongly agree):

The report reflects the Group environmental and social impact.	
I am satisfied with the ESG performance of the Group.	
I am satisfied with the disclosure level of this report.	
This report responds to and discloses issues of interest to stakeholders.	
I am satisfied with the report.	

Other comments:

GENERATE FOR GENERATIONS

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