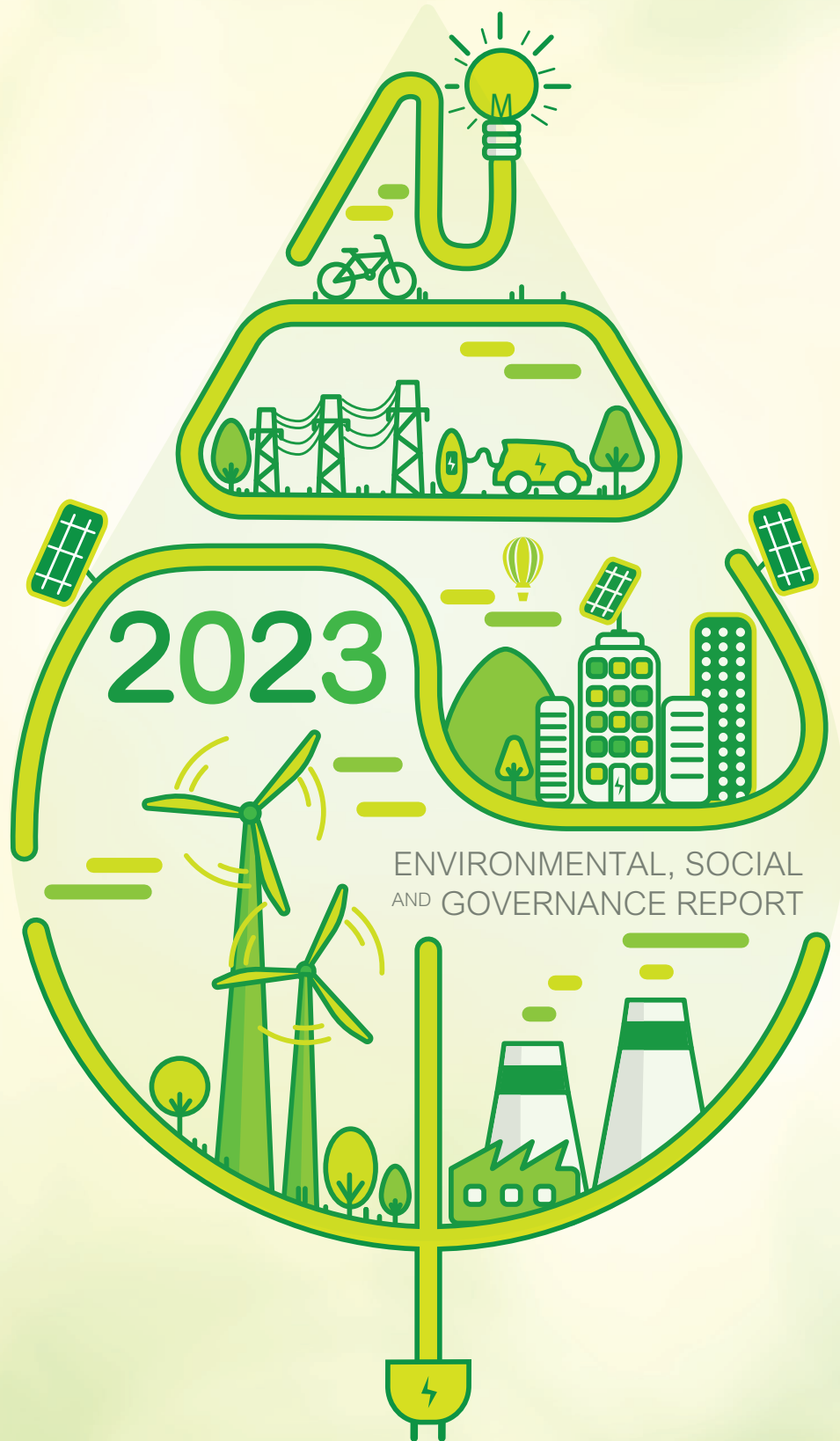


中國核能科技集團有限公司

China Nuclear Energy Technology Corporation Limited

(Incorporated in Bermuda with limited liability)

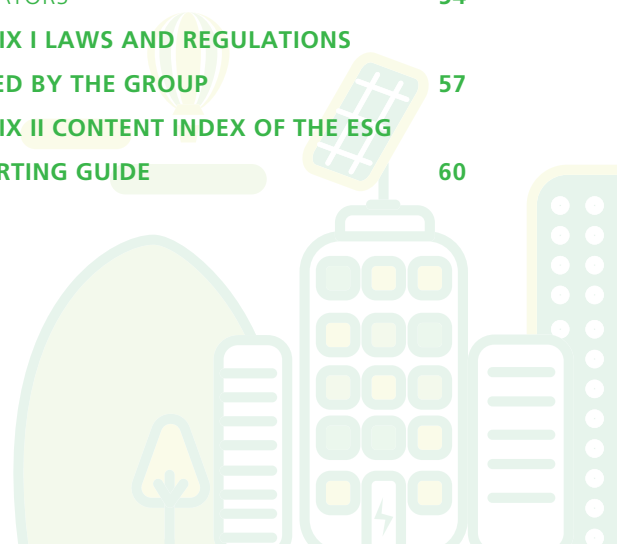
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ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT

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1 About This Report

This report is the eighth Environmental, Social and Governance Report (this “**Report**”) issued by China Nuclear Energy Technology Corporation Limited (0611.HK) (the “**Company**” or “**CNETCL**”) and its subsidiaries (collectively referred to as the “**Group**” or “**We**”). This Report focuses on the Group’s environmental, social and governance (“**ESG**”) performance for the year ending 31 December 2023 (the “**Reporting Period**” or “**2023**”). This Report shall be read in conjunction with the Company’s *Annual Report 2023* (in particular the “Corporate Governance Report” contained therein) for a comprehensive understanding of the Group’s ESG performance.

Basis For Report Preparation

The Company prepared this Report in accordance with Appendix C2 Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). This Report was prepared in accordance with the mandatory disclosure requirements and “comply or explain” provisions set out in the ESG Reporting Guide. This Report was prepared based on the four reporting principles, namely materiality, quantitative, balance and consistency. The reporting principles applied by the Company in the preparation of this Report are as follows:

- Materiality:** The Group determines material issues through a materiality assessment. The materiality assessment process includes identification of ESG issues, stakeholder engagement, issue ranking, and verification of material issues. For more information on the materiality assessment process and results, please refer to the section “Materiality Assessment” of this Report.
- Quantitative:** In order to fully assess the Group’s ESG performance during the Reporting Period, the Group disclosed the applicable quantitative key performance indicators (“**KPIs**”) in the ESG Reporting Guide and set out the criteria, methods, assumptions and references used in the calculation of the quantitative KPIs, including the sources of the key conversion factors.
- Consistency:** The methodologies used in this Report are consistent with those used in the year ending 31 December 2022 (“**2022**”) to allow readers to make meaningful comparisons of the Group’s ESG data.
- Balance:** This Report discloses information in an objective manner, the application of this principle is reflected in various sections of this Report.

1 About This Report

Reporting Scope

Unless otherwise stated, the scope of this Report is the same as the *Company's Annual Report 2023*, which mainly covers the Company and its principal subsidiaries in the business segments of engineering, procurement and construction (“**EPC**”), consultancy and general construction and power generation.

The organisational scope includes CNI (Nanjing) Energy Development Company Limited and Nanjing CNI Energy Engineering Company Limited (collectively referred to as the “**CNI (Nanjing)**”).¹ The scope of this Report covers the operations of the Group's offices and the operation of solar and wind power stations and facilities. Unless otherwise stated, this Report covers the period from 1 January 2023 to 31 December 2023.

Report Confirmation and Approval

All information disclosed in this Report was derived from the Group's documents and data. The board of directors of the Company (the “**Board**”) assumes full responsibility for the Group's ESG strategy and reporting and approved this Report on 25 March 2024.

Access to Report

This Report is published in both English and traditional Chinese versions. In the event of any inconsistency or discrepancy between the English and Traditional Chinese versions, the English version shall prevail. An electronic version of this Report is available on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the Company's website (<http://www.cnetcl.com>).

Contact Us

You are welcome to provide feedback or suggestions on our sustainability disclosure content and performance by mail or email:

Address: Room 2801, 28/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong
Email: info@cnetcl.com

¹ In this Report, CNI (Nanjing) covers 34 operating projects. During the Reporting Period, there were 13 new operating projects, covering more information on operating projects than in 2022.



2 Chairman's Message

Looking back at 2023, the international energy market continued to fluctuate under the influence of geopolitical rivalries and slowing economic growth, and the topics of energy quality, structure and sustainability gained significant attention, with countries further raising their concern for national energy security and accelerating the transformation of their energy structure in order to reduce their reliance on fossil fuels, which are likely to see a significant rise in prices. The International Energy Agency estimates that renewable energy will surpass coal as the world's largest source of electricity by 2025, with wind and solar energy expected to account for more than 90% of the new renewable energy capacity in the next five years, and the importance of renewable energy, represented by photovoltaic and wind power, in the global power system will be further increased. Against this backdrop, China continues to promote the policy of forward synergy, in order to ensure the orderly recovery of the national economy and social life at the same time, to accelerate the construction of wind power, photovoltaic and other new sources of energy as the mainstay of the new power system, and in the "Guiding Opinions on Energy Work in 2023" and other top guidance to steadily guide both energy supply and consumer to further transform to the cleaner and low-carbon directions.

Against the above background, the Group has kept abreast of the latest policies, technological developments and development trends in the new energy industry, and has continued to explore opportunities for independent investment and construction of new energy power station projects in wind power, photovoltaic and energy storage, etc. The EPC business of the power plants covers a wide range of sub-disciplines such as photovoltaic, wind power, energy storage and solar thermal, the level of intelligence of the various segments has continued to be upgraded, thus taking the business to a new level. The Group generated 1,176 million kilowatt-hours of electricity in 2023, with 56 power plants in operation and a record-high cumulative installed capacity of 1,078MW. The Group's equipment operation efficiency and power generation are at the leading level in the industry, the ability to provide clean and green energy to the society has been further enhanced.

The Group has always insisted on innovation-driven high-quality development. While strengthening the investment in research and development in its existing businesses, the Group has continued to explore innovative energy businesses such as green power trading, energy storage, solar thermal and hydrogen energy, with a view to gaining a first-mover advantage in the development of renewable energy business in the future. In terms of industry influence, CNI (Nanjing) Energy Development Company Limited, a subsidiary of the Group, was once again recognised as a high-tech enterprise, received financial subsidies for functional enterprises in Jiangsu Province and was listed among the Top 100 Service Enterprises in Nanjing. In terms of the layout of innovative businesses, the Group has been actively exploring independent energy storage power station projects in Yunnan and Guangdong, etc., and closely tracking the dynamic demand for hydrogen energy in the industry, it has been actively exploring new energy sources in Inner Mongolia, Xinjiang, Gansu, etc., exploring new energy sources in China. The Group is also closely tracking the dynamic demand for hydrogen energy in the industry, and is actively expanding projects combining photovoltaic and hydrogen energy in Inner Mongolia, Xinjiang, Gansu and other places. At the same time, we are committed to the development of zero-carbon parks, increasing the expansion of distributed photovoltaics and user-side energy storage plant businesses, and exploring new paths for low-carbon and sustainable development to benefit society as a whole.

2 Chairman's Message

The Board has taken on the important responsibility of ESG building, and has discussed ESG related issues at least once a year and ensured that an effective ESG risk management and internal control system is in place. The Board has authorised the ESG working group (the “**ESG Working Group**”) to assist the Board in dealing with relevant matters. For details of the structure of the ESG Working Group, please refer to the section headed “Organisational Chart of the ESG Working Group” in this Report. During the Reporting Period, the Group continued to set targets at the environmental protection aspects, the Board also held meetings on a regular basis to discuss, analyse and monitor the progress of the achievement of the targets, so as to ensure that the relevant work was carried out in accordance with the established targets.

We persist in integrating the requirements of “implementing the new development concept and establishing a sound ESG system” into our business operations and expanding the renewable energy industry chain in line with the needs of the society and the customers, striving to help our customers realise their sustainable development goals with mature full-industry-chain solutions. We also continue to strengthen the awareness of carbon neutrality across the enterprise, coordinating the unification of the awareness of multiple stakeholders and empowering enterprises to realise carbon neutrality through various means, such as improving quality and efficiency and technological innovation. In addition, while vigorously developing our renewable energy business, we are committed to building a team of employees who are keen, pioneering, innovative and united, so as to better assist the employees in developing with the industry and growing with the Group.

Looking forward, we will continue to grasp the new development trend, take the new strategy as a guide, work hand in hand with all sectors of society, strive forward with courage and determination, and contribute more to promoting harmonious coexistence between humanity and nature. We believe that through our long-term and step-by-step efforts, our identity will not only be a green energy investor and constructor, but also an internationally renowned integrated energy service provider that is respected by all parties and focuses on environmental value, social value and economic value.

Chairman

Shu Qian

Hong Kong, China, 25 March 2024

3 About The Group

About Us

In 2015, the Group changed its name to “China Nuclear Energy Technology Corporation Limited” and is committed to promoting sustainable development. With renewable energy as its core business, the Group actively increases its efforts on the investment and operation of clean energy generation and engineering business. Our engineering projects have been widely applied, covering more than ten provinces, cities and autonomous regions across the country. Our excellent engineering performance has won high compliments from customers and has a good brand reputation in the industry.

Under the guidance of the strategic goal of “Becoming a leading international renewable energy investment enterprise and service provider”, the Group continued to carry out industrial upgrading in the course of its development as an industry leader, and gradually achieved the goal of operational integration of wind, solar thermal, photovoltaic power station, energy storage investment and EPC operations. During the Reporting Period, we focused on improving technological innovation and lean management, and continuously won honours in the fields of renewable energy investment and development, operation and maintenance, and integration, presenting a new corporate image and development prospects.

While improving efficiency and creating greater value for shareholders, the Group also attaches great importance to the implementation of the corporate spirit of “Integrity, Dedication, Sensitivity, Pioneering, Innovation and Respect” in its daily operations. Bearing in mind the corporate mission of “Developing clean energy, promoting harmony between mankind and nature”, the Group works with partners from all walks of life to contribute to the “carbon neutrality action plan” of all regions and organizations.

Business Structure

The principal business of the Group includes:

EPC and Consultancy and General Construction

EPC and consultancy services related to the construction of solar power plants and general construction

Power Generation

Owning and operating solar and wind power plants and facilities

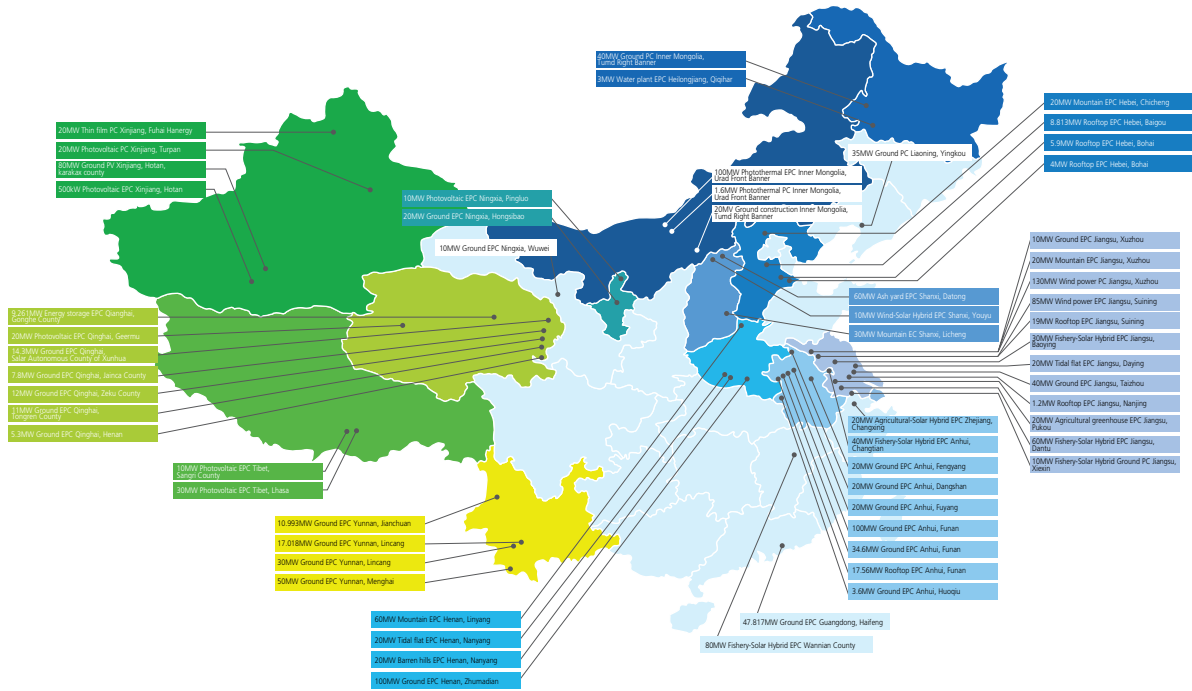
Financing

Financing operations

3 About The Group

Business Map

Since 2009, the Group has undertaken and constructed the 4.9 GW renewable energy power station and completed more than 210 renewable energy power stations. The Company’s projects are located in 23 provinces across the country. As of 31 December 2023, a total of 1.49GW of renewable energy power plants were developed, constructed and put into operation, including 1.253GW of photovoltaic power plants and 237MW of wind farm. The Group operates in a number of provinces throughout the country, including but not limited to the following distribution points of the operations.



3 About The Group

Brand Stories



22 May 2023

The "PVBL Global PV Brand Ranking" was upgraded from the "PVBL China PV Brand Ranking" established in 2012, which was jointly launched by Photovoltaic Brand Lab (PVBL) and Century New Energy Media (www.ne21.com) to evaluate the ranking of PV brand value.

CNI (Nanjing) won the "PVBL Global Best PV Storage Project Engineering Case Award 2023" and "PVBL Excellent Service Provider in PV Industry 2023" in this year's competition.



3 About The Group



28 July 2023

The 4th China Industrial and Commercial Photovoltaic Conference, hosted by a well-known media in the industry named PV-Box, was held in Nanjing. The conference focused on the industrial and commercial photovoltaic market in China and invited representatives from more than 200 units including governmental organisations, photovoltaic investors and developers, industrial and commercial photovoltaic practitioners, well-known photovoltaic enterprises, and electric power enterprises to participate. The conference focused on key topics such as market development, energy transformation, project financing and carbon trading.

CNI (Nanjing) was awarded the “PV – Box – Leading Investor Award of the 4th China Industrial and Commercial Photovoltaic Conference” at the conference.



19 September 2023

This year marks the 12th “Polaris Cup” Annual Influence Selection, which was hosted by the vertical portal “Polaris Solar Energy Network”, which is one of the most authoritative awards in the industry. On the basis of fully considering the reputation in the industry, the selection is conducted through online voting to commend the most reputable and influential photovoltaic enterprises in the industry.

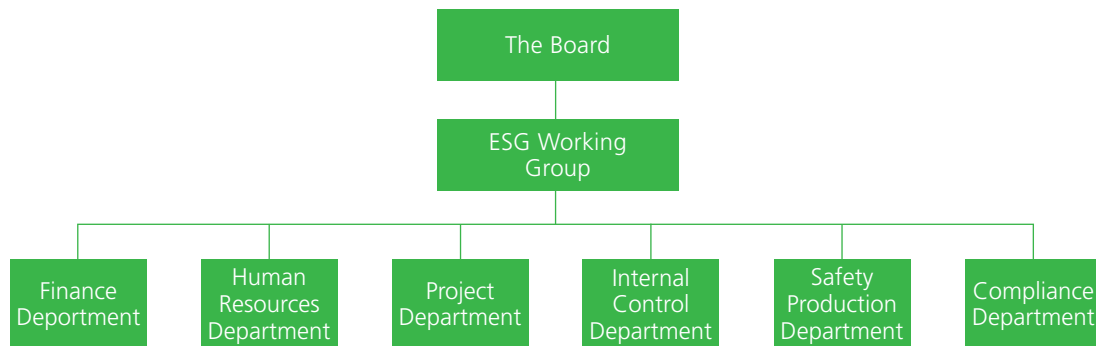
In the selection, CNI (Nanjing) won two awards, namely “Influential Photovoltaic Developer and Investor/EPC Brand” and “Influential Photovoltaic Power Station Operation and Maintenance Brand”. As a result, the Group’s products and services have been recognised by the industry for a long time.



4 Sustainability Leadership and Governance

The Group has always attached importance to sustainable development governance and has established an ESG Working Group specifically for this purpose. In order to better respond to the risks and opportunities in ESG issues, the ESG Working Group, under the authorization of the Board, fully assists its work, and comprehensively plans and supervises ESG issues. The ESG Working Group is led by the Chief Executive Officer and jointly participated by the heads of various departments to assist the Board in managing ESG-related issues.

Organisational Chart of the ESG Working Group



Main duties of the ESG Working Group:

- Assist the Board in coordinating and overseeing ESG issues.
- Assist the Board in implementing the ESG strategy, evaluation, prioritisation and management of significant ESG-related issues.
- Assist the Board in identifying and assessing ESG risks associated with the Group and ensuring that the Group has an appropriate and effective ESG risk management and internal control system in place.
- Assist the Board in monitoring and reviewing the progress of ESG targets.
- Report to the Board at least once annually on significant ESG matters and progress of its ESG related work and advise the Board on relevant matters with a view to continuously improving the Group's ESG performance.

4 Sustainability Leadership and Governance

- The ESG Working Group is responsible for the identification and assessment of ESG risks, and evaluates, establishes and updates relevant internal management policies accordingly. We have established an effective monitoring mechanism to ensure the effective implementation of ESG risk management policies and keep track of the effectiveness and relevance of the policies.
- Through reviewing the Group's material environmental factors, material environmental risks, material issues and business information, the ESG Working Group identifies and selects four environmental aspects, namely greenhouse gas ("GHG") emissions, waste generation, energy use and water use. We set directional targets for the above environmental aspects and formulate action plans or relevant measures for the targets.
- The ESG Working Group conducts materiality assessment by inviting internal and external stakeholders to participate in questionnaires, so as to assist the Group in identifying material issues and formulating a preliminary framework for reporting such issues in the report in response to stakeholders' expectations.

Facing climate change, the Group understands that it is imperative to take action to respond. We will continue to incorporate sustainability elements into our corporate governance process, with the aim of further improving the Group's internal supervision mechanism and establishing a sustainable business model.

ESG Risk Management System

A stable and effective risk management system is essential for corporate governance. Based on the existing sound risk management system, the Group will incorporate sustainable development into the management scope to identify and evaluate the ESG risks that may be exposed in the course of operation, so as to prioritise and manage them in a timely manner. These measures have shaped a good corporate risk control culture and laid a solid foundation for sustainable development. The Board has overall responsibility for evaluating and determining the Group's material ESG risks, and ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems.

4 Sustainability Leadership and Governance

During the Reporting Period, the ESG Working Group conducted an ESG risk assessment from two dimensions of “severity of impact” and “possibility of occurrence” by inviting responsible personnel from internal departments. We identified four material ESG risks through ESG risk assessment. The material ESG risks identified by the Group in 2023 and the corresponding measures are disclosed as follows:

Material ESG Risks	Potential Impact	Response Method
Climate change and extreme weather	Extreme weather caused by climate change will endanger the power station equipment, factories or other property assets and affect the operation of enterprises. At the same time, the People’s Republic of China government has also been strengthening climate-related supervisions and regulations, which may require enterprises to adjust their business models to adapt to relevant regulatory changes. In addition, if an enterprise fails to adequately respond to climate issues, it may have an impact on its reputation. Extreme weather may also affect power generation, revenue and operating results.	From a business perspective, the Company invests in wind power plants in addition to photovoltaic power plants. Due to the negative correlation between wind resources and sunshine resources, wind power plants generally generate more electricity in years with poor sunshine. The Company’s operation and maintenance team constantly monitors the impact of extreme weather conditions on the power plants to ensure normal operation. The internal legal teams of the Company and its major subsidiaries keep track of the latest laws and regulations and advise the management of the Company on possible regulatory changes, ensuring that the Company complies with the relevant regulatory requirements at all times and that its day-to-day operations are not affected.
Corruption and fraud risks	Violation of laws and regulations, such as corruption and bribery; or actions against the public interests. The Group is subject to such legal liability which may potentially damage our reputation and image.	The Group has formulated the <i>Anti-corruption and Bribery Policy</i> , which sets out the business ethics that employees are required to abide by; established the <i>Regulation on Gift Acceptance and Registration</i> , which provides clear guidelines for employees to receive gifts; formulated the <i>Whistleblowing Policy</i> to regulate the reporting and handling procedures of anti-corruption. In addition, the Board and the management regularly participate in anti-corruption training.

4 Sustainability Leadership and Governance

Material ESG Risks	Potential Impact	Response Method
Compliance and business ethics management	Changes in the external legal and policy environment, corruption in the places of operation and inconsistent regulatory requirements in various places may lead to increased corporate risks. The enterprise shall bear such legal liabilities and cause material damage to the reputation and image of the enterprise.	The Group has formulated the <i>Employee Handbook</i> , which contains the “Employee Code and Professional Ethics” section to provide guidance to employees on important areas of ethics and behaviour. We have also formulated the <i>Regulation on Gift Acceptance and Registration</i> to provide clear guidelines for employees to receive gifts; <i>Whistleblowing Policy</i> is also in place to govern the reporting and handling practices of suspicious or improper business activities.
Quality and safety risks	Accidental equipment failure or incident may result in reduced or interrupted power production, damage to the environment or personal injury. Workers may be injured due to working at heights and working with machinery. In the absence of relevant insurance or compensation, employees may pursue or even go on strike, which may adversely affect the Group’s finances and reputation.	The Group has formulated the <i>Hidden Trouble Detection and Management System</i> to avoid unexpected accidents during operation, and we have also strengthened the supervision and management of hazards to reduce the related risks. At the same time, we have also taken out relevant insurance for our employees, ensuring that they receive appropriate support and protection.



5 Stakeholder Engagement and Materiality Assessment

The key of formulating ESG strategies is understanding and responding to stakeholders' needs. It is essential to actively maintain contact and communication with stakeholders. Only by understanding their expectations of the Group and the ESG issues that they are concerned about can we properly formulate and timely adjust the sustainable development strategy to ensure future development.

The Group will continue to identify and include relevant stakeholders, and achieve full communication and close communication with stakeholders by exploring communication channels with stakeholders and adopting more inclusive and diversified methods.

Communication Channels

Stakeholders	Communication Channels
The Board	• Email
Management	• Telephone
Employees	• Conference
Shareholders and Investors	• Interview
Government and regulators	• Correspondence
Banks	• Company announcement
Suppliers and Business Partners	• Circular
Customers	• Company website
	• Questionnaire survey
	• Site visit

Materiality Assessment

The Group conducts materiality assessment on a regular basis to identify material ESG issues of the Group, which serves as one of the references for formulating sustainability plans. During the Reporting Period, the Group invited internal and external stakeholders to participate in the materiality assessment. A total of 91 stakeholders participated in the survey, including the Board, management, shareholders and investors, suppliers and business partners, employees, bank and customers, the number of stakeholders participated is as follows:

Stakeholder	Number
The Board	6
Management	8
Shareholders and Investors	1
Suppliers and Business Partners	4
Employees	53
Others (including but not limited to bank and customers)	19

5 Stakeholder Engagement and Materiality Assessment

The four major steps in the materiality assessment are as follows:

Step 1

Identify potential material ESG issues

The Group created ESG issues inventory of the Reporting Period with reference to the ESG issues inventory in 2022, domestic and international sustainability reporting guidelines and standards, and industry-specific ESG issues. The Group's management shortlisted a total of 24 potential material ESG issues.

Step 2

Assess the materiality of ESG issues

The Group invited internal and external stakeholders to complete an online survey, prioritising the materiality of 10 environmental issues and 14 social issues. External stakeholders prioritised the ESG issues from the dimension of "Importance to the Stakeholders" while the internal stakeholders prioritised the ESG issues from the dimension of "Importance to the Group".

Step 3

Analyse survey results

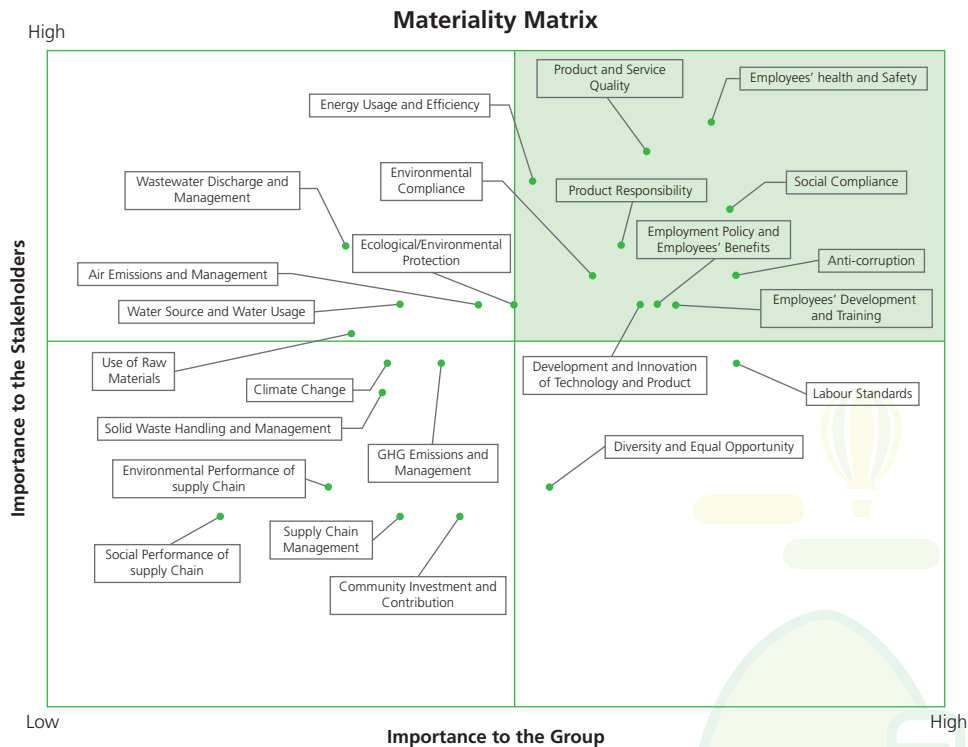
The Group analysed the survey results and constructed materiality matrices. We identified issues that scored more than half in both dimensions "Importance to Stakeholders" and "Importance to the Group" as material ESG issues.

Step 4

Verify material ESG issues

The Board and management reviewed the survey results and verified the Group's material ESG issues.

The following matrices show the results of the survey:



5 Stakeholder Engagement and Materiality Assessment

Based on the analysis of the materiality matrix, the Group has identified 3 environmental and 8 social material ESG issues. In addition, after the review by the Board and the management, product responsibility and anti-corruption are added as material issues, and a total of 11 material issues have been identified at the end. These issues will be highlighted in this Report.

Material ESG Issues

Response section

Environmental aspects

- | | |
|--|--|
| 1. Ecological/Environmental Protection | Promoting Environmental Protection |
| 2. Energy Usage and Efficiency | Promoting Environmental Protection |
| 3. Environmental Compliance | Promoting Environmental Protection, Appendix I |

Social aspects

- | | |
|---|---|
| 4. Product and Service Quality | Improving Development Quality |
| 5. Development and Innovation of Technology and Product | Improving Development Quality |
| 6. Employees' Health and Safety | Optimising Talent Management |
| 7. Employees' Development and Training | Optimising Talent Management |
| 8. Employment Policy and Employees' Benefits | Optimising Talent Management |
| 9. Social Compliance | Improving Operational Culture, Optimising Talent Management, Appendix I |
| 10. Product Responsibility | Improve Development Quality |
| 11. Anti-corruption | Improving Operational Culture |



6 Improving Operational Culture

Integrity in Business

The Group strictly cracks down on any corruption and fraud, and strives to create a corruption-free and fair working atmosphere. Through the formulation and implementation of internal management documents such as the *Anti-Corruption and Bribery Policy*, the *Employee Handbook* and the *Regulation on Gift Acceptance and Registration*, we require our employees to abide by business ethics and work with integrity. The Group strictly complies with the relevant laws and regulations applicable to the regions where it operates. During the Reporting Period, there were no concluded legal cases regarding corrupt practices brought against the Group or its employees. The Group did not violate any laws and regulations relating to bribery, extortion, fraud and money laundering that have a significant impact on the Group.²

The Group requires all employees to strictly abide by the laws and regulations related to anti-corruption as well as the Company's rules and regulations. Employees should not abuse their authority for personal gain. We have formulated the *Employee Handbook* and the *Regulation on Gift Acceptance and Registration*, which provide appropriate guidance for employees' daily business activities, such as accepting gifts or rewards.

The Group has formulated the *Whistleblowing Policy* to clarify the reporting channels and methods for handling reports. Anyone may report suspicious or inappropriate business activities to the Whistle-blowing team by email or by post. We keep all information received strictly confidential and ensure that both the whistle-blowers and the person who has been reported are treated fairly. If a report is found to be substantiated, we will handle it in strict accordance with the internal mechanism and, transfer the case to the judicial authority when necessary.

We hold various anti-corruption training regularly for both the management and general employees, to comprehensively improve the anti-corruption awareness of the directors and employees of the Group. We unwaveringly promote the Party's conduct and integrity in governance, hold regular party meetings to carry out publicity on the Party's conduct and integrity in governance, and strengthen the awareness of integrity with reminders before New Year's Day, Chinese New Year, Qingming, Labour Day, Mid-autumn Festival and National Day and emphasise the need to ensure production safety during the festivals. We also conduct one-on-one anti-corruption and integrity education for personnel changes in middle and senior management positions.

During the reporting period, a total of 12 directors and 23 employees of the Group have attended anti-corruption training and accumulated approximately 52 hours of training.

² For easy reading, the Report sets out the relevant laws and regulations that have been complied with after the main text of the Report. For details, please refer to Appendix I.

6 Improving Operational Culture

Case Study:

Participation in corporate governance and anti-corruption training

On 10th November 2023, the directors and employees of the Group participated in a training event on corporate governance and anti-corruption, aiming to explore the importance of corporate governance and advocate a zero-tolerance attitude towards corruption. The training was conducted in the form of an online meeting, which enabled participants to understand the relevant anti-corruption regulations and the importance thereof through relevant case studies, so as to consciously resist corrupt behavior and comply with the relevant disciplinary laws and regulations. The Group emphasises all members to strictly abide by the discipline of integrity to ensure a clean and transparent working environment. Through active participation in relevant training, we promote the importance of upholding the highest standards of corporate governance and anti-corruption measures.

Supplier Management

Suppliers are indispensable partners of the Group. We have established a sound and effective supplier management mechanism to reduce procurement risks, strengthen supplier management, and grasp relevant environmental and social risks from the supply level. The Group has formulated the *Supplier Management Measures* to standardise the management of tendering, daily management and annual assessment of suppliers. Taking CNI (Nanjing) as an example, in order to facilitate efficient management of supplier management records and timely grasp the supplier cooperation records and operating conditions, we have formulated the *List of Suppliers*. If a supplier is involved in acts that damage the public interest, compete by improper means, provide false materials, substandard quality of production equipment, safety and after-sales service problems during the supply process, it will be included in the *List of Unqualified Suppliers* and the cooperation will be terminated at the same time.

6 Improving Operational Culture

The Group has adopted an internal open electronic procurement platform to enhance the overall efficiency and transparency of supplier management. We also strive to promote environmentally preferable products and services when selecting suppliers. Below are the relevant implementation and monitoring methods of the Group:

Tendering

The Group has formulated documents such as the *Supplier Management Measures and the Tendering Management Approach on Material Procurement*, and set up a Tendering Management Committee to better execution of tendering and proposal evaluation. We pay attention to on-site inspections when evaluating suppliers to accurately assess their capabilities and qualifications. In order to ensure that the entire selection process is open, transparent and commercially ethical, different departments will cooperate with each other to complete all supplier reviews.

Day-to-day management

In the contracts signed between the Group and its suppliers, the requirements related to environmental protection, product and service quality, safety production and anti-bribery are clearly stated. In order to ensure that the services of suppliers meet our standards, the Group regularly inspects and supervises the production and operation of suppliers.

Annual assessment

The Group will re-evaluate all suppliers in the *List of Suppliers* every year, make corresponding adjustments based on the evaluation results and update the list in a timely manner. If a supplier is found to be in violation of national laws and regulations during the performance of the contract, or has adverse effects on the environment and society due to its failure to avoid risks during production and business operation, the Group will include the supplier in the *List of Unqualified Suppliers*.



6 Improving Operational Culture

As at the end of the Reporting Period, the Group had a total of 63 suppliers providing various types of materials and services, covering the following areas:

Administrative Division	Number (unit)
Beijing	5
Tianjin	2
Shanghai	5
Chongqing	1
Hebei Province	3
Liaoning Province	–
Jiangsu Province	17
Zhejiang Province	1
Anhui Province	2
Fujian Province	1
Jiangxi Province	–
Shandong Province	8
Henan Province	2
Hubei Province	1
Hunan Province	1
Guangdong Province	6
Hainan Province	–
Sichuan Province	2
Hong Kong Special Administrative Region	6

During the Reporting Period, we implemented the above performance evaluation mechanism for all material suppliers and engineering contractors. Through the above supply chain management policies, we are able to properly manage the environmental and social risks involved in the supply chain. As a new energy supplier, the Group will also formulate technical agreements when selecting suppliers, and introduce environmentally friendly elements to the materials and components as much as possible.

When purchasing raw materials, on the premise of ensuring the quality of products and services, the Group strives to use products that are harmless and have no negative impact on the environment. CNI (Nanjing) estimates the number of materials required for construction projects and purchases raw materials on an as-needed basis to avoid waste generation due to excess raw materials.

7 Improving Development Quality

The goal of CNETCL is to supply clean and low-cost renewable energy to society. The Group fully utilises its business advantages to maintain the continuous optimisation of the quality management system and assume the responsibilities within its capacity in the sustainable development of China's green energy. In order to achieve value creation, we adopt a compatible and inclusive attitude, continuously improve the construction of core business, and standardise and efficiently manage.

Case Study:

Shanghai Baoshan Project

Shanghai Baoshan Zhongkai Herun 3.2MW Distributed Photovoltaic Power Generation Project, with an installed capacity of 3.1578MWp. The project is located in Shanghai Baowan International Park, and makes use of the rooftops of two single buildings in the park to set up a photovoltaic power generation system, with an installed capacity of 3.1578MWp. The project employs 570W photovoltaic modules, with a total of 5,540 pieces. Based on the self-generation and self-consumption mode, the system will be connected to the original low-voltage busbar of the substation of Baowan II through eight access points. The projected electricity generation for the first year is 3,293,500 kWh, and the project is expected to generate a total of 78,350,000 kWh over 25 years. In addition, through the photovoltaic power generation system, it is expected to save 955.8 tonnes of standard coal and reduce carbon dioxide emissions by 2,550.9 tonnes per year.



7 Improving Development Quality

Case Study:

Zhenkang 360MW Project

The Zhenkang CNI 360MW PV Complex Project is located in Zhenkang County, Lincang City, Yunnan Province, with a total planned capacity of 360MW, covering an area of approximately 9,000 acres. The project uses 575 (580) Wp monocrystalline silicon modules, which are divided into 120 power generation units. Each power generation unit consists of 28 modules in a string, and each string is equally connected to a 320kW string inverter, with every 10,320kW string inverters connected to a 3,200kW box transformer. The inverters output 800V AC power, which is collected via 35kV collector lines and fed into the newly built 220kV booster station. The total power generation is estimated to be 16,301,500,000 kWh in 25 years. The foundation of the photovoltaic mounting is made of concrete piles, and the length of the 35kV collector line is 42km and 44km, with a total of 129 towers in the overhead line.



7 Improving Development Quality

Case Study:

New Energy Project

The Chiwan Energy Storage Demonstration Project (Phase I) in Nanshan District, Shenzhen City, Guangdong Province, successfully realised the first grid connection of 14.88MW/59.6MWh of user-side energy storage power plant on 29 December. A number of PV projects are underway in other parts of Guangdong Province, including a 7.288MW household PV project in Chaonan and Chaoyang districts of Shantou City, a 100MW household and industrial/commercial PV project in Longchuan City of Heyuan City, a 50MW household and industrial/commercial PV project in Xingning City of Meizhou City, and a 20MW household distributed PV project in Zengcheng District of Guangzhou City. In 2023, there were 10 projects successfully connected to the grid.



The Group strives for professional excellence and continues to increase investment in technological innovation. The Group had 3 authorised utility model patents and 1 invention authorised patent. In addition, CNI (Nanjing) continued to develop and apply innovative designs and received strong support and recognition from the government in the research and development of renewable energy technologies.

7 Improving Development Quality

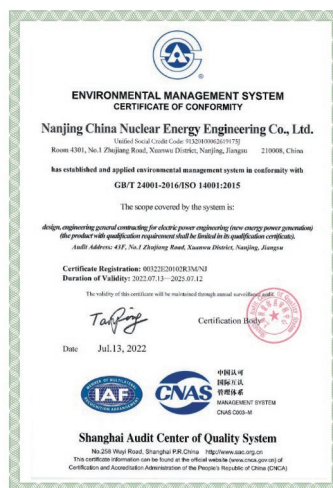
Quality, Environmental, Occupational Health and Safety Management Systems

The Group is committed to building a quality culture and standardizing quality management. It implements quality work through management innovation, supervision and inspection, benchmarking guidance, and key problem tracking and governance. While improving project quality and project investment benefits, it also creates green and low-carbon excellent assets to maximise social benefits of quality, environment, occupational health and safety. In accordance with the three system standards, namely *GB/T 19001-2016/ISO 9001:2015 Quality Management Systems-Requirements*, *GB/T 24001-2016/ISO 14001:2015 Environmental Management Systems-Requirements with Guidance for Use* and *GB/T 45001-2020/ISO 45001:2018 Occupational Health and Safety Management System-Requirements and Guidance for Use*, as well as its actual circumstances, CNI (Nanjing) has established quality, environmental, occupational health and safety management systems. CNI (Nanjing) was certificated with the conformity of quality, environmental and occupational health and safety management systems from the Shanghai Audit Centre of Quality System.

In order to ensure the smooth and effective implementation of internal policies, the Group has formulated the *Quality, Environmental, Occupational Health and Safety Management Manual*, and revised it in accordance with relevant national policies, laws, regulations, standards and the actual situation of the Company. The management structure, management policies, management objectives and overall management process of quality, environment and occupational health and safety are clearly listed in this management manual. Specific contents include operational emissions, the use of the environment and natural resources, product responsibility, employee health and safety, etc.



GB/T 19001-2016/ISO 9001:2015
Certificate of Conformity of Quality
Management System



GB/T 24001-2016/ISO 14001:2015
Certificate of Conformity of
Environmental Management System



GB/T 45001-2020/ISO 45001:2018
Certificate of Conformity of
Occupational Health and Safety
Management System

7 Improving Development Quality

Management Structure

Promoting the construction of a safety culture concept, relying on the perfect quality management structure, it is necessary to pay attention to the difficulties in the field of safety management, and comprehensively deepen the safety compliance management of the whole process of project construction and operation and maintenance. To this end, on the basis of implementing the safety production standardization construction, CNI (Nanjing) has appointed the general manager and senior management team as the person in charge of quality, environment, health and safety. The internal control department, as the leading and organizing department in these three areas, will lead the heads of various departments to implement specific management work.

Overall Management Process

CNI (Nanjing) manages the aspects of quality, environmental and occupational health and safety from the perspective of risks and opportunities in order to ensure the effectiveness of the management system.

Management Process	Content
1. Identification of environmental factors	Identify internal and external environmental factors and develop the <i>List of Internal and External Environmental Conditions and Environmental Factor Identification and Assessment Control Procedure</i> to ensure that environmental factors are controlled effectively
2. Identification of risks and opportunities	Analyse risks and opportunities with reference to the <i>List of Internal and External Environmental Conditions</i>
3. Risk analysis	Analyse the severity of the risks identified from different perspectives
4. Risk prioritisation	Identify risks and opportunities that need to be addressed and prioritised
5. Formulation of countermeasures	Formulate countermeasures and allocate resources required in response to the relevant risks and opportunities
6. Implementation of countermeasures	Implement countermeasures and apply them in the quality, environmental, occupational health and safety management system
7. Evaluation of countermeasures	Evaluate the effectiveness of the countermeasures. If desired outcomes cannot be achieved with the countermeasures, analysis of the underlying reasons and formulation of new countermeasures are required
8. Continuous improvement	Continuously track the changes in risks and opportunities and improve the countermeasures and management systems

7 Improving Development Quality

Annual Targets

In order to effectively ensure the cooperation between the project construction and operation and maintenance process and the above policies of the Group, CNI (Nanjing) sets targets annually:

1. 100% 1-time pass rate for acceptance assessment of the projects undertaken
2. Customer satisfaction is above satisfactory
3. No quality, environmental and safety incidents in the construction and operation of engineering project is resulted from the design, procurement, construction and commissioning of CNI (Nanjing)
4. No major environmental pollution incidents occur during the project construction stage
5. Six or more achievements completed in technological research and development, design optimization or measures for management reforms each year to reduce resource consumption or to enhance project operational efficiency
6. Zero fatal accidents, zero major equipment accidents, zero occupational diseases, zero fire accidents, zero severe work-related injuries

Project Quality Management

“Quality First, Continuous Improvement, Provide Satisfactory Service with Optimised Design and High-Quality Engineering for Customers” is the quality management approach that the Group has always adhered to. In order to create sustainable development for customers and promote the progress of renewable energy in China, we continuously improve the management of technology and project quality.

CNI (Nanjing) obtained GB/T 19001-2016/ISO 9001:2015 quality management system certification. Taking into account the standardisation of work procedures for EPC and consultancy business and in order to control the quality level, CNI (Nanjing) has formulated a number of policies. When the construction of a project is carried out at different stages, it will cooperate with the corresponding monitoring and measurement to ensure compliance with the standards and requirements in terms of functions, safety, laws and regulations, etc. All monitoring and measurement records will be properly kept.

7 Improving Development Quality

Different stages of construction projects	Internal policies in place
1. Design	<i>Monitoring and Measurement Control Procedures for Process, Products and Performance</i>
2. Procurement	
3. Construction	<i>Control Procedures for Engineering Construction and Service</i>
4. Commissioning	
5. Completion Inspection	<i>Control Procedures for Design and Consultancy</i>

In order to ensure the quality of products and services, CNI (Nanjing) adopts corresponding monitoring and measurement methods according to different stages of project construction. In order to ensure that the projects comply with the relevant procedures and regulations, the Group strictly implements the *Internal Audit Procedure*, which defines the process and requirements for conducting audits of the Company's quality, environmental and occupational health and safety management systems. The process audit helps us to inspect, analyse and evaluate each procedure of the projects. In addition, we also conduct regular inspections, random checks and assessments to ensure that personnel are operating properly, equipment status, testing capabilities, job responsibilities and management activities are correct. When testing and inspecting the equipment and its operating parameters, we adopt instruments and automation devices to ensure that the project maintains the standards. During the Reporting Period, the Group also did not violate any laws and regulations relating to health and safety, advertising, labeling and privacy of products and services that have a material impact on the Group.³

CNI (Nanjing) has formulated the *Quality Inspection and Acceptance Manual for Photovoltaic Power Station Construction* to clarify the procedures and requirements for quality acceptance of photovoltaic power plant projects, strengthen quality control and ensure the construction quality of photovoltaic power plants. This manual stipulates the inspection units and inspection forms for different types of projects. The inspection units include construction units, surveying and design units, supervision units and construction units. Each inspection form lists items to be inspected, quality standards, inspection units, inspection methods and instruments. If any item in the inspection form is found to be unqualified, we will keep a record of it and take corrective measures. We will reinspect the relevant items until they are all qualified.

The Group's operations are mainly new energy engineering construction projects, the disclosures related to product recall data and procedures are not applicable to this Report.

³ For easy reading, the Report sets out the relevant laws and regulations that have been complied with after the main text of the Report. For details, please refer to Appendix I.

7 Improving Development Quality

Smart Power Station Management

The Group has always advocated the common development of services and innovation, continuously improved digital and intelligent technologies, and applied relevant research and development results to drive business development. Taking the intelligent operation and maintenance system of CNI (Nanjing) as an example, the system enables remote monitoring of the power station equipment, thereby improving the management level of the power station. In order to ensure the safety and stability of our power plants, we have installed online monitoring systems for all of our operating power plants, so that the performance data of the power plant equipment can be directly transferred to the display platform. The Nanjing headquarters has also set up a control centre to monitor the operation of each power plant through prospective monitoring.

The on-duty station officer can monitor the operation of the power station through the dashboard:



The Group attaches great importance to innovative design, continuously invests in research and development and actively applies it, the research and development of new energy technology has been greatly supported and recognised by the state. During the Reporting Period, CNI (Nanjing) was recognised in various industry awards such as "PVBL Global PV Brand Ranking" and "Polaris Cup".



7 Improving Development Quality

Intellectual Property Protection

Technology research and development is the accelerator of the new energy industry. The Group always attaches great importance to the protection of intellectual property rights and implements it in action. We refuse any infringement of intellectual property rights and actively apply for patents for newly developed technologies. To standardise the management of the scientific research projects of CNI (Nanjing), ensure the smooth implementation of the projects and promote the quality and efficiency of management, CNI (Nanjing) formulated and issued the *Management Measures for Q/CNINJ 20716-2022-0 Scientific Research Projects*. The Group has been granted 3 utility model patents and 1 invention patent. When signing labour contracts with employees, we have clarified that the patents owned by the Group shall not be encroached upon and transferred in any form.

To ensure that the products supplied by our suppliers are free from copyright disputes, contracts are signed between suppliers and the Group. We will hold the suppliers liable for any losses of the Group arising from their copyright disputes. In the field of protecting intellectual property rights, we respect the intellectual property rights of others while protecting our intellectual property rights. In addition to requiring employees of the Group not to use pirated software, we also actively carry out intellectual property education in various forms to enable employees to master relevant knowledge and develop good intellectual property awareness.

Customer Rights Protection

In order to continuously improve the quality of the Group's products and services, we have established the *Measurement Procedures for Customer Satisfaction* to collect customer feedback and analyse customer satisfaction. The Group's Operating Department also conducts customer satisfaction surveys on a regular basis. If customers are not satisfied with our products or services, they may lodge complaints by phone, email or in person. After receiving a complaint, we will actively conduct an investigation. If complaints are caused by defects in the Group's products and services, we will handle them in a timely manner and take remedial measures. The Group attaches great importance to maintaining the trust relationship with customers and handles every customer complaint with care. The Group has also complied with privacy-related laws and regulations during the Reporting Period.



7 Improving Development Quality

Product and Service Performance

	2023	2022	2021
Number of products and service related complaints received	0	0	0
Rate of products and service related complaints resolved	–	–	–

The Group is well aware of the importance of cultivating and maintaining trust with customers. Therefore, we are committed to protecting customer privacy and strictly complying with relevant laws and regulations. In order to clarify the procedures for receiving, transmitting, protecting, using and keeping customer information, we have implemented customer property management policies and procedures. At the same time, employees are required to sign *Confidentiality Agreements* and the Human Resources Department is responsible to ensure that employees treat customer information carefully and keep customer privacy confidential.

For advertising and labelling matters, the Group complied with the laws and regulations related to advertising during the Reporting Period, and ensured that the advertisements published by the Group complied with the requirements of the government and the industry without concealment, misleading or deceptive nature. The Group's external publicity materials include but are not limited to brochures, promotional videos, print advertisements, television advertisements, photography works, television documentaries, feature films, etc. In order to promote the standardisation of all internal and external publicity activities in the business, CNI (Nanjing) has formulated the *Measures for the Administration of Journalism and Publicity*, which emphasises the management responsibilities of the Group in news publicity work and guides the management content and methods, reports and records. The General Manager Working Department is responsible for the planning, design and production of external publicity materials. For publicity materials that need to be disclosed to the public and advertisements published in external media, production and publication shall be subject to the approval of the general manager. At the same time, the General Manager Working Department is also responsible for formulating corresponding promotional materials plans according to different business development needs, regularly updating existing external promotional materials, and ensuring the accuracy and consistency of external information.

8 Optimising Talent Management

The Group believes that employees are important assets of an enterprise. We care for our employees and attach importance to their health and safety. We not only provide employees with competitive benefits in the market but also strive to create a healthy and safe working environment. We will also cultivate employees to give full play to their strengths, help them improve their professional skills, achieve common growth of the company and employees, and achieve the sustainable development of the Group.

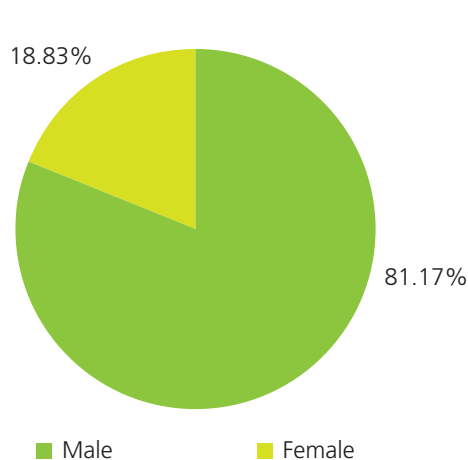
Human Resources Policy

The Group strictly complies with labour regulations and stipulates internal policies, and pays social insurance in strict accordance with regulations. In order to gather outstanding talents, we protect the personal privacy of our employees and continue to improve the working environment, welfare benefits and promotion and development of our employees. At the same time, we create a fair, diverse and inclusive working environment, focusing on protecting employees' rights and interests from infringement.

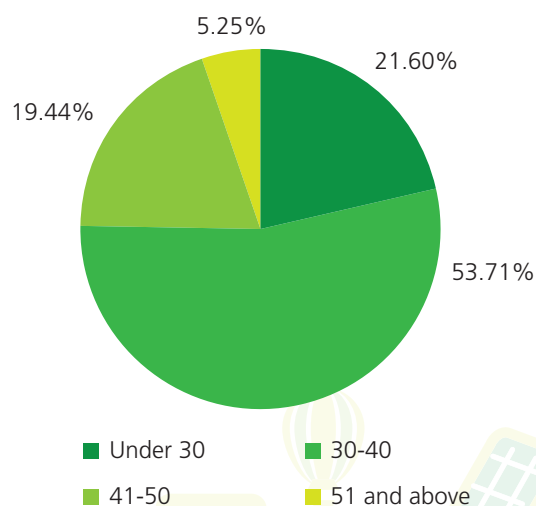
To build a high-quality work team and enhance the Group's competitive advantages, we have established corresponding human resources policies to support employees to fully realise their potential and continue to grow. The Group recruits talents with unlimited backgrounds, hoping to enrich the talents of all parties and inject new vitality into the Group. The Group supports employees to learn in various forms during work to enhance and realise their self-worth and promote the common development of enterprises and individuals.

As of 31 December 2023, the Group had 324 employees (315 general employees (including senior management) and 9 directors), mainly located in Hong Kong and Mainland China. The composition of employees is as follows:

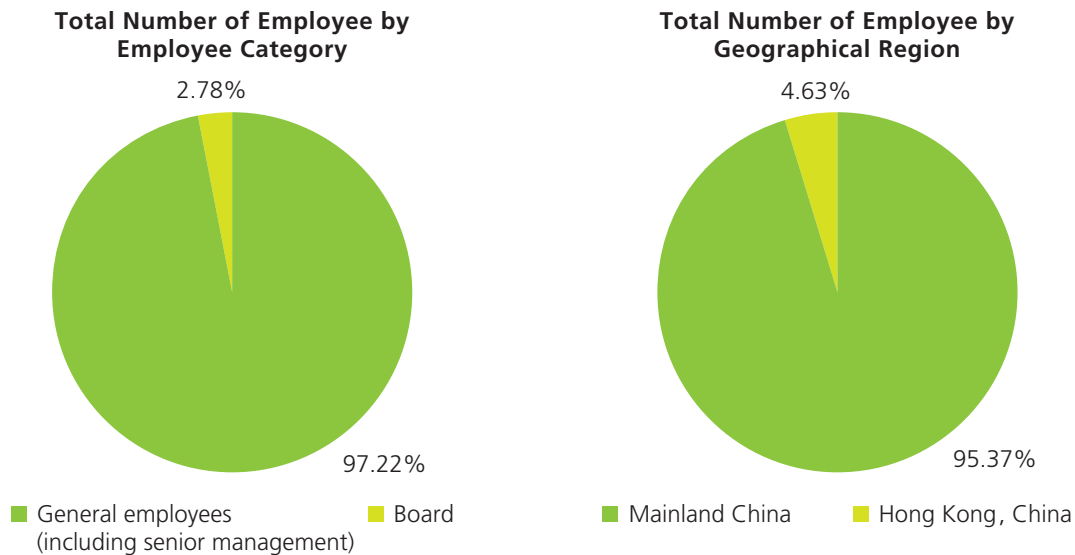
Total Number of Employee by Gender



Total Number of Employee by Age Group



8 Optimising Talent Management



During the Reporting Period, the Group did not violate any laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.⁴

Recruitment and Dismissal

“Fair competition, comprehensive assessment and merit-based recruitment” are the Group’s principles. We have formulated the *Recruitment and Employment Management Standard* to ensure that applicants will not be treated unfairly due to factors such as age, gender, race, ethnicity, religious belief or physical defects. In order to promote fairness in the recruitment process and ensure that all candidates are treated equally, we have established clear recruitment procedures and selection principles.

If an employee resigns, the Human Resources Department will initiate an exit interview after receiving the employee’s resignation report, so that both parties will clearly define the arrangement for dismissal and termination of the contract. In order to protect the rights and interests of both employers and employees and avoid labour disputes, the Group enters into labour contracts with employees to clarify the obligations of both parties to terminate and terminate the contracts.

Welfare and Benefits

In consideration of the rights and interests of employees, the Group stipulates that the daily working hours of employees shall not exceed 8 hours, and the average weekly working hours shall not exceed 44 hours. All employees are entitled to public holidays and annual leave. In compliance with relevant laws and regulations, we ensure that every employee is entitled to social insurance and housing provident fund, and provide various subsidies and allowances for employees, such as rent, transportation and telephone allowances. In order to treat all employees equally and ensure that all employees are treated equally, the Group has detailed the types of benefits, the number of subsidies and the frequency of distribution in the Welfare Policy.

⁴ For easy reading, the Report sets out the relevant laws and regulations that have been complied with after the main text of the Report. For details, please refer to Appendix I.

8 Optimising Talent Management

Remuneration and Promotion

In order to attract and motivate outstanding talents, the Group provides competitive remuneration packages and promotion mechanisms, formulates the *Remuneration Management Standards*, regulates the mechanism of determining employees' salaries and ensures that every employee receives a fair salary adjustment. In terms of providing salary adjustment and promotion opportunities, we adhere to the principles of "market rates", "standardised pay grade" and "performance-related incentives". In order to motivate employees to continuously achieve new achievements, the Group express its recognition of employees' contributions in the form of awards and commendation conferences.

Child Labour and Forced Labour

In order to standardise the labour standards, dismissal and termination arrangements of employees, the Group has formulated the *Employee Handbook* and the *Labour Contract Management Standard*. During the recruitment process, the Human Resources Department carefully verifies the identity documents of the candidates to ensure that they are at least 16 years old. It resolutely eliminates the employment of minors under the age of 16 and avoids the use of child labour. In order to protect the legitimate rights and interests of employees, the Group will not force employees to work in an involuntary condition. In the event of the aforesaid employment of child labour and forced labour during the operation, the relevant departments and personnel will be held accountable. The Group has also formulated the *Welfare Management Standard* to regulate the management of employees' welfare, so as to enhance the sense of belonging of the employees, as well as to improve their motivation and work efficiency, and to ensure that the quality of work and life of the employees can be gradually improved.

During the Reporting Period, the Group did not violate any laws and regulations related to child labour or forced labour that have a significant impact on the Group.⁵

Staff Development

The Group is committed to investing resources in employee training, building a diversified learning and development platform for employees, and helping employees improve their professional skills and promotion. We have formulated internal training policies in accordance with the *Employee Training Management Standard* to standardise training management and clarify management responsibilities, training forms and training types. We formulate annual training plans regarding employees' and business development needs and organise various training to help employees improve their working ability and consolidate their professional knowledge.

In addition to internal professional training, we also invite external professional institutions to provide training opportunities for employees to enhance their professional knowledge and skills and help them obtain corresponding professional qualifications. The Group is committed to creating a good learning atmosphere. In addition to the arrangement of the Group, we also encourage employees to actively adopt various forms of learning for continuous self-enhancement. It is the Group's concern to enable employees to exercise and grow, explore their potential and promote the development of the Company through diversified training methods.

⁵ For easy reading, the Report sets out the relevant laws and regulations that have been complied with after the main text of the Report. For details, please refer to Appendix I.

8 Optimising Talent Management

Case Study:

New Energy Financiers and Talent Pool

In order to build and reserve a team of new energy financiers and capable talents, the Company continuously creates training opportunities to improve self-learning and skills, including internal training on the new regulations of the Civil Code, training on industry compliance, and training for carbon traders, etc. At the same time, the Company encourage its team to actively participate in exchanges in emerging industries and related areas of our main business, and attend professional exhibitions and fairs, so as to learn professional knowledge and skills, understand the market environment, and continuously improve the professional capacity of the department.



8 Optimising Talent Management

Caring for Employees

The Group attaches great importance to communication with employees and establishes a relationship of mutual trust. We established a variety of communication channels to understand the needs of employees. The Group insists on effective and high-quality communication with employees, which is beneficial to the development of the Group. Therefore, we encourage our employees to communicate with the management and expect them to contribute to the development of themselves and the Group. At the same time, we also hold different types of employee activities, for example, organising a team-building activity with the theme “Winter Warmth, Hundred Days of Striving, Striving for the Night, Always Moving Forward”, to strengthen team spirit, create a good corporate atmosphere, and an ideal working environment for employees. The Group has a tradition of celebrating festivals through various activities for employees. For example, the Party Branch, trade union and Youth League Branch of the Company jointly organised the Guan Dan Competition of “Celebrating the Mid-Autumn Festival”, allowing employees to relax after busy work, maintain work-life balance and enhance their sense of belonging to the team.



Case Study:

The 6th “CNI Nanjing Cup” Long-distance Running Contest

Following the long-distance running event held in 2022, on 30 January 2023, the Group held the sixth “CNI Nanjing Cup” long-distance running competition. More than 100 employees of the Group participated in this event. This long-distance running competition inspired all employees to run towards the prospect of a new journey in the New Year, strengthened the spirit of hard work of all employees, enhanced the friendship among employees, and helped everyone to strive for improvement in their respective positions and make progress together with the Company.

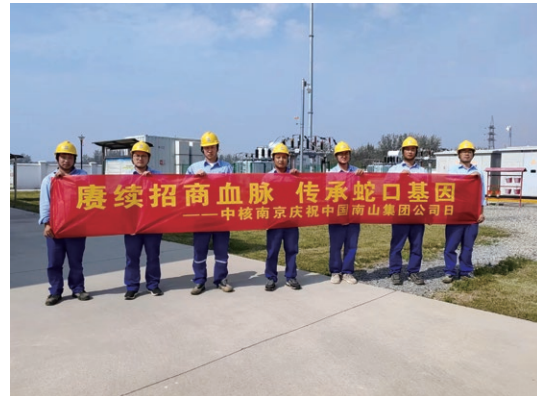


8 Optimising Talent Management

Case Study:

“Company Day” Event

To celebrate the Group’s “Company Day” in 2023, the Company held a corporate culture learning activity entitled “Continuing the Merchants’ Bloodline, Inheriting the Shekou Genes”, which enabled employees to visit the Group’s showroom for in-depth study of the Group’s history of development and development planning objectives, and to gain an in-depth understanding of the corporate culture, so as to further enhance their sense of belonging and sense of mission. The Group also organised an activity to search for the Ming City Wall in Nanjing, its main objective was to allow employees to experience the history and culture of Nanjing physically, and to gain a deeper understanding and appreciation of the values carried by the Ming City Wall as an important monument in Nanjing. A series of interesting and interactive sessions, such as team photo-taking and group discussions, were also arranged to promote communication and team cohesion among employees. By participating in this celebration, employees had a great time and gained more joy and memories. The event also demonstrated the Company’s focus on staff welfare and cultural care, as well as enhanced team cohesion and staff engagement.



8 Optimising Talent Management

Occupational Health and Safety

The Group attaches great importance to the health and safety of employees. We are committed to creating a safe working environment for employees. The Group has obtained the GB/T 45001-2020/ISO 45001-2018 Occupational Health and Safety Management System Certification to put occupational health and safety measures into practice more efficiently and thoroughly. The Group also conducts regular safety committee meetings to ensure that its safety management efforts are effectively implemented.



During the Reporting Period, the Group did not violate any laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards.⁶ The Group has achieved the following four major occupational health and safety objectives:

Work-related injury and fatality: 0
Occupational disease: 0

Major equipment accident: 0
Fire accident: 0

⁶ For easy reading, the Report sets out the relevant laws and regulations that have been complied with after the main text of the Report. For details, please refer to Appendix I.

8 Optimising Talent Management

The Group strictly abides by the laws and regulations related to occupational health and safety in the places where it operates. On this basis, we focus on “Prevention-based” and have established an effective occupational safety system covering all aspects from systems, measures, equipment, education and drills. In terms of working environment, operation process, protection of employees’ safety and health, equipment safety, fire safety, etc., to provide detailed content and guidance for the management of the above areas, we have formulated the *Control Procedures on Safe Production* and the *Accident and Hidden Trouble Detection and Management System* to avoid sudden accidents during operation, reinforce the monitoring and control of hidden troubles, and reduce relevant risks. The key elements of the Group’s safety assurance system are as follows:

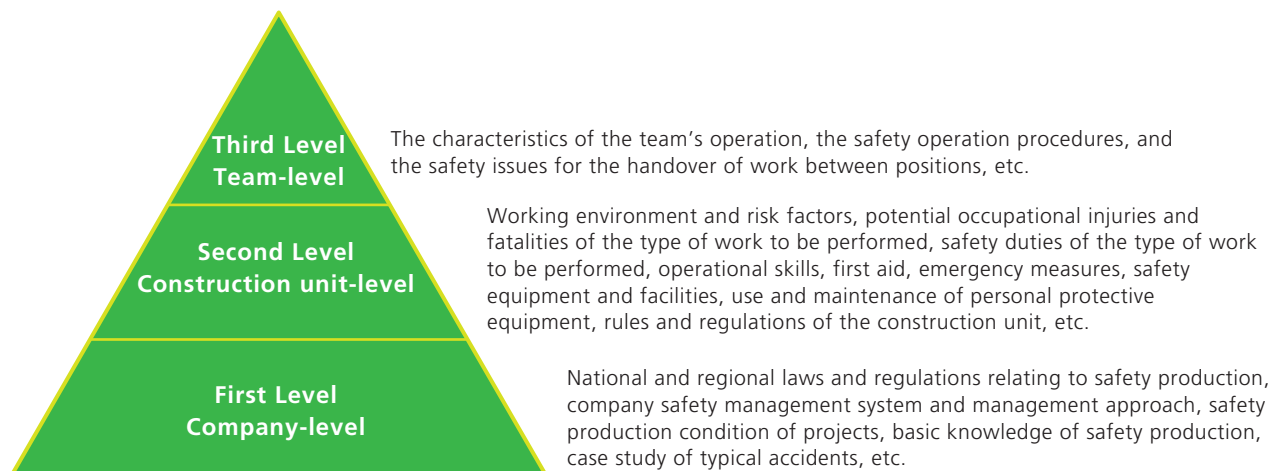


Safety Training

Sound safety training can effectively avoid major injuries and fatalities and create a healthy and safe working environment. The Group is deeply aware of this. In order to standardise safety training, the Group has formulated the *Management Approach of Safety Production Education and Training*. In this document, we clarified the safety responsibilities of each department and standardised the management procedures. All new employees are required to complete no less than 40 hours of “Three levels of Safety Training” before they start working in the factory. Employees not only need to complete safety education and training but also need to pass relevant examinations before entering the construction site. We also arrange regular safety technical training and examinations for production workers to help them consolidate their knowledge of safety production and develop and enhance safety awareness.



8 Optimising Talent Management



Case Study:

Organisational Work Safety Knowledge Contest

In response to the “Work Safety Month” and to further enhance employees’ awareness of work safety, the Group launched a work safety knowledge competition on 27 June 2023. The competition aimed to enhance staff’s knowledge and understanding of work safety laws and regulations, fire safety and emergency risk prevention and other related knowledge. Participants actively answered questions to gain insight into their roles and responsibilities in work safety. By organising this event, we conveyed the message of health and safety to our employees, not only providing a platform to test and enhance their knowledge of safety laws and regulations, but also stimulating their keen interest in safety work. By organising such events on an ongoing basis, we will continue to raise our employees’ awareness of safety and further consolidate the Company’s safety culture.



8 Optimising Talent Management

Case Study:

Conducting Pre-holiday Safety Education Training

During festivals such as the Chinese New Year, Labour Day, Mid-autumn Festival and National Day, the Group requires all units to conduct safety education and training to ensure that they are aware of the work arrangements and precautions to be taken during the festive periods. All departments need to focus on work safety, with special emphasis on publicity, education and precautionary work on safety, confidentiality, security, fire prevention, burglary prevention, traffic safety, information security, food hygiene and disease prevention during the festive period. Projects and power stations should conduct risk analyses of flood and disaster weather and take corresponding preventive measures. At the same time, they should establish joint consultation, information sharing and coordination and linkage mechanisms with relevant departments to obtain timely information on flood and meteorological conditions, and strengthen the prediction and warning of disaster weather. Before the festivals, all departments need to make comprehensive and systematic arrangements and deployments in advance, formulate targeted prevention and control programmes, and implement disaster prevention measures in a vigorous, orderly and effective manner, as well as focusing on a comprehensive production safety inspection beforehand, so as to ensure that employees will have a joyful and peaceful festival.



8 Optimising Talent Management

Emergency Drills

The Group has established and followed the Control Procedures on Emergency Preparedness and Response, and regularly organises emergency and safety knowledge publicity and education activities in various forms. In addition to improving safety awareness in terms of knowledge and concept, we also advocate practical exercises and regularly hold emergency drills, including fire drills and personnel first aid drills. We encourage the organisation of emergency drills or training of employees in self-rescue and mutual-rescue skills in order to improve employees' ability to deal with accidents and emergencies and to keep all employees in mind of their job responsibilities in production safety at all times. In addition, in order to effectively prevent and promptly control emergencies that occur in the course of the Group's activities and work outside of China, the Group has also established the Overseas Safety Preventive Mechanism and Emergency Response Plan to maximise the prevention of production safety accidents and to minimise personal injuries, deaths and property losses caused by production safety accidents. The contingency plan is not always the same. We will regularly discuss the current plan, evaluate its feasibility and effectiveness after each performance, and continuously improve and revise the contingency plan according to the needs and drill experience.



First Aid Drills



Flood Control Emergency Drill



Fire Emergency Drill

9 Promoting Environmental Protection

Environmental Management Approach

The Group adheres to the general direction of environmental protection of “Strict Compliance with Laws and Regulations, Protection of Environment and Standardisation of Management”. We not only actively develop and promote green energy but also minimise pollution and harm to the environment.

CNI (Nanjing) has obtained ISO14001 and GB24001-2016 environmental management system certifications. In order to fulfil the responsibility of project safety production, protect the ecological environment and minimise the impact on the environment during operation, the Group has established a sound environmental protection management mechanism.

In order to standardise the environmental impact of the project process and avoid potential environmental hazards and major accidents, CNI (Nanjing) has formulated the *Environmental Protection Management Approach at Project Site*. The first responsible person for on-site environmental protection is the project manager, responsible for supervising and mastering the environmental protection management within the jurisdiction. The on-site project department is responsible for the overall planning of the environmental protection of the project before the commencement of the construction project, and formulating corresponding environmental protection measures based on the environmental pollution generated during the construction process or other activities. The safety engineers are responsible for the inspection of the specific implementation, such as checking and implementing the environmental protection measures of the participating units, and the environmental measures inside and outside the construction area.

During the Reporting Period, the Group did not violate any laws and regulations that have a significant impact on the Group relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.⁷

Environmental Targets

A responsible operation philosophy has been upheld and pursued by the Group over the years. We are committed to taking full account of environmental, social and economic benefits, and take the initiative to assume our responsibilities in operating our business. The directors of the Group have delegated the ESG Working Group to review the progress of ESG targets annually and report to them regularly. Under the guidance of the ESG Working Group, all departments actively carry out ESG-related work to ensure that the concept of sustainable development is integrated into all aspects of operations and all business decisions.

⁷ For easy reading, the Report sets out the relevant laws and regulations that have been complied with after the main text of the Report. For details, please refer to Appendix I.

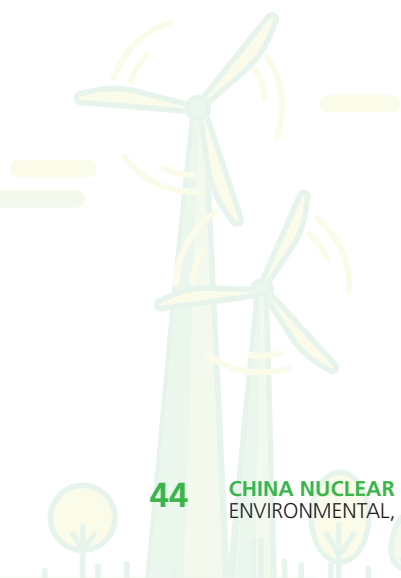
9 Promoting Environmental Protection

We have set the following environmental targets for our EPC and power generation projects. The actions and progress during the Reporting Period are as follows:

Environmental Targets	Target Duration (Short/medium/long term)	Target Content	Actions in 2023	Progress in 2023
Emission reduction targets	Medium	Reduce the consumption of disposable materials, gradually eliminate the consumption of disposable materials in procurement and construction processes	Reduce the use of disposable plastic utensils, paper cups and plastic tablecloths. Encourage the use of reusable utensils and water bottle and biodegradable packaging.	Completed
Carbon reduction targets	Medium	Carry out carbon market trading, complete carbon emission compliance work in pilot carbon trading areas, and actively participate in carbon market trading	In 2023, two power plants under the Company entered into market-based green electricity trading, with a total of 117,768,000 kWh of green electricity traded and 363 green certificates traded, and actively participated in the carbon market trading, and an agreement has been signed with Shenzhen Huahe Carbon Technology (深圳市華合碳科).	In progress
Waste reduction targets	Short	Promote waste recycling, increase waste sorting and recycling facilities in factories and office areas, and encourage employees to actively sort waste	Recycling material collection areas have been set up at designated locations to collect recyclable or reusable materials. Defective spare parts are returned to the factory for repair to ensure minimum generation of waste, and those that are confirmed to be beyond repair are replaced with new products.	Completed

9 Promoting Environmental Protection

Environmental Targets	Target Duration (Short/medium/long term)	Target Content	Actions in 2023	Progress in 2023
Energy Saving Targets	Medium	Purchase energy-saving equipment, implement energy-saving plans, and reduce electricity consumption	Regular inspection and maintenance to ensure the smooth operation of equipment, continuous reduction of carbon and nitrogen compounds, procurement of energy-efficient equipment; development of targeted management practices, turning off equipment lighting when not in use, developing rational system operation to reduce energy consumption; switching off idle power-consuming equipment.	Completed
Water Saving Targets	Medium	Add cleaning pipe network system at distributed photovoltaic power station to save cleaning water	The distributed photovoltaic power generation system saves more than 600 tonnes of water for pipe cleaning.	Completed



9 Promoting Environmental Protection

Responding to Climate Change

In response to the risks and opportunities brought by climate change to our business operations, we actively respond to and participate in climate change policies and align with the national carbon neutrality goal. During the Reporting Period, the Group has been assisted by external professional consultants to comprehensively consider climate-related issues in the risk assessment and management of the Group's operations and to review and assess major climate change-related issues on a timely basis.

The Group has compiled a list of potential climate change risks related to the Group, and assessed the risk level of these potential climate risks in the form of the scoring questions from the two dimensions of "influence" and "possibility". In general, we have identified three climate change risks, namely long-term risks, market risks and reputation risks in order of high and medium risk levels. The followings are the risk descriptions and potential impacts:

Climate Risk Type	Climate Risk Description	Potential Impact
Long-term risks	Long-term risks refer to long-term changes in climate patterns, such as sustained high temperatures that may cause sea level rise or long-term heat waves, etc.	<ul style="list-style-type: none"> Increasing infrastructure costs, such as the need to build climate-resilient infrastructure to ensure efficient operation of solar power plants under high-temperature conditions; Increasing drainage facilities to prevent damage to photovoltaic power plants caused by rainwater harvesting Frequent rainfall can lead to lower sunlight intensity or lower solar power plant power generation
Market risks	Although climate change affects the market in a mixed manner, one of the main ways is to change certain goods, products and services through the supply and demand structure, and more and more climate-related risks and opportunities will be considered	<ul style="list-style-type: none"> Significant increase in the cost of raw materials, such as silicon, silicon wafers, polycrystalline silicon, and monocrystalline silicon, leading to higher operating costs
Acute risks	The frequency of extreme weather events (e.g. rainstorm) may adversely affect or potentially risk the construction and operation of the Group's projects.	<ul style="list-style-type: none"> Rainstorm may cause damage to components or other equipment, which in turn may affect the efficiency of power generation The need of carrying out precautionary work before extreme weather and inspection and clean-up work after extreme weather, thereby increasing the workload of staff

9 Promoting Environmental Protection

Combining enterprise risk management and formulating relevant strategic deployment and response policies are the Group's sustainable direction in the future. Our management is aligned with the risks brought by climate change and seizes the potential opportunities brought by it.

Ecological Environmental Protection

In the course of operation, the Group focuses on considering the possible impact on the external environment, while actively mitigating the potential impact on the surrounding environment. Before project planning, CNI (Nanjing) first assesses the potential impact of the project on the environment, compiles a list of environmental impacts, and formulates corresponding supporting measures to reduce the damage to the surrounding ecological environment caused by the construction of the power station. In order to maintain the same ecological environment as before construction and reduce the impact on wild animals and their habitats, the project operation sets up enclosures to avoid wild animals from entering the plant area and adopts ecological restoration measures. During project construction, we avoid interfering with the free movement of wild animals. At present, no impact on wild animals has been observed.

Project Design

- Incorporate design elements for environmental protection, such as designs for the prevention of soil erosion
- Use the existing land to conduct land leveling and photovoltaic brackets foundation construction, and reduces the impact on the environment by reducing the construction volume

Pre-construction

- Develop pollution control programmes and implementation plans
- Conduct site layout planning and install temporary drainage facilities on the project site without destroying the existing water drainage system or overloading the existing drainage facilities
- Plant trees, shrubs, grasses or flowers within the project sites to shape a habitable ecological environment

During construction

- Control vehicle speed or sprinkle water during construction to reduce secondary dust from excavation and vehicle transportation near the working surface
- Monitor the water level of groundwater to ensure that the groundwater remains at its original level and to prevent ground subsidence
- Strengthen the handling of harmful substances to minimise their impacts on nearby animals and plants

9 Promoting Environmental Protection

Emission Management

Greenhouse Gas Emissions

The Group's GHG emissions mainly come from electricity consumption. To reduce emissions, we encourage the use of renewable energy. Office operation is also an area of concern. We regularly inspect and conduct maintenance on the air-conditioning system to ensure it is in good condition to prevent refrigerant leakage and reduce fugitive GHG emissions.

During the Reporting Period, the Group's total GHG emissions amounted to 4,821.66 tonnes carbon dioxide equivalent ("**tonnes CO₂e**"), of which direct emissions (Scope 1), indirect emissions (Scope 2) and other indirect emission (Scope 3) were 118.33 tonnes CO₂e, 4,700.48 tonnes CO₂e and 2.85 tonnes CO₂e respectively. The emission intensity was 14.88 tonnes CO₂e/employee.

Exhaust Gas Emissions

The power plants operated by the Group mainly consume electricity for production machinery and facilities and do not generate significant air emissions. Our emissions mainly come from the emissions of sulphur oxides, nitrogen oxides, carbon monoxide and particulate matters from the use of vehicles at our operations. In view of this, we have adopted corresponding emission reduction measures to reduce emissions. All vehicles of the Group's operations use vehicles that meet the PRC IV or Euro IV or higher vehicle emission standards.

Wastewater Discharge

The wastewater generated by the Group mainly comes from the domestic sewage generated in the office. Wastewater generated from the office is directly discharged into the municipal sewage treatment plant through the drainage system of the building.

Waste Management

The Group strictly complies with the *Procedures on the Control of Solid Waste and the Environment, Safety Operation Control Procedures* to effectively standardise the collection, storage and disposal procedures of wastes, so as to properly handle wastes and reduce environmental pollution caused by improper disposal of wastes.

Domestic waste and food waste are the major components of the Group's non-hazardous waste. We have entrusted the property management company to collect, transport and handle the non-hazardous waste generated in the office. During the Reporting Period, the Group generated a total of 15.24 tonnes of non-hazardous waste. At the main business operations of the Group, it does not generate significant amount of hazardous wastes during its daily operation.

The Group has set up recycling material collection areas at designated locations to collect recyclable or reusable wastes to reduce waste generation and emissions. At the same time, we advocate a paperless office and communicate and convey information to employees through internal electronic systems and emails to reduce the use of paper.

9 Promoting Environmental Protection

Use of Resources

The Group saves resources, actively reduces the use of resources and improves operational efficiency. In order to ensure the rational use of resources, we have appointed dedicated personnel to monitor the use of resources and record the monthly energy consumption and water consumption in detail to facilitate regular review and reflection every month. If any abnormal use of resources is found, we will analyse the cause in a timely manner, and study and adopt rectification methods to effectively reduce the waste of resources.

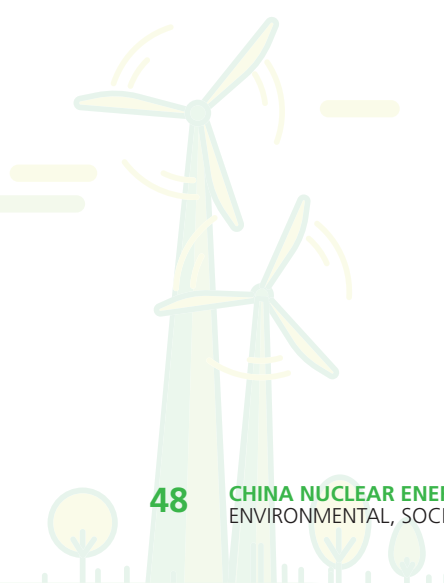
Energy Consumption

Electricity constitutes the major energy consumption of the Group. In order to promote energy conservation and reduce energy consumption in our operations, we have formulated the following measures:

- Encourage the procurement of equipment with high energy efficiency
- Develop targeted management measures and implement energy-saving plans and projects to standardise the management and reduce electricity consumption in operating locations.
- Conduct regular inspection and maintenance of equipment to avoid increasing energy consumption due to equipment anomalies
- Turn off idle power-consuming equipment in time

Water Consumption

Municipal water supply provides the Group with major water resources, and there is no difficulty in obtaining water resources. We continuously monitor the operation of water supply equipment and use water-saving appliances when appropriate. If equipment is found to be damaged or water leakage, it will be repaired in a timely manner to improve the utilisation rate of water resources.



10 Building a Sunshine Society

While promoting energy development, the Group also never forgets to give back to society and actively promotes the development of the communities in which it operates. The Group adheres to the concept of “Bringing Green Energy into Thousands of Households”. We hope not only to contribute clean, efficient and low-cost green energy to society with excellent technology and engineering capabilities but also to contribute to the construction of local communities where our business operations are located.

Case Study:

“5-8 Humanitarian Day” Donation Activity

On 8 May 2023, the Group actively participated in the “5-8 Humanitarian Day” and “Boai Yunnan – Garden Linxiang” and “Boai Linxiang – Guan Meng Help School” activities held by Lincang District. We donated RMB50,000 to the Red Cross Society of Linxiang District, Lincang City, demonstrating our commitment to social responsibility and community well-being. We will continue to actively participate in various charitable endeavours and contribute to the community.



10 Building a Sunshine Society

Case Study:

Meal Charity Project

The Group participated in the “Wutonghua” Meal Charity Project of Ning Xiaofeng Post Station in Xinjiekou Street in 2023 by donating 30 meals to “Ning Xiaofeng – Danfeng Post Home”, as well as delivering warmth to couriers and takeaway workers in the neighbourhood, contributing to the service of the new industry and new groups.



11 Performance Indicators

Human Resources Indicators⁸

During each of the past three years, including the Reporting Period, the Group's human resources indicators are as follows:

Number of Employees

(as at the end of the Reporting Period)

	2023	2022	2021
Overall workforce	324	278	259
By Gender			
Male	263	216	199
Female	61	62	60
By Employment Type			
Full-time	324	277	259
Part-time	0	1	0
By Age Group			
< 30	70	45	59
30 – 40	174	155	133
41 – 50	63	58	49
> 50	17	20	18
By Employee Category			
Board	9	9	12
General employees (including senior management)	315	269	247
By Geographical Region			
Mainland China	309	271	247
Hong Kong	15	7	12

⁸ The reporting scope of data relating to employees and training in the section "Human Resources Indicators" is consistent with the Company's *Annual Report 2022*.

11 Performance Indicators

Employee Turnover Rate ⁹	2023	2022	2021
Employee turnover rate	9%	8%	12%
By Gender			
Male	9%	8%	16%
Female	8%	6%	0%
By Age Group			
< 30	6%	12%	23%
30 – 40	10%	8%	13%
41 – 50	3%	8%	2%
> 50	24%	0%	0%
By Geographical Region			
Mainland China	9%	6%	13%
Hong Kong	0%	60%	8%

Training

Percentage of Employees Trained ¹⁰	2023	2022
By Gender		
Male	80.9%	79.4%
Female	19.1%	20.6%
By Employment Type		
Directors and Senior Management	3.7%	5.3%
Middle management	6.6%	11.5%
Rank and file	89.7%	83.2%

⁹ The formula for calculating the employee turnover rate: number of employees who left within the Reporting Period/number of employees in specific category within the Reporting Period ×100%.

¹⁰ The formula for calculating the percentage of employees trained: number of employees trained within the Reporting Period/total trained employees ×100%.

11 Performance Indicators

Average Training Hours Completed Per Employee ¹¹	2023	2022
Average training hours completed per employee	81.46	40.34
By Gender		
Male	95.26	38.53
Female	23.08	47.31
By Employment Type		
Directors and Senior Management	25.40	25.50
Middle management	37.22	40.17
Rank and file	87.02	41.32

Occupational Safety

Safety Performance	2023	2022	2021
Number of work-related fatalities	0	0	0
Work-related fatality rate	0%	0%	0%
Lost days due to work injury	0	0	0

¹¹ The formula for calculating the average training hours completed per employee: total training hours completed by the number of employees in the specific category/number of employees trained in the specific category ×100%

11 Performance Indicators

Environmental Performance Indicators¹²

During the Reporting Period, CNI (Nanjing) added 13 new operating projects. The corresponding increase in emissions and use of resources was mainly due to the addition of 13 new operating projects.

Emissions ¹³	Units	2023	2022	2021
Air Pollutants¹⁴				
Nitrogen oxides	kg	35.65	18.88	17.58
Sulphur oxides	kg	1.26	0.47	0.27
Carbon monoxide	kg	220.55	137.76	88.36
Particulate matter (PM2.5)	kg	4.04	3.73	1.97
Particulate matter (PM10)	kg	4.44	3.82	2.04

¹² The number of employees used for calculating the intensities of environmental performance indicators is the number of employees within this reporting scope as at the end of the Reporting Period.

¹³ As the average emission factor of the PRC VI Emission Standard has not been released, the on-road and non-road mobile sources that meet the PRC VI Emission Standard are estimated based on the PRC V Emission Standard.

¹⁴ Air pollutant emissions primarily came from on-road and non-road mobile sources. The calculation method of air pollutant emissions and the relevant emission factors for 2023 are the same as those for 2022, with reference to relevant guidance, including but not limited to the Road Vehicles Air Pollutant Emission Inventory Preparation Technical Guide (Trial) and the Non-road Mobile Source Air Pollutant Emission Inventory Preparation Technical Guide (Trial) issued by the Ministry of Ecology and Environment of the PRC and the EMEP/EEA Air Pollutant Emission Inventory Guidebook 2016 issued by the European Environment Agency.

11 Performance Indicators

Emissions ¹³	Units	2023	2022	2021
GHG Emissions				
Total GHG emissions ¹⁵	Tonnes of CO ₂ e	4,821.66	2,849.95	2,185.81
	Tonnes CO ₂ e/ number of employees	14.88	10.25	8.37
Scope 1: Direct emissions ¹⁶	Tonnes CO ₂ e	118.33	74.24	43.21
Scope 2: Indirect emissions ¹⁷	Tonnes CO ₂ e	4,700.48	2,774.94	2,141.41
Scope 3: Other indirect emissions ¹⁸	Tonnes CO ₂ e	2.85	0.76	1.19
Non-hazardous Wastes				
Domestic wastes	Tonnes	15.24	20.52	15.84
(including food wastes)	Tonnes/number of employees	0.05	0.07	0.06

¹⁵ The total GHG emissions include scope 1, scope 2 and scope 3 GHG emissions of the Group.

¹⁶ Scope 1 GHG emissions primarily came from on-road and non-road mobile sources. The calculation method of scope 1 GHG emissions and the relevant emission factors for 2023 are the same as those for 2021 and 2022, with reference to relevant guidance, including but not limited to the Guidelines for Calculation Method and Reporting Guidance on Greenhouse Gas Emissions for On-road Transportation Enterprises (Trial) and the Calculation Method and Reporting Guidance on Greenhouse Gas Emissions by Other Industrial Enterprises (Trial) issued by the National Development and Reform Commission of the PRC and the Fifth Assessment Report issued by the Intergovernmental Panel on Climate Change (IPCC).

¹⁷ Scope 2 GHG emissions primarily came from the purchased electricity. The calculation method of scope 2 GHG emissions and the relevant emission factors refers to the national grid average emission factor of the Notice on the Work Related to the Management of Greenhouse Gas Emissions Reporting for Power Generation Enterprises in 2023-2025 issued by the Ministry of Ecology and Environment of the PRC and the Sustainability Report 2022 issued by the HK Electric Investments Limited.

¹⁸ Scope 3 GHG emissions include employees' business travel by airplanes. The calculation method of scope 3 GHG emissions and the relevant emission factors for 2023 are the same as those for 2021 and 2022, with reference to the carbon emissions calculator developed by the International Civil Aviation Organisation, a United Nations agency.

11 Performance Indicators

Use of Resources	Units	2023	2022	2021
Energy				
Indirect energy	MWh	8,240.65	4,868.31	3,665.48
(purchased electricity) ¹⁹	MWh/number of employees	25.43	17.51	14.04
Direct energy	MWh	442.61	285.80	166.40
(gasoline and diesel) ²⁰	MWh/number of employees	1.37	1.03	0.64
Gasoline	L	44,544.35	31,072.35	17,803.21
	L/number of employees	137.48	111.77	68.21
Diesel	L	1,020.20	500.00	550.00
	L/number of employees	3.15	1.80	2.11
Water Resources				
Water	Tonnes	29,425.39	24,727.00	24,916.30
	Tonnes/number of employees	90.82	88.95	95.46

¹⁹ Apart from the normal purchased electricity, the Group also utilises self-generated electricity from renewable energy sources for its operating projects. In 2023, the amount of self-generated electricity renewable energy sources from the Group's operations is approximately 20,522.95 MWh.

²⁰ The method of calculating direct energy consumption data and related conversions are referred to the Energy Statistics Manual published by the International Energy Agency.

12 Appendix I Laws and Regulations Abided by the Group

The relevant departments in the Group actively obtain all the information on laws and regulations related to business to ensure the daily operations of the Group comply with relevant laws and regulations applicable to the place of operation. During the Reporting Period, the Group strictly complies with laws and regulations that have a significant impact on the Group, including but not limited to the following:

Scope	Laws and regulations that have a significant impact on the Group	Potential Significant Impact
Emissions	<p><i>Environmental Protection Law of the People's Republic of China</i></p> <p><i>Water Pollution Prevention and Control Law of the People's Republic of China</i></p> <p><i>Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes</i></p> <p><i>Cleaner Production Promotion Law of the People's Republic of China</i></p> <p><i>Energy Conservation Law of the People's Republic of China</i></p> <p><i>Atmospheric Pollution Prevention and Control Law of the People's Republic of China</i></p> <p><i>Law of the People's Republic of China on the Prevention and Control of Pollution from Environmental Noise</i></p> <p><i>Water and Soil Conservation Law of the People's Republic of China</i></p> <p><i>Law of the People's Republic of China on Environmental Impact Assessment</i></p> <p><i>Renewable Energy Law of the People's Republic of China</i></p>	<p>Violation of environmental protection and emissions related laws may result in administrative and economic fines, and may also affect the projects progress and damage the Group's reputation.</p>



12 Appendix I Laws and Regulations Abided by the Group

Scope	Laws and regulations that have a significant impact on the Group	Potential Significant Impact
Employment	<p><i>Labor Law of the People's Republic of China</i></p> <p><i>Employment Contract Law of the People's Republic of China</i></p> <p><i>Trade Union Law of the People's Republic of China</i></p> <p><i>Regulation on Public Holidays for National Annual Festivals and Memorial Days</i></p> <p><i>Regulations on Paid Annual Leave for Employees Law of the People's Republic of China on the Protection of Women's Rights and Interests</i></p> <p><i>Regulation on Work-Related Injury Insurance</i></p> <p><i>Cap. 57 Employment Ordinance</i></p> <p><i>Cap. 282 Employees' Compensation Ordinance</i></p> <p><i>Cap. 480 Sex Discrimination Ordinance</i></p> <p><i>Cap. 487 Disability Discrimination Ordinance</i></p> <p><i>Cap. 602 Race Discrimination Ordinance</i></p> <p><i>Cap. 608 Minimum Wage Ordinance</i></p>	<p>Violation of employment related laws may lead to a significant loss of talent and may result in litigation cases.</p>
Health and Safety	<p><i>Law of the People's Republic of China on the Prevention and Control of Occupational Diseases</i></p> <p><i>Work Safety Law of the People's Republic of China</i></p> <p><i>Fire Protection Law of the People's Republic of China</i></p> <p><i>The Administrative Regulations on the Work Safety of Construction Projects</i></p> <p><i>Cap. 282 Employees' Compensation Ordinance</i></p> <p><i>Cap. 509 Occupational Safety and Health Ordinance</i></p>	<p>Violation of health and safety related laws may result in administrative and economic fines, and may also affect the projects progress. Safety incidents can threaten employee safety and result in costly litigation.</p>
Labor Standards	<p><i>Provisions on the Prohibition of Using Child Labor</i></p> <p><i>Law of the People's Republic of China on the Protection of Minors</i></p> <p><i>Cap. 57 Employment Ordinance</i></p>	<p>Violation of labour standards and product responsibility related laws may result in administrative and economic fines, and may also damage the Group's reputation</p>
Product Responsibility	<p><i>Patent Law of the People's Republic of China</i></p>	<p>Violation of labour standards and product responsibility related laws may result in administrative and economic fines, and may also damage the Group's reputation</p>

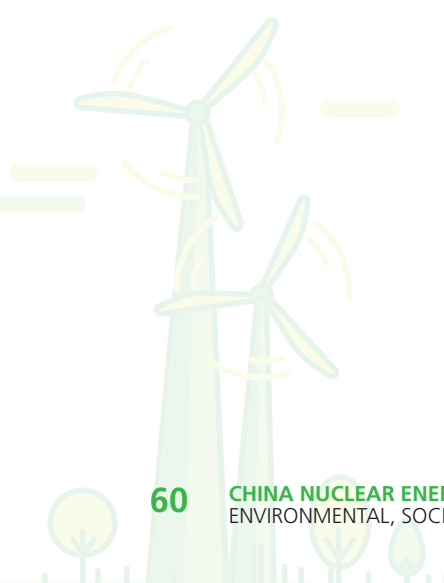
12 Appendix I Laws and Regulations Abided by the Group

Scope	Laws and regulations that have a significant impact on the Group	Potential Significant Impact
Anti-Corruption	<p><i>Anti-Unfair Competition Law of the People's Republic of China</i></p> <p><i>Interim Provisions on Banning Commercial Bribery</i></p> <p><i>The Bidding Law of the People's Republic of China</i></p> <p><i>Criminal Law of the People's Republic of China</i></p> <p><i>Oversight Law of the People's Republic of China</i></p> <p><i>Anti-money Laundering Law of the People's Republic of China</i></p> <p><i>People's Republic of China for Suppression of Corruption</i></p> <p><i>Company Law of the People's Republic of China</i></p> <p><i>Cap. 201 Prevention of Bribery Ordinance</i></p> <p><i>Cap. 622 Companies Ordinance</i></p>	<p>Violation of laws relating to the prevention of bribery, extortion, fraud and money laundering may result in legal liability for the Group, resulting in litigation and affecting our reputation and image.</p>



13 Appendix II Content Index of the ESG Reporting Guide

Mandatory Disclosure Requirements	Description	Relevant section or Remarks
Governance Structure	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the board’s oversight of ESG issues; (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 (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. 	Chairman’s Message, Sustainability Leadership and Governance, Environmental Targets
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report.	Basis for Report Preparation
Reporting Boundary	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.	Reporting Scope



13 Appendix II Content Index of the ESG Reporting Guide

General Disclosure and KPIs	Description	Relevant section or Remarks
ENVIRONMENTAL ASPECTS		
Aspect A1: Emissions		
General Disclosure	Relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	Environmental Management Approach, Appendix I
KPI A1.1	The types of emissions and respective emissions data.	Emission Management, Environmental Performance Indicators
KPI 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).	Greenhouse Gas Emissions, Environmental Performance Indicators
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Not applicable as the Group's main business does not involve hazardous waste.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management, Environmental Performance Indicators
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Environmental Targets, Emission Management
KPI 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.	Environmental Targets, Waste Management

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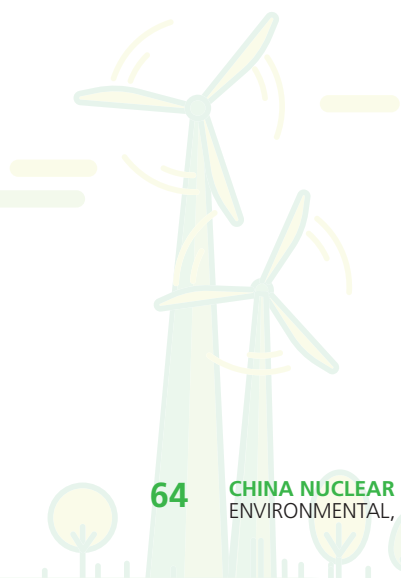
General Disclosure and KPIs	Description	Relevant section or Remarks
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Management Approach, Appendix I
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Performance Indicators
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Performance Indicators
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Targets, Energy Consumption
KPI 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.	Environmental Targets, Water Consumption
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable as the Group's business does not involve packaging materials.
Aspects A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental Management Approach
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Ecological Environmental Protection, Environmental Management Approach

13 Appendix II Content Index of the ESG Reporting Guide

General Disclosure and KPIs	Description	Relevant section or Remarks
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.	Responding to Climate Change
KPI 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.	Responding to Climate Change
SOCIAL ASPECTS		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	<p>Relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p>	Human Resources Policy, Appendix I
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Human Resources Indicators
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Human Resources Indicators

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General Disclosure and KPIs	Description	Relevant section or Remarks
Aspect B2: Health and Safety		
General Disclosure	Relating to providing a safe working environment and protecting employees from occupational hazards: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	Occupational Health and Safety, Appendix I
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Human Resources Indicators
KPI B2.2	Lost days due to work injury	Human Resources Indicators
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Staff Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Human Resources Indicators
KPI B3.2	The average training hours completed per employee by gender and employee category.	Human Resources Indicators

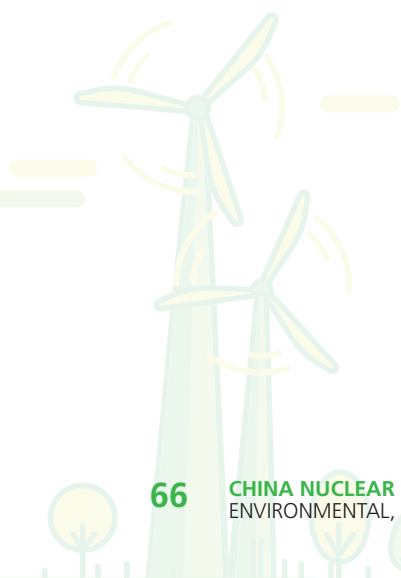


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General Disclosure and KPIs	Description	Relevant section or Remarks
Aspect B4: Labour Standards		
General Disclosure	Relating to preventing child and forced labor: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	Human Resources Policy, Appendix I
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	Child Labour and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Child Labour and Forced Labour
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supplier Management
KPI B5.1	Number of suppliers by geographical region.	Supplier Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supplier Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supplier Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supplier Management

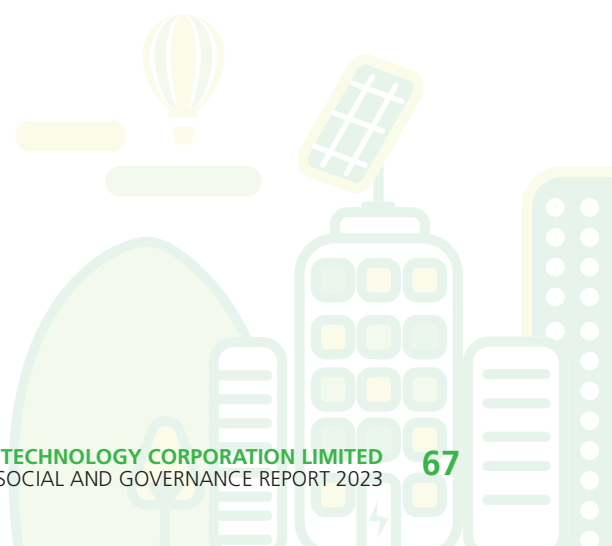
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General Disclosure and KPIs	Description	Relevant section or Remarks
Aspect B6: Product Responsibility		
General Disclosure	<p>Relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p>	Improving Development Quality, Appendix I
KPI 6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable as the Group's business does not involve any physical products.
KPI 6.2	Number of products and service related complaints received and how they are dealt with.	Customer Rights Protection, Product and Service Performance
KPI 6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Protection
KPI 6.4	Description of quality assurance process and recall procedures.	Recall procedures are not applicable as the Group's business does not involve any physical products.
KPI 6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Product and Service Performance



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General Disclosure and KPIs	Description	Relevant section or Remarks
Aspect B7: Anti-corruption		
General Disclosure	Relating to bribery, extortion, fraud and money laundering: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	Integrity in Business, Appendix I
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Integrity in Business
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Integrity in Business
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Integrity in Business
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.	Building a Sunshine Society
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Building a Sunshine Society
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Building a Sunshine Society



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