



东方电气股份有限公司  
DONGFANG ELECTRIC CO., LTD.

2023

Dongfang Electric Co., Ltd.  
Environmental, Social and  
Governance Report



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# About us

## Company profile

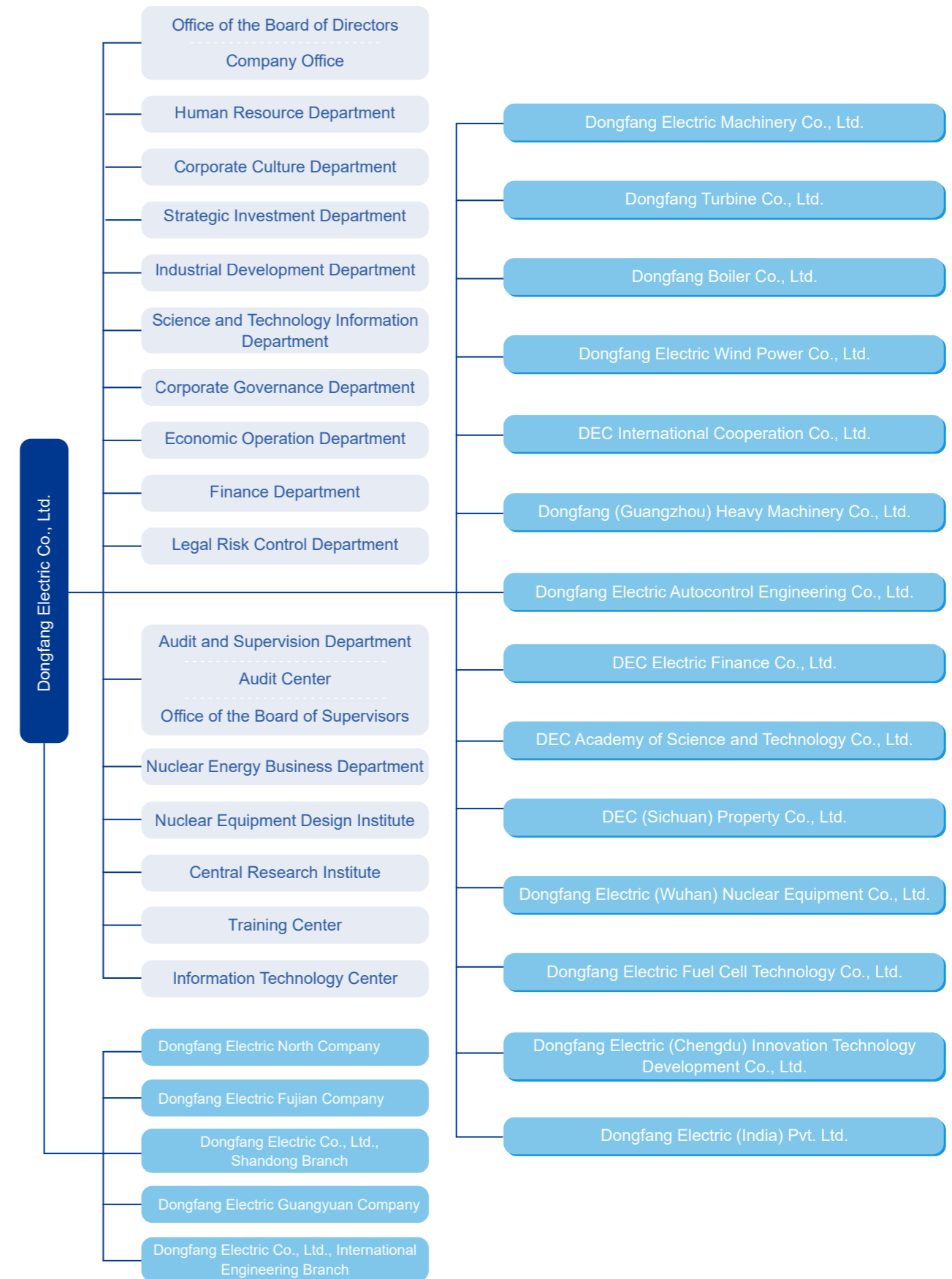
Dongfang Electric Co., Ltd. (hereinafter referred to as "DEC"), headquartered in Chengdu, Sichuan Province, is controlled by Dongfang Electric Corporation. Through its development over 60 years, DEC has become one of the largest power generation equipment suppliers and general contractors for power plant projects in the world and has been listed on the Shanghai Stock Exchange (Stock Code: 600875) and the Stock Exchange of Hong Kong (Stock Code: 1072) separately.

DEC, as one of the pioneers in the electric drive era of China, grew from the three-line construction, developed on the reform and opening up, expanded in the new era, and gave birth to the "Spirit of Dongfang Turbine". DEC always upholds the entrustment of President Xi Jinping, stays true to its original intention to serve the country through industry, keeps in mind the mission of manufacturing power, takes "green power and future driving" as its duty, insists on self-reliance in science and technology, and implements the new development concept completely, accurately and comprehensively by aiming at the goals of carbon peaking and carbon neutrality, vigorously carrying out the "11256" development strategy, and accelerating the "green and intelligent manufacturing" transformation. DEC has established the industrial pattern of "simultaneous development of 6 power sources and coordinated development of 6 industries". Its products include wind power, solar power, hydropower, nuclear power and thermal power generating units (gas turbine generators, clean and efficient coal power), control systems, environment protection equipment, industrial chemical equipment, hydrogen energy, and fuel cells, energy storage devices and new materials, etc., DEC is dedicated to providing its customers with the comprehensive energy solutions integrating energy equipment, green and low-carbon equipment, and high-end intelligent equipment.

By striving to expand the overseas market and actively participating in the co-built "Belt & Road" initiative, DEC supplies the complete equipment and contracting service in more than 80 countries and regions in the world. Its main markets cover Southeast Asia, South Asia, Central Asia, the Middle East, Europe, Africa, South America and other regions. The power equipment exported by it has exceeded 80 million kilowatts. Since 1994, it has continuously ranked in the 250 Largest International Project Contractors elected by ENR- a global authoritative journal in the engineering construction field.

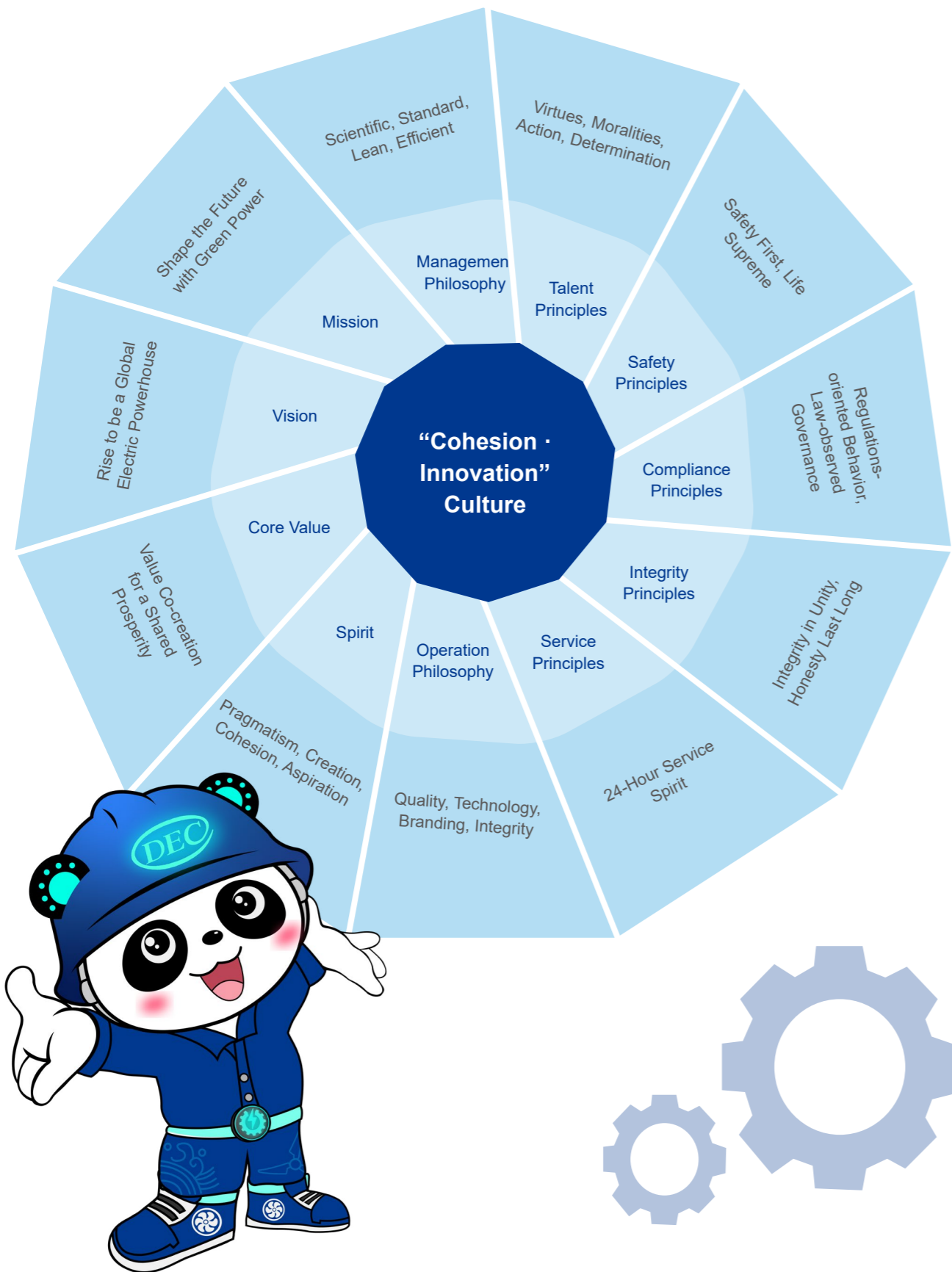
DEC, as one of the first groups of innovative enterprises and national technical innovation demonstration enterprises of China, has the national key laboratory, the national enterprise technology center, the national energy large-scale clean and efficient power generation equipment R&D center, the overseas high-level talent innovation and entrepreneurship base, the academician workstation and the postdoctoral research workstation. It has established a market-oriented multi-stage enterprise product development and innovation system to boost the sustainable and stable development of the enterprise, and help the state to build an "innovative country", "manufacturing power" and "digital China".

## Organization structure



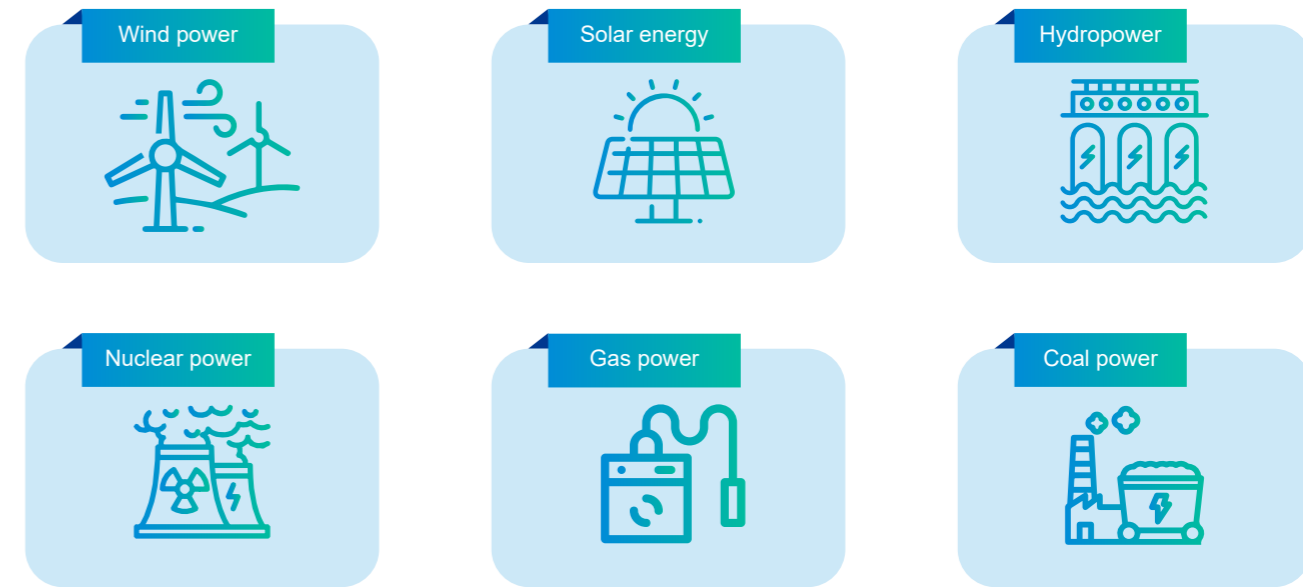


### Corporate culture



### Industrial pattern

#### Simultaneous development of six kinds of electricity



#### Coordinated development of six industries





# About this Report

## Introduction

The Environment, Social, and Governance Report of Dongfang Electric Co., Ltd. (2023) is the 8th environmental, social, and governance report released by Dongfang Electric Co., Ltd. since 2017.

## Reporting scope

This report relates to Dongfang Electric Co., Ltd. and its subsidiaries. The disclosure time frame of this report is from January 1 to December 31, 2023. Partial information given in this report has traced the necessary historical data.

All the data come from internal statistics and external documents of Dongfang Electric Co., Ltd. Unless otherwise specially indicated, all the financial data are measured in RMB.

## Appellation explanation

For ease of expression and reading, "Dongfang Electric Corporation" is called "Corporation" for short, and "Dongfang Electric Co., Ltd." is called "DEC", "Company" and "We", etc. for short. In addition, the subsidiaries mentioned in this report are explained as follows:

"DEC Machinery"	means	Dongfang Electric Machinery Co., Ltd.
"DEC Turbine"	means	Dongfang Turbine Co., Ltd.
"DEC Boiler"	means	Dongfang Boiler Co., Ltd.
"DEC Wind"	means	Dongfang Electric Wind Power Co., Ltd.
"DEC International"	means	DEC International Cooperation Co., Ltd.
"DEC Heavy Machinery"	means	Dongfang (Guangzhou) Heavy Machinery Co., Ltd.
"Dongfang Electric Autocontrol Engineering"	means	Dongfang Electric Autocontrol Engineering Co., Ltd.
"Dongfang Academy"	means	DEC Academy of Science and Technology Co., Ltd.
"Dongfang Property"	means	Dongfang Electric (Sichuan) Supplies Co., Ltd.
"Dongfang Electric (Wuhan) Nuclear Equipment"	means	Dongfang Electric (Wuhan) Nuclear Equipment Co., Ltd.
"DEC Hydrogen Energy"	means	Dongfang Electric (Chengdu) Hydrogen Fuel Cell Technology Co., Ltd.

## Release cycle

This report is released annually. The last report was released in March 2023.

## Basis of compilation

This report is compiled following Annex C2 Guideline on Environmental, Social and Governance Report of the Main Board Listing Rules published on the Listing Rules and Guidelines of the Stock Exchange of Hong Kong Ltd. The relevant contents related to the response to climate change refer to the Guideline on Climate Disclosures and the suggestions given by the Task Force on Climate-related Financial Disclosure ("TCFD" for short).

## Reliability assurance

The Board of Directors and all the directors of DEC ensure no false record, misleading statement, or material omissions in this report, and they shall bear individual and joint liability for the truthfulness, accuracy, and completeness of its contents.

## Report version

This report is released in an electronic form. When necessary, this report can be available and downloaded on the official website of DEC or the platform designated by the Shanghai Stock Exchange and Stock Exchange of Hong Kong.



Tel: 028-87583666



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Official website: <http://www.dec-ltd.cn/>





## ESG management

### ESG philosophy

DEC always adheres to the philosophy of "value co-creation for a shared prosperity", persists in the principle of "the coexistence of pressure and warmth, dreams and responsibilities", and continuously focuses on the global ESG development trend and changes in the domestic and foreign macroeconomic environment. In addition to ensuring the achievement of the business goals of the Company, DEC keeps the obligations and responsibilities of a central enterprise in mind and insists on creating long-term value for China and society, and safeguarding the sustainable and high-quality development of the Company.

### ESG governance

In the process of ESG governance, DEC continuously explores the integration of ESG work into enterprise strategic planning, management, and operations and gradually identifies ESG planning management, institutional management, execution management, and external communication. The Board of Directors leads the Company to establish an ESG report preparation working group to identify major ESG issues and coordinate report preparation. All departments jointly participate in collecting and submitting data and preparing and reviewing the report.








### ESG communication

#### Information disclosure

DEC systematically discloses its business information for communication and interaction with investors by preparing and releasing regular reports such as semi-annual reports, annual reports, and ESG reports. Since 2017, DEC has released 7 ESG reports to regularly disclose the Company's practical achievements in environment, society, and governance to the public.

#### Communication with stakeholders

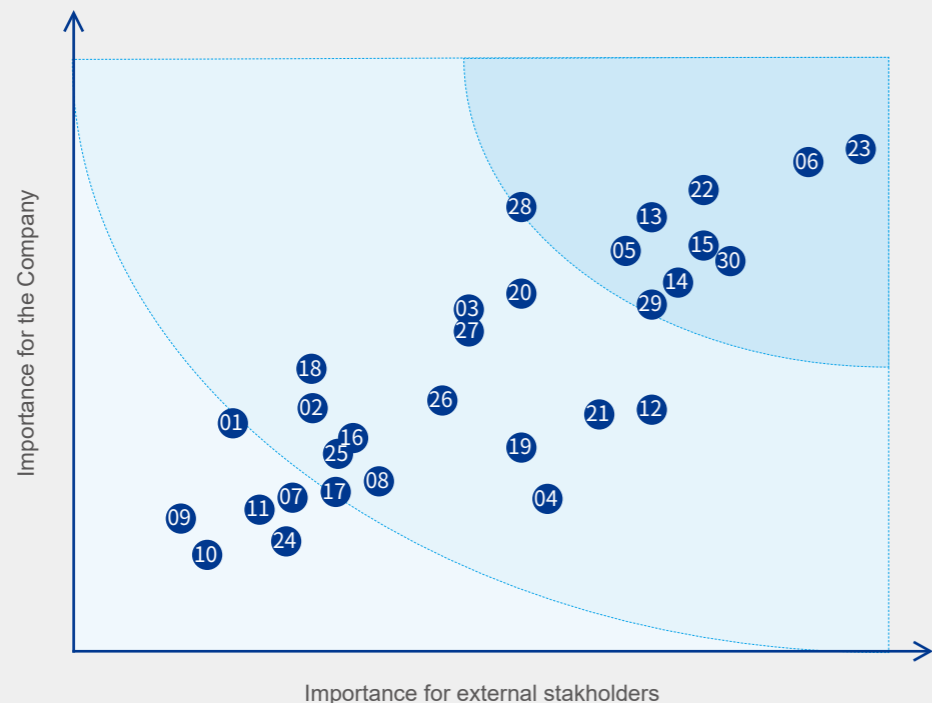
DEC attaches great importance to maintaining good communication with internal and external stakeholders. DEC establishes a normalized communication mechanism based on the needs of all parties, actively understands and responds to the demands and expectations of stakeholders openly and transparently, and promotes the sustainable development of the Company with stakeholders.

Stakeholders	Expectations of the Company	Respond by the Company
 Government	<ul style="list-style-type: none"> <li>• Observation of national laws and regulations</li> <li>• Provision of service for national macroeconomic regulation</li> <li>• Value preservation and appreciation of state-owned assets</li> </ul>	<ul style="list-style-type: none"> <li>• Subject report</li> <li>• Achievement of production and operation plan</li> <li>• Full-tax payment</li> </ul>
 Shareholder	<ul style="list-style-type: none"> <li>• Improvement of shareholder returns</li> <li>• Standardization of corporate governance</li> <li>• Prevention of operation risks</li> </ul>	<ul style="list-style-type: none"> <li>• Stable operation</li> <li>• Investor exchange conference</li> <li>• Announcement</li> </ul>
 Employee	<ul style="list-style-type: none"> <li>• Employee right protection</li> <li>• Employee career development</li> <li>• Diverse employee activities</li> <li>• Employee safety and health</li> </ul>	<ul style="list-style-type: none"> <li>• Employee representative assembly</li> <li>• Trade union activities at all levels</li> <li>• Disclosure of company affairs and collection of opinions</li> <li>• Health management</li> </ul>
 Customer	<ul style="list-style-type: none"> <li>• Provision of excellent products</li> <li>• Provision of excellent services</li> </ul>	<ul style="list-style-type: none"> <li>• Customer relationship management</li> <li>• Customer discussions and visits</li> <li>• Customer satisfaction investigation</li> <li>• Response to customer complaints</li> </ul>
 Environment	<ul style="list-style-type: none"> <li>• Protection of the ecological environment</li> <li>• Response to climate changes</li> </ul>	<ul style="list-style-type: none"> <li>• Promotion of green production</li> <li>• Practice green operation</li> </ul>
 Partnership	<ul style="list-style-type: none"> <li>• Observation of business ethics</li> <li>• Open and fair procurement</li> <li>• Mutual benefit and win-win situation</li> <li>• Common development</li> </ul>	<ul style="list-style-type: none"> <li>• Contract performance</li> <li>• Qualification investigation</li> <li>• Disclosure of procurement information</li> <li>• Negotiation and communication</li> </ul>
 Community	<ul style="list-style-type: none"> <li>• Promotion of community development</li> <li>• Support to social public welfare</li> </ul>	<ul style="list-style-type: none"> <li>• Participation in community activities</li> <li>• Development of public welfare practice</li> <li>• Creation of employee opportunities</li> <li>• Support to rural revitalization</li> </ul>



### Analysis of material issues

The Company identified the material issues among partial external stakeholders and the Company's employees and senior executives through questionnaires. 30 issues related to the Company in aspects of environment, society, and governance have been identified.



According to the survey results, issues such as innovative research and development, risk control and management, product quality and safety, green manufacturing, clean energy opportunity, employee training and promotion, lawful and compliant operation, energy management and conservation, and diversified and equal opportunity, etc. are regarded as material issues.

In the future, DEC will summarize and analyze its previous ESG management work, adjust and carry out future ESG work priorities in combination with the national development strategies, following the policy document requirements of the State-owned Assets Supervision and Administration Commission of the State Council and the results of importance issue identification. It will also regularly conduct important issue identification to keep pace with the times and actively respond to the requests of all stakeholders.

• 01 Board governance	• 09 Environmental public welfare	• 17 Community development	• 25 Occupational safety and health
• 02 Anti-corruption	• 10 Hazardous waste management	• 18 Supplier management	• 26 Employee caring
• 03 ESG governance	• 11 Response to climate change	• 19 Intellectual property protection	• 27 Work and life balancing
• 04 Ethic	• 12 Environmental compliance	• 20 Promotion of industrial development	• 28 Employee compensation and welfare
• 05 Lawful and compliant operation	• 13 Green Manufacturing	• 21 Customer service optimization	• 29 Diversified and equal opportunity
• 06 Risk control and management	• 14 Energy management and conservation	• 22 Product quality and safety	• 30 Employee training and promotion
• 07 Green Office	• 15 Clean energy opportunity	• 23 Innovative R&D	
• 08 Water resource management	• 16 Public benefit and charity	• 24 Promotion of democratic management	

### ESG performance

DEC attaches great importance to the deep integration of ESG philosophy and business development, continuously promotes the practical application of ESG, actively participates in research on ESG-related theory, and timely responds to topics such as ESG Blue Book for Listed Central Enterprises (2023) released by State-owned Assets Supervision and Administration Commission of the State Council (SASAC). In 2023, DEC was included in the "ESG Blue Book for Listed Central Enterprises (2023)" and ranked 36th in the "Central Enterprise ESG·Pioneer 100 Index".

Due to the excellent ESG performance, DEC was listed in "Pioneer 100 Chinese ESG Listed Companies" and "Pioneer 30 Chinese ESG Listed Companies in Technology Innovation" in China Environmental, Social and Governance (ESG) Release and Celebration Event held by China Media Group with SASAC, All-China Federation of Industry and Commerce, Institute of Economics of Chinese Academy of Social Sciences, China Enterprise Reform and Development Society, etc.





## Honor of responsibility

In 2023, some of the social honors received by the company, its affiliated enterprises, and employees are as follows:

**Name of honor**

National Outstanding Engineer

**Issued by**

CPC Central Committee  
State Council

**Award winner**

He Jianhua, the chief expert of DEC Wind

**Name of honor**

Great Country Craftsman Person of the Year

**Issued by**

All-China Federation of Trade Unions  
China Media Group

**Award winner**

Cui Xingguo, a special technician of DEC Machinery

**Name of honor**

Outstanding Contributor to National Skilled Talent Training

**Issued by**

Ministry of Human Resources and Social Security

**Award winner**

Wen Xiaoshan, a CNC lathe operator & senior technician of DEC Turbine

**Name of honor**

List of second-group central enterprise "Great Country Craftsman" training support program

**Issued by**

State-owned Assets Supervision and Administration Commission of the State Council

**Award winner**

Li Xiaojun, a CNC lathe operator of DEC Turbine



**Name of honor**

National Worker Pioneer

**Issued by**

All-China Federation of Trade Unions

**Award winner**

Nuclear power welding team of Vessel No.2 Factory of DEC Boiler

**Name of honor**

National May Fourth Red Flag Youth League Committee

**Issued by**

Communist Youth League Central Committee

**Award winner**

DEC Turbine

**Name of honor**

National May Fourth Red Flag Youth League Branch

**Issued by**

Communist Youth League Central Committee

**Award winner**

Youth League Branch of Dongfang Electric (Chengdu) Hydrogen Fuel Cell Technology Co., Ltd.

**Name of honor**

Sichuan Advanced Company in Work Safety

**Issued by**

Sichuan Security Commission

**Award winner**

DEC







Feature



Leading talents



### He Jianhua, the chief expert of DEC Wind, was honored with the title of “National Outstanding Engineer”

On January 19, 2024, the “National Engineer Award” commendation conference was held in Beijing, and He Jianhua, the chief expert of DEC Wind was awarded the title of “National Outstanding Engineer”.

He Jianhua, as a senior engineer and an academic and technical leader of Sichuan Province, obtains the special governmental subsidy offered by the State Council, always works hard on the front line of the electric equipment industry, and is a famous expert in the power generation equipment sector of China. He has witnessed the development of Chinese electric equipment from “following” to “co-developing” and then to “leading”, and become an authoritative technical expert and an all-round manager to fulfill the mission of “carbon peaking and carbon neutrality” with actual conditions, provide the firm technical supports for the clean energy transformation of China, he is highly respected in the industry, contributing to the illumination of countless homes with “Made in China”.



He Jianhua, a national outstanding engineer



### Cui Xingguo from DEC Machinery, shortlisted for “Great Country Craftsman Person of the Year”

On January 13, 2024, the release event of the 2023 Great Country Craftsman Person of the Year jointly held by the All-China Federation of Trade Unions and China Media Group and undertaken by the Sichuan Federation of Trade Unions released 50 candidates in Chengdu. Cui Xingguo, a special water turbine assembling technician & senior chief operator of Dongfang Electric Machinery Co., Ltd. was shortlisted successfully.

Over the past 30 years, with his dedication to water turbine assembling, Cui Xingguo has grown from an ordinary front-line worker to a special technician and national technical expert. With the special governmental subsidy offered by the State Council, Cui Xingguo has obtained many honorary titles such as an advanced individual in the national equipment manufacturing adjustment and revitalization plan competition, quality model of the national machinery industry, nominee award of Sichuan Quality Award, Sichuan Craftsman, and Deyang Chief Technician, etc.



Cui Xingguo, Special-grade Technician in water turbine assembling technician & Senior Chief Operator of DEC Machinery

# 01

## New Journey Co-building of Harmonious Ecology

DEC adheres to the concept of sustainable development and actively fulfills the goal of “carbon peaking and carbon neutrality” and always takes green development as the drive to boost the achievement of its high-quality and sustainable development goal.



UN's Sustainable Development Goals (SDGs)





# Technology-enabled new development

With a focus on clean energy equipment manufacturing, DEC deeply promotes technological innovation and digital transformation, insists on driving the breakthroughs in green technology innovation, and adheres to technology-enabled green, low-carbon and high-quality development.

## Technological innovation

DEC, centered on "technology leading", constantly strengthens the innovation driving power, constantly improves the technology innovation mechanism, accelerates the construction of innovation platforms, and orderly promotes the research and development of major projects, and has made many breakthroughs in the achievements of the technology innovation field.

**In the report period, DEC achieved breakthroughs in multiple industries:**

In June 2023, the first large-scale impact turbine with single maximum power up to 150MW in China developed by DEC independently formal input, making a historical breakthrough in the localization "from scratch" of key core technology of high-head and large-capacity impact hydropower generating unit in China.



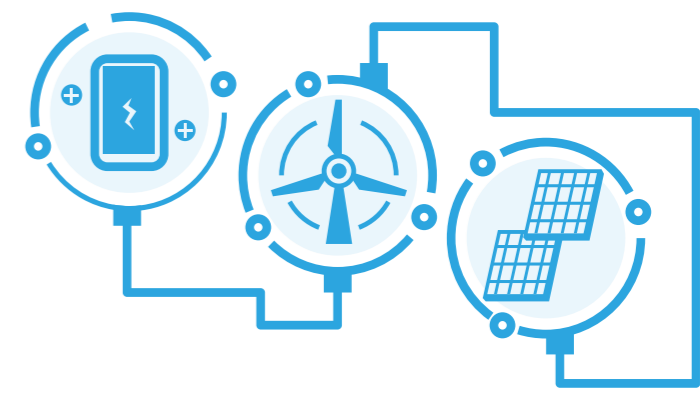
In June 2023, the global first offshore test on the direct in-situ electrolysis of non-desalinated seawater for hydrogen production for offshore wind power was conducted jointly by DEC and the team led by Academician Xie Heping from Shenzhen University/ Sichuan University, realizing a disruptive breakthrough.



In November 2023, the 18MW direct-drive offshore wind power generating unit which was developed jointly by DEC and China Huaneng with complete intellectual property rights, was wholly held by DEC and came off the production line successfully in the production base of Dongfang Electric Wind Power (Fujian) Co., Ltd. in Fuqing City, Fujian Province. Now, this direct-drive offshore wind power generating unit has the largest single capacity and the largest impeller diameter in the world.



In December 2023, the first Level F 50MW heavy-duty gas turbine in China, developed independently by DEC and wholly owned in terms of intellectual property rights was formally put into commercial operation, filling in our gap in the autonomous gas turbine application field. This unit can reduce carbon emission by more than 500,000t every year, generate electric power over 70,000KWH in 1h combined cycle mode, and meet the daily power demands of 7,000 families.





The technological innovation honors obtained by DEC in the report period include, but are unlimited to the following:



Achievement	Name and grade of award	Company in charge
The key technology of 10MW offshore wind power generating unit and its application	Sichuan Science & Technology Progress Award First Prize	DEC Wind, DEC Machinery, Dongfang Electric Autocontrol Engineering, Dongfang Academy
Key technology for adaptive intelligent operation and maintenance of core components of high-end equipment and its application	Sichuan Science & Technology Progress Award First Prize	DEC Machinery
Key technology and complete equipment for smart operation and maintenance of super-large hydropower generating unit and their industrialization	Hubei Science & Technology Progress Award First Prize	DEC Machinery
Key technology for efficiency improvement of 1000MW ultra-supercritical steam turbine and its retrofitting	Sichuan Science & Technology Progress Award Second Prize	DEC Turbine
Key technology for stability control of large mixed-flow water turbine under the sandy condition and its application	Sichuan Science & Technology Progress Award Second Prize	DEC Machinery
Key technology for stable operation of water turbine with super-large variable head and its application	Sichuan Science & Technology Progress Award Second Prize	DEC Machinery
Comprehensive technical research on efficient development of wind power in high and cold mountainous areas and its application	Sichuan Science & Technology Progress Award Second Prize	DEC Wind
Active cooperative control technology for scaled access of distributed wind power to regional power grid and its application	Sichuan Science & Technology Progress Award Second Prize	DEC Wind

### Green manufacturing

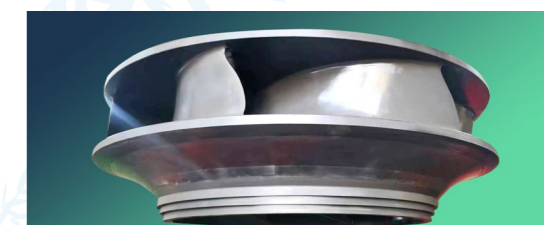
DEC is dedicated to the development of clean and efficient energy equipment of hydropower, wind power, nuclear power, gas power and solar energy, and constantly extends to energy saving, environmental protection, hydrogen energy, energy storage, digitization, intelligence and comprehensive smart energy solutions to provide the complete technical and equipment supports for the goals of "carbon peaking and carbon neutrality".

In August 2023, the 2023 World Conference on Clean Energy Equipment sponsored by the Ministry of Industry and Information Technology and the People's Government of Sichuan Province was held in Deyang, Sichuan Province. Yu Peigen, the board chairman of the Company attended the opening ceremony and made a speech titled with "Contributing the Power of Chinese Equipment to the Global Energy Transformations".



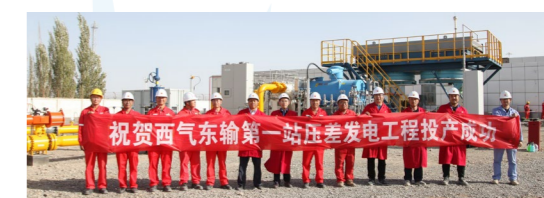
Yu Peigen, the board chairman of the Company was making a speech

In November 2023, the first large-scale water pump used in the water diversion project developed and supplied by DEC Machinery - the first large pump used in the Gaoxinsha pump station of Pearl River Delta Water Resource Allocation Project completed the waterless commissioning successfully with all the operating parameters being excellent.



Successful completion of waterless commissioning of Gaoxinsha pump station of Pearl River Delta Water Resource Allocation Project

DEC Turbine made a breakthrough in the incubation of the zero-carbon power generation industry based on natural gas pressure energy.



The first differential-pressure power generation project on the west-east gas transmission line was put into operation

The largest wind power project in the ultra-high altitude region in the world was put into operation at full capacity.

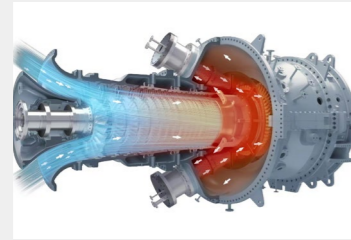


The 100MW wind power project in Seni District, Naqu City, Tibet was put into operation with full capacity



In 2023, DEC launched multiple new products, including self-developed heavy-duty gas turbines, high-end compressors, megawatt-class proton exchange membrane water electrolysis hydrogen production electrolytic cells, 18MW direct-drive offshore wind turbines, and 18MW semi-direct-drive offshore wind turbines.

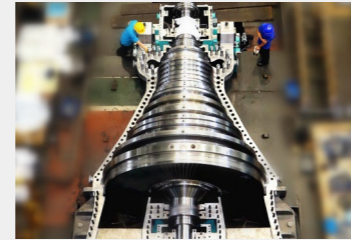
Case DEC Turbine



Autonomous gas turbine



Comprehensive energy storage system solution



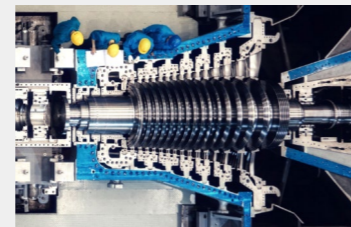
Steam turbine for solar power generation



High-end compressor



Organic Rankine cycle power generation



Industrial-drive steam turbine

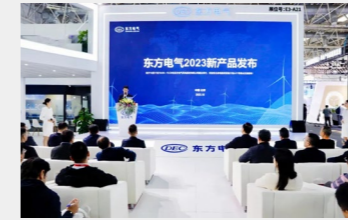
Case DEC Boiler

In April 2023, the world's largest 4MWth chemical chain combustion demonstration plant was completed in the Deyang Base of DEC Boiler. It sets up a firm foundation for the subsequent test and research, and further accelerates the industrialized and large-scale decarbonization of China-Europe carbon reduction technology program. Compared with the traditional carbon capture technology, this plant not only provides a new technical route but also reduces the cost by **2/3**.



The largest 4MWth chemical chain combustion demonstration device in the world

Case DEC Wind



Release conference site of DEC Wind

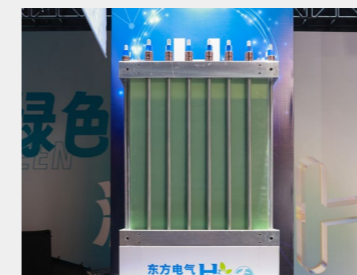


Design certification ceremony

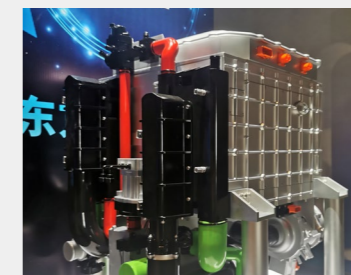


Evaluation Technology for Increase of Wind Farm Power Generation Certification Ceremony

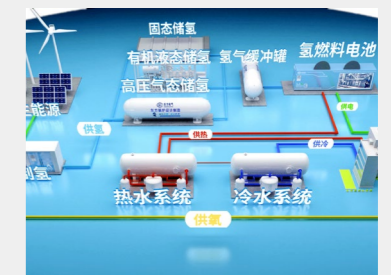
Case DEC Hydrogen Energy



Megawatt-grade proton exchange membrane electrolysis cell for hydrogen production of DEC Hydrogen Energy

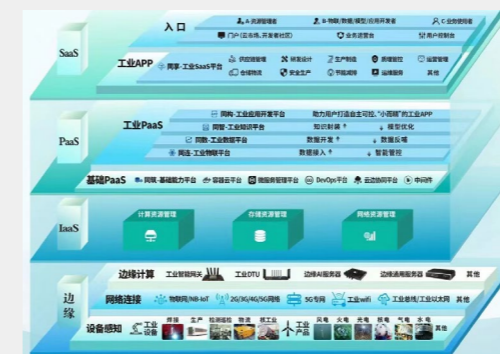


Fuel cell system with a maximum power up to 270 KW in China



Megawatt-grade "hydrogen-storage-electricity-hot water-cold water" integration system

Case Dongfang Academy



Comprehensive energy storage system solution





## Emerging industries

Adhering to the “industry-leading” strategy, DEC actively explores new paths for emerging industries and makes breakthroughs in multiple fields on the basis of solidifying its leading position in the traditional industry.

### Case The DEC silver powder industrialization project was officially launched

In December 2023, the signing ceremony of DEC's industrialization project of highly-dispersed ultrafine silver powder used in conductive silver paste was held in Jinzhu City, Sichuan Province. The formal launching of this silver powder industrialization project is the specific action through which the Company continues to promote the core technology research and achievement transformation of high-end equipment and key industrial chain of energy power and constantly improve the flexibility and safety of industrial chain and supply chain of new energies and new materials, and also a vivid example proving that the company's efforts to strengthen central local cooperation and actively contribute to local economic development.



Signing ceremony of silver powder industrialization project

### Case Pump light heat integration helped the industrial scaling

DEC Boiler obtained the order of concentrated heat collection system equipment from Power China Gonghe 1 million kW PV thermal project. The installed capacity of this project is 1,000 MW. 100 MW solar thermal power plant uses molten salt tower technology. The area of the solar collector field is about 500,000sq with the thermal power of the heat absorber 260 MW. The binary molten salt is used as the heat transfer and storage medium. The equivalent heat storage time can reach up to 8 hours.

As one of the earliest domestic companies engaged in the development of solar thermal power generation technology, DEC Boiler has always regarded the solar thermal power generation industry as an important direction for its transformation and development. Now, it has nearly a hundred technical patents and is one of the main companies which are responsible for preparing national standards for the design specifications of tower solar thermal power plants.



### Case DEC with Its Whole Industrial Chain of Hydrogen Energy Present at the Western China International Fair Held in Chengdu

In June 2023, the 19th Western China International Fair was held in Chengdu. DEC attended this fair with its green and smart energy solution and green and low-carbon equipment, arranged the special hydrogen energy exhibition in the newly-opened hydrogen energy industry hall, and held the second international hydrogen energy and fuel cell industry conference & the 1st Sichuan-Chongqing Hydrogen Energy Industry Ecological Cooperation Conference in Chengdu.

At this conference, DEC prominently showcased the company's technical strength and application achievements in hydrogen acquisition, hydrogen storage, hydrogen filling, hydrogen application, and other whole industrial chains, fully showed its comprehensive utilization plan centered on “green hydrogen” and combining wind, light, storage and heat, etc., systematically introduced the whole industrial chain system solution of hydrogen energy, and showed the charm and strength of “hydrogen” as green energy for further driving to all the leaders, guests and audiences who attended the Western China International Fair.



Holding the first Sichuan-Chongqing industrial and ecological cooperation conference on hydrogen energy



## The digital transformation brings new opportunities

DEC adheres to green, low-carbon, and digital transformation, always boosts green development digitally, vigorously carries out smart manufacturing projects, and fully improves the green and total-factor productivity to reduce energy consumption and pollutant discharge and realize the organic unification of economic and ecological benefits.

DEC implements the Digital Transformation Action Plan (2023-2025) and adheres to empowering the sustainable development of enterprises by green, high-end, and intelligent orientation.





Case Formal startup of the first 5G fully-connected digital plant



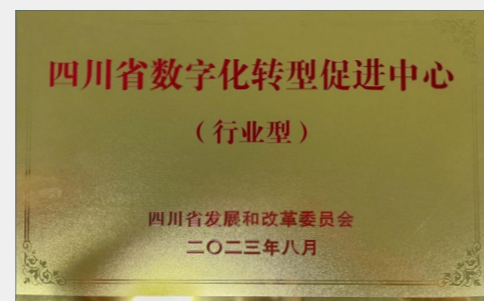
In August 2023, the inauguration ceremony of the first 5G fully connected digital plant in the industry was successfully held in DEC Turbine.

The industry's first digital steam turbine assembling workshop was constructed. It replaces traditional physical assembling with digital assembling, reduces the assembling cycle by about 40%, increases the total production capacity of the workshop by 65%, and increases the first pass yield to 95%.



The industry's first digital header pipe connector workshop was constructed, with the equipment digitization rate up to 100%, the front-line workers every shift reduced by 70%, and the per-capita output efficiency being 5 times the traditional manufacturing method.

Test and launch a group of systems including comprehensive budget management, digital intelligence of financial reports, investment management, and human resources.



During the report period, the Company obtained the following main honors related to smart manufacturing:

DEC Turbine's "smart manufacturing demonstration plant of efficient turbine power equipment" was successfully chosen for the 2023 smart manufacturing demonstration plant of the Ministry of Industry and Information Technology

DEC Heavy Machinery's "lean production management" and DEC Boiler's "energy consumption data monitoring" were selected as the 2023 smart manufacturing scene of the Ministry of Industry and Information Technology

The "Co-plat" industrial internet platform was chosen for the national "dual crossing" platform



New vision for energy saving and emission reduction

DEC adheres to the concept of sustainable development, actively responds to the deployment requirements of carbon peaking and carbon neutrality, actively assumes the entity responsibility of energy-saving and carbon-reducing enterprises, accelerates the promotion of green and low-carbon transformation, and advocates a simple, moderate, green, low-carbon, civilized and healthy lifestyle.

Environment management



Establishment of leadership team

DEC has established the Carbon Peaking and Carbon Neutrality leadership team, and the Energy Conservation and Ecological Environment Protection leadership team, and regularly convenes meetings of these leading groups.



New environmental protection regulations

In compliance with the new situation and new requirement of ecological environment protection, DEC formulated and issued three regulations in 2023, including Regulation on Supervision and Management of Energy Saving and Ecological Environment Protection, Regulation on Management of Carbon Emission (Trial), and Guideline on Carbon Emission Calculation Method and Report (Trial).



Establishment of environment warning mechanism

The Company includes emergent environmental events in its Comprehensive Plan for Work Safety Accidents and has prepared the Emergency Preparation and Response Procedure for Environmental and Occupational Health and Safety based on the environmental management system to identify potential accidents or emergencies. Meanwhile, according to the environmental protection laws and regulations and the requirements of the environmental management system, and through the dynamic identification of important environmental factors, the Company has established a list of key pollution sources and improved the risk control measures.



ISO14001 environmental management system certificate



## Energy saving and carbon reduction

In 2023, the Company was listed in “China ESG Listed Companies- 30 Pioneers in Technological Innovation”, and successfully chosen for the 2023 Chinese industrial carbon peaking “leading” enterprise.

### Energy consumption management

The Company strictly abides by its *Carbon Peaking Action Plan of Dongfang Electric Corporation*. In the report period, the Company established and issued a Regulation on the Management of Carbon Emission (Trial), a Guideline on Carbon Emission Calculation Method and Report (Trial), and other regulations and norms to further enhance the supervision and management of energy consumption and carbon emission.

During the report period, the comprehensive and unit energy consumption and the unit CO<sub>2</sub> emission of the Company were controlled, and the discharge of every kind of pollutants met the standards; the affiliated enterprises of the Company had no emergency environmental event of general level or above, or major violation of laws and regulations related to energy saving and ecological environment protection.

#### Energy consumption management performance of DEC from 2021 to 2023

Indicator	Unit	2021	2022	2023
Comprehensive energy consumption	Ton of standard coal	93,391	95,834	93,013
Comprehensive energy consumption corresponding to 10,000 Yuan output value	Ton of standard coal/ 10,000 Yuan	0.022	0.017	0.015
Electricity	10,000 KWH	31,802	32,350	33,115.4
Natural gas	10,000 m <sup>3</sup>	3,771	3,805	3,654.3
Gasoline	Ton	655	592.7	575.4
Diesel oil	Ton	690.8	590.5	486.8
Water resource consumption	10,000 tons	369	340	344.5
Water resource consumption corresponding to 10,000 Yuan output value	Ton/ 10,000 Yuan	0.758	0.614	0.568
Consumption of packaging materials	Ton	15,150	15,064	14,549
Consumption of new energy, renewable energy, or clean energy	Tons	-	12,058	16,446

In the report period, the Company took the following key measures to promote energy saving and carbon reduction:



The Company strictly abides by its Carbon Peaking Action Plan of Dongfang Electric Corporation. In the report period, the Company established and issued Regulation on Management of Carbon Emission (Trial), Guideline on Carbon Emission Calculation Method and Report (Trial), and other regulations and norms to further enhance the supervision and management of energy consumption and carbon emission.



Promoted the comprehensive energy demonstration application in the enterprise park, and established the comprehensive energy management platform, gas turbine power generation and waste heat utilization, energy storage system, PV power generation, charging pile, rainwater recycling system, and ground source heat pump integration solution, realizing the energy saving equivalent to about 800 tons standard coal and the reduction of about 4,000 tons carbon emission every year.



Achieved the coverage over 50% of the application of such technologies as LED energy-saving products, reactive power compensation of power systems and energy saving of air compressor.



Implemented the development and utilization of “directly purchased power” and rooftop PV resources as a whole, and realized the proportion of nearly 70% of “green power” in enterprises in Sichuan Province.



DEC Machinery implemented the automation renovation of ovens, optimized temperature control strategies to achieve customized and precise temperature control for the baking processes of different products, and upgraded 3 transformers. This resulted in a 50% increase in comprehensive energy efficiency, saving approximately 200,000 kWh of electricity annually, equivalent to 24 tons of standard coal, and reducing CO<sub>2</sub> emissions by about 116 tons.





Case Official opening of DEC's carbon peaking and carbon neutrality research center

In May 2023, DEC's carbon peaking and carbon neutrality research center was opened officially. The establishment of this research center is an important practice proving that DEC promotes the green and low-carbon transformation, improves the special research ability for carbon peaking and carbon neutrality, and further builds and improves its carbon management system.



Case Comprehensive energy demonstration project in the factory of DEC Machinery

In combination with the comprehensive energy planning technology of the energy consumption side in different scenes, DEC Machinery completed the comprehensive energy demonstration project with its own park as a sample and based on the local renewal resources, the external energy sources, and the energy use in the factory, which could reduce the carbon emission about 4,000t every year.



Case DEC Turbine's PV, energy storage, and charging integration demonstration area

DEC Turbine used the PV power generation, vanadium redox battery energy storage and charging pile to establish a smart microgrid, and completed the PV, energy storage and charging integration demonstration area which could reduce carbon emission by 797t every year.



Emission management

In strict accordance with the Technical Guideline on Establishment of Emergency Emission Reduction Measures of Key Industries against Heavily Polluted Weather (2020 Edition) and the staged control requirements of corporate environmental protection performance, DEC accelerates the upgrading of environmental protection performance of affiliated enterprises, organized its subsidiaries to comprehensively sort out the toxic and hazardous raw and auxiliary materials that can be reduced or replaced, and established the reduction and replacement action plan to reduce the use of hazardous material source.

In 2023, DEC Machinery, DEC Turbine and DEC Boiler's Deyang manufacturing base were recognized to reach the Level B environmental protection performance.

DEC Turbine greatly promoted the use of environment-friendly raw and auxiliary materials including water-based paint and water-based detergent, reducing the emission of volatile organic compounds by more than **10%**.

DEC Machinery completed the benzene-free improvement of polyurethane thinner and epoxy thinner to reduce the content of volatile organic compounds in the above-mentioned thinners by **70mg/L** and **110mg/L** separately.

Emission management performance of DEC from 2021 to 2023 Greenhouse gas emission

Indicator	Unit	2021	2022	2023
Direct greenhouse gas emission (scope 1)	10,000 tons	6.0	8.5	8.1
Indirect greenhouse gas emission (scope 2)	10,000 tons	18.1	18.9	19.4
Greenhouse gas emission density	Ton/ 10,000 Yuan	0.051	0.050	0.0045

Waste gas emission

Indicator	Unit	2021	2022	2023
SO <sub>2</sub> emission	Ton	175.4	164.5	159.40
SO <sub>2</sub> emission density	Ton/ 10,000 Yuan	0.00004	0.00003	0.000026
NO <sub>x</sub> emission	Ton	273.0	252.4	276.3
NO <sub>x</sub> emission density	Ton/ 10,000 Yuan	0.00006	0.00005	0.000046



## Waste water discharge

Indicator	Unit	2021	2022	2023
Wastewater discharge	10,000 tons	143.7	125.2	134.6
Wastewater discharge density	Ton/ 10,000 Yuan	0.3005	0.2262	0.2218
COD emission	Ton	295.0	288.5	274.7
Ammonia nitrogen emission	Ton	76.1	67.5	66.9

## Waste discharge

Indicator	Unit	2021	2022	2023
Hazardous waste discharge	Ton	2329	1699	2496.6
Hazardous waste discharge density	Ton/ 10,000 Yuan	0.0004	0.0003	0.0004
Non-hazardous waste discharge	Ton	26,773.0	22,168.0	28,066.5
Non-hazardous waste discharge density	Ton/ 10,000 Yuan	0.0051	0.004	0.0046
Recycled wastes	Ton	24,423	20,076	17,490

## Publicity and education of environmental protection

DEC widely carries out the publicity and education of greening and low carbon, and organizes publicity activities online and offline by various means of the internet, WeChat and video platform and in various manners. In 2023, DEC issued the *Plan for Assisting Electricity Supply Guarantee by Scientific Electricity Utilization and Electric Energy Conservation* and *Notice on Matters related to Preventing Food Wastage*, launched an initiative of "Being Together in Energy Saving and Carbon Reduction" to accelerate the formation of a simple & moderate, green & low-carbon and civilized & healthy production and living mode.

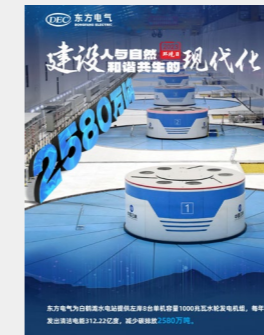


In 2023, the total input of the Company in environmental protection reached up to

**62.507** million Yuan

## Case Organization of the Publicity Activity of "Being Together in Energy Saving and Carbon Reduction"

During the 33<sup>rd</sup> "Energy Conservation" Publicity Week in July 2023, the Company actively organized various activities related to publicity and education of greening and low carbon. Taking the 11th National Low-Carbon Day as an opportunity, the Company launched an initiative of "Being Together in Energy Saving and Carbon Reduction" throughout the Company to encourage all employees to participate in actions of energy conservation, environment protection, garbage classification and greening office and jointly create an atmosphere of green & low carbon and green development.



东方电气广大干部职工：

为深入践行习近平生态文明思想，全面落实党的二十大精神对推动绿色发展、促进人与自然和谐共生作出的战略部署，加快形成简约适度、绿色低碳、文明健康的生产生活方式，在此我们向东方电气全体职工发出如下倡议：

一、**从我做起，争做节能降碳的传播者。**深刻理解节能降碳对实现“双碳”目标的重要意义，充分认识企业高质量发展是建立在能源资源高效集约利用和绿色低碳发展的基础之上，从你我做起、从现在做起，积极带动身边的同事、朋友和家人，积极参与到节约能源、保护环境的行动中来，共同营造厉行节约、绿色发展的浓厚氛围。

二、**从我做起，争做节能降碳的引领者。**积极投身绿色创新实践，带头做节能降碳的示范者和引领者，结合自身岗位职责，围绕提高生产效率、节能降耗、污染治理开展小革新、小发明、小创造，改造工艺和生产流程，总结推广先进的节能方案、操作方法，积极带动生产效率和能源利用效率的改进提高，创造更多的环境效益和经济效益。

三、**从我做起，争做节能降碳的践行者。**自觉肩负起央企员工节能降碳的社会责任，积极践行自动化、无纸化及绿色办公，从日常小细节入手，主动节水节能节电，积极使用循环再生用品、节能环保家用电器和交通工具等，自觉参与到垃圾分类、义务植树、“光盘行动”、绿色低碳出行等行动中来。

“节能降碳，你我同行”，让我们从身边做起，从点滴做起，为建设人与自然和谐共生的美丽中国、实现碳达峰碳中和目标、推进东方电气绿色低碳转型发展高质量发展贡献新的更大的力量！

集团公司节约能源与生态环境保护委员会办公室 宣

DEC carries out the publicity activity of World Environment Day

## Recycling economy

In 2023, the Company formulated and issued the *Administrative Rules for Disposal of Idle and Waste & Old Materials (Trial)*, carried out assessment disposal and recycling utilization in strict accordance with the principles of "coordinated management and efficiency first; classified disposal and best use; openness, transparency, legality and compliance" to further promote the service of declaration for idle and waste materials disposal requirement and improve the disposal efficiency.

During the report period, totaling 34 batches of idle and waste materials were disposed of by the Company and the amount of turnover was about **60** million Yuan with a value-added ratio of **28.3%**.



## Holding conferences

### Assisting in Chengdu Universiade

In 2023, the 31<sup>st</sup> Summer Universiade was held in Chengdu. DEC provided 80 hydrogen powered buses for transporting officials and referees.

During the Universiade,

above mentioned hydrogen powered buses were driven more than

**500,000** km

in

**3,000** trips

provided services for over

**35,000** persons

These buses achieved the goal of "zero failure, zero idle, zero delay, zero error, zero complaint", and completed the personnel transportation task with high quality.

#### Case DEC fully supported Chengdu Universiade with hydrogen powered buses

Inside the court

DEC provided 80 hydrogen powered buses and organized a professional technical service team for daily maintenance of these buses.



DEC hydrogen powered buses



DEC hydrogen powered bus vanguard team

Outside the court

During the Universiade, DEC provided citizens with "Panda Buses" with DEC hydrogen fuel cell system. "Panda Buses" are environmentally friendly buses with Chengdu cultural characteristics featured by green travel, cute shape and strong dynamic force.



DEC hydrogen powered "panda bus"

### Assisting in World SF Convention

In October 2023, the World SF Convention was held in Chengdu. DEC Hydrogen Energy provided 49 buses with independently developed hydrogen fuel cell system as the designated vehicles for the convention, including 40 olas60 Universiade buses and 9 vm40 panda buses. These buses provided commuting guarantee for participants. 49 buses completed the personnel commuting task during the convention with high quality by the high quality services of "zero breakdown, zero fault, zero subcontracting, zero dispute, zero error, zero negligence" and provided guests and participants with a convenient and environmentally friendly travel experience.



Hydrogen powered buses

# 02

## Promoting synergy and mutual benefits for making further value

DEC actively promotes the sharing of industrial resources; provides high-quality customer services and safeguard employees' rights to achieve co-creation and mutual benefits; pays attention to livelihood issues and is positively devoted to social services.



UN's Sustainable Development Goals (SDGs)





# Deepening cooperation and win-win

DEC has communications and exchanges with the government, enterprises and universities and is devoted to join hands with multiple partners to achieve resources complementarity, mutual benefits and win-win.

## Strategic cooperation

DEC actively explores a mode for cooperation with the government, enterprises and universities to seek common development and build a common future.

### Cooperation with the government



DEC signed a strategic cooperative agreement with the People's Government of Tibet Autonomous Region

### 杭州市人民政府 东方电气集团 战略合作框架协议签约仪式



DEC signed a strategic cooperative framework agreement with the People's Government of Hangzhou Municipality

### Cooperation with enterprises

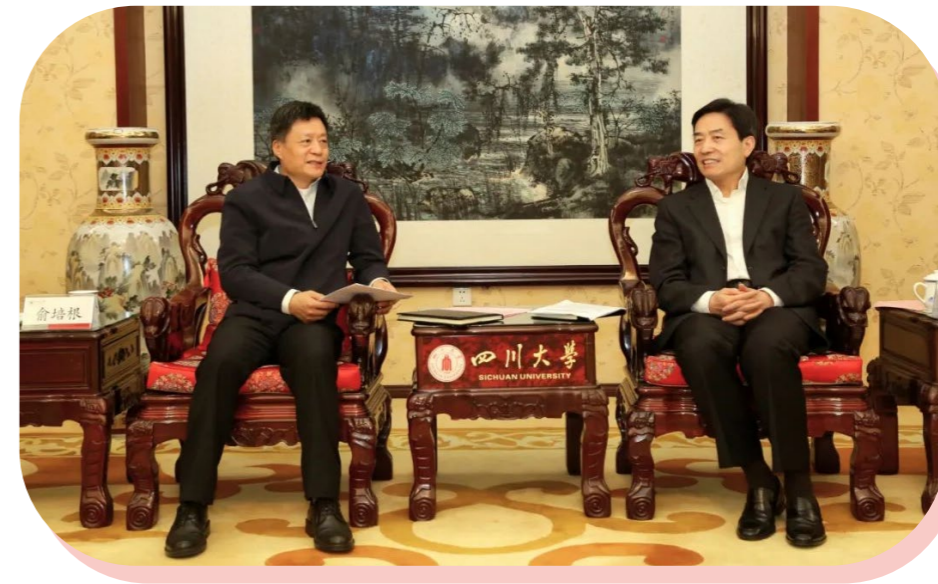


DEC signed a strategic cooperative agreement with China Merchants Group



DEC signed a strategic cooperative agreement with SPIC

## Cooperation between universities and enterprises



Co-built "the Joint Innovation Research Institute" in partnership with Sichuan University

## Industry exchange

DEC focuses the trend of industrial development and positively participates in industrial academic forum and enterprise exchange activities to help high-quality development of the industry.

### Case DEC has participated in the China International Import Expo for consecutive six times

On November 6, DEC held a centralized signing activity at the 6th China International Import Expo and reached a cooperation in the field of energy equipment and high-end petrochemical equipment.



Signing Ceremony



DEC held an exchange meeting on technological application and experience sharing of "three reforms linkage"



2023 International Forum on Energy Transitions



## Building of sustainable supply chain

With the concept of modern supply chain management, DEC spared no efforts to build a high-quality supply chain management system, reconstructed and optimized the Company's procurement management platform and realized the whole-process full life cycle online management of "registration, access, review, evaluation and withdrawal of supplier".

Promote strategic cooperation with suppliers and build a closer cooperative relation to achieve win-win

Strengthen the cultivation of local suppliers, provide technical and quality help and assistance to local suppliers, guide suppliers to implement workmanship optimization and upgraded quality control plan to improve suppliers' technical and quality management capacity

Make supply chain autonomous and controllable, and boost the localization replacement by up and downstream joint research&development to improve the safety level of supply chain

Carry out special management on suppliers and engineering procurement, find out problems existing in procurement bidding and suppliers management, formulate and issue the *Special Plan for Project Regulation and Suppliers Management Rectification & Improvement* and complete all rectifications

Strengthen the suppliers blacklist management, issue a blacklist of 76 suppliers, restrict relevant transactions

Total number of suppliers pcs      Number of new suppliers pcs



Number of domestic suppliers pcs      Proportion of domestic suppliers %



### Case Being a leading enterprise to promote the development of the value chain

The safety of the industry chain and the supply chain is an important foundation for building a new development pattern. The effective enhancement of the independent controllable capabilities of the industry chain and the supply chain is crucial to the overall economic and social development. 50 MW heavy-duty gas turbine at level F independently developed by DEC realizes a breakthrough from "0" to "1" in the field of independent heavy-duty gas turbines in China. During research and development, DEC cooperated with almost 300 institutions in the upstream, midstream and downstream of the industry chain, including universities, equipment suppliers and users for joint research and development. DEC tackled many "bottleneck" problems of gas turbines, cultivated many "SRDI" (specialized, refined, distinctive, and innovative) enterprises, fostered a complete domestic supply chain for gas turbines, and created more value for all entities on the value chain.



Class F 50MW heavy-duty gas turbine



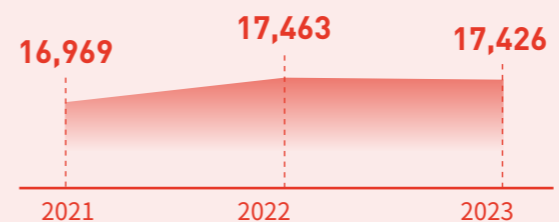
## Caring for employee development

DEC is committed to creating a positive, healthy, and harmonious development atmosphere for employees, continuously holding employee care activities, and advocating balance between their work and life.

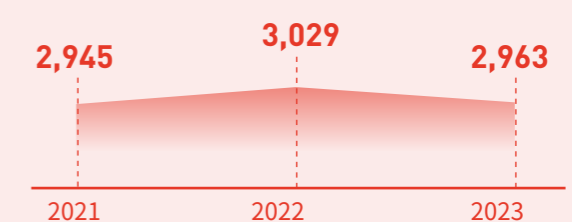
### Employee's rights and interests

Employees are the primary resource for the development of a company. DEC strictly abides by laws and regulations such as the *Labor Law*, pays close attention to employee's rights and interests and establishes fair and just employment relationships with a view to ensuring no violation of employee's rights and interests. During the reporting period, the Company did not have any incidents of child labor or forced labor.

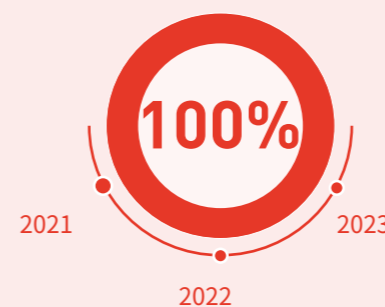
On-duty employees Person



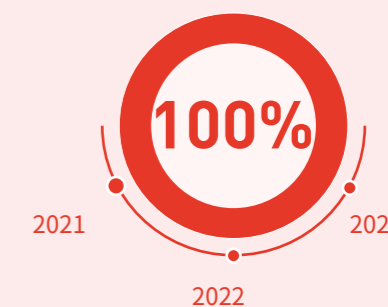
Number of female employees Person



Labor contract signing rate



Social insurance coverage rate





## Employee's care

DEC organizes many diverse and substantial cultural and sports activities every year to enrich the leisure cultural life of employees and provides holiday condolence and company care to employees in holidays and special occasions.



Chairman Yu Peigen's Spring Festival Consolation Visit



Team building activities for new employees



DEC "Cooling Summer" Activity



DEC Boiler Children's Day Open Day Activity



DEC Hydrogen Energy Open Day Activity



## Employee's health

DEC improves its employee occupational health management system and reaches strategic cooperation with Genertec Medical to develop a health management system and establish employee information-based health records. In 2023, the Company invested over 50 million Yuan in employee occupational health, mainly for the prevention and control of occupational hazards, configuration, and maintenance of occupational disease prevention and control facilities, provision and maintenance of personal protective equipment (PPE), and the monitoring of occupational disease hazard factors.

In 2023, the Company invested over **50** million Yuan in employee occupational health

Index	Unit	2021	2022	2023
Number of work-related deaths	Person	0	0	0
Physical examination rate of employees	%	100	100	100
Physical examination rate of special employees	%	100	100	100



Opening ceremony of Health Service Center



Employee health management system

“ This activity is close to employees and reflects the high concern of the Company's party on our health and life quality. The comprehensive physical examinations and data analysis make us more ease and satisfied. ”

-You Chuan from DEC Boiler Container Second Branch

## Training activities

### Case DEC held the first composite international talent training course in China Executive Leadership Academy Pudong

On April 24, 2023, DEC formally held the first composite international talent training course in China Executive Leadership Academy Pudong



The first composite international talent training course

### Case DEC held a unified training and inauguration ceremony for college graduates in 2023

In July 2023, more than a thousand college graduates from over 200 universities joined DEC to jointly draw a beautiful blueprint with people in DEC.



Unified training and inauguration ceremony for college graduates

## Skill competition

### Case DONGFANG Youth achieved excellent results in the 17th National "Revitalization Cup" Competition

In April 2023, the final of the 17th National "Revitalization Cup" Competition was held in Shenyang. "National Industrialized Ultra-large Wind Turbine Dual-drive Pitch Control System" from DEC Wind Libo Team won the R&D Innovation Gold Award of special competition and ranked

**7**th nationwide.



DEC Wind Libo Team won the R&D Innovation Gold Award of special competition





### Case DEC jointly undertook the 2023 Sichuan Equipment Manufacturing Employee Skills Competition

On September 26, DEC held the opening ceremony of the finals of the 2023 Sichuan Equipment Manufacturing Employee Skills Competition in DEC Turbine. The competition was the Sichuan Provincial First Class Competition. 452 contestants from 33 enterprises in the province were nominated for the finals of 12 events in this competition.



Opening ceremony of the finals of the Sichuan Equipment Manufacturing Employee Skills Competition



## Customer services

By adhering to the service concept of "24-hour service, demand-oriented, satisfaction pursued", DEC continuously improves its user service system, ensures service quality, and provides high-quality services.

### Vigorously providing energy

On-site O&M service personnel from DEC Wind checked the fixation of the lidar bracket on the Sishigejingzi Wind Power Generation Project in Mulei County, Xinjiang



The team of DEC Wind Turbine Manufacturing Project checked the pre-tightening parts of the wind turbine blades at DEC Xing'an League Wind Power Base

### Providing on-site services



The on-site service team of DEC Machinery was conducting the trial operation and commissioning of the first unit



The power station service personnel of DEC Turbine was conducting lean maintenance of the generator set

## Improving customer satisfaction



### Demand-oriented and satisfaction-pursued

"24-hour service spirit" is a concrete manifestation of DEC's consistent focus on user demands and adherence to the principle of customer first.

In any case:

**24h**

- Respond within **24** hours after receiving the requirement of providing technical quality service.
- Appoint the relevant person within **24** hours if the on-site service is required.
- Start production within **24** hours if the required part is not in inventory.

In 2023, the customer satisfaction was up to

**96.6%**

In addition, all customers can log in to DEC "Customer Smart Service System" (<https://service.dongfang.com/>) to obtain efficient and authoritative problem communication planning and solutions.



## Devoting to society

DEC actively participates in volunteer services, continues rural revitalization, is enthusiastic about public welfare and charity, and regularly helps people and regions in need.

### Continuing rural revitalization

Actively responding to the national rural revitalization strategy, DEC supports the solid implementation of various tasks in rural revitalization in an all-around way.

#### Results of DEC in rural revitalization

In 2023, DEC invested **22.1837** million Yuan in free assistance funds, invested **3.3534** million Yuan in paid assistance funds, and introduced **5.5753** million Yuan in assistance funds to Zhaojue County, Jixian County, etc. for rural revitalization.

##### Organization revitalization

Deepened "1+1+1+N" party building assistance mechanism; invest **0.3** million Yuan to support **15** DEC Party committees (Party branches) and **23** Party branches of designated assistance counties

##### Employment assistance

Helped **292** poverty-stricken people for employment, and recruited **8** people from poverty-stricken areas

##### Talent cultivation

Set up rural revitalization training courses with the Zhaojue County Government and professional colleges. Offered training for **527** grassroots cadres, accounting for **527%** of the planned number. Offered training for **296** revitalization leaders, accounting for **296%** of the planned number. Offered training for **2,504** technicians, accounting for **834%** of the planned number.

##### Ecological revitalization

Commenced 48.5 MW wind power project in Zhaojue County, 90 MW wind power project, and 40 MW self-use wind power project in Jixian County with a total investment of over **1** billion Yuan, assisting in the green development transformation

##### Education assistance

Invested **6.85** million Yuan to build Sawa Luoqiebo kindergarten and set up DEC Award Scholarship

### Digital village

- Green energy utilization**  
DEC built a 1 MW distributed PV project on more than 10 mu of mudflat wasteland. This PV project brings more than **0.3** million Yuan of stable income to the village collective economy every year, benefiting **392** villagers
- Digital village management**  
DEC remotely manages the flood prevention, geological disaster control points, and special personnel by digital technology, greatly improving the digital management level of Huopu Village
- Red cultural and tourism education**  
Combined with the overall planning of the county, town, and village, DEC delves into cultural and tourism resources and brings shape and spirit to the revitalization and development of Huopu Village. The project was widely reported by some mainstream media such as People's Daily Online and Xinhua News Agency.



Assisting Huopu Village in Zhaojue County in creating a digital village model



The students were studying carefully in DEC Zhaojue First Hope Primary School

### Caring for left-behind children

Young volunteers from Dongfang Electric (Wuhan) Nuclear Equipment went to Xugu Village and Liuer Village in Xinzhou District, Wuhan, to visit and condole with three targeted left-behind children families and brought school bags, books, stationery, and other learning and daily necessities for every child.



DEC Wind members of the Youth League provided psychological guidance for left-behind children with experts from the Seventh Hospital of Deyang City to assist these children in healthy and happy growth.



## Public welfare and charity

DEC has always been concerned about people's livelihoods and social progress and is committed to giving back to society and dedicating to social welfare undertakings.

### Case Contributing "DONGFANG" force to Gansu

A 6.2-magnitude earthquake hit Jishishan County at late night on December 18 with a source depth of 10km. After the disaster, many companies affiliated with DEC responded and sent rescue supplies to the area affected by the disaster.

On the afternoon of the 20<sup>th</sup>

DEC Machinery urgently transported 1,000 folding beds, 1,000 cotton quilts, 920 sleeping bags, and other cold relief supplies to the disaster area by dedicated personnel and vehicles overnight.

**1,000** folding beds

**1,000** cotton quilts

**920** sleeping bags

On the morning of the 21<sup>st</sup>

the DEC Turbine fleet with 2,960 cold relief supplies set out towards the affected areas.

**2,960** cold relief supplies

On the afternoon of the 21<sup>st</sup>

a fleet with folding beds, mattresses, quilts, instant noodles, and other suppliers set out from DEC Boiler towards affected areas in Gansu. After arriving at the destination, these suppliers were immediately distributed.



中国东方电气集团有限公司  
向甘肃捐款500万元  
向青海捐款500万元  
抗震救灾 温暖同行



DEC disaster relief supplies convoy

### Case Wu Zhao, Dongfang Electric Autocontrol Engineering engineer, donated hematopoietic stem cells

In November 2023, Wu Zhao, a young design engineer from Dongfang Electric Autocontrol Engineering, received a call from the Red Cross. He got that his hematopoietic stem cells matched with a blood disease patient in initial typing. After high-resolution HLA typing and physical examination, it was officially confirmed that their hematopoietic stem cells successfully matched.

After collecting for **4h, 238ml** of hematopoietic stem cell suspension was successfully extracted and transported.



Wu Zhao, Dongfang Electric Autocontrol Engineering engineer

### Case Zhang Yong, DEC Boiler employee, rescued a drowning youth

On the afternoon of April 4th, Zhang Yong, a hoisting worker from DEC Boiler Container Second Branch Heavy Span Operation Group, rescued a teenager who accidentally fell into a pond. After being rescued, the boy lost consciousness due to being frightened and choking on water. Zhang Yong immediately applied the first aid skills learned in the emergency drill at the branch to perform cardiopulmonary resuscitation. Finally, the boy regained consciousness.



Zhang Yong, DEC Boiler employee



## Social services

DEC deeply knows that the development of an enterprise benefits and feeds society. Therefore, the Company actively participates in the construction and development of the community, contributing to the development of the local community.

Young volunteers from DEC Machinery shaped chopping boards, ground kitchen knives, measured blood pressure, and cut hairs for villagers in Qilongdian Village, Zhongjiang County, Deyang City, Sichuan Province. In addition, volunteers provided health guidance, anti-fraud promotion, and many other considerate services.



Youth volunteers from DEC Turbine at the grassroots level created the "Pioneer Service" volunteer brand by "Change Waste into Treasure" environmental action, "Cleaning" action, and "Kind Guidance" warm action. They empowered the construction of aesthetic factory areas through practical actions.



Youth volunteers from DEC Boiler held environmental public welfare activities in communities and practiced the spirit of Lei Feng through practical actions.



Youth volunteers from DEC International held a "Love in DONGFANG and Happiness in Kindergarten" activity in Tianqi Road Kindergarten in Chengdu High Tech Zone.



Youth volunteers from Dongfang Electric Autocontrol Engineering gave the children in Shuangdong Primary School in Jingyang District, Deyang City, a lively and interesting science class. They grouped with the children to learn and operated many scientific experiments.

## Overseas responsibility fulfillment

DEC actively fulfills its overseas social responsibility, promotes inclusive development, achieves a win-win situation for overseas responsibility fulfillment and business growth, and provides a platform for foreign employees to showcase their abilities.

### Case Assisting disabled children in their recovery and actively practicing social responsibilities

In 2023, DONGFANG ELECTRIC (India) Ltd. made a public welfare donation to Calcutta Rehabilitation Centres for Children in India in the third year to help disabled children in India and surrounding countries and providing them with free medical assistance services such as rehabilitation treatment and corrective training.



Provided medical aid services for disabled children in India and neighboring countries

### Case Enhancing the cultivation of international talents

DEC International carried out many projects, such as "the 651 International Talent Training Project", "Star from DONGFANG" Youth Training Project, and the "Light Up Stars" Foreign Employee Training Project. DEC International introduced foreign Class-A talents to increase the proportion of high-end foreign talents, deepened the "Horse Racing System" performance culture, and cultivated the internationalized talents in the new era. DEC International organized 11 foreign employees from 7 countries to receive training in China.



Training for foreign employees in China

### Case Assisting in the development of local professional talents in Tanzania

DEC International was responsible for the supply and installation of equipment in the Julius Nyerere Hydropower Project in Tanzania. The project department cultivated more than 20 local welders competent for welding tailpipes and volutes, 6 air planers, and 15 spot welders, providing job opportunities for local employees, promoting the development of local professional talents in Tanzania, and laying a solid foundation for driving the project progress.



Conducted training and learning activities for workers

"I am grateful to the DEC platform for showcasing our capabilities because I can learn more skills on this platform!"

-SawitWassieAbayu, Head of Finance Department, GIBE III Office, Ethiopia

# 03

## Rise with the wind for a first-class electric company

DEC constantly deepens standard operation, strengthens scientific management, quickens the implementation of the dominant role of technological innovation, becomes an active power to lead industrial innovation and transformation, and gradually moves toward "a world-leading enterprise of excellent product, superior brand, leading innovation and modern governance".



UN's Sustainable Development Goals (SDGs)





# First-class corporate governance

DEC constantly optimizes its governance framework, improves information disclosure, strengthens internal risk management and quality control, and raises the overall corporate governance quality.

## Corporate governance

In strict accordance with *Company Law*, *Codes of Corporate Governance* of the Hong Kong Stock Exchange, and appropriate laws and regulations of other listed companies, DEC established a "three boards, one layer" corporate governance framework composed of board of shareholders, board of directors, board of supervisors and management layer. In 2023, the board of shareholders, board of directors, and board of supervisors held meetings 5 times, 11 times, and 7 times respectively.

Now, the board of directors of the Company consists of 8 directors, including 3 independent non-executive directors; the board of supervisors includes 3 members; now there are 8 senior managers including a chief accountant, senior vice president, board secretary, and vice president.

## Director's salary and ESG

### Independent director's salary

It includes annual basic salary and allowance, of which the basic salary is paid on actual work hours within a year, and the allowance is paid on the meeting attendance of board of directors or special committee.

### Non-independent director's salary

It includes basic annual salary, annual performance salary, and incentive pay. Specific evaluation and salary income will implement the national regulations.

Frequency of meetings

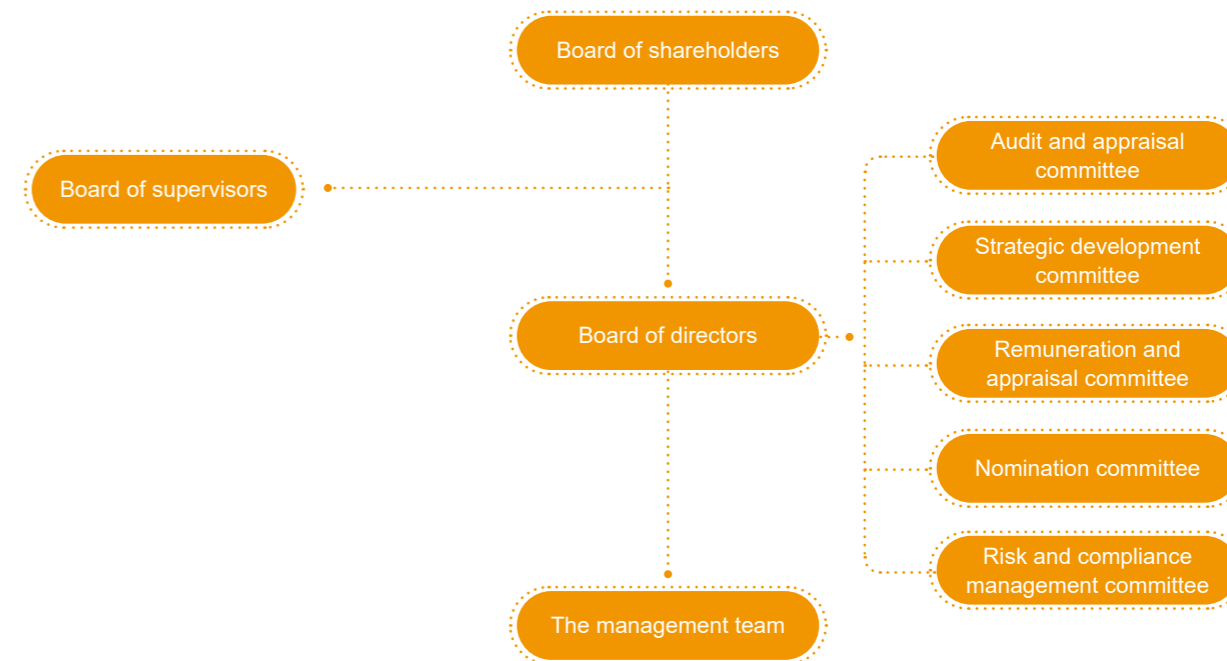
Indicator	Unit	Year 2021	Year 2022	Year 2023
Meeting of board of shareholders	Times	2	1	5
Meeting of board of supervisors	Times	6	8	7
Meeting of board directors	Times	11	14	11

The strategic development committee of the Company comprises Yu Peigen, Zhang Yanjun, Sun Guojun, and Huang Feng. Chairman Yu Peigen has long-term service experience in central enterprises and has rich experience and practical experience in company management.

The risk and compliance management committee of the Company comprises Yu Peigen, Liu Zhiqian, and three independent directors, namely Liu Dengqing, Huang Feng, and Zeng Daorong.

The audit and appraisal committee, remuneration and appraisal committee and nomination committee comprise Liu Dengqing, Huang Feng, and Zeng Daorong who are experts in asset appraisal, energy and finance, and accounting fields.

All members of committees have rich management and practice experience and achieve good results in professional fields. Therefore, they meet all the requirements of the regulatory agencies.



The governance structure of DEC

## ESG government statement of board of directors

The board of directors of DEC shoulders the responsibility to supervise and implement the company affairs regarding the environment, society, and governance. The board of directors pays close attention to the enterprise development environment, actively identifies the important issues of enterprise development in terms of environment, society, and governance, and gives positive responses to the company governance, strategy, and risk management about climate change by reference to *Suggestions of Climate-related Financial Information Disclosure Work Group* to jointly tackle the global climate change. For details, please refer to the sections [Analysis of ESG material issues] and [TCFD] in this report.

Under the leadership of the company board of directors, the meeting is held irregularly with the office of board of directors as the main leading department and each functional department and affiliated enterprise at their respective responsibility to discuss the relation between the ESG policy and status quo and the production, market, and customer service. During production and service, the relevant department also keeps attention on ESG, takes the principle of energy saving, emission reduction, and consumption reduction, continuously improves production efficiency and energy efficiency, and reports work schedule and results to the management layer and the board of director in due time, establishes and revises the company policy adapted to current ESG policy situation and other ESG-related compliance data, constantly improves the supervision process of the board of directors, and promotes the implementation of the company ESG initiatives.



The board of directors actively promotes daily affairs about environment, society and governance. On March 31, 2023, the board of directors discussed and approved *2022 Annual Environment, Society and Governance Report*, *Proposal for 2022 Annual Responsibility Report*, *2022 Annual Internal Control System Construction Work Report*, and *2022 Annual Internal Control Evaluation Report and 2022 Internal Control Audit Report*.

Additionally, the board of directors commits to the authenticity, accuracy, and completeness of this report.



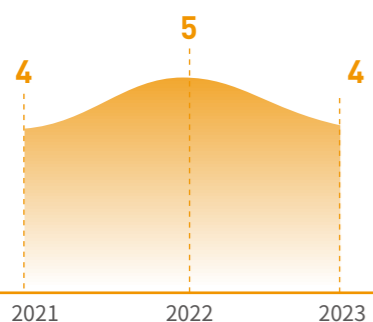
## Investor relations management and information disclosure

In order to promote the company operation by law, protect the legitimate rights and interests of the company and investors, and strengthen management on information disclosure affairs, the company establishes the *Information Disclosure Management Regulations* and the *Information Disclosure Suspension and Exemption Management System* in accordance with the *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, *Listing Rules of Shanghai Stock Exchange*, *Listing Rules of Hong Kong Stock Exchange* and other laws, administrative regulations, department regulations, business rules and articles of association. The information disclosure of the company was appraised by Shanghai Stock Exchange as class A for nine consecutive years.

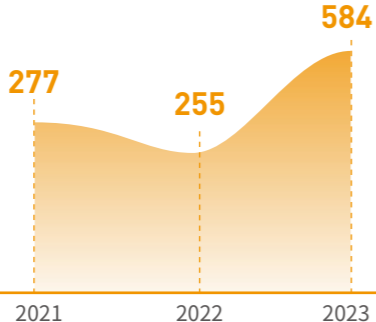


The information disclosure of the company was appraised by Shanghai Stock Exchange as class **A** for **9** consecutive years

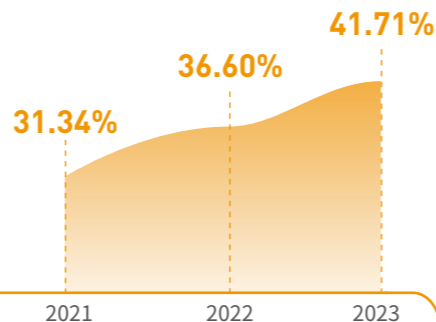
Performance presentation and roadshow activity (Number)



Information disclosure in public channel (Item)



Dividend proportion (%)



Performance presentation in Hong Kong



The company conducts collective exchange activities for investors



## Risk prevention and control

DEC focuses on the importance of risk management system for guaranteeing the sound, sustainable and healthy development of enterprise, prepares the *Internal Control Risk Compliance Management Measures* to lay a solid foundation for risk compliance management, newly establishes two systems including *Guideline for Rectification of Problems Found in Audit* and *Restricted Personnel Information Management Guidance*, revises two systems including *Quality Evaluation Management Regulations of Audit Work* and *Audit Work Management Regulations*, promotes the building of risk index calculation model, strengthens risk monitoring on key links, and optimizes risk management system.

Indicator	Unit	Year 2021	Year 2022	Year 2023
Frequency of audits	Times	80	105	82
Special audit	Times	4	3	3



### Build the risk index calculation model

Guide subsidiaries to develop the risk indicator system and risk index calculation model in conformity with own business conditions and features.



### Strengthen monitoring on key links

Design the abnormal monitoring and automatic reporting rules for key links, improve the level of "technical prevention and control".



### Optimize risk management system

Evaluate the existing functions of risk management system, adapt to the company management and individualized development to the maximum extent, prepare the risk management information-based proposal requirement.

## Quality management

Persisting in the operation philosophy of "quality oriented enterprise", DEC profoundly implements the quality policy of "regulation observation, one-time realization, lean, customer satisfaction", continuously improves the customer-oriented quality improvement mechanism, deeply promotes the lean management and defines "1114" lean management objective. In addition, DEC creates many lean management benchmark modules, such as lean supply chain, lean team construction, 7S, TPM, etc. DEC creates high quality products, improves the customer satisfaction and strives to promote the implementation of "quality leadership".

### Lean management effectiveness



All **8** second-class manufacturing enterprises have introduced the lean management concept and applied the lean management method and tools for business promotion.



There has been positive development in promoting intelligent manufacturing with lean manufacturing, including the completion of **5** digital workshops and **2** intelligent manufacturing demonstration plants.



**19** lean black belt projects have been implemented and taken effect.



Develop **1** lean black belt talent training class, more than **20** green belt talent, yellow belt talent, internal trainer and lean management professional tool training classes to cultivate **593** talents at the level of lean belt.



The black belt project has formed **152** standard documents including operating instructions and process specification, **3** patents and **2** papers, of which **12** projects can directly apply experience to relevant business process.

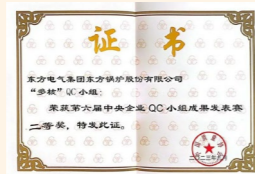
Persisting in culture leadership, the Company continuously promotes the construction of quality culture through many measures, such as leadership lecture, advanced quality evaluation, quality culture evaluation, and QC group activities. In 2023, the Company held 211 quality training activities, with 27,819 participants in total. The Company established a multi-level and multi-dimensional quality improvement mechanism. 834 new QC improvement projects were added, with an increase of 22.65% than that in 2022.



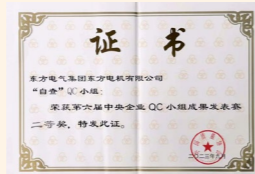
The result of DEC Turbine "thunder" QC group--Improving the First-pass Yield of Small Screw Drawing Sample won the gold award in the 48th International Convention on Quality Control Circle (ICQCC).



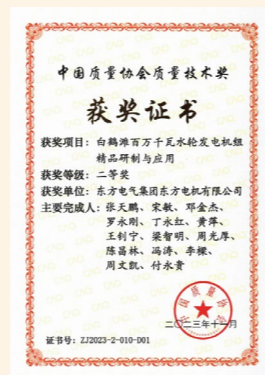
The result of DEC Machinery "self-inspection" QC group--Improving the First-pass Yield of the Assembly Clearance between the Gas Turbine Generator End Curved Stopper and the Rotating Shaft and Center Ring won the second prize in the central enterprise QC group result contest.



The result of DEC Boiler "multi-core" QC group--Development and Application of Coiled Pipe Butt Weld Identification and Traceability System won the second prize in the central enterprise QC group result contest.



The result of DEC Heavy Machinery "ambition" QC group--Improving the Calculation Efficiency of Non-standard Screw Gauge won the second prize in the central enterprise QC group result contest.



## Create excellence with good faith management

DEC has always adhered to the philosophy of good faith management to externally perform the economic activities in conformity with business ethics and internally improve the compliance operation capability, refuse all corrupt behaviors, and build a good enterprise image.

### Business ethics

In commercial activity, DEC has always followed the principle of ethics and strictly complies with national laws and regulations and industrial standard to fight against the unfair competition or the improper means to achieve competitive advantage, maintain the honest and responsible management attitude, and promote the sound industry development.

### Compliance operation

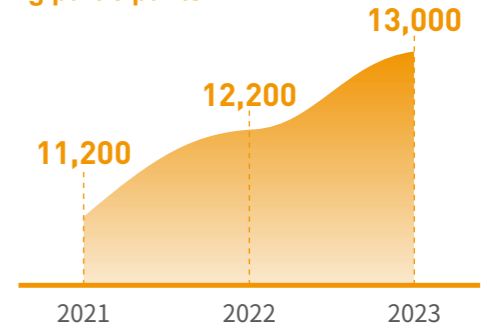
The company has defined the compliance management responsibility and the process-based compliance management, realized the overall operation of the legal service center, strengthened the prevention of foreign-orientated risk and established the anti-fraud mechanism, and practically implemented the compliance management work to ensure the sound operation of the company.

In the "compliance culture year" of 2023, the company advocated the compliance concept of "regulations-oriented behavior, law-observed governance", carried out the special activity of cultural construction, firmly built the compliance awareness of all employees and connected "the last kilometer" for compliance management.



Opening ceremony of company compliance culture year and kick-off meeting of legal service center

### Number of law observance and compliance training participants



DEC high-end legal risk control compliance talent training class



DEC high-quality legal risk control and compliance talent cultivation and legal compliance talent ability enhancement training class





### Fix compliance management responsibility

- Further define the compliance management responsibility of business and functional department and affiliated enterprise.
- Strengthen the construction of full-time and part-time personnel team.
- Realize the full coverage of chief compliance officer/compliance manager in affiliated second-class enterprise.

### Strengthen compliance management procedure

- Focus on key area and key enterprise to promote the inclusion of compliance review control requirement in business process.
- Take finance as pilot to classify budget management into **6** primary processes and **24** secondary processes.
- Establish the finance internal risk control compliance management guidance, define **411** key compliance review points in **283** key links.

### Provide full legal service

- Build and implement the legal service operational mode of "2+6+7+N" combined centralization and decentralization.
- Promote and implement the legal institution operational mode of "unified leadership, hierarchical management, coordination at different levels, resource sharing".
- Realize the full coverage of professional legal service by legal service center.

### Improve foreign-oriented legal capability

- Establish the foreign-oriented legal department, strengthen the foreign-oriented legal risk prevention.
- Add the compliance screening function of the Foreign-oriented Controlled List into the contract management information system to achieve intelligent identification, timely review and online control of compliance risks for sensitive trading entities
- Form the *Guideline for Foreign-oriented Controlled List Risk Prevention Work*, realize the accurate identification and dynamic control of foreign-oriented compliance risk.

## Construction of integrity

DEC roots the consciousness of integrity in the entire operational process of the company and constantly improves Party conduct and upholds integrity. The company implements the *Main Point and Division of 2023 Work Improving Party Conduct and Upholding Integrity of the Corporation Party Organization, Measures for Implementing the Responsibility System for Improving Party Conduct and Upholding Integrity, Opinions on Further Improving Working Mechanism and Strengthening Work Practices of Corporation in Improving Party Conduct and Upholding Integrity* and other appropriate measures to improve ideological consciousness and build a clean and upright business environment.



The chairman Yu Peigen held integrity education in DEC Integrity Hall with other leaders

### Anti-fraud mechanism

#### Implement responsibility

Define the key areas and key links of anti-fraud work and the responsibility and authority of relevant organization in anti-fraud work.

#### Encourage reporting

Strictly implement the reporting system and protect the reporter.



#### Standardize procedure

Standardize the reporting, investigation, processing and remedial procedure of fraud cases.

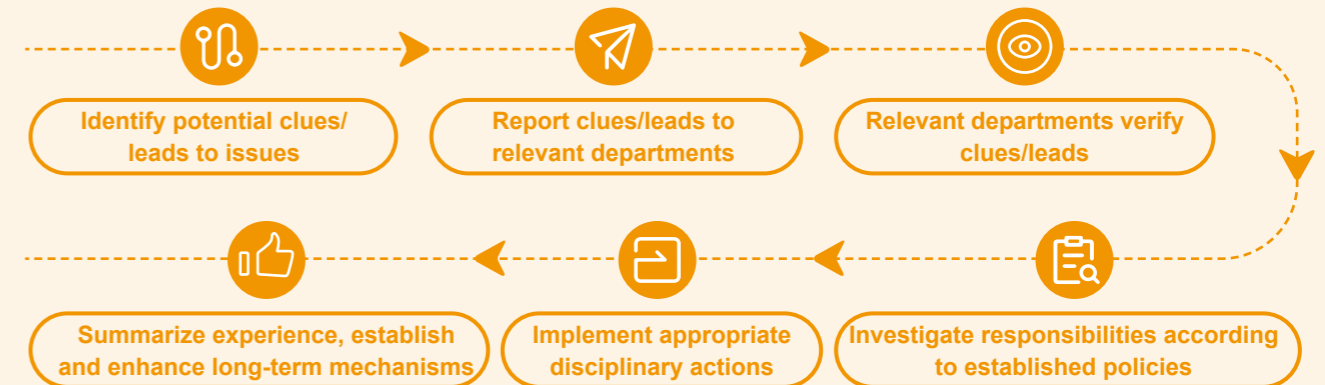
#### Handling supervision

Conduct special governance of supplier management and special supervision of standardizing employee behaviors.

#### Dispose of in time

Provide a reporting private telephone, define the processing procedure, time limit, and conclusion requirement of reporting and compliance.

### Anti-fraud Mechanism



Indicator	Unit	Year 2021	Year 2022	Year 2023
Anti-corruption training activity	Number	85	189	534
Number of anti-corruption activity participants	Number	9,221	15,976	23,959



## Promote excellence with safety management

The company attaches great importance to work safety and has established the 2023 Action Plan for Special Investigation of Major Accident Potential Risks and Safety Management Improvement Year Action and Spring Action Plan as required by the State Council Security Committee and the State Council SASAC to solidly promote the action tasks, further improve the essential safety level and establish a safety production long-term mechanism.

In 2023, the Company had **no** major production safety accidents and was rated as exemplary organization of Safe Production in Sichuan Province for the fourth consecutive year.

### Safety management

In 2023, the Company innovated and improved the supervision and inspection methods, established a manager inspection mechanism for the first time, and conducted 600 safety inspections on-site to continuously improve safety performance. In addition, the Company accelerated the standardization construction of safety production. In May 2023, DEC Turbine was formally selected as the 2022 first-class enterprise of safety production standardization in industry and trade.



In May 2023, DEC Turbine was formally identified as the 2022 work safety standardization first-class enterprise in the industry and trade sector.

### Special safety inspection

Strictly perform the approval procedure of hazardous operations, strictly implement the safety prevention measure and operation process supervision.

Organize the special inspection and improvement of hazardous operations including fire operations



Organize the special inspection and improvement of gas safety

Analyze the gas pipe network layout, make "one map" for gas use, and comprehensively check safety risks and accident potentials in terms of "defective gas, defective cylinder, defective valve, defective hose, defective pipe network, defective environment".

Organize the supervision and inspection of new business forms and new area projects

Supervise and check the EPC project, "light-storage-hydrogen" comprehensive demonstration project, wind power field service, direct electrolysis into hydrogen of seawater without desalination, and other projects to ensure that safety risk is controlled.

### Emergency exercise

In 2023, by the principle of selecting the best and jointly managing and building, the Company established a DEC emergency rescue team in aspects of earthquake relief, flood rescue, and fire fighting.

In 2023, DEC cooperated with the national emergency rescue force China Anneng Group Third Engineering Bureau to hold 2023 large-scale emergency comprehensive drills on earthquake debris search and rescue, waterlogging prevention and control, fire fighting, high-altitude rescue, etc. The Company held more than 500 targeted emergency drills to effectively respond and prevent secondary disasters caused by extreme weather.



The Company held more than **500** targeted emergency drills

Form the emergency rescue team of DEC, including professional earthquake relief, flood rescue, and firefighting rescue teams, on the principle of optimization, unified management, and joint construction.



Work with a national-level emergency rescue force, China Anneng Third Bureau to carry out 2023 large-scale emergency exercises in terms of search and rescue in earthquake ruins, water logging danger release, firefighting, and high-altitude rescue.

### Safety training

To improve employees' self-prevention ability and implement work safety tasks, the company actively organized diversified safety trainings for more than **370,000** person-times (including more than **70,000** person-times offline) to build a cultural atmosphere of work safety.



DEC Boiler holds "Safety Commitment Practice"



DEC Machinery organizes a special training of "2023 Work Safety Month"



Dongfang Electric (Wuhan) Nuclear Equipment organizes a 2023 field safety warning education meeting



## Strive excellence with technological innovation

DEC, as a "national team" in the energy equipment manufacturing field, deepened technological self-reliance, adhered to the development driven by innovation, improved the technological innovation system, built the technological innovation platform, quickened the industrialization of scientific and technological achievements, continuously enhanced the technological breakthrough of key core, and forged the "national treasure".

In 2023, the company's R&D investment reached **3.386** billion Yuan, with R&D intensity maintained above **5.5%** and R&D expenses increasing by **9.08%** year-on-year

Indicator	Unit	Year 2021	Year 2022	Year 2023
R&D inputs	0.1 billion Yuan	27.22	31.05	33.86
R&D personnel	Person	4,122	4,361	4,274

## Improve technological innovation system

DEC continued to improve the technological innovation system of the company and formed a "1+N+X" top-level innovation R&D system composed of the central research institute, regional research institute, and joint innovation research institute. In 2023, the company established a joint innovation research institute with Zhejiang University and Sichuan University and the newly formed Fujian Research Institute and Yangtze River Delta Research Institute for continuous and deep industry-university-research cooperation with the university and institute.



Opening ceremony of Joint Innovation Research Institute with Sichuan University in March 2023



Opening ceremony of Joint Innovation Research Institute with Zhejiang University in September 2023



Cornerstone laying ceremony of DEC Tibet Linzhi Industry-Research Base

## Build an innovative platform

DEC built the innovative platform to create an open and innovative work atmosphere and connect with external innovative ecological connection, improved the operational flexibility and adaptability of the company, and enhanced its core competitiveness and core kinetic energy.

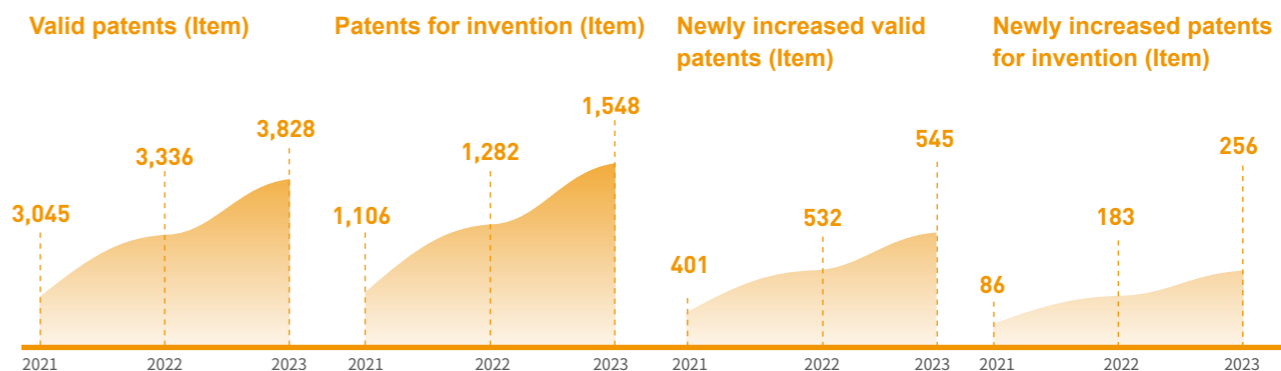
In 2023, the company increased to **4** national-level R&D platforms

**12** province and ministry-level R&D platforms

## Promote technical problem solving

DEC adhered to technological self-reliance, was willing to assume responsibilities to make key core technological breakthroughs, possessed more key core technologies with independent intellectual property rights, and accelerated the transformation of scientific and technological achievements into tangible productivity.

Within the reporting period, DEC increased **545** authorized patents, including **256** patents for invention and **5** foreign patents, and participated in the preparation of **118** international standards and national standards. One core patent of the company--*A Method to Reduce the Churning Loss of Combined Thrust Bearing* (ZL201410447946.2) won the Excellence Award of the 24<sup>th</sup> China Patent Award.



## The main measures of the company to encourage technological innovation within the reporting period



DEC granted the 2023 scientific and technological achievement award, scientific-technical progress award, outstanding contribution award of technological innovation, a special award for key core technological breakthrough, major technological project award, technological achievement transformation revenue award, and government-funded project award in an amount of **20** million Yuan.



The company restructured and established a DEC Technology Committee, issued the working rules of the technology committee, updated the *Comprehensive Horizontal Atlas of Main Product Technologies of DEC*, and published the *Guidelines for Basic Research and Application Management Work*.



All companies granted the scientific-technical progress award, patent award, and government-funded project award at the level of the company.



# TCFD report: tackling climate change

According to the Information Disclosure on Optimizing the Climate Under the Environmental, Social and Governance framework published by the Hong Kong Stock Exchange in April 2023 and the Guideline for Climate Information Disclosure published in November 2021 and other documents, DEC, based on its actual situation, fully referred to the suggested framework by the Task Force on Climate-related Financial Disclosures (TCFD) to disclose the climate-related information and report in advance.

## Governance and strategy

2023 was a transitional year for DEC in terms of climate change governance and strategy. Faced with the global reality of climate change, the board of directors of DEC realized profoundly that the risk and opportunity in relation to climate change are non-negligible important factors for the company's business development in the future. The company board of directors, as the supreme decision-making body of climate change-related affairs, focused on the annual ESG report to periodically supervise the climate change risks and opportunities based on each business composition. Each business segment and unit and affiliated enterprise conducted the reporting and information disclosure work according to the climate change-related regulatory policy and disclosure framework of the State Council SASAC and the Hong Kong Stock Exchange.

Guided by the *Guidelines for Promoting the High-quality Development and Carbon Neutrality Work of Central Enterprises*, *Guidelines for Preparing the Carbon Emission Peak Action Plan of Central Enterprises*, *Administrative Measures for Supervising the Energy Saving and Ecological Environmental Protection of Central Enterprises* and other documents, the corporation prepared the *Carbon Emission Peak Action Plan of Dongfang Electric Corporation*. Based on the timetable and route map in the plan, DEC carried out a series of works to tackle climate change.

In the future, before the implementation of climate-related disclosures on the Hong Kong Stock Exchange, DEC plans to establish a structured and practical ESG governance system with clear rights and responsibilities from the board of directors level, integrating the climate change-related information disclosure and other ESG affairs, and timely release the company-level ESG strategic plan to effectively address the concerns of various stakeholders.

## Climate scenario analysis

Based on the Shared Socio-Economic Pathways (SSP) assumption adopted by the Intergovernmental Panel on Climate Change (IPCC), the pathways SSP1 and SSP3 were selected for the external operating environment of DEC, including ecology, economy, and society, to conduct the climate scenario analysis in 2025 and 2030.

## Ecological environment<sup>1</sup>

### SSP1 (low emission scenario with the intervention of strict climate change policy)

- Air temperature: rise by 1.6°C in 2040 compared with pre-industrial period (2.0°C rising in 2100);
- Sea level: rise by 0.1m in 2040 compared with current time (0.4m rising in 2100); extreme climate: frequency and intensity increase to a certain extent;
- Precipitation: in case air temperature rises by 1.5~2.0°C, more global regions will suffer a more serious agricultural and ecological drought, resulting in precipitation intensity increase by 10.5%~14%.

### SSP3 (high emission scenario without climate change policy)

- Air temperature: rise by 1.6°C in 2040 compared with pre-industrial period (3.9°C rising in 2100);
- Sea level: rise by 0.1m in 2040 compared with the current time (0.6m rising in 2100);
- Extreme climate: increase frequency and intensity greatly;
- Precipitation: in case air temperature rises by 2.0~4.0°C, most global regions will suffer a more serious agricultural and ecological drought, resulting in precipitation intensity increase by 14.0%~30.2%.

## Social and economic environment

### SSP1 (low emission scenario with intervention of strict climate change policy)

- International climate policy: the main countries and regions in the world will declare the carbon neutrality pathway (including the Chinese "carbon emission peak" and "carbon neutrality" objectives) and strictly implement the planned objective; international business mode: fast transformation from the fossil fuel dependent economy to the renewable energy driven economy;
- International business mode: fast transformation from the fossil fuel-dependent economy to the renewable energy-driven economy;
- Domestic greenhouse gas emission: the emissions per unit of GDP will be reduced by 18% in 2025 compared to 2020 and by 65% above in 2030 compared with 2005<sup>2</sup>;
- Domestic carbon price: the carbon price is expected to reach 76 Yuan/ton and 172 Yuan/ton respectively in 2025 and 2030 (under non-total quantity control)<sup>3</sup>;
- Domestic energy structure: the proportion of non-fossil fuel in primary energy consumption will reach 20% in 2025 and 25% in 2030<sup>4</sup>;

### SSP3 (high emission scenario without climate change policy)

- National climate policy: some countries and regions will lack carbon neutrality objectives and detailed short-term action and plan objectives;
- International business mode: profit-driven business mode, failure to properly consider the environmental and social impact, no obvious fluctuation in renewable energy portfolio;
- Domestic greenhouse gas emission: increase by 38% in 2030 compared with 2021;
- Domestic carbon price: the carbon price will be 50.54~61.60 Yuan/ton in 2025 and 2030, basically equal to 2022<sup>5</sup>;
- Domestic energy structure: the proportion of non-fossil fuel in primary energy consumption will be about 16%, basically equal to 2020<sup>6</sup>.

<sup>1</sup> Data source: The sixth evaluation report and CMIP6 climate model of IPCC work group (WGI)

<sup>2</sup> Data source: The Ministry of Ecology and Environment's *China's Progress Report on the Implementation of the Nationally Determined Contributions (2023)* <https://www.mee.gov.cn/ywgz/ydqhbh/qhbh/202211/W020221111763716523691.pdf>

<sup>3</sup> Refinitive Report/2023 China Carbon Market Long-term Carbon Price Forecasting Report <https://mp.weixin.qq.com/s/HYEP-mKVSUV95FSJ7WEeKw>

<sup>4</sup> Date source: NDRC "Fourteenth Five Year Plan" Outline [Indicator 4 in "Fourteenth Five Year Plan" Outline: Proportion of Non-fossil Fuel in Total Energy Consumption], NDRC. [https://www.ndrc.gov.cn/fggz/fzlggh/gjzgh/202112/t20211225\\_1309671.html](https://www.ndrc.gov.cn/fggz/fzlggh/gjzgh/202112/t20211225_1309671.html)

<sup>5</sup> Date source: Shanghai Environment and Energy Exchange (Annual Transaction Data of National Carbon Market 20220104-20221230--Shanghai Environment and Energy Exchange (cneeex.com)) <https://www.cneeex.com/c/2022-12-30/493617.shtml>

<sup>6</sup> Data source: People's Daily [https://www.gov.cn/xinwen/2022-01/12/content\\_5667734.htm](https://www.gov.cn/xinwen/2022-01/12/content_5667734.htm)



### Physical risk of SSP3 scenario

Under the SSP3 (high emission without climate change policy intervention) scenario, DEC may suffer the following physical risks:

**!** The extreme nature frequency caused by climate change, such as floods, typhoons, extreme precipitation, and extreme high-temperature/low-temperature weather, will increase to cause damage to the company office building, intelligent industry park, data center, and other buildings and the operating stability, resulting in additional expense in the maintenance of infrastructure including storage and data center.

**!** The frequent sand and dust weather caused by climate change will affect the efficiency of PV generators and wind turbine generators and put forward higher requirements on R&D.

**!** The extrinsic incubation period of the dengue virus due to high temperatures will be shortened, the biting rate of aedes mosquitoes will be increased and the increase in precipitation will also quicken the development and reproduction of aedes mosquitoes<sup>7</sup>. In the future, climate change may make more regions susceptible to the dengue virus, thus affecting the health and safety of the company staff. If the company supplier, customer, or business partner suffers health and security threats, their operation will be interrupted or damaged.



**Business impact due to physical risk**

According to the *2023 Global Risk Report*<sup>8</sup>, five risks including climate change mitigation and adaptation action failure, natural disaster, biodiversity loss and environmental degradation are selected as the global top ten risks. The potential consequence due to these climate-related physical risks will produce the following impacts on enterprises including DEC, such as natural resource crisis, ecological environment damage, infrastructure damage, personal health threat, etc.

### Physical risk of SSP1 scenario

Under the SPP1 (low emission with the intervention of strict climate change policy) scenario, we think that the physical risk of DEC is policy and regulation risk. Like other market entities, the company is required to abide by national policy and regulation concerning eliminating change. DEC, as a central enterprise, has followed the national laws and regulations to carry out various works under the leadership of the State Council SASAC, so all risks stay in control.

<sup>7</sup> Data source: IPCC Fifth Evaluation Report <https://www.ipcc.ch/assessment-report/ar5/>

<sup>8</sup> World Economic Forum <https://cn.weforum.org/publications/global-risks-report-2023/>

### Climate-related opportunity and strategy

Concerning relevant documents on climate, macro-environment, and industrial policy and in combination with its business condition, DEC has made an intensive study on the impact of climate change:

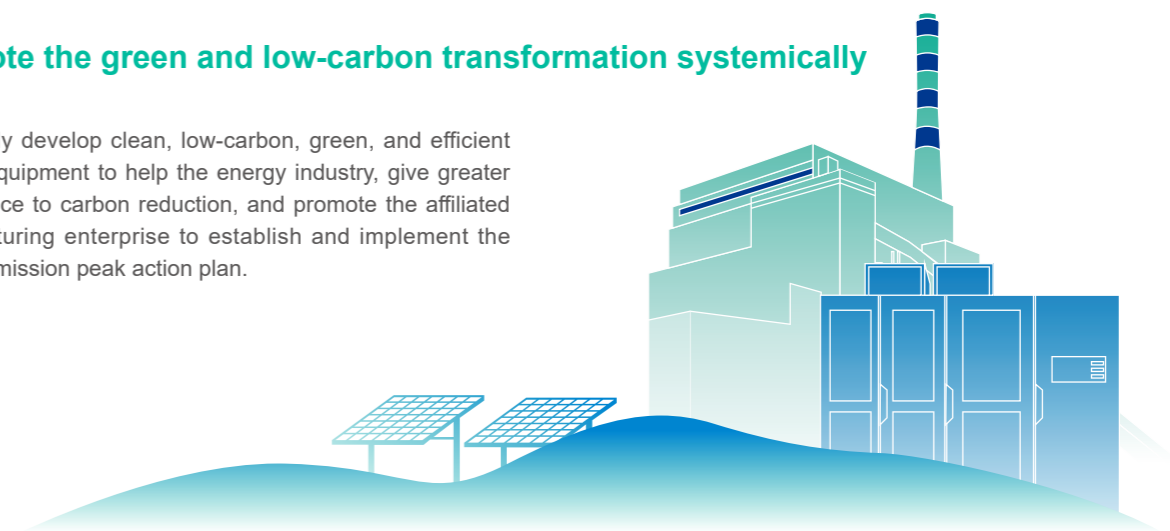


### Cope with risks, seize opportunities

DEC has taken many actions to cope with climate-related risks and seize climate-related opportunities under the guidance of the *Carbon Emission Peak Action Plan of Dongfang Electric Corporation*.

### Promote the green and low-carbon transformation systemically

Vigorously develop clean, low-carbon, green, and efficient energy equipment to help the energy industry, give greater prominence to carbon reduction, and promote the affiliated manufacturing enterprise to establish and implement the carbon emission peak action plan.





### Promote the green and low-carbon development technologically

Continue to increase scientific research funds, promote the construction of high-level clean, efficient, green, and low-carbon innovative platforms and the breakthrough of green and low-carbon core technology, and further develop the green and low-carbon industry.

#### Data and breakthrough

In 2023, the company maintained R&D inputs above **5.5%** and increased its R&D expense by **9.08%**;

The domestic first impulse turbine runner with a unit capacity of up to **150** MW was successfully put into use, filling the gap in domestic technology;

The new generation of 18MW offshore direct-driven wind turbine generators with proprietary intellectual property rights was launched and selected as **one of the Top Ten National Treasure of central enterprises in 2023**.

The largest global chemical looping combustion pilot demonstration device promoted the new carbon capture technology from technical route and laboratory to large-scale application;

The offshore wind power seawater without desalination was successfully piloted for hydrogen production through direct electrolysis, realizing **the breakthrough of green hydrogen production technology from original theory to test verification**.



### Promote the industrial green development

Adhere to the collaboration of transitional energy equipment and zero-carbon equipment, quicken the national capacity layout of green and low-carbon advanced manufacturing in Xinjiang, Gansu, Shandong and Fujian.

#### Data and breakthrough



Initiate the main work of 630 °C ultra-supercritical double-reheat national electric power demonstration project representing the highest pressure, temperature, and efficiency and the lowest coal consumption.



Hydropower

Realize the market breakthrough in impulse turbine, mixed pumped storage and variable speed pumped storage.



Nuclear power

Successfully ship the key equipment of "Linglong No.1"--the global first onshore nuclear energy small modular reactor for commercial purposes.



Wind power

The annual installation ranked ninth to sixth in the industry.



Solar power

Achieve the business breakthrough in terms of solar power project, multi-energy coupling fused salt storage tank and evaporator system.



Hydrogen energy

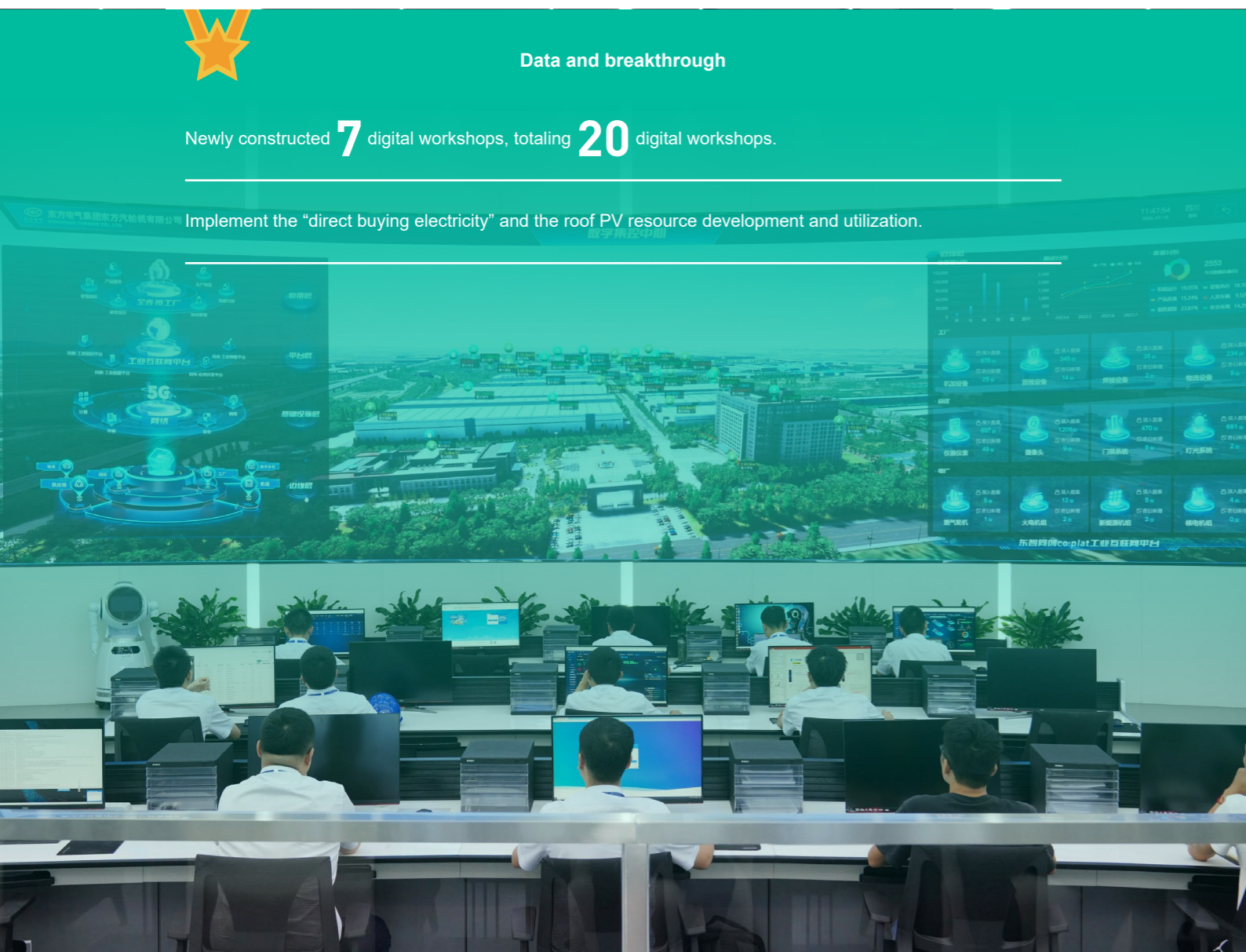
Win the bidding of the domestic largest green hydrogen production and storage power generation project.





### Green smart manufacturing, efficient energy saving and carbon reduction

The company utilizes digitalization to support green development, implements intelligent manufacturing engineering, further promotes clean production, carries out the green demonstration workshop and green demonstration plan creation work, and forms an integrated solution of comprehensive energy management platform, internal combustion power, and waste heat utilization, and realizes the efficient energy saving and carbon reduction.



#### Data and breakthrough

Newly constructed **7** digital workshops, totaling **20** digital workshops.

Implement the "direct buying electricity" and the roof PV resource development and utilization.

Efficient turbo-power unit manufacturing demonstration plant of DEC Turbine

### Promote the implementation of "dual carbon" work

Establish a dual-carbon research center, introduce and cultivate green and low-carbon talent, and publish the *Carbon Emission Management Regulations (Trial)* to promote the implementation of the company's dual carbon work.

### Indicator and objective

In line with the national "dual-carbon" strategy, DEC, guided by the target requirements proposed in the *Carbon Peak Action Plan of China Dongfang Electric Corporation*, actively and prudently promotes carbon peaking and carbon neutrality work through the "1232" approach.

DEC has overall control over comprehensive energy consumption and unit energy consumption, with various pollutants meeting emission standards. In 2023, energy consumption per 10,000 yuan of output decreased by 31.8% compared to the first year of the "14<sup>th</sup> Five-Year Plan."



In 2023,

energy consumption per 10,000 yuan of output decreased by

# 31.8%

compared to the first year of the "14<sup>th</sup> Five-Year Plan"

No sudden environmental incident of relatively large scale or above occurred, nor did any major violation of laws and regulations regarding energy conservation and ecological environment protection take place.

In the China Industry Carbon Emission Peak "Leader" enterprise selection jointly organized by the China Federation of Industrial Economics and various ministries and commissions including the Ministry of Industry and Information Technology, Ministry of Ecological Environment, State Council SASAC and industrial Think Tank, DEC was listed in 2023 China Industrial Carbon Emission Peak "Leader" Enterprises (total 63 enterprises were selected throughout the country).

For more information on the environment, please refer to the section (New Horizon of energy saving and emission reduction) of this report.

### "1232" work approach

**1** Adhere to innovation as the primary driving force

Adhere to two ends **2**

**3** Adhere to three aspects (strategic planning, carbon emission peak action plan, world first-class enterprise creation plan)

Strengthen organizational guarantee and system guarantee **2**



# Future prospect

## **For 2024, more courage and resolve.**

2024 marks the 75<sup>th</sup> anniversary of the founding of the People's Republic of China and is a crucial year for DEC to implement its "14<sup>th</sup> Five-Year Plan". All employees of DEC will adhere to high-quality development as the hard truth of the new era, and with an even more enterprising and pioneering spirit, strive for leading quality and efficiency.

## **New journey, renewed determination for leapfrog development.**

Always bear in mind the earnest instructions to "promote the precious 'DEC spirit'" and to "be a pioneer and stay at the forefront." Firmly grasp the primary task of high-quality development, strive to effectively leverage the "three roles" of technological innovation, industrial control, and safety support, and harbor the aspirations of "national greatness," making greater contributions to advancing China's modernization and realizing the great rejuvenation of the Chinese nation.

## **New journey, renewed commitment to implement a leading strategy.**

Coordinate all aspects of reform and development, make every effort to implement the "five leading" aspects of talent, technology, quality, cost, and industry, achieve effective improvement in production and operation quality, and reasonable growth in quantity, becoming the "backbone" capable of shouldering the responsibilities of the times.

## **New journey, renewed unity for a better future.**

Create value for customers, providing them with better quality and more efficient service; seek happiness for employees, drawing the largest "concentric circle" for promoting development together; assume social responsibility, persistently maintaining the coexistence of pressure and warmth, dreams and responsibilities, shoulder the responsibilities of a central enterprise, and strive for a better future.

## **The future blossoms, crafted through endeavor.**

Let's unite and run hard in the new journey to the Chinese-type modernization.







## Annex

## Key performance

## Environmental performance

Level I indicator	Level II indicator	Year 2021	Year 2022	Year 2023
Greenhouse gas	Greenhouse gas emission (10,000 tons)	24.10	27.40	27.49
	Including: direct emission (scope 1) (10,000 tons)	6.0	8.5	8.1
	Indirect emission (scope 2) (10,000 tons)	18.10	18.90	19.40
	Greenhouse gas emission density (ton/10,000 Yuan)	0.051	0.050	0.045
Exhaust gas	Sulfur dioxide (SO <sub>2</sub> ) (ton)	175.40	164.50	159.4
	SO <sub>2</sub> emission density (ton/10,000 Yuan)	0.00004	0.00003	0.000026
	Nitric oxide (NO <sub>x</sub> ) (ton)	273.00	252.40	276.30
	NO <sub>x</sub> emission density (ton/10,000 Yuan)	0.00006	0.00005	0.000046
Wastewater	Wastewater discharge amount (ton)	143.70	125.20	134.60
	Wastewater discharge density (ton/10,000 Yuan)	0.3005	0.2262	0.2218
	COD (ton)	295.00	288.5	274.70
	COD emission density (ton/10,000 Yuan)	0.00006	0.00005	0.000045
	Ammonia nitrogen (ton)	76.10	67.50	66.90
Waste	Ammonia nitrogen emission density (ton/10,000 Yuan)	0.00002	0.00001	0.00001
	Hazardous waste emission (ton)	2,329	1,699	2,496.60
	Hazardous waste emission density (ton/10,000 Yuan)	0.0004	0.0003	0.0004
	Non-hazardous waste emission (ton)	26,773	22,168	28,066.5
	Non-hazardous waste emission density (ton/10,000 Yuan)	0.0051	0.0040	0.0046
Energy consumption	Total quantity of recycled waste (ton)	24,423	20,076	17,490
	Comprehensive energy consumption (tons of standard coal)	93,391	95,834	93,013
	Comprehensive energy consumption per ten thousand yuan output value (tons of standard coal/10,000 Yuan)	0.022	0.017	0.015
	Electricity (10,000kWh)	31,802	32,350	33,115.4
	Natural gas (10,000m <sup>3</sup> )	3,771	3,805	3,654.3
	Gasoline (ton)	655.00	592.70	575.40
	Diesel (ton)	690.80	590.50	486.8

Level I indicator	Level II indicator	Year 2021	Year 2022	Year 2023
Water resource	Water resource consumption (10,000 tons)	369	340	344.50
	Water resource consumption per ten thousand yuan output value (ton/10,000 Yuan)	0.758	0.614	0.568
Packing material	Consumption of packing material (ton)	15,150	15,064	14,549
	Consumption density of packing material (ton/10,000 Yuan)	0.0032	0.0027	0.0024
	Water tank (ton)	9,687	7,745	7,608
	Carton (ton)	80	51	350
	Plastics (ton)	175	144	264
	Channel steel (ton)	4,754	6,810	6,084
Environmental protection input	Other materials (ton)	454	314	244
	Environmental protection capital input (10,000 Yuan)	5,960	5,968	6,251
Ecological protection	Major environmental pollution accident (number)	0	0	0
	Number of environmental protection training (person)	14,173	106,795	373,259
	Environmental protection training coverage (%)	100	100	100

## Social performance

Level I indicator	Level II indicator	Year 2021	Year 2022	Year 2023	
Employment	Number of employees (person)	16,969	17,463	17,426	
	Number of female employees (person)	2,945	3,029	2,963	
	Signing rate of labor contract (%)	100	100	100	
	Social insurance coverage (%)	100	100	100	
	Employee statistics by age (person)	>35 years old	11,082	11,659	11,711
		<35 years old (including 35)	5,887	5,805	5,715
	Employee turnover rate (%)	1.29	1.11	1.11	
	Employee turnover statistics by gender (person)	Male	187	165	155
		Female	32	29	40
	Employee turnover statistics by age (person)	>35 years old	76	55	50
		<35 years old (including 35)	143	139	145
	Employee turnover statistics by region (person)	Chinese employee	219	194	195
		Overseas employee	0	0	0
	Development and training	Proportion of women in management (%)	17.35	11.51	11.11
Employee training input (10,000 Yuan)		4,193.80	5,362.24	5,060.92	
	Number of employees trained (person)	122,777	120,991	151,371	



Level I indicator	Level II indicator	Year 2021	Year 2022	Year 2023
Supply chain management	Number of suppliers reviewed within the reporting period (number)	13,323	17,675	15,576
	Number of domestic suppliers (number)	12,686	16,925	14,798
	Proportion of domestic suppliers (%)	95.22	95.76	95.00
	The number of suppliers newly increased within the reporting period (number)	5,254	3,483	3,376
	Times of law observance, compliance, and risk training for supplier (time)	15	17	18
	Number of suppliers participating in law observance, compliance, and risk training (person)	1,998	2,531	2,619
Community investment	Fixed-point assistance capital input (10,000 Yuan)	2,650	2,052	2,218.37
	Times of employee voluntary activities (time)	1,923	1,205	1,209
	Number of voluntary activity participants (person)	15,358	9,210	13,977
	Total amount of donation (10,000 Yuan)	3,347	2,164	208.55

### Governance performance

Level I indicator	Level II indicator	Year 2021	Year 2022	Year 2023
Law observance and compliance	Number of law observance and compliance training participants (person)	11,200	12,200	13,000
Anti-corruption	Times of anti-corruption trainings (time)	85	189	534
	Number of anti-corruption training participants (person)	9,221	15,976	23,959
Scientific and technological innovation	Number of corruption lawsuit cases finished within the reporting period (number)	2	0	1
	R&D input (0.1 billion Yuan)	27.22	31.05	33.86
	R&D personnel (person)	4,122	4,361	4,274
	Number of valid patents (number)	3,045	3,336	3,828
Product responsibility	Number of patents for invention	1,106	1,282	1,548
	The proportion of the products that must be recovered due to safety and health reasons in those products that have been sold or transported (%)	0	0	0
	Number of major quality accidents and major customer complaints (number)	0	0	0
	Customer satisfaction (%)	92.40	90.5	96.6

### Indicator index

Topic	Performance indicator	The section cited/description
Mandatory disclosure provision		
Management and governance framework		P58
Report principle		P05
Report scope		P06
"Comply or Explain" clause		
Major category A--Environment		
A1 Emission	General disclosure: policies about the emission of exhaust gas and greenhouse gas, pollution discharge to water and ground, generation of hazardous and non-hazardous wastes, and data about compliance with appropriate laws and regulations that have a major impact on the issuer.	P30
	A1.1 The types of emissions and respective emissions data.	P30-31
	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).	P30
	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P31
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P31
	A1.5 Description of emissions target(s) set and steps taken to achieve them.	P30
A2 Use of Resources	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.	P30
	General disclosure: policies about effective resource utilization (including energy, water, and other raw materials)	P27
	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).	P27
	A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P27
	A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	P27
A3 The Environment and Natural Resources	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.	P27
	A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, concerning per unit produced.	P27
	General disclosure: policies about reducing the issuer's major impact on the environment and natural resources.	P26
A4 Climate change	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P28
	General disclosure: identify and respond to the major climate-related policy that has produced or may produce an impact on the issuer.	P26、P69-71
	A4.1 Description of the significant climate-related issues that have impacted, and those which may impact the issuer, and the actions taken to manage them.	P28、P72-76



Topic	Performance indicator	The section cited/ description
Major category B--Society		
Employment and labor rule		
B1 Employment	General disclosure: policies about remuneration, termination of employment, recruitment and promotion, working hours, holiday, equal opportunity, diversification, anti-discrimination, and other benefits, and data about compliance with relevant laws and regulations that have a major impact on the issuer.	P40
	B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group, and geographical region.	P80
	B1.2 Employee turnover rate by gender, age group, and geographical region.	P80
B2 Health and safety	General disclosure: policies about providing a safe working environment and protecting employees from occupational disease hazards, and data about compliance with appropriate laws and regulations that have a major impact on the issuer.	P43
	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	P43
	B2.2 Lost days due to work injury.	/
B3 Development and training	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P65
	General disclosure: policies about improving the employees' knowledge and skills in performing work responsibility. Describe the training activity.	P45-46
	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	/
B4 Labour Standards	B3.2 The average training hours completed per employee by gender and employee category.	/
	General disclosure: policies about preventing child labor or forced labor, and data about compliance with appropriate laws and regulations that have a major impact on the issuer.	P40
	B4.1 Description of measures to review employment practices to avoid child and forced labor.	P40
B5 Supply Chain Management	B4.2 Description of steps taken to eliminate such practices when discovered.	P40
	General disclosure: policies about managing the environmental and social risks of the supply chain.	P39
	B5.1 Number of suppliers by geographical region.	P39
B6 Product Responsibility	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	P39
	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P64
	B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P39
B7 Anti- corruption	General disclosure: policies about providing health and safety, advertisement, labels, privacy matters, remedial measures, and data about compliance with appropriate laws and regulations that have a major impact on the issuer.	P60
	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable for our products
	B6.2 Number of products and service-related complaints received and how they are dealt with.	P48

Topic	Performance indicator	The section cited/ description
B6 Product Responsibility	B6.3 Description of practices relating to observing and protecting intellectual property rights.	P68
	B6.4 Description of quality assurance process and recall procedures.	P47-48
	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Not applicable for our products
B7 Anti- corruption	General disclosure: policies about preventing bribery, blackmail, fraud, and money laundering, and data about compliance with appropriate laws and regulations that have a major impact on the issuer.	P64
	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.	P64
	B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	P64
	B7.3 Description of anti-corruption training provided to directors and staff.	P64
Community		
B8 Community investment	General disclosure: policies of understanding the requirement of the community of the operating site and the community interest to be considered for ensuring business activity through community participation.	P49-50
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	P53
	B8.2 Resources contributed (e.g. money or time) to the focus area.	P51



## Feedback

Dear reader,

Hello! Thank you for reading the *DEC Environmental, Social, and Governance Report (2023)*. We highly value and hope to hear your feedback on DEC's environmental, social, and governance report. Your opinions and suggestions are important foundations for our ongoing ESG governance and practices. You can copy and fill out the form below and send it to us via email or fax. We warmly welcome and sincerely appreciate your valuable feedback!

Choice question (please check the applicable item)

1. Do you think the report can reflect the significant economic, social, and environmental impact of DEC?

Yes  General  No

2. Do you think whether the interested party identified in the report and its relationship with DEC are analyzed correctly and completely?

Yes  General  No

3. Do you think the information disclosed in the report is complete?

Yes  General  No

4. Do you think the information disclosed in the report is readable?

Yes  General  No

### Open-ended questions

1. What information needs to be disclosed in the report in your opinion?

2. What improvement can the report make in your opinion?



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DEC Weibo



DEC Tiktok



DEC Kwai



DEC Facebook



DEC Twitter



DEC Instagram



DEC Channel