

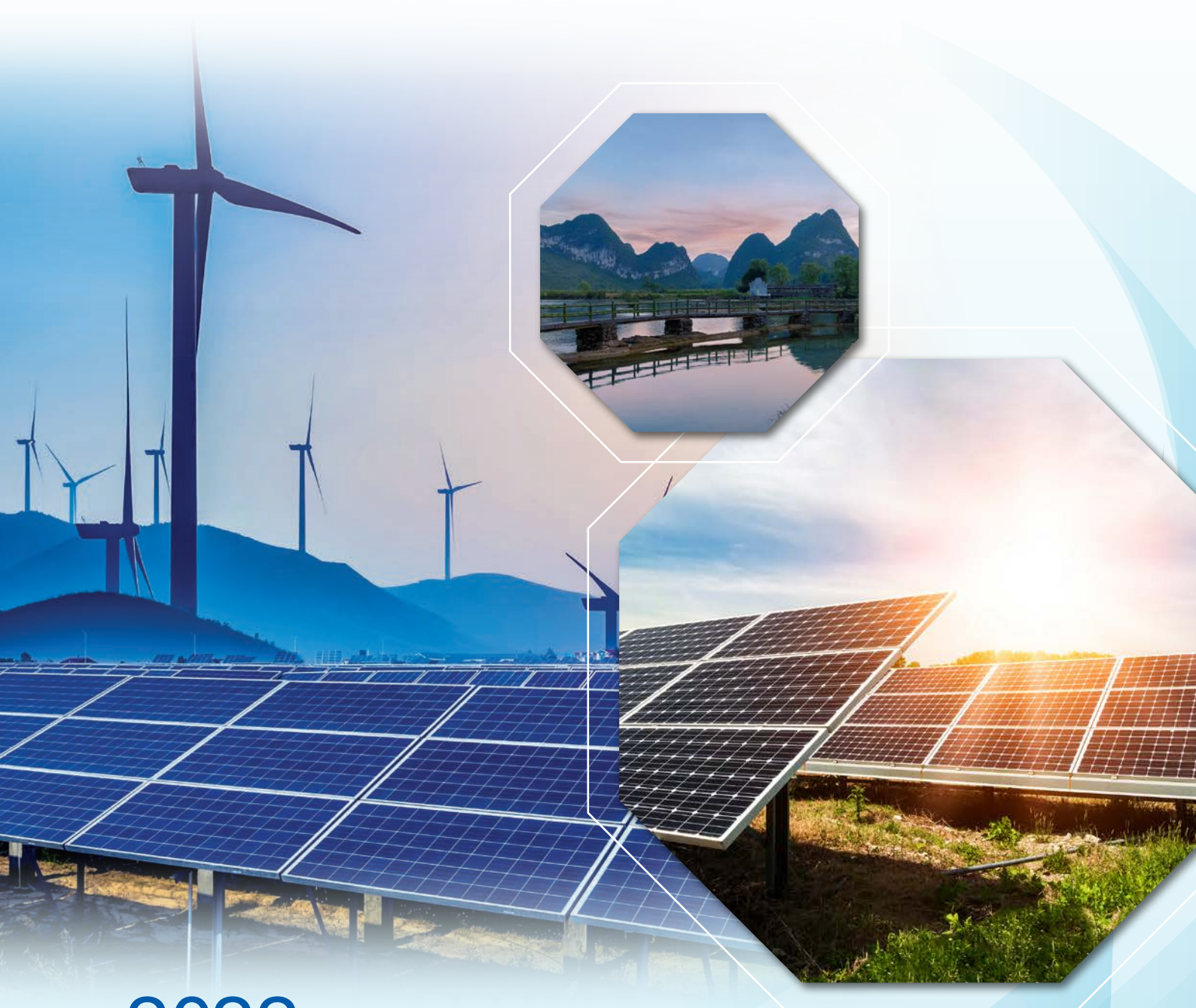


中國核能科技集團有限公司

China Nuclear Energy Technology Corporation Limited

(Incorporated in Bermuda with limited liability)

Stock Code : 611



2022

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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1 About This Report

This report is the seventh Environmental, Social and Governance Report (this “**Report**”) issued by China Nuclear Energy Technology Corporation Limited (the “**Company**” or “**CNETCL**”) and its subsidiaries (collectively referred to as the “**Group**” or “**We**”). This Report focuses on the Group’s environmental, social and governance (“**ESG**”) performance in 2022. This Report shall be read in conjunction with the Company’s *Annual Report 2022* (in particular the “Corporate Governance Report” contained therein) for a comprehensive understanding of the Group’s ESG performance.

Basis For Report Preparation

The Company prepared this Report in accordance with Appendix 27 *Environmental, Social and Governance Reporting Guide* (the “**ESG Reporting Guide**”) to the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (the “**Stock Exchange**”). This Report was prepared in accordance with all the mandatory disclosure requirements and “comply or explain” provisions set out in the ESG Reporting Guide. This Report was prepared based on the four reporting principles, namely materiality, quantitative, balance and consistency. The reporting principles applied by the Company in the preparation of this Report are as follows:

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

1 About This Report

Reporting Scope

Unless otherwise stated, the scope of this Report is same as the Company's Annual Report 2022, which mainly covers the Company and its principal subsidiaries in the business segments of engineering, procurement and construction ("**EPC**"), consultancy and general construction and power generation.

The organisational scope includes CNI (Nanjing) Energy Development Company Limited and Nanjing CNI Energy Engineering Company Limited (collectively referred to as the "**CNI (Nanjing)**").¹ The scope of this Report covers the operations of the Group's offices and operation of solar and wind power stations and facilities. Unless otherwise stated, this Report covers the period from 1 January 2022 to 31 December 2022 (the "**Reporting Period**").

Report Confirmation and Approval

All information disclosed in this Report was derived from the Group's documents and data. The Board of Directors of the Company (the "**Board**") assumes full responsibility for the Group's ESG strategy and reporting and approved this Report on 29 March 2023.

Access to Report

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

Contact Us

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

Address: Room 2801, 28/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong

Email: info@cnetcl.com

¹ In this Report, CNI (Nanjing) covers 21 operating projects. During the Reporting Period, there were two new operating projects, one of which retired in 2021, thus the overall number of operating projects in 2022 was one more than that in 2021.

2 Chairman's Message

Looking back on 2022, due to the repeated outbreak of the pandemic and the ongoing conflict between Russia and Ukraine, inflation rates in many economies remained high, commodity prices hit record highs, and the international energy market fluctuates significantly. The topics of energy quality, structure and sustainability continue to heat up. In this context, countries have further increased their attention to national energy security and accelerated energy transition to reduce their dependence on fossil fuels, whose prices are likely to soar sharply. The International Energy Agency expects that by 2025, renewable energy will surpass coal to become the world's largest source of electricity, of which wind energy and solar energy are expected to account for more than 90% of new renewable energy capacity in the next five years. The importance of renewable energy represented by photovoltaic and wind power will further increase in the global power system.

In 2022, China's new energy sector continued to make steady progress under top-level guidance such as the "14th Five-Year Plan for Renewable Energy Development". The total installed capacity of new renewable energy reached 152 million kilowatts, accounting for 76.2% of the total new installed power generation capacity in the country, making new energy the mainstay of China's power generation growth. We have kept pace with the latest industry policies, technological developments, and trends, actively seeking opportunities to invest in wind and photovoltaic power plants and advancing our business to new heights. In 2022, a total of 822 million kilowatt-hours of electricity was generated, an increase of 234 million kilowatt-hours compared to 2021. We are also actively exploring innovative energy businesses such as green energy trading, energy storage, solar thermal, and hydrogen energy, striving to gain a leading edge in the development of renewable energy businesses in the future. Currently, the Group is expanding its independent energy storage plant business in Yunnan and Guangdong, and actively developing photovoltaic and hydrogen energy projects in Inner Mongolia, Xinjiang, Gansu, and other regions by targeting hydrogen energy demands. At the same time, we are committed to the development of zero-carbon parks, increasing the expansion of distributed photovoltaics and user-side energy storage plant businesses, and exploring new paths for low-carbon and sustainable development to benefit society as a whole.

We persist in integrating the requirement of "implementing the new development concept and establishing a sound ESG system" into our business operations. While vigorously expanding our business, we continuously enhance our awareness of "carbon neutrality" and coordinate the interests of various stakeholders. We increase investment in research and development to empower us with the capacity for "carbon neutrality" through technological innovation. We also consider the needs of customers, employees, and the community, and expand the renewable energy industry chain to support customers in building a better energy system with outstanding solutions to achieve their own sustainable development goals. In the future, we are not only investors and builders of green energy, but also higher-level comprehensive service providers. Through continuous investment, we are committed to building a sensitive, pioneering, and innovative workforce to better help employees, the industry, and the Group grow together.

2 Chairman's Message

In 2023, we will deeply grasp the new development trends, take the new strategy as the guide, work hand in hand with all sectors of society, strive forward with courage and determination, and contribute to promoting harmonious coexistence between humanity and nature.

Chairman

Shu Qian

Hong Kong, 29 March 2023

3 About The Group

About Us

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

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

In 2022, the Group introduced new strategic investors. On the basis of consolidating corporate development, it will also bring huge effects on the Group’s in-depth development of new energy application scenarios and expansion of the energy management industry chain.

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

Business Structure

The principal business of the Group includes:

EPC and consultancy and General Construction

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

Power Generation

Owning and operating solar and wind power plants and facilities

Financing

Financing operations

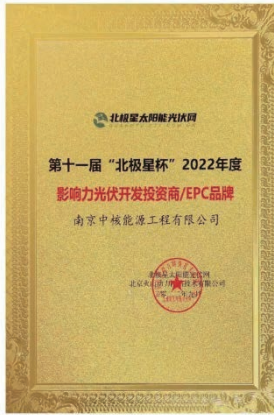
Business Map

Since 2009, the Group has completed the construction of 4GW and completed more than 200 renewable energy power stations. The Company's projects are located in 22 provinces across the country.



3 About The Group

Brand Stories



23rd September 2022

This year is the 11th “Polaris Cup” Annual Influence Selection. The “Polaris Cup” was hosted by the vertical portal “Polaris Solar Energy Network”, which is one of the most authoritative awards in the industry. On the basis of fully considering the reputation in the industry, the selection was conducted through online voting to commend the most reputable and influential photovoltaic enterprises in the industry.

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





18th November 2022

The 3rd China Industrial and Commercial Photovoltaic Conference, hosted by a well-known media in the industry named PV-Box, was held in Nanjing. The conference focused on the industrial and commercial photovoltaic market in China and invited representatives from more than 200 units including governmental organisations, photovoltaic investors and developers, industrial and commercial photovoltaic practitioners, well-known photovoltaic enterprises, and electric power enterprises to participate. The conference focused on key topics such as market development, energy transformation, project financing and carbon trading.

CNI (Nanjing) won the “PV – Box – Leading Investor Award of the 3rd China Industrial and Commercial Photovoltaic Conference” at the conference.



25th December 2022

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

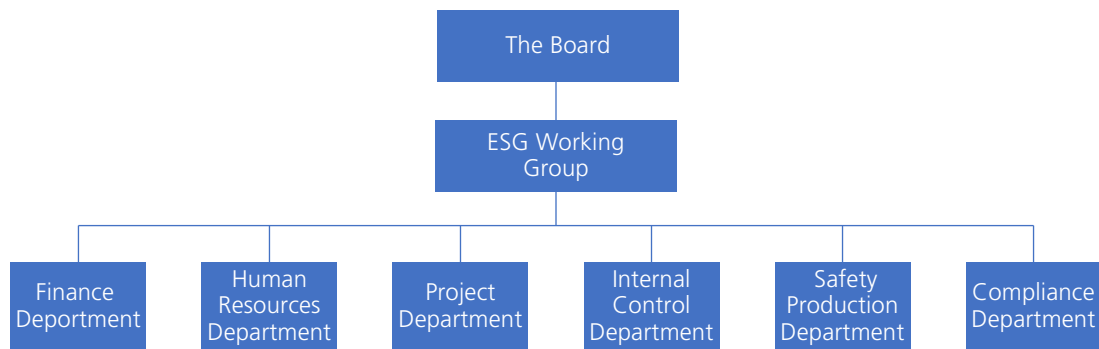
CNI (Nanjing) was awarded the “PVBL2022 Top 20 Global PV EPC Integrated Brand” and “PVBL2022 Top 20 Global Power Plant Investment and Developer Brand” in the selection.



4 Sustainability Leadership and Governance

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

Organisational Chart of the ESG Working Group



Main duties of the ESG Working Group:

- Assist the Board in coordinating and overseeing ESG issues
- Assist the Board in implementing the ESG strategy, evaluation, prioritisation and management of significant ESG-related issues
- Assist the Board in identifying and assessing ESG risks associated with the Group and ensuring that the Group has an appropriate and effective ESG risk management and internal control system in place
- Assist the Board in monitoring and reviewing the progress of ESG targets
- Report significant ESG issues to the Board on a regular basis

4 Sustainability Leadership and Governance

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

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

ESG Risk Management System

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

4 Sustainability Leadership and Governance

During the Reporting Period, the ESG Working Group conducted an ESG risk assessment from two dimensions of “severity of impact” and “possibility of occurrence” by inviting responsible personnel from internal departments. We identified seven material ESG risks through ESG risk assessment. The material ESG risks identified by the Group in 2022 and the corresponding measures are disclosed as follows:

Material ESG Risks	Potential Impact	Response Method
Infectious disease risk	Some countries or cities have imposed lockdown measures to control the large-scale spread of the pandemic, resulting in the suspension of economic activities, which directly affected the operation of projects in the region and the Group’s supply chain.	In response to COVID-19, the Group has formulated prevention and control guidance documents such as the <i>Emergency Plan for the Coronavirus Disease 2019</i> and the <i>Quarantine Plan for Prevention and Control of the Coronavirus Disease 2019</i> to comprehensively prevent and respond to the pandemic. Maintaining safe and stable operations during the outbreak of the pandemic.
Corruption and fraud risk	Violation of laws and regulations, such as corruption and bribery; or actions against the public interests. The Group is subject to such legal liability which may potentially damage our reputation and image.	The Group has formulated the <i>Anti-corruption and Bribery Policy</i> , which sets out the business ethics that employees are required to abide by; established the <i>Regulation on Gift Acceptance and Registration</i> , which provides clear guidelines for employees to receive gifts; formulated the <i>Whistleblowing Policy</i> to regulate the reporting and handling procedures of anti-corruption. In addition, the Board and the management regularly participate in anti-corruption training.

4 Sustainability Leadership and Governance

Material ESG Risks	Potential Impact	Response Method
Cyber incidents	Cyber security incidents may affect the stability of business operations, and incidents such as data/customer personal data leakage may also affect the reputation of the enterprise, or result in legal proceedings or fines against the enterprise.	The Group has formulated the <i>Information Technology System</i> , the <i>Computer Information Security Management Standards</i> , and other documents to regulate the responsibilities, management content and methods, reports and records of the Company's information system security management, so as to manage the use of the Company's information technology resources.
Climate change and extreme weather	Extreme weather caused by climate change will endanger the power station equipment, factories or other property assets and affect the operation of enterprises. At the same time, the People's Republic of China government has also been strengthening climate-related supervisions and regulations, which may require enterprises to adjust their business models to adapt to relevant regulatory changes. In addition, if an enterprise fails to adequately respond to climate issues, it may have an impact on its reputation. Extreme weather may also affect power generation, revenue and operating results.	The Group has formulated the Notice on <i>Prevention of Heat Stroke in High Temperature</i> , which sets out the countermeasures and management of physical risks of climate change.

4 Sustainability Leadership and Governance

Material ESG Risks	Potential Impact	Response Method
<p>Company Technology and Product Development and Innovation</p>	<p>Failure in research and development and failure to recover development investment; the technological innovation activities do not meet the expected objectives; the same technology was successfully developed by other enterprises while the technology was still in the research process; technology development is untimely or unnecessary, waste resources, time and money.</p>	<p>The Group has formulated the <i>Measures for the Management of Scientific Research Projects</i>, paid attention to the scientific level and development trend of the industry in a timely manner and kept abreast of the latest science and technology to ensure that the Company's technology research and development has always been at a leading level.</p>
<p>Compliance and Business Ethics Management</p>	<p>Changes in the external legal and policy environment, corruption in the places of operation and inconsistent regulatory requirements in various places may lead to increased corporate risks. The enterprise shall bear such legal liabilities and cause material damage to the reputation and image of the enterprise.</p>	<p>The Group has formulated the <i>Employee Handbook</i>, which contains the "Employee Code and Professional Ethics" section to provide guidance to employees on important areas of ethics and behaviour. We have also formulated the <i>Regulation on Gift Acceptance and Registration</i> to provide clear guidelines for employees to receive gifts; <i>Whistleblowing Policy</i> is also in place to govern the reporting and handling practices of suspicious or improper business activities.</p>
<p>Product and service quality risk</p>	<p>Inadequate consideration of product design or service, insufficient production technology or service standards, and strict control of the production process will directly affect the quality of products and services, affect customer experience, and potentially affect the relationship between the Group's marketing and suppliers.</p>	<p>The Group has established a quality management system in accordance with <i>GB/T 19001-2016/ISO 9001: 2015 Quality Management System-Requirements</i>. In addition, the Group has formulated the <i>Quality, Environmental, Occupational Health and Safety Management Manual</i>, which clearly sets out the quality management structure, management policies, objectives and overall management process. The Group has formulated the <i>Management Regulations on Engineering Quality Acceptance and Assessment</i> to regulate the project construction acceptance and assessment, and clearly set out the process and scope of project quality inspection and acceptance.</p>

5 Stakeholder Engagement

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

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

Communication Channels

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

Materiality Assessment

The Group conducts materiality assessment on a regular basis to identify material ESG issues of the Group, which serves as one of the references for formulating sustainability plans. During the Reporting Period, the Group invited internal and external stakeholders to participate in the materiality assessment. A total of 68 stakeholders participated in the survey, including the Board, management, employees, shareholders and investors, suppliers and business partners, the number of stakeholders participated is as follows:

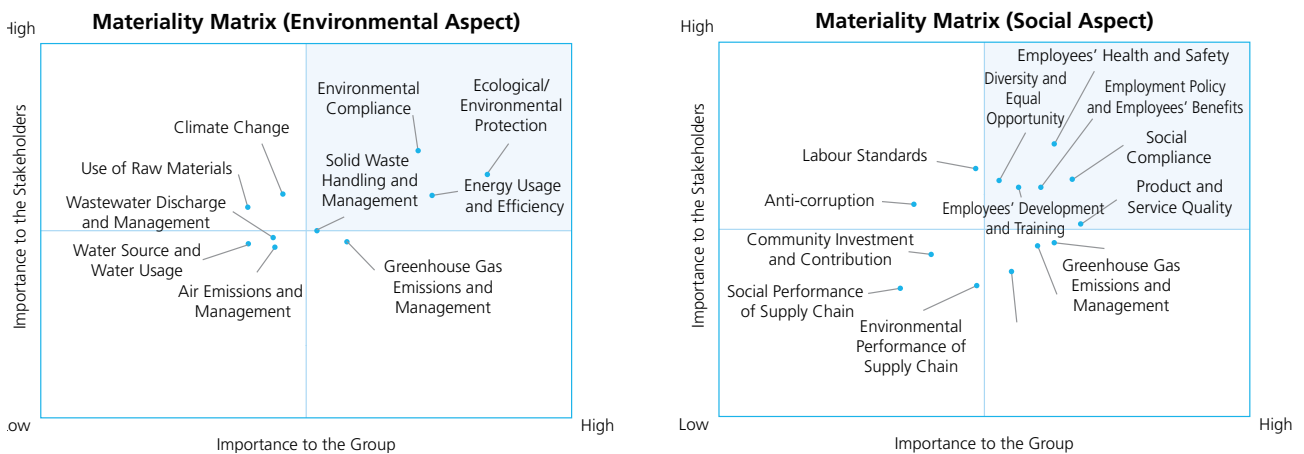
Stakeholder	Number
The Board	9
Management	5
Shareholders and Investors	10
Suppliers and Business Partners	8
Employees	36

5 Stakeholder Engagement

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

<p>Step 1</p> <p>Identify potential material ESG issues</p>	<p>The Group created ESG issues inventory of the Reporting Period with reference to the ESG issues inventory in 2021, domestic and international sustainability reporting guidelines and standards, and industry-specific ESG issues. The Group’s management shortlisted a total of 24 potential material ESG issues.</p>
<p>Step 2</p> <p>Assess the materiality of ESG issues</p>	<p>The Group invited internal and external stakeholders to complete an online survey, prioritising the materiality of 10 environmental issues and 14 social issues. External stakeholders prioritised the ESG issues from the dimension of “Importance to the Stakeholders” while the internal stakeholders prioritised the ESG issues from the dimension of “Importance to the Group”.</p>
<p>Step 3</p> <p>Analyse survey results</p>	<p>The Group analysed the survey results and constructed materiality matrices. We identified issues that scored more than half in both dimensions “Importance to Stakeholders” and “Importance to the Group” as material ESG issues.</p>
<p>Step 4</p> <p>Verify material ESG issues</p>	<p>The Board and management reviewed the survey results and verified the Group’s material ESG issues.</p>

The following matrices show the results of the survey:



5 Stakeholder Engagement

Based on the analysis of the materiality matrix, the Group has identified four environmental and six social material ESG issues. In addition, after the review by the Board and the management, “Supply Chain Management” and “Development and Innovation of Technology and Product” are added as material issues, and a total of 12 material issues have been identified at the end. These issues will be highlighted in this Report.

Material ESG Issues	Response section
Environmental issues	
1. Ecological/Environmental Protection	Promoting Environmental Protection
2. Energy Use and Efficiency	Promoting Environmental Protection
3. Environmental Compliance	Promoting Environmental Protection, Appendix I
4. Solid Waste Handling and Management	Promoting Environmental Protection
Social Issues	
1. Product and Service Quality	Improving Development Quality
2. Development and Innovation of Technology and Product	Improving Development Quality
3. Employees’ Health and Safety	Optimising Talent Management
4. Employees’ Development and Training	Optimising Talent Management
5. Employment Policy and Employees’ Benefits	Optimising Talent Management
6. Supply Chain Management	Improving Operational Culture
7. Diversity and Equal Opportunity	Optimising Talent Management
8. Social Compliance	Improving Operational Culture, Optimising Talent Management, Appendix I

6 Improving Operational Culture

Integrity in Business

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

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

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

The Group holds various anti-corruption training regularly for both the management and general employees, to comprehensively improve the anti-corruption awareness of the directors and employees of the Group. During the Reporting Period, we participated in the work conference of party conduct and clean government construction held by the superior company. In March 2022, we conducted one-on-one anti-corruption warning education during the change of personnel at the middle level or above to guide everyone to actively implement integrity and self-discipline.

On the eve of major holidays, we also published special documents to remind integrity. For example, we conducted "pre-holiday interviews" for department heads and senior management before the Dragon Boat Festival and the National Day in 2022, continued to implement the spirit of the eight-point regulations of the central government, and made every effort to create a civilised, healthy, frugality and clean holiday atmosphere.

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

6 Improving Operational Culture

Participated in the work conference on the construction of party conduct and clean government



On 27th January 2022, the Group organised its employees to participate in the work conference on the construction of party conduct and clean government held by the superior company. More than 300 personnel in key positions such as the Company's leaders, senior management and all-level leading cadres participated in the conference through the video conference system. The meeting reminded all cadres of integrity before festivals, hoping that Party organizations at all levels and all cadres and employees would learn from the warning cases deeply, consciously resist various temptations, and comply with relevant disciplinary regulations. In time for the Chinese New Year, the Party organizations at all levels and all-Party members and cadres of the Group shall strictly abide by the integrity discipline, resolutely eliminate the intoxication drive, strictly implement the requirements of the epidemic prevention and control area, and ensure the dual "safety" of epidemic prevention and control and integrity.

Supplier Management

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

6 Improving Operational Culture

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

Tendering

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

Day-to-day management

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

Annual assessment

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

6 Improving Operational Culture

As at the end of the Reporting Period, the Group had a total of 80 suppliers providing various types of materials and services, covering the following areas:

Administrative Division	Number (unit)
Beijing	2
Tianjin	1
Shanghai	5
Chongqing	1
Hebei Province	2
Liaoning Province	2
Jiangsu Province	17
Zhejiang Province	5
Anhui Province	5
Fujian Province	1
Jiangxi Province	1
Shandong Province	8
Henan Province	5
Hubei Province	6
Hunan Province	4
Guangdong Province	6
Hainan Province	1
Sichuan Province	2
Hong Kong Special Administrative Region	6

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

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

7 Improving Development Quality

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

Case study of photovoltaic power generation projects:



The "Agriculture-PV Complementary" photovoltaic power generation project in Zhenkang District is located in Wumu Village, Zhenkang District, Lincang City, Yunnan Province. The photovoltaic power generation project is planned to be constructed in two phases. The first phase of the project includes a photovoltaic field area, 35kV integrated circuit, 110kV booster station and field road, etc. The first phase of the project has a rated capacity of 80MW (100MWp on the DC side), adopting 545Wp single crystalline silicon PV modules, with 25 PV power generation units, and using 225kW string inverters that are connected to 25 sets of 3150kVA box transformers for power grid integration. During the operation period, the annual average on-grid power generation was approximately 124,990,000 kWh, and the annual average equivalent utilization hours were 1,249.9 hours.

7 Improving Development Quality

The Group strives for professional excellence and continues to increase investment in technological innovation. During the Reporting Period, we had five new patent applications, and two authorised patents, and launched three new technology research and development projects. In addition, CNI (Nanjing) continued to develop and apply innovative designs and received strong support and recognition from the government in the research and development of renewable energy technologies.

Quality, Environmental, Occupational Health and Safety Management Systems

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

In order to ensure the smooth and effective implementation of internal policies, the Group has formulated the *Quality, Environmental, Occupational Health and Safety Management Manual*, and revised it in accordance with relevant national policies, laws, regulations, standards and the actual situation of the Company. The new management manual has been officially implemented since 10 January 2022. The management structure, management policies, management objectives and overall management process of quality, environment and occupational health and safety are clearly listed in this management manual. Specific contents include operational emissions, the use of the environment and natural resources, product responsibility, employee health and safety, etc.



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



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



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

7 Improving Development Quality

Management Structure

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

Overall Management Process

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

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

7 Improving Development Quality

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

Annual Targets

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

Project Quality Management

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

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

7 Improving Development Quality

Different stages of construction projects

1. Design
2. Procurement
3. Construction
4. Commissioning
5. Completion Inspection

Internal policies in place

Monitoring and Measurement Control Procedures for Process, Products and Performance

Control Procedures for Engineering Construction and Service

Control Procedures for Design and Consultancy

In order to ensure the quality of products and services, CNI (Nanjing) adopts corresponding monitoring and measurement methods according to different stages of project construction. In order to ensure that the projects comply with the relevant procedures and regulations, the Group strictly implement the *Internal Audit Procedure*. The process audit helps us to inspect, analyse and evaluate each procedure of the projects. In addition, we also conduct regular inspections, random checks and assessments to ensure that personnel are operating properly, equipment status, testing capabilities, job responsibilities and management activities are correct. When testing and inspecting the equipment and its operating parameters, we adopt instruments and automation devices to ensure that the project maintains the standards.

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

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

7 Improving Development Quality

Smart Power Station Management

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

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

Ensure smooth operation of the power station

Detect equipment failures in a timely manner and take corrective actions to minimise losses



Detect emergencies in a timely manner and implement emergency response procedures to reduce the severity of incidents

Collect meteorological data and assess the power generation efficiency and power generation plan of the power station

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



7 Improving Development Quality

Intellectual Property Protection

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

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

Customer Rights Protection

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

7 Improving Development Quality

Product and Service Performance

	2022	2021	2020
Number of products and service related complaints received	0	0	0
Rate of products and service related complaints resolved	–	–	–

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

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

8 Optimising Talent Management

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

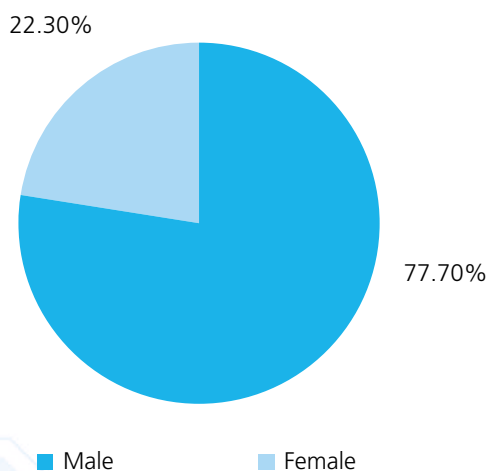
Human Resources Policy

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

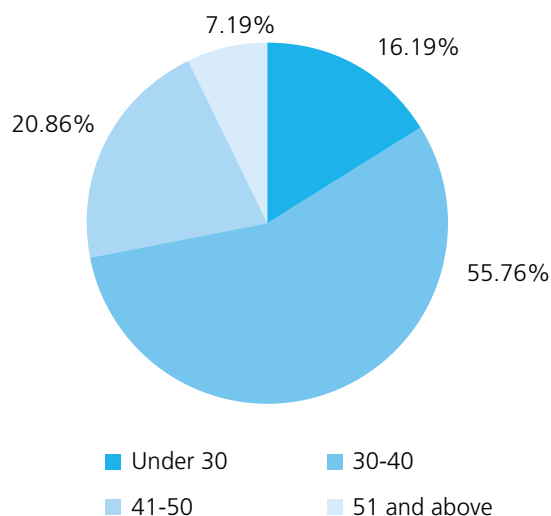
To build a high-quality work team and enhance the Group's competitive advantages, we have established corresponding human resources policies to support employees to fully realise their potential and continue to grow. The Group recruits talents with unlimited backgrounds, hoping to enrich the talents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

As of 31 December 2022, the Group had 278 employees, mainly located in Hong Kong and Mainland China. The composition of employees is as follows:

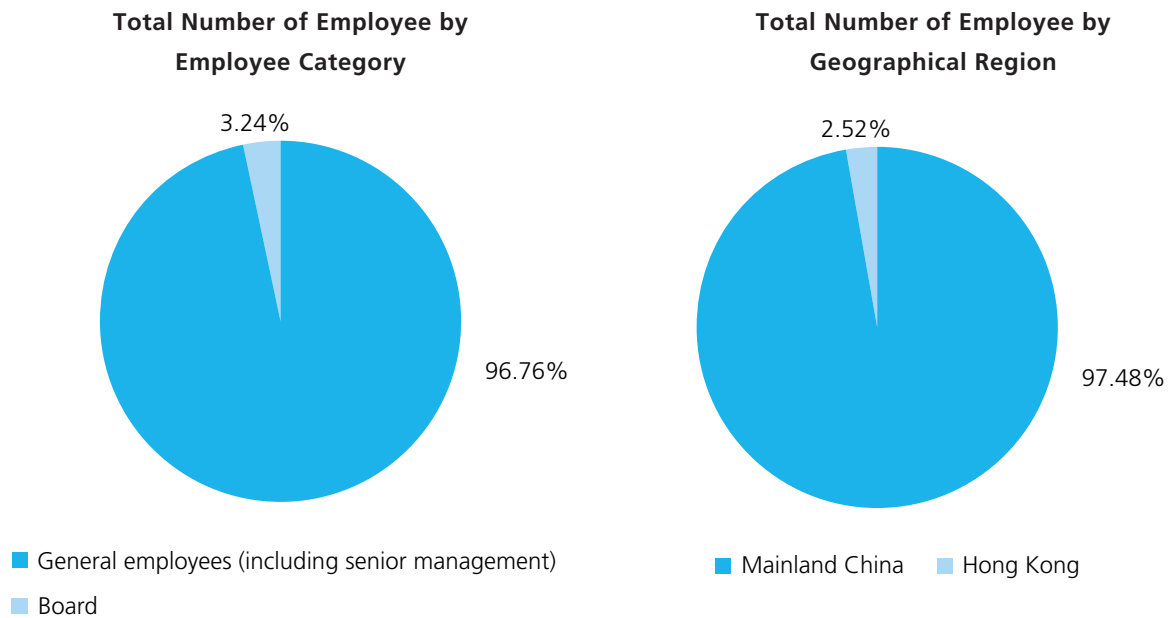
Total Number of Employee by Gender



Total Number of Employee by Age Group



8 Optimising Talent Management



During the Reporting Period, the Group did not violate any laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.³

Recruitment and Dismissal

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

In order to standardise the labour standards, dismissal and termination arrangements of employees, the Group has formulated the *Employee Handbook*, the *Labour Contract Management Standard* and the *Welfare Management Standard*. During the recruitment process, the Human Resources Department carefully verifies the identity documents of the candidates to ensure that they are at least 16 years old. It resolutely eliminates the employment of minors under the age of 16 and avoids the use of child labour. In order to protect the legitimate rights and interests of employees, the Group will not force employees to work in an involuntary condition. In the event of the aforesaid employment of child labour and forced labour during the operation, the relevant departments and personnel will be held accountable.

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

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

8 Optimising Talent Management

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

Welfare and Benefits

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

Remuneration and Promotion

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

Staff Development

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

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

8 Optimising Talent Management

Training programs:

Photovoltaic Building Integration (BIPV) solution training



In April 2022, all members of the structural profession participated in the Photovoltaic Building Integration (BIPV) solution training. The conference detailed the basic meaning and application of BIPV, the problems encountered during the implementation process and the final solutions were shared with completed BIPV projects as an example. Through this training, participants had a deeper understanding of the integration of PV buildings, understood the key difficulties in the process of technology implementation, and provided new possibilities for the subsequent implementation of PV projects.

8 Optimising Talent Management

Coordinate Transfer and Google Earth Auxiliary Design training



In June 2022, the Design and Research Centre held a training session on “Coordinate Transfer and Google Earth Auxiliary Design”. The training covered the following: coordinate concept and coordinate transformation; modeling of drone aerial photography results and production of CAD base; the auxiliary application of Google Earth in PV design. Participants learned to use the DJI software to establish 2D and 3D models. They learned to use the aerial photography results of aerial photography to process 2D files into TIF files and JPG files that can be imported into CAD for editing and learned practical skills such as the auxiliary application of the function of Google Earth in photovoltaic design. This training has achieved good practical results, providing new references and methods for the daily work of PV design.

Caring for Employees

The Group attaches great importance to communication with employees and establishes a relationship of mutual trust. We established a variety of communication channels to understand the needs of employees. The Group insists on effective and high-quality communication with employees, which is beneficial to the development of the Group. Therefore, we encourage our employees to communicate with the Management and expect them to contribute to the development of themselves and the Group. At the same time, we also hold different types of employee activities to strengthen team spirit, create a good corporate atmosphere, and an ideal working environment for employees.

8 Optimising Talent Management

Case:

The Fifth Tiger Shengwei “CNI Nanjing Cup” Long-distance Running Activity



On 14th February, 2022, the Company’s Party branch, trade union and Youth League branch held the Fifth Tiger Shengwei “CNI Nanjing Cup” long-distance running activity on the premise of epidemic prevention and control. More than 100 employees participated in the event. This long-distance race is about nine kilometres. This event inspired the outlook of all employees to embark on a new journey of the new year, enhanced the spirit of hard work of all employees and the friendship among employees, and encourage everyone to work hard in their respective positions and make progress together with the Company.

8 Optimising Talent Management

“Mid-Autumn Festival Celebration” Guan Dan Competition



On 2nd September 2022, the Party branch, trade union and Youth League branch held the Guan Dan Competition of “Celebrating the Mid-Autumn Festival”. This allowed employees to relax after busy work, maintain work-life balance and enhance their sense of belonging to the team.

Occupational Health and Safety

The Group attaches great importance to the health and safety of employees. We are committed to creating a safe working environment for employees. The Group has obtained the GB/T 45001-2020/ISO 45001-2018 Occupational Health and Safety Management System Certification to put occupational health and safety measures into practice more efficiently and thoroughly. During the Reporting Period, the Group did not violate any laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards.⁴ The Group has achieved the following four major occupational health and safety objectives:

Work-related injury and fatality: 0

Occupational disease: 0

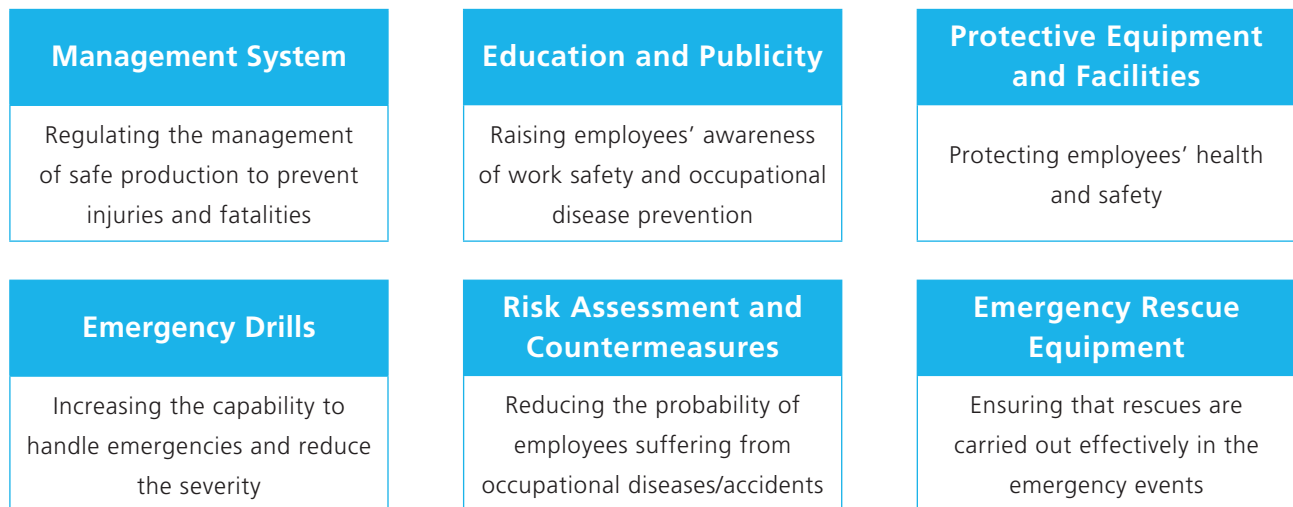
Major equipment accident: 0

Fire accident: 0

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

8 Optimising Talent Management

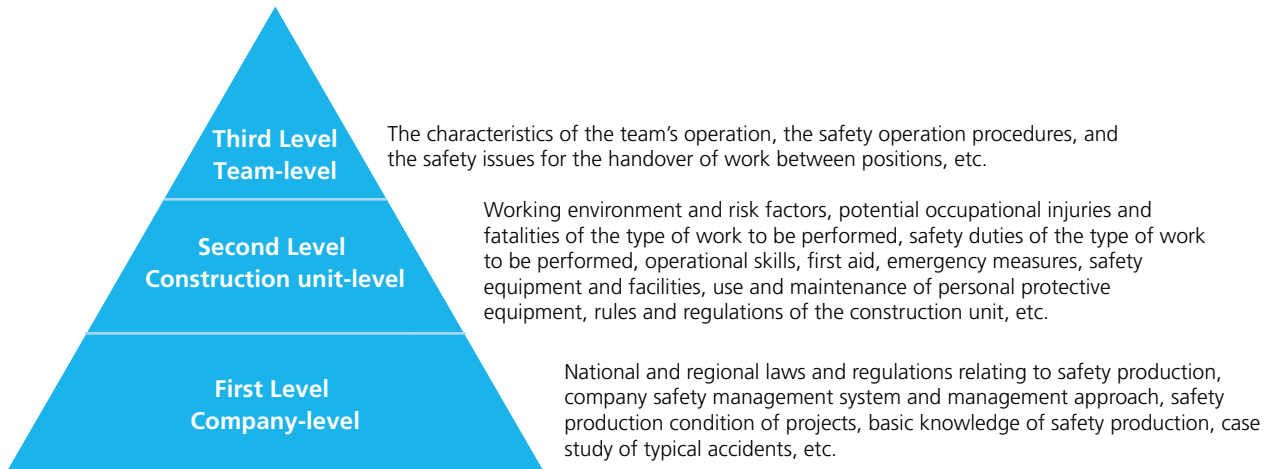
The Group strictly abides by the laws and regulations related to occupational health and safety in the places where it operates. On this basis, we focus on “Prevention-based” and have established an effective occupational safety system covering all aspects from systems, measures, equipment, education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



Safety Training

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

8 Optimising Talent Management



Case:

Organise production safety knowledge competition

In June 2022, during National Production Safety Month, CNI (Nanjing) organised the “How Much Do You Know About New Safety Law” and the Party members’ safety production knowledge competition. This event was conducted online and offline simultaneously. A total of 25 participants from the five teams of the corporate authorities, operation and maintenance centre, engineering centre, design centre and Anhui Baoyuan participated in the competition. The content of the competition covers relevant knowledge of safety production laws and regulations, fire and emergency avoidance, epidemic prevention and control, etc. This activity improved the overall safety quality of the CNI (Nanjing)’s employees, cultivated their sense of responsibility and mission to participate in corporate safety management, and formed a good atmosphere where everyone knows safety at all levels.



8 Optimising Talent Management

Conduct pre-holiday safety education and training

In November 2022, CNI (Nanjing) carried out pre-holiday safety education and training on “pre-holiday safety inspection” and “inspection of potential safety hazards for resumption of work and production after the holiday” at all project departments/power stations, focusing on safety on duty and driving safety, strictly prohibiting post-liquor duty and post-liquor driving, and doing a good job in safe production during holidays.



8 Optimising Talent Management

Conduct training and examinations on Electricity Safe Working Procedures

In December 2022, the Operation Center of the Company organised all power plants to carry out the 2023 electric power safety regulations training and examination. The training and examination combined the characteristics of each position and profession, highlighted the key points of safe production knowledge, control for operation, maintenance and management of different positions, and tested the learning, mastering and implementation of the *Electricity Safe Working Procedures* by personnel in each position. It effectively enhanced the employees' awareness of safety regulations, compliance and use of safety regulations, further improved the safety production awareness and safety theory level of front-line employees, and effectively improved the safety management level.



8 Optimising Talent Management

Emergency Drills

The Group has established and followed the *Control Procedures on Emergency Preparedness and Response*, and regularly organises emergency and safety knowledge publicity and education activities in various forms. In addition to improving safety awareness in terms of knowledge and concept, we also advocate practical exercises and regularly hold emergency drills, including fire drills and personnel first aid drills, to improve employees' ability to deal with accidents and emergencies. The contingency plan is not always the same. We will regularly discuss the current plan, evaluate its feasibility and effectiveness after each performance, and continuously improve and revise the contingency plan according to the needs and drill experience.



High-altitude emergency drills



Fire emergency drills



Flood prevention and emergency drills

Response to the Pandemic

During the Reporting Period, in response to the ongoing COVID-19 pandemic, the Group attached great importance to pandemic prevention and control, cared about the health of employees, and implemented the *Prevention and Control Work Plan for the Coronavirus Disease 2019*. The plan sets out the responsibilities of the epidemic prevention and control leading group and various epidemic prevention measures. The leading group is responsible for publishing various policies, measures and knowledge on epidemic prevention and control in a timely manner through the Group's website, mobile application and other channels. In addition, the leading group is also responsible for the procurement and distribution of epidemic prevention materials. During the pandemic, the headquarters of the Group monitored the body temperature, health code and travel code of employees, and guaranteed daily inspections. At the same time, we contacted nucleic acid testing institutions to provide on-site services to facilitate timely nucleic acid testing for employees.

9 Promoting Environmental Protection

Environmental Management Approach

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

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

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

During the Reporting Period, the Group did not violate any laws and regulations that have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.⁵

Environmental Targets

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

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

9 Promoting Environmental Protection

In 2021, we have set the following environmental targets for our EPC and power generation projects. The actions and progress during the Reporting Period are as follows:

Environmental Targets	Target Duration (Short/medium/long term)	Target Content	Actions in 2022	Progress in 2022
Emission reduction targets	Medium	Reduce the consumption of disposable materials, gradually eliminate the consumption of disposable materials in procurement and construction processes	Reduce the use of disposable plastic tableware and disposable paper cups	In progress
Carbon reduction targets	Medium	Carry out carbon market trading, complete carbon emission compliance work in pilot carbon trading areas, and actively participate in carbon market trading	Engagement with relevant professional consultants to advise on participation in carbon market transactions	In progress
Waste reduction targets	Short	Promote waste recycling, increase waste sorting and recycling facilities in factories and office areas, and encourage employees to actively sort waste	Set up recycling material collection areas at designated locations to collect recyclable or reusable waste	Completed
Energy Saving Targets	Medium	Purchase energy-saving equipment, implement energy-saving plans, and reduce electricity consumption	Regular inspection and maintenance; procure equipment with high energy efficiency; develop targeted management measures; switch off idle power-consuming equipment	In progress
Water Saving Targets	Medium	Add cleaning pipe network system at distributed photovoltaic power station to save cleaning water	Grid-connected operating power plants Added cleaning pipe network system	In progress

9 Promoting Environmental Protection

Responding to Climate Change

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

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

Climate Risk Type	Climate Risk Description	Potential impact
Long-term risks	Long-term risks refer to long-term changes in climate patterns, such as sustained high temperatures that may cause sea level rise or long-term heat waves, etc.	<ul style="list-style-type: none"> Increasing infrastructure costs, such as the need to build climate-resilient infrastructure to ensure efficient operation of solar power plants under high-temperature conditions; Increasing drainage facilities to prevent damage to photovoltaic power plants caused by rainwater harvesting Frequent rainfall can lead to lower sunlight intensity or lower solar power plant power generation
Market risk	Although climate change affects the market in a mixed manner, one of the main ways is to change certain goods, products and services through the supply and demand structure, and more and more climate-related risks and opportunities will be considered	<ul style="list-style-type: none"> Significant increase in the cost of raw materials, such as silicon, silicon wafers, polycrystalline silicon, and monocrystalline silicon, leading to higher operating costs Uncertainties in market signals and changes in customer preferences led to a decrease in demand for goods and services
Reputation risk	Climate change is considered one of the sources of reputational risk, which is closely related to the perception of customers or communities about the organization's commitment to a low-carbon transformation	<ul style="list-style-type: none"> Stakeholders pay great attention to the corporate image. If an enterprise fails to manage climate issues, it may lead to a decline in its reputation and even affect cooperation with customers and suppliers; In addition, it is also possible to reduce investors' confidence in an enterprise, which may face more expensive financing costs in the future

9 Promoting Environmental Protection

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

Ecological Environmental Protection

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

- | | |
|---------------------|--|
| Project Design | <ul style="list-style-type: none">➤ Incorporate design elements for environmental protection, such as designs for the prevention of soil erosion➤ Use the existing land to conduct land leveling and photovoltaic brackets foundation construction, and reduces the impact on the environment by reducing the construction volume |
| Pre-construction | <ul style="list-style-type: none">➤ Develop pollution control programmes and implementation plans➤ Conduct site layout planning and install temporary drainage facilities on the project site without destroying the existing water drainage system or overloading the existing drainage facilities➤ Planting trees, shrubs, grasses or flowers within the project sites to shape a habitable ecological environment |
| During construction | <ul style="list-style-type: none">➤ Control vehicle speed or sprinkle water during construction to reduce secondary dust from excavation and vehicle transportation near the working surface➤ Monitor the water level of groundwater to ensure that the groundwater remains at its original level and to prevent ground subsidence➤ Strengthen the handling of harmful substances to minimise their impacts on nearby animals and plants |

9 Promoting Environmental Protection

Emission Management

Greenhouse Gas Emissions

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

During the Reporting Period, the Group's total GHG emissions amounted to 2,849.95 tonnes CO₂e, of which direct emissions (Scope 1) and indirect emissions (Scope 2) were 74.24 tonnes CO₂e and 2,774.94 tonnes CO₂e respectively. The emission intensity was 10.25 tonnes CO₂e/employee.

Exhaust Gas Emissions

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

Wastewater Discharge

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

Waste Management

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

Domestic waste and food waste are the major components of the Group's non-hazardous waste. We have entrusted the property management company to collect, transport and handle the non-hazardous waste generated in the office. During the Reporting Period, the Group generated a total of 20.52 tonnes of non-hazardous waste.

With the Group's exit from the manufacturing and trading business in 2020, the relevant emissions and use of resources have been reduced. Therefore, during the Reporting Period, the Group is no longer involved in the emission of hazardous waste (such as waste oil and waste solar cells) at the main business operations.

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

9 Promoting Environmental Protection

Use of Resources

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

Energy Consumption

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

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

Water Consumption

Municipal water supply provides the Group with major water resources, and there is no difficulty in obtaining water resources. We continuously monitor the operation of water supply equipment and use water-saving appliances when appropriate. If equipment is found to be damaged or water leakage, it will be repaired in a timely manner to improve the utilisation rate of water resources. At present, the total water consumption of the Group has shown a trend of year-on-year decrease for three consecutive years.

10 Building a Sunshine Society

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

Combating COVID-19

On 23rd February, 2022, the epidemic broke out in Zhenkang District, Yunnan Province. In order to further support the local government’s epidemic prevention and control, on 22nd April, China Nuclear (Nanjing) Energy Development Co., Ltd. donated epidemic prevention materials to the Emergency Management Bureau of Zhenkang District and the People’s Hospital of Zhenkang District through the Red Cross of Zhenkang District to support the local epidemic prevention and control work. The donated materials include items such as visible throat glasses, aerosol disinfectant sprayers, medical protective isolation suits, and medical-surgical masks, totalling RMB772,700.



10 Building a Sunshine Society

Volunteering

To implement General Secretary of the Chinese Communist Party, Xi Jinping's instructions on the prevention and control of the COVID-19 pandemic, the Group's party members, league members and youth actively participated in volunteer activities for community epidemic prevention and control. Since the outbreak of the epidemic, the CNI (Nanjing) has set up a leading group for epidemic prevention and control as soon as possible to do epidemic prevention, control and ensure the normal and stable production and operation of the projects and power stations. More than 20 party members, league members and youth participated in community prevention and control volunteer activities.



Charitable donations

The Party Branch of the Group and the Labor Union donated 20 caring lunches to "Ning Xiao Feng · Dan Feng You Home" to deliver warmth to nearby couriers and take-away persons, and to contribute to serving new businesses and new groups.



11 Performance Indicators

Human Resources Indicators⁶

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

Number of Employees (as at the end of the Reporting Period)	2022	2021	2020
Total number of employees	278	259	279
By Gender			
Male	216	199	219
Female	62	60	60
By Employment Type			
Full-time	277	259	279
Part-time	1	0	0
By Age Group			
< 30	45	59	63
30 – 40	155	133	152
41 – 50	58	49	47
> 50	20	18	17
By Employee Category			
Board	9	12	12
General employees (including senior management)	269	247	267
By Geographical Region			
Mainland China	271	247	267
Hong Kong	7	12	12

⁶ The reporting scope of data relating to employees and training in the section "Human Resources Indicators" is consistent with the Company's Annual Report 2022.

11 Performance Indicators

Employee Turnover Rate⁷	2022	2021	2020
Employee turnover rate	8%	12%	64%
By Gender			
Male	8%	16%	48%
Female	6%	0%	103%
By Age Group			
< 30	12%	23%	64%
30 – 40	8%	13%	68%
41 – 50	8%	2%	57%
> 50	0%	0%	29%
By Geographical Region			
Mainland China	6%	13%	66%
Hong Kong	60%	8%	0%

Training

Percentage of Employees Trained⁸	2022
By Gender	
Male	79.4%
Female	20.6%
By Employment Type	
Directors and Senior management	5.3%
Middle management	11.5%
Rank and file	83.2%

⁷ The formula for calculating the employee turnover rate: number of employees who left within the Reporting Period/ number of employees in specific category within the Reporting Period × 100%.

⁸ The formula for calculating the percentage of employees trained: number of employees trained within the Reporting Period/ total trained employees × 100%.

11 Performance Indicators

Average Training Hours Completed Per Employee ⁹	2022
Average training hours completed per employee	40.34
By Gender	
Male	38.53
Female	47.31
By Employment Type	
Directors and Senior Management	25.50
Middle Management	40.17
Rank and file	41.32

Safety

Safety Performance	2022	2021	2020
Number of work-related fatalities	0	0	0
Work-related fatality rate	0%	0%	0%
Lost days due to work injury	0	0	0

⁹ The formula for calculating the average training hours completed per employee: total training hours completed by the number of employees in the specific category/ number of employees trained in the specific category × 100%.

11 Performance Indicators

Environmental Performance Indicators¹⁰

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

Emissions ¹¹	Units	2022	2021	2020
Air Pollutants¹²				
Nitrogen oxides	kg	18.88	17.58	25.92
Sulphur oxides	kg	0.47	0.27	0.35
Carbon monoxide	kg	137.76	88.36	108.91
Particulate matter (PM2.5)	kg	3.73	1.97	2.85
Particulate matter (PM10)	kg	3.82	2.04	2.98

¹⁰ The number of employees used for calculating the intensities of environmental performance indicators is the number of employees within this reporting scope as at the end of the Reporting Period.

¹¹ As the average emission factor of the PRC VI Emission Standard has not been released, the on-road and non-road mobile sources that meet the PRC VI Emission Standard are estimated based on the PRC V Emission Standard.

¹² Air pollutant emissions primarily came from on-road and non-road mobile sources. The calculation method of air pollutant emissions and the relevant emission factors for 2022 are the same as those for 2021, with reference to the Road Vehicles Air Pollutant Emission Inventory Preparation Technical Guide (Trial) and the Non-road Mobile Source Air Pollutant Emission Inventory Preparation Technical Guide (Trial) issued by the Ministry of Ecology and Environment of the PRC and the EMEP/EEA Air Pollutant Emission Inventory Guidebook 2016 issued by the European Environment Agency.

11 Performance Indicators

Emissions ¹¹	Units	2022	2021	2020
GHG Emissions				
Total GHG emissions ¹³	Tonnes of CO ₂ e	2,849.95	2,185.81	3,552.68
	Tonnes CO ₂ e/ number of employees	10.25	8.37	13.51
Scope 1: Direct emissions ¹⁴	Tonnes CO ₂ e	74.24	43.21	55.48
Scope 2: Indirect emissions ¹⁵	Tonnes CO ₂ e	2,774.94	2,141.41	3,495.57
Scope 3: Other indirect emissions ¹⁶	Tonnes CO ₂ e	0.76	1.19	1.62
Non-hazardous Wastes				
Domestic wastes	Tonnes	20.52	15.84	40.75
(including food wastes)	Tonnes/number of employees	0.07	0.06	0.15

¹³ The total GHG emissions include scope 1, scope 2 and scope 3 GHG emissions of the Group.

¹⁴ Scope 1 GHG emissions primarily came from on-road and non-road mobile sources. The calculation method of scope 1 GHG emissions and the relevant emission factors for 2022 are the same as those for 2020 and 2021, with reference to the Guidelines for Calculation Method and Reporting Guidance on Greenhouse Gas Emissions for On-road Transportation Enterprises (Trial) and the Calculation Method and Reporting Guidance on Greenhouse Gas Emissions by Other Industrial Enterprises (Trial) issued by the National Development and Reform Commission of the PRC and the Fifth Assessment Report issued by the Intergovernmental Panel on Climate Change (IPCC).

¹⁵ Scope 2 GHG emissions primarily came from the purchased electricity. The calculation method of scope 2 GHG emissions and the relevant emission factors refers to the national grid average emission factor of the Notice on the Work Related to the Management of Greenhouse Gas Emissions Reporting for Power Generation Enterprises in 2023-2025 issued by the Ministry of Ecology and Environment of the PRC and the Sustainability Report 2021 issued by the HK Electric Investments Limited.

¹⁶ Scope 3 GHG emissions include employees' business travel by airplanes. The calculation method of scope 3 GHG emissions and the relevant emission factors for 2022 are the same as those for 2020 and 2021, with reference to the carbon emissions calculator developed by the International Civil Aviation Organisation, a United Nations agency.

11 Performance Indicators

Use of Resources	Units	2022	2021	2020
Energy				
Indirect energy	MWh	4,868.31	3,665.48	4,664.22
(purchased electricity)	MWh/number of employees	17.51	14.04	17.73
Direct energy	MWh	285.80	166.40	210.97
(gasoline and diesel)	MWh/number of employees	1.03	0.64	0.80
Gasoline	L	31,072.35	17,803.21	22,400.51
	L/number of employees	111.77	68.21	85.17
Diesel	L	500.00	550.00	1,095.00
	L/number of employees	1.80	2.11	4.16
Water Resources				
Water	Tonnes	24,727.00	24,916.30	27,542.72
	Tonnes/number of employees	88.95	95.46	104.73

12 Appendix I Laws and Regulations Abided by the Group

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

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

12 Appendix I Laws and Regulations Abided by the Group

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

12 Appendix I Laws and Regulations Abided by the Group

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

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Mandatory Disclosure Requirements	Description	Relevant section or Remarks
Governance Structure	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the board’s oversight of ESG issues; (ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses. 	Sustainability Leadership and Governance, Environmental Targets
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report.	Basis for Report Preparation
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	Reporting Scope

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General Disclosure and Key Performance Indicators (KPI)	Description	Relevant section or Remarks
ENVIRONMENTAL ASPECTS		
Aspect A1: Emissions		
General Disclosure	Relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	Environmental Management Approach, Appendix I
KPI A1.1	The types of emissions and respective emissions data.	Emission Management, Environmental Performance Indicators
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Greenhouse Gas Emissions, Environmental Performance Indicators
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Not applicable as the Group's main business does not involve hazardous waste.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management, Environmental Performance Indicators
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Environmental Targets, Emission Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Targets, Waste Management

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General Disclosure and Key Performance Indicators (KPI)	Description	Relevant section or Remarks
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Management Approach, Appendix I
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Performance Indicators
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Performance Indicators
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Targets, Energy Consumption
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental Targets, Water Consumption
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable as the Group's business does not involve packaging materials.
Aspects A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental Management Approach
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Ecological Environmental Protection, Environmental Management Approach

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General Disclosure and Key Performance Indicators (KPI)	Description	Relevant section or Remarks
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Responding to Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Responding to Climate Change
SOCIAL ASPECTS		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	<p>Relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p>	Human Resources Policy, Appendix I
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Human Resources Indicators
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Human Resources Indicators

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

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

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General Disclosure and Key Performance Indicators (KPI)	Description	Relevant section or Remarks
Aspect B6: Product Responsibility		
General Disclosure	Relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer 	Improving Development Quality, Appendix I
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable as the Group's business does not involve any physical products.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Customer Rights Protection
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Protection
KPI B6.4	Description of quality assurance process and recall procedures.	Recall procedures are not applicable as the Group's business does not involve any physical products.
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Customer Rights Protection

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



China Nuclear Energy Technology Corporation Limited

Address : Room 2801, 28/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong

Telephone : (852) 39830923

Email : info@cnetcl.com