GLOSSARY

"ESG Report" or "The Report"	The Environmental, Social and Governance Report
"The Company"	Beijing Jingneng Clean Energy Co., Limited
"The Group" or "We"	The company and its subsidiaries
"The Year"	the period between 1 January 2017 and 31 December 2017
"PRC"	People's Republic of China
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"BEH"	Beijing Energy Holding Co., Ltd.
"Jingxi Power"	Beijing Jingxi Gas-fired Power Co., Ltd.
"Jingfeng Power"	Beijing Jingfeng Natural Gas-fired Power Co., Ltd.
"Jingyang Power"	Beijing Taiyanggong Gas-fired Power Co., Ltd.
"Gaoantun Power"	Beijing Jingneng Gaoantun Gas-fired Power Co., Ltd.
"Jingqiao Power"	Beijing Jingqiao Thermal Power Co., Ltd.
"Weilai Power"	Beijing Jingneng Weilai Gas-fired Power Co., Ltd.
"Shangzhuang Power"	Beijing Shangzhuang Gas-fired Power Co., Ltd.
"New Energy"	Beijing Jingneng New Energy Co., Ltd.
"Gullen Project"	New Gullen Range Wind Farm Pty Ltd. and Gullen Solar Pty Ltd.
"Lingwu Wind Power Station"	Ningxia Jingneng Lingwu Wind Power Co., Ltd.
"Saihan Wind and Solar Power Station"	Saihan Wind Power Branch of Beijing Jingneng New Energy Co., Ltd.
"Wujiaqu Photovoltaic Power Station"	Wujiaqu Jingneng New Energy Co., Ltd.
"Beitashan Wind and Solar Power Station"	Jingneng Liushi Beitashan Wind Power Station of Beijing Jingneng New Energy Co., Ltd.

ABOUT THE REPORT

The Report is the second ESG Report issued by the Group, which provides detailed information on the principle and various works of the Group in full implementation of corporate social responsibility during the Year. For details of corporate governance, please refer to the Corporate Governance Report of the Group's Annual Report.

SCOPE OF THE REPORT

The ESG Report covers the performance of the Group's core business in environmental management and social responsibility during the Year. The key performance indicators (KPI) as disclosed in the ESG Report are based on the performance of the Group's headquarter and all its subsidiaries. Unless otherwise specified, the currency unit used in the Report is RMB.

REPORTING STANDARD

The Report was prepared in accordance with Appendix 27 the "Environmental, Social and Governance Reporting Guide" under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

INFORMATION AND FEEDBACKS

For details of environment, social and corporate governance of the Group, please visit the Group's official website (http://www.jncec.com/). We value your opinion on this Report. If you have any opinion or suggestion about the Report, please feel free to email us through the following address: dongban@jncec.com.

SPEECH OF THE CHAIRMAN

Dear Shareholders,

The year 2017 marked the implementation of the "Thirteenth Five-Year" Plan. While the national economy maintained steady growth and exceeded the expectation, the energy consumption structure underwent significant optimization. In the face of the complex and volatile external environment and the drastically changing domestic market, the Group overcame challenges through ongoing exploration and seized opportunities in adversity. In pursuit of economic benefits, it strived to produce profits from stock, achieve growth from increment and maintain good development momentum. As of the end of 2017, the Group had a total consolidated installed capacity of 8,031 MW and recorded stable growth in installed capa,03ie.i-.2 (from)15.2 (increment)(1)0.5 (7)0.5 .i-.2 (from)15.2 (5 (0)0.6 (3)0.5 (1)0.5 (,)0

ABOUT THE GROUP

OVERVIEW OF THE GROUP

Established in August 2010, Beijing Jingneng Clean Energy Co., Limited, a subsidiary of BEH, was listed on the Main Board of the Hong Kong Stock Exchange on 22 December 2011. The Group operates its business in a number of provinces and autonomous regions, such as Beijing, Inner Mongolia, Ningxia, Sichuan, Hunan and Guangdong, and involves in gas-fired power and heat energy generation, wind power, photovoltaic power, small-to-medium-sized hydropower and other clean energy generation businesses, which help the Group claim the title of internationally well-known clean energy enterprise, industry-leading clean energy brand, the largest gas-fired heat and power supplier in Beijing and the leading wind power operator in China.

As of 31 December 2017, the total consolidated installed capacity of the Group reached 8,031 MW; installed capacity under construction approximately reached 1,000 MW and project pipeline is over 5,000 MW. Currently, the Group operates six gas-fired cogeneration plants with a consolidated installed capacity of 4,436 MW in Beijing, accounting for over 50% of gas-fired power generation in Beijing and 70% of the heat supply. As a result, it is the leading gas-fired heat and power supplier in Beijing. The consolidated installed capacity of wind power generation reached 2,348 MW with the majority located in Inner Mongolia region, Shaan-Gan-Ning region and Beijing-Tianjin-Hebei region in China where wind resources are abundant. The Group's photovoltaic power generation installed capacity is 798 MW, which is distributed in northwest China, north China and south China regions with relatively abundant solar resource. The Group also operates other clean energy business like small-to-medium-sized hydropower which has an attributable installed capacity of 449 MW mainly distributed in southwest China with abundant water resources. Furthermore, the Group continually explores overseas projects and actively develops wind power and photovoltaic projects in Australia.

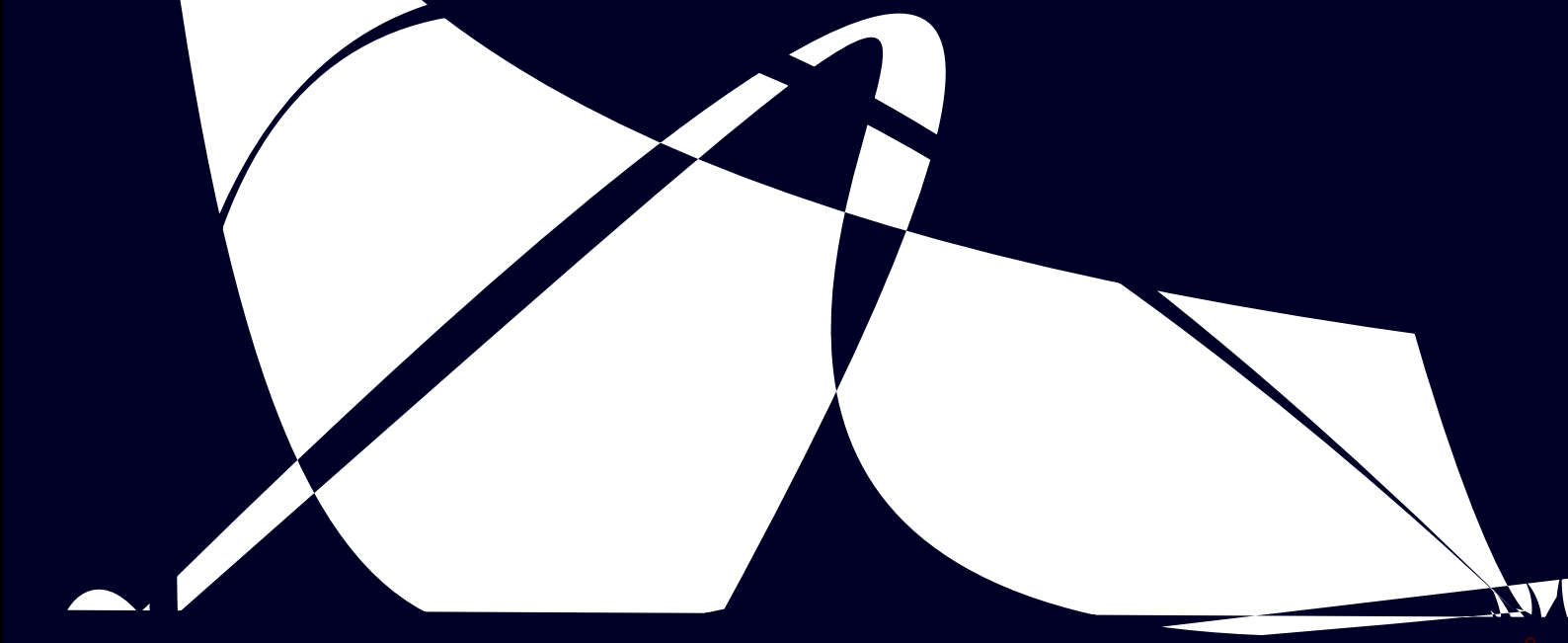
The Group adheres to the development philosophy of "innovation, coordination, green, openness and sharing", while upholds the operating approach of "building a solid foundation, refining management and control, optimizing business plans and boosting efficiency through innovation". In pursuit of economic benefits, it generates profits through existing operation capacity, achieves growth from increment and seeks progress while maintaining stability. It also endeavors to adapt to the new normal in economic development, thus continuously improving its competitiveness and capability for sustainable development.

MAJOR AWARDS AND HONORS

Awardee	Awarding Organization	Name of Award
Jingxi Power	"2017 Jing-Jin-Ji Innovation Summit of Coordinated Development" co-organized by People's Daily Online and Government of Binhai New District	Jing-Jin-Ji Pioneer Influential Brand – 2017 Brand Model of Green Development
	The 4th China Green Development and Ecological Construction Summit cum "China Green Development Good Case Study Report (2017)" Release Conference	2017 China's Most Influential Technological Innovation Brand
	China Electricity Council	2017 Excellent and Quality-proven Enterprise in Electric Power Industry
	China Electricity Council	2017 Excellent QC Group Activity Facilitator in Electric Power Industry
Jingfeng Power	China Electricity Council	2017 China Electricity Power Innovation Award
Gaobantun Power	China Water Resource Electricity Quality Control Association	2017 Excellent QC Group Activity Leader in Electric Power Industry
Jingqiao Power	Beijing Labour Union	2017 Beijing Role Model of Employee Housing
New Energy	China TV Artists Association	Best Short Movie Award in the 5th Asia Short Movie Art Festival Golden Begonia Award, Artisan Module

Stakeholders	Expectation and Request	Communication Channels
Users	• Stable electricity and heat supply • Effective communication channel • Good customer service	• Strict quality control • Seminar and Interview • Customer satisfaction survey • Appropriate response on customers' complaints
Business Partners	• Abide by the code of business ethics • Merchandise fairly and openly • Achieve win-win situation and co-development	• Set up fair and open merchandising policy • Strict quality check and certification system • Enhance communication of the parties • Foster responsibility
Non-government Organizations (NGO)	• Keep close contact and sharing of information • Establish partnership	• Participate in industry exchange meetings • Communicate with NGO and foster interaction among the parties
Employees	• Secure basic rights • Foster skills and career development • Care for employees	• Provide reasonable compensation and benefits system • Provide employee trainings and gather feedbacks • Occupational health and safety management • Meetings with employee representatives and other communication channels • Aid for employees

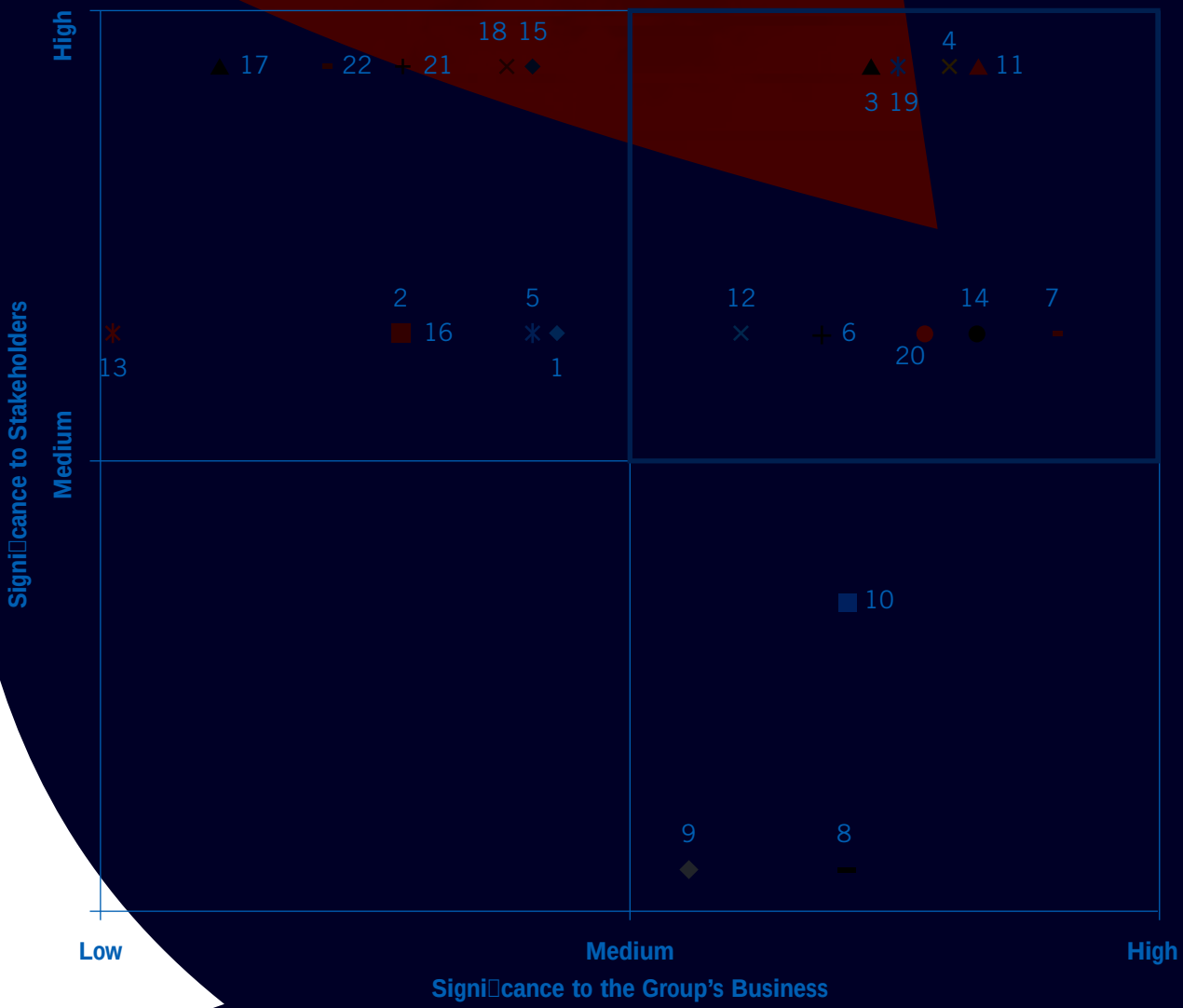
Stakeholders	Expectation and Request	Communication Channels
Community	• Aware of public's livelihood • Engage in public welfare affair • Serve to develop the society	• Boost employment • Enhance development of related industry • Public welfare events
Environment	• Abide by environmental laws and regulations • Effective use of resources • Save energy and reduce emission	• Green electricity supply • Up-to-standard pollutant emission • Develop circular economy by saving energy and reducing emission • Green office and eco-friendly charity events



Priority Assessment

During the process of drafting the ESG report, the Group has authorized an independent third-party consultant to help the Group perform the priority assessment fairly and openly. The implementation of priority assessment has divided into 3 main stages: (i) identified 22 potential material issues in respect of environment, society and governance that may have an impact on the Group's business or the stakeholders based on relevant national and local standards and policies, industry characteristics and the Group's own development; (ii) invited internal and external stakeholders (including employees, management, directors, customers, suppliers and the community) to fill in an online survey, in order to collect and recognize their concern of every issue. (iii) established the two-dimensional matrix as "significance to the Group's business" and "significance to the stakeholders" by conducting analysis on 49 valid questionnaires, so as to determine the priority of the potential material issues. The table below presents the categorization of result based on the survey result analysis.

Environment	Labour Affair	Operation Procedures	Community Investment
1. Air Emission Management	8. Employees' Salary and Benefits	15. Supplier Management	21. Effect on the Community
2. Waste Management	9. Employees' Working Hours and Holidays	16. Customer Health and Safety	22. Direct Economic Value brought to the Community
3. Greenhouse Gas (GHG) Emission	10. Employee Diversity and Equal Opportunities	17. Advertisements and Labels	
4. Energy Management	11. Occupational Health and Safety	18. Customer Privacy	
5. Water Resources Management	12. Development and Education	19. Anti-Corruption	
6. Innovation and Invention	13. Child Labour and Forced Labour	20. Compliance with Product and Service-related Laws and Regulations	
7. Compliance with Environmental Protection Laws and Regulations	14. Compliance with Labour Laws and Regulations		


High
Medium
Low
Signi□cance to Stakeholders
Signi□cance to the Group's Business
18 15
17
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8

Through analyzing the survey result, the Group has confirmed 9 practical issues and disclosed them in detail in the Report.

Practical Issues	Related Chapters
3. GHG Emission	Pollution Prevention and Emission Management, Green Office
4. Energy Management	Resources Consumption and Conservation, Green Office
6. Innovation and Invention	Energy Conservation Improvement, Innovation and Invention
7. Compliance with Environmental Protection Laws and Regulations	Pollution Prevention and Emission Management
11. Occupational Health and Safety	Occupational Health and Safety
12. Development and Education	Talent Development
14. Compliance with Labour Laws and Regulations	Employment Policy and Labour Ordinance
19. Anti-Corruption	Anti-Corruption
20. Compliance with Product and Service-related Laws and Regulations	Safe and Stable Power Supply

FULFILLMENT OF ENVIRONMENTAL MISSION

2017 is the key year of implementing the "13th Five-Year" Energy Plan. General Secretary Xi Jinping has emphasized that "Lucid waters and lush mountains are invaluable assets" several times recently, showing Chinese Government's affirming attitude and determination in promoting ecological progress. Not only is developing clean and low-carbon energy a mission to the Group of this generation, but also an unprecedented developing opportunity to the Group. The Group actively responds to the call of the nation, strictly complies with the environmental protection laws and regulations such as the Environmental Protection Law of the PRC, Law of the PRC on the Prevention and Control of Atmospheric Pollution, Law of the PRC on the Prevention and Control of Water Pollution and Law of the PRC on Appraising of Environment Impacts. While the Group also sticks to the industry's standards and requirements of ISO14001 Environmental Management System, strives to improve the environmental management system, strengthens environmental risk prevention and fosters the environmental protection awareness and responsibilities of all employees.

FOCUSING ON GREEN ENERGY

The Group upholds the development strategy of "scale up gas-powered thermal power, increase presence in wind power, optimize performance of photovoltaic power, restructure hydropower and move forward garbage power", actively utilizes our main green industry as the edge, and contributes to ecological civilization construction. As of the end of the Year, the Group's total installed capacity is 8,031 MW, with the total environmental investment of RMB178.048 million, standard gas usage for power generation of 3,648.12 million cubic meter, which equals to standard coal usage of 4.85 million tonnes. The total power generated during the Year is 25.263 billion kWh, which is equivalent to a reduction of 7.71 million tonnes of carbon dioxide.

Business Type	Installed Capacity *(MW)*	Total Power Generation of the Year *(billion kWh)*	New Project Number of the Year
Gas-powered Thermal	4,436	17.526	–
Wind Power	2,348	4.719	2
Photovoltaic Power	798	1.147	7
Hydropower	449	1.871	–

FULFILLMENT OF ENVIRONMENTAL MISSION

POLLUTION PREVENTION AND EMISSION MANAGEMENT

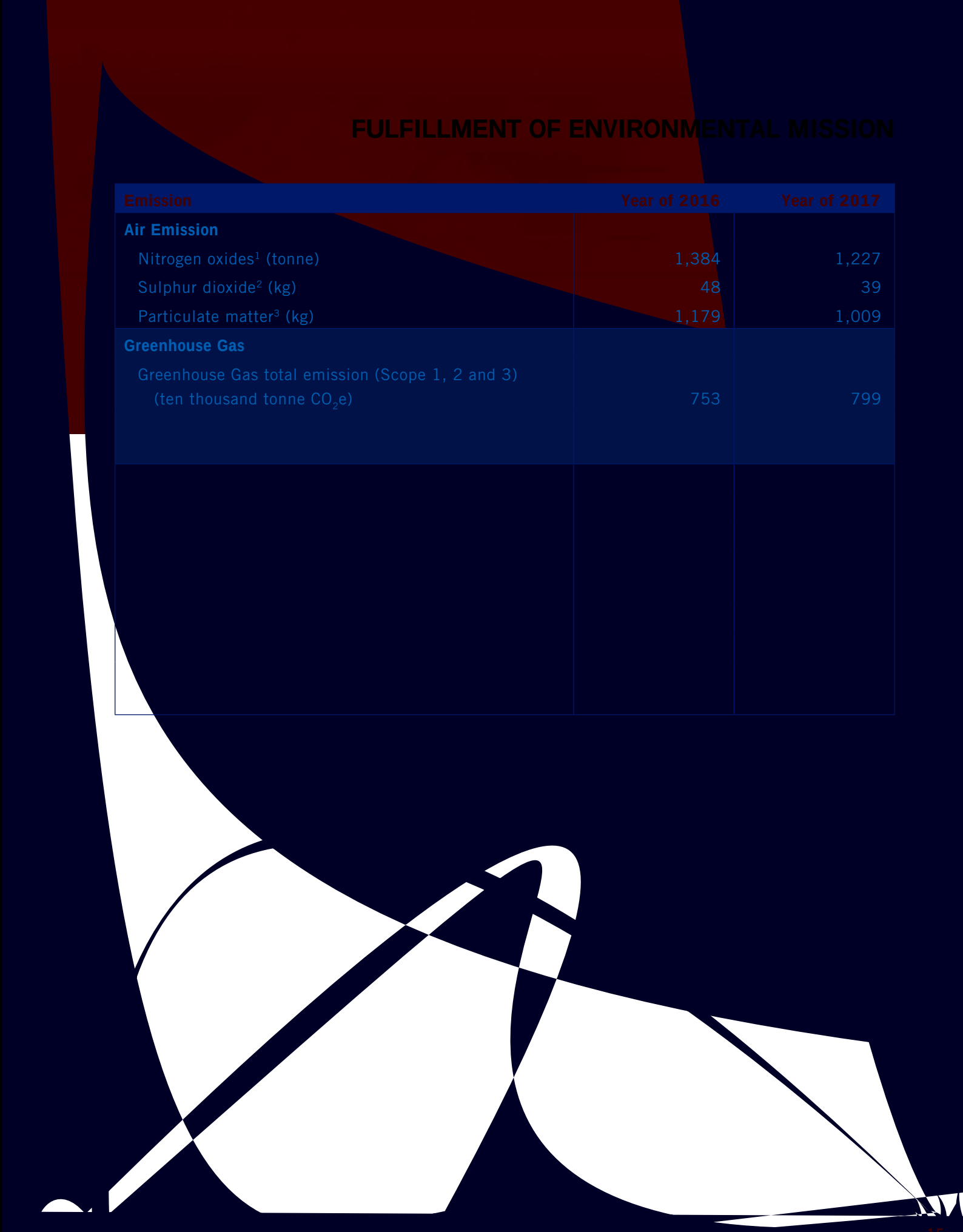
The Group's main business is clean energy supply. During the production process, exhaust gas, wastewater, solid waste and noise are produced. Exhaust gas is mostly emitted from power generation facilities, gas hobs and vehicles that emit sulphur oxides (SO_x), nitrogen oxides (NO_x), and particulate matter (PM) from burning fuels. Among all, exhaust gas emitted from power generation facilities is purified by related facilities before emission. Wastewater is mainly industrial wastewater and domestic sewage and is processed by corresponding wastewater treatment facilities before discharge. Non-hazardous solid waste is mainly daily garbage, which is concentrated, collected and transferred by local environmental department or cleaning company to designated spots for treatment. Hazardous waste mainly include obsolete electric panels, obsolete chargers, waste oil, discarded resin, waste chemicals, waste batteries and obsolete light tubes etc., which are treated in accordance to Regulations on the Safety Administration of Hazardous Chemicals, Standard for Pollution Control on Hazardous Waste Storage (GB 18597-2001) and other related laws and regulations. Wastes are collected and stored by categories and managed specifically. At last, they are transferred to certified third-party organizations or recycled by manufacturers for non-hazardous disposal, without being discharged to the surrounding. Noise management facilities are located in the source of noise.

In order to strengthen environmental supervision, assure safe, stable and economic operation of environmental protection facilities, ensure all wastewater, exhaust gas, solid waste and noise emitted from production process is discharged within standard after treatments and avoid negative impact on the environment, the Group continues to abide by Environmental Protection Management Standard, Environmental Technique Supervision Measures and other environmental protection systems.

The Group's emission data during the Year are listed in the table below. Natural gas is an internationally recognized clean energy. The gas power generation enterprises of the Group are responsible for the main energy supply tasks in the central city of Beijing. According to the Administrative Measures for Automatic Monitoring of Pollution from Stationary Source in Beijing, gas power generation enterprises do not need to report the emission data of sulphur dioxide and particulate matter. While considering the operation fact that the amounts of the above-mentioned two emissions of gas power plants are small, the plants have no longer monitored and reported the two emissions data to the Environmental Protection Department since 2017. Therefore, the data are no longer disclosed in the ESG Report.

FULFILLMENT OF ENVIRONMENTAL MISSION

Emission	Year of 2016	Year of 2017
Air Emission		
Nitrogen oxides[1] (tonne)	1,384	1,227
Sulphur dioxide[2] (kg)	48	39
Particulate matter[3] (kg)	1,179	1,009
Greenhouse Gas		
Greenhouse Gas total emission (Scope 1, 2 and 3) (ten thousand tonne CO_2e)	753	799



FULFILLMENT OF ENVIRONMENTAL MISSION

RESOURCES CONSUMPTION AND CONSERVATION

FULFILLMENT OF ENVIRONMENTAL MISSION

The resources that the Group directly consumes include fuels such as natural gas, diesel, liquefied petroleum, and water. The Group has no problems in obtaining the applicable water source and does not consume a large amount of water resources. Further reduction of water consumption is not a priority for the Year. During the Year, the details of energy and water resources consumption of the Group are as followed:

Use of Resources	Year of 2016	Year of 2017
Energy		
Energy consumption (MWh)	43,428,793	40,096,572
Energy consumption intensity (MWh/hundred million kWh)	165,626.00	158,716.59
Total direct energy consumption (MWh)	43,337,440	39,898,088
Total indirect energy consumption (MWh)	91,353	198,484
Water[6]		
Total water consumption (m^3)	1,816,377	1,801,203
Intensity of water usage (m^3/hundred million kWh)	6,927.18	7,129.81
Packaging material		
Total packaging material used (tonne)	Not applicable[7]	Not applicable[7]
Average packaging material used for each product (tonne)	Not applicable[7]	Not applicable[7]

6 The data here only includes the amount of fresh water, excluding the amount of water used for heating. The Group updated the data of 2016 with reference to the statistics caliber of 2017.

7 The Group's business does not involve product packaging, thus the data of packaging material is not disclosed.

FULFILLMENT OF ENVIRONMENTAL MISSION

ENERGY CONSERVATION IMPROVEMENT

As a responsible clean energy provider, the Group regards energy conservation, enhancing energy efficiency and reducing environmental pollution as our inner motives and pursues to the sustainable and healthy development. In order to further reduce pollutant emission and energy consumption, and improve the surrounding ecological environment, the Group's subsidiaries continued to scale up the investment in environmental protection, while upgrading and enhancing the energy conservation and emission reduction efficiency of the power-generating and environmental protection facilities.

Jingxi Power	• Project of improving NO_x-removal technology in Gas-fired generating units furnace achieved significant results, and the extent of NO_x reduction reached 80%; • Completed the online smoke monitoring system of 3 exhaust heat boilers and improved the ammonia-escaping system, which laid the foundation of achieving further emission reduction target
Jingqiao Power	• Improvement on the technology to reduce pollutant emission of exhaust heat boilers is ongoing: Base on the parametric analysis of exhaust heat boiler design, we constructed a 3D model of ammonia injection grid in exhaust heat boiler to simulate flue gas flow field distribution, separate the ammonia injection grid into many modules, performed an optimized simulation on individual module, verified the effectiveness in a complete SCR model, ensure the efficiency of denitration and automation of ammonia injection (after improvement, boiler NO_x emission can fall below 5mg/Nm³ and ammonia escaping rate can fall below 3ppm, which is an ultra-low elow 5mg/Moval • 905forml ofient on the tfant emission of exhaf
Weilai Power	
Shangzhuang Power	• Every boilers and furnace in the building were equipped with the advanced NO_x-removal technology. The goal of NO_2 emission under 30mg/Nm³ was achieved

GREEN OFFICE

The Group advocates the concept of low-carbon and eco-friendly office. We encourage all employees to start from small acts, and reduce daily consumption of office supplies such as water, electricity and paper in order to reduce energy consumption, pollutants and carbon emission. Measures that the Group has implemented to conserve water, electricity, paper and office supplies are as followed:

Water Conservation

- Have more frequent maintenance of water meters, water pipes and equipments involving water usage to stop water leakage and dripping
- Put up slogans of water conservation in toilets

Electricity Conservation

- Put up slogans of electricity conservation in office
- Remind staff to turn off electric appliances and office equipments when not in use
- Fully utilize natural lighting and wind, and reduce the use of lighting equipments and air-conditioners
- Adjust air-conditioner temperature timely according to season change, and keep the air-conditioner temperature above 26℃ in summer
- Carry out maintenance and cleaning of air-conditioner, to ensure air-conditioner is working properly
- Use energy conservating luminaire, avoid using lights throughout the day or light loss, and adjust lights according to weather and season

Paper and Office Supplies Conservation

- Put up slogans of paper conservation in office
- Promote duplex printing, put aside single-sided papers and use as recycling paper
- Promote e-business progress, advocate zero-paper office
- Fully utilize emails, intranet, communication software and other channels to spread message and circulate documents, avoid copying and printing of documents
- Reduce the use of disposable products such as paper cups, purchase high energy efficiency and reusable office supplies instead

Business Trips

- Put up promotions slogans of green office actions on notice board
- Fully utilize video meeting system, and avoid unnecessary business trips
- Encourage staff to use eco-friendly travelling ways
- Reduce the use of official vehicles and oil consumption, and carry out vehicle maintenance regularly

FULFILLMENT OF ENVIRONMENTAL MISSION

ECOLOGICAL CONSERVATION

During the development, construction and operation stages of the project, the Group consistently underscores biodiversity and animal habitat protection by strictly implementing the "Three Simultaneous" mechanism of construction project, conscientiously conducting environmental supervision and land, vegetation and ecological protection and recovery and making every effort to minimize the ecological impact brought by production and operation process to create a healthy and harmonious ecological environment.

Yingjiang Hydropower

- In order to minimize the damage to provincial natural reserve brought by Nabang hydropower station, the company puts environmental protection as first priority, and implements TBM (Tunnel Boring Machine) method for water-conveyance tunnel construction to avoid fragmentation of the reservation area. Nabang hydropower station is the first project in the country to adopt TBM method during construction for the sake of environment protection.

Australian Project

- In order to protect large owls, every year Gullen Project stops 4 wind turbines from November to March next year for migration of large owls. The determination of the company towards birds protection has been highly appreciated by the government.

CONCERNING EMPLOYEE BENEFITS

Upholding the management philosophy of "People-oriented and pursuit of excellence" all the time, the Group endeavors to create a comfortable and healthy working environment as well as harmonious and excellence-driven working atmosphere, and strives to build a team with best capable talents. We strictly conform to the Labour Law of the PRC, Labour Contract Law of the PRC, Social Insurance Law of the PRC, Law of the PRC on the Prevention and Control of Occupational Diseases and other labour-related laws and regulations, care for the physical and mental health of employees and protect all rights of employees in accordance with the laws and regulations. Through initiating and constantly improving the human resources management system, employee allocation, trainings, assessments and reward system as a whole, we aim to explore and reach the potential of talents, utilize their values, optimize talent structure and facilitate the growth of employee with the Group.

EMPLOYMENT POLICY AND LABOUR ORDINANCE

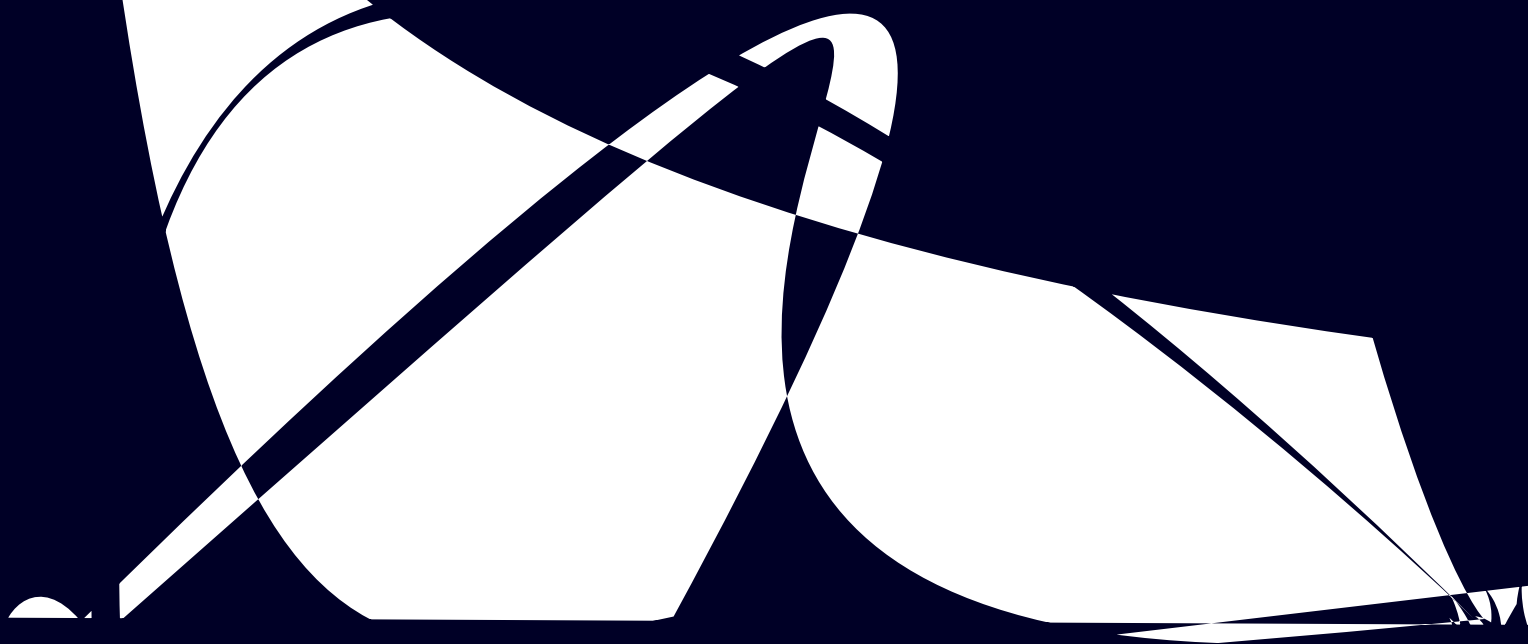
The Group upholds the fair and non-discriminative employment policy. We strictly follow different internal management system such as Recruit, Hire and Leave Management Measures, Employee Assessment Management Measures, Employee Training Management Measures, etc. to hire, assess, train and manage our employees without treating employees differently on grounds of gender, age, race and religion. As of the end of the Year, the Group has 2,763 employees in total. The age of employee tended to be lower, with 50% of employees under 35 years old. The education level of employees is generally high, and almost 55% of employees in total hold a bachelor degree or above. The details of age and education level of employees are as followed:

Age Demographic			Education Level demographic		
Age	Number	Ratio	Education Level	Number	Ratio
35 or under					

CONCERNING EMPLOYEE BENEFITS

Employee recruitment of the Group is mainly open recruitment with the help of internal recommendation. During recruitment, the Group selects suitable talents based on criteria such as academic background, moral, ability, experience and physical condition, by sticking to the principle of focusing on both ability and political integrity as well as fairness and transparency. This ensures we put the right people at the right place and foster an appropriate and dynamic team formation. The Group abides by the Provisions on the Prohibition of Using Child Labour and related laws and regulations, and performs background and identity check of employees to ensure a legal employment. When an employee is leaving the Group, other than completing the leave procedures and paying the wage, the Group will also communicate or interview with them to understand the reasons of leaving and collect feedback or suggestions, which can further improve the Group's business operation.

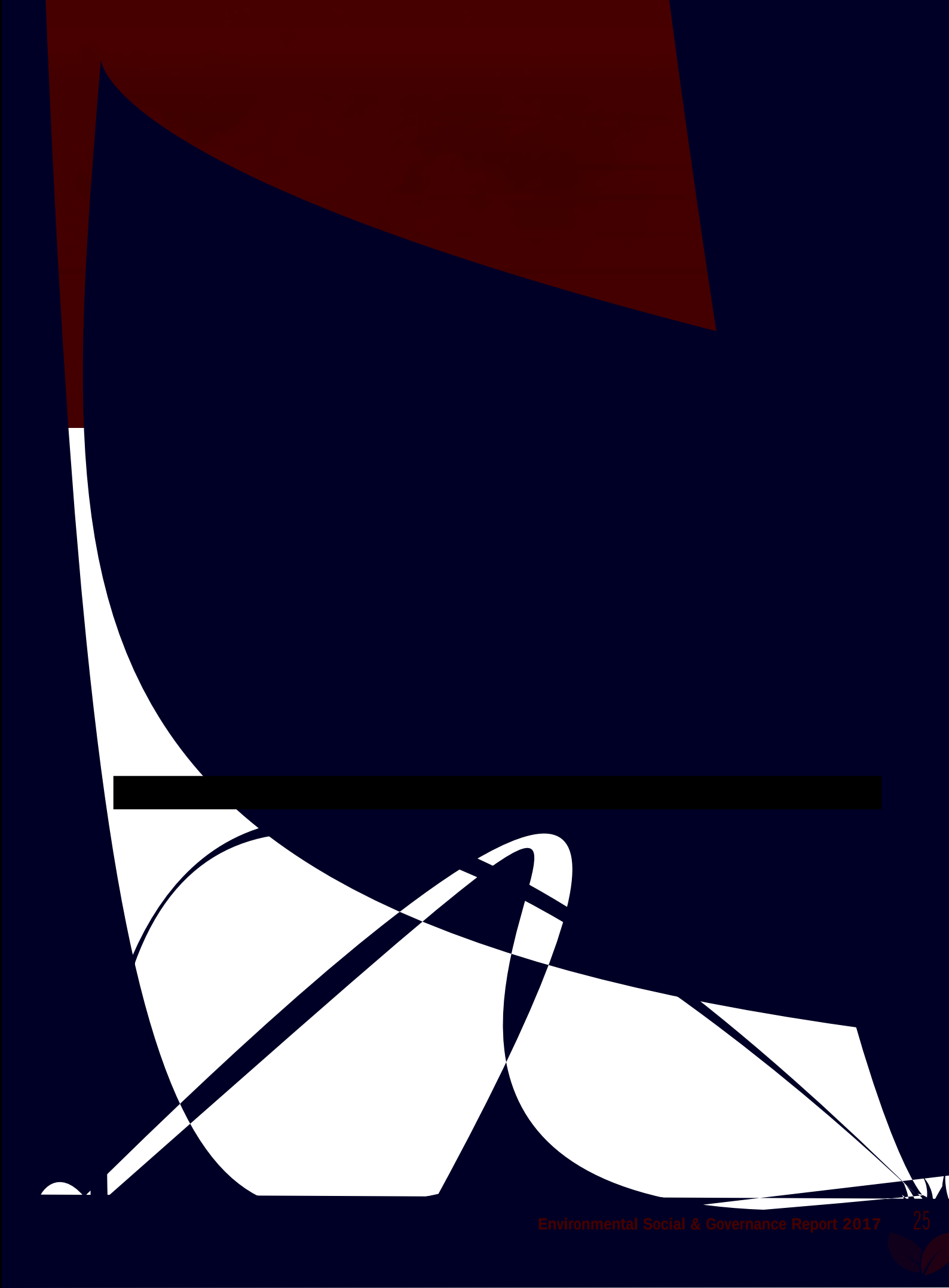
On the basis of the responsibility system for management goals, the Group further establishes overall employee performance appraisal system and sets up multi-level reward mechanism: Salary management adheres to the principle of fairness, incentive and legitimacy. Salary of employees is composed of basic salary and performance bonus while the total salary is determined by overall employee performance appraisal and the personal performance is related to the personal appraisal performance. Through establishing precise management goals, the Group performs an annual performance appraisal and



CONCERNING EMPLOYEE BENEFITS

In the aspect of working hours, the Group adopts standard working hour system. Employees work 8 hour per day and 40 hours per week. The Group is opposed to any forced labour acts. Employees are entitled to compensation leave and time off in lieu if they work overtime due to position requirements.

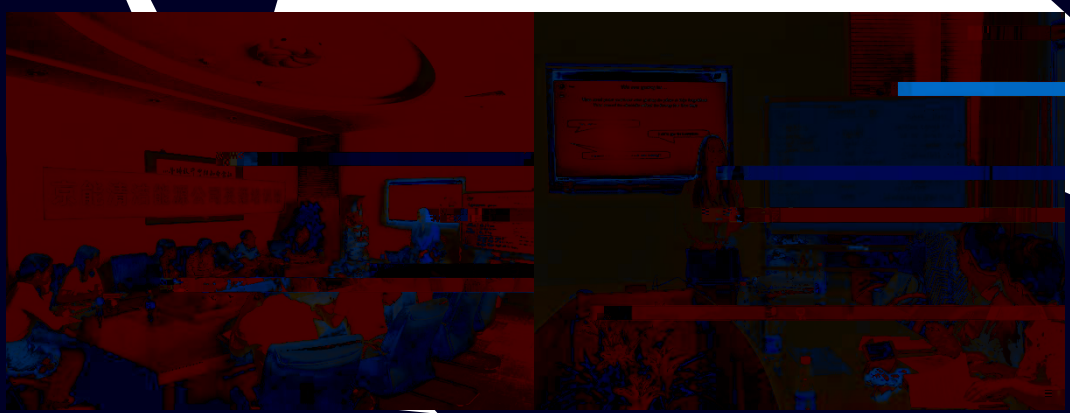
Indicator	Unit	Year of 2016	Year of 2017
Number of management at mid-level or above	person	339	394
Number of female management at mid-level or above	person	51	57
Ratio of female management at mid-level or above	%	15	14
Number of physically challenged employees	person	12	11
Signing rate of employee contract	%	100	100
Coverage rate of social insurance	%	100	100
Percentage of employees joining labour union	%	100	100
Average paid annual leave	day	9	9



CONCERNING EMPLOYEE BENEFITS

Headquarters – English Training Program

In response to the Group's strategy of expansion and to create an international organization atmosphere, the Group organized an English training program during the Year. Through interactive small class teaching, daily work scenarios were integrated into the program content and practical oral skills were taught to employees. There were one phase, 2 classes and 53 lessons for the training. 26 students participated in the training and 13 participated in the assessment with the passing rate of 100%. This training has boosted the confidence of employees in English communication and enhanced their English oral level. On 23 November, an English training outcome showcase in the form of English Dubbing competition was organized, in order to present the learning outcomes of students. The atmosphere on the spot was welcoming and employees were enthusiastic in English learning, which created an active English learning atmosphere within the Group.



Ningxia Branch of New Energy – Professional Training

From 29 November to 30 November, 2017, Ningxia Branch of New Energy organized a professional training on wind turbine technology supervision profession, the maintenance and prevention experiments of electric transmission and transformation equipment, and communication and electricity safety protection. A total of 175 employees from technical supervision personnel from the branches and affiliated stations participated in the training. This training allowed participants to have a deeper understanding of wind turbine technology supervision and work related to the maintenance and prevention experiments of electric transmission and transformation equipment, which improved their technology supervision management level and the responding ability to errors in electrical system automation and communication equipments, enabled them to know the safety and protection requirements of electrical supervision systems and laid a solid foundation of the company's technology supervision management.

OCCUPATIONAL HEALTH AND SAFETY

The Group strictly implements the internal management systems such as Occupational Health Management Measures and Labour Protection Articles Management Measures, in order to provide a working environment and condition which is up to the national occupational health standard. New employees are required to receive safety production education from the Safety Production Department, safety production trainings and other trainings before start of work. They are also requested to sign safety agreements and other related documents. They are allowed to process the admission procedures only after passing the trainings and receiving the working permit from the Safety Production Department. The Group also actively promotes engineering technology reforming, increases the protection of employees with special duties, improves employee occupational health examination, constructs emergency plan, and performs regular drills and other related measures to prevent and control the occupational risks. In addition, the Group also strictly conforms to the Special Rules on the Labour Protection of Female Employees of the country to protect the labour rights of female employees during the pregnancy, maternity, and lactation.

CONCERNING EMPLOYEE BENEFITS

Jingxi Power – Psychological Health Talk on effective communication in workplace

The talk was delivered by senior lecturer of Chinese Academy of Sciences cum National Grade 2 Counseling Psychologists, and more than 60 employees of the company attended the talk. The talk was conducted in an interactive way that speaker led the communication between participants and colleagues sitting by, and guided participants to think and perform active communication in the workplace through the sharing of speaker's own counseling experience and playing a paper slip passing game. This talk deepened employees' understanding in the "funnel" phenomenon during message delivery attenuation and the importance of using communication tools properly in workplace.

New Energy Wujiaqu Photovoltaic Power Station and Beitashan Wind and Solar Power Station – Occupational Health Knowledge Training

In order to further increase the occupational health awareness and emergency care ability of employees, Xinjiang Project Preparation and Construction Office co-organized an occupational health knowledge training with Wujiaqu Photovoltaic Power Station and Beitashan Wind and Solar Power Station on 25 October, 2017. The training cordially invited the senior lecturer from Chinese Centre for Disease Control and Prevention Xinjiang Station to talk about the categories and harm of occupational diseases, ways to prevent occupational diseases and use medical supplies properly, and ways to perform emergency care when in emergency situation. The speaker also gave real-life examples by showing slides and demonstrating on the spot, which warned against the harm brought by occupational and daily diseases. This training deepened employees' understanding in emergency care knowledge and occupational diseases and laid the foundation on employees' healthy lifestyle.

CARING FOR EMPLOYEES

Employee Welfare

The Group conscientiously implements management systems such as Social Insurance and Housing Provident Fund Management Measures, Enterprise Basic Medical Insurance Management Measures and Labour Welfare Management Measures, and settles social insurances and housing provident fund for employees in accordance with laws and regulations. Employees are entitled to holidays, such as national statutory and public holidays, paid annual leave, home leave, marriage leave, funeral leave and maternity leave. They are also entitled to allowances such as heatstroke prevention subsidy and winter heating allowance. Other than that, the Group intents on building harmonious labour relationship. We actively carry out activities such as sending warmth, sending cool, sending blessings and sending greetings, send seasonal blessings to employees and increase welfare benefits according to enterprise's economic efficiency, in order to increase the sense of belonging and happiness of employees.

CONCERNING EMPLOYEE BENEFITS

Employee Activities

In order to promote cohesion among employees and happiness in individual employee, the Group organizes a variety of leisure activities each year to help employees reach the work-life balance, such as fun athletic meeting, choir competitions, food culture festival, photography and art exhibitions, radio calisthenics competitions and fishing competitions.

CONCERNING EMPLOYEE BENEFITS

The Group also provides rich rewards to employees with excellent results through organizing different competitions such as skills competition and labour emulation, in order to unleash employees' enthusiasm towards work, improve operation skills of employees and enhance the construction of a high-quality team.

Inner Mongolia Branch of New Energy – The 7th Jingneng Cup Wind Turbine Operation Skills Competition

From 23 to 25 June, 2017, the 7th Jingneng Cup Wind Turbine Operation Skills Competition cum Inner Mongolia Autonomous Region Regional Electricity Generation Personnel Professional Skills Preliminary Selection Competition 2017 was held in Inner Mongolia Branch Shangdu Wind Power Station. This skills competition was hosted by New Energy Labour Union, organized by Inner Mongolia Branch, and led by other company branches, with about 120 participants of leaders of branches competitors, professionals and judges. The competition was separated into 3 modules: Theory Competition, Wind Turbines Practical Operation and Box Substation Practical Operation. Judges who are expertise in wine turbines and box substation operation designed questions on the spot with reference to the level of National Wind Turbine Operation Skills Competition, to assess contestants' theoretical knowledge and ability of on-the-spot operation and handling malfunction. As of this Year, New Energy has held 7 sessions of Jingneng Cup Wind Turbines Operation Skills Competition, cultivated the atmosphere of "learning through competition, excellence through practicing" among the wind power stations, selected a bunch of outstanding professionists, further enhanced the growth of talents, optimized the talent structure and secured talents for the company's strategic development.

CONCERNING EMPLOYEE BENEFITS

Helping Employees in Difficulties

The enterprise needs employees to create value, while employees need the care and protection from the enterprise. The Group endeavors to create a caring and harmonious big family. We put personal interest of employees at first, provide assistance to employees and increase employees' sense of belonging. The Group has established and implemented Employees Assistance Mechanism for Employee in Difficulties. Through opening profiles of employees with difficulties, we regularly visit and understand the situation of employees and help to solve their difficulties in medical, living and children schooling as well as other aspects. During the Year, the Group has invested RMB278,500 in employee assistance and 45 employees have benefited from it.

IMPROVING PRODUCTION AND OPERATION

During the enterprise development, the Group has been creating values in the society through striving to improve each element in our business operation and keep a close eye on the origin and process of power generation, so as to deliver stable power supply and make continuous value for the society.

SUPPLY CHAIN MANAGEMENT

The Group places emphasis on supply chain management, and aims to achieve win-win development through establishing long-term supply and demand relationship which is mutual beneficial. With the purpose of lowering procurement risk and maximizing the value of supply chain management, the Group has established Supplier Management Measures, Bidding Management Measures and other management systems to implement mechanism for suppliers entrance, and regularly assess their enterprise management level, credibility, product quality, delivery and service performance. The Group combines quarterly and annual review, as well as business and production review to achieve centralized management by dynamic assessments. We support the strong while eliminate the weak, while strengthen supplier risk management, advocate fair competition, abide to bidding laws and regulations, oppose to bribery and corruption, and enhance the awareness and ability of supplier responsibility fulfillment.

On the other hand, in order to facilitate our partners to fulfill their social responsibility continuously and create a sustainable supply chain, the Group includes elements of social responsibilities into supply chain management, makes requirement regarding compliance of laws and regulations, environmental protection, labour rights, and integrity management upon suppliers, sets up social responsibility training mechanism with regards to suppliers, opens training courses on environment, health and safety, and facilitates the fulfillment of supplier responsibility. During the Year, the Group's supplier partners have no significant negative news.

SAFE AND STABLE ELECTRICITY SUPPLY

Safety production is the foundation and guarantee of enterprise development. The Group holds tight to the management policy of "Safety Come First, Prevention as Principle, Governance as Whole", continuously improves and implements various of safety production related systems such as Safety Production Responsibility System Management Measures, and Investigation and Governance of Accidents and Uncertainties Management Regulations. We regularly initiate "Safety Production Month", clearly state the safety production responsibility of different levels of responsibility bodies, increase the management of fire protection supervision, regulate the transport, storage and use of flammable and explosive substances, and organize safety trainings widely, which serve to increase the quality of production workers, improve the reporting, investigation and management of safety production issues, and enhance the investigation and management of safety uncertainties, in order to secure a safe and stable power supply.

New Energy – "New Energy Cup" Wind Power Safety Knowledge Competition

The competition has been held for the past 7 years. Starting with the mode of question answering, scale of participation and the coverage of competition and knowledge, New Energy has been enriching and innovating the content and mode of safety production education, which effectively prevented production safety accidents and ensured the stability of safety production trend. The competition attracted 18 teams with 54 participants from New Energy, and the competition scale reached new heights. The competition was awarded "The Best Implementation Activities Award" of Beijing Safety Production Month 2017.

IMPROVING PRODUCTION AND OPERATION

During the Year, the Group continued to stick to the safety production management principle, by achieving the safety production goals of "Ten No (十不發生)"[8], constructing and signing the safety goal pledge and the "Four Do Not Hurt (四不傷害)"[9] guarantee with each level involving in direct projects. Also, through conducting inspection projects such as "Spring Inspect", "Autumn Inspect", summer peak inspect, wind power station inspect, inspect for the secure electricity supply during the 19th National Congress, inspect of wind-proof, fire-proof, freeze-proof and frost-proof, job ticket inspect, safety inspection by external expertise and self-inspection, and fire protection risk inspection, the Group conducted thorough examination on every business segment, revised and followed up on problems discovered, in order to achieve a safety uncertainties management loop. Furthermore, we further reinforced the facility management, underscore facility maintenance, optimized maintenance operating plan and enhanced the operation level of generator set according to the operation characteristics of each business sector. During the Year, the Group had no record of accidents involving workers and equipments. The average hourly usage of wind power and photovoltaic power were higher than the national average levels.

Indicator	Unit	Year of 2016	Year of 2017
Investment for safety production	ten thousand RMB	4,968	5,370
Number of emergency drills	time	239	356
Participants of production safety training	person-time	39,483[10]	48,963
Number of major equipment accident	time	0	0
Number of general equipment accident	time	0	0
Number of casualties and fatalities of employees	%	0	0
Number of unscheduled stoppage	time	6	8
Equivalent availability factor of unit	%	95.44	93.88

8 No personal death, serious accidents involving more than three people, no major fire accidents, no major equipment accidents, no major vicious misoperations, no power outages of the whole station and serious damage to the grid safety, no dam dams In the case of dam accidents and major collapse accidents, no large-scale stop heating accidents, no occupational health injuries and collective food poisoning accidents, no major traffic accidents with equal liability or more, no direct economic losses of more than RMB5 million.

9 Do not hurt others, do not hurt yourself, do not be hurt by others, protect others from harm.

10 The data differ from the statistics caliber of 2016. The Group updated the data of 2016 with reference to the statistics caliber of 2017.

INNOVATION AND INVENTION

2017 is the key year for the "13th Five-Year" Plan, as well as the electricity system reform. Together with the development of electricity system, the Group actively seeks opportunities for development, increases the core competitiveness of the enterprise through technology innovation, and gains power while achieves breakthrough, which provides endless energy to the enterprise development. The Group has established a complete technology management system, and implemented Technology Improvement Award Measures, Key Technology Project Management Measures, Technology Capital Management Measures and other management systems, to regulate technology project management and provide good condition and environment to inspire innovation in technology talents and facilitate invention. The Group fully supports technology talent cultivation, increases technology trainings for employees and builds a platform for internal technology innovation exchange. We encourage employees to participate in technology innovation exchange, gain industrial insight and strengthen their technology innovation ability. During the Year, the Group received 15 QC result award, and obtained 23 patents.

PRIVACY PROTECTION

The Group has formulated and implemented Employee Behavior Standard and Code of Conduct, which stated clearly that all employees shall not disclose any exclusive data to third party unless upon approval. The Group also requests that all employees whose job involves confidential information and intellectual property content must sign the post confidentiality agreement. After employees resign, they shall abide by the "non-competition principle" to keep the secret confidential, if the positions they held involves confidential information and contents. The Group shall reserve the right to pursue legal actions under the condition of divulging secrets to enterprise and country that result in great loss.

CONTRIBUTING TO COMMUNITY HARMONY

Up till now, the Group has paid close attention to the welfare of the community where it operates and consistently and proactively fulfills the social responsibility as a state-owned enterprise. On one hand, the Group fully devotes itself to charity and public welfare through donation for schools, earthquake relief work, and voluntary services, etc., to consistently contribute to the needy in the society. On the other hand, we respond to the call of the government by launching targeted poverty alleviation in many less prosperous areas and enhancing the living quality of the less prosperous population.

CHARITY AND PUBLIC WELFARE

The Group widely organizes public welfare events such as making donation for schools, donating used items and organizing voluntary services. We also encourage employees to engage in the above-mentioned events to express our care and support towards the local community.

Jingyang Power – Charity Donation to Children's Village

On 7 April, 2017, Jingyang Power gathered Youth League volunteers to join the "Love Giving" voluntary donation event in Shepherd's Field Children Village, which is a public welfare organization adopting special-needs orphans. The items in the donation were donated by all the employees in the associated departments under the branch with the call from each Youth League Branch, and the event was largely supported by the employees. The event raised RMB1,0501,05hM5 ((e)0.5 (e)0.5 ($)0.6 .5 (M5 f(

Weilai Power – "Bringing Electricity Knowledge in Campus" Voluntary event

On 14 March, 2017, Youth League Branch of Weilai Power organized the 2nd "Bringing Electricity Knowledge to Campus" voluntary event. The company's Xueleifeng Volunteer Team had their second visit to Future Sci-Tech City School, an Experimental Primary School of Beijing Normal University, and delivered the "Natural Gas Safety Knowledge" talk to students. Through photos, comics, tongue twisters, videos and other delivery methods that were popular among students, the voluntary teacher taught students the basic knowledge of natural gas, and the danger and safe usage of natural gas and other knowledge about natural gas. Other than that, the teacher also demonstrated how to use detector to detect natural gas and how to use thermometer. This event not only strengthened the awareness of volunteers on being kind, responsible and willing to serve, but also enhanced the connection among the company and local community.

CONTRIBUTING TO COMMUNITY HARMONY

New Energy – Chairman Mao Zedong Memorial Hall Voluntary Event

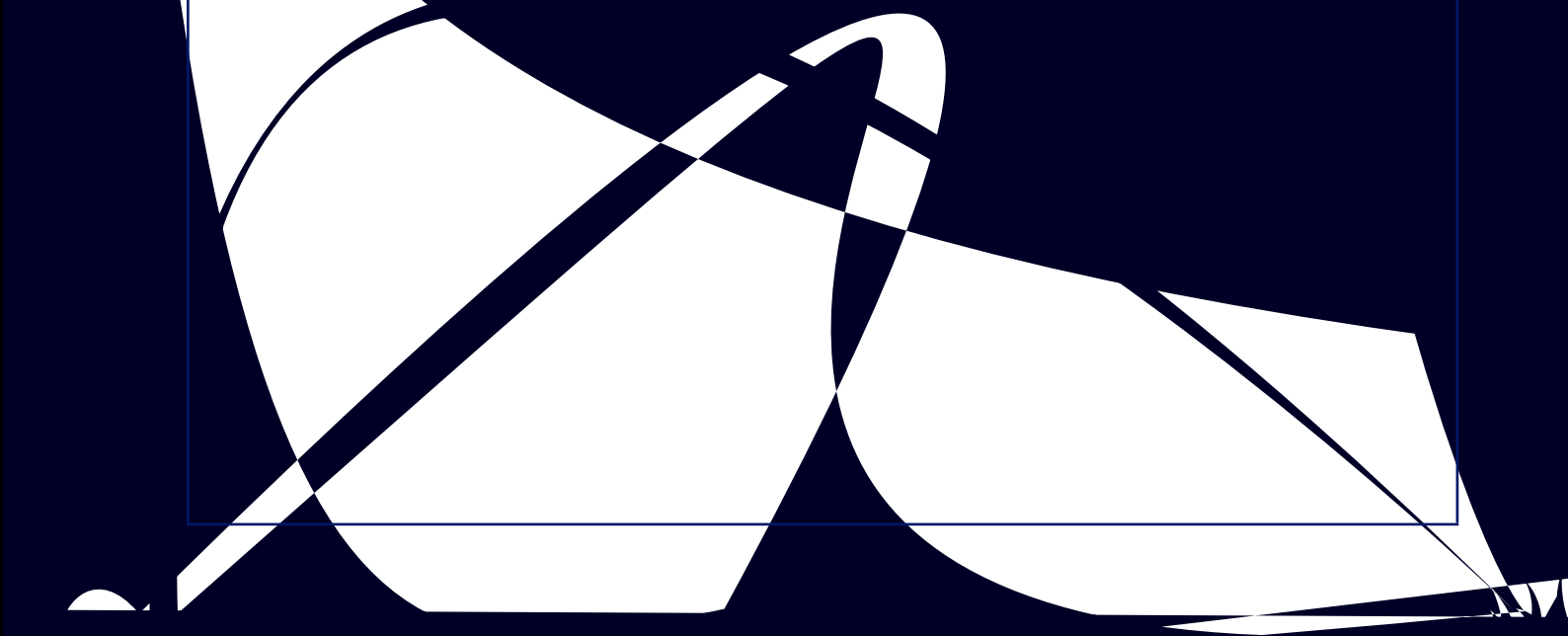
From 16 to 22 September, volunteer representatives from New Energy organized and participated in "Be Chairman's guard, Serve the People" – Chairman Mao Zedong Memorial Hall Voluntary Event with the 46 volunteers from BEH. They guided tourists to queue, answered queries from tourists and helped tourists in need to make their wishes of having one last look at the deceased come true. The volunteers woke up at 4:30 am and reached station in the memorial hall at 6:00 am every day. They patrolled around the memorial hall with more than 20,000 steps during their 6 hours voluntary service. Volunteers from New Energy had been recognized by memorial hall staff for their good performance and strong determination. The voluntary service served 186 groups and 159,435 persons, helped 951 persons on wheelchairs and children carts and answered 572 queries.

TARGETED POVERTY ALLEVIATION

Other than engaging in public welfare affairs, the Group also pays close attention to the people in difficulties of the community where it operates. We offer help to the needy through poverty alleviation, hoping to help them overcome the difficulties.

New Energy – Helping Shixia Village

With the aims of extending the income channels and leveraging the living quality of Shixia villagers, BEH's aid team set the goal of assisting Shixia Village to develop distributed photovoltaic power in



OVERSEAS CONTRIBUTION

While exploring our overseas business, the Group also puts efforts in integrating into the local community, facilitating a harmonic economic, social and environmental development in the project location and building a responsible overseas enterprise image. Australia Gullen Project not only provides AUD150,000 social funding to the local community, but also organizes various exchange activities with the local community. For instance, the power generation site is opened to the local community and residents regularly. Through touring around the power generation equipments and face-to-face communication between visitors and employees of the power generation site, we show the power generation site operation in reality to local community and residents, popularize renewable energy knowledge, deepen the community's understanding in power generation site and new energy, and encourage students to learn and engage in clean energy applied technology development. In addition, the project has largely supported the community economic development and employment through social cooperation mechanism, c(c)0.5 (h)0.5 (a)0n ⊠Lang (zh-TW)/iyU20.5Oo cgandarious ways, which accumulatyU2 support and hence lay a foang (zh-TW1n ⊠Lang a)0.5 (t)0.5 (i)0.5 (o)0.5 (n)0.5 ( )0.5 (t)0.6 (o)0.5 ( )0.5 (l)0.5 (o)0.5

APPENDIX: CONTENT INDEX OF ESG REPORTING GUIDE

ESG Indicators	Description	Section	Page
A1 Emissions			
General disclosure	Information on: (a) The policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Pollution Prevention and Emission Management Energy Conservation Improvement	14 18
KPI A 1.1	The types of emissions and respective emissions data.	Pollution Prevention and Emission Management	14
KPI A 1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Pollution Prevention and Emission Management	14
KPI A 1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Pollution Prevention and Emission Management	14
KPI A 1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Pollution Prevention and Emission Management	14
KPI A 1.5	Description of measures to mitigate emissions and results achieved.	Pollution Prevention and Emission Management Energy Conservation Improvement	14 18

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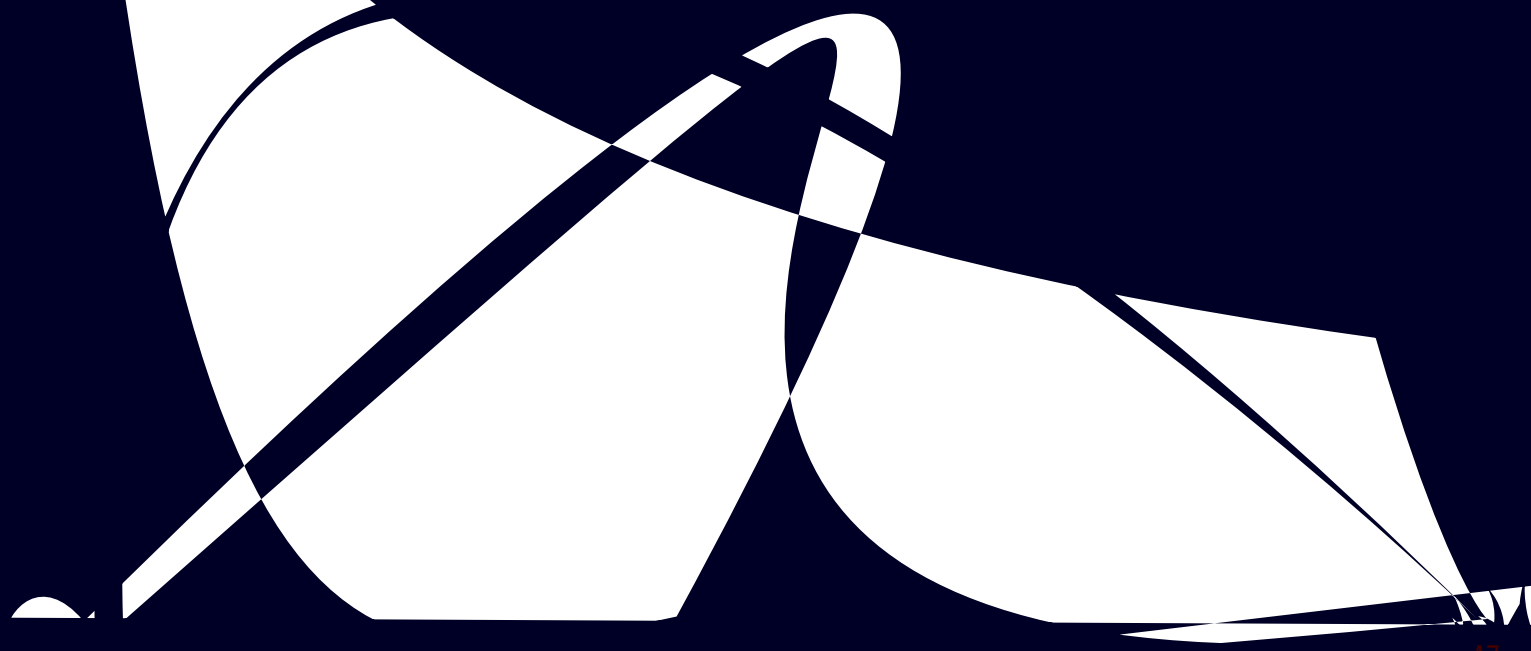
ESG Indicators	Description	Section	Page
KPI A 1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Pollution Prevention and Emission Management	14
A2 Use of Resources			
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Resources Consumption and Conservation Green Office	16 19
KPI A 2.1	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).	Resources Consumption and Conservation	16
KPI A 2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Resources Consumption and Conservation	16
KPI A 2.3	Description of energy use efficiency initiatives and results achieved.	Resources Consumption and Conservation Energy Conservation Improvement Green Office	16 18 19
KPI A 2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Resources Consumption and Conservation	16
KPI A 2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable	Not applicable

APPENDIX: CONTENT INDEX OF ESG REPORTING GUIDE

ESG Indicators	Description	Section	Page
A3 The Environment and Natural Resources			
General disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Ecological Conservation	20
KPI A 3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Ecological Conservation	20
B1 Employment			
General disclosure	Information on: (a) the polices; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.	Employment Policies and Labour Ordinance Caring for Employees	22 29
B2 Health and Safety			
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational Health and Safety	27

APPENDIX: CONTENT INDEX OF ESG REPORTING GUIDE

ESG Indicators	Description	Section	Page
B3 Development and Training			
General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Talent Development	25
B4 Labour Standards			
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour.	Employment Policies and Labour Ordinance	22
B5 Supply Chain Management			
General disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management	33
B6 Product Responsibility			
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and remedial measures.	Safe and Stable Power Supply Innovation and Invention Privacy Protection	33 36 36

APPENDIX: CONTENT INDEX OF ESG REPORTING GUIDE

ESG Indicators	Description	Section	Page
B7 Anti-corruption			
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-Corruption	37
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.	Charity and Public Welfare Poverty Alleviation Overseas Contribution	38 41 42