

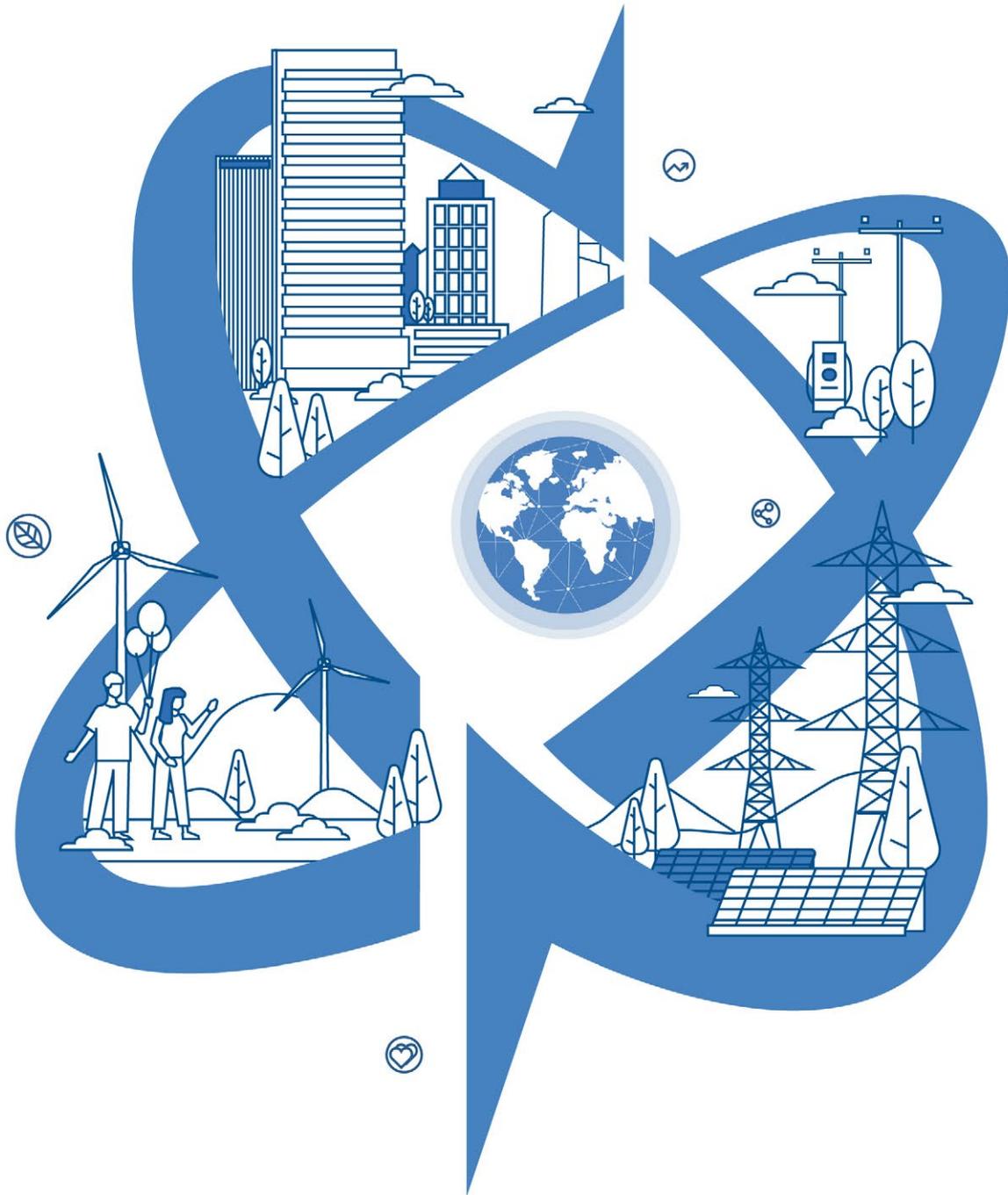


中國核能科技集團有限公司

China Nuclear Energy Technology Corporation Limited

(於百慕達註冊成立的有限公司)

股份代號：611



2021 | Environmental, Social and Governance Report



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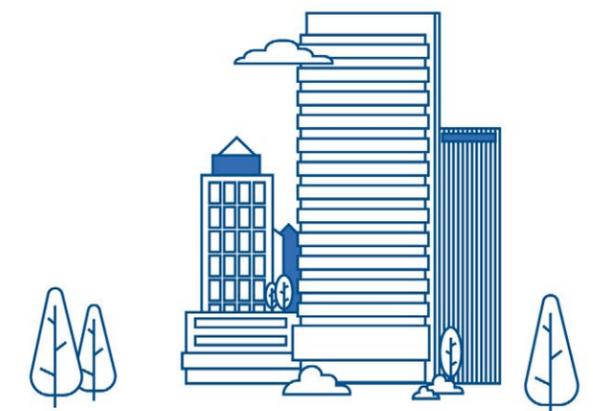
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Environmental, Social and Governance Reporting Guide



About this Report

This report is the sixth 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 2021. This Report shall be read in conjunction with the Company's *Annual Report 2021* (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.

Reporting Scope

Unless otherwise stated, the scope of this Report is same as the Company's *Annual Report 2021*, 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 scope of this Report does not include the relevant information of the module plant of Xuzhou Peixian as it ceased in the second half of 2020 by the Group.

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 2021 to 31 December 2021 (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 6 May 2022.

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 Since Taizhou Herun New Energy Limited ("Taizhou Herun") listed in the previous report belongs to CNI (Nanjing) project, it is not listed separately. In this Report, CNI (Nanjing) project covers the operation of 20 projects.





Chairman's Message

2021 is a year to test the development resilience of the community with a shared future for mankind. The COVID-19 pandemic continues to spread around the world, the world economy is yet to recover, and trade globalization is blocked. Facing the difficult challenges of the external environment, the Group continued to give full play to its competitive advantages, persevere and overcome difficulties. The Group made steady progress in various tasks and continued to achieve remarkable results. Looking forward to 2022, I would like to work with my colleagues to overcome difficulties and contribute to the sustainable and high-quality development of the Group.

The global economy continues to be affected by the COVID-19 pandemic. Major economies have accelerated the promotion of COVID-19 vaccination, and a large number of countries have made financial responses to the economic crisis. The economic growth prospects are positive, and the energy demand in 2021 rebounded. Although the demand for various fossil fuels has increased significantly, under the goal of global carbon reduction, the demand for renewable energy in key sectors such as electricity, heating, industry and transportation has also increased. Among them, the power sector's demand for renewable energy has increased by more than 8%, the largest year-on-year increase since recording. With the continuous growth of the global population and the challenges of climate change, renewable energy will become one of the most important power sources in the world.

In 2021, China has taken a solid step towards low-carbon transformation, with the introduction of the top-level design for carbon peak and carbon neutrality, and the commencement of new energy projects. China has solely contributed nearly half of the global renewable energy power generation increment. Coupled with the wide application of green and low-carbon technologies, the challenges and opportunities surrounding the realization of carbon peak and carbon neutrality are unprecedented. The Group seized the opportunities brought by the development of new energy in China and the world, actively sought opportunities for the development of renewable energy from partners in different regions and responded to China's renewable energy policies to jointly moved towards the goal of carbon neutrality by 2060. In 2021, the Group generated 589,000,000 kWh of electricity and actively explored diversified renewable energy business. In addition to the solar power generation business, the wind power business developed by the Group in recent years has been put into operation, providing low-cost green energy to society.

The Group has also paid attention to our sustainable development. Under the authorisation and supervision of the Board, the ESG Working Group is responsible for assisting the Board in overseeing ESG-related issues of the Company. We will continue to improve our governance in ESG to further enhance the Group's ESG performance. We will continue to provide our customers with high-quality products and services in pursuit of brand excellence. While developing our business, we are also actively taking various environmental measures to reduce our negative impacts on the environment. In addition, the Group strives to create a harmonious working environment and provides employees with diverse and fair development opportunities to build an excellent team, and help the sustainable development of the Group. In 2022, the Group will further seize market development opportunities, continue to improve our comprehensive strength and contribute to the goal of carbon peak and carbon neutrality, and create value for mankind. In the days ahead, the Group will continue to consolidate our sustainability governance, incorporate different sustainability elements into our business operations and eventually build a green future for the next generation.

Chairman

Zhao Yixin

Hong Kong, 29 March 2022

About the Group

The Group's Profile

The Group is committed to becoming a leading international renewable energy investment enterprise and service provider, adhering to the spirit of "Integrity, Dedication, Sensitivity, Pioneering, Innovation and Respect" in business operation. We leverage on our investment and financing platform for the industrialisation of the advanced technology for renewable energy to develop clean energy, be consistently dedicated to the pursuit of excellence, and strive to create greater value for shareholders.

Driving the vision of sustainable development future is strongly linked to our business. The development of renewable energy has become one of the major solutions in combating climate change in the international community. As an enterprise with renewable energy as its core business, the Group has been actively developing its financial services business, providing financial leasing services for the nuclear power, clean energy and energy-saving and environmental protection segments. Meanwhile, the Group has also been increasing its efforts on the investment and operation of clean energy generation. We continue to improve the engineering business revenue of photovoltaic power generation, solar thermal power, wind power generation and biomass, and become a top-ranked contractor in the field of new energy engineering construction. At the same time, we achieve the goal of operational integration of renewable energy power plant investment and EPC operations and maximize the return of our investment.

Our engineering projects are located in more than ten provinces, cities and autonomous regions, serving clients including GCL (Group) Holdings Co., Ltd., State Power Investment Corporation Limited, China General Nuclear Power Corporation, China National Nuclear Corporation, CECEP Solar Energy Co. Ltd., CHN Energy, State Grid Corporation of China, China Datang Corporation Ltd. and other internationally renowned companies. Our performance has been highly evaluated by our clients and has built our brand reputation.

In recent years, the Group has been focusing on the design, construction and installation of photovoltaic power generation systems in order to seize the opportunities from the strong growth of the renewable energy industry in the People's Republic of China (the "PRC"). Apart from focusing on the renewable energy market in the PRC, the Group has sought opportunities for cooperation in developing renewable energy in other countries under the "Belt and Road" Initiative.

Our Mission

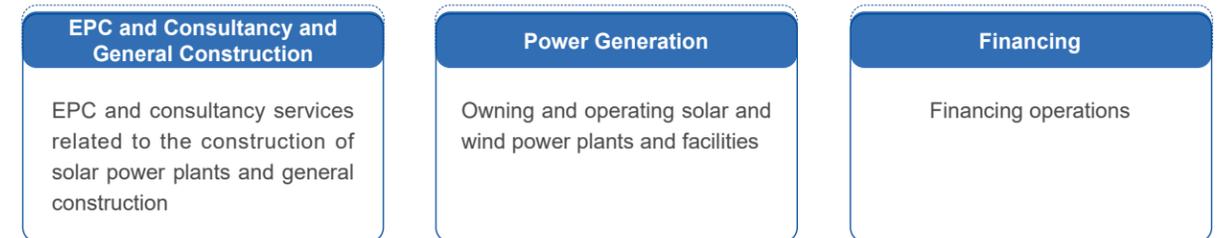
Leverage on our investment and financing platform for the industrialisation of the advanced technology for renewable energy to develop clean energy, promoting harmony between mankind and nature.

Our Vision

Become the world's advanced new energy investment enterprise and service provider.

Business Structure

The Group's principal business includes:



Business Map

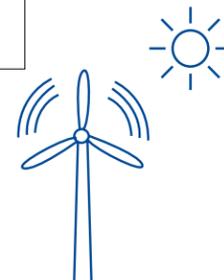
Since 2009, the Group has more than 12 photovoltaic and wind power projects development areas in 22 provinces across the country, including Shanxi, Qinghai, Tibet, Yunnan and Inner Mongolia.



Brand Stories

In January 2021, according to two policy documents, namely the *Administrative Measures for the Recognition of High and New Technology Enterprise* and the *Working Guidance of Administrative Measures for Recognition of High and New Technology Enterprise*, Jiangsu Provincial Department of Science and Technology and the Department of Finance of Jiangsu Province jointly assessed CNI (Nanjing) as "Advanced Technology Enterprise".

The recognition of "Advanced Technology Enterprise" is a comprehensive evaluation and recognition of CNI (Nanjing)'s core independent intellectual property rights, ability to transform scientific and technological achievements, organisational management level of research and development, growth indicators and talent structure. The recognition not only allows CNI (Nanjing) to enjoy the preferential tax reduction and exemption policies, but also improves the brand image and promotes the technological innovation and development of the Group. We have received strong support and recognition from the state in the research and development of new-generation new energy technology, and actively promoted our independent innovation and independent research and development.



In January 2021

In June 2021

In August 2021

In December 2021



In August 2021, China National Nuclear Corporation ("CNNC"), a subsidiary of the Company, was once again ranked 371st in the latest ranking of "Fortune Global 500" published by Fortune magazine, ranking rose significantly by 122 places from last year.

CNNC has been selected as one of the world's top 500 companies for two consecutive years, representing that CNNC has made phased progress in the innovation chain and industrial chain of the nuclear industry, and significantly enhanced its international competitiveness and influence.

As a member of CNNC, the Group will expand market influence and enhance core competitiveness through our business development, and continue to enhance the brand value of CNNC.

On June 1, 2021, the 6th Century Photovoltaic Conference jointly hosted by Century New Energy Media and Photovoltaic Brand Lab (PVBL) released the "PVBL2020 Annual Global PV Brand Ranking". CNI (Nanjing) ranked third in the "2020 PV Station Investor Brand Value"; It ranked 12th in the "2020 PV Power Plant EPC Brand Value".

PVBL Global PV Brand Ranking is an authoritative and rigorous third-party evaluation system in the PV industry, which has been released for nine years. PVBL has a maximum achievable corporate brand rating of 1000 points, which is regarded as a barometer in the photovoltaic market based on five primary indicators, namely outgoing shipments, revenue, research & development, impact and service, as well as 10 secondary indicators, namely brand design, brand popularity, brand reputation, brand loyalty, product quality, service quality, marketing promotion, social responsibility, industry impact and social impact.



In December 2021, the annual influence selection of "Polaris Cup" has been carried out for ten consecutive years. It was hosted by the industry's leading vertical portal "Polaris Solar Energy Network", and was selected based on its reputation in the industry and through online voting to commend the most reputable and influential photovoltaic enterprises in the industry. It is one of the most authoritative awards in the industry.

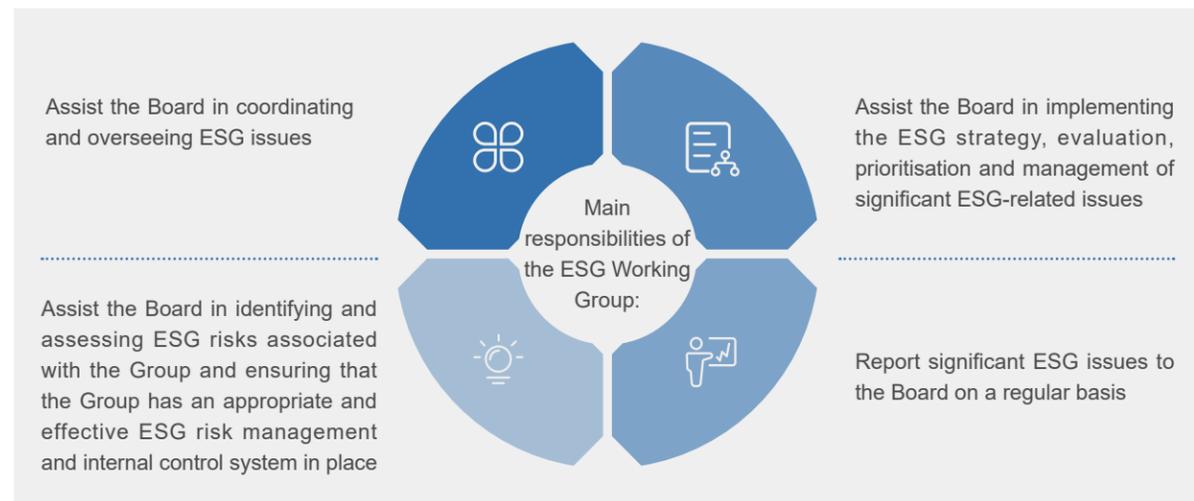
CNI (Nanjing) was awarded three awards, namely "Influential Photovoltaic EPC/Owner", "Influential Photovoltaic Electronic Operation and Maintenance Brand" and "Influential Featured Photovoltaic Application Project Case", which demonstrated the high recognition of the Group's products and services in the industry.



Sustainability Leadership and Governance

To strengthen the Group's sustainability governance, the Group officially established an ESG Working Group during the Reporting Period. The Board authorised the Group's ESG Working Group to assist it in coordinating and overseeing ESG issues in order to address various ESG risks and opportunities. The ESG Working Group, which is composed of various department heads, is led by the Chief Executive Officer and Executive Director to assist the Board in managing ESG-related issues.

Organisational Chart of the ESG Working Group



- 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 the expectations of stakeholders.

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 sound and effective risk management system is an integral part of corporate governance. We have a sound risk management system, which is further extended to sustainable development management. From that we can identify, evaluate, prioritize and manage the major ESG risks that may be exposed in the course of operation, enhance the Group's risk management and control culture, and lay a solid foundation for our 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. 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 have identified three material ESG risks through ESG risk assessment. The material ESG risks identified by the Group in 2021 and the corresponding measures are disclosed as follows:

Material ESG Risks	Potential Impact	Response Method
Product and service quality risk	Inadequate consideration of product design or service, insufficient production technology or service standards, and unstrict 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.	The Group has established a quality management system in accordance with GB/T 19001-2016/ISO 9001:2015 Quality Management Systems-Requirements. In addition, the Group has formulated the Quality, Environmental, Occupational Health and Safety Management Manual, which clearly sets out the quality management structure, management policies, objectives and overall management process.
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 Emergency Plan for the Coronavirus Disease 2019 and the Quarantine Plan for Prevention and Control of the Coronavirus Disease 2019 to comprehensively prevent and respond to the pandemic. Maintaining safe and stable operation 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 interest. The Group is subject to such legal liability which may potentially damage our reputation and image.	We have formulated the Anti-Corruption Policy, which sets out the business ethics that employees are required to abide by; Regulation on Gift Acceptance and Registration, which provides clear guidelines for employees to receive gifts; The Whistleblowing Policy regulates the reporting and handling procedures of anti-corruption. In addition, the Board and the management regularly participate in anti-corruption training.

Reflecting Stakeholders Sound in ESG Strategy

Understanding and responding to the need of stakeholders is the key to develop ESG strategy. The Group actively maintains close communication with stakeholders to understand their views on the Group and the ESG issues they are concerned about, which can help us formulate and adjust our sustainability strategies and further promote the Group's long-term development.

In the future, we will continue to identify and integrate relevant stakeholders, actively broaden the stakeholders' communication channels, seeking to maintain close communication with stakeholders in a more inclusive and diverse approach.

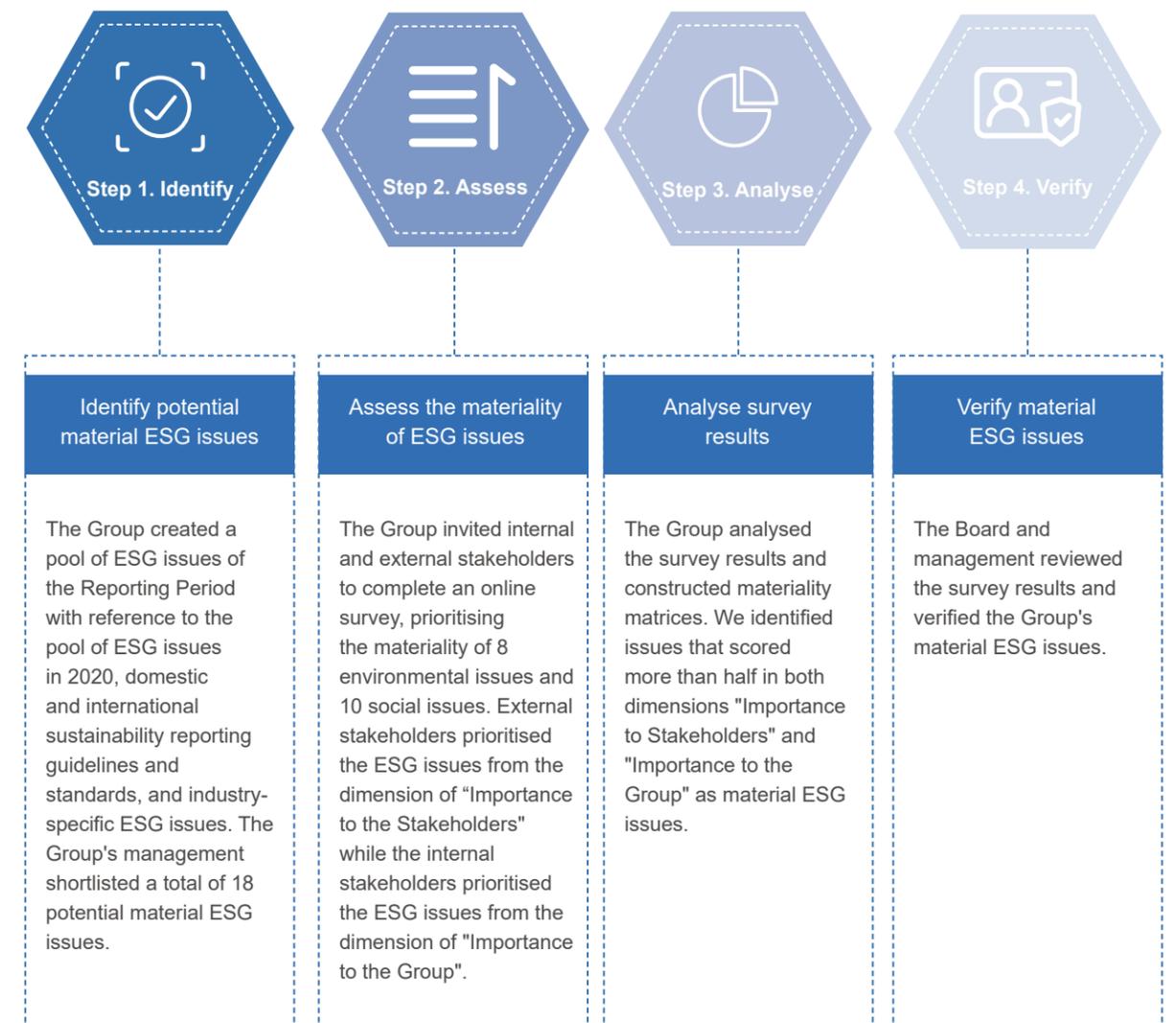
Communication Channels



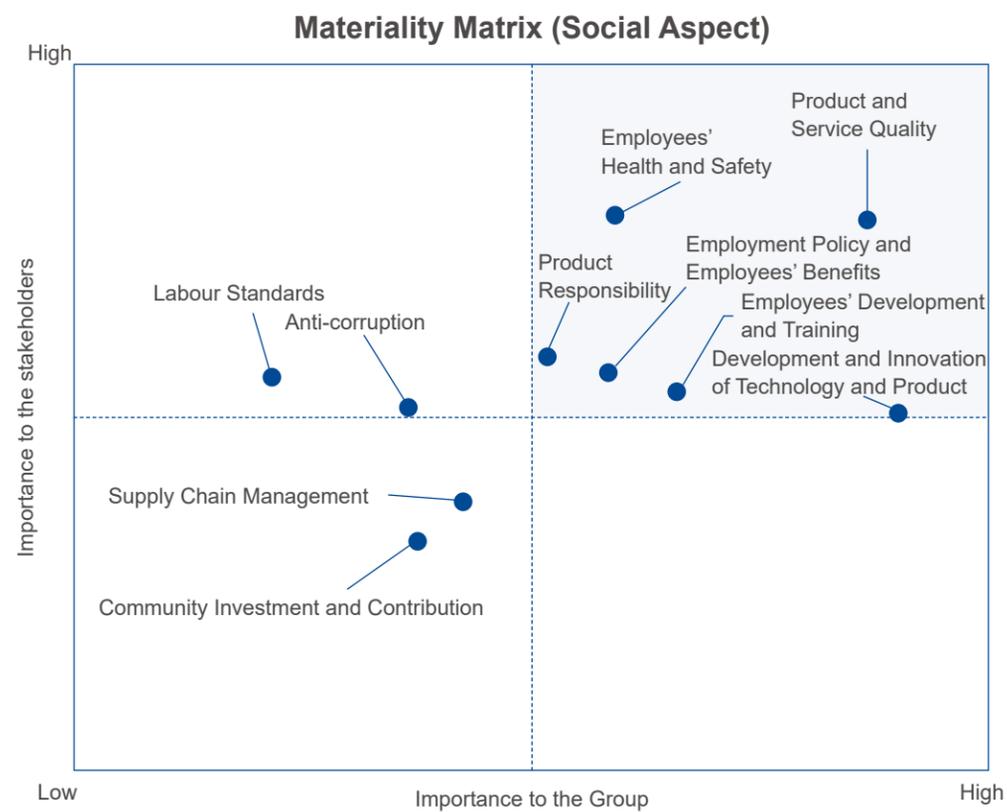
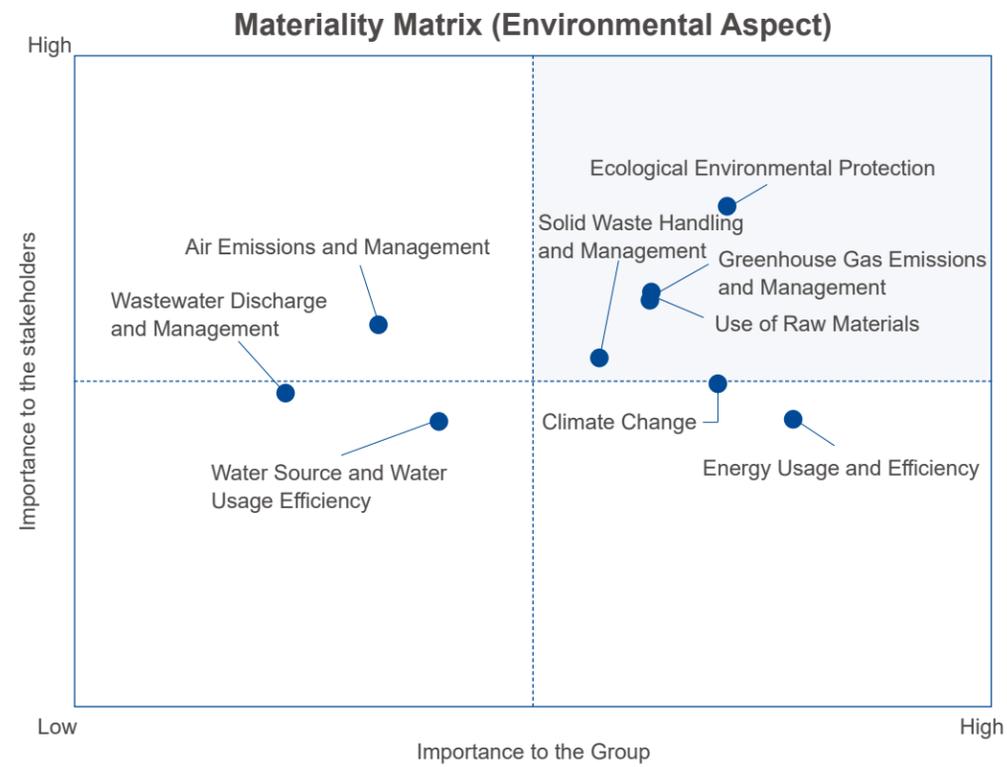
Materiality Assessment

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 59 stakeholders participated in the survey, including the Board, management, employees, key shareholders and investors, suppliers and business partners.

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



The following matrices show the results of the survey.



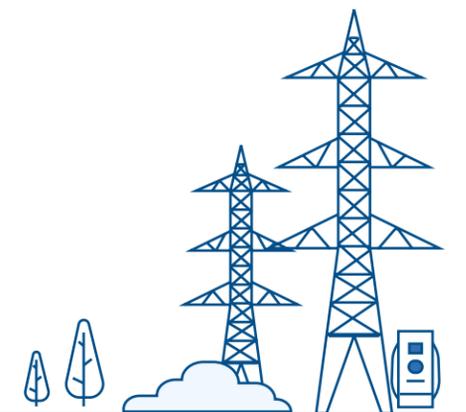
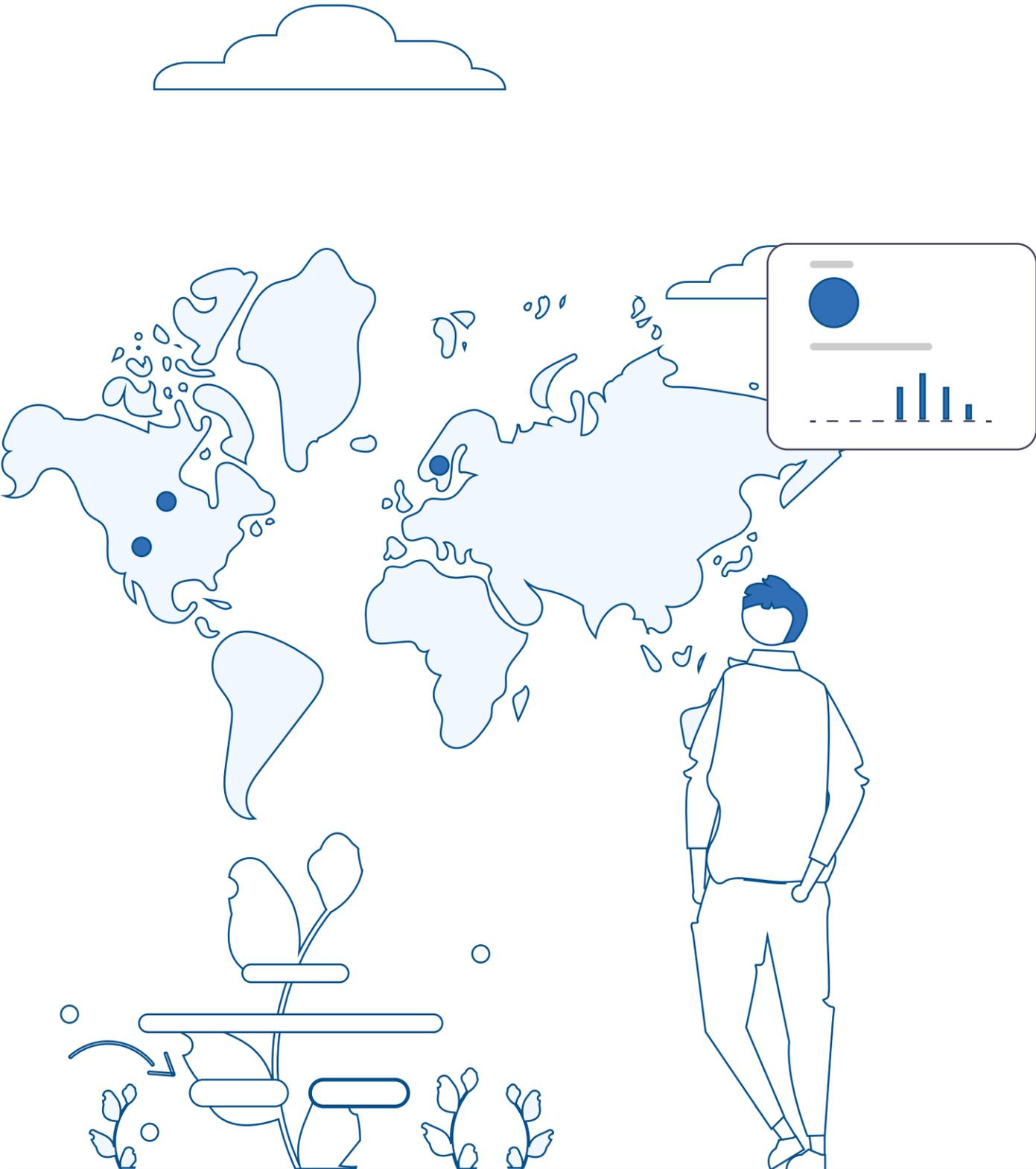
By analysing the materiality matrix, the Group identified 4 environmental and 6 social material ESG issues at the end. These issues will be highlighted in this Report.

Material ESG Issues	Corresponding Sections
Environmental Issues	
1. Ecological/ Environmental Protection	Promoting Green Environmental Protection
2. Use of Raw Materials	Promoting Green Environmental Protection
3. Greenhouse Gas Emissions and Management	Promoting Green Environmental Protection
4. Solid Waste Handling and Management	Promoting Green Environmental Protection
Social Issues	
1. Product and Service Quality	Striving To Improve Development Quality
2. Development and Innovation of Technology and Product	Striving To Improve Development Quality
3. Employees' Health and Safety	Establishing Excellent Talent Management
4. Employees' Development and Training	Establishing Excellent Talent Management
5. Employment Policy and Employees' Benefits	Establishing Excellent Talent Management
6. Product Responsibility	Striving To Improve Development Quality



01

Building an Excellent Operational Culture



Integrity in Business

The Group is committed to creating a corruption-free and fair working environment and will not tolerate any form of corruption. We have formulated the *Anti-Corruption Policy*, *Employee Handbook* and the *Regulation on Gift Acceptance and Registration* which requires our employees to perform their work with integrity and business ethics. The Group strictly complies with the relevant laws and regulations² 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.

Employees are required to strictly comply with anti-corruption laws, regulations and internal company policies and should not abuse their authority for personal gain. In addition, the Group's *Employee Handbook* and the *Regulation on Gift Acceptance and Registration* provide clear guidelines to employees on their day-to-day business practices, such as accepting gifts or rewards.

The Group's *Whistleblowing Policy* sets out the reporting channels and methods of handling reports. Anyone who finds suspicious or inappropriate business activity can report it to the Whistleblowing Team by email or post. The Group keeps all the information received strictly confidential and ensures that both the whistle-blower and the person who has been reported are treated fairly. If a report is found to be substantiated, the Group will handle it according to our internal mechanism and, if necessary, transfer the case to the judicial authorities for handling.

To raise the anti-corruption awareness of the Board and employees, we regularly organise various types of anti-corruption training, create posters and use online platforms to promote anti-corruption knowledge. During the Reporting Period, we arranged our directors and employees to read and study the *Anti-Corruption Programme - A Guide for Listed Companies* issued by the Independent Commission Against Corruption.

In April 2021, the Group arranged a quarterly interview with the department head by the management of the Group in accordance with the arrangement of its superior company, CNNC Investment Company. The interview covered the integrity festival, promoting the political and ecological requirements for creating a positive atmosphere to the management. At the same time, the interview proposed that the relevant personnel should stop the "Four Malfeasances" problem, such as waste and treats or gifts during the Mid-Autumn Festival and National Day, and to deepen the spirit of improving the Party conduct and upholding integrity.

Visit the Party building education base

In September 2021, the Group organised employees to visit the Party building education base located in Meiyuanxin Village, Nanjing. The activity was based on the history of discipline inspection and supervision, and integrated the learning about it into the history of the Party's study and education, so as to further guide employees to strengthen their understanding of the Party's discipline and the Party's route, guidelines and policies. Focusing on the effectiveness of the Party's comprehensive and strict Party governance since the 18th CPC National Congress, we have conducted an in-depth analysis of the current new situation of Party conduct and clean government construction and anti-corruption, and continued to deepen the urgency and importance of Party conduct and clean government construction.

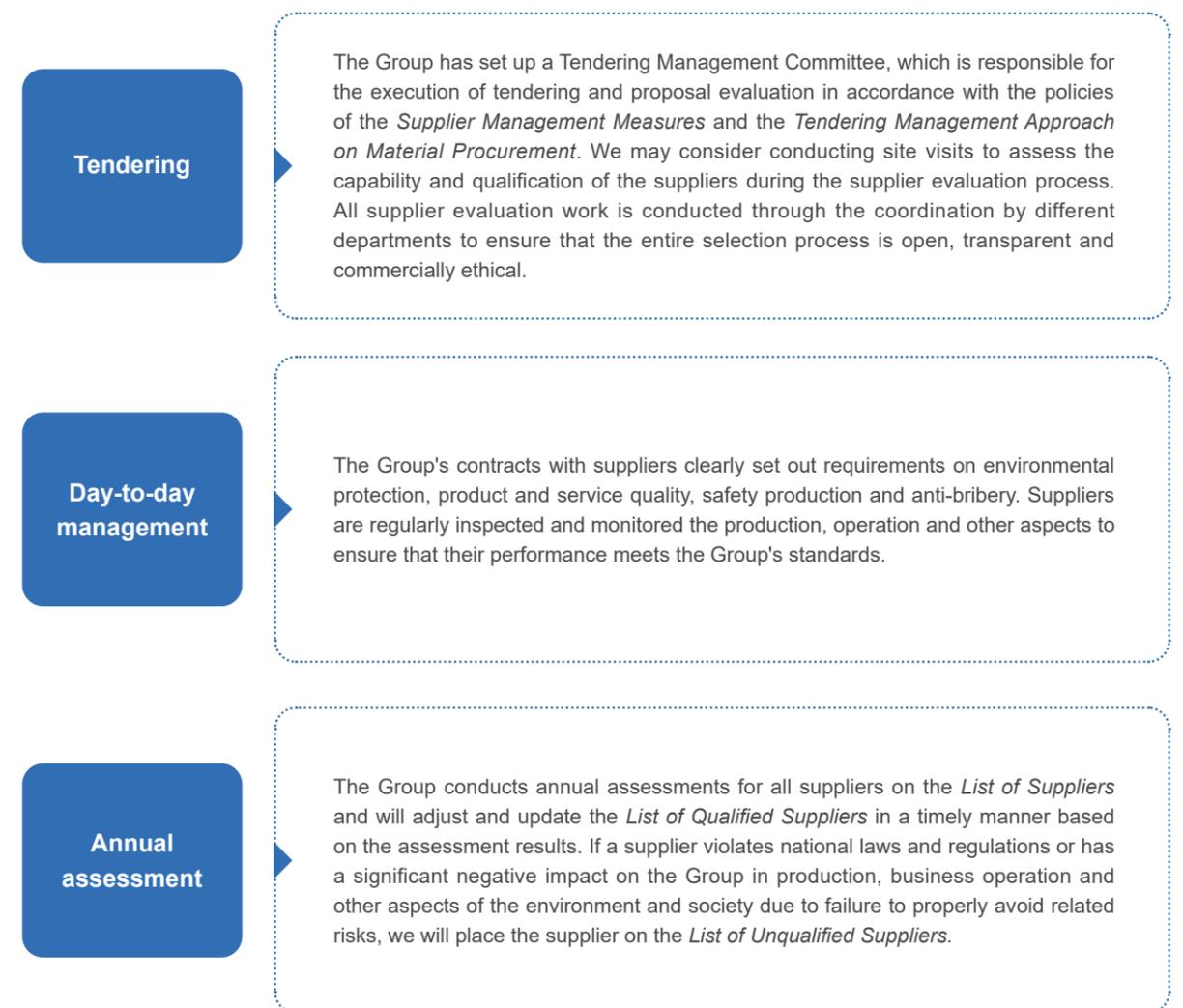


² For easy reading, this Report sets out the relevant laws and regulations that have been complied with after the main text of the Report. For details, please refer to Appendix I.

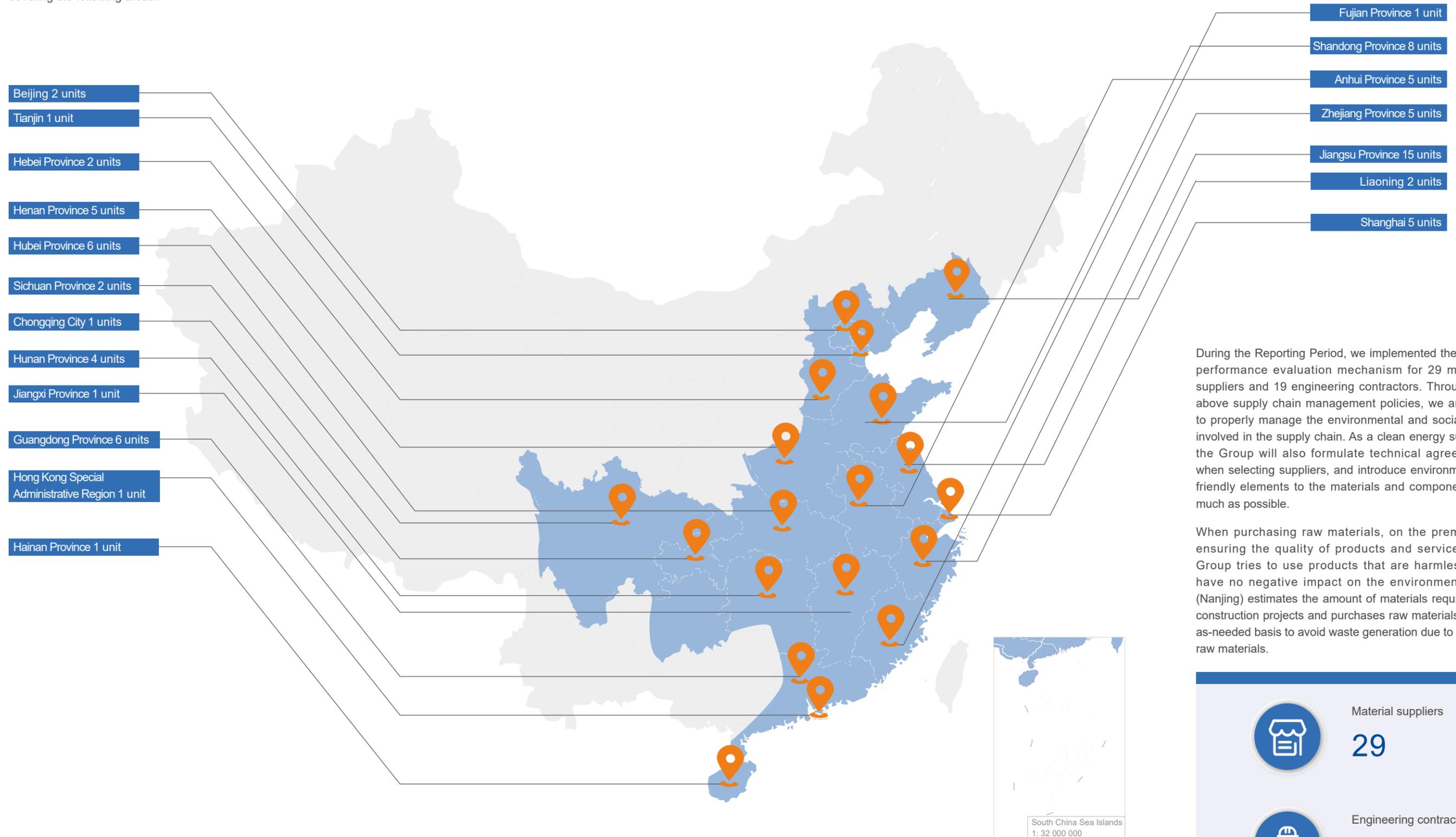
Supplier Management

In order to effectively strengthen the management of suppliers and reduce procurement risks, the Group has established a comprehensive supplier management mechanism to manage the environmental and social risks involved in the supply level. Our *Supplier Management Measures* regulates the tendering, daily management and annual assessment of suppliers. In particular, CNI (Nanjing) has formulated the *List of Supplier* to facilitate its proper management of supplier management records, cooperation records and operating conditions. Once a supplier is found to be damaging the public interest, competing by improper means, providing 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 relevant supplier will not be hired.

The Group has adopted an internal open electronic procurement platform to enhance the overall efficiency and transparency of supplier management. Below are the relevant implementation and monitoring methods of the Group:



As of the end of the Reporting Period, the Group had a total of 73 suppliers providing various types of materials and services, covering the following areas:



During the Reporting Period, we implemented the above performance evaluation mechanism for 29 material suppliers and 19 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 clean 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 tries to use products that are harmless and have no negative impact on the environment. CNI (Nanjing) estimates the amount of materials required for construction projects and purchases raw materials on an as-needed basis to avoid waste generation due to excess raw materials.

	Material suppliers	29
	Engineering contractors	19

02

Striving To Improve Development Quality



CNETCL is committed to providing clean and low-cost renewable energy to society. Leveraging the advantages of our business, we continue to optimize our quality management system and contribute to the sustainable development of green energy in China. The Group will continue to strengthen the construction of our core business, standardize and efficiently manage, and realize value creation with an open and inclusive attitude.

Photovoltaic Power Generation (BOO) projects

Gaocai, Xingcai and Jinhai Oil District Photovoltaic Power Generation (BOO) projects used idle sites such as Gaosheng Oil Production Plant, Xinglongtai Oil Production Plant, the oil production platform and the office area in Jinhai Oil Production Plant in Panjin City, Liaoning Province to build 20MW distributed photovoltaic power plants. It is connected to the power grid through the 0.4 kV power distribution cabinet on the low-voltage side of the power distribution transformer at the well site. The main works of the project include foundation construction of photovoltaic brackets, installation of photovoltaic module frames and components, installation of electric equipment such as inverters and power distribution cabinets, installation of communication system equipment, cable laying, fire-proof blocking, lightning protection grounding, and commissioning and grid-connected power generation of the entire system.

The photovoltaic modules of the project are installed with fixed mounting brackets and 445 Wp monocrystalline silicon modules, with a total installed capacity of 20 MW.



The Group strives for professional excellence and continues to increase investment in technological innovation. In 2021, we obtained 9 authorized patents, and launched 5 new technology research and development projects. Besides, 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. During the Reporting Period, Nanjing CNI Energy Engineering Company Limited was accredited as "Advanced Technology Enterprise" by the Jiangsu Provincial Government.

Quality, Environmental, Occupational Health and Safety Management Systems

In order to strengthen quality management, the Group promotes the construction of quality culture and standardization of quality management through management innovation, supervision and inspection, benchmarking guidance, and key problem tracking and governance. In addition, we strengthen the implementation of quality work, striving to improve project quality, drive each project to achieve higher investment efficiency, and create green and low-carbon excellent assets. 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 conformity of quality, environmental and occupational health and safety management system from Shanghai Audit Centre of Quality System.

The Group has formulated the *Quality, Environmental, Occupational Health and Safety Management Manual* to ensure the suitability and effectiveness of internal policies. This management manual clearly sets out the management structure, management principles, objectives and overall management processes for quality, environmental and occupational health and safety issues. These cover aspects such as operational emissions, the environment and use of natural resources, product responsibility, and employee health and safety.



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



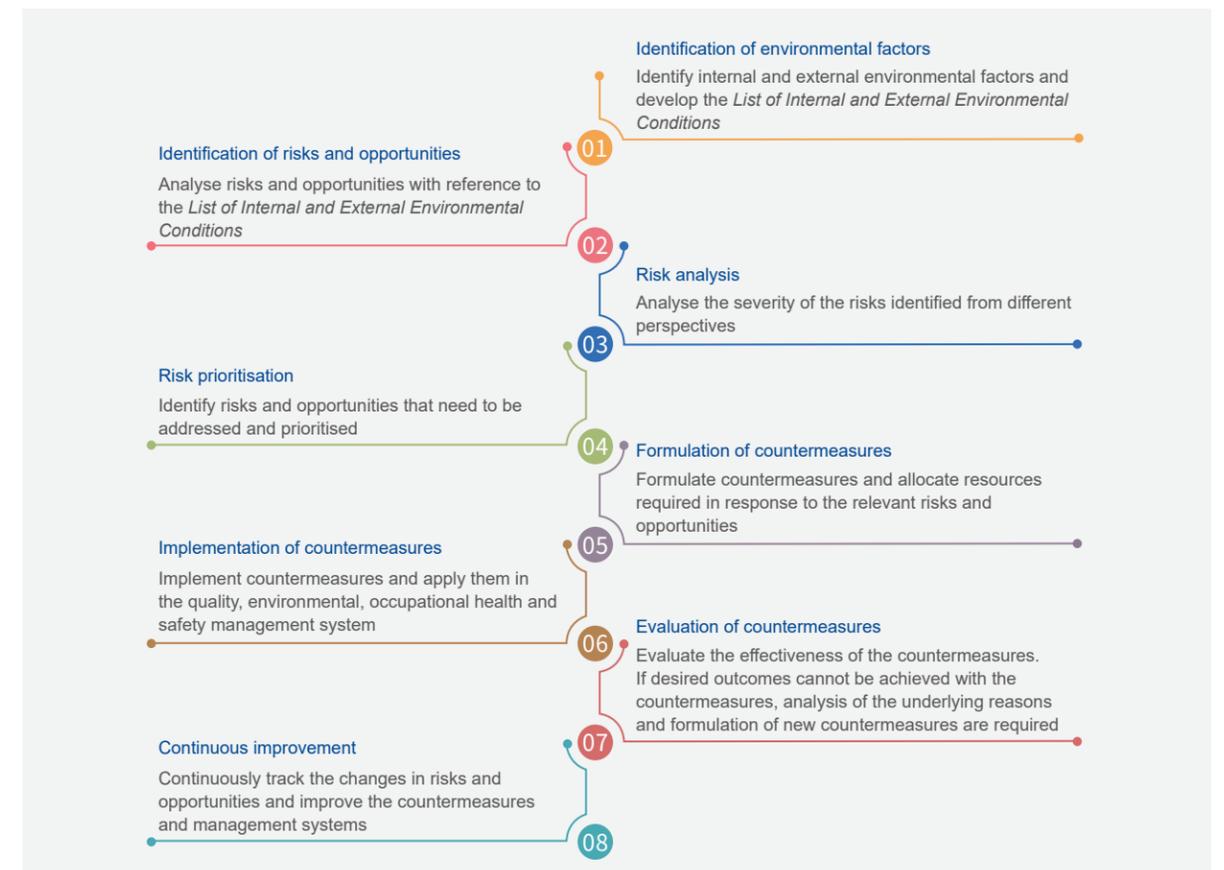
GB/T 45001-2020/ISO 45001-2018
Certificate of Conformity of Environmental Management System

Management Structure

A sound quality management structure helps the Group deepen the construction of safety culture concept, and comprehensively promote the safety compliance management of the whole process of project construction and operation and maintenance by focusing on the key points and difficulties of safety management. On the premise of implementing the construction of safety production standardization, the General Manager and senior management team of CNI (Nanjing) are responsible for quality, environmental, health and safety issues. The Internal Control Department is the leading department in these three aspects, leading the responsible person of each department to perform specific management tasks.

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.



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:

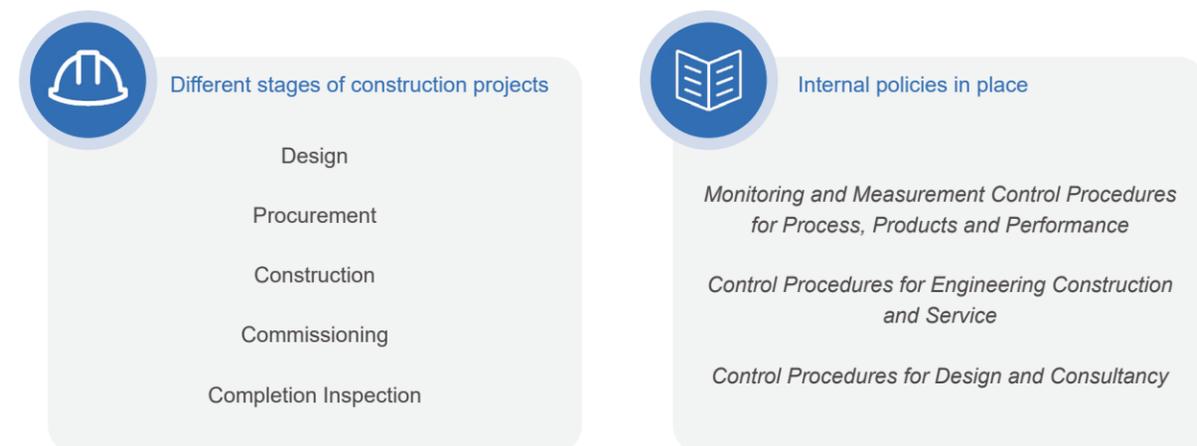
Annual Targets

01	100% 1-time pass rate for acceptance assessment of the projects undertaken	04	No major environmental pollution incidents occur during the project construction stage
02	Customer satisfaction is above satisfactory	05	6 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
03	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)	06	Zero fatal accidents, zero major equipment accidents, zero occupational diseases, zero fire accidents and zero severe work-related injuries

Project Quality Management

The Group's quality management approach is "Quality First, Continuous Improvement, Provide Satisfactory Service with Optimised Design and High-Quality Engineering for Customers". We continue to improve the management of technology and engineering quality, so as to create sustainable development for customers and contribute to the progress of China's renewable energy.

CNI (Nanjing) has obtained GB/T 190001-2016/ISO 9001: 2015 quality management system certification. In order to regulate the work procedures of EPC and consulting business and control the quality, CNI (Nanjing) conducts monitoring and measurement at different stages of project construction to ensure compliance with standards of functionality, safety, laws and regulations, etc. All monitoring and measurement records will be properly maintained.



CNI (Nanjing) adopts appropriate monitoring and measurement methods to ensure the quality of products and services. We strictly implement the *Internal Audit Procedure* to ensure that the projects follow the relevant procedures and requirements. Each procedure of a project is inspected, analysed and evaluated through an assurance process. We regularly monitor the personnel operations, equipment conditions, testing capabilities, job responsibilities and management activities through inspections, random checks and assessments. In order to ensure the maintenance of the project standards, the equipment and its operating parameters are inspected by instruments and automated devices.

In order to standardize the procedures of acceptance check of photovoltaic power station construction projects, CNI (Nanjing) formulated the *Quality Inspection and Acceptance Manual for Photovoltaic Power Station Construction*. 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 out 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 wind power project in Suining County

In 2021, the wind power project in Suining County, Jiangsu Province was put into operation during the period.

Xuzhou Suining Wind Power Project is located in Suining County, Xuzhou City, Jiangsu Province, with an installed capacity of 140 MW and a total of 56 sets of 2.5 MW wind turbines. Since the grid connection of wind turbines, the operation has been stable, and various technical indicators have met the relevant requirements, achieving good power generation efficiency. The project can generate 343,000,000 kWh of electricity each year, saving 104,600 tons of standard coal, and reduce various air pollutant emissions each year, including reducing 279,000 tons of carbon dioxide emissions, 2126 tons of sulfur oxides and 720 tons of nitrogen oxides, effectively reducing the consumption of fossil resources, which is conducive to alleviating environmental pressure, achieving coordinated economic and environmental development, and achieving remarkable results in energy conservation and environmental protection.

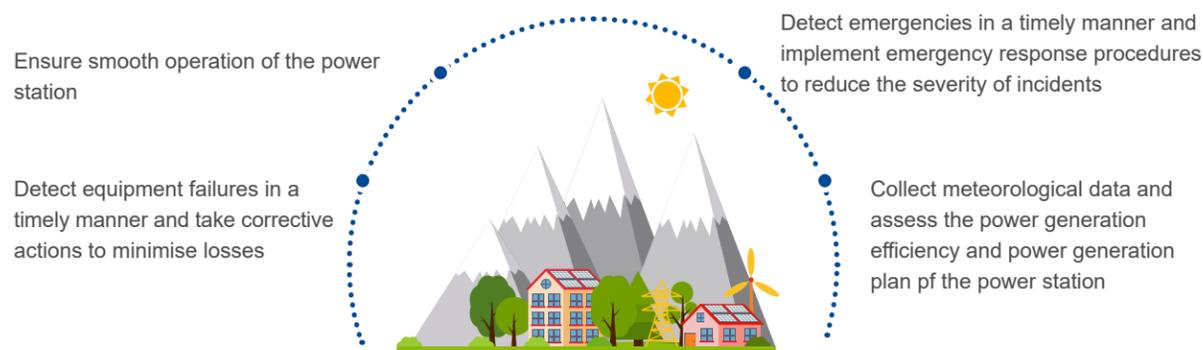


The Group's operations are mainly new energy engineering construction projects, the disclosures related to product recall data and procedures are not applicable to this Report.

Smart Power Station Management

The Group places equal emphasis on both service and innovation, and continues to drive business development through the research and development and application of digital and intelligent technologies. CNI (Nanjing) enhances power station management by remotely monitoring station facilities through an intelligent operation and maintenance system. All the power stations we operate are equipped with an online monitoring system, which directly transmits the performance data of the station facilities to the dashboard. In addition, a control centre has been set up at the Nanjing headquarter to monitor the operation of each power station through a remote monitoring system to ensure the safety and stability of the power stations.

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



The Group continued to develop and apply innovative designs. We received strong support and recognition from the government in the research and development of renewable energy technologies. CNI (Nanjing) was accredited as "Advanced Technology Enterprise" by the Jiangsu Provincial Government and was recognised in various industry awards such as "PVBL2020 Annual Global PV Brand Ranking" and "Polaris Cup".

Intellectual Property Protection

We believe that technology research and development are closely related to the development of the new energy industry. The Group takes practical actions to demonstrate our protection of intellectual property rights. The Group applies for patents for newly developed technologies in order to protect our intellectual property rights. In addition, our employment contract with our employees clearly stipulates that the patents are owned by the Group.

Suppliers are required to sign a contract with us to ensure that the products they supply do not give rise to any copyright disputes. We will hold the suppliers liable for any losses of the Group arising from their copyright disputes. We respect the intellectual property rights of others while protecting our intellectual property rights. We prohibit our employees from using pirated software and promote intellectual property-related knowledge to our employees.

Customer Rights Protection

The Group has established the *Measurement Procedures for Customer Satisfaction* to standardise the methodologies for collecting, conducting surveys and analysing customer satisfaction. The Group's Operating Department conducts regular customer satisfaction surveys to continuously improve the quality of our products and services. If customers are dissatisfied with our products or services, they may make complaints by telephone, email or in person. We will conduct investigations after receiving customer complaints. If a complaint is found to be caused by a problem with our products and services, we will address it promptly and take corrective action. We take each customer complaint seriously to maintain the trust of our customers.

Product and Service Performance

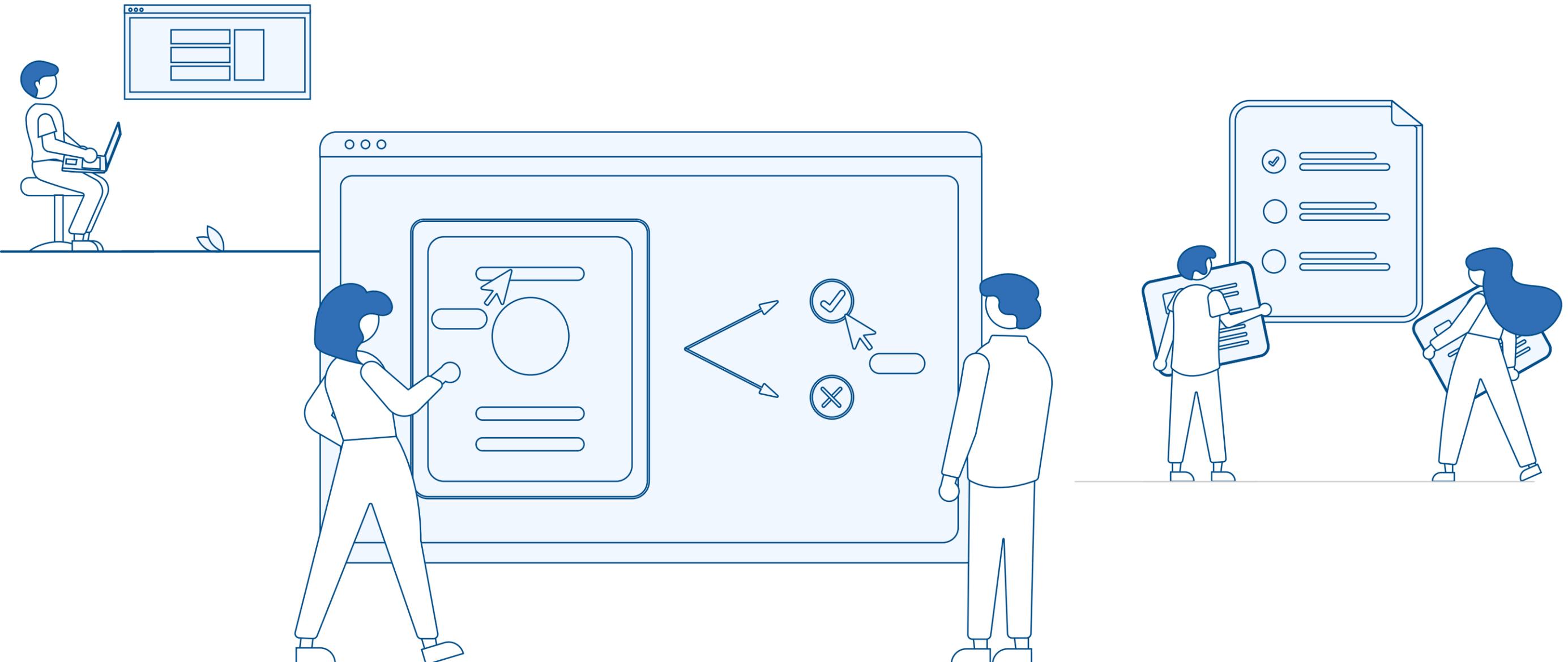
	2021	2020	2019
Number of products and service related complaints received	0	0	1
Rate of products and service related complaints resolved	-	-	100%

In order to establish mutual trust in our relationship with customers, the Group is committed to safeguarding customer privacy and strictly complies with privacy-related laws and regulations. We have also implemented policies and procedures for the management of our customer property, which define the procedures for receiving, transmitting, using and keeping customers' information. We require our employees to sign confidentiality agreements to ensure that they handle customer information with caution and keep customer privacy strictly 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. CNI (Nanjing) has formulated the *Measures for the Administration of Journalism and Publicity* to regulate all internal and external publicity activities in the business. This measure strengthens the Group's management responsibilities, management content and methods, reports and records in news publicity. The general manager working department is the department responsible for the planning, design and production of external publicity materials. For publicity materials that need to be distributed externally and advertisements published in external media, each department must obtain the approval of the general manager before making and publishing. At the same time, the working department of the general manager will propose various promotional materials according to the business development needs, and regularly update the existing external promotional materials to ensure the accuracy and consistency of external information.

03

Establishing Excellent Talent Management



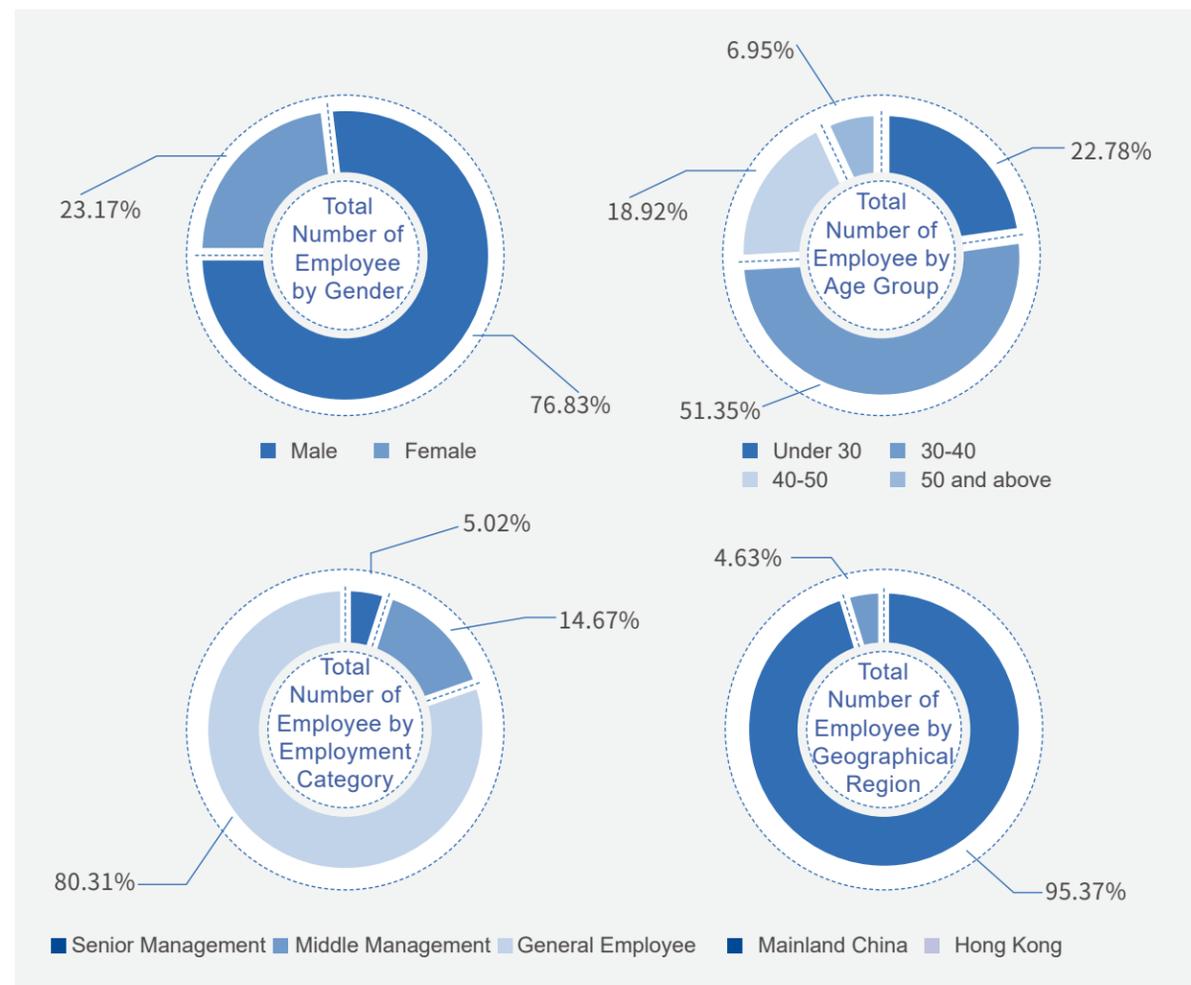
Employees are the most valuable asset of the Group. We are committed to providing employees with competitive welfare and benefits, creating a healthy and safe working environment, training employees to develop their strengths and improve their professional skills, so as to lay a solid foundation for the sustainable development of the Group.

Human Resources Policy

The Group strictly complies with labour regulations and stipulates internal policies, pays social insurance in strict accordance with regulations, protects employees' personal privacy. We constantly improve the working environment, benefits and career development of our employees in order to attract and retain talents. In addition, we strive to be the best employer in the eyes of our employees by creating a fair, diverse and inclusive working environment and protecting the rights and interests of our employees at all times.

Our human resources policies focus on nurturing and caring for the growth of our employees, strengthening their sense of belonging and unleashing their potential to enhance the Group's competitive advantages. The Group welcomes talents with different backgrounds to join us and create new momentum. We encourage our employees to actively adopt various forms of learning for continuous self-enhancement during their employment. We hope that our employees will continue to unleash their potential, achieve self-actualisation and contribute to the corporate development through learning and training.

As of 31 December 2021, the Group had 259 employees, mainly located in Hong Kong and Mainland China. The composition of employees is as follows:



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.

Recruitment and Dismissal

The Group has established the *Recruitment and Employment Management Standard*. We recruit employees based on the principle of "Fair Competition, Comprehensive Assessment and Merit-based Recruitment". No candidates will be subjected to unfair treatment due to their age, gender, race, ethnicity, religious belief or physical disability. The Group has stipulated the recruitment process and selection principles to ensure that all candidates are treated equally.

The Group's *Employee Handbook*, *Labour Contract Management Standard* and *Welfare Management Standard* stipulate the labour standards and arrangements for the dismissal and termination of the contract.

To ensure that no child labour is employed, the Group's HR Department carefully verifies the identity documents of candidates during the recruitment process to ensure that they are aged 16 or above and never employs people under the age of 16. The Group protects the legitimate rights of our employees and does not force them to work involuntarily. In the event of child labour and forced labour, we will hold the relevant departments and personnel accountable.

The Human Resources Department will take the initiative to conduct exit interviews upon receipt of the exit report, and both parties understand the arrangement of dismissal and termination of the contract. The labour contracts signed between the Group and our employees clearly state the obligations of both parties in respect of dismissal and termination of contracts to protect the rights and interests of both parties and to avoid labour disputes.

Working Hours and Benefits

We stipulate the daily working hours of employees shall not exceed 8 hours and the average working hours per week shall not exceed 44 hours, and all employees are entitled to public holidays and annual leave. Apart from providing social insurance and housing provident fund as required by law, the Group also provides various subsidies and allowances to our employees such as rental subsidy, transportation allowance, phone expenses allowance, etc. The Group's *Welfare Management Standard* lists out the types of welfare, the amount of different subsidies and allowances and the frequency of distributing payments to ensure that all employees are treated equally.

Daily working hours of employees shall not exceed

8

hours

Average working hours per week shall not exceed

44

hours

Remuneration and Promotion

The Group has formulated the *Remuneration Management Standards* to attract, motivate and retain talents through a competitive remuneration package and promotion mechanism. The Group's *Remuneration Management Standard* stipulates the mechanism of determining employees' salaries to ensure that they receive fair salary adjustments. We provide employees with salary adjustment and promotion opportunities in accordance with the principles of "Market rates", "Standardised Pay Grade" and "Performance-related incentive". In order to motivate employees to continuously strive for excellence, we will recognize their efforts and contributions through awards and commendation conferences.

Employee Training

The Group strives to provide diversified learning and development opportunities for our employees to help them broaden their career paths and promote mutual growth of the employees and the Group. The Group has formulated the *Employee Training Management Standard* to regulate training management and to stipulate management responsibilities, forms and types of training. We formulate annual training plan to meet the needs of our employees and business development every year. We also organise different types of training to enhance the work capability and professional knowledge of our employees.

Apart from internal professional training, the Group also invites external professional organisations to conduct various types of training for our employees. The main objectives of these trainings are to enhance employees' understanding of professional knowledge and skills, and to assist them in obtaining professional qualifications. In addition, we encourage our employees to actively adopt various forms of learning for continuous self-enhancement. We hope that our employees will continue to unleash their potential, achieve self-actualisation and contribute to corporate development through learning and training.

Brief description of training cases



From 1 September to 9 September 2021, CNI (Nanjing) organised and carried out project quality management training.



On 22 October 2021, CNI (Nanjing) carried out special legal training on Civil Code construction projects.



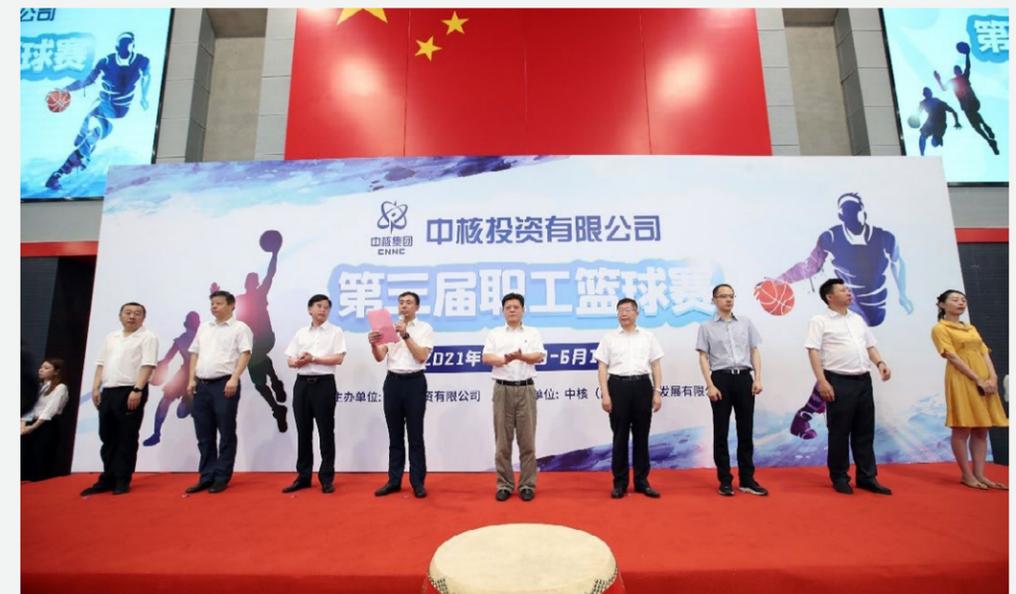
On 11 November 2021, CNI (Nanjing) attended the human resources business training organised by China He Investment Co., Ltd..

Employee Communication Channels

The Group has set up various communication channels to listen carefully to our employees and understand their needs in order to build a relationship of mutual trust. The Group believes that effective and high-quality communication with our employees is one of the keys to success so we encourage our employees to communicate more with the management and make recommendations that are beneficial to employees and corporate development.

In order to foster close team relationships, the Group organises a wide range of cultural and sports activities. We encourage employees to actively communicate with one another to strengthen team spirit and create good corporate morale.

Employee Basketball Competition



From 15 to 18 June 2021, the 3rd Employee Basketball Competition of China Nuclear Investment Co., Ltd. hosted by CNICL and CNI (Nanjing) Energy Development Co., Ltd. was held in Nanjing. On the race day, a total of 27 teams of representatives from men and women and more than 200 athletes were sent to strive for excellence.

Occupational Health and Safety

We put the health and safety of our employees in the first place to create a safe working environment for employees. In order to implement occupational health and safety measures more effectively and thoroughly, the Group has obtained the GB/T 45001-2020/ISO 45001-2018 Occupational Health and Safety Management Systems Certification. 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 during the Reporting Period. The Group achieved the following four major occupational health and safety objectives:



In addition to strictly complying with the relevant regulations on the provision of occupational health and safety in the regions where we operate, the Group adopts a "Prevention-based" strategy and establishes a comprehensive and effective safety system with a focus on systems, measures, equipment, education, drills and other aspects. The Group has established the *Control Procedures on Safe Production* to set out safety precautionary measures to provide details on the management of the working environment, operational processes, safeguarding the safety and health of employees, equipment safety, fire safety, etc. to reduce the risk of sudden accidents during operation. The following are the key elements of the Group's safety assurance system:



Safety Training

The Group understands the importance of safety training, which helps to prevent casualties and create a healthy and safe working environment. In view of this, we have developed the *Management Approach of Safety Production Education and Training*. This management approach clearly sets out the safety responsibilities of various departments, management procedures and requirements on documentation. All new employees are required to complete at least 40 hours of "Three levels of Safety Training" before they can start working in the factory. All employees are required to pass a safety training examination after the training before they can enter the construction site. We also conduct regular training and examinations on safety techniques for employees engaging in production to reinforce their knowledge and awareness of safety production.



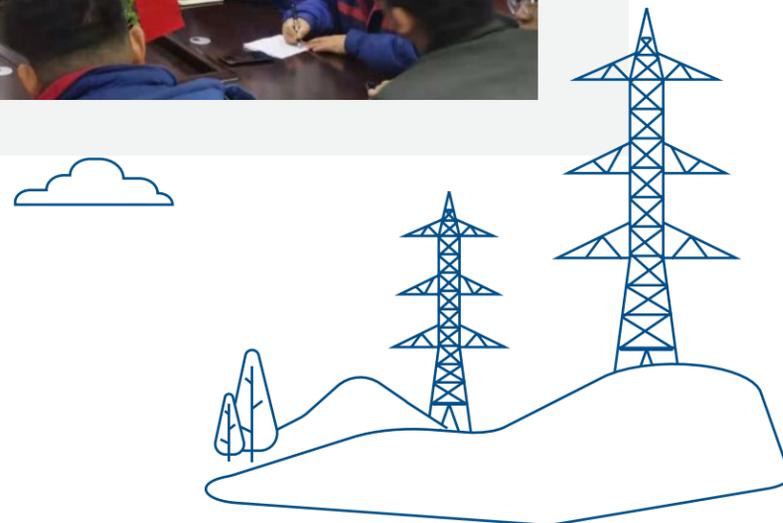
 Safety operation training for electricians

Carry out education on work safety risks, implement safety protection facilities, and prevent personal and equipment accidents



 Warning of Power Safety Accidents

After analyzing the recent power safety accidents, all units were invited to learn from the accidents and take targeted measures to effectively strengthen the management of safe production and deeply investigate the hidden risks and management loopholes.



Emergency Drills

The Group has established the *Control Procedures on Emergency Preparedness and Response*. We organise education activities regarding emergency and safety regularly. In addition, we organise emergency drills, such as fire drills and first aid drills, on a regular basis. The purpose of these drills is to strengthen our employees' ability to deal with accidents and emergencies. At the same time, we also regularly review the emergency plan, evaluate its feasibility and effectiveness after each drill, and revise the emergency plan based on the drill experience as needed.

 Regular emergency drills



High-altitude emergency drills



Fire emergency drills



Flood prevention and emergency drills

Prevention and Control of Pandemic

During the Reporting Period, the pandemic continues to rage. The Group implemented the *Prevention and Control Work Plan for the Coronavirus Disease 2019*. This plan sets out the responsibilities of the Leading Group on Pandemic Prevention and Control and various anti-pandemic measures. The Leading Group is responsible for the timely dissemination of various policies, measures and knowledge on the prevention and control of the pandemic through the Company's website and mobile applications for communication. Besides, the Leading Group is also responsible for the procurement and distribution of pandemic prevention materials. The Group also checks and monitors the body temperature, health code and travel code of employees on a daily basis to ensure effective strengthening of the COVID-19 pandemic prevention and control.

04

Promoting Green Environmental Protection



Environmental Management Strategy

"Strict Compliance with Laws and Regulations, Protection of Environment and Standardisation of Management" is the general direction of environmental protection of CNETCL. While promoting green energy development, the Group also actively reduces the negative impact of its operation on the environment.

CNI (Nanjing) has obtained ISO14001 and GB24001-2016 environmental management system certifications. We implement the responsibility of project safety production, protect the ecological environment and reduce the impact of operations on the environment by improving the environmental protection management mechanism.

CNI (Nanjing) has formulated the *Environmental Protection Management Approach at Project Site* to further regulate and control the environmental impacts arising from project construction and to avoid various major environmental hazards and incidents. The approach clearly states that the project manager is the principal responsible person for on-site environmental protection and is fully responsible for supervising and inspecting environmental protection management of his or her projects. Before the commencement of a construction project, the on-site project department is responsible for the overall planning of environmental protection of the project. Corresponding environmental protection measures are formulated based on the environmental pollution generated during the construction process or other activities. The safety engineer will conduct inspection and implementation of the environmental protection measures of the participating units and the supervision and inspection of the implementation of 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.

Environmental Targets

Over the years, the Group has been advocating and pursuing responsible operation. We are committed to operating our business in a comprehensive and responsible manner with consideration of environmental, social and economic benefits. The directors of the Group authorise working group to review the progress of ESG objectives on an annual basis, and guide all departments to promote ESG work to ensure that the elements of sustainable development are integrated into all aspects of operations and all business decisions.

Currently, we have set the following environmental targets for our EPC and power generation projects:

Environmental Targets	Target Duration (Short/medium/long term)	Target Content
Emission reduction targets	Medium	Reduce the consumption of disposable materials, gradually eliminate the consumption of disposable materials in procurement and construction processes
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
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
Energy Saving Targets	Medium	Purchasing energy-saving equipment, implementing energy-saving plans, and reducing electricity consumption
Water Saving Targets	Medium	Adds cleaning pipe network system at distributed photovoltaic power station to save cleaning water

Response to Climate Change

In line with the national carbon neutrality goal, the Group actively participates in climate change policies to respond to the risks and opportunities brought by climate change to our business operations. During the Reporting Period, we engaged an external professional consultant to assist in integrating climate change-related matters into the Group's operational risk assessment and management, and regularly review and evaluate major climate change-related matters.

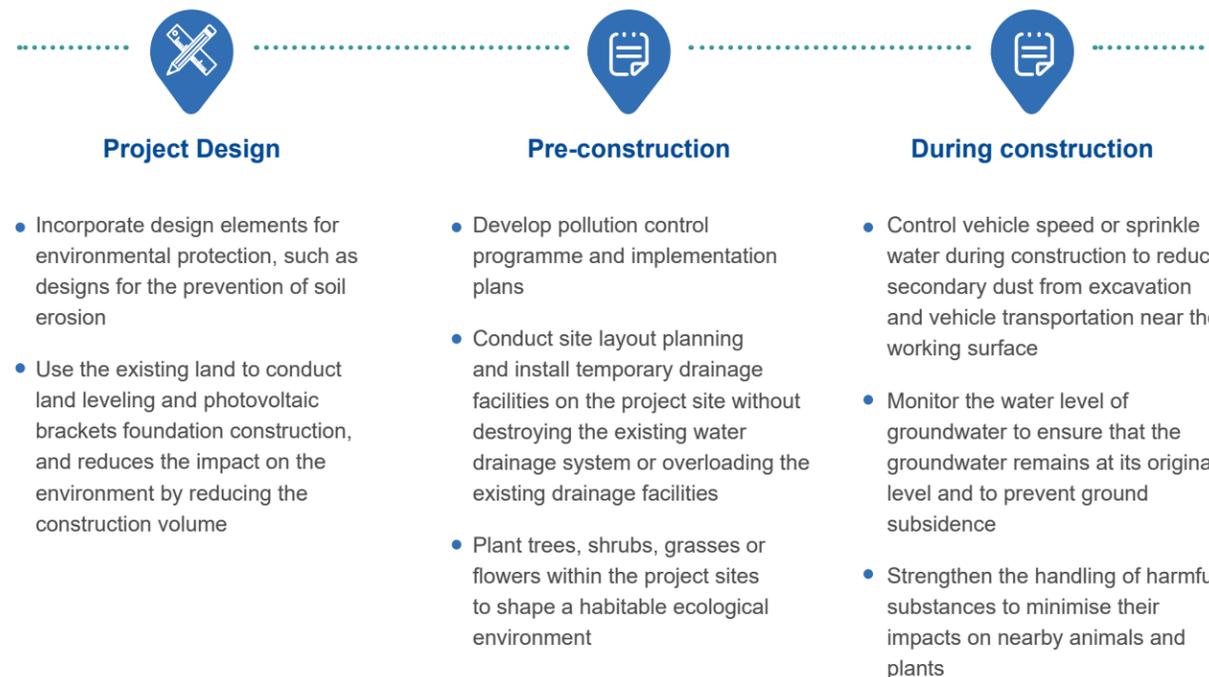
In the context of climate change issues, we have sorted out the list of potential climate change risks related to the Group, and adopted the scoring questions to evaluate the risk level of such potential climate risks from the two dimensions of "influence" and "possibility". We have identified 3 climate change risks with high and medium risk levels, including long-term risks, market risks and reputation risks, the descriptions and potential impacts as follows:

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, 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 as one of the sources of reputational risk, which is closely related to the perception of customers or communities about the organisation's commitment to 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 the 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

In the future, we will continue to manage the risks brought by climate change and seize the potential opportunities brought by climate change through enterprise risk management and the formulation of relevant strategic deployment and response policies.

Ecological Environmental Protection

The Group actively considers the potential impact of its business on the external environment and reduces the potential impact on the surrounding environment. To minimise the negative environmental impacts of the power station construction, before the project planning, CNI (Nanjing) will identify potential environmental impacts caused by the projects, list out the environmental impacts, and then formulate countermeasures. The project installs fences to keep wild animals out of the plant area, and adopts ecological restoration measures. The ecological environment is essentially the same as before the construction. The construction of the project avoids disturbing the free movement of wild animals, and we have not observed the impact on wild animals.

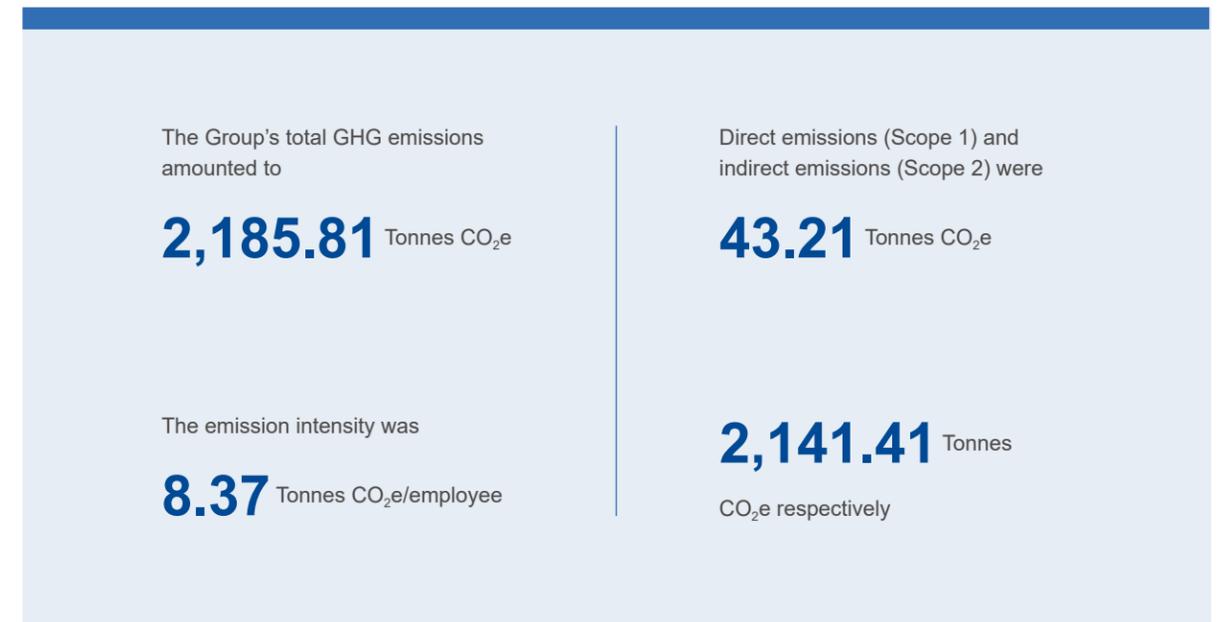


Emission Management

GHG Emissions

The Group's GHG emissions are mainly attributed to electricity consumption. To reduce GHG emissions, the Group actively utilizes renewable energy. In office operation, we conduct regular inspection and maintenance of the air conditioning system to ensure that it is in good condition to prevent leakage of refrigerant, thus minimising fugitive emissions.

During the Reporting Period, the Group's total GHG emissions amounted to 2,185.81 Tonnes CO₂e of which direct emissions (Scope 1) and indirect emissions (Scope 2) were 43.21 Tonnes CO₂e and 2,141.41 Tonnes CO₂e respectively. The emission intensity was 8.37 Tonnes CO₂e/employee.



Exhaust Gas Emissions

The power generation process of the Group's power stations does not generate emissions, the production machinery and facilities mainly consume electricity and therefore do not contribute to significant emissions. Our emissions mainly come from the emissions of sulphur oxides, nitrogen oxides, carbon monoxide and particulate matter from the use of vehicles at our operations. Meanwhile, we have adopted different emission reduction measures to reduce emissions. The Group uses vehicles that meet the PRC IV or Euro IV or higher vehicle emission standards to reduce exhaust gas emissions from vehicle use.

Wastewater Discharge

The Group's wastewater discharge is mainly domestic sewage generated from the offices. Sewage generated from the offices is discharged directly to the municipal sewage treatment plant through the drainage system of the building.



Waste Management

The Group strictly implements the *Procedures on the Control of Solid Waste*, which sets out the procedures for the collection, storage and disposal of waste. The *Procedures on the Control of Solid Waste* is strictly enforced to manage waste effectively and to avoid environmental pollution caused by improper waste handling.

The Group's non-hazardous waste mainly includes domestic waste and food waste. The property management company is responsible for the collection, transportation and disposal of non-hazardous wastes generated from the offices. During the Reporting Period, the Group generated a total of 15.84 tonnes of non-hazardous waste.

Due to the Group's withdrawal from the manufacturing and trading business in 2020, the relevant emissions and resources use recorded a corresponding decrease. Meanwhile, due to the change in the business, no hazardous waste (such as waste oil and waste solar cells) was recorded during the Reporting Period.

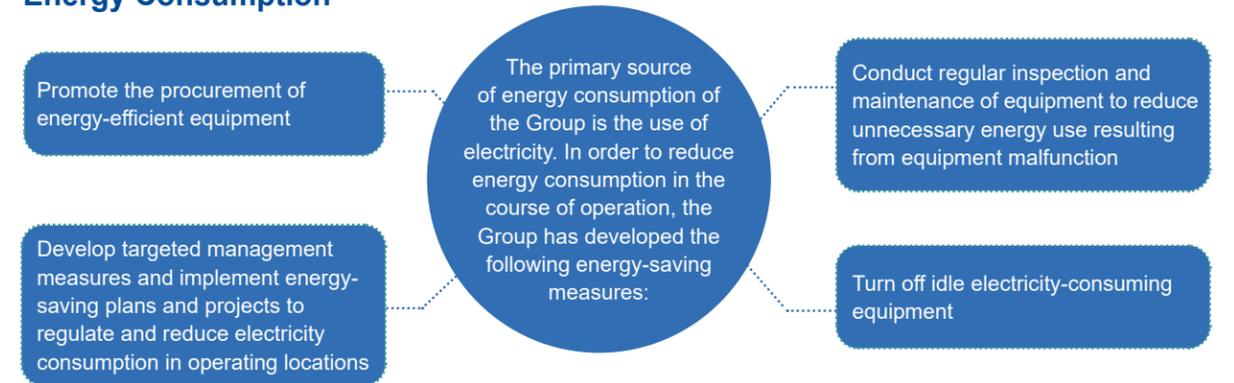
For recyclable or reusable wastes, the Group has set up designated areas for collecting recyclable materials at its operating locations to reduce waste generation. In addition, the Group promotes a paperless office. We disseminated various information to employees through internal digital systems and emails to reduce paper use.



Use of Resources

The Group actively reduces the use of resources and improves operational efficiency. To ensure the rational use of resources, we assign dedicated personnel to monitor the use of resources and record the monthly energy consumption and water consumption for regular review on a monthly basis. If there is an abnormal use of resources, we will analyse the causes and formulate rectification measures to effectively reduce resources waste.

Energy Consumption

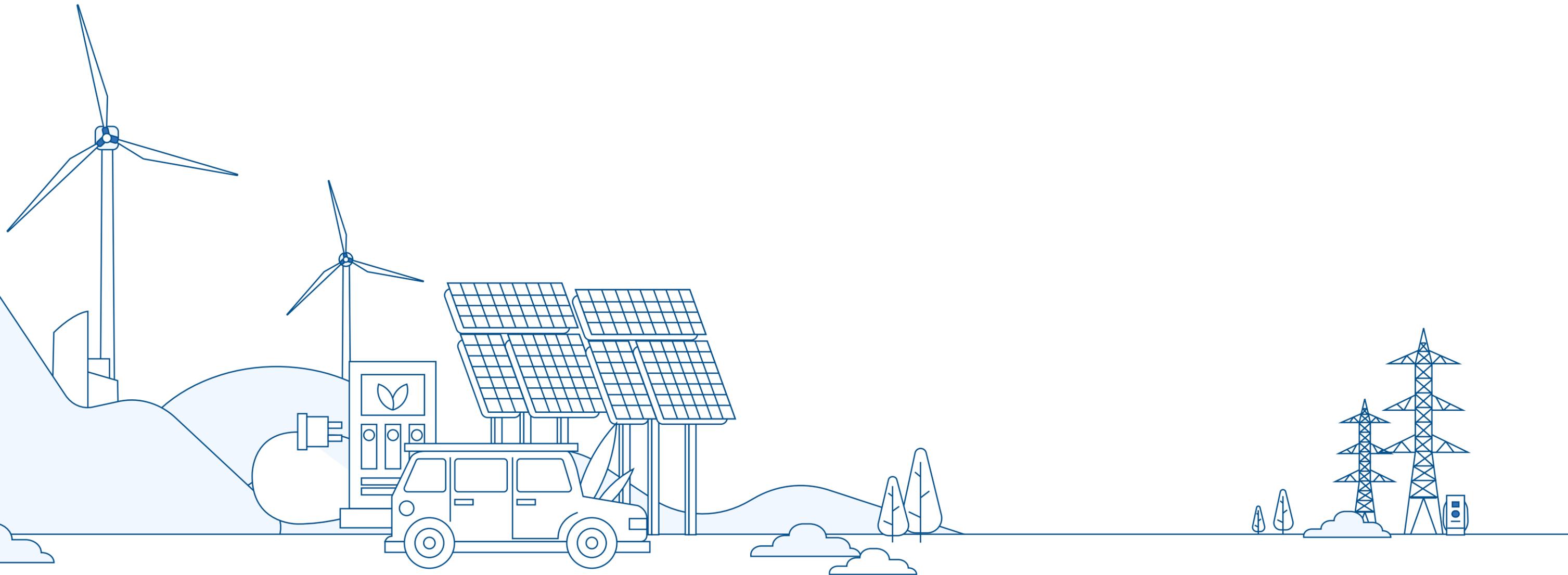


Water Consumption

The Group's water source is mainly municipal water supply and there are no difficulties in sourcing water. To enhance water efficiency, we monitor the functioning of water supply equipment and adopt water-saving appliances in a timely manner. If damages to the equipment or water leakage are found, we will conduct repair works in a timely manner. At present, the total water consumption of the Group has shown a trend of year-on-year decrease for three consecutive years.

05

Building Sunshine Communities



In addition to promoting energy development, the Group also spares no effort in promoting the development of the communities in which it operates. The Group upholds the principle of “Bringing Green Energy into Thousands of Households” and hopes to contribute clean, efficient and low-cost green energy to the society through excellent technology and engineering capabilities.

Rural Revitalization

With the significant progress made in poverty alleviation during the 13th Five-Year Plan period (2016-2020), we will actively work in complementing the national policy during the 14th Five-Year Plan period (2021-2025), continue to consolidate and expand the achievements of poverty alleviation, comprehensively promote rural revitalization, and accelerate the modernization of agriculture and rural areas. The village-level poverty alleviation power station of “the 13th Five-Year Plan period” in Jianzhatan, Jianzha County, Huangnan Tibetan Autonomous Prefecture, Qinghai Province is an EPC general contracting project designed, constructed and operated by Nanjing CNI Energy Engineering Company Limited. Since its commencement of operation in 2018, it has continued to provide electricity output to the local area, with a total accumulated power generation of 42,720,000 kWh, exceeding the planned power generation of 5,850,000 kWh.



The project brings an annual expected income of RMB260,000 for the local area, which is mainly used for the repair and maintenance of infrastructure and public service projects for rural revitalization, Party members' education, labour skills training, salary expenses for public welfare positions, and the development and expansion of village collective industries.

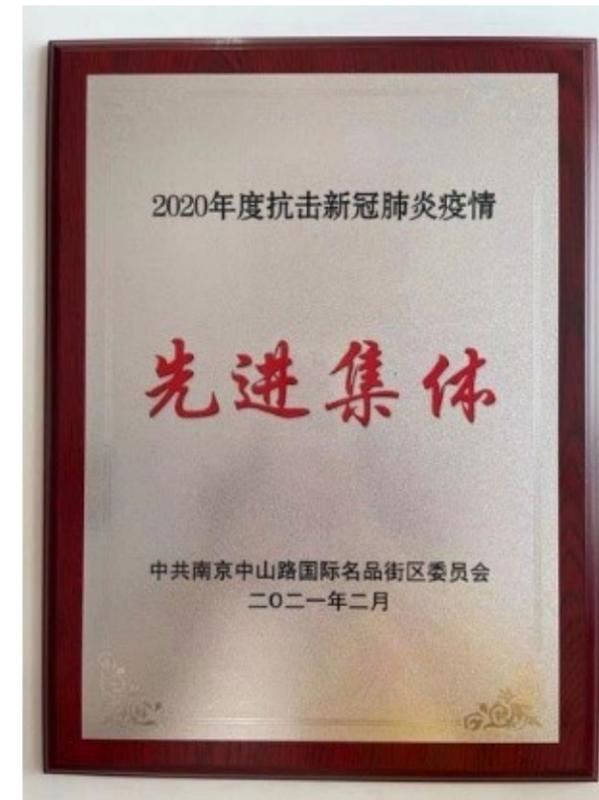
A total accumulated power generation of

42,720,000 kWh

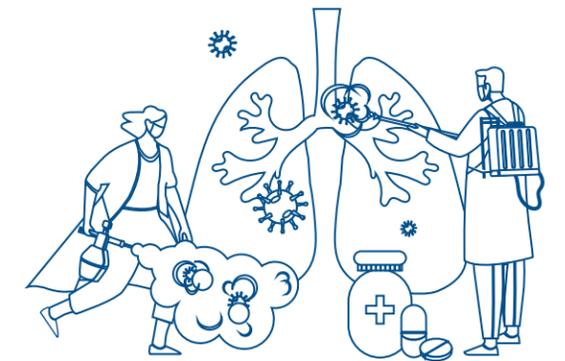
Exceeding the planned power generation of

5,850,000 kWh

Fight Against The Pandemic



During the outbreak of the pandemic in Nanjing in the summer of 2021, employees of the Company worked as volunteers to participate in community pandemic prevention and control activities. In February 2021, the Group was awarded the Advanced Group for Combating the pandemic by the Committee of International Famous Community of Zhongshan Road in Nanjing.



Performance Indicators

Human Resources Indicators

During the Reporting Period, the Group's human resources indicators are shown as below:

Number of Employees ³ (as at the end of the Reporting Period)	2021	2020	2019
Total number of employees ⁴	259	279	406
By Gender			
Male	199	219	290
Female	60	60	116
By Employment Category			
Full-time	259	279	406
Part-time	0	0	0
By Age Group			
<30	59	63	115
30 – 40	133	152	233
41 – 50	49	47	42
>50	18	17	16
By Geographical Region			
Mainland China	247	267	399
Hong Kong	12	12	7
Employee Turnover Rate ⁵	2021 ⁶	2020	2019
Employee turnover rate	12%	64%	35%
By gender			
Male	16%	48%	35%
Female	0%	103%	35%
By Age Group			
<30	23%	64%	59%
30 – 40	13%	68%	28%
41 – 50	2%	57%	8%
>50	0%	29%	0%
By Geographical Region			
Mainland China	13%	66%	35%
Hong Kong	8%	0%	40%

Training

Percentage of Employees Trained ⁷	2021
By Gender	
Male	82%
Female	18%
By Employment Type	
Directors and senior management	5%
Middle management	16%
Rank and file	79%
Average training hours completed per employee ⁸	2021
Average training hours completed per employee	29.86
By Gender	
Male	31.06
Female	24.26
By Employment Type	
Directors and senior management	15.07
Middle management	28.59
Rank and file	31.05

Safety

Safety Performance	2021	2020	2019
Number of work-related fatalities	0	0	0
Work-related fatality rate	0%	0%	0%
Lost days due to work injury	0	0	0

3. The reporting scope of data relating to employees and training in the section "Social Performance Indicators" is consistent with the Company's Annual Report 2021.

4. There was a significant reduction in the total number of employees in 2020 and a significant change in turnover rate due to the shutdown of the module plant of Xuzhou Herun in the second half of 2020 and the associated employee layoff.

5. 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%.

6. The formula for calculating the employment turnover rate changes in 2021 and it may affect the consistency of the data and historical data in this Report.

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

8. 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%.

Environmental Performance Indicators

Due to the Group's withdrawal from the manufacturing and trading business in 2020, the relevant emissions and resources use recorded a corresponding decrease. Meanwhile, due to the change in the business, no packaging materials and hazardous waste (such as waste oil and waste solar cells) were recorded during the Reporting Period.

Emissions	Units	2021	2020	2019
Air Pollutants⁹				
Nitrogen oxides	kg	17.58	25.92	58.73
Sulphur oxides	kg	0.27	0.35	1.02
Carbon monoxide	kg	88.36	108.91	130.33
Particulate matter (PM2.5)	kg	1.97	2.85	6.13
Particulate matter (PM10)	kg	2.04	2.98	6.48
GHG Emissions				
Total GHG emissions ¹⁰	Tonnes CO ₂ e	2,185.81	3,552.68	2,243.66
	Tonnes CO ₂ e/number of employees ¹¹	8.37	13.51	6.58
Scope 1: Direct emissions ¹²	Tonnes CO ₂ e	43.21	55.48	43.42
Scope 2: Indirect emissions ¹³	Tonnes CO ₂ e	2,141.41	3,495.57	2,183.40
Scope 3: Other indirect emissions ¹⁴	Tonnes CO ₂ e	1.19	1.62	16.83
Non-hazardous Wastes				
Domestic wastes (including food wastes)	Tonnes	15.84	40.75	66.10
	Tonnes/ number of employees	0.06	0.15	0.19
Use of Resources				
Energy				
Indirect energy (purchased electricity)	MWh	3665.48	4,664.22	3,575.16
	MWh/ number of employees	14.04	17.73	10.48
Direct energy (gasoline and diesel)	MWh	166.40	210.97	161.95
	MWh/ number of employees	0.64	0.80	0.47
Gasoline	L	17,803.21	22,400.51	14,836.75
	L/ number of employees	68.21	85.17	43.51
Diesel	L	550.00	1,095.00	3,012.00
	L/ number of employees	2.11	4.16	8.83
Water				
Water	Tonnes	24,916.30	27,542.72	35,430.00
	Tonnes/ number of employees	95.46	104.73	103.90

9. Air pollutant emissions primarily came from on-road and non-road mobile sources. The calculation method of air pollutant emissions (Scope 1) and the relevant emission factors for 2021 are the same as those for 2020, 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.

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

11. 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.

12. 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 2020 are the same as those for 2019 and 2020, 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).

13. 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 Guidelines on enterprises greenhouse gas emissions accounting and reporting – Power generation facilities (2021 Revision), draft for comments issued by the Ministry of Ecology and Environment of the PRC and the Sustainability Report 2020 issued by the HK Electric Investments Limited.

14. Scope 3 GHG emissions include employees' business travel by airplanes. The calculation method of scope 3 GHG emissions and the relevant emission factors for 2020 are the same as those for 2019 and 2020, with reference to the carbon emissions calculator developed by the International Civil Aviation Organisation, a United Nations agency.

Appendix 1: 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 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>
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>Regulation 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>

Appendix 2: Content Index of The Stock Exchange Environmental, Social and Governance Reporting Guide

Scope	Laws and regulations that have a significant impact on the Group	Potential Significant Impact
Labour Standards	<i>Provisions on the Prohibition of Using Child Labor</i> <i>Law of the People's Republic of China on the Protection of Minors</i> <i>Cap. 57 Employment Ordinance</i>	Violation of labour standards and product responsibility related laws may result in administrative and economic fines, and may also damage the Group's reputation.
Product Responsibility	<i>Patent Law of the People's Republic of China</i>	
Anti-Corruption	<i>Anti-Unfair Competition Law of the People's Republic of China</i> <i>Interim Provisions on Banning Commercial Bribery</i> <i>The Bidding Law of the People's Republic of China</i> <i>Criminal Law of the People's Republic of China</i> <i>Oversight Law of the People's Republic of China</i> <i>Anti-Money Laundering Law of the People's Republic of China</i> <i>People's Republic of China for Suppression of Corruption</i> <i>Company Law of the People's Republic of China</i> <i>Cap. 201 Prevention of Bribery Ordinance</i> <i>Cap. 622 Companies Ordinance</i>	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.

General Disclosures and Key Performance Indicators (KPI)	Description	Relevant Section or Remarks
Environmental		
Aspect A1: Emissions		
General Disclosure	(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.	Environmental Management Policies, Appendix 1
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).	GHG 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).	Waste Management, Environmental Performance Indicators
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, Emissions 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
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Management Policies, Appendix 1
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, Environmental Management Policies
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.	Water Consumption, Environmental Management Policies
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	-
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental Management Policies
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Ecological Environment Protection, Environmental Management Policies

General Disclosures and Key Performance Indicators (KPI)	Description	Relevant Section or Remarks
Environmental		
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.	Response 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.	Response to Climate Change
Social		
Aspect B1: Employment		
General Disclosure	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Human Resources Policy, Appendix 1
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Social Performance Indicators
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Social Performance Indicators
Aspect B2: Health and Safety		
General Disclosure	(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, Appendix 1
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Social Performance Indicators
KPI B2.2	Lost days due to work injury.	Social Performance 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.	Employee Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Social Performance Indicators
KPI B3.2	The average training hours completed per employee by gender and employee category.	Social Performance Indicators
Aspect B4: Labour Standards		
General Disclosure	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Human Resources Policy, Appendix 1
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Human Resources Policy
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Human Resources Policy

General Disclosures and Key Performance Indicators (KPI)	Description	Relevant Section or Remarks
Social		
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.	-
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	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
Aspect B6: Product Responsibility		
General Disclosure	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Striving To Improve Development Quality, Appendix 1
KPI 6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Social Performance Indicators
KPI 6.2	Number of products and service related complaints received and how they are dealt with.	Customer Rights Protection
KPI 6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Protection
KPI 6.4	Description of quality assurance process and recall procedures.	-
KPI 6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Customer Rights Protection
Aspect B7: Anti-corruption		
General Disclosure	(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.	Integrity In Business, Appendix 1
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, and 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
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 Sunshine Communities
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Building Sunshine Communities
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	-

China Nuclear Energy Technology Corporation Limited

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

Landline: (852)39830923

Email: info@cnetcl.com