



# 四川能投發展股份有限公司

## Sichuan Energy Investment Development Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)  
Stock Code: 1713



# 2023

## Environmental, Social and Governance Report

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# 1. ABBREVIATIONS

Unless otherwise stated in the Report, the following terms are defined as follows:

<b>“Sichuan Energy Investment Development”</b>	Sichuan Energy Investment Development Co., Ltd.
<b>“The Report”</b>	Sichuan Energy Investment Development Co., Ltd.’s 2023 Environmental, Social and Governance Report
<b>“The Group”, “The Company” or “We”</b>	Collective reference of Sichuan Energy Investment Development Co., Ltd. and subsidiaries
<b>“During the year”, “2023” or “The Reporting Period”</b>	1 January 2023 to 31 December 2023
<b>“Headquarters”</b>	Headquarters of Sichuan Energy Investment Development Co., Ltd., excluding its subsidiaries
<b>“Subsidiaries”</b>	Subsidiaries of Sichuan Energy Investment Development that are included in the Report’s scope (refer to section “2.1 Reporting Scope” for details)
<b>“Board of Directors”</b>	Board of Directors of Sichuan Energy Investment Development Co., Ltd.
<b>“Employees”</b>	Employees of Sichuan Energy Investment Development Co., Ltd.
<b>“PRC”</b>	People’s Republic of China
<b>“SEHK”</b>	The Stock Exchange of Hong Kong Limited
<b>“The Rules”</b>	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>“the Guide”</b>	Environmental, Social and Governance Reporting Guide (2023 version), Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>“HSE”</b>	Health, Safety and Environment
<b>“ESG”</b>	Environmental, Social and Governance
<b>“ESG Working Group”</b>	Environmental, Social and Governance Working Group
<b>“Yuan”</b>	Renminbi yuan, the lawful currency of PRC
<b>“Kilowatt-hour” or “kWh”</b>	Unit of energy, equivalent to the amount of energy produced in one hour by a generator with a power of one kilowatt
<b>“Megawatt-hour” or “MWh”</b>	Unit of energy, equivalent to 1,000 kWh

## 2. ABOUT THE REPORT

This is the sixth ESG report issued by Sichuan Energy Investment Development after listing on SEHK. The purpose of the Report is to report on the Group's sustainability-related performance for the year 2023 and to address sustainability-related issues of concern to the Group's key stakeholders. The Report also details the Group's governance on sustainability and how the sustainability concept is integrated with the business to identify and manage various risks and opportunities.

The Report is published in both Traditional Chinese and English. If there were any discrepancies in the Report content, the Traditional Chinese version shall prevail. The electronic version of the Report can be read and downloaded through the Group's official website and SEHK website.

### 2.1 REPORTING SCOPE

The Report covers Sichuan Energy Investment Development's headquarters and its subsidiaries that mainly affect Sichuan Energy Investment Development's performance, assets or liabilities. The list of subsidiaries and their principal activities are as follows:

Subsidiaries	Abbreviations	Subsidiaries' Business Location	Main Business
<b>Sichuan Energy Yibin City Xuzhou Electricity Co., Ltd.</b>	Sichuan Energy Xuzhou Electricity	Yibin City, Sichuan Province	Electricity Sales
<b>Sichuan Energy Investment Development and Construction Co., Ltd.</b>	Sichuan Energy Investment Development and Construction	Gao County, Yibin City, Sichuan Province	Electrical Installation
<b>Sichuan Energy Investment Gong County Electricity Co., Ltd.</b>	Sichuan Energy Gong County Electricity	Gong County, Yibin City, Sichuan Province	Electricity Sales
<b>Sichuan Energy Investment Gao County Electricity Co., Ltd.</b>	Sichuan Energy Gao County Electricity	Gao County, Yibin City, Sichuan Province	Electricity Sales
<b>Sichuan Energy Investment Yibin Power Generation Co., Ltd.</b>	Sichuan Energy Yibin Power Generation	Gao County, Yibin City, Sichuan Province	Power generation
<b>Sichuan Energy Power Investment Pingshan Electricity Co., Ltd.</b>	Sichuan Energy Pingshan Electricity	Pingshan County, Yibin City, Sichuan Province	Electricity Sales
<b>Sichuan Energy Investment Xingwen Electricity Co., Ltd.</b>	Sichuan Energy Xingwen Electricity	Xingwen County, Yibin City, Sichuan Province	Electricity Sales
<b>Sichuan Energy Investment Junlian Electricity Co., Ltd.</b>	Sichuan Energy Junlian Electricity	Junlian County, Yibin, Sichuan Province	Electricity Sales
<b>Shuifu Yangliutan Power Generation Co., Ltd.</b>	Sichuan Energy Yangliutan Power Generation	Shuifu City, Yunnan Province	Power generation
<b>Sichuan Energy Investment Electric Energy Co., Ltd.</b>	Sichuan Energy Electric Energy	Yibin City, Sichuan Province	Electricity Sales
<b>Sichuan Energy Investment Gao County Integrated Energy Co., Ltd.</b>	Sichuan Energy Gao County Integrated Energy	Gao County, Yibin City, Sichuan Province	Electricity Sales
<b>Sichuan Energy Investment Junlian Green Energy Co., Ltd.</b>	Sichuan Energy Junlian Green Energy	Junlian County, Yibin, Sichuan Province	Electricity Sales
<b>Sichuan Energy Investment Changning Green Energy Co., Ltd.</b>	Sichuan Energy Changning Green Energy	Changning County, Yibin City, Sichuan Province	Electricity Sales
<b>Sichuan Energy Investment Xingwen Green Energy Co., Ltd.</b>	Sichuan Energy Xingwen Green Energy	Xingwen County, Yibin City, Sichuan Province	Electricity Sales

## 2. ABOUT THE REPORT

The information and the calculation method given in the Report have not been restated with significant impact compared with the Report in the previous year. The scope of the Report has broadened compared to the interim report released on September 2023 due to the establishment of new subsidiaries by the Group during the Reporting Period. Unless otherwise stated, the timeframe of the report is from 1 January 2023 to 31 December 2023.

### 2.2 CONFIRMATION AND APPROVAL

The Board of Directors has overall responsibility for the Group's ESG strategy and report and has reviewed and approved the Report. The data and other information publicly disclosed herein are primarily derived from internal documents, reports and statistical results. The Board of Directors undertakes that the contents of the Report do not contain any false records, misleading statements or major omissions, and is ultimately responsible for the truthfulness, accuracy, and completeness of the Report.

### 2.3 REPORTING GUIDELINES

The Report has been prepared in accordance with the requirements of the mandatory disclosure requirements and "comply or explain" provisions set out in the Guide. The four ESG reporting principles of the SEHK: Materiality, Quantitative, Balance and Consistency have been applied as the four core reporting principles in the preparation of the Report.

#### **Materiality:**

Through the review of materiality issues, the Group identified and confirmed the materiality issues applicable to the Group during the Reporting Period and highlighted the relevant issues for disclosure in the Report.

#### **Quantitative:**

To comprehensively assess the Group's ESG performance during the Reporting Period, the Group disclosed the applicable quantitative Key Performance Indicators (KPIs) in the Guide and set out the criteria, methods, assumptions and reference bases for the calculation of the quantitative KPIs, including the sources of the key conversion factors.

#### **Balance:**

The Report follows the principle of balance and objectively presents the Group's ESG performance and management status during the Reporting Period.

#### **Consistency:**

Unless otherwise stated, the Report uses the same compilation and data calculation methodology as the previous reporting period for readers to make meaningful comparisons of ESG information in the Report.

### 2.4 CONTACT US

We welcome your comments and suggestions on the Report. You can also contact the Group by the following methods:

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Website: <http://www.scntgf.com>  
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Email: [db@scntgf.com](mailto:db@scntgf.com)

### 3. CHAIRMAN'S STATEMENT

2023 is a year of opportunities and challenges. We actively practised the principle of “Empowering Green and Low Carbon Enterprise with Technology”, and dared to “break through treacherous shoals, solid ice, and fortresses.” And we strived to make the industry better and stronger, and various indicators such as the Company’s operating income and profits have achieved substantial increases.

We insisted on the path to green development. The Company actively “goes out of Yibin” and comprehensively promotes the “source-grid-load-storage” in the clean energy industry chain, seizing the development opportunities in the energy storage market. We are achieving this goal through new construction and acquisition of clean energy equity assets, and deep cooperation with local governments or state-owned platform companies to jointly develop local green energy resources, which is aimed at promoting energy transformation and optimising energy structure.

We have always adhered to developing our enterprise with emerging industries. The Company is advancing investments in green energy projects such as natural gas distributed energy, distributed photovoltaics, pumped storage energy, and smart integrated energy stations. Throughout the year, we completed the construction of 19 charging stations (121 charging piles), 2 heavy-duty vehicle battery swapping stations, and 1 energy storage project, which gradually established a new mindset of energy consumption and services that is centred on electricity, with multiple energy sources complementing each other to ensure safety, greenness, and efficiency.

We consistently upheld the concept of green development. In 2023, the Company continued to strengthen the upgrading and transformation of power grids to reduce energy losses. We were awarded the “AAA Grade Low Carbon Enterprise” title by the Sichuan Provincial Circular Economy Association, and the Wangchang Substation was also honoured as the “First Carbon Neutral Substation in Sichuan.” Meanwhile, we focused on ecological and environmental protection, the company organised the proliferation and release of fish in the Hengjiang River Basin, making positive contributions to improving the ecological environment for the fish upstream of the Yangtze River.

We also insisted on the concept of safe development. The company held the 5th “Ankang Cup” safety quiz for employees, continuously fostering a good concept of “Everyone talking about safety, everyone being prepared for emergencies.” To enhance emergency power capabilities, the Company conducted an emergency drill to ensure power supply for peak power demand in the summer of 2023. The drill focused on topics such as power shortage management, emergency power recovery, and earthquake relief, examining the emergency power supply mechanism. In 2023, the Company remained stable in production safety, and there were no general or above levels of accidents in production safety throughout the year.

We always adhere to actively fulfilling our social responsibilities. During key periods such as the “Two Sessions,” state education examinations, FISU World University Games, and festive holidays that affect the power supply, rigorous preparations are made for power supply plans. We urged the completion of equipment defect rectifications and conducted a thorough risk analysis and monitoring of the power grid. These efforts are aimed at successfully fulfilling crucial power supply tasks at each stage and we make every effort to ensure the public’s production and daily power consumption, reflecting the social responsibility of the enterprise and helping us to achieve 100% satisfaction of users.

Finally, on behalf of the Board of Directors, I would like to take the opportunity to express my sincere gratitude to all shareholders, partners and customers. I would also like to express my sincere gratitude to all employees for their efforts and contributions, and to the families of our employees for their understanding and support. We will continue to reform and innovate, serve society, create value, and make continuous efforts to build a first-class modern comprehensive energy service enterprise.

*Chairman*

**Jing He**

14 March 2024

## 4. ABOUT US

Sichuan Energy Investment Development was established in Chengdu, Sichuan Province on 29 September 2011 and listed on the Main Board of the Stock Exchange in December 2018. It is the first H-share listed company in the domestic electricity distribution and sale industry.

We are a vertically integrated power supplier and service provider serving Yibin City, Sichuan Province, with an integrated power service of power generation, distribution and sales. We have a stable user base and an integrated power supply network in Yibin City, which enables us to optimise the utilisation of surplus power resources in our power supply network through efficient power distribution. Our business consists of (i) power business, which includes power generation, distribution and sales, and is divided into general power supply business and incremental power transmission and distribution business; and (ii) electricity engineering construction service (EECS) business, which includes EECS business and sales of electric equipment and materials.

Looking forward, we will actively participate in the reform of China's power industry and extend the industry service chain; pursue acquisition opportunities to continue to expand our market share; improve the structure of power grids and the level of informatisation; strengthen cost control and continuously improve profitability; focus on diversified development, create an industrial picture with complementary advantages, and strive to become a world-class listed company of modern integrated energy services, to create higher and better investment returns for all shareholders.

As of the end of the Reporting Period, the Group recorded revenue of RMB4,160.2 million, representing a year-on-year increase of 25.6%. Our total assets amounted to RMB6.324 billion, representing a year-on-year increase of 22.84%. As of December 31, 2023, we owned a total of 6 hydropower plants with an aggregate installed capacity of 127,030 kW. We also have 3 of 220-kV substations with a transformer capacity of 1,080,000 kVA, 21 of 110-kV substations with a total installed capacity of 1,379,400 kVA and 59 of 35-kV substations with a total transformer capacity of 626,900 kVA.

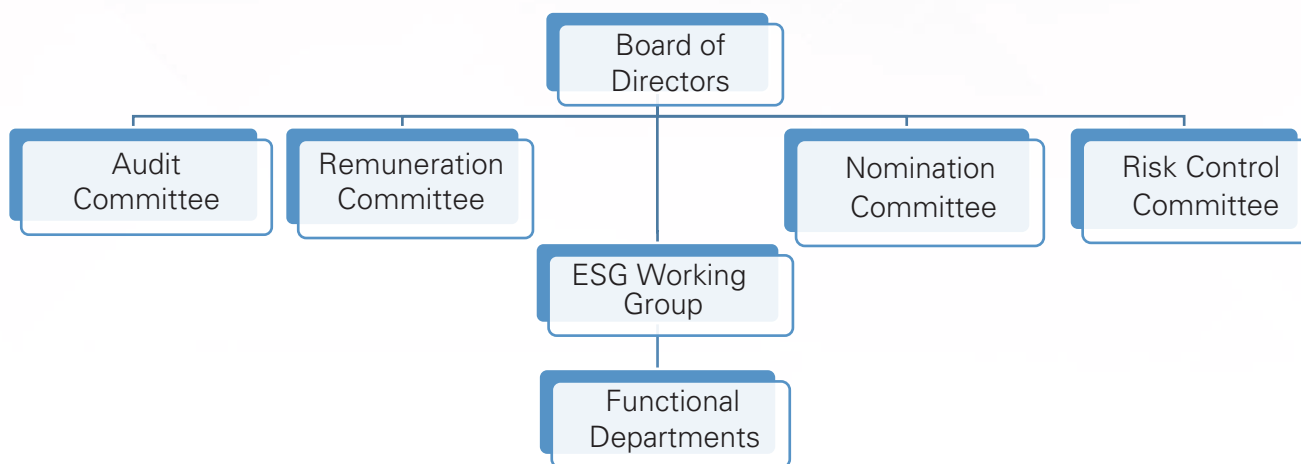


## 5. SUSTAINABLE DEVELOPMENT MANAGEMENT

### 5.1 ESG GOVERNANCE STRUCTURE

We have established an ESG governance structure under the supervision of the Board of Directors to manage sustainability issues in a unified manner, ensuring that ESG are incorporated into all operational and business decisions, and comprehensively advancing the Group's sustainable development.

The Group has established an ESG Working Group. The ESG Working Group is composed of representatives from functional departments involved in ESG matters and ESG-related responsible personnel of each subsidiary. The ESG Working Group is led by the Group's ESG person in charge, whose duty is to report to the Board of Directors on ESG matters and give relevant opinions to the Board of Directors the management or relevant departments when necessary.



The **Board of Directors** is the highest decision-making body for the Group's ESG governance and is responsible for overseeing the overall ESG strategy; reviewing and making decisions on ESG risks and opportunities related to the Group's business. They are responsible for ensuring that appropriate and effective ESG management and internal control systems are in place; formulating ESG management policies, strategies, priorities and objectives; regularly reviewing the performance of ESG objectives; and approving the disclosure in the ESG reports.

The **ESG Working Group** is authorised by the Board of Directors to participate in the Group's ESG-related work and responsibilities include coordinating the implementation and execution of all ESG-related work by the functional departments of the headquarters and subsidiaries; reporting to the Board of Directors on material ESG issues and work performance regularly; communicating the Group's strategies and specific initiatives in ESG management; collecting and reporting ESG-related management measures and performance; collecting the information required for the ESG report from the functional departments of the Group and submitting the report to the Board of Directors for approval. Based on the situation of ESG-related work, the ESG Working Group will formulate improvement suggestions to the members of the Board of Directors, so that the Board of Directors can continuously and effectively implement ESG supervision matters.

**All functional departments and subsidiaries** are responsible for the management and data collection of specific ESG issues and carry out relevant work following the ESG management system and process.

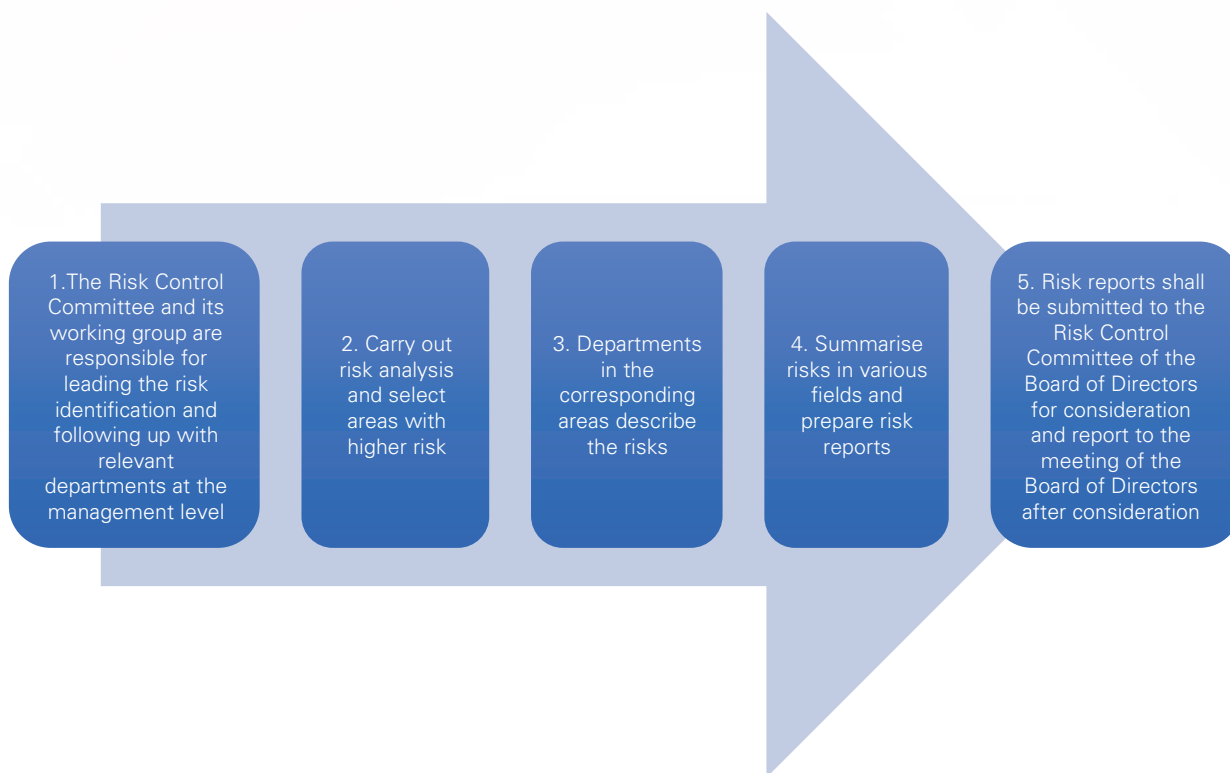
## 5. SUSTAINABLE DEVELOPMENT MANAGEMENT

### 5.2 ESG RISK MANAGEMENT

A sound and effective risk management system is an integral part of corporate governance. We have a comprehensive risk management system, which is further extended to sustainable development management, so as to identify, evaluate, prioritise and manage the major ESG risks that may be exposed in the operation. The system enhances the Group's risk management and control culture and lays a solid foundation for our sustainable development.

The Board of Directors 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.

The Board of Directors has established the Risk Control Committee, which is authorised to supervise the formulation, implementation and monitoring of the risk management and internal control systems. We integrate ESG risks into the existing risk management system and identify and manage ESG risks related to the Group's business based on the risk management process. The Risk Control Committee regularly reviews and advises the Board of Directors on the Group's risk-related matters, including ESG risks.



## 5. SUSTAINABLE DEVELOPMENT MANAGEMENT

The material ESG risks identified by the Group in 2023 and the corresponding measures are as follows:

Material ESG risks	Potential impact	How we respond
<b>Extreme weather risk</b>	More frequent extreme weather will lead to heavy rainfall, thunderstorms and storms, which will cause serious damage to power supply facilities such as power lines and wire rods.	In order to ensure normal production and operation, we continue to strengthen the construction of emergency response capabilities. The Group has formulated systems such as the <i>Emergency Plan for Flood Control</i> , <i>Emergency Plan for Severe Weather Disaster</i> , <i>Emergency Plan for Preventing and Responding to Wind Weather Accidents</i> and <i>Emergency Plan for Preventing and Responding to High Temperature and Drought</i> to improve emergency response capabilities, reduce the damage to people's lives and property safety caused by extreme weather, and assist in the effective recovery of the affected areas.
<b>Fire risk</b>	The Group's transmission and distribution facilities are mostly installed in outdoor open areas and forest fires will cause physical damage to the Group's assets.	The Group implemented the unified arrangement for forest fire prevention in Sichuan Province, and avoided the laying of routes in forest areas through reasonable deployment of insulation lines, high span and electrical protection, and strengthened the monitoring and control of power supply equipment to continuously improve the fire prevention level of equipment and prevent fire risks. No forest fire reports were received during the Reporting Period.
<b>Water risk</b>	The Group's power generation mainly relies on water resources. The drought and decrease in rainfall caused by climate change will affect the Group's hydroelectric power generation.	We increased the reserve of purchased power to facilitate needs from time to time; During non-drought seasons, water is stored as much as possible according to the reservoir volume; In addition, we reduced the power consumption of high-energy-consuming enterprises, promoted the use of electricity, and try our best to ensure the consumption of electricity for people's livelihood.

## 5. SUSTAINABLE DEVELOPMENT MANAGEMENT

Material ESG risks	Potential impact	How we respond
<b>National energy policy risk</b>	The Group's high-energy-consuming users have self-built residual heat power generation. Therefore, the policy has little impact on the sales end and provides broader opportunities for the power generation end.	We deeply adhere to the corporate mission of Sichuan Province Energy Investment Group Co., Ltd., "Empowering Green and Low Carbon Enterprise with Technology" seizing the development opportunities of "Electric Sichuan" and "Electric Yibin." Sichuan Energy Investment Development vigorously expanded businesses such as smart comprehensive energy stations, charging and swapping stations, distributed photovoltaic power generation, energy services for industrial parks, and urban distributed comprehensive energy. We have established Sichuan Energy Investment Junlian Green Energy Co., Ltd. (6 November 2023), Sichuan Energy Investment Changning Green Energy Co., Ltd. (13 November 2023), and Sichuan Energy Investment Xingwen Green Energy Co., Ltd. (27 December 2023), to comprehensively lay out green energy deployment, effectively promote coordinated development of "source-grid-load-storage" in all aspects, actively participate in building a new type of power system, and help solidify the foundation for achieving the "dual-carbon" goals of PRC.
<b>Talent training risk</b>	Failure to provide suitable and effective training to employees may adversely affect the competitiveness and development of the Group; Inappropriate training may cause unnecessary waste of the Group's resources.	We have formulated the <i>Trainer Management Measures</i> to enhance the quality of internal and external trainers within the group, ensuring the reliability of employee training and safeguarding the foundation of training. Additionally, to standardise the management of employee education and training, to advance the scientific, institutional, and standardised development of education and training within our group, and to establish a learning-oriented organisation and cultivate a talent pool that adapts to the Company's development, we have also established the " <i>Sichuan Energy Investment Development Co., Ltd. Education and Training Management Measures (2023 Edition)</i> " for the scientific selection and utilisation of talent.

## 5. SUSTAINABLE DEVELOPMENT MANAGEMENT

Material ESG risks	Potential impact	How we respond
<b>Health and safety risks</b>	Safety accidents that occur during the operation of projects will cause harm to employees and electricity users.	In order to prevent and curb all kinds of safety accidents, we carried out inspections on key time slots, important areas and important parts, and continued to investigate and rectify hidden dangers of safety production risks. For facilities such as power substations and dispatch centres, the senior management regularly conducts supervision on key projects and special inspections on production safety before festivals/quarterly to ensure the safe and stable operation of power grid equipment.
<b>Risk of talent loss</b>	The competitiveness of an enterprise may be affected by the loss of talent. The enterprise needs to re-recruit employees and provide training, and the cost of human resources will increase accordingly. The Group's operation may also be affected by the resignation of key employees.	To standardise the employee recruitment process within our group and meet the talent requirements for the Company's continuous, stable, and rapid development, we have developed and continuously updated the <i>Sichuan Energy Investment Development Co., Ltd. Employee Recruitment Management Measures</i> . The Human Resources Department conducts an annual reassessment and analysis of the Company's employee structure. Based on the vacancy situation, the need for key talents and professional expertise, we formulate the talent requirements and hiring plan for the next year, ensuring the stable operation and production of the Company. By the relevant national policies, the Group actively promotes the construction of a talent promotion channel and salary system that combines management, technology and skills, and continuously improves it based on the actual situation of the Group, so as to provide employees with sound salaries and welfare guarantees and enhance their sense of belonging.
<b>Risk of fraud and bribery</b>	Corruption within the Enterprises may affect the operation of the Group and damage the interests of the Group and shareholders.	We conduct pre-employment training for newly hired employees with the theme " <i>Upholding Party Discipline and National Laws</i> ." The training aims to establish an anti-corruption and integrity-driven corporate culture from the moment employees join the Company. We have also formulated the <i>Anti-fraud and Bribery Management Measures</i> and the <i>Assessment Measures for the Responsibility System for the Construction of Party Conduct and Clean Government</i> and other policies. The Discipline Inspection and Supervision Department is responsible for leading the organisation and implementation of anti-fraud and anti-bribery work within the headquarters of the Group and our subsidiaries and conducting continuous supervision, leading all departments and subsidiaries of the Group to conduct annual fraud risk assessment, reporting to the management on the implementation of anti-fraud and anti-bribery work, ensuring under the supervision of the Board of Supervisors, helping to provide integrity publicity training and symposium activities, and conducting anti-fraud and anti-bribery case investigations. At the same time, we have established the <i>Whistle-blowing Management System</i> , setting out the reporting channels for fraud and bribery.

## 5. SUSTAINABLE DEVELOPMENT MANAGEMENT

### 5.3 ESG TARGETS

The Group has been advocating and implementing a responsible operation concept over the years. Through responsible business operation, the Group is committed to taking into account the environmental, social and economic performance, and has formulated the “overall goal of green enterprise construction” to further promote and implement ESG work. We ensure that sustainability is embedded in every aspect of our operations and all business decisions.

In order to ensure the stable achievement of ESG goals and strategies, the Board of Directors authorises the ESG Working Group to review the progress every year, and formulates the following strategies for environmental-related indicators:

#### Emission Reduction Strategy

To effectively reduce the energy consumption of vehicles and the emission of pollutants such as carbon dioxide, we advocate for energy conservation and emission reduction in the use and management of office vehicles. We also encourage staff to use public transportation for green commuting.

#### Waste Reduction Strategy

For sulphur hexafluoride, the only hazardous waste generated in the production and operation process, we adopt high-quality circuit breakers and dispose of the circuit breakers within the designed product life. Therefore, only a very small amount of sulphur hexafluoride is produced each year. When the circuit breaker is disposed, the Group strictly complies with the requirements of hazardous chemicals management and entrusts qualified companies in hazardous waste disposal.

#### Energy Efficiency Strategy

In order to actively respond to the national energy-saving strategies and policies, the Group has set medium and long-term targets for energy conservation to further reduce energy consumption. During the transmission and distribution process, we will gradually replace high-loss transformers with more energy-efficient transformers to reduce the line loss of distribution network technology. In addition, through major measures such as appropriate adjustment of the operating voltage of the power grid, we have successfully reduced waste in the transmission of electricity, improved transmission efficiency and reduced production costs. In our daily operations, we actively promote the importance of energy conservation and consumption reduction. Simultaneously, we strengthen supervision of energy conservation measures, encouraging everyone to save electricity, water, paper, fuel, and to reuse items whenever possible. This initiative motivates all staff to participate in energy conservation efforts, fostering a positive atmosphere where everyone cares about and consciously practices energy conservation.

#### Water Efficiency Strategy

We actively engages in environmental protection initiatives, dedicating efforts to research and conservation projects for ecological diversity. We promote resource restoration and environmental improvement in our region with developing distinct projects such as water quality protection and fish restocking. Our hydropower stations diligently implement ecological conservation measures during fishing bans, effectively protecting aquatic resources and the ecological environment of water bodies. We have placed warning signs to prohibit fishing around the hydropower stations and reservoir areas, with dedicated personnel conducting regular inspections to prevent illegal fishing activities. In addition to biodiversity protection, the company also places great emphasis on the cleanliness of water bodies. Special funds are allocated annually for the removal of river rubbish, with monthly collections of river rubbish stored at designated locations. These are then transported and processed by specialized agencies, ensuring a continuous improvement in the ecological quality of the water bodies in our jurisdiction. In 2023, the company released over 150,000 fry of species such as yellow catfish and carp for fish restocking, while also removing 200 tons of rubbish from the rivers.

## 5. SUSTAINABLE DEVELOPMENT MANAGEMENT

### 5.4 STAKEHOLDER ENGAGEMENT

Effective communication with stakeholders is a key part of ESG management. Our key stakeholders include government and regulatory authorities, investors, employees, customers, suppliers and the community. Through diverse methods and channels, we actively engage and communicate with various stakeholders, and respond to their needs and expectations.

Stakeholders	Key concerns	Communication methods	Key actions in 2023
<b>Governments and regulatory authorities</b>	<ul style="list-style-type: none"> <li>– State-owned assets preservation and appreciation</li> <li>– Fulfil social responsibility</li> <li>– Enhance business environment</li> <li>– Boost economic development</li> <li>– Safe and reliable power supply</li> <li>– Environmental protection measures in place</li> <li>– Legal taxation</li> <li>– Operate per the law and regulations</li> </ul>	<ul style="list-style-type: none"> <li>– Participate in related policy discussions and compile a special investigation report</li> <li>– Conduct seminars</li> <li>– Compliance disclosure</li> </ul>	<ul style="list-style-type: none"> <li>– Implement national policies</li> <li>– Comply with national laws and regulations</li> <li>– Enhance business environment</li> <li>– Accept regulatory compliance</li> <li>– Fulfil social responsibility</li> </ul>
<b>Investors</b>	<ul style="list-style-type: none"> <li>– Financial performance</li> <li>– Corporate governance</li> <li>– Return on investment</li> <li>– Information transparency</li> <li>– Protection of shareholders' rights and interests and fair treatment of shareholders</li> </ul>	<ul style="list-style-type: none"> <li>– Shareholders general meeting and other shareholders meetings</li> <li>– Regular reports, announcements, circulars and information disclosed on the website of SEHK</li> <li>– Daily communication</li> </ul>	<ul style="list-style-type: none"> <li>– Hold shareholders general meetings and Board of Directors meetings regularly</li> <li>– Disclose in a timely manner</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>– Salary and benefits</li> <li>– Rights protection</li> <li>– Career development</li> <li>– Safety and health</li> <li>– Corporate culture</li> </ul>	<ul style="list-style-type: none"> <li>– Employee supervisor in the supervisory board</li> <li>– Labour union organisations, employee representatives</li> <li>– Employee opinion surveys, employee discussions, and feedback channels</li> <li>– Daily communication</li> </ul>	<ul style="list-style-type: none"> <li>– Cultivate and establish a corporate culture</li> <li>– Strengthen employees' professional skills training</li> <li>– Provide a comprehensive compensation system</li> <li>– Protect employees' rights and benefits</li> <li>– Guarantee employees' health and safety</li> </ul>

## 5. SUSTAINABLE DEVELOPMENT MANAGEMENT

Stakeholders	Key concerns	Communication methods	Key actions in 2023
<b>Customers</b>	<ul style="list-style-type: none"> <li>- Safe and reliable power supply</li> <li>- Legal prices and regulations</li> <li>- High quality and efficient service</li> <li>- Timely response</li> </ul>	<ul style="list-style-type: none"> <li>- Publish service information</li> <li>- Customer visits</li> <li>- Communication during service</li> <li>- Service hotline and electricity business mobile application</li> <li>- Customer opinion survey and feedback</li> </ul>	<ul style="list-style-type: none"> <li>- Efficient dispatch and reliable power supply</li> <li>- Adjust electricity prices according to policies</li> <li>- Emergency response in case of disaster</li> <li>- Sincere service, customer first</li> <li>- Clarify authority and protect privacy</li> <li>- Innovative services for users</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>- Jointly comply with business ethics and national laws and regulations</li> <li>- Strictly comply with environmental protection policies and regulate safety management</li> <li>- Keep promises and mutual benefit</li> </ul>	<ul style="list-style-type: none"> <li>- Publish supplier and contractor management regulations</li> <li>- Share management experience and technical standards</li> <li>- Daily business communication</li> <li>- Cooperation Agreement</li> </ul>	<ul style="list-style-type: none"> <li>- Establish an open and transparent project bidding system</li> <li>- Prepare legal and fair contracts</li> <li>- Actively communicate and coordinate with contractors to create a safe and healthy operating environment</li> <li>- Provide equal opportunities for suppliers</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>- Support regional economic development</li> <li>- Alleviate poverty</li> <li>- Community service</li> <li>- Social responsibility</li> </ul>	<ul style="list-style-type: none"> <li>- Communicate with local governments</li> <li>- Co-construction</li> <li>- Public volunteer activities</li> <li>- Community visits and communication</li> </ul>	<ul style="list-style-type: none"> <li>- Alleviate poverty</li> <li>- Focus on grid power construction</li> <li>- Focus on public welfare</li> <li>- Carry out volunteer activities</li> </ul>



## 5. SUSTAINABLE DEVELOPMENT MANAGEMENT

### 5.5 ASSESSMENT OF MATERIAL ESG TOPICS

Stakeholder engagement is an important tool for evaluating material ESG topics. The Group invited stakeholders to conduct a materiality assessment to ensure that the Report addresses the key topics of concern to the Group. The following illustrates the detailed process of the materiality assessment:

#### **Step 1: Identify major stakeholders and update ESG topics**

The Group considered the “degree of impact on the enterprise”, “degree of impact by the enterprise” and other factors of stakeholders, and formulated a list of key stakeholders participating in the materiality assessment. At the same time, with reference to the compliance requirements of the ESG Guide, the ESG topics of the previous and the peer benchmarking analysis, we selected and updated 22 ESG topics related to the Group.

#### **Step 2: Invite key stakeholders to participate in the assessment**

We invited major internal and external stakeholders identified in Step 1 to participate in the materiality online survey. Stakeholders involved include directors, management, employees, shareholders/investors, customers, suppliers and the community. Internal and external stakeholders ranked the ESG topics in ESG aspects by importance from the Group’s perspective and their own perspective, respectively.

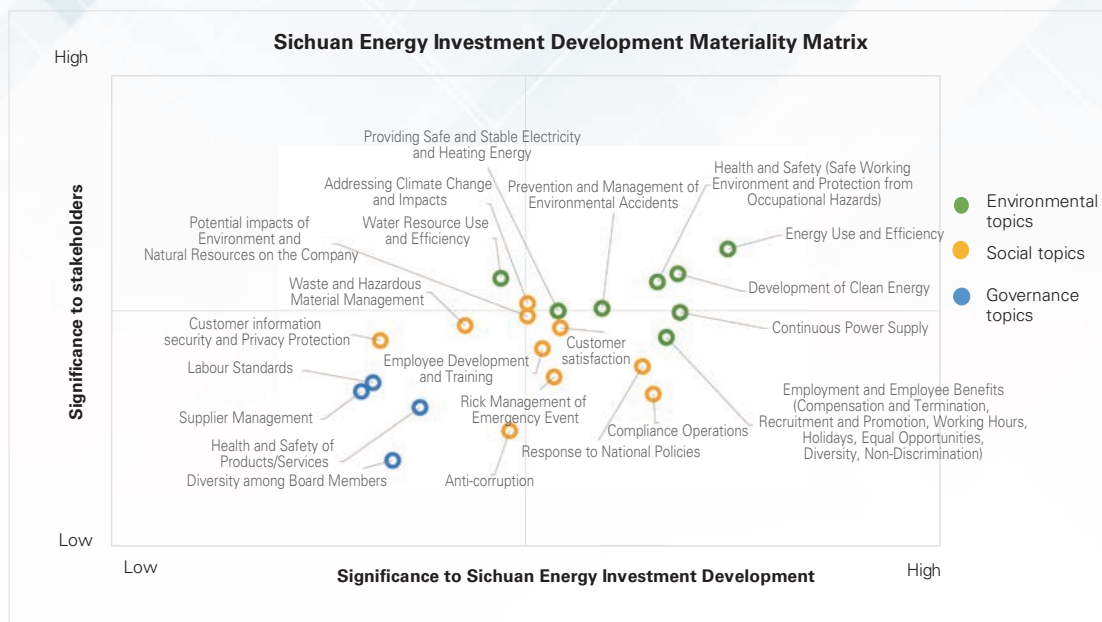
#### **Step 3: Identify material topics**

The Group reviewed the importance of ESG topics at each level based on two dimensions, namely “significance to stakeholders” and “significance to Sichuan Energy Investment Development”. We consolidated the ranking of all internal and external stakeholders to determine the relative importance of ESG topics in two dimensions. The ESG topics are considered as “material topics” with a relative importance of half or more in both dimensions. We identified a total of 5 material topics in three ESG aspects.

#### **Step 4: Inviting the Board of Directors to Determine Material topics**

The Board of Directors are invited by email and by written form to confirm the results of the material topics to ensure that the results are in line with the Group’s sustainable development strategy. We have made detailed disclosures of material topics in the subsequent sections of the Report to specifically address stakeholders’ concerns.

## 5. SUSTAINABLE DEVELOPMENT MANAGEMENT



Materiality ranking (From high to low)	2023 material ESG topics
1	Energy Use and Efficiency
2	Development of Clean Energy
3	Health and Safety
4	Prevention and Management of Environmental Accidents
5	Addressing Climate Change and Impacts

Based on the results of the above materiality assessment, we will focus on the disclosure of the above matters in the Report to effectively respond to the ESG topics that the stakeholders are concerned about, and at the same time help us focus on the work of sustainable development.

## 6. ROBUST OPERATION

The Group insists on carrying out production and business activities in accordance with the law, while continuously enhancing the level of corporate legal construction and striving to improve the corporate management system. We uphold our commitment to providing high-quality services to our customers, effectively enhancing customer satisfaction, and actively protecting customer rights. We not only continuously improve the level of the supply chain's environmental and social risk management but also deepen the promotion of corporate integrity culture, to drive the sustainable development of the Group. We will continue to operate in accordance with the principles of compliance and quality supremacy, ensuring the healthy development of corporate operations and promoting the sustainable progress of the social environment.

### 6.1 QUALITY GUARANTEE

To ensure and continuously improve the quality of services, the Group strictly complies with the following laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress during the Reporting Period (including but not limited to):

Electric Power Law of the People's Republic of China	Rules of Power Supply Business	Product Quality Law of the People's Republic of China	Patent Law of the People's Republic of China	Trademark Law of the People's Republic of China
Copyright Law of the People's Republic of China	Law of the People's Republic of China on the Protection of Consumer Rights and Interests	Standardisation Law of the People's Republic of China	Laws of the People's Republic of China on Import and Export Commodity Inspection	Advertising Law of the People's Republic of China
Regulation for the Implementation of the Trademark Law of the People's Republic of China	Trademark Law Treaty	World Intellectual Property Organization Copyright Treaty	United Nations Guidelines for Consumer Protection	

#### 6.1.1 Safe Power Supply

The Group has always been committed to ensuring the safe operation of power grids and the stable power supply, the provision of safe and reliable electricity services to customers, and the safety of life and property of the public. We sell electricity mainly from the Group's own hydropower plants and electricity purchased from third-party suppliers. Through a series of power supply facilities, including step-up and step-down substations, and transmission and distribution lines (for terminal users), we provide high-quality power supply services to industrial, commercial, household and other users.

In order to implement the requirements of laws and regulations such as *the Electric Power Law of the People's Republic of China*, and *Rules of Power Supply Business* in relation to power supply safety and power grid management, the Group has formulated policies such as the *Environmental and Safety Targets Management System* and *Safety Production Management Standards* to standardise internal safety production management and continuously improve the level of power supply service. In addition, in order to achieve a stable power supply, we have carried out the technical upgrade of old equipment, improved the power grid structure, and strengthened the repair and maintenance of equipment to ensure that the equipment is in good condition, so as to further improve the reliability of power supply and power quality. During the Reporting Period, the Group did not advertise while focused on improving the quality of power supply service and providing better services to customers. The power supply service provided did not involve labelling. Therefore, there was no relevant internal policy.

## 6. ROBUST OPERATION

The Group strictly complies with the relevant requirements of the *Rules of Power Supply Business* to conduct power supply quality inspection to ensure the provision of high-quality power supply services to customers. The rules set out in detail the specific implementation process and evaluation criteria for power supply quality inspection, covering the permitted deviation of power supply frequency under normal operating conditions of the power system, evaluation indicators for planned maintenance of power supply equipment, etc. When the power supply equipment is scheduled to be repaired, the power supply enterprise shall provide power to users with a voltage of 35 kV or above, and the number of power outages shall not exceed once a year; For users of 10 kV-, it should not exceed three times a year to ensure high-quality power supply services. The nature of the Group's business is mainly power generation, transmission and distribution. Therefore, the product recall procedures are not applicable to the Report.

### 6.1.2 Customer Service

Instead of advertising, the Group places more emphasis on providing high-quality electricity supply services to customers. As an important part of our business, we always adhere to our customer-oriented service philosophy to ensure that our customers enjoy high-quality service experiences and actively maintain good relationships with our customers. At the same time, we have also published policy such as the *Environmental and Safety Targets Management System* to further improve the Group's safety and environmental protection system, standardise safety production, and further ensure the provision of safe and reliable power supply services for customers. At the same time, the information security management standards are strictly enforced within the Group. We continuously strengthen network security management to prevent the disclosure of customer privacy. We adhere to high standards in information processing and management, effectively mitigating potential risks and safeguarding the security of customer data and privacy.

Effective communication with customers and good customer satisfaction are the keys to improving the Group's service quality. Therefore, we actively listen to customers' opinions and suggestions to continuously improve service quality. Since 2018, we have established a customer service hotline to receive and respond to customer complaints or inquiries regarding electricity supply services. Additionally, we have formulated the *Administrative Measures for the Reporting of Complaints about Power Supply Services (Trial)* and the *Special Reporting System for Complaints and Reports*, further standardising the process for handling complaints and reports. It is explicitly stated in these measures that we should adhere to the principles of "speedy, flexible, and accurate" when dealing with complaints and reports. We have also specified departmental responsibilities and division of work, as well as the definition and classification of complaints and reports, acceptance, and processing procedures in handling electricity supply service complaints and reports. Moreover, we uphold the principles of "who holds, who is responsible," "who organises, who is responsible," and "who implements, who is responsible" in the management of electricity supply service complaints and reports. Through investigation, analysis of complaints and reports, *Special Reporting System for Complaints and Reports*, rewards and penalties, we effectively prevent and control the occurrence of complaints and reports on electricity supply services.

**Customer service  
hotline 12398**

***Administrative Measures for the Reporting of  
Complaints about Power Supply Services (Trial)***

***Special Reporting System  
for Complaints and Reports***

Based on the content and nature of the complaints, the operation management department of the headquarters and the marketing department of each subsidiary classify and submit complaints to the relevant departments for handling after filling out the complaint acceptance form. The relevant department will complete the investigation and reply to the complainant within five working days. During the Reporting Period, we received a total of 25 customer complaints, all of which were investigated and responded to promptly per the procedures stipulated in the *Administrative Measures for the Reporting of Complaints about Power Supply Services (Trial)*.

In addition, to understand customers' satisfaction with the services, we listen to customers' opinions and suggestions through various channels such as on-site services, customer visits, safe electricity consumption publicity and satisfaction surveys, and improve service quality on the basis. At the same time, we also invite customers to fill in the Customer Questionnaire Survey and grade our services such as power supply safety, power supply stability, power supply information communication, and payment services.

## 6. ROBUST OPERATION

During the Reporting Period, our total score in the annual customer satisfaction survey was 100 out of 100.



### 6.1.3 Information Security and Privacy

Protecting customer privacy has always been an important part of the Group's work. As the Group's operations involve the private information of a large number of end users and individual users, we have established a comprehensive network management and information security system to prevent customer privacy leakage and protect the Group's information security. At the same time, to improve network security management, we have formulated the *Marketing System Access Authority Management Specification and Network Security Management Measures* to regulate the management of authority in the information system, including management principles, authority application procedures, division of work among departments, etc., and authorise confidential information at different levels to ensure that only authorised personnel within the business scope can access customer information.

In addition, the above-mentioned Measures also detail various aspects of network security management. The Information Security Centre is responsible for the Group's network management and information security system construction and maintenance, and will regularly monitor and analyse network security through the use of equipment and technologies such as intrusion detection and vulnerability scanning. In the event of network anomalies and serious impact on the business, the information centre will report to the superior in accordance with the incident handling process to ensure that the network equipment is in safe operation status, and protect customer privacy and the Group's information security. We will continue to strengthen these security measures relentlessly to ensure the integrity, confidentiality, and availability of our networks and information.

## 6. ROBUST OPERATION

### 6.1.4 Maintenance and Protection of Intellectual Property Rights

The Group strictly abides by the *Patent Law of the People's Republic of China*, *Copyright Law of the People's Republic of China*, *the World Intellectual Property Organization Copyright Treaty* and other laws and regulations related to intellectual property rights. In addition, we have established internal intellectual property protection measures based on the above laws and regulations. In the process of cooperating with other enterprises, we have adopted the method of signing the *Confidentiality Agreement* and other legal documents by both parties to strengthen the protection of trade secrets and intellectual property rights involved in the business and safeguard the core competitiveness and intellectual assets of the Company.

We attach great importance to the protection of intellectual property rights. To promote the use of genuine software and clarify the main responsibilities of relevant work, we have issued the *Notice on Adjusting the Members of the Software Authentication Working Group* and established relevant regulations and measures for the standardisation of software to coordinate and carry out various work. To ensure the normalisation, standardisation and institutionalisation of the use of genuine software by the Group and strengthen the management of the use of genuine software, we also circulated the *Administrative Measures for the Authentication of Software* to establish a sound and long-term protection of intellectual property rights. At the same time, according to the business needs, we have formulated a genuine software procurement plan and purchased genuine WPS and CAD software to ensure safe operation, improve the security of information systems and avoid infringement risks.

During the Reporting Period, we conducted advocacy and training activities on software legalisation based on the *2023 Software Legalisation Work Plan of Sichuan Province Energy Investment Group Co., Ltd.* We conducted self-examination and self-correction, and by the end of 2023, we completed rectification and summarised our efforts to implement the regulations on software legalisation. According to statistics, within the Reporting Period, our group completed software legalisation in 11 subsidiary companies, with 72 employees participating in software legalisation training, and a total of 42 newly purchased licensed software products.

## 6.2 SUPPLIER MANAGEMENT

The Group adopts an integrated development strategy and further promotes the sustainable development of the enterprise by integrating supply chain management into all aspects of the enterprise's production and operation. The Group actively performs green procurement, strives to build a responsible supply chain, maintains good strategic cooperation with suppliers, and promotes the development of supply chain partners and the Group. The comprehensive management approach helps ensure sustainability in production processes while promoting collaboration and enhancing overall business efficiency. We will continue to follow the development direction, and infuse vitality into the sustainable operation of our group.

The Group's major suppliers include State Grid Sichuan Electric Power Company Yibin Power Supply Company, Zhaotong Power Supply Bureau of Yunnan Power Grid Co., Ltd., and grid-connected hydropower stations inside and outside the supply area. In terms of engaging power suppliers and identifying their environmental and social risks, we strictly comply with the requirements of the *Electric Power Law of the People's Republic of China*, the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Appraising Environmental Impacts* and *Rules of Power Supply Business*. While considering the assessment indicators such as power quality and power supply price, we strictly review the potential impact and risks of suppliers on the environment and society, such as ensuring that suppliers provide products that meet the national environmental protection standards, and monitoring whether suppliers have records of violations of laws and regulations due to pollution of the ecological environment in the course of business.

## 6. ROBUST OPERATION

In the process of fulfilling contracts, suppliers must provide products that meet both quality standards and environmental protection requirements and carry out special environmental inspections as needed. In order to urge cooperative enterprises to implement their internal environmental protection and management regulations, and to review the environmental and social risks of suppliers, we regularly check the compliance of suppliers with social and environmental related regulations, such as the *Electric Power Law of the People's Republic of China*, *Environmental Protection Law of the People's Republic of China*, *The Law of the People's Republic of China on Appraising Environmental Impacts* and *Rules of Power Supply Business*. If suppliers fail to properly address relevant environmental and social risks or violate relevant regulations or provisions, we will report directly to the Company's management and impose severe penalties, requiring them to rectify the situation within a specified period. If the impact of the case is severe, we will require suppliers to suspend the work for rectification or terminate contracts. We will continue to ensure effective management of social and environmental risks in supply chain management to achieve sustainable development goals.

At the end of the Reporting Period, the Group had a total of 259 power procurement suppliers, and all of them had implemented the above procurement management policies. The number of the Group's electricity procurement suppliers by major regions where services are provided is as follows:

Cuiping District	Xuzhou District	Gao County	Gong County	Junlian County	Xingwen County	Pingshan County
24		25	45	78	61	26

### 6.3 ANTI-CORRUPTION

In order to prevent bribery, extortion, fraud and money laundering in the enterprise, the Group strictly complied with the following laws and regulations that have a significant impact during the Reporting Period (including but not limited to):

Criminal Law of the People's Republic of China	Anti-Money Laundering Law of the People's Republic of China	Anti-Unfair Competition Law of the People's Republic of China
Company Law of the People's Republic of China	Anti-Monopoly Law of the People's Republic of China	The Bidding Law of the People's Republic of China
Regulation on the Implementation of the Bidding Law of the People's Republic of China		Several Provisions on Professional Integrity of the Leaders of State-owned Enterprises
Supervision Law of the People's Republic of China	Interim Provisions on Prohibiting Commercial Bribery	Global Compact

## 6. ROBUST OPERATION

The Group continues to deepen the Party's style of work, and strictly prevents bribery, extortion, fraud and money laundering through formulating internal management policies such as the *Anti-fraud and Bribery Management Measures*, the *Interim Measures for the Implementation of the Responsibility System for Improving the Party's Style of Work and Upholding Integrity*, the *Evaluation of the Implementation of the Responsibility System for Improving the Party's Style of Work and Upholding Integrity* and *Opinions on the Implementation of an Integrity Culture*. The *Anti-fraud and Bribery Management Measures* clearly define and classify fraud and bribery behaviours and strictly stipulate that employees shall not violate relevant laws, regulations and requirements, directly or indirectly provide, promise, accept or induce money or other benefits that aim to obtain improper business advantages, or obtain improper and illegal benefits through fraud, concealment or credit violation, or misappropriate the Group's property. Meanwhile, the management measure also regulates the division of work, responsibilities and corresponding management measures of various departments of the Group for anti-fraud and anti-bribery work, strengthens the construction of corporate integrity culture, improves the level of compliance management, and protects the legitimate rights and interests of the Group. We conduct regular training and educational activities to ensure that employees understand and comply with the Anti-fraud and Bribery Management Measures. For violations of these measures, we will strictly enforce disciplinary measures to uphold strict discipline, safeguard the Company's business ethics, and protect its reputation.

To continuously standardise the operation and management behaviour, the Group insists on integrating anti-fraud and anti-bribery work into all aspects of daily management and corporate internal control activities, including procurement, construction, investment, and other production and operation activities, as well as company management. We carefully identify and evaluate the risk of fraud and bribery within the enterprise, and gradually establish corresponding mechanisms for control. At the same time, through anti-fraud and anti-bribery training, education and publicity of relevant laws and regulations, and strengthening the supervision and punishment of fraud and bribery, the Group's overall integrity and compliance management ability was improved, and the corporate atmosphere of integrity and honesty was strengthened. We take a serious stance against any violations of anti-bribery and anti-corruption regulations, handling them in accordance with the law to ensure the legality and transparency of our business operations, thereby protecting the rights and interests of shareholders and other stakeholders.

The Group has also formulated the *Whistle-blowing Management System*, the *Administrative Measures for Discipline Inspection and Supervision of Case Files and Measures for Handling Whistle-blowing Letters and Visits* to further standardise the reporting channels and management. Whistle-blowers can report violations of laws and regulations to the Group by phone, letter, e-mail, visit, etc. The Discipline Inspection Office of the headquarters is mainly responsible for conducting whistle-blowing management. After receiving a report, the department will record the report and submit it to the leader for approval. For the reported matters that the superior requires to report the investigation results, the department shall deal with and report them promptly, and report them to the whistleblower after the reported matters are concluded. If the department does not investigate the reported matters, it shall make reasonable explanations to the whistleblower. All reported matters are recorded in the Report Registration Form. During the Reporting Period, the Group did not receive any litigation cases related to corruption, fraud or bribery.



## 6. ROBUST OPERATION

To enhance the Party's style of work and discipline awareness of the staff, on September 20, 2023, the Group organised 27 full-time personnel from the Company's two-level discipline inspection and supervision team, led by the Discipline Inspection Commission secretaries, to visit the Yibin City Integrity Education Base for on-site integrity education.



## 6. ROBUST OPERATION

At the Integrity Education Base, all staff sequentially visited the three main exhibition halls: “Anti-Corruption and Advocacy for a Prosperous and Stable Nation,” “Strict Compliance with Rules, No Crossing the Line,” and “Nurturing Family Virtues and Safeguarding Positive Values.” Through educational materials and interactive experiences, they delved into the history of the Chinese Communist Party’s anti-corruption efforts, the evolution of discipline inspection and supervision, and the establishment of excellent family virtues. The Discipline Inspection Commission secretaries led everyone in reciting the Party oath together. Afterwards, they watched the educational film “*Taking Lessons from Cases, Questioning Our Original Aspirations*,” which used local cases from Yibin City to warn everyone to uphold the three bottom lines of morality, principles, and laws, and to maintain political integrity. After the exhibition hall tour, all personnel took a test on discipline inspection and supervision, focusing on relevant legal provisions, to assess their learning achievements from the event, which solidified their understanding and application of institutional regulations, effectively enhancing their professional dedication and comprehensive competence.



## 7. GREEN OPERATION

While promoting business development, the Group also actively fulfils social responsibility to protect the environment. By continuously improving the environmental protection management system at the Group level and implementing various energy conservation and environmental protection measures, the Group has achieved a balance between corporate development and environmental protection.

### 7.1 ENVIRONMENTAL PROTECTION MANAGEMENT

The Group has always practised the concept of green development, actively responded to climate change, and reduced the impact on the natural environment and the consumption of natural resources caused by production and operation as much as possible. The Group has formulated and revised a series of environmental management policies according to the relevant national laws and regulations on environmental protection, to regulate our use of resources, emissions, target management, investigation and management of potential environmental hazards, investment in environmental protection expenses, environmental inspection, performance rewards and punishments, etc., so as to further deepen the Group's environmental protection management.

During the Reporting Period, in order to implement green operations and promote energy conservation and emissions reduction, the Group has strictly complied with the following laws and regulations that have a significant impact on the Group, including but not limited to:

Water Law of the People's Republic of China	Renewable Energy Law of the People's Republic of China	Regulation on Urban Drainage and Sewage Treatment
Soil Pollution Prevention and Control Law of the People's Republic of China	Water and Soil Conservation Law of the People's Republic of China	Law of the People's Republic of China on Appraising Environmental Impacts
Cleaner Production Promotion Law of the People's Republic of China	Land Administration Law of the People's Republic of China	Environmental Protection Law of the People's Republic of China

## 7. GREEN OPERATION

In accordance with the above laws and regulations, the Group has established and implemented the following internal environmental management policies during the Reporting Period (including but not limited to):



### 7.2 CLIMATE CHANGE

Climate change brings different levels of risks and opportunities to the Group and the whole society. In order to actively respond to climate change challenges, we regularly analyse and evaluate major issues related to climate change.

The Group's main business is located in hilly areas in the southeast of the Sichuan Basin in China, where the atmospheric convection phenomenon is frequently occurring. Climate change is likely to lead to more frequent extreme weather events, such as severe convection weather, fog, storms, thunderstorms, floods and mudslides. In order to prevent disasters caused by extreme weather and ensure production and operation, the Group has formulated the *Emergency Plan for Flood Control*, the *Emergency Plan for Severe Weather Disaster*, the *Emergency Plan for Preventing and Responding to Wind Weather Accidents* and the *Emergency Plan for Prevention and Response to High Temperature and Drought*. The Group has formulated relevant plans and measures to mitigate the impact of climate change and improve the overall emergency management capacity.

In the future, we will strive to strengthen our enterprise risk management and emergency response capabilities, formulate relevant strategic plans to cope with the various impacts brought by climate change, and actively take corresponding measures to seize potential opportunities.

## 7. GREEN OPERATION

### 7.3 NATURAL RESOURCES

Given that our group is primarily engaged in hydroelectric power generation, our impact on the environment and natural resources is mainly from the influence of power station water intake on the biodiversity of fish in the upstream and downstream of rivers. To effectively manage and mitigate the related impacts, we have developed ecological flow release plans by integrating hydrology, hydraulics, and other methods, in consideration of the ecological water demand of the downstream river environment, aquatic ecology, and landscape. Additionally, for the operation and impoundment periods of the power station dam, we have identified corresponding ecological flow release facilities and measures. In key protected areas at the national and local levels, as well as in sections of rivers designated as rare and endangered or in development zones, we have implemented various conservation measures to mitigate the impact of our business operations on underwater species.

We will further increase the ecological flow release when necessary. The Group strictly follows the provisions in the reservoir dispatch operation plan and refers to the minimum ecological flow release of the power station for ecological scheduling. When the natural inflow is less than the specified minimum ecological flow release, the ecological flow release of the power station is based on the actual natural inflow at the dam site. When implementing ecological flow release, we prioritise dedicated release facilities and coordinate design, construction, and operation in sync with the main project to ensure the safety, stability, and flexible operation of the facilities.

At the same time, we also organise various environmental protection activities, including fish proliferation and release, front pond slag salvage, garbage removal, etc., to enhance employees' environmental protection awareness.

On 1 November 2023, the Group organised an annual fish proliferation and release activity. After an inventory conducted by the Environmental Protection Bureau of Shuifu City and our staff, the participants poured thousands of fish fry into the reservoir area. Fish fry of Chinese bream, yellow catfish, and silver carp, totalling over 150,000, were gently released into the depths of the river, bringing vitality to the Hengjiang River. Since the Group put the Yangliutan Hydroelectric Power Station into operation, this year marks the 12th year of such activities, with a cumulative release of over 1 million precious fish fry in the Hengjiang River. The Group attaches great importance to ecological and environmental protection work, insisting on annual fish proliferation and release activities. Additionally, we persist in conducting water resource protection and legal education campaigns for the surrounding communities, enhancing residents' awareness of ecological environment protection. These efforts actively promote the conservation of aquatic resources and the improvement of the aquatic ecosystem.



## 7. GREEN OPERATION



During the Reporting Period, the Group also actively carried out front pond waste removal activities as a practical measure for environmental protection. These activities involved cleaning solid waste and pollutants to ensure the cleanliness of the water body and the health of the ecological environment. We regularly organised professional teams for inspections and cleaning to effectively manage the environmental hygiene of the water area.

### 7.4 CLEAN ENERGY DEVELOPMENT

The Group continues to deepen Sichuan Province Energy Investment Group Co., Ltd.'s mission of "Empowering Green and Low Carbon Enterprise with Technology" and expand clean energy-related businesses. During the Reporting Period, we established Sichuan Energy Junlian Green Energy (established on 6 November 2023), Sichuan Energy Changning Green Energy (established on 13 November 2023), and Sichuan Energy Xingwen Green Energy (established on 27 December 2023), involving a series of businesses related to new energy vehicles, solar power generation, and resource recycling consulting services. The aim is to further promote the development of the clean energy industry and make environmental protection in practice. Through these newly established green energy companies, the Group will further strengthen technological research and development and operational management, improve the production efficiency of clean energy, and strive to reduce carbon footprint.

Seizing the opportunity to develop "Electric Sichuan" and "Electric Yibin," we vigorously expanded smart integrated energy stations, charging and swapping stations, distributed photovoltaic power generation, industrial park energy services, urban distributed integrated energy, and other businesses. We actively promoted the construction of charging facilities to support residents' green and low-carbon transport. As of the end of the Reporting Period, we have cumulatively invested and operated 780 charging piles and 1,225 charging interfaces. While facilitating public transport, the Group also firmly focuses on the mission of "accelerating the construction of a national heavy truck battery swap pilot city" target, vigorously promoting the construction of heavy-duty truck battery swapping stations, and investing in the establishment of three green energy companies to build integrated energy stations. The heavy-duty truck battery swapping station supports two swapping modes: top swapping and side swapping, applicable to various types of vehicles such as tractor trucks, dump trucks, and mixer trucks, with a single vehicle battery swap taking only 5 minutes. In addition, the energy storage function of the integrated energy station enables it to fully utilise the electricity generated by photovoltaics. By combining charging and swapping, distributed photovoltaics, energy storage, fuel, and commercial services, or adopting a combination of charging and swapping, distributed photovoltaics, automotive maintenance, and commercial services, the station can meet diverse needs and promote orderly energy transformation.

We will continue to devote ourselves to the development of clean energy, making efforts to achieve the mission of "Empowering Green and Low Carbon Enterprise with Technology" in the future.

## 7. GREEN OPERATION

### 7.5 ENERGY CONSERVATION AND EMISSIONS REDUCTION

#### 7.5.1 Resources Conservation

The main energy resources used in the daily operation and production of the Group include hydropower water intake, electricity resources for power transmission and distribution, and fuel consumption for office vehicles.

The Group's main business is hydropower generation, which is clean energy generation. The water intake for the Group's power generation business mainly comes from natural water sources in the Nan Guang River Basin, Hengjiang River Basin, and Songjiang River Basin. The process involves utilising the potential energy by the water level drop to drive the turbines for electricity generation. The natural water used for power generation is discharged downstream after generation, and the process does not significantly pollute the water resources of the downstream river basins. The Group's office and domestic water supply mainly come from municipal water suppliers. There have been no difficulties in water intake for our power generation business, as well as office and domestic water usage.

In order to save water and electricity resources used in the power business and continuously improve the efficiency of the use of water, energy and electricity, the Group has formulated four major environmental protection strategies under the scope of "Emissions Reduction, Waste Reduction, Energy Consumption and Water Consumption", for details, please refer to the section 5. Sustainable Development Management. In addition, the Group has established the "Integrated Energy Business Department" to conduct more refined management of the Group's use of resources and has established and implemented a series of energy-saving measures. Some of the measures implemented are as follows:

#### Reducing Electricity Consumption

- Choose energy-efficient transformers
- Renovate old low-voltage distribution lines to reduce the electricity loss
- Adjust the voltage of the grid operation system appropriately to improve electricity distribution efficiency

#### Water Conservation

- Optimise water management in canteens
- Post water-saving signs, strengthen the maintenance and repair of water facilities
- Carry out and strengthen water-saving publicity to improve the water-saving awareness and behaviour of all employees
- Conduct production and operation of hydropower plants in strict accordance with the approval of the production water intake plan
- The office area strictly abides by the requirements of the domestic water intake permit. During the Reporting Period, the water consumption did not exceed the planned amount

#### Reducing Fuel Consumption

- Improve the registration and management system of fuel consumption of office vehicles, establish fuel consumption ledger, and strengthen the analysis of fuel consumption and fuel saving strategies
- Centralised management and dispatch of vehicles to strictly regulate the use of vehicles
- Conduct regular maintenance and repair of vehicles
- Strengthen the education of fuel conservation, enhance employees' awareness of fuel conservation, and improve the awareness of resource conservation through regular lectures on vehicle fuel conservation

## 7. GREEN OPERATION

The Group is committed to promoting technological innovation, utilising modern information technology to drive the automation and intelligence transformation of the power grid. At the Sichuan Energy Investment Development Xingwen Power 110 kV Shihai Substation, operations and maintenance staff use intelligent inspection mobile terminals for substation inspection, enabling them to conduct comprehensive inspections of equipment inside and outside the station, which ensures the safe and stable operation of the power grid and enhances operational efficiency while reducing the work risks for personnel in specific environments.

Sichuan Energy Yibin Power has established a remote centralised control centre for hydropower stations. By “telemetry, remote signalling, remote control, remote adjustment, and remote viewing,” the centre can remotely monitor the operation of multiple hydropower stations simultaneously. Through big data analysis, it provides comprehensive guidance for maintenance and repair, flood control and disaster mitigation, production management, optimisation of operations, and fault diagnosis. The construction of the centre has realised a modern operation mode, further enhancing the value of human resources. Additionally, through centralised control, it can further enhance the efficiency of hydropower resource utilisation, contributing to green development.

### 7.5.2 Emissions Management

The main sources of emissions generated by the Group in daily operations are exhaust emissions from office vehicles, indirect greenhouse gas emissions caused by power consumption and loss, office and domestic sewage, domestic waste, and a small amount of oily waste generated during maintenance operations. In order to reduce the emission of air pollutants and greenhouse gases, the headquarters and subsidiaries have formulated relevant energy conservation and emissions reduction policies according to their own operating locations and business characteristics. For example, we have formulated the *Environmental Protection Management System*, which provides specific instructions regarding environmental protection for construction projects, environmental protection during the production process, supervision and management, as well as assessment, rewards, and penalties. These measures effectively drive the Group’s energy conservation and emission reduction efforts. In terms of low-carbon transformation, the Group intends to designate the *Greenhouse Gas Management Regulations*, outlining the organisational structure for greenhouse gases, responsibilities, greenhouse gas statistical system, accounting methods, tools, etc. These steps are gradually refining the Group’s greenhouse gas emission system, facilitating the transition towards a low-carbon economy.

The major hazardous waste generated during the production and operation of the Group is sulphur hexafluoride, which is a chemically stable gas and can be used as a circuit breaker insulating medium and arc extinguishing medium. Due to the high global warming potential of sulphur hexafluoride, the Group attaches great importance to the procurement of circuit breakers. We have adopted high-quality circuit breakers in the process of production, power transmission and distribution. When the circuit breakers reach the designed product life, we will dispose of them on time. In addition, we manage the use, and storage of circuit breakers strictly with the management requirements of hazardous chemicals, and contact recyclers with hazardous waste disposal qualifications to sign a contract to entrust them to dispose of hazardous waste. During the Reporting Period, the Group did not have any leakage accidents of sulphur hexafluoride.





## 7. GREEN OPERATION

During the maintenance process of certain equipment, we generate a small amount of waste oil, which is classified as another type of hazardous waste. We have signed agreements with qualified recyclers for waste management, entrusting them to collect and handle the waste oil in a unified manner.

The Group discharges all domestic wastewater generated from business locations within urban areas into the municipal sewage network. Meanwhile, office and domestic waste are handed over to the municipal authorities for proper disposal. As advocates of green development, we encourage employees to turn off seldom-used electrical devices to reduce energy wastage. Energy-saving slogans are prominently displayed within the Company premises to raise awareness among employees about energy conservation. To further reduce energy consumption, we promote remote office systems, establish reasonable standards for office supplies allocation, and rigorously review requests for office supplies procurement to minimise unnecessary resource wastage, thereby better embodying environmental protection concepts. These measures aim to integrate green concepts into the Company's daily operations, achieving sustainable development goals.

In the construction of a low-carbon enterprise, we have established a comprehensive low-carbon enterprise technology support system, leveraging existing research and development equipment and technical personnel from the technology centre. Through low-carbon enterprise technology research and development, we cultivate and train professional talents to enhance clean production, establish procedures for low-carbon enterprise development, promote technological progress, and develop and produce low-carbon, recyclable new products based on product life cycle analysis and environmental label product requirements. These efforts aim to pave the way for Sichuan Energy Investment Development to develop as a low-carbon enterprise.



The Pingshan Wangchang 220-kV substation has become the first in Sichuan Province and the first within our Group to achieve carbon neutrality, ensuring a reliable energy supply and significantly enhancing support for green development. This substation has adopted green and environmentally friendly building materials, greatly improving energy efficiency. Through intelligent monitoring, it has effectively implemented the concept of green and low-carbon development, laying a foundation for Yibin to build a green new city that is livable and business-friendly. As of the end of 2022, the substation only produced 473 tons of carbon emissions throughout the year. By purchasing internationally certified emission reduction credits (CER), it has successfully achieved the goal of carbon neutrality.

## 7. GREEN OPERATION

At the Sichuan Province Circular Economy Development Conference held on 27 December 2023, the Group was honoured with the “AAA Low Carbon Enterprise” title awarded by the Sichuan Circular Economy Association. Mr. Jing He, the Party Secretary and Chairman of the Board of Directors of Sichuan Energy Investment Development, was awarded the “Leader of Sichuan Province Circular Economy Development” for the year 2023. These honours are a full recognition of our Group’s efforts in promoting green, low-carbon, technological innovation, and high-quality development. We remain committed to the mission of “Empowering Green and Low Carbon Enterprise with Technology” of Sichuan Province Energy Investment Group Co., Ltd, making continuous efforts and contributions to circular economy and low-carbon development, which helps to create a “green business card” for the high-quality development of the Group.



AAA Low Carbon Enterprise



Leader of Sichuan Province Circular Economy Development

### 7.5.3 Environmental Performance

During the Reporting Period, the statistical data of the Group’s electricity generation and sales volume, emissions and use of resources are as follows:

	Year 2023 <sup>1</sup>	Year 2022	Year 2021	Year 2020	Unit
Power generation	452,459.95	526,478.35	539,534.17	600,010.00	MWh
Electricity sales (The electricity for the terminal users)	6,320,659.00	4,550,360.00	4,260,354.00 <sup>2</sup>	3,928,688.00	MWh

Emissions	Year 2023	Year 2022 <sup>1</sup>	Year 2021	Year 2020	Unit
<b>Air Pollutant<sup>3</sup></b>					
Nitrogen oxides	1,486.56	2,223.87	1,753.78	3,176.56	kg
Sulphur oxides	5.12	4.74	3.31	6.93	kg
Particulate matter (PM2.5)	40.36	60.29	54.27	107.37	kg
Particulate matter (PM10)	44.57	66.79	60.03	119.17	kg
Carbon monoxide	3,353.79	3,403.41	2,216.63	5,147.01	kg

1 Due to the impact of ecological water use and ecological flow control, as well as a decrease in natural water inflow, our electricity generation for the Reporting Period showed a slight decrease compared to the year 2022.

2 Due to adjustments of statistical intervals in 2022, it necessitated an audit adjustment to the electricity sales. Therefore, adjustments to the electricity sales for the year 2022 will be made, and related data pertaining to the electricity sales for the year 2022 will also be adjusted accordingly.

3 The emissions of air pollutants are derived from the exhaust emissions of the vehicles owned and controlled by the Group within the scope of the Report. The specific emission data is calculated with reference to the *Technical Guide for the Preparation of Air Pollutant Emission Inventory for Road Vehicles (Trial)* and *Greenhouse Gas Emissions Accounting Methodology and Reporting Guidelines for Enterprises in Other Industrial Sectors (Trial)* issued by the Ministry of Ecology and Environment of the People’s Republic of China.

## 7. GREEN OPERATION

Emissions	Year 2023	Year 2022 <sup>1</sup>	Year 2021	Year 2020	Unit
<b>Greenhouse Gas<sup>4</sup></b>					
Scope 1 <sup>5</sup>	1,176.21	1,311.98	1,087.96	1,055.41	tonnes CO <sub>2</sub> e
Scope 2 <sup>6</sup>	285,768.26	438,974.22	142,330.53	97,748.97	tonnes CO <sub>2</sub> e
Total	286,944.47	440,286.21	143,418.49	98,804.38	tonnes CO <sub>2</sub> e
Intensity	0.05	0.10	0.03	0.03	tonnes of CO <sub>2</sub> e/MWh of electricity sales
CO <sub>2</sub> emission reduction from self-generated power	258,037.91	300,250.60	329,169.08	366,066.10	tonnes CO <sub>2</sub> e
<b>Hazardous Waste</b>					
Waste mineral oil and mineral oil-containing waste	0.67	0.43	2.00	0.30	tonnes
Total	0.67	0.43	2.00	0.30	tonnes
Intensity	0.11	0.09	0.47	0.08	g/MWh Electricity sales
<b>Non-hazardous Waste</b>					
Office and domestic waste	9.45	18.89	45.09	19.62	tonnes
Total	9.45	18.89	45.09	19.62	tonnes
Intensity	1.49	4.15	10.58	5.00	g/MWh Electricity sales
Waste salvage in the reservoir area of the dam <sup>7</sup>	200.00	300.00	200.00	70.00	tonnes
<b>Waste water</b>					
Office and domestic waste water	73,213.33	33,002.94	28,817.00	40,850.00	tonnes
Intensity	25.72	11.39	9.59	13.59	tonnes/person

4 Greenhouse gas emissions come from the greenhouse gas emissions of vehicles and construction machinery owned and controlled by the Group within the scope of this report, as well as indirect emissions caused by purchased electricity used in production and office, and electricity loss in the transmission and distribution process.

5 The calculation method of emission data of greenhouse gas (Scope 1) vehicles refers to the *Greenhouse Gas Emissions Accounting Methodology and Reporting Guidelines for Land Transportation Enterprises (Trial)* issued by the Ministry of Ecology and Environment of the People's Republic of China, and the calculation method of emission of machinery refers to the *Greenhouse Gas Emissions Accounting Methodology and Reporting Guidelines for Enterprises in Other Industrial Sectors (Trial)* issued by the National Development and Reform Commission of the People's Republic of China and the *Greenhouse Gas Inventory Guidance-Direct Emissions from Mobile Combustion Sources* issued by the United States Environmental Protection Agency.

6 The calculation method for greenhouse gas (Scope 2) emissions data is referenced from the *Accounting Method and Reporting Guidelines for Greenhouse Gas Emissions of China State Grid Enterprises (Trial)* compiled by the National Development and Reform Commission of the People's Republic of China, as well as the *Notice on the Management of Greenhouse Gas Emission Reporting for Power Generation Industry Enterprises for the Years 2023-2025* published by the Ministry of Ecology and Environment, which includes the national grid average emission factor.

7 Since the total amount of waste generated in the reservoir area of the front pond of the dam involves many external factors (including human disposal, salvage work in river basins, etc.), starting from 2021, the Group's waste salvage will not be counted as non-hazardous waste produced by us, so its intensity and total amount will be disclosed separately.

## 7. GREEN OPERATION

During the Reporting Period, the Group increased investment in green energy generation and strengthened its strategy for energy conservation and emissions reduction. As a result, carbon emissions decreased compared to the year 2022. Additionally, we effectively implemented waste reduction measures such as electronic office practices, leading to a corresponding decrease in office and domestic waste. The establishment of new subsidiary companies during the Reporting Period led to a significant increase in office, domestic water consumption, and sewage volume compared to the previous year.

Resources Consumption	Year 2023	Year 2022	Year 2021	Year 2020	Unit
<b>Use of Resources</b>					
<b>Energy</b>					
Office and production power consumption	517,580.94	774,037.65	408,313.13	324,455.33	MWh
Intensity	0.08	0.17	0.10	0.08	MWh/MWh electricity sales
Gasoline	415,463.18	405,783.33	375,946.52	339,064.98	Litre
Intensity	0.07	0.09	0.09	0.07	Litre/MWh of electricity sales
Diesel	82,543.50	145,091.21	82,932.87	113,749.93	Litre
Intensity	0.01	0.03	0.02	0.03	Litre/MWh electricity sales
Total energy consumption <sup>8</sup>	522,098.35	779,076.16	412,480.93	328,592.69	MWh
Energy consumption intensity	0.08	0.17	0.100	0.08	MWh/MWh electricity sales
<b>Water resources</b>					
Office and domestic water consumption	78,818.55	55,293.84	51,118.00	40,538.00	tonnes
Intensity	27.68	19.08	17.36	13.49	tonnes/person
Water withdrawal for power generation	9,613,464,715.93	12,225,657,485.63	12,464,831,714.47 <sup>9</sup>	8,125,943,953.01	tonnes
Intensity	21.25	23.22	23.10	13.54	tonnes/kWh of power generation

During the Reporting Period, the Group experienced fewer emergency events such as extremely high temperatures, rainfall reduced, and high electricity demand compared to the year 2022. As a result, the usage of diesel generators decreased accordingly, leading to a reduction in diesel consumption.

8 The calculation method of total energy consumption is based on the *Guidelines for Accounting and Reporting Greenhouse Gas Emissions of Chinese Power Generation Enterprises (Trial)* issued by the National Development and Reform Commission of the People's Republic of China.

9 Due to the adjustment in the calculation method for water intake for power generation, the data for 2021 is adjusted.

## 8. CARING FOR EMPLOYEES

The Group regards employees as our valuable assets and employees are an integral part of our sustainable development. We adhere to the management principle of “governing and promoting the enterprise following the law and strengthening the enterprise by relying on people”, strive to establish a safe and comfortable working environment, a market-competitive remuneration system for employees, and provide a clear career development direction, so as to ensure that all team members can give full play to their potential talents and own advantages and achieve the goal of mutual growth of the enterprise and employees. We firmly believe that meeting the needs of employees and establishing a strong corporate culture are crucial guarantees for achieving sustainable development of the enterprise.

### 8.1 HUMAN RESOURCES MANAGEMENT

During the Reporting Period, the Group has strictly complied with the following laws and regulations that have significant impacts on the Group, relating to the compensation and dismissal, recruitment and promotion, working hours, holidays, prevention of child or forced labour, equal opportunities, diversity, anti-discrimination, and other benefits and welfare (including but not limited to):

Labour Law of the People's Republic of China	Law of the People's Republic of China on the Prevention and Control of Occupational Diseases	Social Insurance Law of the People's Republic of China	Regulation on the Implementation of the Employment Contract Law of the People's Republic of China	Law on the Protection of Women's Rights and Interests
Law of the People's Republic of China on the Protection of Disabled Persons	Regulation on the Employment of the Disabled	Labor Dispute Mediation and Arbitration Law of the People's Republic of China	Regulation on Paid Annual Leave for Employees	Provisions on Minimum Wages
Employment Promotion Law of the People's Republic of China	Regulation on Work-Related Injury Insurance	Labor Contract Law of the People's Republic of China	National Holidays and Commemorative Days Leave Regulations	Prohibition of the Use of Child Labor Regulations
		Law of the People's Republic of China on the Protection of Minors		

The Group has consistently adhered to an excellent human resources management system and has formulated internal regulations, such as the *Measures for Recruitment Management*, the *Labour Contract Management Measures*, the *Measures for the Management of the Compensation*, the *Total Wage Management Measures*, the *Measures for Rank Management (Provisional)*, the *Interim Measures for Employee Leave and Attendance Management*, and the *Management Measures for Operational Contribution Incentives*, in accordance with relevant employment laws and regulations. These internal regulations cover various aspects of employee management, including recruitment and dismissal, salary and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination, and benefits. During the Reporting Period, we did not receive any cases violating the aforementioned employment-related laws and regulations. We will continue to commit to compliance, fairness, and justice in our employment management practices.

## 8. CARING FOR EMPLOYEES

### 8.1.1 Recruitment and Dismissal

In order to standardise the management of employee recruitment, the Group has taken into account the internal situation and formulated the *Measures for Employment Management* in accordance with relevant national laws and regulations and internal regulations. The regulation clearly defines the principles for employee recruitment in our Group: “standardise and simplify processes,” “jobs and talents matching,” “merit-based recruitment with high transparency,” and “balancing internal and external considerations, with internal priority.” Specifically, the Group’s Human Resources department adheres to a clear management process for employee recruitment, following requirements for open conditions, procedures, and results to ensure transparency in the recruitment process. The management regulation also stipulates that employees recruited by the Group must have reached the legal working age. Furthermore, we conduct a thorough qualification review of candidates’ identification documents to prevent the employment of child labour and forced labour. If any cases of employing minors are discovered, the Group will immediately terminate the employment relationship with them.

#### Human Resource Department at Headquarters

- Implement relevant regulations regarding employee recruitment and formulate the *Measures for Recruitment Management*
- Develop the annual employee recruitment plan
- Organise and carry out employee recruitment work at headquarters
- Coordinate and approve the recruitment demand plan of subsidiaries
- Supervise and guide the employee recruitment work of subsidiaries, coordinating the resolution of problems and difficulties encountered during the recruitment process
- Approve or file the recruitment results of subsidiaries

#### Human Resource Department at Subsidiaries

- Implement the company’s regulations, documents, and work requirements regarding employee recruitment
- Establish the Employee Recruitment Management System for the subsidiary
- Propose the recruitment demand plan for the subsidiary
- Develop the recruitment work plan for the subsidiary and organise its implementation
- Submit the recruitment results to the headquarters for approval and record
- Handle the new employee onboarding procedures and organise the new employee orientation training for the subsidiary

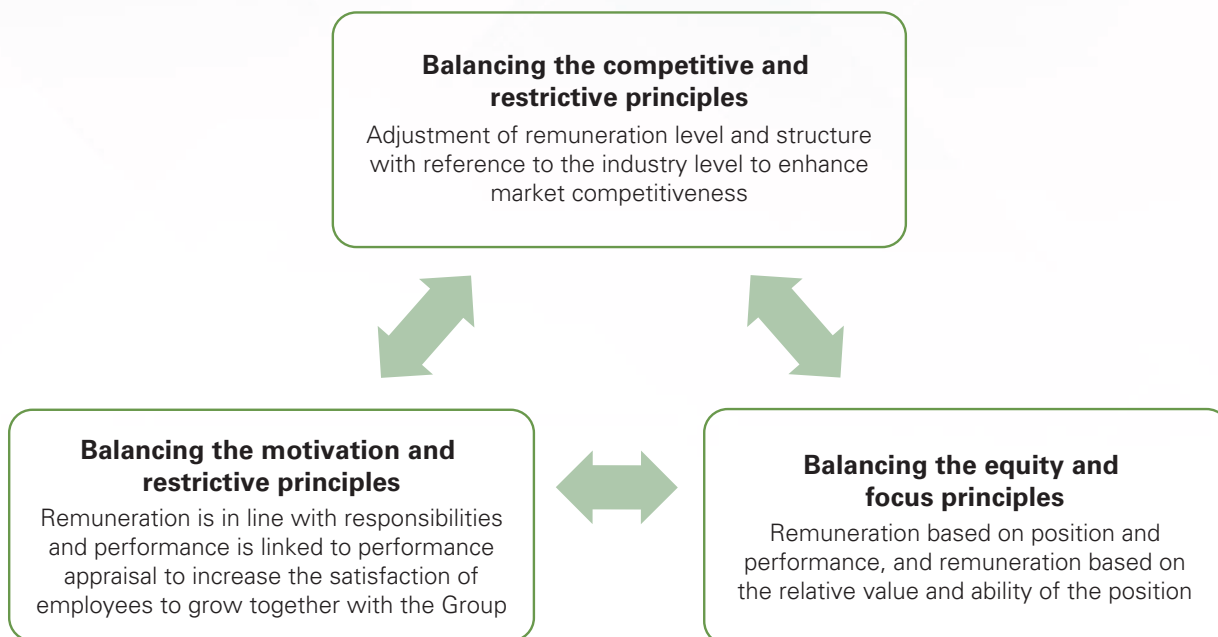
Meanwhile, the formulation of the *Labour Contract Management Measures* safeguards the legitimate rights and interests of both enterprises and workers, building harmonious and stable labour relations, and promoting the reform and development of the Company. Labour contracts are signed with employees based on principles of legality, fairness, voluntariness, equality, consensus through consultation, honesty, and credit. The management measure stipulates the specific procedures for employee departure and dismissal within the group. Both the Company and employees must notify the decision of departure or dismissal in advance in written form. Employees are required to complete relevant documents, hand over work responsibilities, and transfer social security and provident fund relationships. Upon completion, employees will be issued certificates of departure or dismissal.

The formulation and implementation of the above management measures and regulations ensure that the group always treats employees with fairness and respect in recruitment and dismissal. It safeguards the rights of employees and ensures that both the group and employees are treated fairly throughout the process. The comprehensive system helps build a stable and harmonious working environment, further enhancing employee job satisfaction and promoting overall sustainable development.

## 8. CARING FOR EMPLOYEES

### 8.1.2 Compensation and Promotion

The Group's headquarters has formulated the *Measures for the Management of the Compensation* to regulate the remuneration management of employees in the headquarters. The measures clarify a series of remuneration management-related matters, including the management regulations on the division of work, rank system, remuneration structure, remuneration calculation and payment, etc. Our remuneration management is based on three basic principles:



In terms of operational contribution incentives, the Group has also established the *Management Measures for Operational Contribution Incentives* to establish a sound and scientifically regulated incentive system. The system aims to fully drive the enthusiasm, initiative, and creativity of staff, promoting the high-quality development of the Company. The management measures include various types of incentives: operational management incentives, comprehensive energy incentives, capital operation incentives, engineering construction incentives, innovation-driven incentives, etc. These are set up to incentivise the high-quality completion of the Company's important, challenging, and urgent special tasks. It also encourages departments, teams, and individuals that have achieved key goals in promoting the implementation of the Company's key tasks, major projects, and important deployments.

Furthermore, in accordance with the principles of "talent management by the Party, comprehensive coordination, efficiency first and dynamic management," we have formulated the *Measures for Rank Management (Provisional)* to further regulate the Group's rank system, which is to broaden employees' career development space and promotion channels, promoting the mutual development of the enterprise and employees.

## 8. CARING FOR EMPLOYEES

### 8.1.3 Working Hours and Holidays

The headquarters of the Group has formulated the *Interim Measures for Employee Leave and Attendance Management* in accordance with the relevant national laws and regulations, as well as relevant internal regulations to protect the rights of employees. The measures clearly stipulate that the daily working hours for employees are 7 hours, and at the same time, they elaborate on various types of holidays and corresponding compensation. In order to meet the diverse needs of employees, the measures include various types of leave such as statutory holidays, public holidays, sick leave, personal leave, marriage leave, maternity leave, care leave, breastfeeding leave, funeral leave, work-related injury leave, and annual leave. The headquarters hopes that through the reasonable operation of the system, it can provide employees with sufficient vacation time, while also encouraging subsidiary companies to refer to these measures and develop internal management policies that are in line with the actual situation of the Company, jointly creating a good work-life balance environment.

The attendance management of employees is handled by the Human Resources Department, utilising a tiered management system for the approval of leave applications and each stage requires strict approval procedures. To ensure the effective implementation of the system, the Human Resources Department, the Office, and the Disciplinary Department conduct random inspections of the attendance situation in various departments regularly, aiming to eliminate any form of forced labour. If any instances of forced labour are discovered, we will immediately halt the related illegal activities and, in accordance with the relevant regulations of the Company, take strict measures against the individuals involved, ensuring that the Company's operations comply with laws and regulations while safeguarding the legitimate rights and interests of employees.

### 8.1.4 Equal Opportunity, Diversity and Anti-Discrimination

We have always pursued an equal and diversified staff management policy to ensure that all employees are respected and are not discriminated against based on gender, age, religious belief, race, disability, illness, marital status or pregnancy in respect of recruitment, remuneration and promotion. During recruitment, we adhere to the principle of "openness, equality, competitive selection" and take professional knowledge, comprehensive quality, professional ability and their matching with the Group's value system as the selection criteria. In terms of remuneration and ranking allocation, we determine the remuneration and ranking of employees based on their performance ability and contribution to ensure that they are in line with the principle of fairness in remuneration management, aiming to create a fair, open, and diverse working environment to foster an atmosphere where employees can fully unleash their potential.



## 8. CARING FOR EMPLOYEES

### 8.1.5 Employee Benefits and Welfare

We strictly abide by the *Social Insurance Law of the People's Republic of China*, protect the rights of employees to obtain material assistance from the state and society in accordance with the law, and safeguard employees' social insurance and enjoy legitimate rights and interests.



Social Networking Events for Young Employees in 2023



Reading Salon Event



International Women's Day Series Theme Sports Event



Health Knowledge Lecture

## 8. CARING FOR EMPLOYEES

In addition, as a responsible employer that cares for employees, we are committed to providing employees with good welfare benefits. During the Reporting Period, the headquarters and subsidiaries of the Group carried out a series of diversified employee care activities to protect the physical and mental health of employees and enhance their sense of belonging and happiness.



2023 New Year and Spring Festival Warmth Giving Event



Condolence Activities for Veteran Party Members



Heatstroke Prevention Activities



Visiting and Consoling Activities for Workers in Difficulty

## 8. CARING FOR EMPLOYEES

### 8.2 OCCUPATIONAL HEALTH AND SAFETY

The Group adheres to the safety management concept of “prevention first and combination of prevention and control”, and formulates a comprehensive safety management system. We actively implement a series of occupational health and safety management measures and conduct various safety training programs to ensure employees have a safe working environment. We are committed to providing a healthy and safe workplace, striving to prevent the risks of employee injuries or occupational hazards. The measures include continuously improving workplace safety standards, conducting regular risk assessments, and strictly adhering to relevant safety procedures and measures. Through these measures, we aim to create a working environment that fully cares for the physical and mental health of employees, ensuring that each employee can work with peace of mind and in good health.

During the Reporting Period, the Group has strictly complied with the following laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards, including but not limited to:

<i>Work Safety Law of the People's Republic of China</i>	<i>Regulations of Sichuan Province on Production Safety</i>	<i>Fire Protection Law of the People's Republic of China</i>	<i>Emergency Response Law of the People's Republic of China</i>
<i>Production accident contingency plan management measures</i>	<i>Provisions on the Supervision and Administration of Occupational Health at Work Sites</i>	<i>Regulations on the Reporting, Investigation and Disposition of Work Safety Accidents</i>	<i>The Administrative Regulations on the Work Safety of Construction Projects</i>
	<i>Regulations on Labor Protection in Workplaces Using Hazardous Substances</i>	<i>Convention concerning Occupational Safety and Health and the Working Environment</i>	

The Group has formulated a series of policy documents following the above laws and regulations on occupational health and safety, and following the Group's *Safety Production Management Standard*. In terms of the prevention and elimination of occupational hazards and the prevention of occupational diseases, the Group has formulated and implemented the *Occupational Health Management System*, the *Work Injury Insurance Management System*, the *Regulations of Electricity Safety Equipment Management* and other policy documents to regulate the management of occupational disease hazards, work injury insurance, the use of electrical safety equipment and other aspects.

During the Reporting Period, the Group invested a total of RMB4,905,377 in health and safety production resources, and organised more than 11,630 hours of health and safety training in total, with more than 5,200 person-times participating in the training.

## 8. CARING FOR EMPLOYEES

The Group recorded zero work-related fatalities in the past three reporting years and zero lost days due to work injury during the year. We will not slacken our efforts to reduce health and safety risks. In the future, we will strive to create a work environment that promotes physical and mental health.



On 23 October 2023, the Group invited Director Chen Ming, Deputy Director, and Senior Safety Engineer of the Secondary Research Officer of the Non-Coal Mine Supervision Office of the Sichuan Provincial Emergency Management Department to give training on the newly revised *Sichuan Province Production Safety Regulations*. More than 600 staff have attended the training. Director Chen Ming explained the background, content, highlights, significance, and roles of the new regulations, combining them with examples from power engineering construction to emphasise the key points of emergency rescue and investigation and handling in production safety. Through this learning session, employees at all levels of the company gained a deeper understanding of the importance of production safety work, effectively enhancing their job capabilities.

## 8. CARING FOR EMPLOYEES

On the basis of improving the management system, the Group has also established an occupational health and safety training system, incorporated safety training into the key points of safety work throughout the year, and issued the *Key Points of Safety and Environmental Protection Work*. According to the *Sichuan Province Production Safety Regulations* implemented since September 2023, we have carried out safety training for all employees, new employee three-level safety training, job skills training, and other work as planned. We have also conducted assessments of the training implementation. The following occupational health and safety management measures are implemented at the Group level, including but not limited to:

### Management Personnel Allocation

- An entity with serious occupational disease hazards shall have safety management personnel for part-time occupational health management. Such personnel shall have occupational health knowledge and management capabilities corresponding to the production and operation activities carried out by the entity, and shall receive occupational health training, and shall not work until they have obtained the corresponding qualifications.

### Safety Equipment Management

- Electrical safety equipment shall be selected from the list of qualified products of electrical safety equipment manufacturers published by the Electric Power Industry Electrical Safety Equipment Quality Supervision, Inspection and Testing Centre;
- It is strictly forbidden to select, purchase and use “Three-nos” (no manufacturer’s logo, no product licence, and no product certification) electrical safety tools.

### Occupational Health Assessment

- For some engineering construction, technical transformation and technology introduction projects that may cause occupational disease hazards, pre-evaluation of occupational disease hazards shall be conducted during the feasibility demonstration stage to evaluate the factors that may cause occupational disease hazards in the project and their impact on workplace safety and labour health, and determine the types of hazards and occupational disease protection measures.

### Occupational Health Knowledge Training

- Each subsidiary must provide employees with occupational health knowledge training before and during their employment. The training includes: production safety regulations, operating procedures, hazardous factors, preventive measures, emergency response measures for accidents, identification of occupational hazards, consequences of occupational hazards, and methods for reporting occupational hazards.

### Occupational Health Examination

- Each subsidiary organises and carries out annual physical examination for employees. The occupational health examination shall be borne by the medical and health institutions that have obtained the Medical Institution Practising Licence, and the occupational health examination expenses shall be borne by each subsidiary.

## 8. CARING FOR EMPLOYEES

### 8.3 EMPLOYEE TRAINING AND DEVELOPMENT

The Group upholds the value of being talent-oriented and believes that talent cultivation is an indispensable part of human resource management. We firmly believe that employees are an important driving force for corporate development, so it has invested a lot of resources in employee training and career development. By improving the training management system, improving the training management system and optimising the talent growth channel, the Group encourages employees to continuously learn professional knowledge, strive to improve professional skills, and make their contributions to the development of the enterprise. We will continue to emphasise and promote the professional careers of our employees, establish a more comprehensive training system, and encourage employees to achieve new milestones in their careers.

To ensure the quality of training and enhance the management of internal and external trainers, we have formulated the *Trainer Management Measures* to advance the trainer team and improve the internal training system. The management measure revolves around the strategic development needs of the Company and aims to establish an integrated training system of "curriculum system, lecturer system, and institutional system." It not only ensures openness, fairness, and impartiality in the selection of trainers but also adopts a dynamic management approach to the appointment. In addition, the management measure proposes to establish a learning and exchange platform for internal trainers and regularly organise seminars and other activities to help them improve the quality of teaching. To standardise the management of staff education and training, promote scientific, institutionalised education and training, and cultivate a talent team that adapts to the Company's development, we have formulated the *Measures for the Administration of Training*. The measures clearly state that the training of our group must adhere to the principles of "teaching according to needs and strategies", "all-staff training with diverse grades", "value-oriented, performance improvement" and "strengthening systems and promoting strict management." It also specifies the management responsibilities, training targets, training content and methods, training plan and organisation, evaluation and management, training resource construction, training fund management, and training discipline.

Our training mainly covers two categories, namely business training and occupational safety training. The human resources department of the Group analyses the Group's human resources strategic planning in October annually and conducts interviews with the Group's senior management, department heads and the human resources department of subsidiaries, and requires each subsidiary to fill in the Annual Training Needs Form and formulate training plans for the following year. The four bases for the Group's training needs analysis are as follows.



## 8. CARING FOR EMPLOYEES

### 8.3.1 Business Training

The Group organises a series of professional training to ensure that employees continuously improve their professional knowledge and skills, and can make contributions to the development of the enterprise while achieving personal growth. The Group used the interactive live-streaming platform to conduct rich online training, actively encouraged employees to participate in learning, master the theoretical foundation, and improve professional skills to improve the core competitiveness of the position.



The Group conducted skill identification and assessment of electrician technicians and senior technicians through online training. The candidates build professional essay based on their own occupation (job type) and related technical work, and conduct the online assessment.

Our training programs are designed for both new and existing employees and cover various categories, including management, professional and technical skills, business training, safety education, continuing education, onboarding training, ongoing academic education, human resources, financial education, and financial training. Through multifaceted knowledge and skill training, we are committed to comprehensively enhancing the business skills of our employees. We aim to cultivate employees with modern business management capabilities and higher levels of professionalism, providing strong talent support for our operational development.



From 16th to 20th October 2023, the Group conducted a new employee onboarding training program with the theme "Empowering the Team". This training session engaged 115 young new employees and included four main modules: company orientation, safety education, professional skills development, and team-building activities. Additionally, a special virtual reality (VR) safety training experience was arranged to enhance safety awareness.

## 8. CARING FOR EMPLOYEES

### 8.3.2 Occupational Safety Training

The Group has established an occupational health and safety training system to further strengthen the Group's safety production management, assist the Group's high-quality development, and incorporate safety training into the key points of safety work throughout the year. At the same time, the Group issues safety training plans to the headquarters and subsidiaries every year and carries out safety training for all employees, three-level safety training for new employees, and special operation personnel training as planned. The training covers safety production operation procedures and fire safety training. After the training, the trainees will be assessed. Those who fail the assessment will be required to participate in the same type of training and pass the examination again. Otherwise, they will not be allowed to work under relevant laws and regulations and the Group's regulations.

During the Reporting Period, we formulated work plans such as the Key Points of Safety and *Environmental Protection Work in 2023*, which clearly defined the ability to strengthen crisis management through training, and carried out weekly safety day activities to improve risk management and control capabilities.

## 8.4 HUMAN RESOURCES PERFORMANCE

As of the end of 2023, the Group had a total of 2,749 employees and 98 dispatched workers. Our human resources performance is as follows:

Number of employees and turnover

Category		Number of employees (person)	Number of employee turnover (person)	Turnover rate <sup>10</sup> (percentage)
Gender	Male	2,160	127	5.88%
	Female	589	77	13.07%
Age Group	Under 35 years old	535	18	3.36%
	35-50 years old	1,297	53	4.09%
	Over 50 years old	917	133	14.50%
Employment type	Full-time contract	2,749		
	Dispatched workers	98		
Region	Chengdu, Sichuan Province	82	1	1.22%
	Yibin, Sichuan Province	2,639	203	7.69%
	Zhaotong, Yunnan Province	28	0	0.00%

10 The employee turnover rate is calculated by dividing the number of employee turnover in the category during the Reporting Period by the total number of employees in the category as at the end of the Reporting Period.



## 8. CARING FOR EMPLOYEES

### Number and hours of employee training

Category		Number of employees (person)	Number of trainees (person)	Average training hours <sup>11</sup> (hours)	Training rate <sup>12</sup> (percentage)
Gender	Male	2,160	2,065	602.79	95.60%
	Female	589	532	609.95	90.32%
Employee Category	Senior Management	73	60	770.53	82.19%
	Middle Management	393	354	653.74	90.08%
	General Employees	2,283	2,183	574.41	95.62%

11 The calculation of average training hours of employees is based on the total training hours of employees in the category/the total number of employees in the category. Following the recovering from the pandemic in 2023, training across the subsidiaries have gradually resumed. As a result, the average training hours have significantly increased compared to 2022.

12 The calculation method of the percentage of employee training is: the number of trained employees in the category /the total number of trained employees in the category.

## 9. GIVING BACK TO SOCIETY

We uphold the principle of “integrity for enterprise and people-oriented”. While steadily developing our business, we actively practice corporate social responsibility, attentively focusing on the needs of disadvantaged groups, climate change issues, and public health events. Through diverse initiatives, we give back to society, taking concrete actions to fulfil our responsibilities to the community. We deeply understand the interconnectedness between corporate success and social harmony. We will continue to contribute to sustainable development and grow together with society, recognizing our role in making a positive impact.

### 9.1 ENSURING ELECTRICITY SUPPLY FOR PEAK POWER DEMAND IN SUMMER

During the flood season in summer, Sichuan Province often experiences gusty winds, heavy rainfall, and thunderstorms. These conditions can lead to varying levels of damage to the power grid, resulting in large-scale power shutdowns and posing serious challenges to the power supply. The Group made careful deployment, refined measures, consolidated responsibilities, and strengthened the balance of power dispatch. With the goal of “protecting people’s livelihood, key areas and safety”, the Group made every effort to ensure a stable and orderly power supply in the supply area, and took multiple measures to ensure the safe and stable power supply during the “summer peak season”.

Subsidiaries pay close attention to weather changes and grid load changes, strengthen grid load prediction, carry out grid risk identification and supply-demand balance analysis according to grid load changes, arrange grid operation methods, formulate the “summer peak season” dispatching measures and emergency plans to ensure electricity supply. In addition, we will improve the monitoring and inspection work, and handle other tasks such as emergency rescue according to the actual situation.

The Group has established a leading group for ensuring power supply during the “summer peak season” and held special meetings to study and analyse the situation of power supply and demand. Each subsidiary has also conducted comprehensive safety production inspections in accordance with actual conditions to ensure that safety hazards are thoroughly identified and eliminated, and risks are under control. At the same time, the Group has compiled an overall emergency response plan for emergencies, as well as special plans for flood prevention and large-scale power shutdowns. The Group has formulated the *2023 Junlian Power Grid Emergency Response Plan for Ensuring Power Supply Security During Summer Peak Season*, providing emergency response procedures for large-scale power shutdown to ensure stable and reliable power supply and operation.



In order to ensure the safe and stable operation of power grid facilities during the “summer peak season”, Sichuan Energy Investment Development has established an inspection team led by senior management to inspect the construction sites. They put forward detailed rectification measures for potential problems found in the inspection and clarified the time limit for rectification.

## 9. GIVING BACK TO SOCIETY

### 9.2 ENSURING ELECTRICITY SUPPLY FOR PEAK POWER DEMAND IN WINTER

Since December 2023, Sichuan Province has experienced a significant drop in temperature, leading to a continuous electricity demand. The adverse weather conditions have added an extra burden on the transmission lines and equipment. In order to implement the Group's "ensuring electricity supply during winter peak season", we have proactively developed the 2024 substation power shutdowns maintenance plan to minimise the impact and losses caused by the pre-test and pre-inspection work on the public. Additionally, we have formulated and issued the *Enhanced Safety Management Plan for Construction in Power Protection and Transmission Lines Areas* to ensure the safety of people's lives and property and to guarantee the safe and reliable operation of the power grid.

Sichuan Energy Pingshan Electricity has organised special inspections, such as heavy-duty equipment patrols and winter electricity safety inspections to timely discover and eliminate potential equipment defects, fortifying the protection of key power grid and heavy-duty equipment. We have also carried out a special campaign to clear obstacles in the transmission and distribution line corridors, investing 48,000 yuan and involving 567 personnel. A total of 699.85 kilometres of 10-kV and below lines were inspected, with 2,136 trees and 14,082 bamboos removed, effectively curbing power grid shutdowns caused by fallen trees and bamboo, strong winds, and extreme weather conditions.



Sichuan Energy Junlian Electricity actively conducted comprehensive drills to cope with high power loads in winter and emergency load control. The background for the drills is under extreme weather conditions, in which the Junlian power grid experienced a sharp increase in load, resulting in insufficient hydroelectric supply. The drill consisted of seven key sessions, including "orderly power activation," "customer notification," "demand-side response," and "public response." Through these sessions, the Company further verified the practical operability of the power supply emergency plan, enhancing its ability to handle power supply emergencies.

On the other hand, Sichuan Energy Xingwen Electricity adopted a combined mode of drills with "tabletop simulation and practical drills" and organised emergency drills for earthquake and ice and snow disaster prevention. The drills involved reporting disasters, emergency response, team assembly, material dispatch, fault diagnosis, circuit breaker operation, on-site repair, and power restoration. The drills ensure the Company's reliable power supply and implementation of measures for the orderly use of electricity under extreme weather conditions, which help the Company to accumulate valuable experience, which not only enhances the Company's emergency response capabilities but also lays a solid foundation for effectively implementation of measures for the orderly use of electricity during "peak season in winter."



## 9. GIVING BACK TO SOCIETY

### 9.3 CARING FOR THE COMMUNITY

The Group always pays attention to the needs and development of the community and continuously carries out a series of community care activities. In 2023, the Group actively devotes resources to the community. To contribute to the local community, not only did we send community cadres to help with poverty alleviation, but we also established good relationships with the local community through volunteer services, visits, and condolences.

As the National College Entrance Examination approached, the Group organised a Party member service team from Sichuan Energy Investment Yibin Power Engineering Construction to conduct preventive tests and debugging inspections on the box-type transformers at the No.2 Middle School of Xuzhou district, Yibin from 13th to 14th May 2023. The two-day preventive tests and inspections identified and eliminated 11 defects in the box-type transformers, providing reliable power supply during the college entrance examination.



Sichuan Energy Pingshan Electricity organised a volunteer event for the Double Ninth Festival in Gaofeng Village, Zhongdu in October 2023. During the event, young volunteers distributed electricity safety brochures to the elderly and patiently explained electricity safety knowledge. Together with villagers, the volunteers prepared traditional Double Ninth Festival delicacies for the elderly. This event aimed to create a positive concept of “respecting, cherishing, loving, and assisting the old.”

Sichuan Energy Pingshan Electricity organised more than 10 Party cadres and Youth League members to participate in a voluntary blood donation on 19th November 2023. The event aimed to promote the humanitarian spirit of “voluntary blood donation, priceless love.” Under the guidance of medical staffs, the volunteers completed the blood donation and pledged to continue participating in the future. The event deepened the company’s spiritual building, puts the social responsibility into practice, conveys positive energy and promotes the social welfare undertakings.



## 9. GIVING BACK TO SOCIETY

The Group has committed to developing community assistance work arrangements and plans to ensure that social benefits are considered during operations. Subsidiaries have actively participated in local rural revitalisation and have undertaken concrete support actions on multiple occasions to effectively implement the commitment. These initiatives aim to promote the economic development of local communities and help the community to improve living standards, which not only advanced poverty alleviation but also promoted the concept of sustainable development, reflecting the Group's steadfast commitment to social responsibility.



Sichuan Energy Pingshan Electricity conducted a farming support event in Gaofeng Village, Pingshan County from 2nd to 10th February 2023. Through "donation with purchase", the company participated in the assistance to reduce the burden on local farmers. During this event, a total of 12 households benefited, saving them the trouble of transporting goods from the village to the town. The company also required the responsible supporting staff to regularly visit the impoverished households for better understanding their production and living conditions and help them with their difficulties.



On 29th January 2023, Sichuan Energy Junlian Electricity assisted in installing a total of 25 road signs at various intersections in Fengle to support rural revitalisation. The road signs were installed at Luoba Bridge, Gaosun, Liangfeng'ao, and other border crossings between the two provinces. The event not only facilitated cross-provincial transportation for returnees and local people, but also promoted trade of the local planting industry. Additionally, all support staffs visited 41 impoverished households, delivering rice, oil and other resources., which boosted the confidence of the local community in rural revitalising.

# 10. CONTENT INDEX OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Mandatory Disclosure Requirements	Content	Chapter Reference or Notes
<b>Governance Structure</b>	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> <li>(i) a disclosure of the board’s oversight of ESG issues;</li> <li>(ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and</li> <li>(iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses.</li> </ul>	<p>5. Sustainable Development Management</p> <p>5.1 ESG Governance Structure</p> <p>5.2 ESG Risk Management</p> <p>5.3 ESG Targets</p>
<b>Reporting Principles</b>	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	<p>2.3 Reporting Guidelines</p>
<b>Reporting Boundary</b>	<p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>	<p>2.1 Reporting Scope</p>

## 10. CONTENT INDEX OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Aspect	KPI	Content	Chapter Reference or Notes
<b>A. Environmental aspect</b>			
<b>A1 Emissions</b>	General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.  Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations.	7. Green Operation  7.1 Environmental Protection Management  7.5 Energy Conservation and Emissions Reduction
	A1.1	The types of emissions and respective emissions data.	7.5.2 Emissions Management 7.5.3 Environmental Performance
	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).	7.5.3 Environmental Performance
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	7.5.3 Environmental Performance
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	7.5.3 Environmental Performance
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	5.3 ESG Targets 7.5 Energy Conservation and Emissions Reduction
	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.	5.3 ESG Targets 7.5.2 Emissions Management

## 10. CONTENT INDEX OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Aspect	KPI	Content	Chapter Reference or Notes
<b>A2 Use of Resources</b>	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	7. Green Operation 7.1 Environmental Protection Management 7.3 Natural Resources 7.5 Energy Conservation and Emissions Reduction
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000 s) and intensity (e.g. per unit of production volume, per facility).	7.5.3 Environmental Performance
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	7.5.3 Environmental Performance
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	5.3 ESG Targets 7.4 Clean Energy Development 7.5.1 Resources Conservation 7.5.2 Emissions Management
	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.	5.3 ESG Targets 7.5.1 Resources Conservation
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable to the Group's business



## 10. CONTENT INDEX OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Aspect	KPI	Content	Chapter Reference or Notes
<b>A3 The environmental and Natural Resources</b>	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	7. Green Operation
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	7.3 Natural Resources 7.4 Clean Energy Development 7.5 Energy Conservation and Emissions Reduction
<b>A4 Climate Change</b>	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	5.2 ESG Risk Management 7.2 Climate Change
	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.	5.2 ESG Risk Management 7.2 Climate Change 7.4 Clean Energy Development

## 10. CONTENT INDEX OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Aspect	KPI	Content	Chapter Reference or Notes
<b>B. Social aspect</b>			
<b>B1 Employment</b>	General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	8.1 Human Resources Management  8.1.1 Recruitment and Dismissal  8.1.2 Compensation and Promotion  8.1.3 Working Hours and Holidays  8.1.4 Equal Opportunity, Diversity and Anti-Discrimination  8.1.5 Employee Benefits and Welfare
	B1.1	Total workforce by gender, employment type, age group and geographical region.	8.4 Human Resources Performance
	B1.2	Employee turnover rate by gender, age group and geographical region.	8.4 Human Resources Performance
<b>B2 Health and Safety</b>	General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to providing a safe working environment and protecting employees from occupational hazards.	8.2 Occupational Health and Safety
	B2.1	Number and rate of work-related fatalities that occurred in each of the past three years including the reporting year.	8.2 Occupational Health and Safety
	B2.2	Lost days due to work injury.	8.2 Occupational Health and Safety
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	8.2 Occupational Health and Safety  8.3.2 Occupational Safety Training

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Aspect	KPI	Content	Chapter Reference or Notes
<b>B3 Development and Training</b>	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	8.3 Employee Training and Development
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	8.4 Human Resources Performance
	B3.2	The average training hours completed per employee by gender and employee category.	8.4 Human Resources Performance
<b>B4 Labour Standards</b>	General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to preventing child and forced labour.	8.1 Human Resources Management  8.1.1 Recruitment and Dismissal
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	8.1 Human Resources Management 8.1.1 Recruitment and Dismissal
	B4.2	Description of steps taken to eliminate such practices when discovered.	8.1 Human Resources Management 8.1.1 Recruitment and Dismissal
<b>B5 Supply Chain Management</b>	General Disclosure	Policies on managing environmental and social risks of the supply chain.	6.2 Supplier Management
	B5.1	Number of suppliers by geographical region.	6.2 Supplier Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	6.2 Supplier Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	6.2 Supplier Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	6.2 Supplier Management

## 10. CONTENT INDEX OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Aspect	KPI	Content	Chapter Reference or Notes
<b>B6 Product Responsibility</b>	General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	6.1 Quality Guarantee  6.1.1 Safe Power Supply  6.1.2 Customer Service  The Group's business does not involve advertising and labeling, so It have not any information regarding related policies, laws and regulations
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable to the Group's business
	B6.2	Number of products and service-related complaints received and how they are dealt with.	6.1.2 Customer Service
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	6.1.3 Information Security and Privacy
	B6.4	Description of quality assurance process and recall procedures.	6.1.1 Safe Power Supply  Recalling procedures are not applicable to the Group's business
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	6.1 Quality Guarantee  6.1.2 Customer Service  6.1.3 Information Security and Privacy

## 10. CONTENT INDEX OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Aspect	KPI	Content	Chapter Reference or Notes
<b>B7 Anti-corruption</b>	General Disclosure	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to bribery, extortion, fraud and money laundering.	6.3 Anti-corruption
	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.	6.3 Anti-corruption
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	6.3 Anti-corruption
	B7.3	Description of anti-corruption training provided to directors and staffs.	6.3 Anti-corruption
<b>B8 Community Investment</b>	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.	9. Giving Back to Society
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	9.1 Ensuring Electricity Supply for Peak Power Demand in Summer  9.2 Ensuring Electricity Supply for Peak Power Demand in Winter  9.3 Caring for the Community
	B8.2	Resources contributed (e.g. money or time) to the focus area.	9.1 Ensuring Electricity Supply for Peak Power Demand in Summer  9.2 Ensuring Electricity Supply for Peak Power Demand in Winter  9.3 Caring for the Community