

2024

ENVIRONMENTAL
SOCIAL AND
GOVERNANCE REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024
STOCK CODE 182

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Introduction

About the Report

The Environmental, Social and Governance ("ESG") Report is the ninth ESG report prepared by Concord New Energy Group Limited and its subsidiaries (hereinafter referred to as "CNE", "the Group" or "we"). In order to facilitate readers to fully understand the Group's ESG performance, this report should be read together in conjunction with the *Corporate Governance Report* in the Group's *2024 Annual Report*. This report has been reviewed and approved by the Board of Directors of the Group ("the Board").



Reporting Scope

Unless otherwise specified, this report is covering the period from 1 January to 31 December 2024.

We regularly review the scope of the report to ensure that significant impacts to the Group's overall business portfolio are covered. We have determined the scope of the report to be all of the Group's main businesses, namely the power generation business and other businesses (including consulting, and EPC (engineering, procurement, and construction) services) classified by the nature of the products sold or services provided by the Group.



Preparation Guidelines

This report has been prepared in accordance with Appendix C2 the *Environmental, Social and Governance Reporting Code* (the *ESG Reporting Code*) of the *Listing Rules of the Hong Kong Exchanges and Clearing Limited*, with reference to the *GRI Sustainability Reporting Standards* (*GRI Standards*) of the Global Reporting Initiative (GRI) and the Ten Principles of the United Nations Global Compact (UNGC). For the relevant contents of the sub-section on "Responding to Climate Change", reference is made to the *IFRS Sustainability Disclosure Standard 2: Climate-related Disclosures* (IFRS S2).



Reporting Principles

The report was prepared based on the principles of "materiality", "quantitative", "balance", and "consistency".

Materiality: We have followed the *ESG Reporting Code* to carry out materiality assessment work. Our working procedures include: i) identifying relevant ESG issues, ii) assessing the materiality of issues, and iii) reviewing and confirming the assessment process and results by the Board. We report on ESG issues based on the results of the materiality assessment. For details of the materiality assessment, please refer to the section "Material Issues".

Quantitative: This report follows the *ESG Reporting Code*, referring to applicable quantitative standards and practices and adopted quantitative methods to measure and disclose applicable key performance indicators (KPIs). The measurement standards, methods, assumptions and/

or calculation tools for the KPIs reported herein, as well as the source of the conversion factors used, have been explained in the appropriate sections where applicable. We have set environmental targets, including numerical figures and directional statements in 2021, and updated these targets in 2024. The relevant environmental targets and progresses are described in the section "Responding to Climate Change".

Balance: This report objectively discloses both positive and negative information to ensure that the Group's ESG performance during the reporting period is presented impartially.

Consistency: This report has been prepared with the same method used in previous years, and individual changes have been explained in their respective sections.



Description of Data

All data in this report are from the Group's relevant statistical reports or other official documents, and all monetary amounts are listed in RMB.



Board Statement

The Board oversees the Group's environmental, social and governance with the assistance of the ESG Committee, a professional sub-committee. The ESG Committee is composed of 4 directors with risk management experience or industry experience, who participate in climate change, anti-corruption and other ESG special training organised by the Group and have ESG-related professional knowledge. Information on ESG issues is reported to the ESG Committee by the ESG Steering Group. The ESG Committee formulates effective strategies to align the Group's environmental and social targets with its business targets, and reports to the Board on ESG work at least twice a year. We have reviewed and optimised the ESG strategy this year. Please refer to the section "ESG Strategy" for details.

The Board has participated in the assessment, prioritisation, and management of ESG issues (including risks and materiality to the Group's business). The key ESG risks, including human resources, climate change and other risks, have been incorporated into the Group's



Access to the Report

The Report is available online on the website of the HKEX (<https://www.hkexnews.hk/index.htm>) and our Group website (<https://www.cnegroup.com/>). In the event of any discrepancies between the Chinese and English contents, the Chinese contents shall prevail.

comprehensive risk management system. Within the Group, from the main business leaders to the senior management, the likelihood, impacts and risk trends of key ESG risks are considered, and risk response measures are formulated. The Board has reviewed these key risks and was aware of the measures taken and made recommendations. For more information on materiality assessment and risk management, please refer to the *Corporate Governance Report* in the Group's *2024 Annual Report* and the following sections "Materiality Assessment" and "Risk Management". During the reporting period, the Board has reviewed and discussed the establishment and progress for the environmental targets. All the Group's annual environmental targets have been achieved and progress has been made as planned for both medium and long-term targets.

This report provides a comprehensive disclosure of the aforementioned ESG related issues, and has been reviewed and approved by the Board on 27 February 2025.

Message from the Chairman

To be a leading sustainable
clean energy enterprise



The year 2024 marked a period of perseverance and steady development for the Group. Amidst the accelerated transformation of the global renewable energy industry, we have adhered to our vision of "To be a leading sustainable clean energy enterprise", continuously expanded our global business and strengthened our core competitive advantages, thereby contributing CNE's efforts to the global energy transition.

In 2024, the Group further deepened its global layout by securing a total of 1,399 MW of new wind and solar projects worldwide, including 720 MW in China and 679 MW in other countries; additionally, we secured 308 MW/616 MWh of energy storage projects in international markets.

We have deepened the development of an environmentally friendly enterprise, promoted multi-level green operational control measures, optimised our carbon data management system, formulated scientific and reasonable carbon reduction targets, and implemented ecological and environmental protection measures covering the entire project lifecycle. By the end of 2024, the cumulative CO₂ emission reduction has achieved 61.72 million tonnes through the provision of green electricity to society, while the water saving achieved 126.14 million tonnes. Along the value chain, we have continued to expand our green power trading and green certificate sales, thereby assisting our partners in achieving their green development goals.

We have continuously improved the development of our safety production management system, adopted intelligent operation and maintenance models, to ensure the stable and efficient operation

of our power plants. We have conducted in-depth research and cooperation with global universities, participated in international energy exchanges, and collaborated with global partners to jointly embrace new opportunities and challenges in the renewable energy industry.

We are committed to creating a workplace that respects differences, advocates equality, and embraces diversity and inclusion. We fully safeguard the employees' rights and support their long-term career development. We actively fulfil our corporate social responsibilities, leveraging the unique advantages of our renewable energy enterprise to assist local industrial development, and continuously give back to society through charitable donations, educational support, and other means.

In 2024, the Group maintained AA in the MSCI ESG rating, ranking among the top ten in the global renewable electricity sector. With the outstanding sustainability performance, the Group was featured in S&P Global's *Sustainability Yearbook 2024 (China Edition)* and received two special recognitions: "Top 10% S&P Global ESG Score (China)" and "Industry Mover (Power Generation Sector)".

Looking ahead to 2025, Concord New Energy will more firmly implement its established development strategy, seize opportunities, expand its layout, embrace challenges, strive for excellence, and contribute to the global energy system's transition towards a more efficient and cleaner future.

Chairman
Liu Shunxing
27 February 2025

About Concord New Energy

Company Profile

Concord New Energy Group (CNE) is a green power development and operation enterprise, conducting wind energy, solar energy, and energy storage businesses globally. CNE is headquartered in Singapore and is listed on the Main Board of the Stock Exchange of Hong Kong. CNE is committed to promoting the sustainable and harmonious development between humanity and nature by providing high-quality clean energy and professional services.

Power plant investment



The Group continuously promotes the construction and layout of diversified renewable energy power plant projects, further expands the production scale of clean electricity, ensuring the sustainability of power supply.

This year, the total attributable installed capacity

4,615_{MW}

Attributable installed capacity
from wind farms

3,732_{MW}

Attributable installed capacity
from solar photovoltaic (PV)
power plants

883_{MW}

Design and consulting



Concord Power Consulting & Design (Beijing) Corp., Ltd. (hereinafter CPCD), the Group's holding subsidiary, has acquired Class A credit rating for consulting in the power industry (thermal power, hydropower, nuclear power and renewable energy), Class B professional qualification in the power industry (wind power generation, substation engineering and power transmission engineering), Class B professional qualification in renewable energy power generation (the highest level), and Class B qualification in engineering investigation (engineering survey and geotechnical engineering (investigation)). Its projects spread various provinces in China, as well as in regions such as West Africa, Southeast Asia, Central Europe, and the United States.

Consulting design experience in wind power projects

exceeding **55**GW

Consulting design experience in PV projects

exceeding **20**GW

Engineering consulting design experience in energy storage projects

exceeding **10**GW

Net zero, green power & green certificate



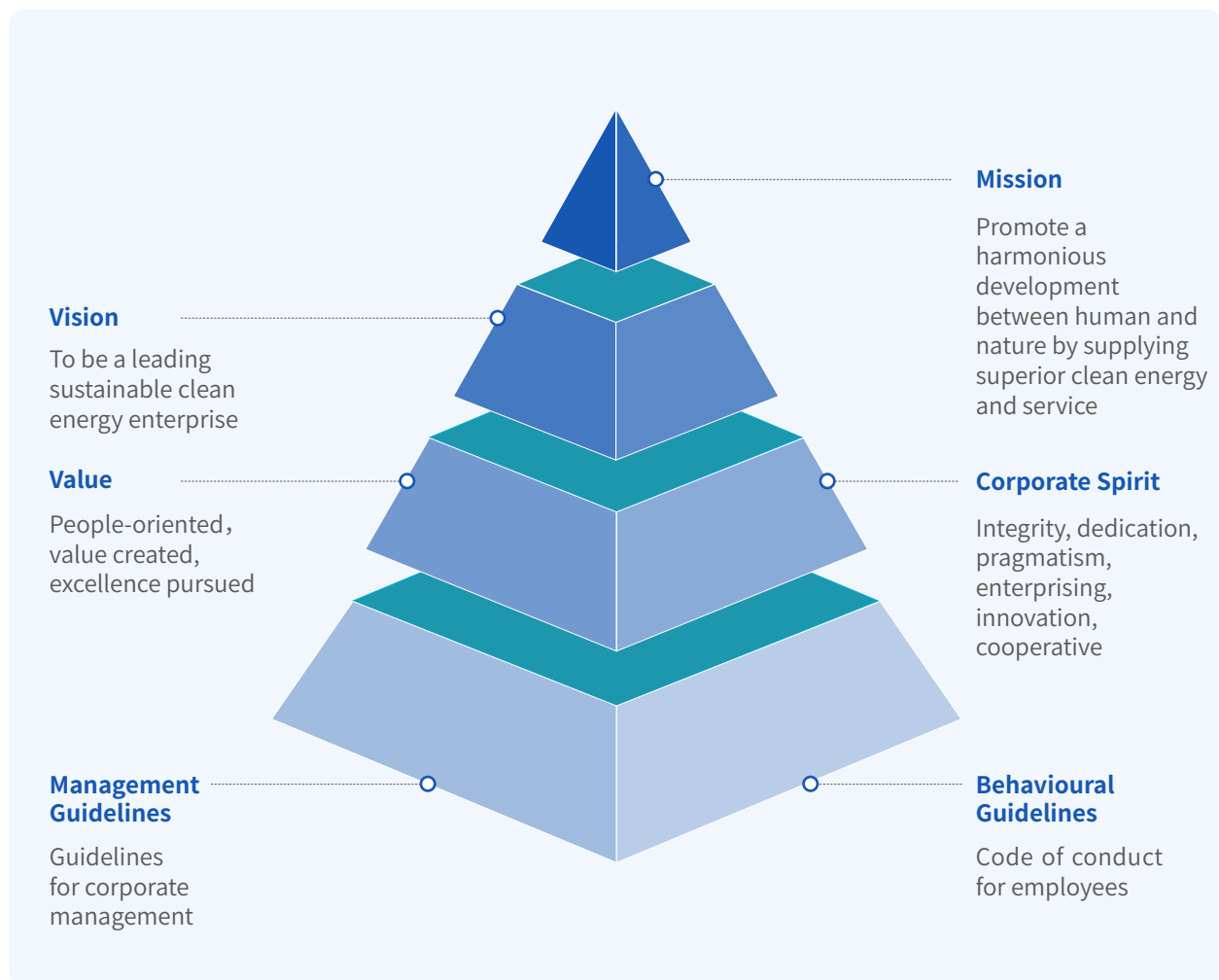
The Group is committed to providing clients with one-stop carbon-neutral solutions. To meet the needs of different clients, the Group provides a variety of power purchase package services, green power trading and green certificate sales services, integrated energy services, carbon asset development and management services and low carbon consulting services, which will assist clients in low-carbon and green transformation and enhance the green value of their products, and help them realise green, low-carbon and sustainable development.

Accumulated green power trading volume of

2.4billion kWh

Corporate Culture

CNE has established a comprehensive corporate culture system aimed at enhancing employees' understanding of mission, value recognition, and sense of belonging, while demonstrating the corporate social responsibility image. The Group adheres to the mission of "Promote a harmonious development between human and nature by supplying superior clean energy and service", takes "To be a leading sustainable clean energy enterprise" as our vision, upholds the corporate value of "people oriented, value created, excellence pursued", and embodies the corporate spirit of "integrity, dedication, pragmatism, enterprising, innovation, cooperative". The Group fully integrates corporate management and behavioural guidelines into the operation process to promote the Group's sustainability and fulfilment of social responsibilities.



The Group continuously promotes diversified corporate culture practices and deepens the development of corporate culture. In this year, the Group released a corporate culture promotional video, showcasing the dedication and teamwork spirit of employees in different positions to convey the core concepts of the Group's corporate culture. In addition, the Group continued to launch *In CNE* corporate culture stories themed on employee safety and project development. These stories selected and shared the experiences of employees that reflected our corporate culture, inspiring more employees to practise the CNE spirit. By the end of the reporting period, the *In CNE* internal publication had published multiple corporate culture stories, supplemented by various formats such as themed comics to spread corporate culture more vividly, encouraging employees to integrate it into their work details, to support the healthy development of the Group and create a strong corporate culture atmosphere.

2024 Sustainability Practice Overview

Rating Performance¹

MSCI

The Group's MSCI ESG rating remains at **AA**, ranking among the TOP 10 in the same industry (Utilities - Renewable Electricity Sector) globally.

CDP

The Group received **B** rating at 2024 CDP Corporate Questionnaire on Climate Change.

S&P Global²

The Group's 2024 S&P Global Corporate Sustainability Assessment (S&P Global CSA) score is ahead of 84% of peers. The Group **has been featured in S&P Global's Sustainability Yearbook 2024 (China Edition)**, and received two special recognitions: "**Top 10% S&P Global ESG Score (China)**" and "**Industry Mover (Power Generation Sector)**".

Key Performance

| | | Unit | Data |
|-----------------------------|--|---------------------|--------|
| Business³ | Total Assets | Hundred million RMB | 321.3 |
| | Profit Attributable to Equity Shareholders | Hundred million RMB | 8.1 |
| | Revenue | Hundred million RMB | 27.5 |
| | Total Attributable Installed Capacity | MW | 4,615 |
| | Attributable Power Generation | GWh | 8,645 |
| Environment | CO ₂ Emission Reduction | Kilotonnes | 6,255 |
| | Standard Coal Saving | Kilotonnes | 3,424 |
| | NO _x Emission Reduction | Tonnes | 2,179 |
| | SO ₂ Emission Reduction | Tonnes | 2,090 |
| | Water Saving | Kilotonnes | 13,523 |
| Society | Share of Women in Total Workforce | % | 24.1 |
| | Training Hours per Employee | Hours | 59.06 |
| | Percentage of Total Employees Trained | % | 100 |
| | Employee Engagement | Points | 90.76 |
| | Total Amount of Community Donation | Ten thousand RMB | 126.09 |
| Governance | Percentage of Female Directors | % | 30.8 |
| | Percentage of Independent Directors | % | 38.5 |

¹ Ratings/scores and related information are from publicly available information as of 27 February 2025, unless otherwise noted.

² Statistics are as of the end of 2024.

³ Figure is for continuing operations for the year ended 31 December 2024.

Honours & Awards

China Region



2024 China's Energy Enterprise

Top 500



The 9th Zhitong Finance Listed Company
Selection

**"Best Energy and Resources
Company"**



2024 Yicai China Corporate Social
Responsibility Ranking

**"Environmental and Ecological
Contribution Award"**



The "Polaris Cup" Wind Power Influential
Enterprise Selection

**"Outstanding Employer Enterprise
with Wind Power Influence - Starlight
Excellence Award"**



Four wind farms have been honoured as
China Electricity Council

5A Wind Farm



The 6th "Golden Grid" Annual Outstanding
Company Selection

**"Outstanding New Energy Enterprise
of the Year"**



The 6th BDO Environmental, Social and Governance
Awards

"Best in ESG (Small Market Capitalisation) "



The 14th Philanthropy Festival ESG Summit

"2024 ESG Listed Company Model Award"



The Beisen China Talent Management
Model Enterprise Selection

**"Best Employer Management Practice
Award of Beisen Talent"**



Two PV power stations have been honoured
as China Electricity Council

5A PV Power Station



ESG Commitment

Shaping a Sustainable Future

01

CNE strives "to be a leading sustainable clean energy enterprise". We deeply integrate the ESG concept into the Group's strategic development and governance system, continuously optimise ESG strategies and improve ESG management efficiency. We also closely consider and respond to the needs and expectations of stakeholders, working together with all parties for mutual progress and development.



ESG Development Strategy

The Group clearly regards the ESG strategy an integral part of the Five-Year Development Strategy, leading our sustainability process from a strategic level, and accelerating the establishment of a green, low-carbon, and circular operation system for sustainability. We continuously pay attention to the latest developments in the ESG field, and regularly review and improve [the Group's ESG policies](#) to enhance the ESG development management system.

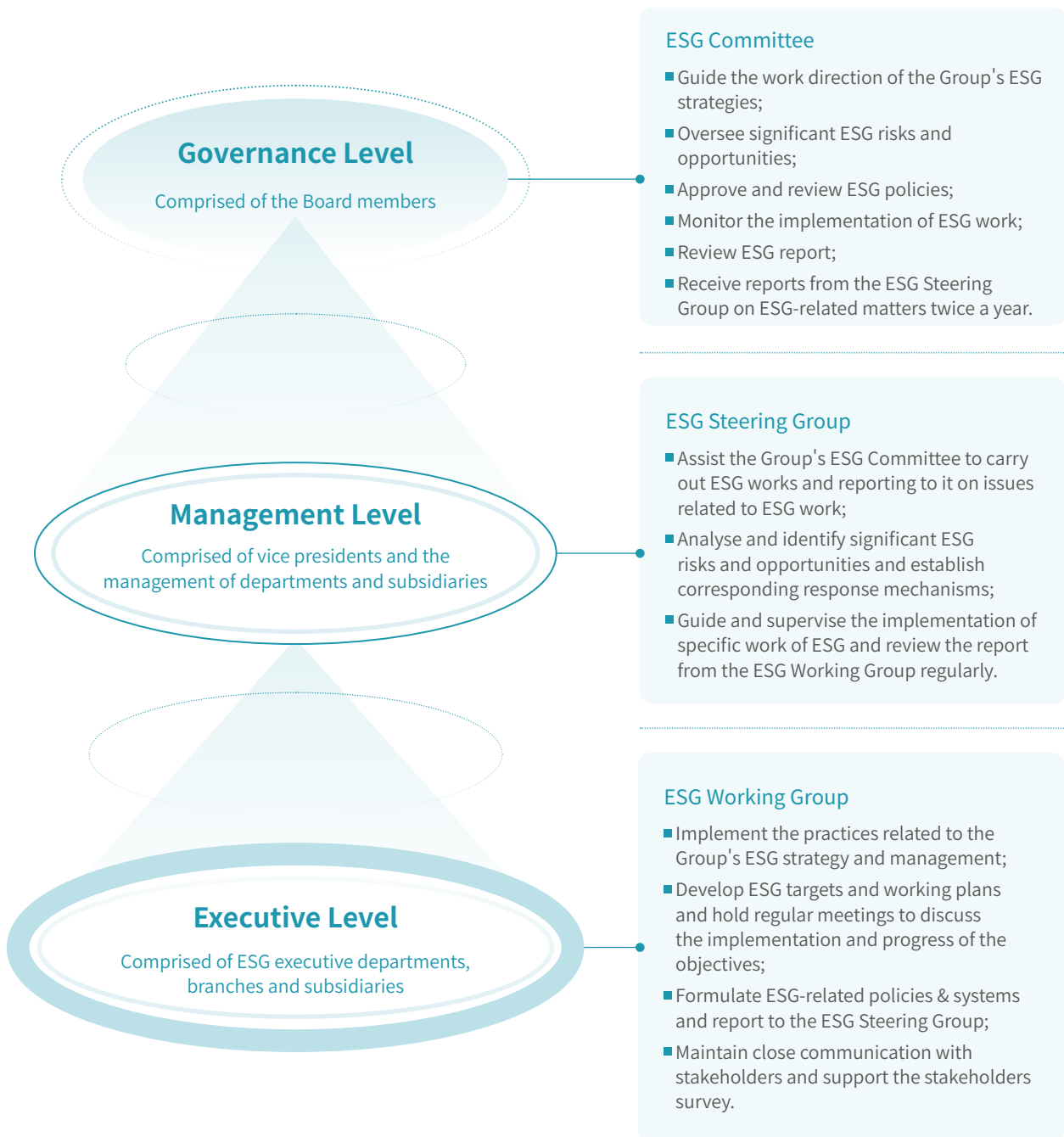
ESG Strategy

Under the guidance of the Group's ESG strategy, we have formulated the CNE ESG strategy encompassing five core areas: Environment, Talent, Operation, Community, and Governance. Based on this, we carry out practices in these five aspects. The Group steadily advances various tasks, integrates the needs and expectations of stakeholders into our business development, while actively responding to the United Nations Sustainable Development Goals (SDGs), to ensure that business development aligns with the global sustainability agenda, laying a solid foundation for the Group's high-quality and sustainable development.



ESG Governance Structure

CNE continuously deepens the integration of ESG development strategy with corporate operations, establishing a comprehensive ESG governance structure to provide organisational guarantees for clarifying ESG management direction, implementing ESG strategy, and deploying ESG work. The Board fully supervises various ESG issues to ensure the effective operation of ESG management process, and allocates sufficient resources to support the implementation of ESG initiatives.



ESG Performance Linked to Compensation

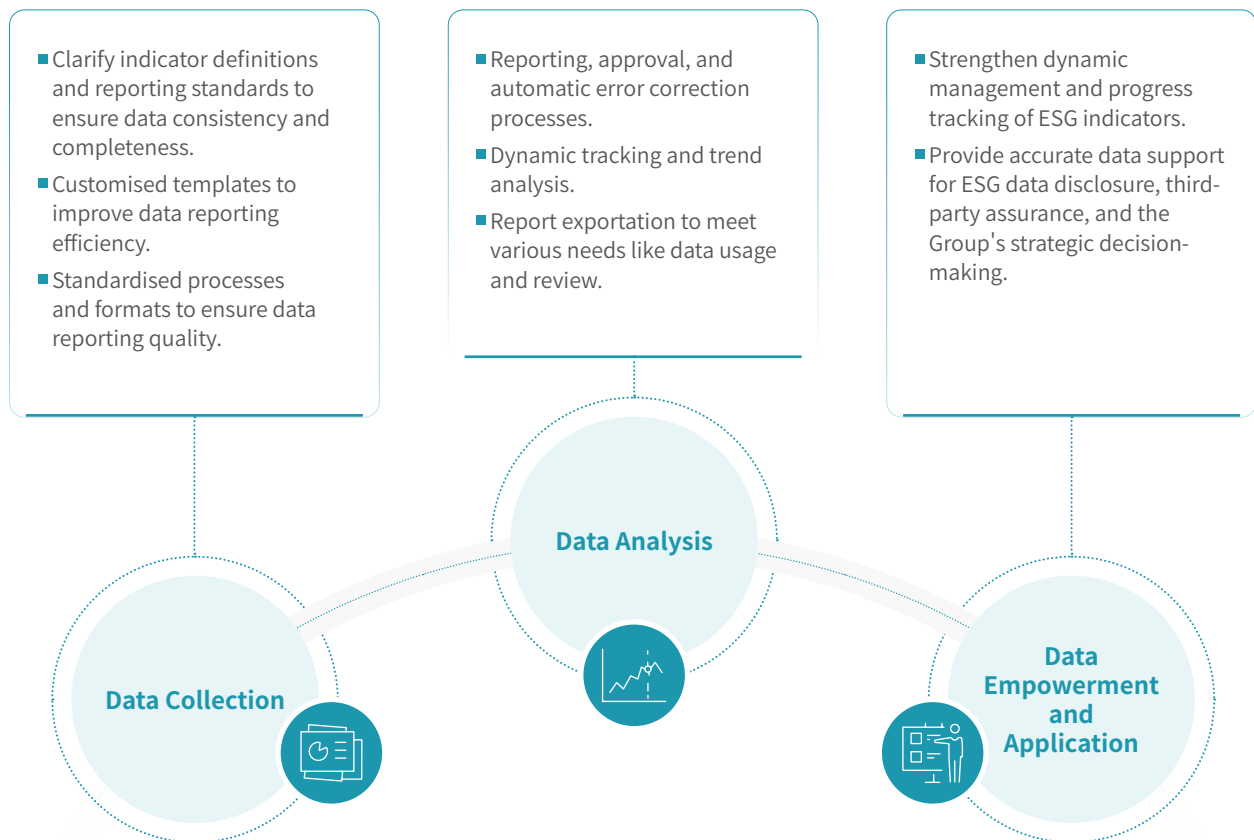
The Group has incorporated sustainability (ESG) performance indicators into the emolument policy for executive directors and senior management. The Group links ESG indicators such as safety management indicators (including but not limited to safety incidents, safety risk control, construction safety, and production safety), risk management, anti-fraud management, legal compliance operation, renewable energy project development, technological innovation, ESG rating management and system establishment with the pay of executive directors and senior management. ESG indicators highly related to the forementioned personnel are key reference factors for performance evaluation, and their weight in performance evaluation exceeds 10%.

ESG Data Management

CNE has independently developed an ESG data platform to meet the needs of ESG indicator data management and data assurance preparation, achieving online management and traceability of ESG data to significantly improve ESG data quality and management efficiency, ensuring the consistency, completeness, and accuracy of data disclosure.

At the same time, the Group annually updates the data system based on business needs, feedback, and relevant standards, to strengthen the closed-loop coordination from data management to ESG strategy implementation.

(Overview of closed-loop management and functions at each stage)









Materiality Assessment

Stakeholder Engagement

CNE attaches importance to the stakeholder communication and has established effective mechanisms for stakeholder engagement. In the process of formulating and promoting ESG strategies, we actively listen to the reasonable suggestions from stakeholders and share our sustainable practices.

The Group has established smooth and multi-channel communication mechanisms with stakeholders. By inviting stakeholders to participate in decision-making and activities related to corporate sustainability, we continuously optimise the effectiveness of stakeholder engagement to provide important references for the Group to identify material issues and improve ESG strategies. This year, the main communication between the Group and stakeholders is as follows:

| Key Stakeholders | Issues of Concern | Major Communication Channels |
|---|---|---|
| Governments and Regulators  | <ul style="list-style-type: none"> ■ Corporate Governance ■ Resource Use ■ Waste Management ■ Ecological Environmental Protection ■ Employment Compliance and Human Rights ■ Compliance Management ■ Promote Transformation to a Low-Carbon Energy Society ■ Production Safety | <ul style="list-style-type: none"> ■ Information Reporting ■ Conference ■ Face-to-Face Communication ■ Phone Call ■ Questionnaire |
| Employees  | <ul style="list-style-type: none"> ■ Diversity and Equal Opportunity ■ Employment Compliance and Human Rights ■ Talent Attraction and Retention ■ Employee Training and Development ■ Occupational Health and Safety ■ Corporate Culture Building | <ul style="list-style-type: none"> ■ Staff Meeting ■ Face-to-Face Communication ■ Training ■ Employee Activity ■ Employee Satisfaction Survey |
| Shareholders and Other Investors  | <ul style="list-style-type: none"> ■ Corporate Governance ■ Risk Management ■ Compliance Management ■ Talent Attraction and Retention ■ Production Safety ■ Renewable Energy Opportunities | <ul style="list-style-type: none"> ■ Annual Report ■ Announcement and Notice ■ General Meetings of Shareholders ■ Phone Call/Email ■ Questionnaire |
| Suppliers, Contractors, and Business Partners  | <ul style="list-style-type: none"> ■ Responsible Supply Chain Management ■ Production Safety ■ Renewable Energy Opportunities ■ Compliance Management ■ Industry Cooperation and Progress ■ Ecological Environmental Protection | <ul style="list-style-type: none"> ■ Conference ■ Phone Call ■ Official Correspondence ■ Questionnaire ■ Training |
| Clients  | <ul style="list-style-type: none"> ■ Green Energy Trading ■ Technological Innovation ■ Optimise Customer Service ■ Renewable Energy Opportunities ■ Information Security and Privacy Protection ■ Compliance Management | <ul style="list-style-type: none"> ■ Conference ■ Phone Call ■ Official Correspondence ■ Clients Visiting ■ Questionnaire |
| Public and Community  | <ul style="list-style-type: none"> ■ Climate Change and Carbon Emissions ■ Ecological Environmental Protection ■ Green Energy Trading ■ Renewable Energy Opportunities ■ Community Engagement and Contribution ■ Promote Transformation to a Low-Carbon Energy Society ■ Production Safety | <ul style="list-style-type: none"> ■ Public Survey ■ Visiting and Interview ■ Questionnaire |

Material Issues

Material issue management is the foundation for the Group to carry out ESG strategic planning, risk and opportunity management, and information disclosure. The Group conducts material issues assessment annually through internal and external evaluations, and incorporates the results into the enterprise risk management process. The Group follows these four steps to determine ESG issues that are closely related to business development and important to stakeholders. These issues also have a significant impact on the society, environment, and economic aspects. The Group responds to related issues' actions and achievements in this report.

Step 1 Identify ESG Issues



We established an ESG issue library based on the "CNE ESG Strategy", identified 23 ESG key issues highly correlate with CNE under five categories, considering the Group's business model, in accordance with local operational policies, international reporting disclosure standards, best industry practices in ESG, and interests of capital markets and stakeholders.

Step 2 Stakeholder Engagement



We collected evaluation suggestions on ESG issues from internal and external stakeholders, including government and regulatory agencies, shareholders and other investors, suppliers, contractors, business partners, clients, public and community, employees, and management, through questionnaires, executive interviews, stakeholder inquiries, and industry conferences.

Step 3 Analyse Materiality



Combining stakeholders' suggestions and key points of interest from governments, capital markets, internal and external experts, we analysed the impact of issues on the Group's development and society and the environment, assessed the materiality of the impact, determined the priority, and generated the ESG Materiality Matrix.

Step 4 Review by the Board and Management



The Board and management reviewed the materiality assessment results, provided suggestions based on the Group's operating conditions, and confirmed the key disclosures as well as future objectives and implementation plans for ESG management.

| ESG Strategy | Issues | Major Impact Scope | | | Relevant Chapter |
|--------------|--|--------------------|---------------|------------|--|
| | | Upstream | Self-operated | Downstream | |
| Environment | 1 Waste Management | ✓ | ✓ | ✓ | Emissions Management |
| | 2 Resource Use | ✓ | ✓ | | Resource Use |
| | 3 Climate Change and Carbon Emissions | ✓ | ✓ | ✓ | Responding to Climate Change |
| | 4 Ecological Environmental Protection | ✓ | ✓ | | Ecological Balance in Nature |
| | 5 Green Energy Trading | ✓ | ✓ | ✓ | Responding to Climate Change |
| Talent | 6 Employment Compliance and Human Rights | ✓ | ✓ | | High Collaboration |
| | 7 Diversity and Equal Opportunity | | ✓ | | High Collaboration |
| | 8 Talent Attraction and Retention | | ✓ | | High Motivation |
| | 9 Employee Training and Development | ✓ | ✓ | | High Growth |
| | 10 Occupational Health and Safety | ✓ | ✓ | | High Collaboration |
| | 11 Corporate Culture Building | | ✓ | | Corporate Culture |
| Operation | 12 Responsible Supply Chain Management | ✓ | ✓ | | Responsible Supply Chain |
| | 13 Technological Innovation | | ✓ | ✓ | Innovative Technology Development and Application |
| | 14 Optimise Customer Service | | ✓ | ✓ | Service Quality Guarantee |
| | 15 Renewable Energy Opportunities | ✓ | ✓ | ✓ | Responding to Climate Change |
| | 16 Information Security and Privacy Protection | ✓ | ✓ | ✓ | Information Security and Privacy Protection |
| | 17 Production Safety | ✓ | ✓ | | Comprehensive Safety Management |
| Community | 18 Industry Cooperation and Progress | ✓ | ✓ | ✓ | Win-Win Partnership |
| | 19 Promote Transformation to a Low-Carbon Energy Society | ✓ | ✓ | ✓ | Responding to Climate Change Promoting Community Prosperity |
| | 20 Community Engagement and Contribution | | ✓ | ✓ | Community Prosperity Social Advancement |
| Governance | 21 Corporate Governance | | ✓ | | Corporate Governance |
| | 22 Risk Management | | ✓ | | Risk Management |
| | 23 Compliance Management | ✓ | ✓ | | Compliance Management |

The Group maintains dynamic focus and assessment of its development needs, internal and external environmental requirements, and stakeholder demands. Based on the results of the material issue assessment in 2024, we have identified the issues that are material to the Group's development and to society and environment this year.

The changes of material issues compared to 2023 are as follows:

2 Resource Use

A sustainable resource utilisation model will promote the Group's long-term development and also has positive value for environmental protection and social development. The importance of this issue on the Group's development, society, and the environment has increased.

3 Climate Change and Carbon Emissions

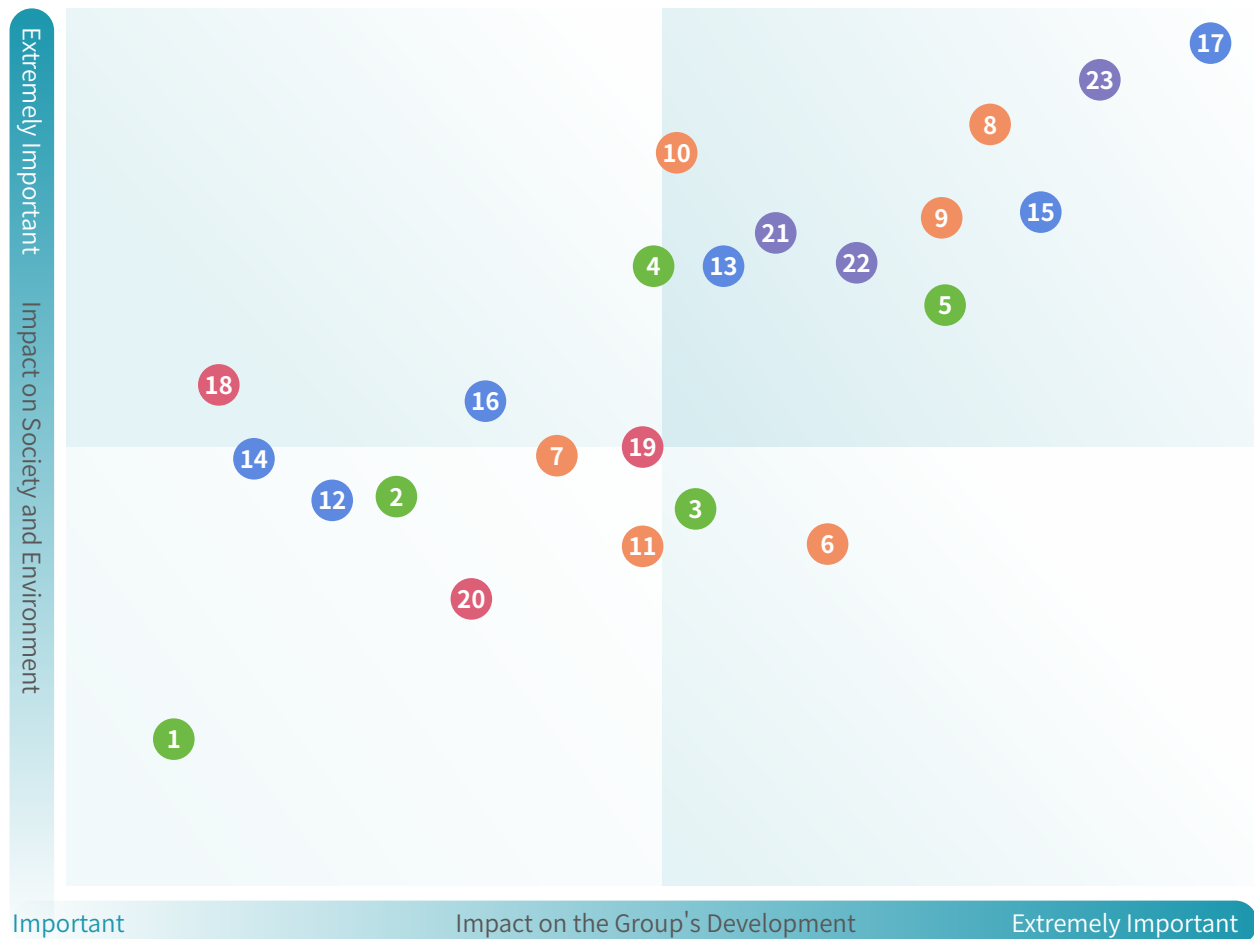
Climate change and carbon emissions are critical to environmental and social sustainability. The Group also attaches importance to the influence of related risks and opportunities on itself. The importance of this issue on the Group's development, society, and the environment has increased.

4 Ecological Environmental Protection

The Group recognises the synergistic role of business development and ecological environment value, as well as the importance of continuous fulfilment of responsible business practices. The importance of this issue on the Group's development, society, and the environment has increased.

The results of materiality assessment will also serve as an important reference for the Group's ESG strategy formulation and ESG information disclosure.

2024 Materiality Matrix



Low-Carbon Action

Greening Ecological Ecosystem 02

CNE adheres to the concept of green development. We conduct biodiversity conservation actions and are committed to exploring new opportunities in the energy sector to accelerate the global energy transition process. We look forward to working with all relevant parties to jointly build a future of low-carbon development and harmonious coexistence between human and nature.

Key Issues:

- Climate Change and Carbon Emissions
- Renewable Energy Opportunities
- Green Energy Trading
- Promote Transformation to a Low-Carbon Energy Society
- Resource Use
- Waste Management
- Ecological Environmental Protection



Responding to Climate Change

CNE actively responds to global climate change. We have formulated [Climate Change Policy](#), continuously expanded diversified clean energy business, enhanced the climate resilience of the company's operations as well as the upstream and downstream value chains, thereby driving the green transformation of society.

The Group refers to IFRS S2 and other relevant standards and guidelines, in combination with industry characteristics, strategic planning, and other internal and external features and trends, to identify climate change risks and opportunities and summarise the main response measures. We disclose the progress and other climate-related information to stakeholders around four core aspects: governance, strategy, risk management, and metrics and targets.

Governance

CNE has equally integrated climate change issues into the ESG governance structure and overall strategy development process with other major ESG issues. To ensure effective management of climate change-related issues, we have linked the pay of our Executive Directors and Senior Management to climate-related performance indicators. These indicators are taken as important references for performance assessment, including risk management (climate-related risks and opportunities), renewable energy project development, and technological innovation, etc.

The Group has formulated the *Share Award Scheme* that covers directors, including the CEO, and eligible core

value employees⁴. To promote effective implementation of climate change management, we incorporate climate change-related performance indicators such as carbon emissions reduction targets, green power sales, and green certificate into evaluation criteria of long-term incentive. Additionally, the Group has established special awards for safety and environmental protection in areas such as production safety, safe engineering construction, and environmental protection, to incentivise organisations and individuals who make outstanding contributions. The Group also conducts climate change training for the Board members to enhance their understanding of the latest trends in climate change.

Governance Level

The Group has established an ESG Committee at the Board level to oversee climate change related matters, with responsibilities that include:

- Guide the Group's climate-related vision, targets, strategy, transition plan and direction;
- Oversee the assessment of climate change related risks and opportunities;
- Regularly monitor and review the implementation of climate change matters and target process;
- Receive reports from the ESG Steering Group on climate change matters at least twice a year.

Management Level

The ESG Steering Group consists of the Group's vice presidents and the management of departments and subsidiaries, with responsibilities that include:

- Assist the ESG Committee to carry out its work and report on climate change related matters;
- Guide and supervise the implementation of climate change strategies and targets;
- Organise the identification of climate change risks and opportunities, conduct quantitative climate risk assessment and establish response mechanisms, and report to the ESG Committee on a regular basis;
- Receive regular reports from the ESG Working Group on climate change related matters.

Execution Level

The ESG Working Group consists of each business and functional departments, with responsibilities that include:

- Coordinate the implementation of climate-related matters and regularly report to the management level.

⁴ The core value creators selected by the Board of Directors who have contributed to the Group's growth and development, including senior management, business unit managers, and key employees in core business.

Strategy

CNE is committed to promoting investment and construction in wind and solar energy, actively participating in green power trading and green certificate sales, providing society with stable and reliable clean energy, and promoting the low-carbon transformation of the social energy structure. The Group strengthens green operations, practises environmental protection concept, and fulfils its low-carbon development commitments. We believe that these measures will enable CNE to play an active role in promoting the protection of the natural environment and driving global climate action.

In 2024, in order to further enhance the Group's climate-related risk management capabilities and identify related financial impacts, we conducted an in-depth assessment of risks and opportunities for our core business assets and carried out scenario analysis.

| Steps | Content |
|---|---|
| 01 Material Risks/ Opportunities Identification | Conduct a comprehensive screening based on asset types, operational locations, authoritative climate databases, past losses, industry insights, etc., to complete the Group's climate risk and opportunity list. Select appropriate climate scenarios and identify the most critical physical and transition risks. |
| 02 Model Building | Consider the likelihood and impact of risks and opportunities, build a customised financial assessment model, and conduct climate change risk and opportunity assessment. |
| 03 Financial Impact Assessment | Analyse the proportion and extent to which the Group's assets are affected by climate risks and opportunities, and assess the impact of climate factors on financial operations and risk exposure. |
| 04 Climate Resilience Assessment | Develop internal management reports and implement response measures for material climate risks and opportunities, and evaluate the effectiveness of these measures. |







Risks and Opportunities

CNE fully recognises the importance of climate change risks and opportunities, and integrates strategy for addressing climate change deeply into the Group's overall development strategy. Leveraging insights from our operational regions, industry information, and authoritative sources such as the World Bank's Climate Change Knowledge Portal (CCKP), we analysed the potential impacts, impact scope and horizon, and potential financial impacts of various physical risks that may have a material impact on the Group's operations or upstream and downstream activities.

| Physical Risk Type | Risk Description and Potential Impact | Impact Scope | Impact Horizon |
|---|--|------------------|----------------|
| Acute Risk - Heavy Precipitation/ Flooding  | <ul style="list-style-type: none"> ■ Extreme precipitation may lead to water accumulation and flooding in wind plants, submerging and damaging wind turbine equipment near rivers, resulting in unstable power generation. The increase in precipitation intensity and frequency leads to more moisture infiltration in the soil, increasing the risk of landslides, which in turn may cause power plant foundation tilting and displacement or equipment movement, deformation, or even damage, resulting in unstable power generation and posing a threat to the safety of on-site staff. | Direct Operation | Short-term |
| Acute Risk - Extreme Cold  | <ul style="list-style-type: none"> ■ Cold waves, frosts, and other extreme weather conditions may cause wind turbine blades to ice up, leading to operational failure; ■ Cold waves can affect the stability of the power transmission system, potentially causing icing on overhead power lines, and in severe cases, leading to accidents such as tower collapses. | Direct Operation | Long-term |
| Acute Risk - Typhoon  | <ul style="list-style-type: none"> ■ Typhoons can cause changes in wind speed, risk, and wind load, leading to increased vibration and stress on equipment, which may damage or cause failures in power generation units and power transmission and distribution systems, affecting the stability and reliability of power generation; ■ Typhoons bring heavy rain and cloudy weather, reducing the efficiency of PV panels and leading to a decline in power generation. | Direct Operation | Short-term |
| Acute Risk - Thunderstorm  | <ul style="list-style-type: none"> ■ Thunderstorm weather poses a challenge to the collection circuit of wind plants. If lightning strikes cause the collection circuit to trip, it will result in power generation losses. | Direct Operation | Short-term |
| Chronic Risk - Heatwave  | <ul style="list-style-type: none"> ■ High temperatures may reduce the power generation efficiency and stability of PV components, accelerate the aging of PV cell materials, lead to performance degradation or even failure of the cells, and may even cause operational interruptions. Additionally, high temperatures may cause outdoor staff to experience physical discomfort. | Direct Operation | Long-term |
| Chronic Risk - Wind Speed Trends  | <ul style="list-style-type: none"> ■ Weakening of surface wind speeds, changes in wind direction, etc. may affect the rotational speed and output power of wind turbines, influencing the efficiency of electricity generation, which in turn may have an impact on revenues. | Direct Operation | Long-term |

CNE analysed various transition risks separately, including the current and emerging policy and legal risks, technology risks, market risks, and reputation risks.

| Transition Risk Type | Risk Description and Potential Impact | Impact Scope | Impact Horizon |
|--|--|------------------|--|
| Current and Emerging Policy and Legal  | <ul style="list-style-type: none"> The introduction and implementation of power industry reform and carbon neutrality-related policies will have a certain impact on project planning and development; To align with evolving regulatory requirements on climate information disclosure, the Group faces higher compliance risks and may need to invest funds and manpower in carbon related management, which may increase the Group's operating costs. | Direct Operation | Long-term |
| Technology  | <ul style="list-style-type: none"> The continuous acceleration of the renewal of energy production equipment and the development of new technologies has an impact on the entire energy industry. Companies may need to accelerate technological upgrades and increase research and development investment. If they cannot quickly adapt to these changes, they may lose their competitive edge in the market. | Direct Operation | Short-term Medium-term Long-term |
| Market  | <ul style="list-style-type: none"> Due to the imbalance in the development levels of renewable energy electricity in various regions and the electricity load is low in some areas, the curtailment of wind and PV power may not be eliminated in the short term. | Direct Operation | Short-term Medium-term Long-term |
| Reputation  | <ul style="list-style-type: none"> The public is increasingly concerned about environmental protection issues. Negative public opinion may arise if local ecosystems and biodiversity conservation are ignored during the project site selection and construction phases. | Direct Operation | Short-term Medium-term Long-term |

The trend of low-carbon transformation and green development also brings opportunities for the Group's development. We have identified the following opportunities in terms of markets, products and services, and policies, etc.

| Opportunity Type | Opportunity Description and Potential Impact | Impact Horizon |
|--|--|--|
| Resource Efficiency  | <ul style="list-style-type: none"> Enterprise presents new opportunities by improving resource efficiency and energy efficiency, as well as efficient use of public utility resources (including water and energy). | Short-term Medium-term Long-term |
| Energy Sources  | <ul style="list-style-type: none"> Under the trend of global energy structure optimisation and transformation, the market demand for green certificate and green power is also increasing. | Short-term Medium-term Long-term |
| Markets  | <ul style="list-style-type: none"> The global renewable energy power consumption market continues to expand, and the digitalisation and intelligence of energy become development trends; Developing products and services that meet the emerging needs of climate change adaptation encourages companies to continuously expand into new businesses and explore new fields. | Short-term Medium-term Long-term |
| Products and Services  | <ul style="list-style-type: none"> Continuous technological advancement in PV, energy storage, operation and maintenance of renewable energy projects has helped to improve the efficiency and quality of renewable energy development, reduce the cost of energy, and enhance the Group's competitiveness. Under the trend of low-carbon green transformation of society, the demand for efficient and professional technical products, green and low-carbon services from enterprises is becoming more diverse. | Short-term Medium-term Long-term |
| Resilience  | <ul style="list-style-type: none"> Enterprise actively constructs office buildings that comply with international-leading green building standards, in order to continually manage the energy efficiency and other green performance of their operating premises, thereby increasing climate resilience; Enterprise continually strengthens its capacity to respond to climate change risks and seeks new opportunities. This proactive approach aims to enhance operational capabilities under different conditions, empower the reliability of the supply chain, and increase the resilience of the enterprise, suppliers, clients, and other stakeholders in dealing with climate change. | Medium-term Long-term |
| Policies (Represented by carbon pricing)  | <ul style="list-style-type: none"> With the strengthening of low-carbon transformation and the increasing intensity of climate transition policies. Taken carbon pricing⁵ as instance, it comprehensively assesses emission cost, incentivising enterprises to reduce greenhouse gas emissions and rewarding emission reduction actions. The Group can seize policy opportunities to gain more potential revenue through carbon asset management and carbon market, etc. | Medium-term Long-term |

⁵ Carbon pricing, also known as the carbon shadow price, reflects the marginal abatement cost per tonne of greenhouse gas emissions under various climate policies. It takes into account a range of climate policies including carbon taxes, subsidies, carbon emissions permit prices, and environmental standards, etc.

Scenario Analysis

In 2024, the Group focused on three physical risks of extreme cold, heatwaves, and flooding, as well as one policy risk/opportunity. We selected authoritative climate scenarios from the Intergovernmental Panel on Climate Change (IPCC) and the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) for stress testing.

The Group has chosen to employ Physical Value-at-Risk (PVaR)⁶ and Carbon Value-at-Risk (CVaR)⁷ for model construction and quantitative analysis. This approach aims to assess the potential impacts of climate-related risks and opportunities on the Group's operations and financial performance across different time horizons. The findings will provide decision-making support for optimising the Group's climate risk response and management, and building more resilient strategy.



Physical Scenarios

Resilient Risk Management

The Group uses the IPCC's RCP 4.5 and RCP 8.5 climate scenarios to conduct physical risk stress tests to understand the acute and chronic physical risks faced by the Group's asset portfolio during various periods.

| Referenced Scenario | IPCC RCP 4.5 | IPCC RCP 8.5 |
|------------------------|--|---|
| Scenario Description | Under this scenario, greenhouse gas emissions peak around 2040 and then decline, with policy-driven actions to control the global average temperature to about a 2.5°C increase by 2100. | Under this scenario, greenhouse gas emissions increase rapidly in this century and double by 2050; the global average temperature rises by more than 4°C compared to pre-industrial period by 2100. |
| End of Century Warming | Approximately 2.5°C | Higher than 4°C |

⁶ PVaR: It is used to estimate the percentage of asset gains or losses due to physical risks as a proportion of the asset value.

⁷ CVaR: It is used to estimate the percentage of asset gains or losses caused by transition risks, primarily driven by carbon pricing, as a proportion of the asset value.

Based on the analysis results, the PVaR values for three types of physical risks under two climate scenarios for our global asset portfolio are all below 1%. This indicates that the Group faces extremely low, low, and medium levels of climate change risks, demonstrating resilient risk management.

| Risk Type | 2030 (Medium-term) | | 2050 (Long-term) | |
|----------------------------------|--------------------|-------------|------------------|-------------|
| | RCP4.5 | RCP8.5 | RCP4.5 | RCP8.5 |
| Heatwave | <div></div> | <div></div> | <div></div> | <div></div> |
| Heavy Precipitation/ Flooding | <div></div> | <div></div> | <div></div> | <div></div> |
| Extreme Cold | <div></div> | <div></div> | <div></div> | <div></div> |

Extremely low risk

Low risk

Medium risk

Medium to high risk

High risk



Transition Scenarios

Seize the Opportunity of Low-carbon Transformation

The Group used three climate scenarios of the Central Banks and Supervisors Network for Greening the Financial System (NGFS) to conduct a stress testing on transition risks to understand the risks and opportunities faced by the Group in the transition towards low-carbon policies. Based on multiple factors such as assets, greenhouse gas emissions, local carbon emissions reduction policies and emissions reduction potential, future planning, and scenario carbon prices, we predict and calculate carbon emissions gaps for assets in different provinces in China, comprehensively analyse carbon cost changes, and conduct comprehensive transition risk and opportunity analysis.

| Referenced Scenario | NGFS NDC (Nationally Determined Contributions) | NGFS Delayed Transition | NGFS 2050 Net Zero |
|------------------------|--|--|--|
| Scenario Description | Countries have introduced relatively prudent and diversified climate policies in line with their Nationally Determined Contributions, to limit global temperature rise to approximately 2.4°C by 2100. | Assuming that governments postpones (typically after 2030) and suddenly introduces low-carbon transition policy, with efforts rapidly intensifying each year, the goal of limiting global warming to 2°C by 2100 will be achieved. | A global orderly transition, with countries fully implementing stricter climate policies and increasing investment in renewable energy and clean technologies, will lead to significant reduction in greenhouse gas emissions from the oil, natural gas, and coal industries, achieving net-zero emissions by 2050 and 1.5°C temperature control target by 2100. |
| End of Century Warming | Approximately 2.4°C | 2°C | 1.5°C |

Through comprehensive analysis, the Group's core businesses of wind power and PV power generation will face opportunities under all three scenarios. Furthermore, as the low-carbon transition intensifies and climate transition policies become more robust, the Group will also encounter greater opportunities for low-carbon transformation.

| Opportunity Type | 2030 (Medium-term) | | | 2050 (Long-term) | | |
|------------------|--------------------|-------------------------|--------------------|------------------|-------------------------|--------------------|
| | NGFS NDC | NGFS Delayed Transition | NGFS 2050 Net Zero | NGFS NDC | NGFS Delayed Transition | NGFS 2050 Net Zero |
| Policy | Low opportunity | Low opportunity | High opportunity | Low opportunity | High opportunity | High opportunity |

High opportunity

Medium opportunity

Low opportunity

Climate Resilience and Management Measures

CNE conducts green operations, reduces greenhouse gas emissions and strengthens climate risk management to enhance climate resilience and adaptability. Based on the assessment results of physical risks and transition risks, the Group has identified targeted response measures and actively implemented various mitigation measures, demonstrating strong climate adaptability.

| Risk Type | Response Measures |
|---|---|
| Acute Risk - Heavy Precipitation/Flooding | <ul style="list-style-type: none"> ■ During the power plant site selection stage, conduct geological surveys and engineering geological evaluations, choosing areas with stable geological conditions as construction sites; ■ During the power plant planning and design stage, optimise the routing of lines and roads to reduce soil disturbance; Use comprehensive reinforcement measures to increase foundation stability; ■ During the project construction stage, strengthen the implementation of water and soil conservation, and fully implement project supervision requirements; ■ Establish a flood control and emergency repair management mechanism to promptly repair damaged equipment and quickly restore stable operations; ■ Enhance the construction and maintenance of drainage systems to ensure good drainage and prevent water accumulation from damaging wind turbines, and set up flood barriers for wind turbines that are prone to flooding; ■ Conduct follow-up management of greening construction for completed projects; ■ For more details, please refer to the section "Water and Soil Conservation". |
| Acute Risk - Extreme Cold | <ul style="list-style-type: none"> ■ When selecting wind turbine, establish standards for its cold resistance adaptability; ■ Carry out technical modifications to the blades. Melt the ice on the blades in a timely manner through heating to ensure the stability of power generation. Through measures such as optimising overhead lines and setting up ice fall protection, reduce the impact brought by icy and snowy weather; ■ Based on actual operational conditions, conduct research on the patterns of ice accumulation on wind turbine blades, summarise the response measures adopted by different turbine units to ice accumulation, and provide references for reducing ice-related losses in newly constructed wind plants; ■ Continuously explore the application of anti-icing technologies for the blades of wind turbines. In 2024, a total of 8 special technical exchanges on anti-icing were organised and participated; ■ In 2024, the application of prototype machines for heating de-icing and anti-icing coating technologies were carried out in power plant programs in China. |
| Acute Risk - Typhoon | <ul style="list-style-type: none"> ■ Consider the potential impact of extreme weather such as typhoons throughout the entire life cycle of power plant site selection, equipment selection, construction, and operation; ■ Closely monitor early warnings and monitoring results of acute disasters such as typhoons, and prepare and respond in advance by promptly understanding the disaster impact path; ■ Develop flood control and emergency response plans and conduct emergency drills, equip with flood defence sandbags and other rescue equipment, and take professional measures such as deploying drainage systems and flood barriers; ■ Strengthen equipment inspection and regular maintenance, reinforce equipment and facilities with potential dangers to reduce accident risks; ■ Purchase insurance for relevant assets to compensate for the impact of natural disasters. |
| Acute Risk - Thunderstorm | <ul style="list-style-type: none"> ■ Conduct technical retrofitting projects for collection circuit lightning protection, upgrade and optimise lightning arresters, and implement lightning monitoring to mitigate the impact of thunderstorm weather on collection circuit; ■ Explore the application of technologies for rapid diagnosis of collection circuit fault locations, which is conducive to quickly analysing and repairing faulty lines and reducing power generation losses. |

| Risk Type | Response Measures |
|---------------------------------------|--|
| Chronic Risk - Heatwave | <ul style="list-style-type: none"> ■ Increase heat dissipation measures for PV modules, optimise the heat sink of inverters to reduce operating temperatures and reduce the likelihood of shutdown failures; ■ Optimise the installation position and method of PV panels and maintain an appropriate gap between the PV panels and the installation surface to utilise wind and natural convection to reduce the operating temperature of the panels; ■ Develop high-temperature prevention and cooling construction measures, reasonably arrange outdoor working hours, and provide heatwave prevention and protection measures. |
| Chronic Risk - Wind Speed Trend | <ul style="list-style-type: none"> ■ Diversify the layout by reasonably distributing wind power generation capabilities across different regions to increase the overall reliability and stability of wind power projects; ■ Use the online operational digital management platform to conduct real-time monitoring and analysis of wind speed and other operational variables, pre-judge risk points, and deploy maintenance and other work in advance; ■ Conduct monthly diagnosis through the "warning diagnosis module", conduct on-site inspections based on the results and perform testing and reinforcement on key equipment. |
| Current and Emerging Policy and Legal | <ul style="list-style-type: none"> ■ Continuously monitor the current and emerging policy and legal requirements in the areas of operation, adjust business planning and layout in a timely manner, actively develop renewable energy projects, and ensure efficient and stable renewable energy supply; ■ Track and interpret the requirements for climate-related information disclosure, actively respond to disclosure requirements, continuously optimise the carbon emissions data management mechanism, conduct annual progress tracking of carbon reduction targets, and improve the transparency and quality of information disclosure. |
| Technology | <ul style="list-style-type: none"> ■ Strengthen industry technical communication and exchange, explore breakthrough innovative technologies; ■ Enhance internal innovation incentives within the Group, conduct industry-academy-research cooperation, and deepen the cultivation of technical talents; ■ Strengthen scientific research of distributed power generation and energy storage technologies, promote the application of innovative technologies, and guard against new technology risks to ensure the efficient and stable output of power plants. |
| Market | <ul style="list-style-type: none"> ■ Pay close attention to the price trend of equipment such as wind turbines and components during the planning and construction of power plants to control the cost of construction projects; ■ Continue to track and evaluate wind and solar resources, and prioritise the location of wind and solar energy resources with the best economic benefits for project development and construction; ■ Continue to optimise assets, adjust project distribution, and increase development efforts in areas with unlimited electricity potential. |
| Reputation | <ul style="list-style-type: none"> ■ Establish "Avoid, Reduce, Regenerate and Restore, and Transform" as the four main actions for biodiversity conservation, implement protection measures throughout the project life cycle, and minimise the impact of projects on the surrounding ecological environment; ■ Participate in projects oriented towards ecological environment protection and explore various project models such as PV-fishery, PV-agriculture, and PV-grassland integration to enhance the ecological resource protection contributions of wind and PV projects; ■ For more details, please refer to the section "Biodiversity". |

At the same time, the climate transition has presented unprecedented development opportunities for renewable energy power generation enterprises. The Group is closely monitoring global energy policies, promptly adjusting our business strategies, and actively embracing the climate transition to seize policy opportunities. We continuously focus on the large-scale utilisation of renewable energy, energy storage technology development, and persists in deepening the development and service of clean and low-carbon energy. By establishing a presence in diverse global markets, the Group actively contributes to the renewable energy system construction and the global low-carbon transition.

| Opportunity Type | Response Actions |
|-----------------------|--|
| Resource Efficiency | <ul style="list-style-type: none"> Promote the concept of green office, integrate resource-saving measures into the daily management of workplace and power plants, and comprehensively improve resource utilisation efficiency to save the Group's operating costs; For more details, please refer to the section "Low-carbon and Green Operation". |
| Energy Sources | <ul style="list-style-type: none"> Actively develop green power trading and green certificate sales business, cultivate professional talent teams, and prepare for the full market-oriented trading. With the gradual commissioning of the Group's projects in various provinces, the Group's scale of green power trading and green certificate sales will continuously increase in the future; In terms of green certificate, the Group has broken through the traditional sales model and innovatively signed long-term green certificate sales contracts with a term of 10 years or more, with high quality and favourable prices; In terms of green power, the green power trading in 2024 was 811 million kWh, an increase of about 27% year-on-year. |
| Market | <ul style="list-style-type: none"> Committed to diversified renewable energy power station projects, we accelerate the construction of power infrastructure, increase the production capacity of clean electricity, and actively explore the situation of renewable energy power generation projects worldwide. We continuously expand the construction scale of clean energy power plants. In 2024, the total construction scale reached 2,562 MW; Independently developed a data centre system that can perform advanced intelligent analysis applications such as environmental data monitoring, equipment operation analysis, and power station index benchmarking, achieving intelligent operation and management of power plants; For more details, please refer to the section "Intelligent Operation and Maintenance Management". |
| Products and Services | <ul style="list-style-type: none"> Focused on the efficiency promotion and technology transformation for super doublyfed, additional installation of winglet on blades, dual-mode transformation, PV panel coating, and blade leading-edge protection to promote electricity generation efficiency in wind power and PV; Provide one-stop zero-carbon solutions for clients. Based on different clients' needs, a variety of power purchase package services, green power trading and green certificate sales services, integrated energy services, carbon asset development and management services, and low-carbon consulting services are provided to help clients achieve green, low-carbon, and sustainable development. |
| Resilience | <ul style="list-style-type: none"> The Group's China headquarters building has obtained LEED Gold certification and has adjusted multiple energy-consuming equipment. By transforming existing buildings into green buildings, the Group reduces resource use and carbon emissions during operations; The Group has issued the <i>Business Travel Management Measures</i> and applied the Ctrip Business Travel system to monitor and track carbon emissions data in the business travel process. These measures guide employees to choose low-carbon travel methods such as green transportation, economical hotel accommodation and sharing accommodation, etc.; The Group places great emphasis on the synergistic effect of biodiversity conservation and climate change response. The Group has formulated a biodiversity conservation strategy. By maintaining the functionality and stability of ecosystems, the Group enhances the ecosystem's carbon sink capacity, mitigates and adapts to climate change. For more details, please refer to the section "Biodiversity"; Actively carry out cooperation and communication with supply chain partners on climate change response, and continuously convey the Group's sustainable development concept to all suppliers through procurement actions. |

Risk Management

CNE has integrated climate change risk management into the company's overall risk management system. We take the "three lines of defense" of risk governance structure as the basis, closely communicate with business departments and value chain partners. The Group manages climate risks through the process of "risk identification, risk assessment, risk response, and monitoring and improvement" to facilitate more comprehensive identification and response on climate risks. The Group determines risk control and response plans, which are reviewed by the ESG Committee at least twice a year.

01 Climate Risk Identification

- Comprehensive analysis of external environmental and social trends, combined with the perceptions and suggestions of business departments and value chain partners, to annually identify and collect information on potential risks that may affect the Group's business goals or increasingly severe transition and physical risks;
- Through measures such as aggregation and filtering, risk inventory, benchmarking analysis, and value creation analysis, etc., to understand the potential consequences of risks, risk sources, and potential causes;
- Output and regularly update the Group's climate risk list.

02 Climate Risk Assessment

- Perform risk analysis and risk evaluation on the initial information and risk list collected. The results are then summarised, collated and comprehensively balanced to generate a risk rating matrix;
- Conduct a systematic scenario analysis of climate change physical risks and transition risks, identifying those with substantial impacts on the Group's business;
- Rank the importance of risks and determine the priority of management work.

03 Climate Risk Response

- For identified and assessed significant climate risks, analyse their specific impacts on direct operations, supply chain and clients;
- Summarise, organise, and analyse information on climate risk events or loss events, while continuously monitoring them. Additionally, conduct annual assessments of the extent of risk impacts to provide early warnings for subsequent climate risk management;
- Develop and implement targeted control measures for climate risks based on the results of risk identification, assessment, and early warning, to accept, avoid, and reduce risks, minimising potential losses.

04 Climate Risk Monitoring and Improvement

- The management assesses and reviews the implemented response measures, identifies and resolves potential issues in the measures, thereby making necessary adjustments and improvements to ensure effective risk reduction;
- For risks whose impacts have not been reduced to acceptable levels, the Group will promptly revise its management measures;
- The ESG Committee at the level of the Board and the ESG Steering Group regularly review the effectiveness of climate risk response measures.

Metrics and Targets

CNE continuously develop a carbon emissions data management system by conducting annual carbon accounting covering own operations and the value chain, establishing a solid carbon data foundation. We thereby advance carbon target setting scientifically and reasonably, and develop a carbon reduction roadmap to actively respond to the challenges of climate change.

Based on actual business development and sustainable development plan, the Group continuously reviews and optimises climate change-related targets and actively tracks and assesses the progress of targets. This year, the Group has upgraded carbon targets covering operational aspects, strengthening carbon emissions management.

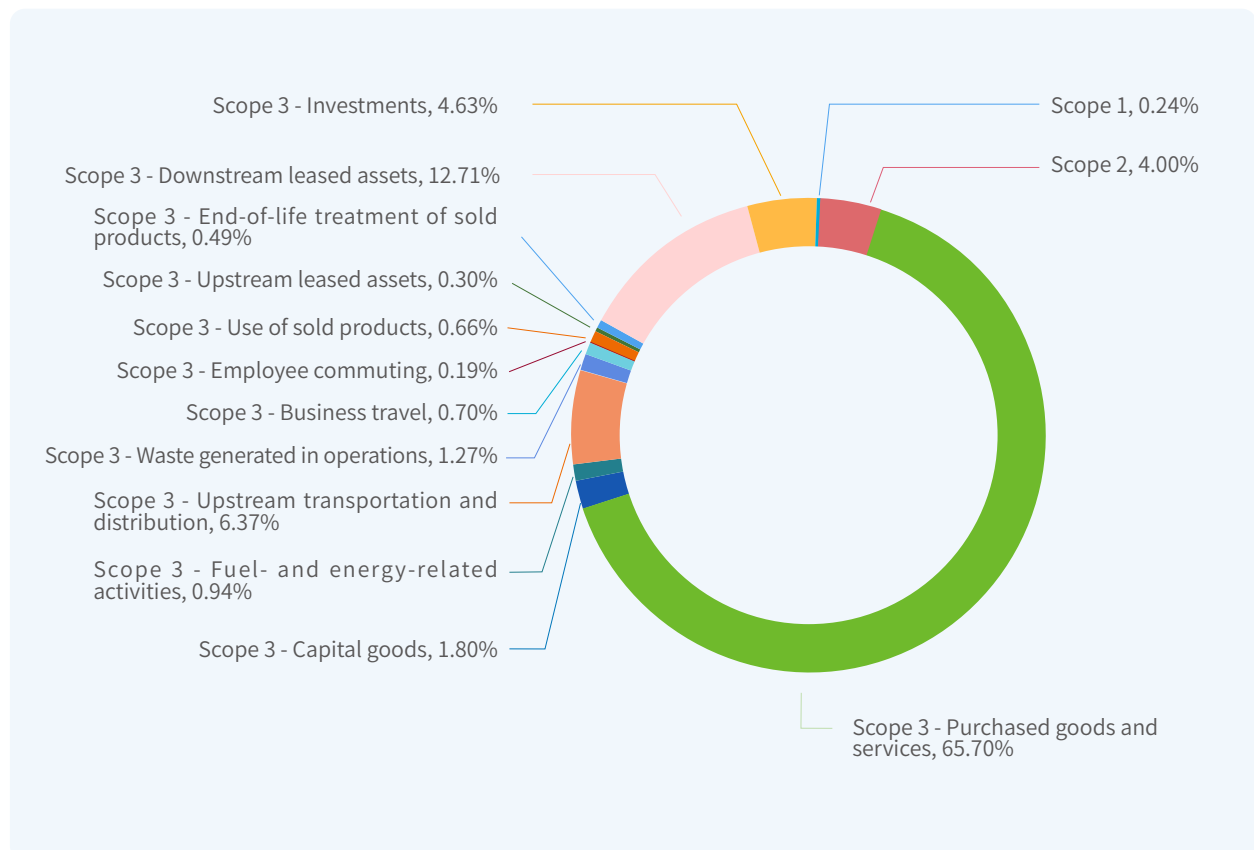
| Target | Target Timeline | 2024 Progress |
|--|-----------------|---|
| The cumulative GHG emission reduction of 75,000 kilotonnes will be achieved through the provision of green electricity to society. | By 2030 | By 2024, the corresponding cumulative GHG emissions has reduced 61,715 kilotonnes through the provision of green electricity to society, which has reached the expected stage. |
| The annual electricity consumption of the China headquarter office building will be reduced by 20,000 kWh, GHG emission will be reduced by 14.2 tonnes compared with 2019. | By 2025 | In this year, the electricity consumption of the China headquarter office building was 436,300 kWh, a reduction of 40,300 kWh from 2019, and a reduction of 27.3 tonnes of GHG emissions, which proceeded smoothly. |
| The Group's operational carbon emissions is reduced by 30% compared to 2024. | By 2035 | Released the Group's carbon reduction targets at the operational level for the first time. |



Concord New Energy conducts annual inventories of Scope 1, Scope 2, and all-category Scope 3 GHG emissions to monitor and manage its carbon footprint. We identified Category 1 purchased goods and services, Category 2 capital goods, Category 3 fuel- and energy-related activities, Category 4 upstream transportation and distribution, Category 5 waste generated in operations, Category 6 business travel, Category 7 employee commuting, Category 8 upstream leased assets, Category 11 use of sold products, Category 12 end-of-life treatment of sold products, Category 13 downstream leased assets and Category 15 investments are Scope 3 emission categories associated with the Group, with production-related purchased goods and services and downstream leased assets accounting for the highest proportion.

In this year, the Group's GHG emissions are listed as follows:

| | |
|---|------------|
| Direct Emissions (Scope 1) (tonnes of CO ₂ equivalent) | 664.81 |
| Indirect Emissions (Scope 2) (tonnes of CO ₂ equivalent) | 10,999.01 |
| Indirect Emissions (Scope 3) (tonnes of CO ₂ equivalent) | 263,329.21 |



Low-Carbon and Green Operation

CNE continues to practise the concept of low-carbon and green operation by taking multi-level control measures in resource use, emissions management, and noise management, to reduce environmental impact and protect natural resources. The Group strives to shape an environmentally friendly corporate culture and engage with employees and relevant parties to jointly promote a green and low-carbon future.

To continuously advance the management of resource use and waste management, CNE sets management targets to promote performance improvement and deeply implement the concept of green operation. The Group's target progress for this year is as follows:

| Target | Target Timeframe | 2024 Progress |
|--|------------------|---|
| Resource Use | | |
| Taking 2019 as the base year, the annual electricity consumption of the China headquarter office building will be reduced by 20,000 kWh. | By 2025 | In 2024, the electricity consumption of the China headquarter office building was 436,300 kWh, a reduction of 40,300 kWh from 2019, which proceeded smoothly. |
| Water-saving faucets are used 100% in the China headquarter office. | Annually | Done. |
| Waste Management | | |
| The China headquarters office building will implement 100% garbage classification. | Annually | Done. |
| The annual rate of harmless waste treatment will remain at 100%. | Annually | Done. |

The Group is well aware of the importance of establishing and improving an environmental management system to promote green operation. CNE conducts the environmental system certification of the Group and its subsidiaries, aiming to improve the energy and emissions management and reduce the environmental impact of operations through systematic management methods. The Group's subsidiary, CPCD, has obtained ISO 14001 certification.

Resource Use

The Group complies with the relevant laws and regulations of the countries and regions where it operates, and formulates and issues the [Energy Efficiency Policy](#). We advocate green operation at the Group level, integrate the concept of resource conservation into the daily management of the workplace and all power plants. We also encourage the assessment of energy and water resource utilisation efficiency, thereby identifying opportunities to saving resources. By this means, we strive to promote the improvement of resource utilisation efficiency in an all-round way.

The Group's China headquarter office building has obtained the LEED Gold Certification. It has many energy-saving and environmentally friendly designs, with good energy and water resource utilisation efficiency.

- Selected high-efficiency and energy-saving electric and heating, ventilation equipment units, as well as LED energy-saving lights and water-saving taps, to improve the overall energy efficiency of the building.
- Applied the VRV air conditioning system⁸, which can finely adjust the air speed and volume according to the indoor environment temperature during the temperature-variable transitional seasons, effectively reducing energy consumption.
- Used intelligent control equipment to adjust electricity and temperature usage modes according to actual needs, achieve intelligent perception, and conduct zonal electricity monitoring and analysis of office areas to promptly identify energy waste and take targeted adjustment measures.

⁸ The Varied Refrigerant Volume (VRV) air-conditioning system can achieve precise control of indoor temperature by changing the flow rate and temperature of the refrigerant.



The Group encourages the use of new energy electric vehicles to replace traditional energy vehicles to reduce the fuel consumption of official vehicles. Through the *CNE Vehicle Management Measures*, we clearly require that priority should be given to renewable energy vehicles in purchase of vehicles with the same specifications and class. By the end of the reporting period, pure electric vehicles accounted for 21.4% of the official vehicles of the headquarter.

The Group practises green operation in project management. On the premise of the normal operation of wind and PV power plants, each plant actively explores optimisation measures for energy use based on their operation features, improving energy utilisation efficiency and optimising energy structure.

- Reviewed and analysed factors that lead to power losses, such as lines, in-station equipment and operating modes, to identify energy-saving opportunities.
- Conducted technological improvements based on energy-saving analysis results and optimised technical parameters such as the operation time of wind turbine frequency converters and the voltage gear of main transformers.
- Prioritised the use of self-generated clean energy electricity. In this year, the Group's power plants generated approximately 278 million kWh of green power for self-use.
- Installed PV panels on the roof at booster station to reduce the use of non-renewable electricity.

Emissions Management

The emissions arising from the Group's operations mainly include waste generated from the workplace and power plants, as well as wastewater from construction and operations. The Group strictly complies with the relevant national laws and regulations of the operating locations, and implements supervision and management of emissions to ensure compliance with local pollutant and waste emission standards.

The Group also pays attention to the impact of emissions on surrounding residents. Each project establishes a land

acquisition coordination team to inform surrounding residents of project plans and ensure their right to be informed, minimising the negative impact of our operations on the surrounding environment. After the completion of the project construction, the Group conducts inspection and acceptance of the environmental protection measures to ensure that the recommendations of the environmental impact assessment are implemented and followed up. We also compile acceptance reports and regularly publish them on our official website for the project's surrounding communities and other interested parties.

Waste Management

Strictly carry out compliance collection, sorting, storage, and transfer measures for different types of waste in all workplaces and power plant bases to prevent environmental pollution. A hazardous waste storage room is established to uniformly record, manage, and track hazardous waste. This year, all batteries purchased by the Group were alkaline, environmentally friendly, lead-free and mercury-free batteries. Printer toner cartridges were recycled in an environmentally harmless manner.

Promote the scientific and rational recycling of office supplies, including advocating double-sided printing of paper, setting up paper recycling areas, and establishing shared office supply areas to encourage employees to use office supplies as needed and in a reasonable manner. In addition, waste classification and the recycling of wooden packaging boxes have been implemented in multiple workplaces. This year, the Group added dedicated bins for recyclable bottles in office areas, with specialists providing recycling services and keeping records, to reduce waste from the source.

Wastewater Treatment

Unified specifications are established for wastewater treatment during the construction and operation periods of projects. Wastewater treatment facilities are equipped at power plants to promote the recycling of wastewater.

Wastewater from the construction period, as well as domestic sewage from the construction and operation periods, is collected and treated in a consistent manner. Discharge is strictly prohibited to avoid impacting the surrounding environment and surface water bodies. Treated construction wastewater is used for dust spraying at the construction site and for vehicles and machinery cleaning, while treated domestic sewage is used for green plant irrigation at project area.

Noise Management

The Group adheres to local noise management laws and regulations, and establishes a noise pollution prevention and control responsibility system. We adhere to the principle that the noise pollution prevention and control facilities for construction projects are designed, constructed and put into operation simultaneously with the main projects, thereby continuously implementing effective noise control measures.

All wind power projects of the Group are designed to achieve noise control levels that exceed policy requirements. Based on the selected equipment parameters, we conduct simulation and prediction of shadow and noise. Meanwhile, we maintain a certain

distance from surrounding communities. During precise site selection, the Group verifies the affected community on-site, customises noise reduction measures and optimises designs for all noise-affected areas. By adjusting project layout, increasing equipment noise reduction measures, and adding soundproof glass, etc., we reduce the impact on surrounding communities. During the construction stage, the Group applies new type of piling construction machinery for wind turbine to reduce construction noise. Throughout the entire project phase, the Group also communicates with local residents for their suggestions on project noise management, to reduce the impact of noise on living spaces.

Green Concept Promotion

The Group adheres to the concept of green development and is committed to enhancing the awareness of employees, partners, and the public regarding ecological environmental protection and sustainable development. We regularly conduct trainings and promotional activities for our employees on topics of energy conservation, waste management, and water conservation, with various forms including ESG knowledge dissemination channel and ESG-themed series activities. These efforts aim to stimulate their understanding and identification with green concepts, thereby promoting the process of sustainable development.

The Group has released articles focused on carbon emissions and biodiversity protection on its corporate promotion platform, "ESG Green Reports". This initiative aims to educate the public and employees on basic concepts, enabling them to grasp the environmental impact of the Group's operations and recognise the significant influence of their own green practices. This year, a total of 10 articles were published on the platform.

ESG-Themed Activities

This year, the Group organised a total of 5 ESG-themed activities in waste management, ecological environment protection, resource efficiency management and low-carbon travel, with more than 800 participants.

- With sea glass as the theme, the Group conducted a marine waste knowledge training. During this event, we repurposed discarded glass collected from the ocean and beaches into home decorations, advocating for employees to pay attention to marine ecological protection.
- The Group launched the "Empty Bottle Recycling Programme" to motivate employees to recycle office-generated plastic bottles into reusable resources, thereby reducing environmental pollution caused by waste and fostering a circular economy. Since the start of the programme, more than 1,100 plastic bottles were recycled from September to December. These bottles were handed over to qualified third parties for processing.
- The Group carried out the "Wastepaper Reuse" activity, transforming office wastepaper into pulp and crafting pulp paintings. This activity aimed to explore the combination of environmental protection and art, while enhancing employees' awareness of resources conservation and environmental protection.
- The Group organised a low-carbon cycling activity, incorporating a riverbank cleanup along the designated route. This activity aimed to advocate for green travel and enhance employees' environmental protection awareness.



Ecological Balance in Nature

CNE is deeply aware of its responsibility in ecological environment protection. The Group takes effective measures to practise responsible business and reduce the negative impact of its operational activities on the ecological environment. We also foster synergy and mutual benefit between business development and ecological environmental value by making commitments and executing action plans focused on biodiversity conservation, as well as water and soil conservation.

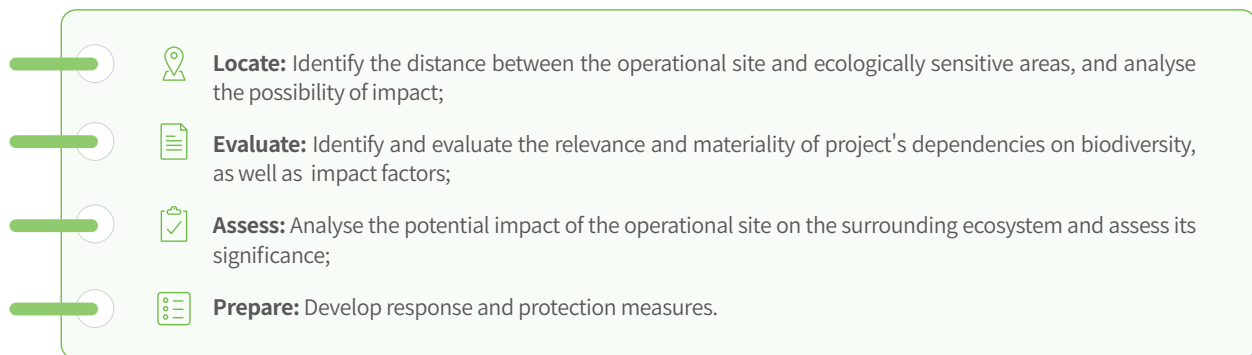
The Group has formulated and issued the [Ecological and Environmental Protection Policy](#), which specifies the Group's commitments and actions for biodiversity conservation and water and soil conservation. The implementation of the Group's ecological environment protection-related matters and policies is supervised by the ESG Committee of the Board.

Biodiversity

CNE actively fulfills its responsibility for biodiversity conservation. The Group pledges to closely collaborate with suppliers and partners to avoid conducting operational activities near globally or nationally recognised biodiversity hotspots.

Forest conservation is regarded as a core issue in the Group's biodiversity protection efforts. The Group strictly adheres to local laws, regulations and forest management standards in its operational areas. CNE promises to cooperate with suppliers and partners to maximise efforts to avoid and reduce deforestation during project design and construction. Timely revegetation and proactive compensation measures will be taken for vegetation damaged by projects.

To better address biodiversity-related risks, the Group has adopted the LEAP⁹ four-step approach recommended by TNFD¹⁰ to conduct biodiversity risk assessment for projects. We have identified potential biodiversity dependencies and impacts of each project site, our own operation¹¹ and upstream and downstream activities. Biodiversity risk assessment has been incorporated into the Group's risk management process. As assessment results, the Group's projects do not involve significant biodiversity-related risks.



⁹ A nature-related risks and opportunities assessment method that includes four core stages: Locate, Evaluate, Assess, Prepare.

¹⁰ Taskforce on Nature-related Financial Disclosures.

¹¹ Cover the operation sites of our own projects and adjacent areas.

CNE integrates biodiversity conservation concept throughout all project stages and actively formulates biodiversity conservation strategy. We adopt "Avoid, Reduce, Regenerate and Restore, and Transform" as the four main actions to develop tailored conservation measures covering the project's entire life cycle.

The Group commits to prioritising "Avoid" actions to eliminate potential adverse impacts on the natural environment from the source. On this basis, we plan to further carry out "Reduce" actions to mitigate unavoidable adverse impacts. Finally, we plan to take "Regenerate and Restore" actions, not only to compensate for the adverse impacts generated by the project but also to actively explore the intersection between business development and biodiversity enhancement at the operational sites, so as to achieve the regeneration and restoration of ecosystem functions. Simultaneously, we are also driving forward "Transform" actions to foster ongoing advancements for the Group in system development, measure execution, and stakeholder awareness enhancement, thereby reinforcing the internal impetus for biodiversity conservation.

| Biodiversity Conservation Actions | Project Stage | Conservation Measures |
|-----------------------------------|----------------------|--|
| Avoid | Project Initiation | <ul style="list-style-type: none"> In terms of site selection, route and road planning, avoid key wildlife habitats such as nature reserves, bird migration pathway, and ecological protection redlines; avoid areas such as water sources protection zones, reservoirs, rivers and lakes to prevent project impacts on surrounding water environments; Utilise environmental impact assessment to prevent destruction of important ecosystems; Conduct assessments of bird migration to avoid negative impacts on migratory birds. By the end of the reporting period, none of the Group's construction projects involved issues related to bird migration. |
| | Project Construction | <ul style="list-style-type: none"> Avoid construction during bird migration seasons and in migration areas. 100% of the Group's ongoing construction projects avoid occupying migratory bird habitats or conducting construction during migratory seasons; Set up temporary spoil sites, stockyards, and work shelters to avoid occupying forested areas. |
| Reduce | Project Initiation | <ul style="list-style-type: none"> Conduct specialised studies on water and soil conservation and vegetation restoration, and design different greening measures for various geological conditions and slope positions to minimise ecosystem damage caused by the project; Prefer to locations causing less forest destruction when selecting turbine sites; Choose larger capacity turbines to reduce the number of sites and optimise the routing of lines and roads to reduce the scope of the project and minimise disturbance to the soil; Consider the height above ground and preservation of original land when arranging components, and select components that cause minimal ground disturbance; In PV-fishery projects, fully reserve space required for aquaculture to minimise impacts on aquatic ecosystem; In PV-agriculture and PV-forestry projects, elevate brackets and increase the spacing between PV panel foundations to ensure normal growth of crops and trees. |
| | Project Construction | <ul style="list-style-type: none"> Minimise construction noise and nighttime lighting to reduce impacts on wildlife; For PV projects in grassland areas, bury collection and transmission lines underground to protect grassland vegetation and topography; Promote and apply single-blade lifting technology in wind power projects to shrink the operational area of lifting platforms, thereby minimising vegetation destruction and temporary land occupation during construction. For example, in the project in Heilongjiang Province and Guizhou Province, China, the area of each lifting platform was reduced by approximately 1,000 square metres compared to the conventional ones. |
| Regenerate and Restore | Project Completion | <ul style="list-style-type: none"> Conduct regeneration and restoration in accordance with the principle of restoring the original land use and vegetation coverage rates; Imitate the combination of trees and shrubs in natural forests, we adopt the vegetation recovery measure of combining grass with shrubs. In addition, we also enrich planted species and ensure the stable growth of recovered vegetation, providing strong support for regeneration and restoration of biodiversity. This measure has been implemented in several projects in Guangxi, Hunan, Henan, Heilongjiang Province, China; Conduct on-site inspections of the natural recovery areas of the project and compile acceptance reports based on monitoring reports. |
| Transform | / | <ul style="list-style-type: none"> Continuously promote renewable energy projects to help clients optimise their energy structures, reducing the drivers of climate change and ecological destruction from the source; Advance the continuous optimisation and implementation of the Group's <i>Ecological and Environmental Protection Policy</i>; Regularly conduct biodiversity conservation advocacy activities and trainings to enhance employees' awareness. |

**Biodiversity Conservation Advocacy Activity**

We launched the "Human and Nature - ESG Photography" event, calling on employees to immerse themselves in nature and capture the beautiful moments of harmonious coexistence between human and nature through their cameras. Over 400 employees participated in this event. We hope that through advocacy activities and trainings, we can further enhance employees' awareness of biodiversity conservation and inspire them to become proactive advocates for protecting the natural environment.



Meanwhile, CNE actively participates in projects oriented towards ecological and environmental protection, and explores diverse project models such as PV-fishery, PV-agriculture, and PV-grassland integration. It fully integrates renewable energy power generation with agriculture, fishery, and grassland management, achieving coordinated development of ecological resource protection and industrial value.

For more details, please refer to the section "Community Prosperity".



Water and Soil Conservation

CNE continues to improve the system and management procedures for water and soil conservation, taking active management and supervision measures throughout the project cycle to effectively protect and improve water and soil resources.

The Group continuously optimises the management principles and measures for water and soil conservation throughout the project cycle. We adhere to the principle of "three simultaneous" during the whole process of project design, bidding and procurement, on-site construction, acceptance inspection and record-filing, ensuring that water and soil conservation measures are designed, constructed, and put into use simultaneously with the main projects.



During the design and bidding stage

Water and soil conservation engineering measures such as retaining walls, drainage ditches, and spoil sites are designed and bid in synchronisation with the main project entity. Vegetation greening measures for water and soil conservation engineering are designed and bid in a targeted manner based on the specific conditions of the construction site after commencement.



During the construction stage

The design of water and soil conservation engineering is implemented simultaneously with the main project design. For example, before the commencement of road construction, water and soil conservation engineering measures such as retaining walls are implemented first to effectively prevent water and soil loss.



During the acceptance inspection and record-filing stage

The Group carries out acceptance inspection in strict accordance with the water and soil conservation plan and design drawings. We conduct on-site measurement and verification of key indicators such as the disturbed land reclamation rate, degree of soil loss control, spoil retention rate, vegetation recovery rate, as well as forest and grass coverage rate. The acceptance reports are publicised and filed.



After the completion of water and soil conservation acceptance

A one-year vegetation maintenance construction must be carried out to ensure the restoration of ecological balance in areas disturbed by construction.

The Group continuously strengthens the inspection and supervision during the project implementation, strictly follows the water and soil conservation management procedures, and enhances internal self-inspection within the construction project. We examine the implementation of water and soil conservation measures and vegetation recovery measures in all projects quarterly, and complete the monitoring reports. The Group supervises and tracks water and soil conservation measures at the construction site by the means of site inspection, vegetation monitoring, area monitoring, remote sensing monitoring, etc. If signs of water and soil loss are detected, timely rectification is organised. The Group continuously tracks and manages the greening construction for completed projects, and government verification after acceptance inspection and record-filing.



Operational Excellence Accelerating Sustainable Growth

03

CNE has made in-depth efforts in the field of business management to pursue stable advancement. The Group continues to improve the safety management system, adopts multiple measures to ensure the stable supply of renewable energy, works together with supply chain partners to jointly promote the continuous development of our business, driving the progress of the renewable energy industry.

Key Issues:

- Production Safety
- Information Security and Privacy Protection
- Technological Innovation
- Responsible Supply Chain Management
- Optimise Customer Service



Comprehensive Safety Management

Production Safety Target: Zero liability-attributed fatality rate in construction operations

CNE always prioritises safety. Following the safety management principle of "safety first, prevention as a priority, and integrated management", the Group identifies and strictly implements laws and regulations related to safe production and operation in countries and regions where we operate. We continuously improve the safety management network, advance the safety management system, and enhance the level of management to fully ensure the safety of production and operations.

In this year, there were no major violations of safety laws and regulations, no safety liability incidents and no work-related fatalities within the Group. The liability-attributed fatality rate in construction operations was zero.

Safety Governance

The Group implements a hierarchical control mechanism for safety management, which builds a three-level safety management structure. The mechanism implements safety responsibilities at all levels on a step-by-step basis and eliminates safety hazards. To ensure the effective implementation of safety management responsibilities at all levels, we continuously strengthen the quantitative assessment of safety responsibilities to promote implementation based on assessment results, building a comprehensively-covered, synergistic and efficient safety management system.



The Group sets a production safety target of Zero liability-attributed fatality rate in construction operations and incorporates production safety performance targets into the compensation assessment of relevant senior management personnel. In terms of the quantified assessment mechanism of safety responsibility, the Group sets clear rules on rewards and punishments, and strictly enforces the "one-vote veto" for safety and environmental protection. This means that if there are problems or non-compliance in safety or environmental protection during the process of decision-making, review, and evaluation, the relevant personnel will lose the qualification for passing, rewards, or promotions, ensuring the effective implementation of the safety production responsibility policy among all employees. In 2024, the Group continued to achieve the production safety target of Zero liability-attributed fatality rate in construction operations.

Following the construction concept of "setting benchmarks, advancing step by step, and achieving comprehensive improvement", we have made great

efforts to promote the construction of the production safety standardisation system. By the end of the reporting period, the Group had cumulatively built 7 Class-I standardised power plants in China, all in line with China's policy standards. The Group continues to lead the way in the safety construction of the industry and takes the lead in formulating and implementing the *Safety Visualisation Management Standard Manual* to improve safety visualisation management. In accordance with the standards of the Manual, the Group has placed safety signs where needed to ensure the visual and standardised management of on-site safety.

In order to improve the efficiency of the Group's safety management, we have assigned safety management personnel during the construction and production processes to comprehensively strengthen the safety management of the project sites. This year, the Group deployed a total of 49 safety management personnel who hold relevant qualification certificates.

For more information, please refer to the Group's [Safety Policy](#).

Safety Risk Control

To strengthen risk prevention, control and eliminate potential hazards from the root, the Group has established a dual prevention system for safety risk management and hidden danger investigation, comprehensively preventing and resolving various safety risks.

This year, the Group issued the *Safety Risk Graded Control Manual* and implemented a unified safety risk graded control system. By clarifying the identification and control measures of various safety risks, we define the levels of risk evaluation and control, implement graded control at the group level, company level, and power plant level (team level). This significantly improves the controllability of various risks and enhances the control ability and accident prevention ability of production safety. The Group has ranked various safety risks by priority, formulated action plans for key and urgent risks in combination with quantified targets to measure the effectiveness of action plans and adjusted and optimised measures in a timely manner to ensure effective risk control.

The Group continues to promote multi-level and multi-dimensional on-site investigation on hidden danger to thoroughly investigate potential risks and promptly rectify hidden dangers. We also introduce external experts for on-site guidance to further enhance the professional level of safety inspection and hidden danger investigation. Relying on spring and autumn inspections and production safety month, the Group carries out a full coverage inspection

of all projects every half year. This year, we conducted special safety supervision on 113 units, issued 89 safety and environmental protection supervision problem lists, identified 2,789 hidden dangers. We also kept a special record for hidden dangers that have not been rectified, and fully supervised and reviewed the overdue and key hidden dangers, ensuring the rectification measures were implemented on schedule.

The Group has established and improved the emergency response mechanism for sudden incidents to fully respond to all kinds of sudden safety incidents. Targeting potential safety accident scenarios, we have improved our comprehensive plans, special plans, and on-site disposal plans, with more clarified key elements to improve emergency response efficiency. In addition, the Group has organised emergency drills in multiple dimensions, implemented rectification and analysis for identified problems, and continuously improved emergency response capabilities.

This year

Number of emergency
plans compiled

78

Number of emergency
drills conducted

350



Hidden Danger Investigation in Projects under Construction

To effectively strengthen the safety and quality management of engineering, and eliminate potential risks, the Group hired external quality experts during the autumn safety inspection in 2024 to conduct a comprehensive and meticulous hidden danger investigation and quality supervision of the Group's construction projects, especially the hybrid tower construction projects.

After thoroughly reviewed various project documents, experts conducted on-site inspections and identified safety hazards and management vulnerabilities, significantly improving the safety and quality management level of the project company, enhancing the quality awareness and hidden danger investigation capabilities of professional engineers, and providing strong guarantees for companies to build high-quality projects with better safety standards.



Operation Safety

CNE regards operation safety as the prerequisite and solid guarantee for its development. Adhering to a series of established management policies, the Group strictly implements safety rectification measures to ensure the safe and orderly conduct of all operational activities.

Equipment Safety

- Conducting frequent fault management of wind turbines and using scientific reliability index evaluation system to conduct reliability analysis of wind turbines.
- Analysing data in dimensions such as affected power generation, the number of defects elimination, and safety impact, and also clarifying the solutions for different types of faults to reduce the failure rate of wind turbines.

Production Safety

- Strictly implementing the management system for protective equipment and high-risk operations, ensuring that production personnel are equipped with qualified labour protective equipment, and standardising work permits.
- Using network tools efficiently to achieve daily monitoring of the quality and safety at construction sites, fully ensuring production safety.

Fire Safety

- Strengthening enterprise fire safety management, clarifying firefighting responsibilities, and standardising firefighting acceptance filing.
- Optimising fire management in key areas, effectively implementing fire patrols, and ensuring the stable operation of firefighting systems.
- Enhancing firefighting skills training to improve employees' firefighting awareness and emergency capabilities.



Full-cycle Safety Monitoring Throughout the Project

The installation and construction process of wind power equipment is complex, involving high-risk operations such as large equipment hoisting and high-altitude work. The operational safety faces even more severe challenges under adverse weather conditions.

Therefore, at the beginning of the project, the Group initiated high-frequency safety inspections to comprehensively investigate operational hidden dangers. During the project period, we organised multiple safety-themed meetings to deepen on-site safety management and ensure that safety concepts were deeply rooted at the site. Meanwhile, on-site staff were required to conduct strict safety checks and regularly maintain equipment to ensure good condition. In case of adverse weather, high-risk operations would be immediately suspended, and a test hoisting procedure would be carried out to ensure the sensitivity and reliability of the brake before resuming operation, thereby ensuring the safety and controllability of the entire operation process.

Safety Culture Building

CNE advocates the core concept of "precious life, safe CNE" in safety culture, and continuously strengthens safety culture cultivation. This year, the Group adopted diversified publicity channels to lead various departments to fully implement the Group's safety production policies and measures, and jointly create and maintain a safety atmosphere of "everyone aspires to safety, everyone is capable of ensuring safety".

The Group has carried out targeted safety training for employees in different positions according to their work characteristics and specific safety issues they face, continuously improving the occupational health and safety skills and awareness of all employees. This year, the Group conducted 14 sessions of safety training, with a total of 1,774 participants contributing a total of 10,962 training hours.

- For management personnel, we organised the study of safety-related laws and regulations to improve their safety management concepts and decision-making capabilities.
- For construction personnel involved in engineering projects, we strictly implemented safety education and training and return-to-work safety retraining. Only after passing the safety assessment can they be allowed to start work. We regularly organised the study of laws and regulations, operating standards, and accident cases to strengthen safety awareness and standardise working behaviours.

The Group continues to arrange safety culture publicity to raise the safety awareness of all employees. This year, the Group carried out a series of safety culture activities such as "Safety Production Month", and widely disseminated safety laws, regulations, policies, systems, and advanced experiences through platforms such as Ding Talk, OA module of safety concept, and Safety Micro Classroom, etc. By the end of the reporting period, we released 9 training sessions on the Safety Micro Classroom and published 78 publicity articles in the OA module of safety concept.

In addition, we have conducted in-depth interviews with safety managers and management personnel across various projects, vividly illustrating the Group's safety management framework and practices in extreme weather response, equipment maintenance, and standardised construction. By sharing our highlight experiences, we aimed to spark a collective resonance among all employees. By the end of the reporting period, the *IN CNE* corporate culture internal publication has released multiple safety special articles.



Successful Hosting of "Production Safety Month" Activities

To comprehensively improve employees' safety awareness and create a strong safety atmosphere, the Group successfully hosted a concentrated activity with the theme of "Everyone practises safety behaviours and knows emergency responses - unblocking life channels". The activity was diverse and rich in content, covering professional training, ability evaluation exams, practical operation contests, emergency drills, safety discussions, and benchmarking improvements, attracting more than 100 main persons in charge and safety personnel to participate.

The activity invited several senior experts to conduct in-depth training sessions on topics such as production safety measures, criminal liability accountability, accident investigation and analysis, and enterprise safety management. These sessions effectively consolidated the professional capabilities and skills of the main persons in charge and safety management personnel of the Group. In addition, this activity specially added a "safety discussion" section, where participants engaged in in-depth exchanges around accident case analysis, risk source identification, and improvement of safety management levels by group discussion, stimulating innovative thinking and further enhancing safety management capabilities.



Product Responsibility Guarantee

To further facilitate the energy transition and ensure the stable supply of renewable energy, the Group continues to invest research fund in the field of clean energy. We also accelerate the digital transformation and strengthen information security protection to ensure the stable operation of power plants and jointly promote the vigorous development of the renewable energy industry.

Innovative Technology Development and Application

Scientific and technological innovation is the strong driver for the transition to a green and low-carbon economy. The Group closely follows industry trends and continuously promotes scientific development and application in the field of clean energy. Combining the Group's current situation and development plans, we have launched several scientific and technological innovation research projects. This year, the Group invested RMB15.08 million in science and technology projects.



Research on Optimisation Simulation Model for Renewable Energy-based Hydrogen (Ammonia) Production Systems

This year, the Group has successfully developed optimisation models and algorithms for both off-grid and grid-connected, focusing on the optimisation of renewable energy hydrogen (ammonia) production systems. Addressing the dual challenges of renewable energy volatility and multidimensional market uncertainties in integrated wind-PV-hydrogen production-storage systems, the models deliver comprehensive optimal configuration solutions that balance economic viability with operational stability.

This model has been officially deployed in the Group and applied for preliminary planning of integrated wind-PV-hydrogen projects, realising rapid design and economic evaluation, reducing external consulting costs and time and significantly improving work efficiency. This technological breakthrough fills a critical gap in the Group's renewable hydrogen project planning capabilities and establishes a robust technical foundation for advancing green hydrogen initiatives across the energy transition landscape.

The Group fully recognises the importance of employees' innovation awareness and capabilities and encourages employees to identify problems in their daily work and explore innovative solutions. In addition, the Group has conducted the selection for Innovation Award to commend and reward employees' innovative behaviours and promote continuous creation and innovation by employees in project mechanisms, lean management, economic benefits, etc.

This year

Number of project
declarations received

50

Number of projects won
Innovation Award

11





Multiple Measures Adopted to Achieve Cost Reduction and Efficiency Improvement in Complex Environment Operations of Collection Lines

A wind power project has a complex site environment, narrow line corridors, and is located in a 15mm ice zone, causing a relatively high design cost. The project team faced up to the challenges and innovatively adopted energy-saving conductors with the same cross-section to increase transmission capacity. Besides, they independently developed customised tower types to replace traditional solutions, achieving tower lightening and land occupation reduction. Compared with the conventional solution, the implementation of this innovative solution has achieved remarkable results, reducing construction costs by up to RMB7 million, the full life cycle line loss rate by approximately 2.9%, and operational costs by RMB400,000.

Construction costs reduced
by approximately

RMB7million

Full life cycle line loss rate
reduced by approximately

2.9%

Operational costs reduced by
approximately

RMB400,000

The Group strictly complies with laws and regulations in intellectual property and patent protection area and establishes an intellectual property rights management system. Based on the formulated *Intellectual Property Management System*, we clarify the relevant management structure and the responsibilities of each department, fully promoting the management of intellectual property rights and the transformation of innovative achievements. This year, the Group has successfully acquired authorisation for 3 invention patents and 5 software copyrights.

The Group firmly protects its own intellectual property and legitimate rights and interests, while respecting the intellectual property of others. We have established a review mechanism and feedback channels and clearly defined the ownership of intellectual property to avoid intellectual property disputes caused by unclear ownership. In addition, we take appropriate measures in accordance with the law for technologies and contents that may give rise to infringement. In this year, no intellectual property infringements occurred within the Group.



Service Quality Safeguard

Client Service

CNE continues to enhance service quality, establish a sound service system to ensure rapid response to client needs and suggestions. We implement full-process tracking management of projects, conduct regular client satisfaction surveys annually, and develop a detailed improvement plan based on client feedback, continuously optimising our project services and ensuring the client experience. Furthermore, we offer our clients flexible payment options, including the support for deferred payments, to help alleviate their financial pressure.

This year, CPCD, one of our subsidiaries, has completed the satisfaction survey as planned and carried out special improvement work based on it, with an overall client satisfaction rate of 92%.

Intelligent Operation and Maintenance Management

In terms of power plant operation and maintenance, the Group has adopted advanced real-time monitoring technology. This technology helps to accurately monitor natural resources, collect operational data and feedback on failures, implement comprehensive multidimensional analysis of our power plants, fully ensuring the stable operation. In terms of office operations, the Group is accelerating the digital transformation by fully deploying digital employees to achieve business process automation and intelligence, improving office efficiency and enhancing the accuracy and response speed of decision-making.

| | |
|---|--|
| Self-Developed Data Centre System | The system can support functions such as power generation efficiency analysis, root cause tracking of wind turbine losses, inverter performance analysis, and cleaning warnings, fully grasp the operational status of power plants, and quickly respond to various situations. To date, the installed capacity of the wholly-owned wind power and PV plants that have been connected to the system accounts for over 85%. |
| "Power+" Cloud Platform | The platform uses big data and artificial intelligence algorithms to obtain real-time data on asset operations and generate management strategies, and predict and diagnose problems before equipment failure to reduce unnecessary losses caused by downtime and improve equipment utilisation efficiency. |
| "PowerInsights" Intelligent Analysis System | The system integrates and grabs operation variables of wind power equipment from the Power+ and EAM systems to form real-time analysis or warning results. The system also supports regular offline data uploads and can intelligently generate regular analysis reports such as monthly reports to provide clear decision-making basis for the site. |
| "EAM" Asset Management System | The Group has added a field index calculation and evaluation function to optimise the system, including 7 key indicators such as power generation, faults, and quality. On-site employees only need to enter the daily work order processing status, and the system can automatically calculate and analyse relevant production technology indicators. Personnel in charge at all levels (on-site, regional, company) can provide precise guidance and evaluation of on-site work based on relevant indicators, comprehensively improving the quality of on-site work. |
| Video Evidence System | The System is associated with operation videos, supporting supervisors to carry out online safety reviews of the operation process. We set up hierarchical review standards at different levels, thus forming a dynamic closed-loop management model that effectively avoids information missing and enhances the comprehensiveness and traceability of the management. In addition, the system facilitates the online and remote working for safety supervisors and ensures the continuity of the management. |
| Wind Measurement Data Management Platform | The platform is integrated with the Group's cloud servers, achieving comprehensive functional upgrades and expansions. Its built-in multi-format data compatibility capabilities enable flexible processing of diverse wind measurement datasets, ensuring operational efficiency and convenience. Meanwhile, the platform's account permission management safeguards data access security and compliance. |
| Digital Employees | Digital employees deeply support the daily operations of various departments and have been promoted in 8 departments, with applications in 13 segments such as wind measurement data acquisition, international electricity price collection, and automatic generation of project contract ledgers. By the end of the reporting period, we had saved 237 man-days of labour costs with the employment of digital employees throughout the year. |

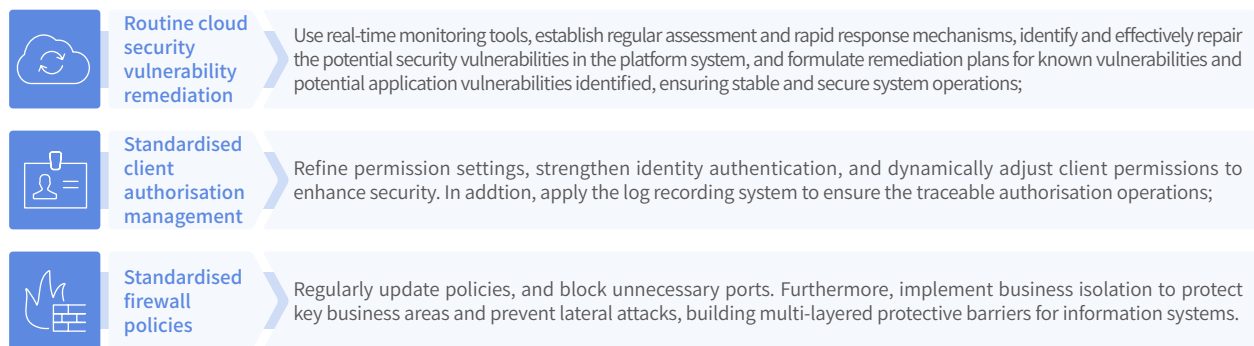
Information Security and Privacy Protection

The Group strictly abides by the relevant laws and regulations of the operating countries and regions. We establish and improve the information security and privacy protection management system, and formulate the [Data Security and Privacy Protection Policy](#) applicable to all employees to clarify the responsibilities in information security and privacy protection. This year, the Group issued the *CNE Information Management System*, further regulating the information management process. Through overall planning of information construction, we have built a secure and interconnected information system to support the Group's digital transformation.

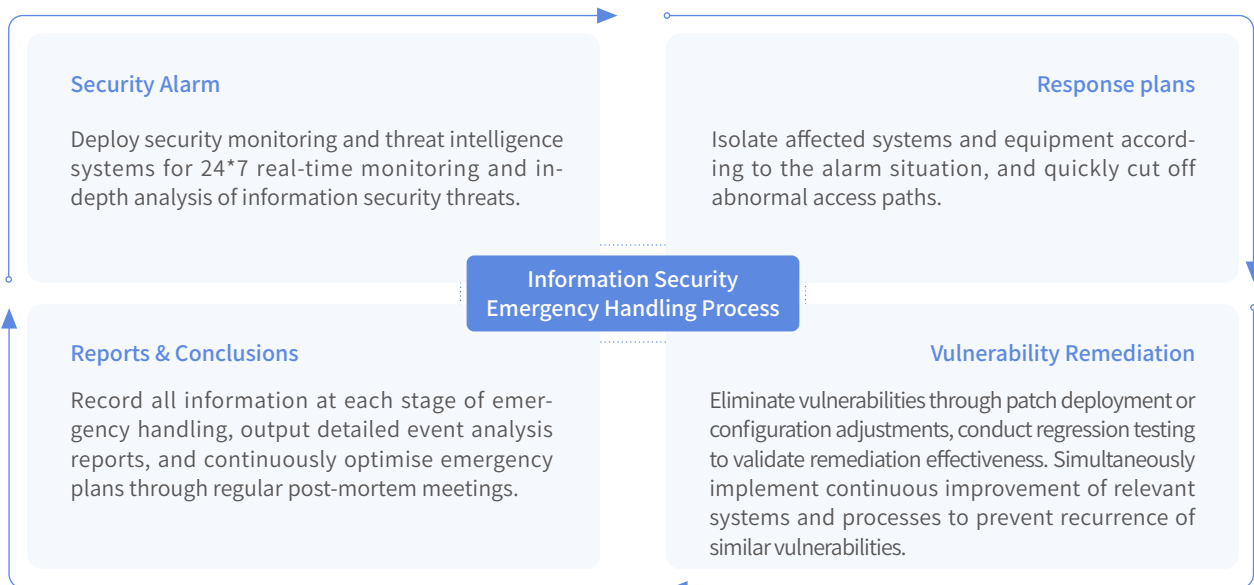
To strengthen information security risk prevention, control and ensure the effective advancement of information security, the Group has established an information security and privacy protection responsibility system. The

ESG Committee oversees information security and privacy protection matters, and the Group's vice president and Chief Technology Officer (CTO) oversees the execution of information security and privacy protection related matters and reports regularly to the ESG Committee. In addition, the Group sets information security key assessment indicators and, incorporating them into employee performance assessments, significantly improving the security and stability of information systems, and comprehensively enhancing employees' information security awareness and execution capabilities.

In the process of advancing the informatisation and digitalisation of production and operations, we continuously optimise information security management and strengthen information security protection measures.



In addition, we continuously optimise information security emergency management and build a closed-loop management process from the occurrence of accidents to resolution, ensuring rapid and efficient emergency handling.





Information Security Vulnerability Detection and Repair

To strengthen the security protection of information systems, this year, the Group collaborated with a third-party partner. By leveraging their professional technology and tools, the Group conducted in-depth vulnerability detection of the Group's information systems, which encompass core business systems and key components of cloud platforms and network boundary protection.

In response to over 200 potential vulnerabilities detected, the Group has significantly enhanced the repair efficiency by implementing vulnerability risk classification and prioritisation, reducing the repair time to 23% of the original. After vulnerability repair, tools are promptly applied to verify the functionality in real-time to ensure the effectiveness of repair measures and further strengthen the system security line of defense.

The Group fully protects data privacy, formulates the *Data Security and Privacy Protection Policy*, clarifies the principles for handling privacy information, standardises data processing procedures, and strictly prevents the risk of personal information leakage. This year, no information leakage breach occurred within the Group.

This year, we focused on upgrading user password policies and continuously improved user privacy management. By optimising account password composition rules and implementing regular update mechanisms, the use rate of weak passwords decreased by 70%, significantly reducing the risk of malicious attacks on accounts.

We continuously promote information security training and publicity to enhance employees' information security protection awareness. This year, we conducted information security-themed publicity to all employees in the form of offline participation and online live broadcasting, attracting a total of more than 575 participants, effectively enhancing their information security awareness and response capabilities. In addition, we published several articles on information security in "Digital CNE" to enhance our employees' antifraud capabilities and ensure the information security of the Group, power plants and our clients.

This year

Number of participants in information security related training

>575



Responsible Supply Chain

CNE continues to optimise the supply chain management system, upholds green and responsible procurement, and emphasises efforts in building suppliers' integrity. Additionally, the Group proposes ESG management requirements for suppliers, and works with suppliers to promote green and sustainable development.

Supply Chain ESG Management

Strictly implementing relevant laws and regulations in the operating countries and regions, we have formulated the [Supply Chain Management Policy](#) and the *Measures for the Supervision and Administration of Bidding* to fully standardise the supply chain management. We have established a supply chain management system co-led by the Procurement and Bidding Centre with ultimate accountability vested in the ESG Committee, ensuring standardised and orderly governance.

The Group has established a complete supplier management process, incorporating ESG considerations into key stages such as supplier screening and admission, evaluation and assessment, and elimination and exit, achieving comprehensive management of suppliers. We have formulated and issued the [Supplier Code of Conduct](#), regulating contractors, suppliers, and other potential partners from multiple dimensions such as environmental management, human rights protection, standardised employment, and business ethics, etc.

Meanwhile, according to the importance of equipment, materials or services provided by suppliers and the degree of contribution to the Group development, we assess and categorise suppliers to conduct comprehensive evaluations and classifications of suppliers, thus identifying key suppliers and subjecting them to rigorous management. We also identify key ESG risks based on the industry and operation of critical suppliers, and place emphasis on their ESG performance to ensure the sustainability and stability of the supply chain.

Supplier Screening and Admission

- **Qualification Review:** New suppliers shall meet corresponding qualification requirements, including environmental protection, health and safety, legal risks, quality control, green production, and delivery capabilities;
- **On-site/Factory Inspection:** Verify the actual situation of the environmental protection status, factory quality safety, quality control process, protective tool wearing, and safety warning signs of suppliers who have passed the basic qualification review;
- **Risk Consideration:** Take into account and conduct thorough assessments of pertinent risks, including those associated with supplier production country, product/service, industry/sector legal and regulatory compliance, cyber security, employee health and safety, business ethics, and environment;
- **Bid Review:** Bidding enterprises shall pass the quality, environment, and occupational health and safety management system certification, and those with green supplier certificates will be given bonus points in the review;
- **Screening Preferences:** Prefer suppliers with high carbon management levels, and give bonus points to enterprises with environmental protection qualifications such as green supplier certificates.

Supplier Evaluation and Assessment

- **Annual Evaluation:** Establish a list of qualified suppliers, conduct strict supervision and regular reviews, and carry out an annual comprehensive evaluation of ESG-related indicators including product quality, governance structure, and sustainable development.
- **Review and Evaluation:** Take indicators such as ISO certification, health and safety, portion of green energy use, carbon footprint calculation, and the use of recycled materials as review and evaluation indicators.
- **Field Visit and Investigation:** Conduct on-site visit evaluations, and hire external third parties to strictly control the quality of purchased goods in accordance with relevant international product specifications and technical agreement standards for key purchased goods.
- **Rectification and Improvement:** Assist suppliers that do not meet ESG requirements in implementing rectification and improvement measures through various means such as on-site inspections, special discussions, and expert support, improving the quality of their products and services.

Supplier Elimination and Exit

- **List Elimination:** Eliminate suppliers who still fail to meet the Group's requirements after rectification within the specified time from the list of qualified.

This year, the percentage of certified suppliers

ISO 14001

100%

ISO 9001

100%

ISO 45001

100%

**Selecting Green Suppliers**

We attach importance to the sustainable management of supply chain, and require suppliers to comply with relevant ESG requirements related to environmental protection, to implement the Group's requirement of green product selection. This year, the wind turbine OEM (Original Equipment Manufacturer) cooperating with us are adopting renewable energy technologies, successfully building zero-carbon and low-carbon parks. In the park, renewable energy facilities are connected to the grid for power supply, the water system is efficiently recycled, and PV carports are innovatively built to fully utilise renewable energy.

**Anti-Fraud Policy Implementation for Suppliers**

The Group fully implements the supplier anti-fraud policy, and clearly conveys the provisions of compliance with the laws and ethical integrity to all suppliers and construction units. In the bidding process, we read out the *Honesty Commitment Agreement*. Meanwhile, we have established an official website reporting platform and public reporting channels, clearly state the responsibility and obligation of suppliers to report potential fraud to the Audit Department in a timely manner. We also incorporate these into contract terms as a reference for supplier assessment, comprehensively strengthening supplier integrity management.

Supply Chain Capacity Building

The Group conducts ESG-focused training programs for procurement employee and suppliers, facilitating knowledge exchange of best practices to collectively enhance sustainability performance and management capabilities across both internal operations and supply chain partners.

The Group invites external experts to conduct sustainable supply chain training for internal procurement personnel. The training covers topics such as human rights, EHS, business ethics, and anti-corruption, which helps to comprehensively enhance their understanding of supply chain ESG management, and continuously optimise supply chain management.

Meanwhile, the Group fully utilises the CNE Learning and Innovation Centre training platform to carry out supplier

training and capacity building programmes. Online courses cover ESG information introduction and industry best practice cases such as anti-fraud, professional ethics, green power and green certificate. New suppliers shall complete platform learning and information submission to obtain the qualification for review.

This year

The training coverage rate of the supplier (directly related to the construction of power plants and the supply of equipment)

100%

People-Oriented Empowering Talent Development

04

CNE adheres to the core value of "People-oriented" and promotes the "Five Highs" human resources strategy to safeguard employees' various legitimate rights and interests, creating a diversified, equal and inclusive working environment. The Group continuously improves the employee career development and training system, fostering shared growth between employees and the Group through diversified incentive schemes and welfare initiatives.

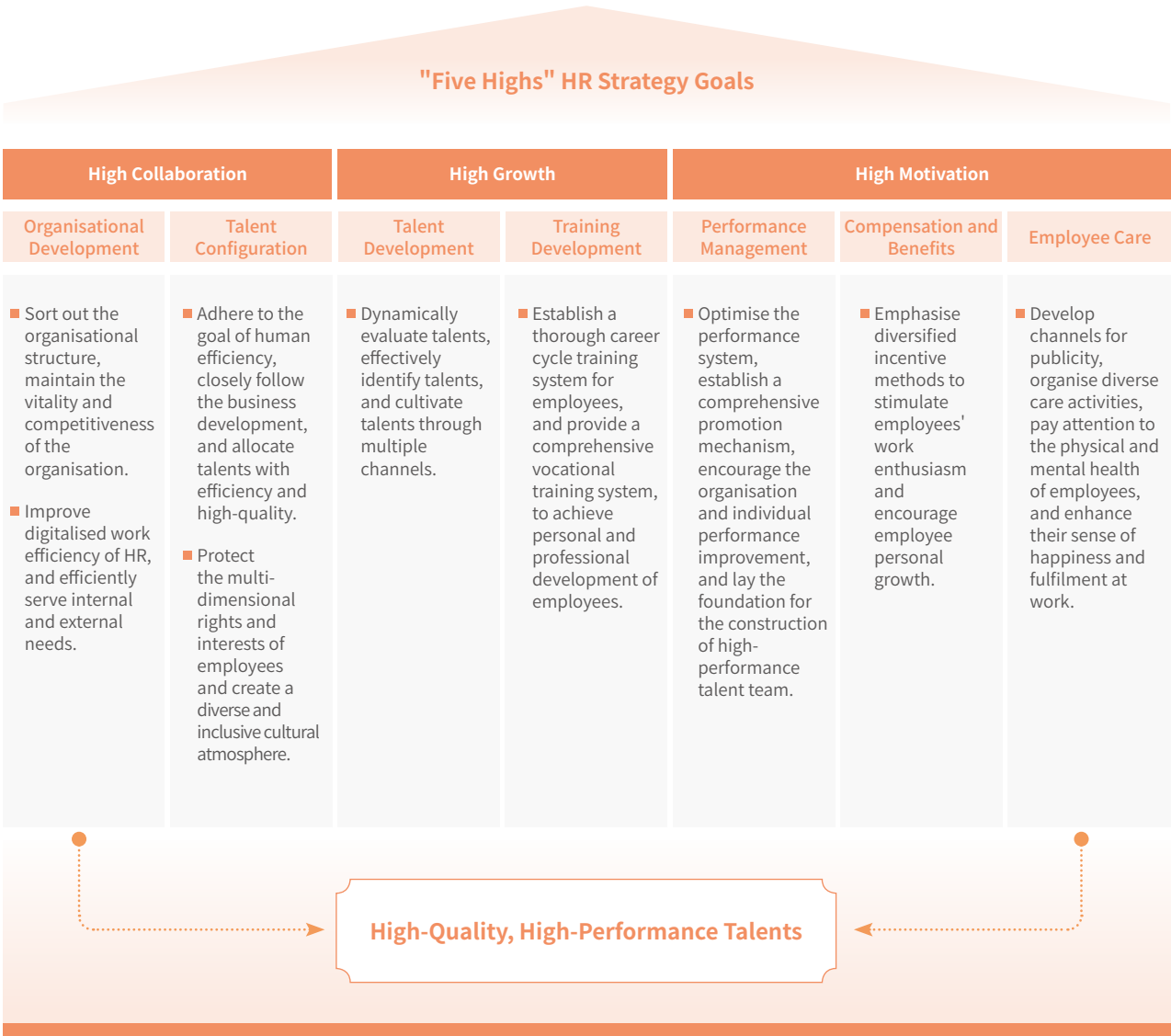
Key Issues:

- Employment Compliance and Human Rights
- Diversity and Equal Opportunity
- Talent Attraction and Retention
- Employee Training and Development
- Occupational Health and Safety
- Corporate Culture Building



Human Resources Strategy

CNE is committed to advancing the blueprint of the "Five Highs" human resources strategy, aiming to harness "High collaboration" to stimulate organisational vitality, employ "High growth" to ignite business dynamism, and apply "High motivation" to energeise employee. It is designed to cultivate a team of "High quality" and "High performance" talents, to inject continuous power into the Group's sustainable and high-quality development.



High Collaboration

Rights and Interests Protection

As a member of UNGC, the Group complies with the *Universal Declaration of Human Rights*, the *Guiding Principles on Business and Human Rights*, the *Ten Principles of the United Nations Global Compact* and the *Convention on the Elimination of All Forms of Discrimination against Women* issued by the United Nations, as well as the *Declaration on Fundamental Principles and Rights at Work* and the *Core Labour Standards* issued by the International Labour Organisation ("ILO"). Also, the Group follows other international human rights conventions and relevant laws and regulations in the operating countries and regions to continuously optimise internal and external management policies. We fully protect employees' rights and interests in all aspects such as compensation and dismissal, recruitment and promotion, working hours, rest time, equal opportunities, diversity, anti-discrimination, sexual harassment and

all forms of harassment, as well as other benefits and treatment. CNE is committed to providing an equal workplace free from discrimination, harassment and abuse for employees, to ensure that every employee receives the dignity and respect they deserve.

The Group has formulated human rights related policies and issued the human rights protection commitment, which apply to all employees, suppliers and partners of the Group and our subsidiaries. For details, please refer to the [Diverse Employee Protection System](#).

We have established a formal due diligence process for human rights risk, which includes human rights protection commitment, human rights risk identification and assessment, implementation of prevention/mitigation measures, and reporting, aiming to systematically reduce the risk of human rights violations.



Due diligence process for human rights risks

The Group identifies, analyses, and assesses potential human rights risks and vulnerable groups in human rights that may be associated with our operations, value chains, or other business-related activities, and new projects/businesses. We conduct reviews through methods such as expert dialogues, risk ratings, stakeholder surveys, and sample surveys. For identified key human rights risks, the Group takes targeted risk prevention or mitigation measures, regularly and systematically reviews the trends of these risk points and identifies potential risk points in a timely manner to detect and address problems and reduce the likelihood of future incidents.

Groups vulnerable to human rights violations

Our employees, female employees, and external personnel such as suppliers and partners.

Potential human rights risks

Forced labour, child labour, human trafficking, freedom of association, right to collective bargaining, equal pay for equal work, discrimination, harassment or violence, occupational health and safety, protection of personal information and privacy.

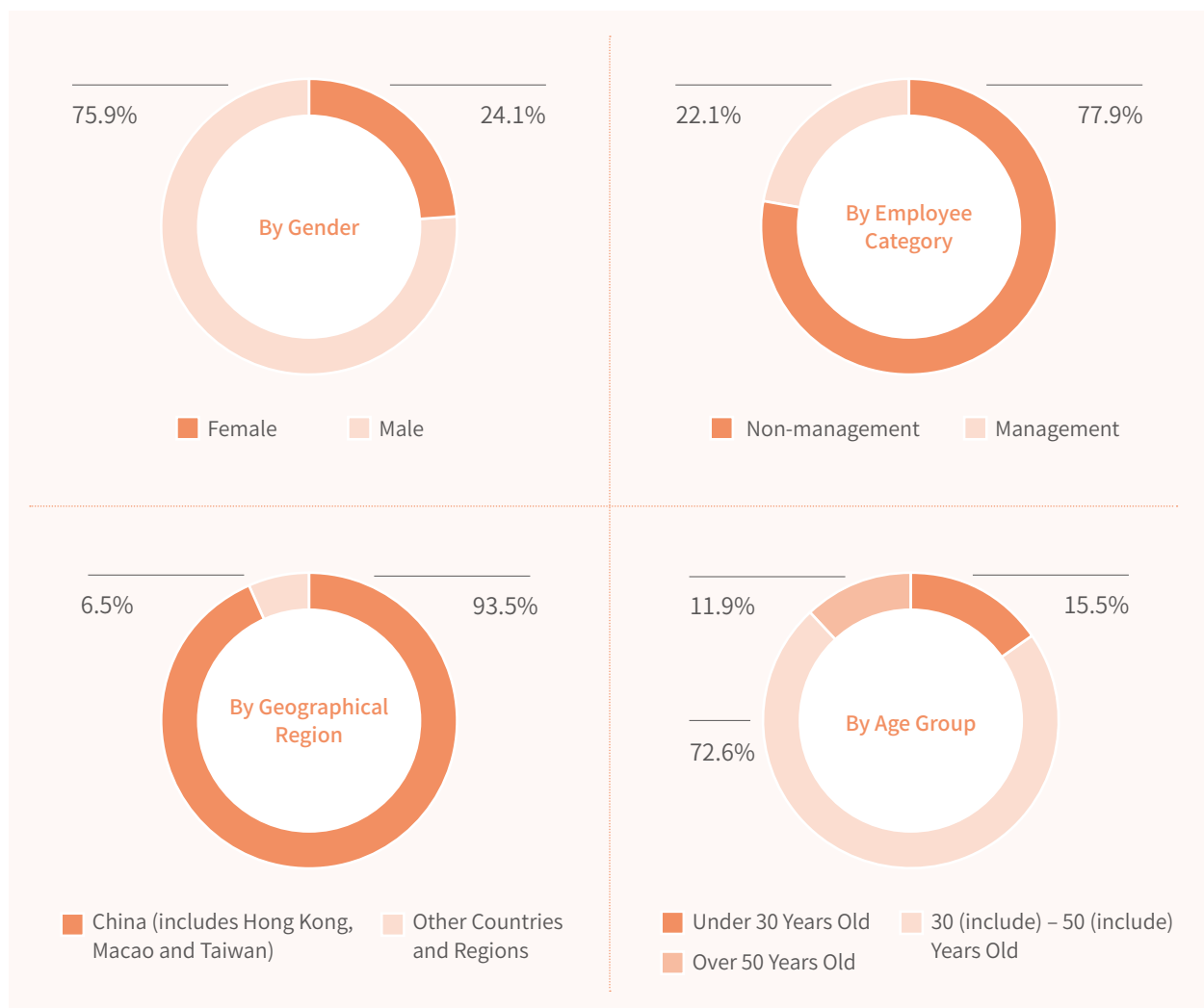
The Group and its subsidiaries regularly conduct human rights due diligence. We adopt a sampling method to assess the business processes and potential human rights risks in the value chains of selected companies. So far, no significant human rights risks have been identified. With regard to the human rights issues summarised through the risk identification process that require focused response, we have taken specific risk mitigation or remedial measures across the Group. These measures include but not limited to: optimising the employment

system regarding working hours, attendance and leave; fully implementing the gender equality policy, attaching importance to women's career development, and granting multi-dimensional benefits protection to women; establishing an all-encompassing, full-coverage safety management system in terms of organisation, system, risk, emergency response, practice, supervision and assessment, safety culture, education and training, etc., so as to safeguard the health and safety of employees.

Diversity, Equality, and Inclusion

CNE is committed to creating an equal, inclusive, and diverse working environment, and developing and cultivating a diverse talent pool. The Group respects and deeply understands the differences among employees, fairly and impartially considers talents from different backgrounds, regardless of their race, gender, age, religion, marital status, physical condition, and other protected characteristics under the law. We respect individual values and create development opportunities for them.

By the end of the reporting period, the composition of the Group's workforce was as follows:



The Group has made significant progress in business expansion across multiple regions, by implementing localised recruitment strategies to attract a wide range of local talents. We respect differences, promote mutual learning, meet the diverse needs of local employees, and strictly ensure that employment complies with local laws and regulations. This year, we actively recruited local talents and international students in Singapore, injecting innovative thinking from diverse cultures into the team and building a bridge for communication between the Group and the local market and culture.

As a signatory of the Equal by 30¹², the Group actively promotes equal pay for equal work, gender diversity and equal opportunities in the clean energy sector. We fully implement the gender equality policy, provide equal development platforms and opportunities for all employees, and actively guarantee equal pay for equal work, in a bid to build harmonious and stable employment relationships. We pay attention to the challenges or difficulties that female employees may face in the workplace and provide necessary support for them. We have formulated the [*Special Rules on the Labour Protection of Female Employees in Workplaces*](#), signed by nearly 50 female employee representatives, to protect the rights and interests of all female employees in the Group in labour employment, wages and benefits, maternity protection, occupational health and safety, and other aspects. Meanwhile, we regularly carry out internal publicity and training to strengthen the implementation of these policies.

2024, Diversity indicators for women:

| | |
|--|-------|
| Share of women in total workforce | 24.1% |
| Share of women in senior management positions | 17.9% |
| Share of women in STEM (Science, Technology, Engineering, and Mathematics)-related positions | 11.6% |

In line with our *Diverse Employee Protection System*, we regularly conduct diversity and inclusion training sessions for all employees, which include policy publicity, cultural education, workplace anti-discrimination and anti-harassment special training. This aims to help employees to better understand the important value of a diverse team, raise employees' awareness of professional ethics and foster the values of diversity and inclusion. Further, it increases the acceptance of employees from different backgrounds, and promotes communication and cooperation among employees in different teams, departments, and regions. Meanwhile, our senior management actively supports policies and initiatives related to diversity, monitors and continuously optimises the Group's management to promote the diversified development of our employees.



Workplace Emotion Management and Image Aesthetics Training

On March 8th, International Women's Day, the Group held a workplace emotion management and image aesthetics training activity, which invited professional emotion management and workplace etiquette trainers to give an on-site lecture, explain the sources of emotions and stress, and share methods for balancing work and life. This training was open to all group employees, not just female colleagues, further creating an equal, inclusive, and harmonious workplace atmosphere.



¹² This initiative is part of the "Gender Equality in Energy Transition" program, aiming to achieve gender equality, equal pay for equal work, and equal leadership opportunities within the clean energy sector by 2030.

Communication and Grievance

CNE encourages open communication and full expression of opinions. We have established diversified and smooth employee communication channels and grievance mechanisms, and continuously promoted the democratic construction of the Group. The Group respects and supports employees' rights to freedom of speech, freedom of association, and collective bargaining under the law. We respect employees' rights to join, form, or not join labour unions and other social groups according to local laws. The Group engages in collective bargaining with employee representatives and signs relevant collective bargaining documents. We have organised employee representatives to sign a collective agreement on the protection of female employees, which covers 100% of female employees, accounting for 24.1% of the total workforce.

In the face of violations of employee rights such as improper behaviour, harassment, bullying, unfair treatment, or work-related disputes, our employees can use internal grievance procedures to report issues to the designated email, phone, and other channels to protect their legitimate rights and interests. The Group's dedicated personnel will contact the employee in a timely manner and actively seek solutions to the dispute.

The Group has also established confidentiality and protection mechanisms to ensure that all employees

involved in grievance investigations maintain absolute confidentiality regarding the names of those involved and the details of the complaints. For employees who want to remain anonymous, the Group provides confidential grievance channels and implements whistleblower protection measures. We promise that all employees who make appeal or complaints will not be threatened, unfairly treated, or intentionally harmed during or after the grievance process. For details, please refer to the Group's [HR-related Employee Grievance Policy and Handling Mechanism](#).

The Group conducts at least one employee satisfaction survey covering all employees each year. This year, we continued to conduct satisfaction surveys using anonymous questionnaires, focusing on dimensions such as "engagement", "purpose", "happiness", and "stress". In 2024, the questionnaire data validity rate was 98.5%, and employee satisfaction and engagement reached 86.94 points and 90.76 points respectively, maintaining stable growth for two consecutive years. The Group hired a professional third party to send, collect, and analyse the questionnaire, and then formulate and implement targeted improvement measures based on the analysis results.

| Satisfaction results (out of 100) | 2024 | 2023 | 2022 |
|-----------------------------------|---------|-------|-------|
| Employee Satisfaction | 86.94 ↑ | 86.07 | 83.90 |
| Employee Engagement | 90.76 ↑ | 89.78 | 85.67 |

By collecting feedback from employees on their work engagement and satisfaction, the Group fully understands employees' demands and suggestions. Based on this, we continue to optimise various mechanisms related to employees, and formulate targeted improvement measures to continuously enhance employees' sense of belonging and ownership.

Continuous Improvement Mechanism

Efficient Communication

Establish an open and transparent communication mechanism, maintain close communication with employees, fully understand their needs and expectations, and respond to employees' concerns in a timely manner to ensure smooth communication channels.

Employee Participation

Share the Group's development strategy with employees, encourage them to participate in decision-making to enhance their sense of engagement and belonging.

Rights Protection

Continuously optimise the overall incentive system, provide diversified welfare options based on short, medium, and long-term goals, and increase the transparency of the Group's welfare policies to ensure that employees clearly understand and enjoy their due rights.

Incentive Optimisation

Actively conduct market research to ensure that compensation levels are competitive, and continuously optimise performance evaluation, incentive plans, and promotion mechanisms to fully stimulate the motivation and creativity of employees.

Career Development

Pay attention to employees' career planning and goal setting, continuously improve training and career development programmes, provide rich external learning resources, encourage employees to cooperate across departments, participate in team projects, and expand their skills and knowledge pools.

Occupational Health and Safety

CNE places a high priority on employees' occupational health and safety, strictly adhering to relevant laws and regulations in the countries and regions where we operate. The Group has formulated and issued the [Safety Policy](#) that covers all employees, suppliers, and contractors, striving to ensure their occupational health and safety.

The *Safety Policy* is developed with the participation of staff dedicated in occupational health and safety, and is regularly reviewed for effectiveness by the Group. The ESG Committee oversees the implementation of the policy. The business departments regularly discuss occupational health and safety risks and management measures, to keep the policy dynamically updated and continuously improve the Group's occupational health and safety management capabilities. This year, the Group reported no fatalities among employees and contractors due to work-related reasons. The number of work-related fatalities has maintained zero for three consecutive years.

Organisational support



- Occupational health and safety related work is overseen by the ESG Committee, with multi-departmental collaboration among the Safety Management Committee, Safety and Environmental Protection Supervisory Department and Human Resources Department.
- The Group implements national regulations on production safety and labour protection in the countries and regions where we operate, to maximise the protection of employees' occupational health and safety.

System guarantee



- The Group has set up an occupational health management system at the group level and occupational health management policies and regulations for subsidiaries. We have compiled documents such as the *Occupational Health Supervision and Management Implementation Rules*.
- The Group has formulated policies such as the *Management Standards for Entry of Visitors*, including the health and safety of contractors in the consideration of the Group's occupational health and safety management.
- The Group has established a safety incident reporting mechanism, clearly defining incident classification and the processes for reporting, investigating, handling, and summarising incidents. This mechanism ensures timely and effective measures are taken in case of accidents to minimise losses and impacts.

Materials supply



- The Group conducts daily monitoring and annual testing of safety factors and occupational hazards in the workplace. We identify hazards and prepare emergency plans for various accident scenarios. We also strengthen emergency drills and responses to enhance our internal safety construction and risk prevention capabilities.
- The Group provides employees with comprehensive occupational disease prevention facilities and labour protection supplies, instructs and supervises employees' standard wearing of protection supplies. We also equip workplaces with emergency devices such as Automated External Defibrillator (AED) and positive pressure respirators.
- The Group conducts occupational health and safety education and training to enrich employees' health knowledge and safety skills, including online health lectures, on-site practical guidance, and emergency rescue simulations. The series course of "CNE Heart Bathing Workshop" helps employees adjust their mental health status.
- The Group organises annual health check-ups for all employees. We offer a variety of health check-up packages to meet the specific health needs of different employee groups.
- The Group continuously optimises employee insurance and medical security plans. We tailor medical insurance according to the needs of international assignees, business travellers, and local employees, while providing professional health and medical security services.



Healthcare Services from Professional Institution

The Group provides multi-level support to employees through engaging professional healthcare services institution. This year, a total of 152 employees initiated medical consultations, with 75% of the issues resolved smoothly through online consultations provided by professional institution. The cumulative number of service instances reached approximately 1,100, effectively addressing employees' medical needs. Additionally, the Group organised over 40 health awareness sessions for employees and hosted 4 online health seminars, reaching more than 1,200 participants. These initiatives demonstrate our comprehensive attention to employees' physical and mental well-being, and enhance the Group's overall level of health protection for employees.



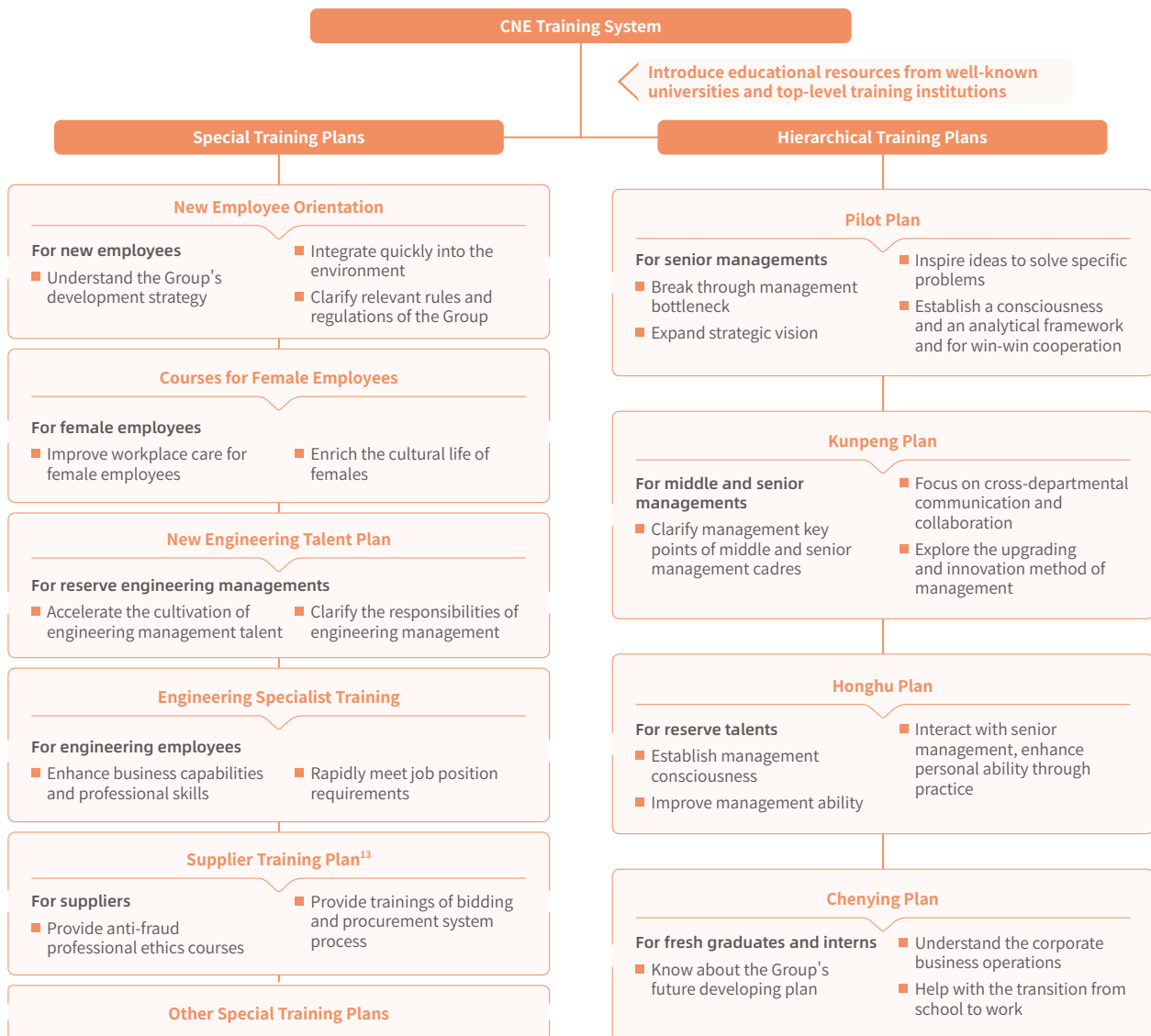
High Growth

Training and Development

CNE deeply cares about the development of talents, continuously updates and optimises the training system covering all employees. The Group increases training investment and strengthens management efforts to help employees improve their work capabilities and self-worth. This year, the average training investment per employee was RMB4,086, with the training hours per employee reached 59 hours. The employee training rate has remained at 100% for three consecutive years.

The training courses of the Group are diverse in form, including psychological testing, online learning, centralised face-to-face teaching, one-on-one coaching, team

collaboration, to comprehensively promote the healthy growth of professional talents. We strengthen the training management of all employees of the Group through the online digital learning platform – "CNE Learning and Innovation Centre". The platform provides more than 1,200 courses in strategy and corporate culture, management, professional and general knowledge. It also provides courses on multicultural education and the application of digital transition tools, which help enrich cultural and educational resources and improve employees' digital skills. Employees in career transition (such as returning employees) can obtain support and guidance during their transition period through the platform.



¹³ For the training content related to suppliers, please refer to the chapter *Operational Excellence: Accelerating Sustainable Growth*.

This year, the special training plans have added the "New Engineering Talent Plan" to cultivate backup engineering project managers, and the "Wind and Solar PV Power Plan" to train subsidiary production managers. Moreover, we have launched programmes focusing on specific professional skills and job positions such as the "Engineering Specialist Training". These plans are designed to enhance the vertical capabilities within each professional field, helping employees to quickly adapt to and be competent for their positions, thereby improving work efficiency and quality.

The hierarchical training plans continued to offer management and leadership training for all employees of the Group this year. We steadily advanced the four strategic training camps of Pilot Plan, Kunpeng Plan, Honghu Plan and Chenying Plan. The camps accurately target the trainees, clarify the training goals and formulate a systematic curriculum system.



Leadership Training "Honghu Plan"

The "Honghu Plan" training programme targets the young talents to build up a talent pool of front-line managers and to develop their leadership. In 2024, we launched selection for the sixth phase of the "Honghu Plan" for all employees. Through centralised interviews, one-on-one interviews and other strict reviews, 40 trainees were finally selected to participate in a two-year special training programme. Currently, the first centralised training was completed. The Group invited internal management personnel and representatives of outstanding trainees from previous phases to discuss and share excellent management practices. It enhanced the understanding of new leadership and personal development plans for backup management talents. Meanwhile, courses and activities themed on leadership, self-motivation, and cultural development were carried out to help talents transition from business to management roles. They laid a solid foundation for the Group's backup talent construction. The overall satisfaction rate of this centralised training was 4.95 (out of 5). As of December 2024, the retention rate of trainees was 97.5%.





Graduate and Intern Training "Chenying Plan"

The Group launched the "Chenying Plan" for graduates and interns to help them to quickly adapt into the workplace and meet the actual job requirements. The "Chenying Plan" uses diversified training measures such as mentorship, centralised training, review and positioning, and continuous tracking. These measures aim to deepen graduates and interns' understanding of the Group's business operations and development strategy, and to complete the transition from students to workplace professionals. In June 2024, the 2023 graduates attended the "Chenying Plan" closing ceremony. On the event, they summarised the one-year exclusive mentorship training, showed their achievements and received on-site comments and suggestions from mentors and department heads. Finally, all graduates passed the assessment and were awarded the certificate. The Group comprehensively evaluated and selected 5 outstanding graduates. We gave them cash rewards, greatly enhancing the graduates' sense of belonging to the Group and reserving outstanding talents for the Group.



Job-specific Training "Engineering Specialist Training"

CNE has launched "Engineering Specialist Training" for employees in the engineering construction system. The programme comprehensively enhances the overall quality and professional capabilities of engineering specialists through a systematic training plan. It also helps them to quickly adapt to and be qualified to their positions. All training course content is developed by the internal team of experts, covering professional knowledge and skills in the fields of pre-construction procedures, civil construction, electrical, hoisting, and other engineering areas.

This year, the course settings for civil engineering positions were completed, and for internal courses were developed. These steps effectively improved the capabilities of professional engineers of the Group's engineering construction system in project management. They also helped them to conduct quality management of engineering projects better, providing talent support and assurance for the Group's engineering construction.



One-on-One Coaching "New Engineering Talent Plan"

To further cultivate backup talents for engineering project managers, the Group launched the "New Engineering Talent Plan" this year. The one-on-one tailored coaching was adopted to help engineering management talents to grow rapidly. The one-on-one coaching cycle is advanced on a monthly basis. Trainees independently set coaching themes based on their development needs. Coaches guide trainees to clarify goals, identify development bottlenecks, and adjust mindset. They also plan feasible action plans from an objective and neutral professional standpoint to ensure the personalisation and relevance of the training. Before each coaching session, coaches will review the implementation of the previous action plan and adjust coaching strategies flexibly according to actual progress, to maximise and ensure the sustainability of the training effectiveness. In 2024, the total study duration of the programme exceeded 400 hours.



This year, the Group continued to strongly support all employees (including part-time and contract employees) to actively participate in degree courses, professional qualification certification and professional technical level examinations in their spare time. We also assisted employees in applying for specific qualifications or national professional title, and bore the associated costs. We are committed to providing employees with higher quality and more diversified learning and development opportunities.



Degree Courses

The Group has formulated a series of internal policies such as the *Training Management System* and the *Management Measures for Training of Dispatched Cadres* to actively promote continuing education. In 2024, we assisted several management leaders of the Group in participating degree advancement courses.



Professional Qualification Certification

In 2024, the Group entrusted the Talent Evaluation Centre of the China State Grid Corporation to start the annual intermediate and senior professional title certification evaluation process. Finally, 2 people passed the intermediate management professional title evaluation, and 4 people passed the senior professional title evaluation, further expanding the talent pool.



Professional and Technical Level Examination

This year, the Group assisted 8 employees in obtaining certificates by participating in professional qualification and professional technical level examination. These qualifications involve multiple professional fields such as electrical engineer, first-class constructor, senior engineer in architectural electrical and intelligent, and PMP¹⁴.

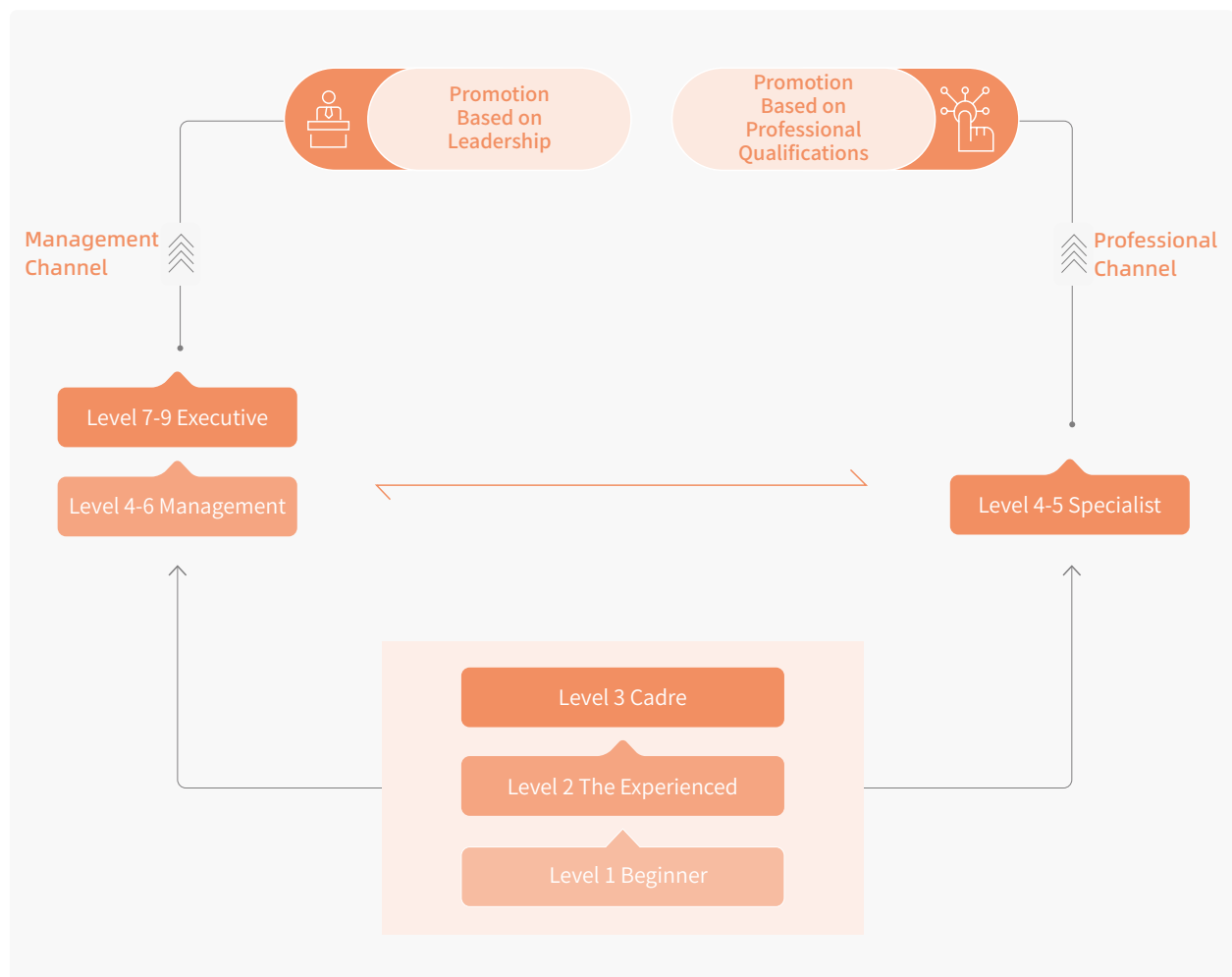


¹⁴ Project Management Professional Certification.

High Motivation

Performance and Promotion

CNE provides clear personal development and promotion mechanisms for all employees. We have established a "Management + Professional" dual-track talent development strategy system. Through a competency system based on management sequences and a qualification system based on professional sequences, employees can clearly understand the current job competency requirements and future development directions. This improves employees' management capabilities and professional levels to better meet their self-development needs.



In terms of performance evaluations, the Group has established the [Corporate Compensation, Benefits and Performance Management Policy](#). Through diversified performance appraisal methods, we conduct quarterly performance appraisals. Based on the total score of employee performance appraisals, difference in self-assessments, and performance content, we provide a list of recommended personnel for performance interviews to management and complete the performance review and feedback process. This year, the percentage of employee performance appraisals within the Group reached 99%.

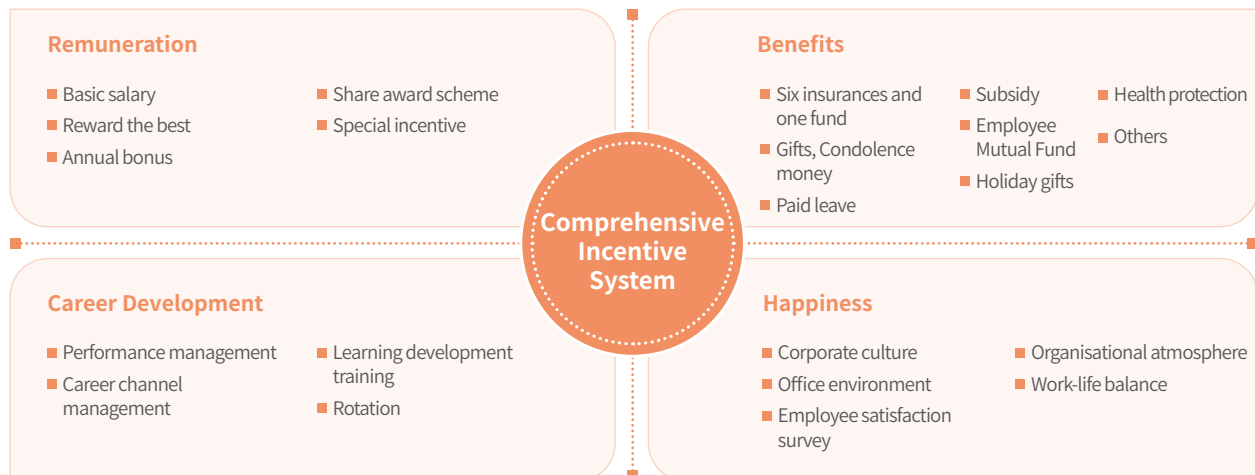


» Main performance appraisal types:

- **Management by objectives:** The annual organisational performance objectives of each department are broken down into quarterly. They combined with the key responsibilities of the position and the key tasks to form individual quarterly performance objectives for employees. Performance evaluations will be based on the completion of personal objectives and evaluated quarterly. This year, the Group initiated the optimisation of organisational performance, revised and issued differentiated performance evaluation methods for different departments and business systems. We also tracked the implementation of the organisational quarterly performance objectives, guided the deep integration of employee personal objectives with the Group's;
- **Multidimensional performance appraisal:** Adopt various methods and dimensions for comprehensive appraisals to guarantee scientific, objective, rigorous and fair evaluation results, and carry out a 360-degree feedback;
- **Team-based performance appraisal:** Comprehensively assess employees' performance and achievement of objectives based on the self-evaluation, evaluation by business-related personnel and superiors. This helps employees to improve their work capabilities, meet their job requirements and promote the realisation of team business objectives;
- **Agile conversations:** Adopt flat management structure and conduct continuous communication and feedback with employees through various communication channels such as email, DingTalk, and Microsoft Teams in daily work.

Employee Motivation

CNE continues to improve the comprehensive incentive system, attracting and motivating talents through remuneration, benefits, career development and happiness at work. This year, the Group focused on strengthening the publicity of the comprehensive incentive system. We compiled the *CNE Comprehensive Incentive Q&A Manual*, and integrated incentive content into various trainings such as new employee onboarding, to help employees to deeply understand and participate in the comprehensive incentive plan.



The Group is committed to providing competitive and fair compensation and benefits for employees. We send annual compensation and benefits review statements directly to each employee. The remuneration consists of basic salary, bonuses, share incentives and special incentives, aiming to attract and retain outstanding talents and motivate employees' enthusiasm for work.

The Group has established the *Share Award Scheme*, a long-term incentive plan that grants restricted shares to core value employees, based on criteria such as seniority, work contributions, individual performance, and business performance. This plan covers middle and senior management personnel as well as core business employees. To further support sustainability goals, the long-term incentive evaluation criteria have incorporated ESG performance indicators such as green power trading, and green certificate sales.

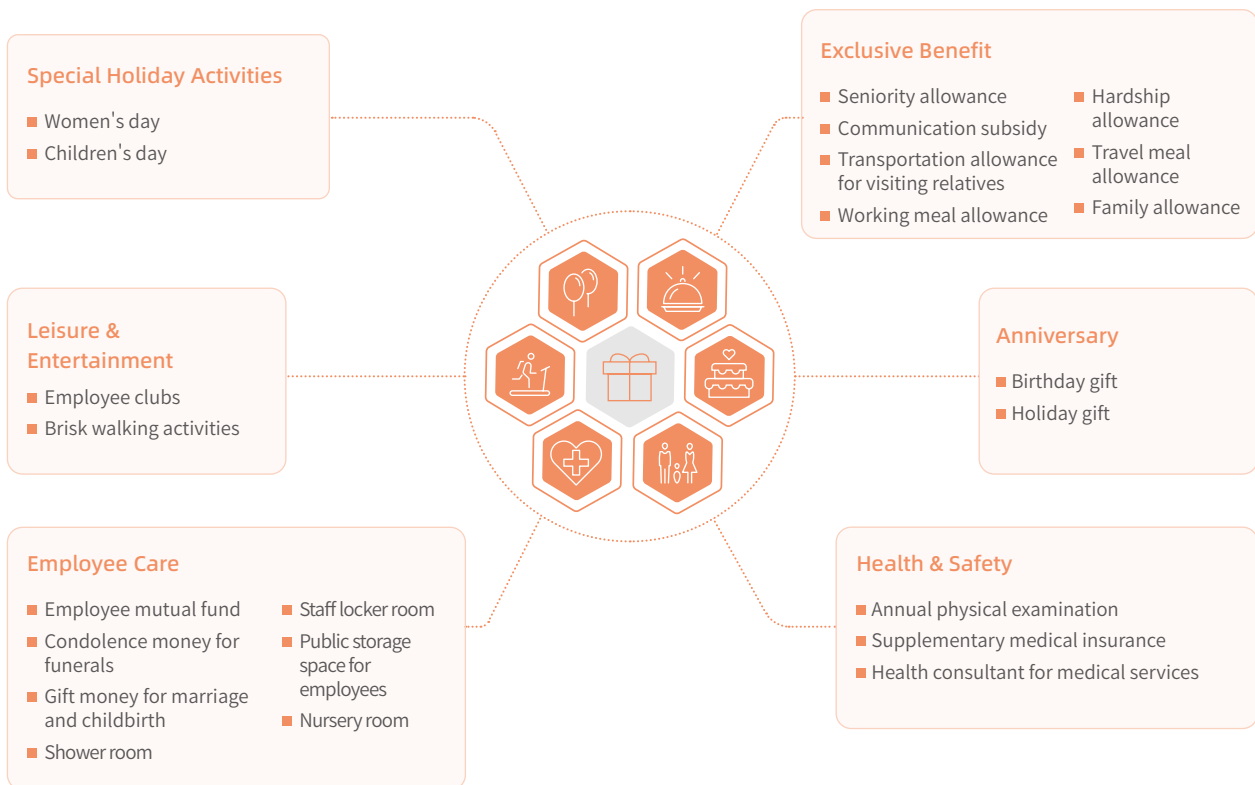
Employee Benefits

CNE strictly follows the relevant laws and regulations of the operating areas. We timely and fully pay various social insurances for employees, and expand additional social security measures, such as supplementary medical insurance and health check-ups. The Group has established a diversified employee welfare system covering all employees and their families, providing a wide range of non-pay benefits for all employees (including part-time and contract employees). The welfare system covers anniversary and special holiday activities, provides comprehensive support for employees to enhance their sense of happiness and belonging at work.

We are committed to providing a minimum wage that is no less than the legal requirement to meet the basic living needs of our employees. We value the work-life balance of our employees. If overtime is required for work purposes, we will ensure that employees who work overtime

are legally compensated through strict working hour monitoring and standardised overtime management. We effectively safeguard the rights and interests of our employees.

In response to employees' needs of childcare, we provide a maternity allowance to support our employees' childcare services needs. Meanwhile, we strictly implement a parental leave policy¹⁵, providing flexible working hours for breastfeeding female employees and paternity leave for male employees whose spouses are breastfeeding. We also set up private and convenient breastfeeding rooms in office. This year, the Group offered 59 employees gift money for marriage and childbirth, or condolence money for funerals, fully reflecting our care for employees' personal and family needs.



Based on the results of the previous year's industry remuneration and benefits survey, employee satisfaction survey and the interview results with the Group's various businesses, we have further optimised the employee benefit policies. We revised the *CNE Employee Benefits Management Measures*, and optimised the standards and procedures for seniority allowances and computer subsidies. Additionally, we improved the *CNE Benefits and Travel Reimbursement Management Measures*, increasing travel subsidy levels and providing flexible choice between company dormitories or cash subsidies. It improves the convenience and experience of employees enjoying the benefits.

¹⁵ The Group strictly complies with local policies for parental leave. Taking Beijing for example, employees are entitled to 5 days of parental leave excluding weekend every year in the first three years after the birth of their children, i.e., a total of 15 days of parental leave excluding weekend in three years.

Employee Care

CNE always pays attention to the physical and mental health and happiness of employees. We integrate humanistic care into the daily work and life of employees. This year, the Group focused on workplace stress management. We set up a psychological counselling course named "CNE Heart Bathing Workshop", providing employees with effective psychological support to relieve their work stress. At the same time, the Group also organised a variety of cultural and sports activities, including celebrations for New Year's Day, the Spring Festival, Children's Day and other holidays. We also hosted healthy activities like brisk walking in spring and autumn, as well as club activities for basketball, badminton, and cycling. We advocate a healthy lifestyle and enhance the sense of belonging and cohesion among employees.



"CNE Heart Bathing Workshop" Psychological Counselling Course

This year, CNE launched the special psychological counselling series of "CNE Heart Bathing Workshop". The courses mainly include two core aspects: positive psychology and career development planning. They aim to help employees face workplace stress positively, adjust their emotional state and clarify their career planning. The courses earned wide recognition from employees as soon as launched. By the end of the reporting period, the satisfaction ratings for all courses offered by the "CNE Heart Bathing Workshop" were higher than 4.9 (out of 5). Employees generally believed that the courses not only effectively guided them to relieve their work pressure, but also helped them enjoy more happiness and satisfaction in life. It effectively maintains their physical and mental health and significantly improves their work happiness.



Cycling Club



In March 2024, the Group established the Cycling Club to further enrich the healthy sporting for employees. By the end of the reporting period, more than 80 employees had joined in the club. Employees can accumulate points by participating in group activities and free cycling, which can be redeemed for professional cycling equipment. This year, the Cycling Club planned 10 "Cycling to the Four Directions" series of activities, leading members to visiting Beijing's landmark scenic spots such as the Forbidden City, the Ming Tombs, etc. The activities of the Cycling Club were well attended and received, not only enriching employees' spare time life and enhancing their physical quality, but also strengthening the cohesion and cooperation spirit among team members.



Children's Day Activities

On Children's Day, the Group practised the concept of employee care. We planned an online activity for families with children throughout the Group. The activities included taking photos, making videos and fun challenges, attracting nearly 200 families to participate in. Employees actively shared their children's smiling faces and life fragments, creating an atmosphere filled with love and joy. The Children's Day activities not only increased the interaction and cooperation among family members, but also fully demonstrated the Group's care for employees and their families. It conveys a warm and harmonious work-life atmosphere to employees, further enhancing their sense of belonging and identification with the Group's "People-oriented" values.



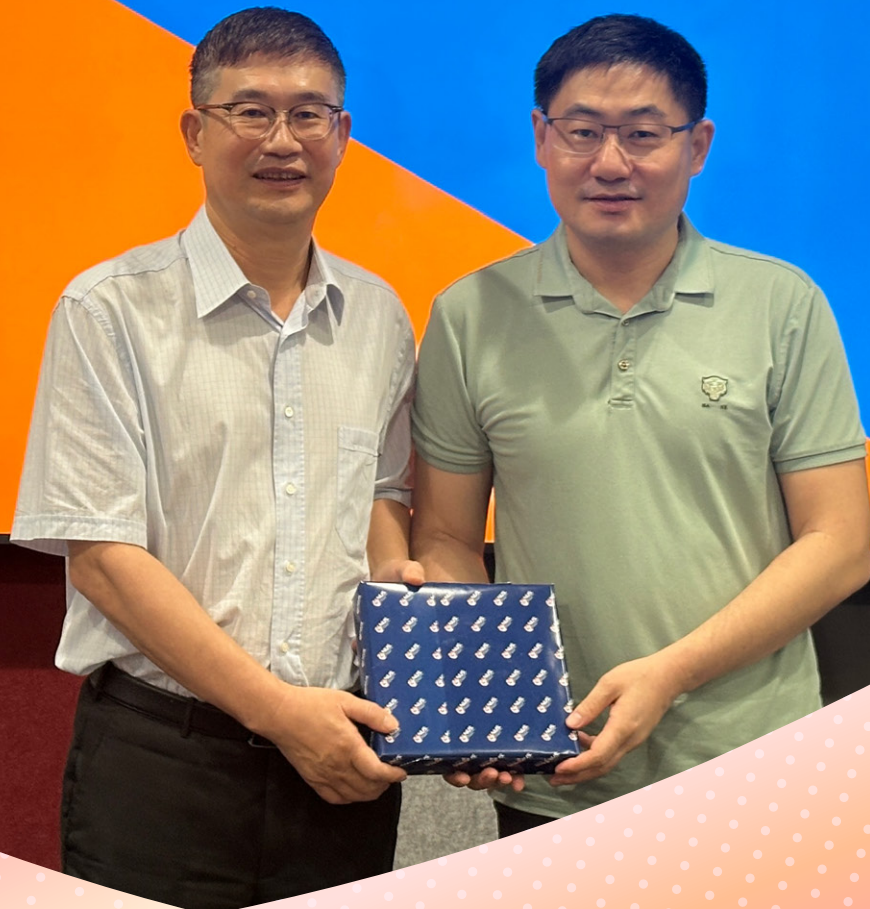
Community Prosperity Creating Shared Value

05

CNE is committed to operating in a socially responsible manner. We collaborate closely with our partners to promote development of the industry. We continue to invest in community building and pay close attention to the needs of local communities to enhance community welfare. We seek mutual development and share value with all stakeholders.

Key Issues:

- Industry Cooperation and Progress
- Promote Transformation to a Low-Carbon Energy Society
- Community Engagement and Contribution



Win-Win Partnership

Standard Setting

CNE keeps pace with industry trends. We strengthen communication and collaboration with governments and relevant regulatory authorities, and deeply participate in the standard-setting of renewable energy fields and industry ESG disclosure. By the end of the reporting period, in China, the Group had participated in the compilation of 13 standards, including 3 national standards and 2 industry standards which had been published. The Group had also participated in the compilation of 3 industry guidance documents, of which 2 had been successfully published.

In China:

- The Group has participated in the compilation of national standards: the *Wind Energy Generation Systems - Power Performance Measurements Overview of Electricity Producing Wind Turbines* and the *Wind Energy Generation Systems - Life Cycle Assessment Specification of Wind Turbines*. This provides scientific guidance for the standardised operation process of the wind power generation industry and effectively improves the quality and safety level of wind turbine units.
- The Group participated in the compilation of the group standard of the *Guidelines for the ESG Report in China's Petroleum and Chemical Industry*. This guideline provides support for the compilation and information disclosure of ESG reports in the petroleum and chemical industry and clarifies the disclosure process and content. It promotes the standardised development of ESG management.
- The Beijing Engineering Exploration and Design Association successfully held the First Session of the Ninth Member Assembly, First Council Meeting and the Meeting of the Board of the Supervisors. The Group participated in the deliberation of several working drafts, discussed key issues in the field of building environment and energy application in terms of technological innovation and green development. We contributed ideas and suggestions for promoting rural revitalisation and high-quality development of urban and rural construction.



Industry Exchange and Cooperation

Relying on our technical advantages, CNE actively promotes industry exchange and cooperation while pursuing high-quality business development. We work with business partners and all sectors of society to explore future value possibilities. This year, the Group has participated in more than 40 important industry and technical exchange meetings, covering wind power, PV, energy storage, hydrogen energy, new power systems, electricity markets, carbon markets, artificial intelligence and other professional directions.

Industry Forums and Exhibitions

In June 2024, Concord Power Consulting & Design (Beijing) Corp., Ltd., the Group's subsidiary was invited to participate in the "China Oil & Gas and Renewable Energy Integration Development Conference and New Technology Achievements Exhibition" hosted by the Chinese Petroleum Society. We attracted many external units to visit and consult for cooperation, deepening our exchange and cooperation with emerging oil and gas energy developers in China.



Many External Companies Visited the Booth of Our Design Company for Consultation



Huisen Liang, Deputy Director of the Group's Technology Centre Delivered a Speech at the Forum

In September 2024, the Group was invited to participate in the "6th (2024) Wind Resource Technology Forum" held by the Chinese Wind Energy Association. At the forum, the Group discussed frontier issues in the field of wind resources with more than 200 experts and professionals. We shared opinions about wind turbine power curve issues and power generation differences.

In October 2024, the Group was invited to participate in the 17th Singapore International Energy Week (SIEW), and delivered a keynote speech at the "SIEW Energy Insights". Focusing on the global development trend of renewable energy, we shared our exploration in the development of renewable energy power stations, deepening the exchange and cooperation with international peers.



Shengjun Chen, the Group's Vice President and CTO
Delivered a Speech at the "SIEW Energy Insights"

Industry Competitions and Trainings

In September 2024, the Group jointly held the first China "Wind Wing Leadership Cup" of the Elite Challenge of Wind Resource Assessment for Wind Power Projects with the China General Certification Centre and the Renewable Energy Experts Technical Committee. The event aimed to promote practitioners to combine first-line practical experience and advanced tool algorithms, explore innovative and practical wind resource assessment plans. It assists in investment decisions of wind power projects.



The First China "Wind Wing Leadership Cup" of the
Elite Challenge of Wind Resource Assessment for Wind
Power Projects

In November 2024, the Group successfully hosted the 11th China "Wind Way" of the "Wind Power Technology Capability" elite training class. The training attracted more than 40 senior wind power technical talents from wind power development companies, design institutes, generator set manufacturers, and universities to participate. They discussed new technologies, trends and opportunities in the wind power industry.



The 11th China "Wind Way" of the Wind Power
Technology Capability Elite Training Class

Community Prosperity

Strengthening Community Communication

CNE understands the development of our business is inseparable from the support and understanding of local communities. The Group has always maintained active communication and cooperation with stakeholders, formulated and issued the [Stakeholder Participation Policy](#) applicable to all operating projects. This policy ensures that we fully identified, respected and responded to the expectations and demands of local governments and community residents. The Group regularly surveys the feedback of local stakeholders on the policy, to continuously optimise the implementation effect.

Before a project starts, the Group will conduct a comprehensive assessment of the community impact. We carry out stakeholder research in the form of mass interviews and questionnaires. It ensures that the impact of the project on the community is minimised and the local customs and religious beliefs are respected. We publicise the project assessment report and supporting documents, seriously collect opinions from community residents, to strive for the trust and support of local governments and stakeholders. After the project is implemented, the Group sets up special telephone, WeChat, email, website and other feedback channels in the operation area. We ensure timely discovery and response to new problems and demands of local

people through regular symposiums, active visiting and other communication methods, keeping a positive interaction between the Group and the community. The Group maintains continuous tracking of complaints and continuously improves community communication. In addition, we regularly carry out special ability training for stakeholders to help community residents participate in the communication more effectively.

In terms of land use coordination, the Group strictly complies with the laws and regulations of our operating locations. We scientifically plan the scope of land use and reasonably control the land area. The Group visits township and village-level organisations for opinion solicitation and formulates targeted land use compensation plans. This year, the land expansion of a construction project, involved many road facilities and civilian houses. Therefore, the Group appointed a specialised person for the coordination of land use. The appointed person solved problems with local government personnel and many departments on site, called on villagers for coordination and communication, and patiently answered their concerns about safety, land use and noise. Finally, we obtained the recognition and support of local stakeholders and effectively promoted the land use process.

Promoting Community Prosperity

The Group actively engages in community economic development and environmental governance. We promote the integration of the PV power generation with agriculture, forestry, animal husbandry, fisheries and other agricultural production and ecological environment. We develop innovative models such as the PV-grassland complementary projects and the PV-fishery complementary projects according to local conditions, to create more job opportunities for local people and promote the long-term sustainable development of the community.

The PV-grassland complementary power generation project in Hebei Province, China, organically combines green PV power generation with the production of local agriculture & animal husbandry and ecological protection. The PV array components of the project adopt a single pile design to ensure that the headroom of the components from the ground is not less than 2 metres. They provide ample space for local farmers to plant grass below. This design also creates jobs such as green maintenance and weeding, injecting new momentum into rural revitalisation. In addition, the PV panels also have a positive impact on the composition and structure of the soil microbial community of the grassland without changing the nature of the land. This promotes the recovery and improvement of local soil microbial diversity and enhances the function of the grassland ecosystem, achieves a win-win situation of economic and environmental benefits.

The 100MW PV-fishery complementarity project in Gaoyou, Jiangsu Province, China, covers an area of 1,910 acres, with an effective fishing water surface of 1,430 acres. The project adopts a layout scheme with three rows of PV modules and a single-pile supported rack design, creating a new power generation model of power generation on water and aquaculture under water. The shading effect of the PV modules effectively reduces the water temperature and minimises water evaporation, greatly increasing the survival rate of fish and shrimp. This approach improves the ecological environment of local fishponds while ensuring the effect of aquaculture. This year, the output of *Macrobrachium rosenbergii* in this project is about 35,000 kilograms, boosting the economic benefits of local aquaculture. By integrating fishery production with green PV power generation, the project achieved the goals of land appreciation, enterprise efficiency improvement, and increased government tax revenue. The overall social benefits are positive.

In the process of project promotion, the Group focuses on the construction of local community infrastructure and promotes local employment. This lays a solid foundation for regional economic development and green transformation. The Group's wind power project in Yunnan Province, China, involves the refurbishment of multiple rural roads, including repairing narrow roads and improving rugged sections. The Group transformed the transportation roads for the project into convenient passages for villagers, significantly improving the rural traffic conditions. The clean heating project in Heilongjiang Province, China, has driven the transformation of clean heating facilities covering an area of over 150,000 square metres. This project involves grid upgrades and expansion to enhance the local grid's capacity and operational efficiency, providing the local community with access to clean, reliable, and green electricity. At the same time, adhering to the principle of giving priority to local labour force, the Group prioritises the hiring of Tibetans in the

Tibet region of China, aiming to improve the income level of local people.

The Group actively leads the practices in ecological governance to enhance the sustainability potential of the community. Our Ecologically Oriented Development (EOD) project in Da Qaidam, Qinghai Province, China, adopts the mode of "Ecological Environment Comprehensive Management and Restoration Benefits + Renewable Energy Development". It plans the environmental management of abandoned mines, the construction of mine site parks and the construction of PV power storage stations with the local government. The project uses part of the expected benefit funds for environmental comprehensive management, promoting the efficient use of local ecological environment and resources. This provides support for Qinghai Province to achieve "High-level Environmental Protection to Promote High-quality Economic Development".

Social Advancement

Public Welfare and Charity

CNE actively engages in public welfare and fulfils corporate social responsibility. We responds to social needs and promotes social welfare through charitable donations, educational assistance, volunteer services and other ways. This year, the Group's total donation amount to the community exceeded RMB1.26 million.



Singapore Red Cross 75th Anniversary Benefit Gala

In November 2024, the Group attended the Singapore Red Cross 75th Anniversary Benefit Gala and donated SGD 20,000 (equivalent to approximately RMB106,800) to support projects aimed at improving the conditions of vulnerable communities in Singapore. These projects include the Red Cross Home and Day Activity Centre for the Disabled, Meals with Love + Young Hearts, and ElderCare Services.



Public Welfare Donation for Teenagers in Rural Areas of Hubei Province, China

This year, the Group participated in the initiative of donating funds to help students in rural areas of Xiangzhou District, Xiangyang, Hubei Province, China. The donated funds were specifically used to purchase safety backpacks, books and sports supplies. This helps promoting the physical and mental health and academic development of rural primary and middle school students, left-behind children and children in difficult situations.



Financial Assistance for Rural Areas of Hubei Province, China

This year, the Group donated social assistance funds to two towns in Xiangyang, Hubei Province, China. The funds were used to support the construction of local infrastructure and improve the production and living conditions of residents, promoting the implementation of the rural revitalisation strategy.



Education Assistance

The Group is committed to supporting the education industry. We actively promote the close integration of educational research and industry technology through school-enterprise cooperation, to help cultivate social talents. By the end of the reporting period, the Group had cooperated with nearly 10 universities. We have continuously donated to North China Electric Power University for 18 years, with a cumulative donation amount of approximately RMB4.31 million. We have supported 1,682 students who are academically excellent and financially disadvantaged, and have recognised 119 teachers who are both virtuous and competent.



The Group Collaborates with the Centre for Hydrogen Innovations at National University of Singapore on Technologies

In 2024, CNE established a cooperation with the Centre for Hydrogen Innovations at the National University of Singapore, to jointly explore technical cooperation and R&D in renewable energy technologies, specifically focusing on hydrogen energy. The partnership is committed to reducing the cost of green hydrogen and accelerating the commercial process of green energy.



Shunxing Liu, Chairman of the Board of the Group (left) and Professor Wei Chen of the National University of Singapore (right)



The Group and North China Electric Power University Establish a Joint Talent Cultivation Base



Jianhong Liu, Vice Chairman of the Board of the Group (middle)

In July 2024, based on the fourth scholarship donation plan, the Group further deepened cooperation with North China Electric Power University, established a joint talent cultivation base. This base aims to provide opportunities and platforms for college students to practise internships and scientific research projects, exploring the talent training models of school-enterprise collaborative and cooperation paths for technological innovation.

Strong Governance Securing Business Resilience

06

A sound governance system is the cornerstone of a company's stable operations. CNE strictly adheres to the laws and regulations of the regions where it operates, establishes a robust governance mechanism, maintains integrity and compliance in its operations, and continuously enhances its risk management capabilities to achieve long-term sustainable development.

Key Issues:

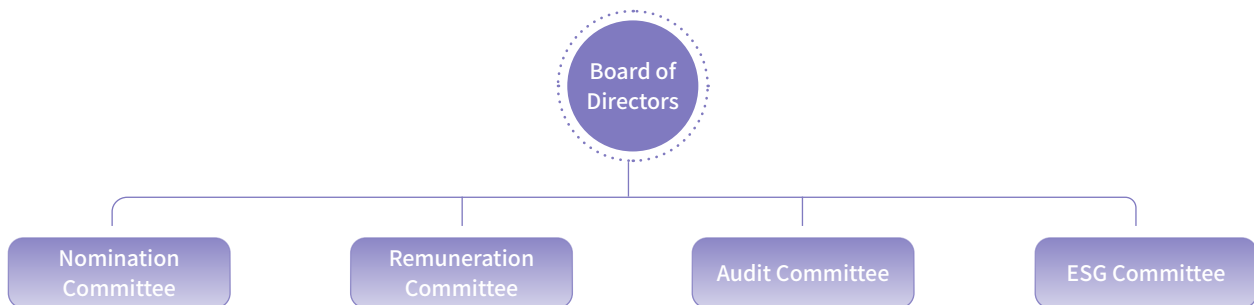
- Corporate Governance
- Risk Management
- Compliance Management



Corporate Governance

Governance Structure

The efficient operations of the Group are attributed to a robust governance structure and well-defined management responsibilities. The Board has established the Nomination Committee, Remuneration Committee, Audit Committee and ESG Committee, which oversee matters across various dimensions to ensure the stable operation of the enterprise and continuously provide long-term value to all stakeholders. The Board, the CEO, and the senior management of the Group diligently fulfil their duties, ensuring the regularity and effectiveness of the corporate governance structure.



The Board regularly convenes meetings. In 2024, the Group held 1 general meeting, 19 board meetings, 2 Nomination Committee meetings, 4 Audit Committee meetings, 2 ESG Committee meetings, and 4 Remuneration Committee meetings. All meetings were conducted and voting procedures in accordance with laws, regulations, and regulatory requirements. All voting results are legal and valid, laying a solid foundation for the Group's standardised operations.

The Group's emolument policy is formulated and approved by the Remuneration Committee in conjunction with the Board, taking into account the performance, experience, and capabilities of employees. The emolument plans for Board members are determined by the Remuneration Committee and the Board, authorised by shareholders at the annual general meeting, with reference to the Group's operational performance, individual achievements, and comparable market data.

Board Diversity and Independence

The Group values the professionalism, independence, and diversity of the Board composition. A director is considered independent only if the Board determines that the director has no direct or indirect significant interests with the Group. We require that the proportion of independent directors on the Board shall not be less than one-third.

The Group has formulated and implemented a Board diversity policy. The selection and appointment of Board candidates take into account multiple aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, and service tenure, to ensure that the Board's decision-making brings diverse perspectives and viewpoints. The current Board members possess professional capabilities in various fields such as business administration, law, finance, and energy management,

and have rich industry experience as well as professional qualities in finance and risk management. They also cover different nationalities, cultures, genders, and age groups. This diverse background enables the Board to examine issues from multiple angles and comprehensively, thereby enhancing the quality and efficiency of decision-making and further optimising the level of Board governance.

As of the end of the reporting period, the Board comprised 13 directors, including 7 executive directors, 1 non-executive director, and 5 independent non-executive directors, with independent directors accounting for 38.5%; there are 4 female directors, representing 30.8% of the Board with all committees having female directors. And the proportion of female members in the Audit Committee, Remuneration Committee, and Nomination Committee each reached one-third.

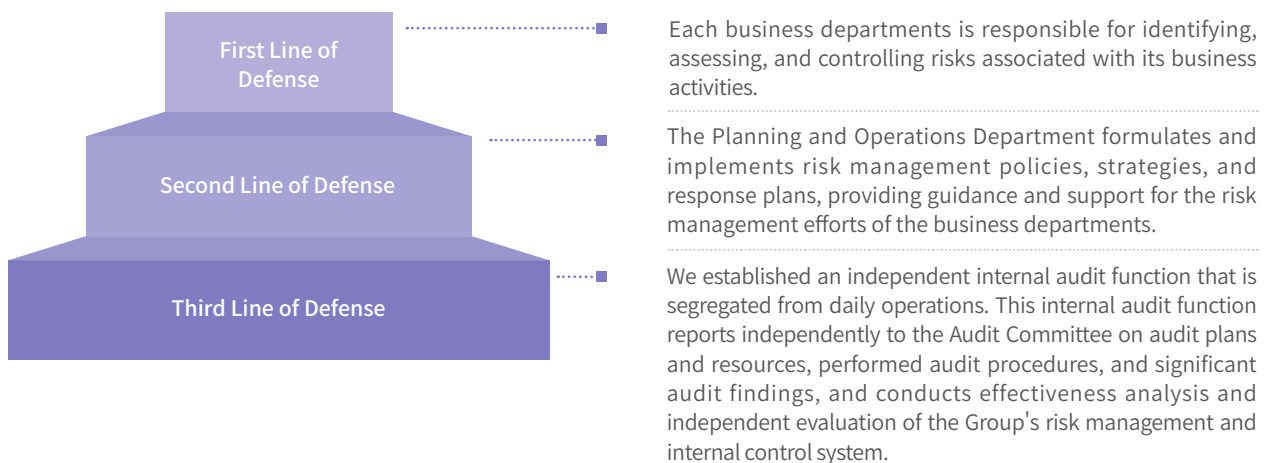
Risk Management

Corporate Risk Management

Risk Governance

The Group has established a comprehensive risk management and internal control system, which is overseen by the Board and monitored by the Audit Committee for its design and implementation to ensure its continuous and effective operation in practice.

We continuously review and optimise the risk management system, consolidating the "three lines of defense" risk governance framework to ensure that the company maintains a stable posture in the complex and changing market environment.



Risk Management Process

The Group places significant emphasis to risk management and internal control, formulating relevant regulations and systems for risk management and internal control, such as the *Risk Management System* and the *Internal Control Work Management Measures*, to effectively implement the Group's comprehensive risk management work.

We conduct annual risk assessment work, and through a formal risk assessment control process, that is, risk identification, risk assessment, risk response, risk monitoring and improvement, we identify, assess, analyse, and deal with risks in a timely manner. Through effective risk management and continuous monitoring, we ensure the stability of the Group's business activities.



The specific steps include: annually identifying and collecting initial information for risk management, and updating the risk inventory; assessing the current state of risks in terms of their likelihood of occurrence and impact severity to determine their risk levels; concurrently, determining the Group's overall risk appetite and risk tolerance based on its strategic targets and business model, and proposing appropriate risk management strategies accordingly. Finally, based on the results of the risk assessment and the risk management strategies, corresponding mitigation measures are proposed and implemented.

The Group Audit Department, based on a risk-oriented approach, oversees the control procedures for significant risks and their effectiveness. It presents an annual report to management and the Board on the evaluation of risk management and internal control, thereby ensuring the efficacy of the risk management system.

Emerging Risks

As our main business is the investment and operation of renewable energy power stations, we assess potential adverse factors and identify the main risks, including exchange rate risk, policy risk, market risk, climate risk, etc. At the same time, in order to adapt to the constantly changing operating environment, the Group actively identifies and assesses emerging risks and closely monitors them in the risk management process.

| Emerging Risks | Description | Response |
|--------------------------|---|--|
| Biodiversity Loss | The development of renewable energy projects, such as wind power and PV projects, often involves extensive land utilisation. During the site selection, construction, and operation of these projects, failure to conduct thorough biodiversity assessments and implement effective conservation measures may lead to damage to local ecosystems. This can result in the destruction of habitats for local species, disrupt their migration and reproduction patterns, and ultimately contribute to the loss of biodiversity. | <ul style="list-style-type: none"> ■ Formulate the <i>Ecological and Environmental Protection Policy</i>; ■ Conduct comprehensive biodiversity assessments prior to project site selection to ensure that the chosen location does not significantly impact biodiversity; ■ During the project construction process, we employ advanced environmental protection technologies and equipment to mitigate the ecological impact of construction; ■ Continuously track and assess the ecological and environmental impacts of the project, strengthen project management and supervision, and ensure the effective implementation of all environmental protection measures. |

Risk Awareness and Culture

The Group adopts various methods to foster the cultivation of a corporate risk culture. We utilise occupational health and safety and the other risk management indicators as crucial references in the performance evaluation and incentives of senior management and employees. We incorporate risk criteria in the development of products, operations, and supply chain management, and implement risk management standards.

We provide specialised training on risk management for all directors, including non-executive directors, and all employees through a combination of online and offline methods. The training covers key areas such as compliance and risk management, continuously enhancing employees' risk awareness and response capabilities. This year, the Group conducted knowledge dissemination and training on risk management, achieving 100% coverage among directors.

Compliance Management

We are well aware of the importance of maintaining ethical standards in the global business environment and are committed to conducting business activities with the highest integrity and ethical standards, effectively safeguarding the legitimate rights and interests of clients, business partners, shareholders, and other stakeholders.

Brand Management

The Group places great emphasis on shaping and enhancing its brand image, continuously strengthening standardised management and related publicity. We have formulated the *Company Brand Image Visual Identification Manual* to standardise the visual application of the Group's brand, the process and requirements for external publicity, maintain the Group's corporate image, and continuously expand its brand influence.

Business Ethics

The Group always adheres to the business philosophy of integrity and continuously strengthens the supervision and promotion of business ethics, keeping channels for reporting and complaints open. We also hold our partners to the same high standards, actively creating an atmosphere of integrity and self-discipline, and jointly building a responsible value chain business ecosystem.

Anti-Corruption

The Group strictly complies with the laws and regulations of the places where it operates, establishes a complete set of processes and procedures, and formulates and strictly implements the [Code of Ethics & Conduct](#) and [Integrity and Compliance Policy](#) applicable to all employees of the Group¹⁶. We regularly review the code of ethic & conduct and integrity and compliance policy, with the ESG Committee monitoring and overseeing the implementation of these policies to ensure effectiveness.

Our *Integrity and Compliance Policy* is equally applicable to all parties¹⁷ conducting business with the Group, mandating all suppliers to formulate anti-corruption policies and procedures, and to regularly review their

compliance and effectiveness. To ensure that they adhere to business ethics in their commercial activities, we have formulated and issued the *Supplier Code of Conduct* and *Supply Chain Management Policy*, specifying standards and requirements for conflicts of interest. We require our partners to sign the *Integrity Commitment Agreement*, advocating that their behavior conforms to the Group's values and ethical standards.

The Group employs measures such as regular audits and risk assessments, training and promotional activities to promptly prevent, identify, and respond to potential business ethics risks in a timely manner, thereby ensuring the efficient implementation of ethical standards.

The Group prioritises and continuously refines the anti-corruption auditing and oversight mechanisms, and integrates anti-corruption risk management into corporate business management.

- Regular or irregular internal audits for anti-corruption are conducted, encompassing routine regional company audits, special audits, etc. The scope of anti-corruption audits can basically cover the Group's main businesses and regions every three years;

- Focus is placed on high-risk areas for corruption, with particular attention given to potential misconduct such as corruption and bribery among key personnel in business areas such as funds, expenses and settlements, bidding and procurement, and engineering construction, including relevant employees, suppliers, and contractors;

- Upon completion of audits, reports and handling measures are formed and reported to the management, and regular inspections on the implementation are conducted to ensure continuous improvement.

¹⁶ Including formal employees, part-time employees, temporary staff, top management and directors of the Group and its affiliated companies.

¹⁷ Including contractors, suppliers and other potential business partners.

We conduct annual anti-corruption related training through multiple online and offline channels to ensure that the training covers all employees of the Group, including part-time employees and directors. In 2024, the Group carried out routine anti-corruption training, as well as special anti-corruption training for directors, new employees, and production business.

This year, we published articles through the internal audit supervision platform to the entire group, covering topics such as anti-fraud policies, specific manifestations of fraudulent behavior, and typical cases study, with a cumulative view count of 1,164.

To foster an honest and clean cooperative relationship, this year we conducted training on anti-fraud and code of conduct for qualified suppliers (directly related to the construction of power plants and the supply of equipment) of the Group, achieving a 100% training coverage rate.

This year

Training participation
rate for employees

94.4%

Training participation
rate for directors

100%

Number of participants is
approximately

1,071



Whistleblowing Mechanism and Whistleblower Protection

CNE maintains a zero-tolerance attitude towards any violation of business ethics. Once any breach of business ethics is verified, it will be dealt with severely. We have publicly released our [Whistleblowing Policy](#) to encourage all employees, contractors, suppliers, and other potential business partners to report misconduct or dereliction of duty, etc., and jointly maintain an open and transparent working environment.

The Group highly values the establishment and implemen-

tation of the whistleblowing mechanism, and has set up a dedicated department and personnel responsible for the whistleblowing mechanism to ensure that whistleblowing matters are handled in a timely and professional manner. By setting up multiple dedicated whistleblowing channels such as letters, email, and hotlines, we provide employees and partners with convenient and secure channels to make reports. Additionally, we provide training to help employees fully understand the whistleblowing process and master the correct way to use the reporting channels.

Public Whistleblowing Channels:



Whistle-blowing by letter:

30 Cecil Street #21-02, Prudential Tower, 049712, Singapore, or Audit Department at CWP Bldg., No.9 South Shouti Rd., Haidian District, Beijing, 100048, P.R.C.



E-mail: complaint@cnegroup.com



Complaint and whistle-blowing hotline: +65 60221830, +86 010-88314954



Group's official website: <https://www.cnegroup.com/audit.html>

Whistleblowers may choose to submit reports anonymously, and all details of the reports are strictly confidential. We implement a full-process closed-loop management for reported breaches we received and conduct investigations in a confidential manner. The investigation procedures include incident identification, evidence collection and interviews, accountability and disciplinary action, feedback of investigation results and rectification, etc., to ensure that the investigation of the breaches is compliant and effective, and problems are identified and solved in a timely manner. We strictly control the scope of internal knowledge of whistleblower information within the Group and maintain the confidentiality of materials involved in the investigation process. We adopt a zero-tolerance policy towards any form of retaliation, prohibit any form of retaliation against those who make good-faith reports of violations or cooperate with the investigation, and will take a series of measures to effectively protect the rights and interests of whistleblowers.

Appendix

Key Performance Indicators

Unless otherwise specified, the environmental KPIs provided in this section only cover the business of the Group's wholly-owned businesses in China, whereas its joint-venture operations are not included.

1.Emissions

| KPIs | Unit | 2022 | 2023 | 2024 |
|--|--------------------------|----------|----------|-----------|
| Total GHG Emissions (Scope 1 and Scope 2) | Tonnes CO ₂ e | 9,251.96 | 9,669.70 | 11,663.82 |
| Direct Emissions (Scope 1) | Tonnes CO ₂ e | 1,646.91 | 277.43 | 664.81 |
| Indirect Emissions (Scope 2) | Tonnes CO ₂ e | 7,605.05 | 9,392.27 | 10,999.01 |
| GHG Emission Intensity (Scope 1 and Scope 2) | gCO ₂ e/kWh | 1.77 | 1.61 | 1.55 |
| Total Hazardous Waste | Tonnes | 3.14 | 7.14 | 1.54 |
| Hazardous Waste Intensity | Tonnes/million revenue | 0.001 | 0.003 | 0.001 |
| Total Non-hazardous Waste | Tonnes | 223.47 | 85.59 | 70.66 |
| Non-hazardous Waste Intensity | Tonnes/million revenue | 0.093 | 0.033 | 0.026 |

Notes: 1.Due to the Group's business nature, the major air emissions of the Group are GHG emissions. The Group's GHG inventory includes carbon dioxide, methane and nitrous oxide.

2.Direct Emissions (Scope 1) are mainly from fuel consumption, refrigerant and fire extinguisher fillings escape. GHG emissions data is presented in carbon dioxide equivalent and calculated based on the National Standard of the People's Republic of China General Rules for the Calculation of Comprehensive Energy Consumption (GB/T 2589-2020) and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 Revision) published by the Intergovernmental Panel on Climate Change (IPCC). In 2024, the Group ceased to consolidate Edge Power Technology Co., Ltd. (the "Edge Power") in the consolidated financial statements. The relevant data during the year are not included.

3.Indirect Emissions (Scope 2) are mainly from purchased electricity. The data includes the Group's Singapore headquarters. The Chinese mainland region refers to the Announcement on the Release of the *Electricity Carbon Dioxide Emission Factor for 2022* issued by the Ministry of Ecology and Environment of the People's Republic of China and Singapore refers to the Singapore Grid Emission Factors in the *EIB Project Carbon Footprint Methodologies (Version 11.3)* of the European Investment Bank for accounting.

4.Indirect Emissions (Scope 3) — Business Travel totaled 1,935.46 tonnes CO₂e in 2024.

5.Hazardous waste mainly includes waste toner cartridges, ink cartridges, waste fluorescent tubes, lead-acid batteries, etc. Waste toner cartridges, ink cartridges, waste fluorescent tubes and other hazardous office waste are recycled by qualified service providers.

6.Non-hazardous waste mainly includes household garbage, which is calculated according to the *Handbook on Domestic Discharge Efficiencies for Towns in the First Nationwide Census on Contaminant Discharge* published by the State Council.

2.Resource Use

| KPIs | Unit | 2022 | 2023 | 2024 |
|------------------------------|------|-----------|-----------|-----------|
| Total Energy Consumption | MWh | 19,209.90 | 17,448.11 | 23,050.21 |
| Direct Energy Consumption | MWh | 6,696.57 | 978.31 | 2,549.21 |
| Petrol for Official Vehicles | MWh | 6,276.93 | 909.41 | 2,439.63 |
| Diesel for Official Vehicles | MWh | 419.64 | 68.90 | 109.58 |
| Indirect Energy Consumption | MWh | 12,513.33 | 16,469.80 | 20,501.00 |
| Purchased Electricity | MWh | 12,513.33 | 16,469.80 | 20,501.00 |

| KPIs | Unit | 2022 | 2023 | 2024 |
|------------------------------|------------------------|-----------|-----------|-----------|
| Energy Consumption Intensity | kWh/kWh | 0.004 | 0.003 | 0.003 |
| Water Consumption | Tonnes | 11,676.97 | 26,900.09 | 19,153.87 |
| Water Consumption Intensity | Tonnes/million revenue | 4.87 | 10.39 | 6.96 |

Notes: 1. Energy consumption is calculated by the data of electricity and fuel with reference to the coefficients in the *General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589- 2020)*, the national standards of the People's Republic of China. Include the energy consumption from electricity purchased by the Group's Singapore headquarters.

2. In 2024, the Group ceased to consolidate Edge Power in the consolidated financial statements. The relevant data during the year are not included.

3. Energy consumption intensity refers to the ratio of energy consumed to electricity generation.

4. Water consumption refers to tap water, which is sourced from municipal water supply. Include the water consumption by the Group's Singapore headquarters.

5. According to the nature of operation, the indicators of the total packaging material used and intensity are not applicable to the Group.

3. Human Resources

| KPIs | Unit | 2022 | 2023 | 2024 |
|---|--------|-------|------|------|
| Total Workforce | Person | 2,574 | 995 | 814 |
| By Gender | | | | |
| Male | Person | 2,202 | 770 | 618 |
| Female | Person | 372 | 225 | 196 |
| By Employment Category | | | | |
| Management | Person | 311 | 297 | 180 |
| Non-management | Person | 2,263 | 698 | 634 |
| By Age Group | | | | |
| Under 30 Years Old | Person | 1,174 | 163 | 126 |
| 30 (include) -50 (include) Years Old | Person | 1,267 | 727 | 591 |
| Over 50 Years Old | Person | 133 | 105 | 97 |
| By Lines of Service | | | | |
| Headquarters and Management Centre | Person | 217 | 246 | 191 |
| Project Development, Construction, and Operation Management | Person | 450 | 505 | 481 |
| Design, Consulting and Other Businesses Activities | Person | 113 | 244 | 142 |
| Smart Operation and Maintenance | Person | 1,794 | - | - |
| By Geographical Region | | | | |
| China (including Hong Kong, Macao, and Taiwan) | Person | 2,563 | 970 | 761 |
| Other Countries and Regions | Person | 11 | 25 | 53 |
| By Ethnicity | | | | |
| Han | Person | - | - | 734 |
| Mongolian | Person | - | - | 13 |
| Manchu | Person | - | - | 13 |
| Other Ethnic Minorities | Person | - | - | 29 |

Notes: 1. In 2024, the Group ceased to consolidate Edge Power in the consolidated financial statements. The relevant data during the year are not included.

2. Data divided by ethnicity only includes Chinese citizens.

Employee Turnover Rate

| KPIs | Unit | 2022 | 2023 | 2024 |
|--|------|------|------|------|
| Overall Turnover Rate | % | 8.4 | 9.4 | 17.4 |
| By Gender | | | | |
| Male | % | 8.0 | 9.8 | 18.7 |
| Female | % | 9.8 | 7.8 | 12.9 |
| By Age Group | | | | |
| Under 30 Years Old | % | 16.7 | 16.0 | 24.1 |
| 30 (include) -50 (include) Years Old | % | 8.0 | 7.5 | 15.6 |
| Over 50 Years Old | % | 4.2 | 11.0 | 18.5 |
| By Geographical Region | | | | |
| China (including Hong Kong, Macao, and Taiwan) | % | 8.3 | 9.3 | 17.7 |
| Other Countries and Regions | % | 15.4 | 10.7 | 11.7 |

Note: Turnover is defined as the employee who passes the probation period voluntarily (including retirement) and involuntarily leaves the Group.

Employee Training

| KPIs | Unit | 2022 | 2023 | 2024 |
|--|-------|--------|-------|-------|
| Training Hours per Employee | Hours | 147.44 | 37.47 | 59.06 |
| Percentage of Total Employees Trained | % | 100 | 100 | 100 |
| By Gender | | | | |
| Percentage of Male Employees Trained | % | 100 | 100 | 100 |
| Percentage of Female Employees Trained | % | 100 | 100 | 100 |
| Average Training Hours for Male Employees | Hours | 153.19 | 37.03 | 59.69 |
| Average Training Hours for Female Employees | Hours | 113.42 | 38.98 | 57.09 |
| By Employee Category | | | | |
| Percentage of Management Trained | % | 100 | 100 | 100 |
| Percentage of Non-management Trained | % | 100 | 100 | 100 |
| Average Training Hours for Management | Hours | 80.08 | 63.42 | 65.96 |
| Average Training Hours for Non-management | Hours | 157.35 | 35.60 | 57.10 |

Health and Safety

| KPIs | Unit | 2022 | 2023 | 2024 |
|---|----------------------------|------|------|------|
| Number of Work-related Fatalities | Person | 0 | 0 | 0 |
| Work-related Fatality Rate | / | 0 | 0 | 0 |
| Lost Days Due to Work Injury | Day | 0 | 0 | 98 |
| Number of Recordable Occupational Injuries ¹ | Incident | - | 0 | 1 |
| Lost-Time Injury Rate (LTIR) ² | Incident per 200,000 hours | - | 0 | 0.11 |

Notes: 1.It was a non-production and non-operational occupational injury incident caused by an accident where an employee got injured while participating in a Group's activity.

2.The number of work-related injuries resulting in lost time within 200,000 working hours. LTIR = Number of lost-time injuries / Total hours worked in accounting period × 200,000.

New Hires

| KPIs | Unit | 2023 | 2024 |
|--|------|------|------|
| Percentage of New Hires | % | 33.9 | 13.0 |
| By Gender | | | |
| Male | % | 77.4 | 75.5 |
| Female | % | 22.6 | 24.5 |
| By Age Group | | | |
| Under 30 Years Old | % | 30.0 | 24.5 |
| 30 (include) -50 (include) Years Old | % | 66.2 | 68.9 |
| Over 50 Years Old | % | 3.8 | 6.6 |
| By Geographical Region | | | |
| China (including Hong Kong, Macao, and Taiwan) | % | 97.3 | 76.4 |
| Other Countries and Regions | % | 2.7 | 23.6 |
| Percentage of Open Positions Filled by Internal Employees | % | 28.9 | 45.9 |

4. Suppliers

| KPIs | Unit | 2022 | 2023 | 2024 |
|---|--------|------|------|------|
| Total Number of Suppliers | Number | 215 | 295 | 382 |
| By Geographical Region ¹ | | | | |
| China (including Hong Kong, Macao, and Taiwan) | Number | 212 | 284 | 371 |
| Other Countries and Regions | Number | 3 | 11 | 11 |
| Total Number of Tier-1 Suppliers | Number | - | - | 222 |
| Total Number of Significant Suppliers | Number | - | - | 172 |
| Total Number of Significant Suppliers in Tier-1 | Number | - | - | 89 |
| Total Number of Significant Suppliers in non Tier-1 | Number | - | - | 83 |

Note: Region classification is based on the primary location where the supplier provides products or services to the Group.

5. Anti-corruption

| KPIs | Unit | 2022 | 2023 | 2024 |
|---|------|------|------|------|
| Number of Concluded Legal Cases Regarding Corrupt Practices Brought Against the Group's employees | Case | 0 | 0 | 0 |
| Number of Concluded Legal Cases Regarding Corrupt Practices Brought Against the Group | Case | 0 | 0 | 0 |
| Participation Rate of Anti-corruption Training for Employees | % | 95.0 | 94.3 | 94.4 |
| Participation Rate of Anti-corruption Training for Directors | % | 100 | 100 | 100 |

6. Community Donations

| KPIs | Unit | 2023 | 2024 |
|-------------------------------------|------------------|--------|--------|
| Total Amount of Community Donations | ten thousand RMB | 207.28 | 126.09 |

ESG Reporting Code Index

| Subject Areas | Disclosure Requirements | Remarks |
|----------------------|--|---|
| Governance Structure | | |
| — | <p>A statement from the Board containing the following elements:</p> <p>(i) a disclosure of the Board's oversight of ESG issues;</p> <p>(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</p> <p>(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.</p> | <p>Introduction</p> <p>> About the Report</p> <p>ESG Commitment: Shaping a Sustainable Future</p> <p>> ESG Development Strategy</p> |
| Reporting Principles | | |
| — | <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>Introduction</p> <p>> About the Report</p> |
| Reporting Boundary | | |
| — | <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>Introduction</p> <p>> About the Report</p> |
| Subject Areas | Disclosure Requirements | Remarks |
| Environmental | | |
| Aspect A1: Emissions | <p>General Disclosure Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> | <p>Low-Carbon Action: Greening Ecological Ecosystem</p> <p>> Low-Carbon and Green Operations</p> <p>> Ecological Balance in Nature</p> <p>Appendix</p> <p>> Key Performance Indicators</p> |
| | A1.1 The types of emissions and respective emissions data. | <p>Appendix</p> <p>> Key Performance Indicators</p> |
| | A1.2 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | <p>Appendix</p> <p>> Key Performance Indicators</p> |
| | A1.3 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | <p>Appendix</p> <p>> Key Performance Indicators</p> |
| | A1.4 Description of emission target(s) set and steps taken to achieve them. | <p>Low-Carbon Action: Greening Ecological Ecosystem</p> <p>> Responding to Climate Change</p> <p>Appendix</p> <p>> Key Performance Indicators</p> |

| Subject Areas | Disclosure Requirements | Remarks |
|--|--|--|
| Aspect A1: Emissions | A1.5 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them. | Low-Carbon Action: Greening Ecological Ecosystem >Low-Carbon and Green Operations Appendix > Key Performance Indicators |
| | General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials. | Low-Carbon Action: Greening Ecological Ecosystem >Low-Carbon and Green Operations |
| | A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). | Appendix > Key Performance Indicators |
| | A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility). | Appendix > Key Performance Indicators |
| Aspect A2: Use of Resources | A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them. | Low-Carbon Action: Greening Ecological Ecosystem >Low-Carbon and Green Operations Appendix > Key Performance Indicators |
| | 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. | Low-Carbon Action: Greening Ecological Ecosystem >Low-Carbon and Green Operations Appendix > Key Performance Indicators |
| | A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. | Not applicable |
| | General Disclosure: Policies on minimising the issuer's significant impacts on the environment and natural resources. | Low-Carbon Action: Greening Ecological Ecosystem >Ecological Balance in Nature |
| Aspect A3: The Environment and Natural Resources | A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | Low-Carbon Action: Greening Ecological Ecosystem >Ecological Balance in Nature |
| Social | | |
| Aspect B1: Employment | 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. | People-Oriented: Empowering Talent Development |
| | B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region. | People-Oriented: Empowering Talent Development >High Collaboration Appendix > Key Performance Indicators |
| | B1.2 Employee turnover rate by gender, age group and geographical region. | Appendix > Key Performance Indicators |

| Subject Areas | Disclosure Requirements | Remarks |
|--|---|---|
| Aspect B2: Health and Safety | General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. | Operational Excellence: Accelerating Sustainable Growth >Comprehensive Safety Management People-Oriented: Empowering Talent Development >High Collaboration |
| | B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. | Appendix > Key Performance Indicators |
| | B2.2 Lost days due to work injury. | Appendix > Key Performance Indicators |
| | B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored. | Operational Excellence: Accelerating Sustainable Growth >Comprehensive Safety Management People-Oriented: Empowering Talent Development >High Collaboration |
| Aspect B3: Development and Training | General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. | People-Oriented: Empowering Talent Development >High Growth |
| | B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management). | Appendix > Key Performance Indicators |
| | B3.2 The average training hours completed per employee by gender and employee category. | Appendix > Key Performance Indicators |
| Aspect B4: Labour Standards | General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. | People-Oriented: Empowering Talent Development >High Collaboration |
| | B4.1 Description of measures to review employment practices to avoid child and forced labour. | People-Oriented: Empowering Talent Development >High Collaboration |
| | B4.2 Description of steps taken to eliminate such practices when discovered. | People-Oriented: Empowering Talent Development >High Collaboration |
| Aspect B5: Supply Chain Management | General Disclosure: Policies on managing environmental and social risks of the supply chain. | Operational Excellence: Accelerating Sustainable Growth >Responsible Supply Chain |
| | B5.1 Number of suppliers by geographical region. | Appendix > Key Performance Indicators |
| | B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored. | Operational Excellence: Accelerating Sustainable Growth >Responsible Supply Chain |
| | B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. | Operational Excellence: Accelerating Sustainable Growth >Responsible Supply Chain |
| | B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. | Low-Carbon Action: Greening Ecological Ecosystem >Low-Carbon and Green Operation Operational Excellence: Accelerating Sustainable Growth >Responsible Supply Chain |

| Subject Areas | Disclosure Requirements | Remarks |
|---|---|---|
| Aspect B6: Product Responsibility | General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. | Operational Excellence: Accelerating Sustainable Growth >Product Responsibility Guarantee Strong Governance: Securing Business Resilience >Compliance Management |
| | B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons. | Not applicable |
| | B6.2 Number of products and service related complaints received and how they are dealt with. | Operational Excellence: Accelerating Sustainable Growth >Product Responsibility Guarantee |
| | B6.3 Description of practices relating to observing and protecting intellectual property rights. | Strong Governance: Securing Business Resilience >Compliance Management |
| | B6.4 Description of quality assurance process and recall procedures. | Operational Excellence: Accelerating Sustainable Growth >Product Responsibility Guarantee |
| | B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored. | Operational Excellence: Accelerating Sustainable Growth >Product Responsibility Guarantee |
| Aspect B7: Anti- corruption | General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. | Strong Governance: Securing Business Resilience >Compliance Management |
| | 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. | Appendix > Key Performance Indicators |
| | B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored. | Strong Governance: Securing Business Resilience >Compliance Management |
| | B7.3 Description of anti-corruption training provided to directors and staff. | Strong Governance: Securing Business Resilience >Compliance Management Appendix > Key Performance Indicators |
| Aspect B8: Community Investment | General Disclosure: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. | Community Prosperity: Creating Shared Value >Community Prosperity >Social Advancement |
| | B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). | Community Prosperity: Creating Shared Value >Community Prosperity >Social Advancement |
| | B8.2 Resources contributed (e.g. money or time) to the focus area. | Community Prosperity: Creating Shared Value >Community Prosperity >Social Advancement Appendix > Key Performance Indicators |
| Climate-related Disclosures | | This section will take effect for financial years commencing on or after 1 January 2025. For this reporting period, disclosures shall continue to be made in accordance with Appendix C2 Environmental, Social and Governance Reporting Guide. Please refer to Low-Carbon Action: Greening Ecological Ecosystem for more details. |

GRI Standards Index

| Statement of use | Concord New Energy Group Limited and its subsidiaries have reported the information referenced in this GRI Content Index for the period from 1 January 2024 to 31 December 2024 with reference to the GRI Standards. | | |
|---|--|---|---|
| GRI 1 used | GRI 1: Foundation 2021 | | |
| GRI Standard | | Disclosure | Location |
| GRI 2: General Disclosures 2021 | | | |
| 1. Organization and its reporting practices | 2-1 | Organizational details | Introduction >About Concord New Energy |
| | 2-2 | Entities included in the organization's sustainability reporting | Introduction > About the Report |
| | 2-3 | Reporting period, frequency and contact point | Introduction > About the Report |
| | 2-4 | Restatements of information | There was no restatements of information in this year. |
| | 2-5 | External assurance | Appendix >Independence Assurance Statement |
| 2. Activities and workers | 2-6 | Activities, value chain and other business relationships | Introduction >About Concord New Energy |
| | 2-7 | Employees | Appendix > Key Performance Indicators |
| | 2-8 | Workers who are not employees | There are no workers who are not employees. |
| 3. Governance | 2-9 | Governance structure and composition | Introduction >About the Report ESG Commitment: Shaping a Sustainable Future >ESG Development Strategy |
| | 2-10 | Nomination and selection of the highest governance body | Please refer to <i>2024 Annual Report</i> |
| | 2-11 | Chair of the highest governance body | Shunxing Liu |
| | 2-12 | Role of the highest governance body in overseeing the management of impacts | Introduction >About the Report ESG Commitment: Shaping a Sustainable Future >ESG Development Strategy Low-Carbon Action: Greening Ecological Ecosystem >Responding to Climate Change |

| GRI Standard | Disclosure | Location |
|-------------------------------------|--|--|
| 3. Governance | 2-13 Delegation of responsibility for managing impacts | ESG Commitment: Shaping a Sustainable Future >ESG Development Strategy |
| | 2-14 Role of the highest governance body in sustainability reporting | Introduction >About the Report ESG Commitment: Shaping a Sustainable Future >ESG Development Strategy |
| | 2-15 Conflicts of interest | Please refer to <i>2024 Annual Report</i> |
| | 2-16 Communication of critical concerns | ESG Commitment: Shaping a Sustainable Future >Materiality Assessment >ESG Development Strategy |
| | 2-17 Collective knowledge of the highest governance body | The Group regularly or irregularly provides the directors with the latest laws, regulations and regulatory requirements documents and carries out necessary training, including but not limited to ESG general knowledge, climate change, anticorruption, etc. |
| | 2-18 Evaluation of the performance of the highest governance body | Please refer to <i>2024 Annual Report</i> |
| | 2-19 Remuneration policies | Please refer to <i>2024 Annual Report</i> |
| | 2-20 Process to determine remuneration | Please refer to <i>2024 Annual Report</i> |
| 4. Strategy, policies and practices | 2-22 Statement on sustainable development strategy | ESG Commitment: Shaping a Sustainable Future >ESG Development Strategy |
| | 2-23 Policy commitments | People-Oriented: Empowering Talent Development > High Collaboration |
| | 2-24 Embedding policy commitments | People-Oriented: Empowering Talent Development > High Collaboration |
| | 2-25 Processes to remediate negative impacts | Strong Governance: Securing Business Resilience > Compliance Management People-Oriented: Empowering Talent Development > High Collaboration > High Motivation |
| | 2-26 Mechanisms for seeking advice and raising concerns | Strong Governance: Securing Business Resilience > Compliance Management People-Oriented: Empowering Talent Development > High Collaboration > High Motivation |
| | 2-27 Compliance with laws and regulations | No major environment-related violation of laws and regulations have occurred in this year. |
| | 2-28 Membership associations | The Group is a member of UNGC. |
| 5. Stakeholder engagement | 2-29 Approach to stakeholder engagement | ESG Commitment: Shaping a Sustainable Future >Materiality Assessment |
| | 2-30 Collective bargaining agreements | People-Oriented: Empowering Talent Development > High Collaboration |

| GRI Standard | Disclosure | Location |
|-----------------------------|--------------------------------------|---|
| GRI 3: Material Topics 2021 | | |
| 3-1 | Process to determine material topics | ESG Commitment: Shaping a Sustainable Future >Materiality Assessment |
| 3-2 | List of material topics | ESG Commitment: Shaping a Sustainable Future >Materiality Assessment |
| 3-3 | Management of material topics | Please refer to the following table. |

| GRI Standard | | | Location |
|-------------------------------|--------------------------------------|--|---|
| GRI 201: Economic Performance | GRI 3: Management of material topics | How it manages Economic performance | Please refer to <i>2024 Annual Report</i> |
| | Topic disclosures | 201-1 Direct economic value generated and distributed | Please refer to the <i>2024 Annual Report</i> for operation related financial information. Other information is subject to confidentiality requirements and will not be reported. |
| | | 201-2 Financial implications and other risks and opportunities due to climate change | Low-Carbon Action: Greening Ecological Ecosystem >Responding to Climate Change |
| GRI 204: Procurement practice | GRI 3: Management of material topics | How it manages procurement practices | Operational Excellence: Accelerating Sustainable Growth >Responsible Supply Chain |
| GRI 205: Anti-corruption | GRI 3: Management of material topics | How it manages anti-corruption | Strong Governance: Securing Business Resilience > Compliance Management |
| | Topic disclosures | 205-2 Communication and training about anti-corruption policies and procedures | Strong Governance: Securing Business Resilience > Compliance Management Appendix > Key Performance Indicators |
| | | 205-3 Confirmed incidents of corruption and actions taken | Strong Governance: Securing Business Resilience > Compliance Management Appendix > Key Performance Indicators |
| GRI 302: Energy | GRI 3: Management of material topics | How it manages energy | Low-Carbon Action: Greening Ecological Ecosystem > Low-carbon and Green Operation |
| | Topic disclosures | 302-1 Energy consumption within the organization | Appendix > Key Performance Indicators |
| | | 302-3 Energy intensity | Appendix > Key Performance Indicators |
| | | 302-4 Reduction of energy consumption | Low-Carbon Action: Greening Ecological Ecosystem > Low-Carbon and Green Operation |
| | | 302-5 Reductions in energy requirements of products and services | Low-Carbon Action: Greening Ecological Ecosystem > Low-Carbon and Green Operation |

| GRI Standard | | | Location |
|------------------------------|--------------------------------------|---|--|
| GRI 303: Water and Effluents | GRI 3: Management of material topics | How it manages water and effluents | Low-Carbon Action: Greening Ecological Ecosystem > Low-Carbon and Green Operation > Ecological Balance in Nature |
| | | 303-1 Interactions with water as a shared resource | Low-Carbon Action: Greening Ecological Ecosystem > Ecological Balance in Nature |
| | | 303-2 Management of water discharge-related impacts | Low-Carbon Action: Greening Ecological Ecosystem > Low-Carbon and Green Operation |
| | Topic disclosures | 303-3 Water withdrawal | Low-Carbon Action: Greening Ecological Ecosystem > Ecological Balance in Nature Appendix > Key Performance Indicators |
| GRI 304: Biodiversity | GRI 3: Management of material topics | How it manages biodiversity | Low-Carbon Action: Greening Ecological Ecosystem > Ecological Balance in Nature |
| | | 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | Low-Carbon Action: Greening Ecological Ecosystem > Ecological Balance in Nature |
| | Topic disclosures | 304-2 Significant impacts of activities, products and services on biodiversity | Low-Carbon Action: Greening Ecological Ecosystem > Ecological Balance in Nature |
| | | 304-3 Habitats protected or restored | Low-Carbon Action: Greening Ecological Ecosystem > Ecological Balance in Nature |
| GRI 305: Emissions | GRI 3: Management of material topics | How it manages emissions | Low-Carbon Action: Greening Ecological Ecosystem > Low-Carbon and Green Operation |
| | | 305-1 Direct (Scope 1) GHG emissions | Appendix > Key Performance Indicators |
| | Topic disclosures | 305-2 Energy indirect (Scope 2) GHG emissions | Appendix > Key Performance Indicators |
| | | 305-3 Other indirect (Scope 3) GHG emissions | Low-Carbon Action: Greening Ecological Ecosystem > Responding to Climate Change |
| | | 305-4 GHG emissions intensity | Appendix > Key Performance Indicators |
| | | 305-5 Reduction of GHG emissions | Low-Carbon Action: Greening Ecological Ecosystem > Responding to Climate Change > Low-Carbon and Green Operation |
| GRI 306: Waste | GRI 3: Management of material topics | How it manages waste | Low-Carbon Action: Greening Ecological Ecosystem > Low-Carbon and Green Operation |
| | | 306-1 Waste generation and significant waste-related impacts | Low-Carbon Action: Greening Ecological Ecosystem > Low-Carbon and Green Operation |
| | Topic disclosures | 306-2 Management of significant waste related impacts | Low-Carbon Action: Greening Ecological Ecosystem > Low-Carbon and Green Operation |
| | | 306-3 Waste generated | Appendix > Key Performance Indicators |

| GRI Standard | | | Location |
|--|--------------------------------------|---|---|
| GRI 308: Supplier Environmental Assessment | GRI 3: Management of material topics | How it manages supplier environmental assessment | Operational Excellence: Accelerating Sustainable Growth >Responsible Supply Chain |
| | Topic disclosures | 308-1 New suppliers that were screened using environmental criteria | Operational Excellence: Accelerating Sustainable Growth >Responsible Supply Chain |
| | | 308-2 Negative environmental impacts in the supply chain and actions taken | Operational Excellence: Accelerating Sustainable Growth >Responsible Supply Chain |
| | GRI 3: Management of material topics | How it manages employment | People-Oriented: Empowering Talent Development > High Collaboration |
| GRI 401: Employment | Topic disclosures | 401-1 New employee hires and employee turnover | Appendix > Key Performance Indicators |
| | | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | People-Oriented: Empowering Talent Development > High Motivation |
| | | 401-3 Parental leave | People-Oriented: Empowering Talent Development > High Motivation |
| | | | |
| GRI 403: Occupational Health and Safety | GRI 3: Management of material topics | How it manages occupational health and safety | Operational Excellence: Accelerating Sustainable Growth >Comprehensive Safety Management |
| | | 403-1 Occupational health and safety management system | Operational Excellence: Accelerating Sustainable Growth >Comprehensive Safety Management |
| | | 403-2 Hazard identification, risk assessment, and incident investigation | Operational Excellence: Accelerating Sustainable Growth >Comprehensive Safety Management |
| | | 403-3 Occupational health services | Operational Excellence: Accelerating Sustainable Growth >Comprehensive Safety Management |
| | | 403-4 Worker participation, consultation, and communication on occupational health and safety | Operational Excellence: Accelerating Sustainable Growth >Comprehensive Safety Management |
| | | 403-5 Worker training on occupational health and safety | Operational Excellence: Accelerating Sustainable Growth >Comprehensive Safety Management |
| | | 403-6 Promotion of worker health | Operational Excellence: Accelerating Sustainable Growth >Comprehensive Safety Management |
| | | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Operational Excellence: Accelerating Sustainable Growth >Comprehensive Safety Management |
| | | 403-8 Workers covered by an occupational health and safety management system | Operational Excellence: Accelerating Sustainable Growth >Comprehensive Safety Management |
| | | | |
| | Topic disclosures | 403-9 Work-related injuries | Operational Excellence: Accelerating Sustainable Growth >Comprehensive Safety Management Appendix > Key Performance Indicators |
| | | 403-10 Work-related ill health | Operational Excellence: Accelerating Sustainable Growth >Comprehensive Safety Management |

| GRI Standard | | | Location |
|--|--------------------------------------|--|---|
| GRI 404: Training and Education | GRI 3: Management of material topics | How it manages training and education | People-Oriented: Empowering Talent Development > High Growth |
| | Topic disclosures | 404-1 Average hours of training per year per employee | Appendix > Key Performance Indicators |
| | | 404-2 Programs for upgrading employee skills and transition assistance programs | People-Oriented: Empowering Talent Development > High Growth |
| | | 404-3 Percentage of employees receiving regular performance and career development reviews | People-Oriented: Empowering Talent Development > High Growth |
| GRI 405: Diversity and Equal Opportunity | GRI 3: Management of material topics | How it manages diversity and equal opportunity | People-Oriented: Empowering Talent Development > High Collaboration |
| | Topic disclosures | 405-1 Diversity of governance bodies and employees | People-Oriented: Empowering Talent Development > High Collaboration Appendix > Key Performance Indicators |
| GRI 406: Non-discrimination | GRI 3: Management of material topics | How it manages nondiscrimination | People-Oriented: Empowering Talent Development > High Collaboration |
| | Topic disclosures | 406-1 Incidents of discrimination and corrective actions taken | No incidents of discrimination have occurred in this year. |
| GRI 408: Child Labor | GRI 3: Management of material topics | How it manages child labor | People-Oriented: Empowering Talent Development > High Collaboration |
| | Topic disclosures | 408-1 Operations and suppliers at significant risk for incidents of child labor | No incidents of child labor have occurred in this year. |
| GRI 409: Forced or Compulsory labor | GRI 3: Management of material topics | How it manages forced or compulsory labor | People-Oriented: Empowering Talent Development > High Collaboration |
| | Topic disclosures | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | No incidents of forced or compulsory labor have occurred in this year. |
| GRI 413: Local Communities | GRI 3: Management of material topics | How it manages local communities | Community Prosperity: Creating Shared Value > Social Advancement > Community Prosperity |
| | Topic disclosures | 413-1 Operations with local community engagement, impact assessments, and development programs | Community Prosperity: Creating Shared Value > Social Advancement > Community Prosperity |
| | | 413-2 Operations with significant actual and potential negative impacts on local communities | There were no operating points with actual or potential significant negative impact on local community during this year |
| GRI 414: Supplier Social Assessment | GRI 3: Management of material topics | How it manages supplier social assessment | Operational Excellence: Accelerating Sustainable Growth >Responsible Supply Chain |
| | Topic disclosures | 414-1 New suppliers that were screened using social criteria | Operational Excellence: Accelerating Sustainable Growth >Responsible Supply Chain |
| | | 414-2 Negative social impacts in the supply chain and actions taken | Operational Excellence: Accelerating Sustainable Growth >Responsible Supply Chain |
| GRI 418: Customer Privacy | GRI 3: Management of material topics | How it manages customer privacy | Operational Excellence: Accelerating Sustainable Growth >Product Responsibility Guarantee |
| | Topic disclosures | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | No substantiated concerning breaches of customer privacy and losses of customer data have occurred in this year |

Independent Assurance Report



羅兵咸永道

English Translation for Reference Only

Independent practitioner's limited assurance report on Concord New Energy Group Limited's ESG Data

To the Board of Directors of Concord New Energy Group Limited

Limited assurance conclusion

We have conducted a limited assurance engagement on the selected key data (the "ESG Data") of Concord New Energy Group Limited (the "Company") included in the 2024 Environmental, Social and Governance Report (the "2024 ESG report") as at 31 December 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the ESG Data is not prepared, in all material respects, in accordance with the criteria applied as explained in the section "Basis of Reporting" of the 2024 ESG report (the "basis of reporting").

The ESG Data as at 31 December 2024 and for the year then ended is summarised below:

- Direct Emissions (Scope 1) (Tonnes CO₂e)
- Indirect Emissions (Scope 2) (Tonnes CO₂e)
- Indirect Emissions (Scope 3) – Business Travel (Tonnes CO₂e)
- Total Energy Consumption (MWh)
- Petrol for Official Vehicles (MWh)
- Diesel for Official Vehicles (MWh)
- Purchased Electricity (MWh)
- Water Consumption (Tonnes)
- Total Workforce (Person)
- Overall Turnover Rate (%)
- Training Hours per Employee (Hours)
- Lost-Time Injury Rate (LTIR) (Incident per 200,000 hours)
- Total Number of Suppliers (Number)
- Participation Rate of Anti-corruption Training for Employees (%)
- Participation Rate of Anti-corruption Training for Directors (%)

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements ISAE 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ("ISAE 3000 (Revised)"), issued by the International Auditing and Assurance Standards Board ("the IAASB").



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We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Practitioner's responsibilities section of our report.

Our independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1 issued by the IAASB, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities for the ESG Data

Management of the Company is responsible for:

- The preparation of the ESG Data in accordance with the basis of reporting;
- Designing, implementing and maintaining such internal control as management determines is necessary to enable the preparation of the ESG Data, in accordance with the basis of reporting, that is free from material misstatement, whether due to fraud or error; and
- The selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Company's sustainability reporting process.

Inherent limitations in preparing the ESG Data

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities, and over time.

In addition, greenhouse gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Practitioner's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the ESG Data is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. We report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Misstatements can arise from fraud or error and are considered material if, individually or



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in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the ESG Data.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Determine the suitability in the circumstances of the Company's use of the basis of reporting as the basis for the preparation of the ESG Data.
- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Company's internal control.
- Design and perform procedures responsive to where material misstatements are likely to arise in the ESG Data. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the ESG Data. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of where material misstatements are likely to arise in the ESG Data, whether due to fraud or error.

In conducting our limited assurance engagement, we:

- Obtained an understanding of the Company's reporting processes relevant to the preparation of the ESG Data through inquiry with the persons from relevant departments at the Headquarter of the Company responsible for the ESG Data;
- Evaluated whether all information identified by the process to identify the information reported in the ESG Data is included in the ESG Data;
- Performed inquiries of relevant personnel and analytical procedures on selected information in the ESG Data;
- Performed limited substantive procedures on a sample basis on selected information in the ESG Data; and
- Evaluated the methods, assumptions and data for developing estimates.

Other matter

Our conclusion on the current period addresses the ESG Data described in the "Limited assurance conclusion" section of our report. The comparative ESG Data presented as at 31 December 2023 and for the year then ended relating to ESG Data set out below was not subject to assurance.



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- Indirect Emissions (Scope 3) — Business Travel (Tons CO₂e)
- Lost Time Injury Rate (LTIR) (Incident per 200,000 hours)

The comparative ESG Data of the Company as at 31 December 2022 and for the year then ended was not subject to an assurance engagement. Our conclusion is not modified in respect of these matters.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 10 April 2025

Basis of Reporting

1. Direct Emissions (Scope 1) (Tonnes CO₂e): Direct emissions (Scope 1) of greenhouse gas emissions refers to the direct greenhouse gas emissions from petrol and diesel consumption, refrigerant and fire extinguisher filling fugitive emissions of the wholly-owned business of the Concord New Energy Group Limited in China during the reporting period, in accordance with the National Standard of the People's Republic of China *General Rules for the Calculation of Comprehensive Energy Consumption (GB/T 2589-2020)* and the *2006 IPCC Guidelines for National Greenhouse Gas Inventories (2019 Revision)* published by the Intergovernmental Panel on Climate Change (IPCC).

2. Indirect Emissions (Scope 2) (Tonnes CO₂e): Indirect emissions (Scope 2) of greenhouse gas emissions refers to the indirect greenhouse gas emissions generated by the purchased electricity of the Singapore headquarters and wholly-owned business of the Concord New Energy Group Limited in China during the reporting period. The emission factors are accounted for in accordance with the *Announcement on the Release of the Electricity Carbon Dioxide Emission Factor for 2022* issued by the Ministry of Ecology and Environment of the People's Republic of China and *EIB Project Carbon Footprint Methodologies (Version 11.3)* of the European Investment Bank.

3. Indirect Emissions (Scope 3) - Business Travel (Tonnes CO₂e): Indirect emissions (Scope 3) - business travel of greenhouse gas emissions refer to the indirect greenhouse gas emissions generated by Concord New Energy Group Limited due to employee travel during the reporting period, where emissions from employee travel include emissions generated during air travel, rail travel, road travel and accommodation, and are calculated based on the emission factors in the *UK Government Conversion Factors for greenhouse gas (GHG) reporting (Version 1.1)* issued by the UK Department for Energy Security and Net Zero (DESNZ) and the Department for Environment, Food & Rural Affairs (DEFRA) and the *Supply Chain GHG Emission Factors_v1.3* issued by the U.S. Environmental Protection Agency (EPA).

4. Total Energy Consumption (MWh): Total energy consumption refers to the total consumption of direct energy and indirect energy of the Singapore headquarters and wholly-owned business of the Concord New Energy Group Limited in China during the reporting period. Among them, direct energy consumption includes petrol and diesel consumption by official vehicles, and indirect energy consumption includes purchased electricity.

5. Petrol for Official Vehicles (MWh): Petrol for official vehicles refers to the total consumption of petrol by official vehicles of the wholly-owned business of the Concord New Energy Group Limited in China during the reporting period, which is accounted for in accordance with the National Standard of the People's Republic of China, *General Rules for the Calculation of Comprehensive Energy Consumption (GB/T 2589-2020)*.

6. Diesel for Official Vehicles (MWh): Diesel for official vehicles refers to the total consumption of diesel by official vehicles of the wholly-owned business of the Concord New Energy Group Limited in China during the reporting period, which is accounted for in accordance with the National Standard of the People's Republic of China, *General Rules for the Calculation of Comprehensive Energy Consumption (GB/T 2589-2020)*.

7. Purchased Electricity (MWh): Purchased electricity refers to the purchased electricity of the Singapore headquarters and wholly-owned business of the Concord New Energy Group Limited in China during the reporting period.

8. Water Consumption (Tonnes): Water consumption refers to the municipal water consumption of the Singapore headquarters and wholly-owned business of the Concord New Energy Group Limited in China during the reporting period.

9. Total Workforce (Person): Total workforce refers to the number of formal employees of Concord New Energy Group Limited as of the end of the reporting period, excluding interns, outsourced employees, labour dispatch employees and third-party employees.

10. Overall Turnover Rate (%): Overall turnover rate refers to the ratio of the number of employees who left Concord New Energy Group Limited to the number of employees during the reporting period. The number of employees is the sum of the total number of employees as of the end of the reporting period and the number of employees who left the Group during the reporting period. The statistical scope of employees who left the Group is the employees who pass the probation period and left the Group voluntarily (including retirement) and involuntarily.

11. Training Hours per Employee (Hours): Training hours per employee refers to the number of training hours per formal employee of Concord New Energy Group Limited during the reporting period.

12. Lost-Time Injury Rate (LTIR) (Incident per 200,000 hours): Lost-time injury rate refers to the frequency of work-related accidents resulting in loss of working time per 200,000 working hours of employees of Concord New Energy Group Limited during the reporting period.

13. Total Number of Suppliers (Number): Total number of suppliers refers to the total number of suppliers of engineering equipment category managed in the supplier pool by Concord New Energy Group Limited as of the end of the reporting period.

14. Participation Rate of Anti-corruption Training for Employees (%): Participation rate of anti-corruption training for employees refers to the percentage of employees who participated in anti-corruption training of Concord New Energy Group Limited during the reporting period, and the employees do not include directors.

15. Participation Rate of Anti-corruption Training for Directors (%): Participation rate of anti-corruption training for directors refers to the proportion of directors of Concord New Energy Group Limited who participated in anti-corruption training during the reporting period.

Reader Feedback Form

Dear Reader:

Thank you for taking the time to read the *Concord New Energy 2024 ESG Report*. In order to further improve the quality of ESG management and the report, we sincerely invite you to provide us with your valuable opinions and suggestions. We will fully consider your opinions and suggestions and promise to properly protect your information from being obtained by third parties.

You can contact us through the following ways:

Address: 30 Cecil Street #21-02, Prudential Tower, 049712, Singapore; CWP Bldg., No.9 South Shouti Rd., Haidian District, Beijing, 100048, P.R.C.

Telephone: +65-60221830; +86-010-88317888

Email: ESG@cnegroup.com

Fax: +86-10-88317777

Concord New Energy Group

April 2025

Please indicate your level of agreement with the following statements on a scale of 1 to 5 (1 being strongly disagree and 5 being strongly agree):

This report reflects the company's impact on the environment and society.

I am satisfied with the company's ESG practice effectiveness.

I am satisfied with the level of information disclosure in this report.

This report responds to and discloses issues of concern to stakeholders.

I am satisfied with this report.

Other comments:

GENERATE FOR GENERATIONS

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