



四川能投發展股份有限公司

Sichuan Energy Investment Development Co., Ltd.

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

Stock Code : 1713

2019

Environmental, Social &
Governance Report



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Abbreviation

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

“Sichuan Energy Investment Development”	Sichuan Energy Investment Development Co., Ltd.
“The Report”	Sichuan Energy Investment Development’s 2019 Environmental, Social and Governance Report
“Headquarters”	Headquarters of Sichuan Energy Investment Development, excluding its subsidiaries
“Subsidiaries”	Subsidiaries of Sichuan Energy Investment Development that are included in the Report’s scope (refer to section “2.1 Report Scope” for details)
“We”, “the Group”	Collective reference of the headquarters and subsidiaries
“ESG”	Environmental, social and governance
“The Reporting Period”	January 1, 2019 to December 31, 2019
“PRC”	People’s Republic of China
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“SEHK”	The Stock Exchange of Hong Kong Limited
“the Guide”	<i>Environmental, Social and Governance Reporting Guide, Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited</i>
“Yuan”	Renminbi yuan, the lawful currency of PRC

About the Report

The Report is the second ESG report issued by the Group after its listing on the SEHK. It aims to provide Sichuan Energy Investment Development's sustainable development performance in 2019 in response to the Group's stakeholders' concerns related to sustainable development topics.

2.1 Report Scope

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

Subsidiaries	Abbreviation	Principal Activities
Sichuan Energy Investment Yibin Electricity Co., Ltd.	Sichuan Energy Yibin Electricity	Power supply
Sichuan Energy Investment Gao County Electricity Co., Ltd.	Sichuan Energy Gao County Electricity	Power supply
Sichuan Energy Investment Gong County Electricity Co., Ltd.	Sichuan Energy Gong County Electricity	Power supply
Sichuan Energy Investment Xingwen Electricity Co., Ltd.	Sichuan Energy Xingwen Electricity	Power supply
Sichuan Energy Power Investment Pingshan Electricity Co., Ltd.	Sichuan Energy Pingshan Electricity	Power supply
Sichuan Energy Investment Junlian Electricity Co., Ltd.	Sichuan Energy Junlian Electricity	Power supply
Shuifu Yangliutan Power Generation Co., Ltd.	Sichuan Energy Yangliutan Power Generation	Power generation
Sichuan Energy Power Investment Yibin Electricity Engineering Construction Co., Ltd.	Sichuan Energy Yibin Electricity Construction	Construction
Sichuan Energy Investment Yibin City Electricity Sales Co., Ltd.	Sichuan Energy Yibin City Electricity Sales	Electricity sales
Sichuan Energy Investment Gao County Yuejiang Power Generation Co., Ltd.	Sichuan Energy Yuejiang Power Generation	Power generation
Yibin County Xuzhou District Changyuan Infrastructure Co., Ltd.	Sichuan Energy Yibin Changyuan	Installation and maintenance

Unless otherwise stated, the time frame of the Report is from January 1, 2019 to December 31, 2019.

About the Report (Continued)

2.2 Director's Responsibilities

The board of directors of the Group has determined the ESG-related risks and opportunities, formulated ESG-related management policies, strategies, priorities and targets and determined the scope of the Report. At the same time, the board of directors ensures that the Group has a suitable and effective risk management and internal control system, approves the disclosure of the Report, and assumes overall responsibility for the Group's environmental, social and governance issues. The board of directors of the Group guarantees that there are no false records, misleading statements or major omissions in the content of the Report and is responsible for the authenticity and completeness of the content of the Report.

2.3 Reporting Guidelines

The Group constructed the Report in accordance with the *Environmental, Social and Governance Reporting Guide*, Appendix 27 to the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* issued by The Stock Exchange of Hong Kong Limited. The Report has complied with all the "comply or explain" clauses in the Guide and has been prepared in accordance with the four reporting principles in the Guide: materiality, quantitative, balance and consistency. The specific compliance of the Report with the *Environmental, Social and Governance Reporting Guide* is summarized in the "Content index of the *Environmental, Social and Governance Reporting Guide*" chapter.

2.4 Report Declaration

The information in the Report comes from internal documents and related statistical data of the Group. The Report is published in both Traditional Chinese and English. If there were any discrepancies in the content of the Report, the Traditional Chinese version shall prevail. The electronic report can be viewed and downloaded through the Group's official website and the website of the SEHK.

2.5 Response to the Report

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

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Group Profile

Sichuan Energy Investment Development Co., Ltd. was founded in Chengdu City, Sichuan Province on September 29, 2011 with a registered capital of 1.074 billion yuan. With the stock code of 01713.HK, the Group was listed on SEHK in December 2018, becoming the first company in the domestic electricity distribution and sales industry to be listed on the H-shares market.

We are a vertically integrated power supplier and service provider in Yibin City, Sichuan Province, with a full power supply value chain covering power generation and electricity distribution and sales. We have a stable user base and a comprehensive network of power supply in Yibin City, which allows us to optimize the balance usage of power resources within our power supply network through efficient allocation of electricity. Our business currently consists of (i) power business, which includes power production, distribution and sales; and (ii) electric engineering construction and service business, which consists of electrical engineering construction service and sales of electric equipment and materials.

During the Reporting Period, we realized a revenue of 2,472.7 million yuan, a year-on-year increase of 21.7%.

Message from Management

2019 is the first year for the Group to enter the international capital market, and it is also the key year for the Group to accelerate its transformation and upgrading. During the year, the Group's operating performance increased steadily, providing a stable and reliable power supply for regional economic development, and achieving the mutual development of the corporation and society.

We always adhere to the concept of green development, and all the grid-connected power stations are green and environmentally-friendly hydropower generating units. In 2019, the Group's self-generated power was 590 million kWh, which is equivalent to reducing 508,100 tonnes of carbon dioxide emissions. We continuously strengthen the upgrading of the power grid, improve the structure of the power grid and reduce transmission losses. We value environmental protection, carry out fish breeding and release, enhance the ecological flow of hydropower stations and have made positive contributions to improving the living environment for rare and unique fish in the upper Yangtze River. We vigorously develop the charging pile business, strongly support the promotion and application of new energy vehicles and provide clean energy for society's development.

We regard safe production as the basis for sustainable development of the Group. We always adhere to the working principle of "safety first, prevention as priority, comprehensive management". Also, we constantly improve the safety management system, increase the investigation and management of safety hazards, fundamentally eliminate safety hazards and improve safety management. We vigorously carry out safety awareness and job skills training for all employees and cultivate a safety culture with the Group's characteristics. In 2019, the Group's condition of safety production continued to be stable, and no production safety accidents above general level occurred throughout the year.

We have always strengthened corporate responsibility and actively fulfilled our social responsibilities. After the magnitude 6.0 earthquake in Changning County, Yibin on June 17, 2019, the Group immediately organized 18 rescue teams, more than 2,100 people and more than 60 vehicles to carry out the earthquake relief and recovery work. It only took 43 hours for us to restore all the lines in the service area and 29,276 households' power supply. Our efficient and high-quality measures have been praised by government authorities and the local people.

Finally, on behalf of the board of directors, I would like to thank all shareholders, business partners and customers for their long-term support, understanding and trust in the Group. I also sincerely thank all employees for their efforts and contributions and their families for their understanding and support. We will stick to our original intentions, move forward, serve the society and contribute to the bright future. We will continue our efforts to build a first-class modern integrated energy service enterprise!

Sustainability Management

5.1 ESG Management Structure

The Group establishes an ESG management structure overseen by the board of directors. It also has an ESG working committee led by senior management with the participation of middle management and general employees. Members in this committee include representatives of functional departments and subsidiaries of the Group that are involved in ESG management. The committee is responsible for delivering and communicating the Group's ESG strategy and specific initiatives, as well as collecting and reporting management measures and performances of ESG-related topics.

5.2 Stakeholder Engagement

We always maintain good communication with our stakeholders and respond to our stakeholders on material topics of interest to them. During the Reporting Period, the Group's main stakeholders include governments and regulatory authorities, investors, employees, customers, suppliers and communities. We implement a comprehensive and efficient stakeholder communication mechanism, continuously learn the targets and concerns of stakeholders and actively respond to the demands of stakeholders through a series of actions.

Stakeholders	Targets and Concerns	Communication Methods	Key Actions in 2019
Government and Regulatory Authorities	<ul style="list-style-type: none"> – State-owned assets preservation and appreciation – Fulfil social responsibility – Boost economic development – Safe and reliable power supply – Environmental protection measures in place – Legal and Compliance Operations 	<ul style="list-style-type: none"> – Participate in related policy discussions – Form a special investigation report – Communicate with the local government – Compliance disclosure 	<ul style="list-style-type: none"> – Implement national policy – Comply with national laws and regulations – Corporate with compliance supervision – Fulfil Social Responsibility

Sustainability Management (Continued)

Stakeholders	Targets and Concerns	Communication Methods	Key Actions in 2019
Investors	<ul style="list-style-type: none"> – Business strategy – Financial performance – Business compliance – Corporate governance – Return on investment – Timely information disclosure 	<ul style="list-style-type: none"> – Shareholders meeting – Periodic reports – Circulars and announcements – Investor meeting – Investor visit – Corporate website 	<ul style="list-style-type: none"> – Hold shareholders meeting and board of directors meetings regularly as required by listing rules – Disclose announcements and issue periodic reports in a timely manner – Provide unobstructed communication channels
Employees	<ul style="list-style-type: none"> – Salary and benefits – Rights protection – Career development – Safety and health – Corporate culture 	<ul style="list-style-type: none"> – Employee supervisor in the supervisory board – Trade union organizations, employee representatives – Employee opinion surveys, employee discussions, and unobstructed feedback channels – Increase information disclosure 	<ul style="list-style-type: none"> – Cultivate and establish corporate culture – Strengthen employees' professional skills training – Protection of employees' rights and benefits – Guarantee employees' health and safety

Sustainability Management (Continued)

Stakeholders	Targets and Concerns	Communication Methods	Key Actions in 2019
Customers	<ul style="list-style-type: none"> – Safe and reliable power supply – Legal prices and regulations – High quality and efficient service – Timely response 	<ul style="list-style-type: none"> – Customer visit – Timely communication during service – Customer opinion survey processing and feedback – Publish service information in a timely manner 	<ul style="list-style-type: none"> – Efficient dispatch and reliable power supply – Adjust electricity prices according to policies – Emergency response in case of disaster – Sincere service and customer first – Clear authority and protect privacy – Innovative services for users
Suppliers	<ul style="list-style-type: none"> – Joint compliance with business ethics and national laws and regulations – Strictly regulate safety management – Keeping promises, mutual benefit and win-win 	<ul style="list-style-type: none"> – Publication of supplier and contractor management regulations – Sharing management experience and technical standards – Daily business communication – Increase information disclosure 	<ul style="list-style-type: none"> – Establish an open and transparent project bidding system – Preparation of legal and equal cooperation contracts – Improve project construction supervision system and procedures – Actively communicate and coordinate with contractors to create a safe and healthy operating environment – Provide equal opportunities for suppliers

Sustainability Management (Continued)

Stakeholders	Targets and Concerns	Communication Methods	Key Actions in 2019
Community	<ul style="list-style-type: none"> – General service – Targeted poverty alleviation – Community Building – Volunteer activities 	<ul style="list-style-type: none"> – Bring power services into the community – Communicate with the local government – Community visits and exchanges – Increase information disclosure 	<ul style="list-style-type: none"> – Implement general services – Targeted poverty alleviation – Focus on grid power construction – Focus on public welfare – Carry out public welfare volunteering activities

5.3 Assessment of Material Topics

Upon review, the Group's main business, operating regions and major stakeholders have not changed significantly from 2018 to 2019. At the same time, considering the most efficient use of resources, we will continue to use the results of the assessment of 2018 material topics. In the future, we will make effort to expand the engagement channels and collect a wider range of stakeholder opinions. In 2018, we developed an ESG topic database with reference to the reporting guideline of the Report, and asked internal stakeholders (including directors, senior management, middle management, and front-line employees) of the Group for their opinions through face-to-face interviews and questionnaires on their assessment of the materiality of each ESG topic. Materiality assessment includes two areas: the significance of topics on stakeholders and the significance of topics on the Group's operations. Based on the analysis and summary of the results of the materiality assessment of various stakeholders, we have formed the following materiality analysis matrix.

Sustainability Management (Continued)



The matrix analysis indicates that compared to social topics, environmental topics' significance is generally lower. This is because the Group's electricity production technology is hydropower, which is a clean energy source. The emissions and energy consumption during the production process are extremely limited. Therefore, social topics generally have a greater impact on operations and on stakeholders than environmental topics. We selected the most important issues in the evaluation results as "Material ESG Topics" (see the table below for details). In the Report, we focus on reporting the Group's management and performance related to Material ESG Topics during the Reporting Period in order to respond to the information needs of various stakeholders and to practice the "materiality" reporting principle of the Guide.

Material ESG Topics of 2019 (In order of Materiality)	
Environmental Aspect	Social Aspect
<ul style="list-style-type: none"> • Potential impact of the environment and natural resources on the Company • Water resources • Indirect energy • Direct energy 	<ul style="list-style-type: none"> • Product health and safety • Employment and labour standards • Occupational health and safety • Development and training • Community investment • Supply chain management • Anti-corruption • Customer privacy

Quality Operations

As an energy corporation that concerns national economy and people's livelihood, we have the courage to assume the responsibility of serving local economic development, environmental improvement and people's livelihood improvement. We always adhere to the concept of safe development and continue to provide reliable power supply for general users. We always adhere to the path of harmonious and mutual growth and continuously strengthen supplier risk management. We always strengthen the anti-corruption system and constantly improve the operation and management mechanism of the corporation. We always actively assume the responsibilities given by stakeholders and continuously promote the sustainable development of enterprises and society.

This chapter focuses on the following Material ESG Topics that stakeholders are concerned about

**Product health
and safety**

**Supply chain
management**

Anti-corruption

Customer privacy

6.1 Guaranteed Service

During the Reporting Period, the Group has strictly complied with the following laws and regulations related to the health and safety of products and services, advertising, labelling and privacy matters:

Electric Power Law of the People's Republic of China

Electricity Business Rules

Regulations on Electric Power Supervision

Work Safety Law of the People's Republic of China

Product Quality Law of the People's Republic of China

Law of the People's Republic of China on the Protection of Consumer Rights and Interests

Advertising Law of the People's Republic of China

Patent Law of the People's Republic of China

and other national and regional laws and regulations.

Safe Power Supply

The Group is fully aware that ensuring the safe and stable operation of the power grid and reliable power supply is of great significance for protecting the lives and property of the people. The main sources of electricity we sell are electricity generated by the Group's own hydropower stations and electricity purchased from third-party suppliers. The Group operates through a series of power supply facilities, including step-up and step-down substations, transmission and distribution lines (for terminal users) to distribute power to industrial, commercial, household and other users.

Quality Operations (Continued)

In order to ensure the safe operation of electricity, we have formulated policies such as *Safety Production Management Standards*, *Electrical Safety Equipment Management Regulations*, *Environmental and Safety Incident hazards Investigation and Treatment System* and other policies to regulate safe production management. At the same time, we carry out work safety inspections and safety hazards investigations to ensure the health and safety of production sites and working environments, as well as the product quality and safe use of operating equipment and electrical safety tools. Through measures such as technological transformation of old equipment, enhancement of power grid structure and strengthening of equipment maintenance, we have improved the level of equipment safety, improved power supply reliability and improved power quality to achieve power supply stability, voltage stability, and frequency stability. In addition, the Group strictly complies with the *Power Supply Business Rules* and restricts and manages the power generation service quality control processes such as grid connection methods, power quality, power generation plans, equipment maintenance, and dispatch operations to ensure that it provides customers with safe, reliable, and stable electricity service. During the Reporting Period, the Group's comprehensive power grid's voltage qualified rate reached 99.84% and the power supply reliability rate reached 99.83%.



At 22:55 on June 17, 2019, a magnitude 6.0 earthquake hit Changning County, Yibin City, Sichuan Province. After the earthquake, under the unified deployment of Sichuan Energy Industry Investment Group Co., Ltd., Sichuan Energy Investment Development quickly launched a level II earthquake emergency response, and relevant leaders immediately rushed to the scene. Subsidiaries dispatched more than 1,500 people and more than 60 vehicles to conduct a comprehensive investigation of the power grid of the power station in the service area immediately, organized 10 power rescue teams and emergency supplies to the frontline of the disaster area to participate in the rescue and made every effort to ensure the safe and stable operation of the power grid and reliable power supply in the service area.

Quality Operations (Continued)

Sincere Service

The Group's power supply service area covers the "two districts and five counties" of Yibin City, namely Cuiping District and Xuzhou District (formerly the administrative district of Yibin County), Gao County, Gong County, Junlian County, Xingwen County, and Pingshan County and some surrounding areas. The power supply service area is approximately 9,254 square kilometers, accounting for 68.6% of the administrative division of Yibin City.

On the basis of providing high-quality power services, we are committed to maintaining a good relationship with our customers and providing customers with comprehensive and integrated power services through a combination of online and offline services. In offline services, we provide customers with a good environment for electricity consulting and business processing and timely address various customer needs. In online services, we make full use of the advantages and characteristics of the online platform to communicate with customers about the conditions of their power supply service in a timely manner through text message, telephone, WeChat and other channels to avoid unnecessary losses for customers. We have realized 7×24-hour business consulting services and are gradually promoting online business processing, pre-examination of customer information and electricity booking appointments services to make our online services more convenient and efficient. At the same time, we are also actively following the development of science and technology. We developed various payment methods and cooperated with a number of financial institutions to open withholding and collection services, bank ATM payment services and internet web payment services. We built WeChat payment platforms and established self-service power supply terminals, etc. All listed work provided customers with a variety of payment channels for their choice.

In the process of continuously enhancing our services, we actively listen to customers' opinions and feedback and regularly conduct customer satisfaction surveys to help us continue to improve the quality of our services. We have formulated the *Administrative Measures for the Reporting of Complaints about Power Supply Services (Trial)*, which regulates classification of service complaints, the responsible departments, procedures for acceptance and handling, and accountability. We strictly follow the principle of "100% revisit of complaints" to ensure the quality of complaint handling. Based on the principle of equal emphasis on prevention and post-event processing, we handle complaints and reports quickly, flexibly and accurately, improving the rate of solving the complaint in one time and continuously raising service quality and customer satisfaction. During the Reporting Period, we obtained a total score of 96.83 points in the annual customer satisfaction survey¹.

¹ In customer satisfaction survey, 100 points indicates "very satisfied" and 80 points indicates "relatively satisfied".

Quality Operations (Continued)

With the continuous development of the age of information, information security is increasingly concerned by society. As the Group's business directly involves the privacy issues of a large number of end-users and individual users, we have adopted a dedicated internal control system and equipped dedicated software and hardware equipment to protect the Group and its customers' information from being leaked. We have formulated the *Marketing System Access Authority Management Specification* and *Network Security Management Measures*, establishing clear division of responsibility and authority. Only authorized personnel can access customer data. In addition, we installed hardware to fully protect the server and back up information in a timely manner and built a data protection system in software to prevent potential data leakage risks. Through comprehensive technical means such as equipment security, network security and network monitoring, the information security of the Group and its customers is guaranteed.

As we do not have self-developed products or technologies, we have not formulated our own intellectual property protection measures. However, we still attach great importance to the protection of intellectual property rights. We have issued the *Notice on the Establishment of a Software Authentication Working Group* to regulate the work responsibilities of using genuine software and ensure that the software systems used by the Group's production and office are purchased from certificated suppliers through legal and compliance processes. Employees must not install pirated software without authorization. During the Reporting Period, the Group did not infringe any intellectual property rights.

6.2 Responsible Procurement

The supply chain runs through all process of a corporation's production and operations, so ensuring a stable and sustainable supply environment plays a significant role in a corporation. For the Group, effective supply chain management can not only reduce costs, more importantly, it serves as an effective connection of power generation, power transmission, power purchase and power sale. We attach great importance to maintaining a good strategic partnership with our suppliers, adhere to responsible procurement and green procurement and thus creating a solid and stable foundation for the Group's sustainable power supply.

The Group's suppliers mainly include State Grid Sichuan Electric Power Company Yibin Power Supply Company, Yunnan Power Grid Corporation Zhaotong Power Supply Bureau, grid-connected hydropower stations in the supply area and grid-connected hydropower stations outside the supply area. We attach great importance to the environmental and social risk management of suppliers. In addition to considering cost factors in the bidding process, we also take environmental protection as a necessary evaluation criterion. First, we strictly verify whether the supplier has any law or regulation breaking records due to pollution of the ecological environment in the course of operation. Secondly, we check whether the products provided by

Quality Operations (Continued)

the supplier meet the national environmental protection standards. In the comprehensive supplier evaluation, we encourage suppliers to provide the certifications they have obtained, such as the quality certification management system (ISO9001) and environmental certification management system (ISO14001). During the contract period, we regularly carry out special environmental inspections and urge our partners to implement environmental management regulations. For suppliers who violate the regulations, we strictly issue penalties and require them to make corrections within a time limit. Should there be any severe case, we may terminate the contract.

During the Reporting Period, a total of 222 suppliers within the Group's power procurement scope adhere to the above procurement management policies. The number of power procurement suppliers by region of the Group is as follows²:

Cuiping District	Xuzhou District	Gao County	Gong County	Junlian County	Xingwen County	Pingshan County
19	19	20	48	78	52	11

6.3 Integrity Governance

During the Reporting Period, the Group has strictly complied with the following laws and regulations related to the prevention of bribery, extortion, fraud and money laundering:

Criminal Law of the People's Republic of China
Anti-Money Laundering Law of the People's Republic of China

and other national and regional laws and regulations.

In order to strengthen the Group's work in improving the Party's style of work, building a clean government and promoting the management leaders to work in compliance and with integrity, we have formulated the *Evaluation of the Implementation of Responsibility System for Improving the Party's Style of Work and Upholding Integrity*, the *Interim Measures for the Implementation of the Responsibility System for Improving the Party's Style of Work and Upholding Integrity*, *Opinions on the implementation of an Integrity culture*, etc., strictly prohibiting acts of corruption. During the Reporting Period, the Group did not receive any legal cases regarding corruption or bribery.

² The same supplier may be counted in different regions.

Quality Operations (Continued)

The Group has formulated the *Whistle-blowing Management System, Measures for Handling Whistle-blowing Letters and Visits* and *Administrative Measures for Discipline Inspection and Supervision of Case Files* to further standardize the management of whistle-blowing and provide whistle-blowers with multiple channels to feedback information. Whistle-blower may report violations of laws and disciplines to the Group through various channels such as letters, telephones, emails, and visits. We adhere to the principle of “seeking truth from facts and must correct mistakes” and handle whistle-blowing incidents in compliance with the relevant laws.

The Group hopes to strengthen the building of an ethic culture and actively create a clean and honest atmosphere. In our daily work, we prevent corruption and promote integrity through training and education activities.

In June 2019, the Group organized more than 20 management employees to go to Jintang Prison in Sichuan Province to carry out clean party style and integrity warning education activities. Through this educational activity, employees profoundly comprehend the serious consequences of violations of disciplines and laws, and thus will adhere to the professional integrity of honesty, fairness, and discipline.



People Oriented

Good employee management is an essential prerequisite for achieving sustainable development. In the long run, our employees and us hold not only an employment relationship, but also a partnership relationship. When employees contribute to the high-quality development of the corporation, we also hope that the development of the corporation can create opportunities and growth platforms for employees to realize their own value.

This chapter focuses on the following Material ESG Topics that stakeholders are concerned about		
Employment and labour standards	Occupational health and safety	Development and training

7.1 Employment Management

During the Reporting Period, the Group has strictly complied with the following laws and regulations related to the compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare:

Labor Law of the People's Republic of China
Labor Contract Law of the People's Republic of China
Social Insurance Law of the People's Republic of China
Provisions on the Prohibition of Using Child Labour

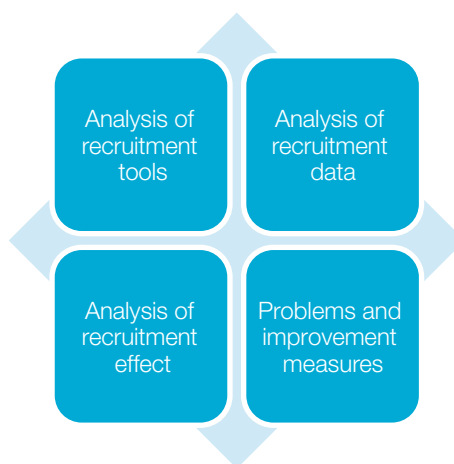
and other national and regional laws and regulations.

On the basis of strictly complying with relevant laws and regulations, we have issued and implemented the *Administrative Measures for the Employment of Sichuan Energy Investment Development Co., Ltd.*, the *Measures for the Headquarters' Management of the Compensation of Sichuan Energy Investment Development Co., Ltd.* and the *Interim Measures for the Management of Vacation and Attendance of Employees of the Headquarters of Sichuan Energy Investment Development Co., Ltd.* and other policies to regulate the management of matters such as recruitment and dismissal, compensation and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination, and employee benefits.

Recruitment and Dismissal

When implementing the recruitment management, we always adhere to the principle of "prioritizing internal recruitment, open and fair, competitiveness and excellency oriented, valuing both integrity and talents with integrity more emphasized". On the basis of the implementation of the *Administrative Measures for the Employment of Sichuan Energy Investment Development Co., Ltd.*, subsidiaries at all levels must also formulate relevant implementation rules based on the principles of recruitment and their own conditions, which can be implemented after review by the headquarters. In December of each year, the Group formulates the recruitment plan for the following year based on its needs in development and posts, and executes the qualification review, comprehensive evaluation, background investigation, and onboarding processes of applicants in accordance with the specifications in the policies mentioned above. Every December, we also request the subsidiaries to provide assessment reports on the effectiveness of the current year's recruitment and summarize the completion status of the year's recruitment work.

People Oriented (Continued)



Picture: Main contents of effectiveness assessment on recruitment

In the *Administrative Measures for the Employment of Sichuan Energy Investment Development Co., Ltd.*, we have provisions to prohibit hiring persons under the age of 18. Also, in the process of eligibility checks, background checks, and other procedures, we verify applicants' identification proof to prevent child labour employment. The Group will stop conducting the recruitment process once it discovers false personal information is provided by the applicants.

The *Administrative Measures for the Employment of Sichuan Energy Investment Development Co., Ltd.* also stipulates the rules and implementation procedures to be followed by the Group and its employees in the cases of contract termination and dismissal. Both the Group and the employees must inform the decision of termination or dismissal in advance in written form and complete the transfer of work duties and other issues such as employee files, social insurance and housing provident funds in accordance with regulations. The implementation of the above measures can ensure that the rights and interests of both the Group and its employees are protected.

As of December 31, 2019, the Group had a total of 3,046 employees. The statistics on the number of employees and the turnover rate during the Reporting Period are as follows:

Category		Number of Employees	Turnover Rate
Gender	Male	2,299	0.99%
	Female	747	1.32%
Age Group	Below 35 years old	530	3.46%
	35–50 years old	1,783	0.72%
	Above 50 years old	733	0.14%

People Oriented (Continued)

Category		Number of Employees	Turnover Rate
Employment Type	Full-time contract employees	2,968	–
	Labour dispatch employees	78	–
Geographical Region	Chengdu, Sichuan Province	85	8.60%
	Yibin, Sichuan Province	2,931	0.75%
	Zhaotong, Yunan Province	30	9.09%

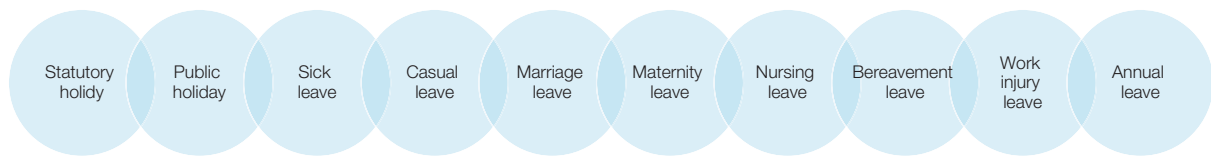
Compensation and Promotion

In terms of compensation and promotion, we have clearly defined the management of compensation and ranks in the *Measures for the Headquarters' Management of the Compensation of Sichuan Energy Investment Development Co., Ltd.* and other documents. The management includes the headquarters' procedure and regulation specifications of a series of issues such as rank sequence, compensation application, compensation calculation and distribution and compensation appealing and handling. The main management principles of the group's compensation and ranks are as follows:

Principle of legal compliance	Principle of prioritizing profitability	Principle of internal fairness	Principle of long-term development
<ul style="list-style-type: none"> The compensation management system complies with national laws and regulations and the regulations and requirements of parent company. 	<ul style="list-style-type: none"> Compensation budgets need to correspond to organizational benefits. 	<ul style="list-style-type: none"> The compensation of employees can reflect the individual labor effort and results, and the degree of contribution to the organization. 	<ul style="list-style-type: none"> The compensation and ranks' mechanism can motivate employees for long-term development.

Working Hours and Holidays

In order to standardize the Group's attendance management and employees' holiday management, we formulated the *Interim Measures for the Management of Vacation and Attendance of Employees of the Headquarters of Sichuan Energy Investment Development Co., Ltd.* and required subsidiaries to refer to this policy to form their own management policies. The policy stipulates that the working hours of employees of the Group's headquarters and subsidiaries are strictly implemented in compliance with relevant national laws and regulations. Also, employees enjoy various holidays to balance work and life. In case of special, urgent or temporary circumstances when employees need to work outside the regular working hours, the Group provides compensation to employees in compliance with relevant laws and regulations.



Picture: Major holidays for employees

The Group signs labour contracts with all employees in accordance with the principles of voluntary, equality and mutual agreement. Labour contracts stipulate standard working hours to eliminate all forms of forced labour. If the situation of forced labour is discovered, the Group will immediately stop related illegal acts and handle related personnel in accordance with the relevant policies.

Equal Opportunity, Diversity and Anti-discrimination

We always pursue equality in employee management policy and provide equal recruitment and promotion opportunities to people of different ages, genders, races, ethnicities, religions or physical disabilities. When recruiting, we adhere to the principle of "open and fair, competitiveness and excellency oriented" and only evaluate the candidate's professional knowledge, comprehensive quality, professional ability and the degree of matching with the Group's value system. In the distribution of compensation and ranks, we always adhere to the "principle of internal fairness" and only determine the compensation and ranks of employees based on their ability to perform their duties and their contribution.

People Oriented (Continued)

Employee Welfare

We carry out a variety of diverse employee activities and send greetings and blessings to employees on holidays to increase corporate cohesion and enhance employees' sense of belongingness.

Employee Welfare Activities in 2019 (Partial Display)



In March 2019, Sichuan Energy Xingwen Electricity and Sichuan Energy Yibin Electricity organized hiking activities and health knowledge lectures for female employees to celebrate the International Women's Day.



In May and October 2019, Sichuan Energy Yibin Electricity and Sichuan Energy Gaoxian Electricity organized sports games to improve employees' physical fitness and health.



In August 2019, Sichuan Energy Yibin Electricity, Sichuan Energy Julian Electricity, Sichuan Energy Xingwen Electricity, Sichuan Energy Pingshan Electricity successively carried out the "Delivery of Cool" activity. They sent more than 200 summer supplies and drinks and more than 2,000 boxes of heatstroke medicine to the front-line employees of power stations and transformer substations.

7.2 Occupational Health

Safe and stable power production and supply are closely related to the lives and health of employees. The Group and its employees are very concerned about the topic of occupational health and safety. During the Reporting Period, the Group adhered to the safety policy of "Safety First, Prevention as Priority and Comprehensive Governance". In the daily work, the Group implemented measures such as fulfilling management responsibilities, executing standardized management and organizing training exercises to ensure a safe working environment for the employees, safeguarding their occupational health.

During the Reporting Period, the Group has strictly complied with the following laws and regulations related to providing a safe working environment and protecting employees from occupational hazards:

Work Safety Law of the People's Republic of China

Labour Law of the People's Republic of China

Law of the People's Republic of China on the Prevention and Control of Occupational Diseases

Regulations of Sichuan Province on Production Safety

Regulation on Work-Related Injury Insurance

and other national and regional laws and regulations.

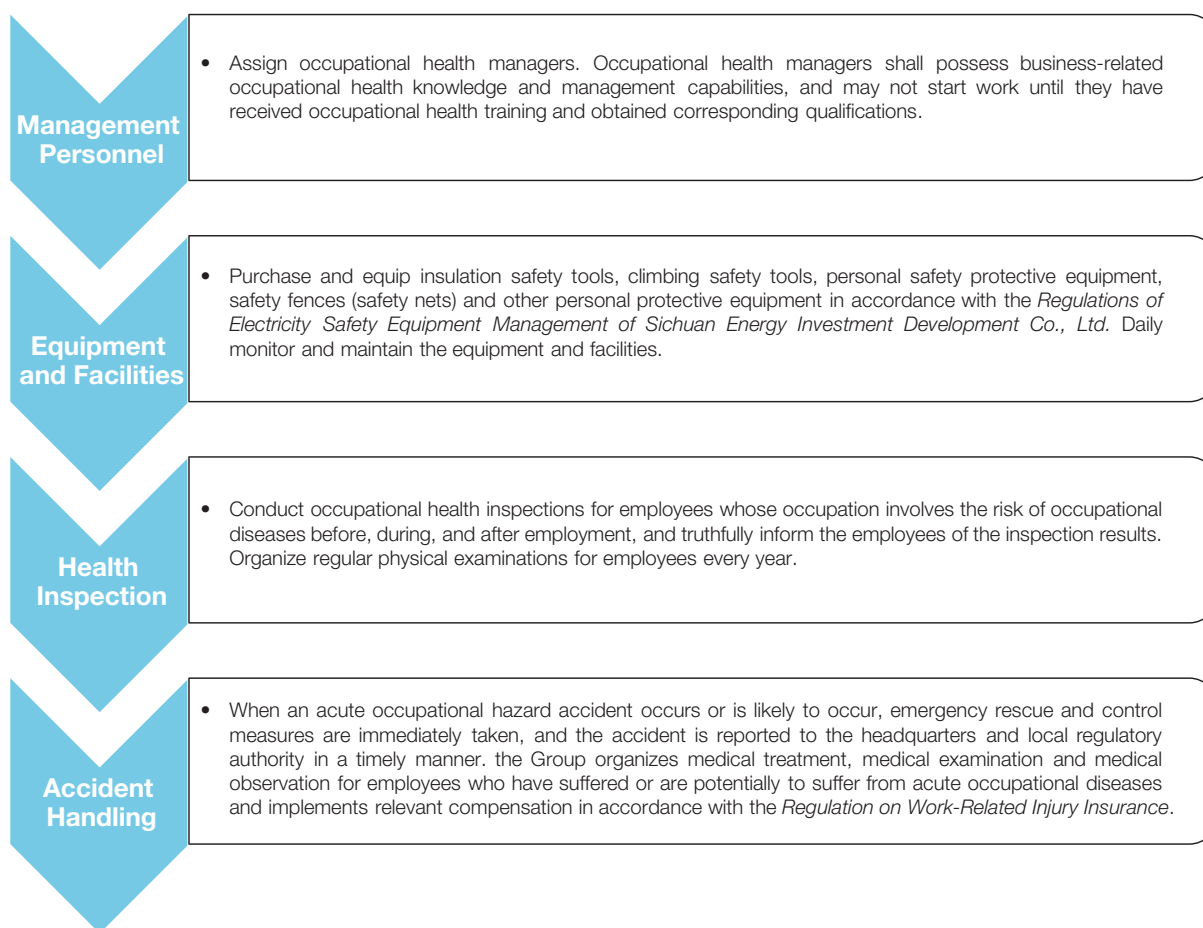
People Oriented (Continued)

Management System

The Group signs the annual production safety target responsibility letter with each functional department and subsidiary at the beginning of the year, and requires subsidiaries to sign the safety production target responsibility letter with their functional department and general level stations, clarifying the safety responsibility and work allocation of each department and position. At the same time, we have formulated and implemented policies such as the *Safe Production Management Standards*, the *Occupational Health Management System of Sichuan Energy Investment Development Co., Ltd.*, *Regulations of Electricity Safety Equipment Management of Sichuan Energy Investment Development Co., Ltd.*, the *Management Measures of Safety and Environmental Protection Awards and Punishments*, standardizing regulations of matters such as production safety management, occupational health management, production equipment management and accident responsibility management.

Key Measures

Under the operation of the management system, we implement the following occupational health and safety management measures in the headquarters and subsidiaries (including but not limited to):



Training and Drills

Complying with the requirements of the *Occupational Health Management System of Sichuan Energy Investment Development Co., Ltd.*, the Group and its subsidiaries provide employees with occupational safety training before taking up employment and conduct regular occupational safety training during employment, promoting occupational health knowledge and instructing employees to use occupational disease protection gears properly. We also regularly evaluate the implementation of training programs. During the Reporting Period, the Group organized safety trainings for a total of 5,228 person-times. At the same time, the Group has carried out emergency drills and emergency equipment safety inspections many times to raise the awareness of employees and enhance their ability to respond to emergencies.

Emergency Drills in 2019 (Partial Display)

In May 2019, Sichuan Energy Yibin Electricity held flood prevention and disaster prevention drills and fire safety inspections.



In June 2019, Sichuan Energy Yangliutan Power Generation organized a fire emergency drill.



People Oriented (Continued)

7.3 Employee Training

Through implementation of a unique talent training mechanism, we provide employees with a platform that can continuously improve their overall quality and professional skills.

Training Policies

We formulate and implement the Measures for the Administration of Training of Sichuan Energy Investment Development Co., Ltd. and Interim Measures for the Job Rotation Management of Sichuan Energy Investment Development Co., Ltd. to standardize the management of the Group's education and training, provide employees with pre-job training, on-the-job training and academic education. At the same time, based on the position and level of employees, we develop targeted training content that is suitable for their career planning:

Senior Management	Middle Management	General Employee	Technical Employee
<ul style="list-style-type: none"> Focus on training and learning in macro policies, strategic planning, industry development, laws and regulations, professional knowledge, cultural literacy and other aspects. Through training, the strategic decision-making ability, organizational coordination ability, innovation and creativity ability, ability to adapt to new things, and modern enterprise operation and management ability of senior management personnel are comprehensively enhanced. 	<ul style="list-style-type: none"> Provide training in policies and regulations, management knowledge, and professional knowledge based on business nature. Through training, the ability of the middle managers to organize and coordinate, analyze and solve practical problems are comprehensively enhanced 	<ul style="list-style-type: none"> Organize training on professional knowledge and encourage general employees to participate in academic education. Through training, the integrity, morality, cultural quality, and professional knowledge of general employees are enhanced. 	<ul style="list-style-type: none"> Actively develop job-oriented skills training and encourage employees to participate in academic education. Execution abilities and technical skills are enhanced.

People Oriented (Continued)

In October each year, we analyze the Group's strategy and human resources strategic planning. By "top-down, bottom-up" mutual interactive approaches, we form the Group's annual training plan. Each department or subsidiary formulates its own training implementation plan according to the annual training plan. After the training, we evaluate the training effectiveness through written tests, group discussions, and knowledge sharing, and summarize the training results for the year. During the Reporting Period, the statistics of the Group's employee training are as follows:

Category		The Percentage of Employees Trained	Average Training Hours Completed per Employee (Hours/Person)
Gender	Male	97.43%	39.42
	Female	96.12%	30.10
Employee Category	Senior Management	100.00%	33.21
	Middle Management	95.95%	38.98
	General Employees	97.09%	37.01

Training Activities

During the Reporting Period, the Group established a hierarchical training system with clear flows. We shared industry hotspot trends, strategic thinking, business models and other content with senior managers. We focused on performance improvement, team management, and execution abilities of middle managers. For general front-line employees, we implemented four types of professional and technical personnel training: measurement verification, line maintenance, pre-test maintenance, and transformer substation operation. Through the combination of theory and practical training mode, the skill level of general technicians has been effectively improved. We also carry out training activities on the theme of "Three Basics" in new employee pre-job training and technical personnel training, namely basic regulations, basic safety knowledge and basic practical skills training. Various training activities have laid a solid foundation for cultivating outstanding talents.

People Oriented (Continued)

2019 Training Activities (Partial Display)

In April 2019, Sichuan Energy Gong County Electricity carried out “Three Basics” training. The training activities included basic safety knowledge training and three basic practical skills trainings, namely pole mounting operations, household meter installation, and cable production. After the training, we tested the employees’ theoretical knowledge and practical skills and recorded the standardized operating procedures in the training process into videos for promotion throughout the Group.



In May 2019, the Group's headquarters conducted pre-job training for new employees.



Energy Conservation and Environmental Protection

We always adhere to the “people-oriented, green development” approach and attach great importance to environmental protection. In June 2019, we formally established the Environmental Protection Committee to coordinate and manage the environmental protection work of the Group. We have also formulated and revised relevant environmental protection systems to further standardize environmental protection management across the Group.

This chapter focuses on the following Material ESG Topics that stakeholders are concerned about			
Potential impact of the environment and natural resources on the Company	Water resources	Direct energy	Indirect energy

8.1 Environmental Impact

We attach importance to the management of risks from extreme environmental factors. The Group’s main business area is located in the hilly area in the southeast of the Sichuan Basin, PRC. Natural disasters such as earthquakes, geological disasters and floods are intense and frequent, which brings stress and challenges to our safe operations. To address these risks, we have carried out tasks such as potential hazards investigation and management, safeguarding emergency supplies and equipment and improving employees’ emergency responding capabilities to ensure the safety of employees and raise the Group’s emergency management level³.

Our main impact on the environment and natural resources is the impact on fish biodiversity in the upper and lower reaches of the river near the location of our power generation station. In order to manage the related impacts, we have built ecological flow⁴ monitoring facilities at the power generation station. Also, based on the ecological environment needs of the adjacent river channels of the power station dam site, combined with hydraulics, hydrology and other methodologies, we composed ecological flow release plans in compliance with the relevant provisions of ecological flow design specifications. In addition, we have also established a management and monitoring system for ecological flow release facilities during the storage period and operation period. During the spawning season of national and local key protected fish, rare and endangered fish, or fish endemic to rivers near our operation regions, we moderately increased the release of ecological flows. When implementing ecological flow release, we prioritize the use of dedicated release facilities and regularly inspect the facilities to ensure that the facilities are safe, reliable, and well-functioned in operation. As of December 31, 2019, the Group has installed a total of 10 sets of ecological flow monitoring facilities and invested 667,800 yuan.

Regarding the management of other resources and emissions in operations, we have formulated the following series of management policies to standardize the management of environmental protection target formulation, potential hazards investigation and management, guarantee of environmental protection investment, environmental protection work inspection, environmental performance rewards and punishments, etc.

³ For specific management measures, please refer to the “Occupational Health” section.

⁴ The quantity of water flow needed to preserve the ecological environment in the surrounding area.

Energy Conservation and Environmental Protection (Continued)

The Group's main environmental management policies

- *Environmental Protection Management System of Sichuan Energy Investment Development Co., Ltd.*
- *Safety and Environmental Protection Target Management System of Sichuan Energy Investment Development Co., Ltd.*
- *Management Measures of Safety and Environmental Protection Awards and Punishments of Sichuan Energy Investment Development Co., Ltd.*
- *Environmental protection investment guarantee system of Sichuan Energy Investment Development Co., Ltd.*
- *Environmental Protection and Safety Inspection System of Sichuan Energy Investment Development Co., Ltd.*
- *Investigation and treatment system for potential hazards of environmental protection and safety incidents of Sichuan Energy Investment Development Co., Ltd.*

In addition, we also encourage employees to participate in conservation of ecological environment by organizing environmental protection activities and promoting environmental knowledge education.

Environmental Protection Activities in 2019 (Partial Display)



In 2019, Sichuan Energy Yangliutan Power Generation implemented its annual fish breeding and release activities as scheduled. By putting fish fry into the water near the hydropower station, we help to maintain the fish population and quantity, as well as to optimize the biodiversity in the water.



In April 2019, the Group organized employee volunteer service teams to participate in tree planting activities.

Energy Conservation and Environmental Protection (Continued)

8.2 Energy Conservation and Emission Reduction

Resource Conservation

The main resources used by the Group are water withdrawal for power generation, power loss during power transmission and distribution and vehicle fuel consumption.

The Group's power generation business is hydropower generation, which is renewable energy. The main resource consumption in the production process is the withdraw of water for power generation. The Group's power generation business draws water mainly from natural water in the Nanguang River Basin, Hengjiang River Basin, and Songjiang River Basin. We use the potential energy formed by the water level drop to drive the hydro-generator to generate electricity. Natural water is discharged to downstream basins after power generation, and the power generation process will basically not cause pollution to the water resources used. The water for the Group's office and domestic purposes comes from the municipal water supply network and suppliers. There were no difficulties in obtaining sourcing water for power generation, office and living purposes.

We have formulated detailed rules for the evaluation of power station operations, implementing performance evaluations of major power stations to urge power stations to save water resources and improve water resource utilization efficiency. The evaluation content includes an assessment of the performance of indicators such as "rate of water consumption per kWh electricity"⁵. We also require power stations to maintain their works in meteorological and hydrological information's collection, analysis and management. We also evaluate their performance on work related to hydrological analysis. During the Reporting Period, we reduced the use of resources by controlling the self-use power rate of power stations. Our self-use electricity accounted for 0.89% of power generation with a decrease of 6% compared to 2018. In our assessment requirements, the "rate of water consumption per kWh electricity" indicator should not exceed 27.5 m³/kWh. The target was also achieved during the Reporting Period.

Other than self-generated power, our power sales business also includes the transmission, distribution and sales of outsourced power. Our main resource consumption in this part of the business comes from power loss in the process of power transmission and distribution. We have adopted measures to reduce power loss during transmission by incorporation of energy-saving power equipment, strengthening technological transformation and enhancement of the structure of the power grid.

Our business in power generation, power supply and power engineering construction all involve the use of vehicles. Our vehicle fleet serves the needs of power maintenance, power repair and daily office works. The Group's headquarters and subsidiaries have special management regulations for vehicles, such as the Energy Conservation Management Measures formulated by Sichuan Energy Gao County Electricity. On the basis of regulating vehicle fuel management, this policy also standardizes Sichuan Energy Gao County Electricity's implementation measures in saving electricity, water, and office supplies in details.

⁵ The amount of water withdrawal per kWh of power generation.

Energy Conservation and Environmental Protection (Continued)

Vehicle management measures in Energy Conservation Management Measures (partial display)

- *Implement unified vehicle dispatching regulations to encourage vehicle sharing and improve the efficiency.*
- *Regularly maintain vehicles, replace the gasoline filter and lubricant in time, keep normal tire pressure and maintain the vehicle in good condition.*
- *Carry out regular lectures on vehicle fuel-saving knowledge and conduct vehicle skills training such as vehicle maintenance and fuel-saving driving skills.*

Emissions Management

During the production and construction process, the Group strictly fulfil its environmental protection responsibilities in compliance with national laws and regulations. The major emissions from our production process come from vehicle exhaust emissions, indirect greenhouse gas emissions caused by power consumption and power loss, as well as wastewater from office and living areas, domestic waste and small amounts of oil waste generated during maintenance operations.

During the Reporting Period, the Group has strictly complied with the following laws and regulations related to emissions:

Environmental Protection Law of the People's Republic of China

Water Pollution Prevention and Control Law of the People's Republic of China

Atmospheric Pollution Prevention and Control Law of the People's Republic of China

Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes

Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise

Law of the People's Republic of China on Environmental Impact Assessment

and other national and regional laws and regulations.

Energy Conservation and Environmental Protection (Continued)

The domestic wastewater of the Group's business locations in the urban area is discharged into the municipal sewage distribution systems, and the domestic waste is collected and treated by the municipal waste recycling service suppliers. The main waste treatment methods of the power station are as follows:

General Waste from Office and Living Area	Hazardous Waste
<ul style="list-style-type: none"> Put the domestic waste from the production and operation sites into the garbage pool for regular cleaning; Toilets are equipped with septic tanks that meets the standards. Domestic wastewater is also discharged into the septic tanks; Other domestic wastes are classified and disposed of in compliance with regulations. 	<ul style="list-style-type: none"> There are fire extinguishers, waste oil recovery barrels in the power station area. The retired waste oil is placed in special barrels in special areas; Sign agreements with professionally qualified third parties and entrust them to transport and dispose of hazardous waste.

In order to control and reduce atmospheric pollutants and greenhouse gas emissions, we have formulated energy conservation and emission reduction policies to regulate vehicle management, power management. Also, we reduce power loss during power transmission and distribution through equipment and technology transformation⁶, thereby reducing indirect greenhouse gas emissions. For wastewater and waste management, each subsidiary formulates relevant management policies based on its own operating location and business characteristics. In future, we will work on monitoring the performance of various types of emissions to review the Group's performance and achievements in energy conservation and emission reduction.

Wastes reduction measures in Energy Conservation Management Measures (Partial Display)
<ul style="list-style-type: none"> <i>Set distribution standards for consumable office supplies to reduce the generation of discarded office supplies;</i> <i>Promote paperless office, promote the use of recycled paper and promote using both paper sides;</i> <i>Post water-saving signs in the office area and regularly conduct water facilities inspection to reduce domestic wastewater discharge.</i>

⁶ For specific management measures, please refer to the section "Resource Conservation".

Energy Conservation and Environmental Protection (Continued)

8.3 Environmental Performances

We calculated and summarized the environmental performance during the Reporting Period. The results are as follows:

Air Pollutant⁷

Type	Emissions	Units
NO _x	3,845.89	kg
SO _x	7.94	kg
PM	133.44	kg
CO	6,080.62	kg

Greenhouse Gas⁸

	Emissions	Units
Scope 1	1,240.90	tonnes CO ₂ eq
Scope 2	75,943.82	tonnes CO ₂
Total	77,184.72	tonnes CO ₂ eq
Intensity	0.02	tonnes CO ₂ eq/MWh electricity sales ⁹
CO ₂ emission reduction from self-generated power	508,100.00	tonnes CO ₂

⁷ Air pollutant emissions are from the exhaust emissions of vehicles and small amounts of construction machinery and general machinery owned and controlled by the Group within the scope of the Report. The calculation method of specific emission data refers to the *Technical Guide for the Preparation of Air Pollutant Emission Inventory for Road Vehicles (Trial)* and the *Technical Guide for the Preparation of Air Pollutant Emission Inventory for Non-Road Mobile Sources (Trial)* issued by the Ministry of Ecology and Environment of the People's Republic of China.

⁸ Greenhouse gas emissions come from the exhaust emissions of vehicles and small amounts of construction machinery and general machinery owned and controlled by the Group within the scope of the Report, as well as indirect emissions from purchased electricity for office and production use and power loss during transmission and distribution. The calculation method of specific emission data refers to the *Guidelines for Accounting and Reporting of Greenhouse Gas Emissions from Land Transport Companies (Trial)* issued by the Ministry of Ecology and Environment of the People's Republic of China and *2011 and 2012 China Regional Grid Average Carbon Dioxide Emission Factor*. Issued by the National Development and Reform Commission of the People's Republic of China.

⁹ During the Reporting Period, the Group sold 3,475,087.8 MWh of electricity.

Energy Conservation and Environmental Protection (Continued)

Waste and Wastewater

<i>Hazardous Waste Types</i>	<i>Generation Amount</i>	<i>Unit</i>
Waste mineral oil and mineral oil-containing waste	6.37	tonnes
Total	6.37	tonnes
Intensity	1.83	g/MWh electricity sales
<i>Non-hazardous Waste Types</i>	<i>Generation Amount</i>	<i>Unit</i>
Office and domestic waste	48.19	tonnes
Waste salvaged from the waters upstream of the dam	70.00	tonnes
Total	118.19	tonnes
Intensity	34.01	g/MWh electricity sales
<i>Wastewater</i>	<i>Discharge Amount</i>	<i>Unit</i>
Office and domestic wastewater	44,565.00	tonnes
Intensity	14.63	tonnes/person

Resource Consumption

<i>Type</i>	<i>Consumption</i>	<i>Unit</i>
Office and living water consumption	48,993.50	tonnes
Intensity	16.08	tonnes/person
Water withdrew for power generation	15,952,863,199.74	tonnes
Intensity	27.01	tonnes/kWh electricity generation ¹⁰
Office and production electricity consumption	303,523,668.97	kWh
Intensity	0.09	kWh/kWh electricity sales
Gasoline	387,365.69	L
Intensity	0.11	L/MWh electricity sales
Diesel	131,092.76	L
Intensity	0.04	L/MWh electricity sales

¹⁰ During the Reporting Period, the Group's total electricity generation was 590,540,127 kWh.

Shared Value

The Group upholds the spirit of volunteer service of “dedication, friendship, mutual assistance, and progress”, which inspires the enthusiasm of fundamental Party organizations and the majority of Party members to serve development, serve society, serve grassroots and serve the public.

This chapter focuses on the following Material ESG Topic that stakeholders are concerned about
Community investment

The Group formulated the *Work Regulations on Volunteer Service for Party Members* and issued the *Notice on Establishing Sichuan Energy Investment Development Youth Volunteer Service Team* to effectively fulfill corporate social responsibility and comprehensively strengthen youth volunteer service activities. The Group is gradually forming an effective operating mechanism for youth volunteer service activities.

We set up the “Sichuan Energy Investment Development Youth Volunteer Service Team” and established 10 volunteer service units in the Group’s headquarters and Sichuan Energy Yibin Electricity, Sichuan Energy Gong County Electricity, Sichuan Energy Xingwen Electricity, Sichuan Energy Gao County Electricity, Sichuan Energy Junlian Electricity, Sichuan Energy Pingshan Electricity, Sichuan Energy Yangliutan Power Generation, Sichuan Energy Yibin Electricity Construction, Sichuan Energy Yibin City Electricity Sales. We carry out overall management of the volunteer service units of our subsidiaries to ensure the effective progress of volunteer services.

Youth Volunteer Service Team-Focused Areas of Contribution	
Public welfare	Promote environmental protection knowledge, voluntary blood donation, voluntary tree planting, etc.
Temporary	Rescue and disaster recovery
Profession	Electricity knowledge consultation, solve residential electricity malfunctions, household appliances repair, etc.
Community building	Promotion of electricity safety and conservation, care for the poor in the community, etc.
Old, weak and disabled group	Visits and condolences, donations, housework assistance, etc.
Left-behind children	Psychological counselling, academic assistance, tuition funding, etc.

9.1 Light up Hope

In June 2019, a magnitude 6.0 earthquake was occurred in Changning County, Yibin City, and a magnitude 5.1 earthquake was occurred in Gong County, Yibin City. The Group went into the heart of disaster area as soon as possible, and actively engaged in earthquake resistance and power supply recovery works. We provided power supply and service work for earthquake refugee camps, hospitals and other essential places. We also provided various convenient services for earthquake refugees within our capacity to fulfil corporate responsibilities with practical actions.



Sichuan Energy Gong County Electricity set up tents and provided power supply for refugee camps and emergency shelters. We also carried out promotion on safe power using habits on site, distributed notices on safe power using and explained the knowledge of safe power using after the earthquake in detail.



Sichuan Energy Pingshan Electricity emergency rescue team went to the Jinhe New District of Gong County to carry out the power recovery work and potential hazards treatment so that the safe power supply of the emergency shelters can be ensured.

Shared Value (Continued)

9.2 Targeted Poverty Alleviation

2019 is a year of decisive victory in poverty alleviation. The Group has thoroughly implemented the national requirements for precision poverty alleviation and has solidly and orderly advanced various tasks in poverty alleviation. During the Reporting Period, under the arrangement of the Group's leaders, the local Party committee and government, Sichuan Energy Yibin Electricity, Sichuan Energy Gao County Electricity, Sichuan Energy Gong County Electricity, Sichuan Energy Junlian Electricity, Sichuan Energy Xingwen Electricity, Sichuan Energy Pingshan Electricity made effort in poverty alleviation by providing electric power, infrastructure construction, industrial development, and housing for the community. We made plans for the poor areas based on the practical conditions and practically resolve the difficulties of the poor.

Overview of the Poverty Alleviation in 2019

<i>Subsidiaries</i>	<i>Aspects of Poverty Alleviation</i>	<i>Poverty Alleviation Funds</i>
Sichuan Energy Yibin Electricity	Pairing assistance, infrastructure construction, industrial support, etc.	331,200 yuan
Sichuan Energy Gao County Electricity	Relocation, power poverty alleviation, etc.	1,230,000 yuan
Sichuan Energy Gong County Electricity	Industrial assistance, infrastructure construction, etc.	1,271,800 yuan
Sichuan Energy Junlian Electricity	Rural power grid transformation, relocation of poor households, industrial development, etc.	9,094,500 yuan
Sichuan Energy Xingwen Electricity	Donation of supplies, post-disaster reconstruction, etc.	142,500 yuan
Sichuan Energy Pingshan Electricity	Visits, donations, etc.	122,300 yuan



In January 2019, Sichuan Energy Yibin Electricity sent the Spring Festival supplies and donation to the poor.

Shared Value (Continued)



In February 2019, Sichuan Energy Gao County Electricity actively used its business advantages to help Zhenwu Village in Gao County in carrying out power line safety troubleshooting and inspections and maintenance of line and lighting equipment.



In March 2019, Sichuan Energy Junlian Electricity held a “Love Package” donation event at Huangni Village Primary School in Junlian County to send children stationery and school supplies.

Shared Value (Continued)



In April 2019, Sichuan Energy Pingshan Electricity launched a campaign to promote poverty alleviation in Youfang Village, Furong Town, Pingshan County. During the activity, employees explained the safety, health, and environmental protection knowledge to the villagers and distributed spring farming fertilizers and agricultural products.

9.3 Charity Action

While creating economic value, the Group always adheres to the heart of returning society with action, pays attention to the development of surrounding communities and actively participates in public welfare activities in various fields to enhance the well-being of local people.



In April 2019, Sichuan Energy Pingshan Electricity organized employees to participate in the “World Autism Day – Light up Blue Global Run” event, which aims to raise the society’s attention to children with autism and to help with the public welfare.

Shared Value (Continued)

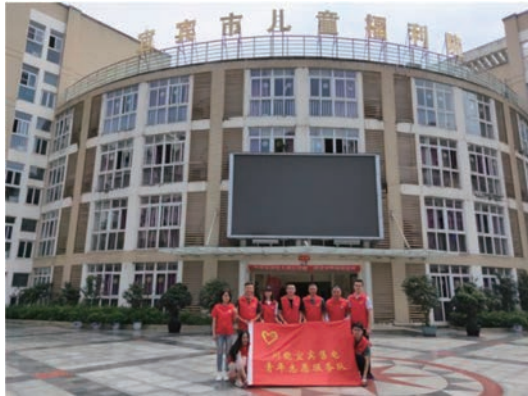


In June 2019, in order to widely promote the knowledge of safe power using in summer, Sichuan Energy Gao County Electricity organized a promotion and consultation day activity. During the activity, volunteers explained to the public the precautions for purchasing and using cooling appliances and the measures to deal with fire accidents caused by electrical circuits, so as to enhance their accident prevention and response capabilities.



In July 2019, Sichuan Energy Pingshan Electricity carried out the activities in which urban garbage cleaning and garbage classification knowledge are promoted and popularized.

Shared Value (Continued)



In July 2019, Sichuan Energy Yibin City Electricity Sales Volunteer Service Team visited Yibin Children's Welfare Institute, donated school supplies for children and accompanied the children to make crafts. The team brought care and warmth to special children groups.



In November 2019, Sichuan Energy Xingwen Electricity visited Xiangshan Middle School in Xingwen County to launch a publicity campaign on "Safe Use of Electricity in Schools". During the activity, we explained the safety knowledge of household appliances for students, and distributed promotional materials such as *General Knowledge on the Safe Use of Household Appliances* to raise students and parents' awareness of safe electricity use.

Content Index of the Environmental, Social and Governance Reporting Guide

A. Environmental			
General Disclosure & KPI	Description	Chapter Reference or Explanation	
Aspect A1 : Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	8.2 Energy Conservation and Emission Reduction	
KPI	A1.1	The types of emissions and respective emissions data	8.3 Environmental Performances
	A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	8.3 Environmental Performances
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	8.3 Environmental Performances
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	8.3 Environmental Performances
	A1.5	Description of measures to mitigate emissions and results achieved	8.2 Energy Conservation and Emission Reduction
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	8.2 Energy Conservation and Emission Reduction

Content Index of the Environmental, Social and Governance Reporting Guide (Continued)

A. Environmental			
Aspect A2 : Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.		
		8.2 Energy Conservation and Emission Reduction	
KPI	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	8.3 Environmental Performances
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	8.3 Environmental Performances
	A2.3	Description of energy use efficiency initiatives and results achieved	8.2 Energy Conservation and Emission Reduction
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	8.2 Energy Conservation and Emission Reduction
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	The Group's business does not involve the use of packaging materials
Aspect A3 : The Environmental and Natural Resources			
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources		
		8.1 Environmental Impact	
KPI	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	8.1 Environmental Impact

Content Index of the Environmental, Social and Governance Reporting Guide (Continued)

B. Social			
General Disclosure & KPI	Description		Chapter Reference or Explanation
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		7.1 Employment Management
KPI	B1.1	Total workforce by gender, employment type, age group and geographical region	7.1 Employment Management
	B1.2	Employee turnover rate by gender, age group and geographical region	7.1 Employment Management
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		7.2 Occupational Health
KPI	B2.1	Number and rate of work-related fatalities	–
	B2.2	Lost days due to work injury	–
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	7.2 Occupational Health

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B. Social			
Aspect B3 : Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities		7.3 Employee Training
KPI	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	7.3 Employee Training
	B3.2	The average training hours completed per employee by gender and employee category	7.3 Employee Training
Aspect B4 : Labor 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 labor		7.1 Employment Management
KPI	B4.1	Description of measures to review employment practices to avoid child and forced labor	7.1 Employment Management
	B4.2	Description of steps taken to eliminate such practices when discovered	7.1 Employment Management
Aspect B5 : Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain		6.2 Responsible Procurement
KPI	B5.1	Number of Suppliers by geographical region	6.2 Responsible Procurement
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	6.2 Responsible Procurement

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B. Social		
Aspect B6 : Product Responsibility		
General Disclosure	Information on:	
	(a) the policies; and	6.1 Guaranteed Service
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	Due to the nature of the Group's business, advertising and labelling of products and services provided are not applicable to the Group
	relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	
KPI	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons
		The Group's business does not involve situations where products sold or delivered have to be recalled for safety and health reasons
	B6.2	Number of products and service related complaints received and how they are dealt with
		6.1 Guaranteed Service
	B6.3	Description of practices relating to observing and protecting intellectual property rights
		6.1 Guaranteed Service
	B6.4	Description of quality assurance process and recall procedures
		6.1 Guaranteed Service
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored
		6.1 Guaranteed Service

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B. Social			
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		6.3 Integrity Governance
KPI	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	6.3 Integrity Governance
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	6.3 Integrity Governance
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		9 Shared Value
KPI	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport)	9 Shared Value
	B8.2	Resources contributed (e.g. money or time) to the focus area	9.2 Targeted Poverty Alleviation



Sichuan Energy Investment Development Co., Ltd.