NOTE ON THE REPORT

References

Guidelines to the State-owned Enterprises Directly under the Central Government on Fulfilling Corporate Social Responsibilities by SASAC;
Sustainability Reporting Guidelines (G4) by Global Reporting Initiative;
ISO 26000: Social Responsibility Guide (2010) by International Organization for Standardization ISO;
the Environmental, Social and Governance (ESG) Reporting Guide issued by Hong Kong Stock Exchange,
and Guidance on Chinese Enterprises' Corporate Social Responsibility （CASS-CSR 4.0）.

Data Sources

The data in the report is subject to the annual reports, statistics and other official documents of Longyuan Power and its subsidiaries which have been approved by the senior management, administrative departments and subordinate entities.

Get A Copy

You can download the report from our website.
To get a copy or give feedback, please contact Zhengshu Zhang.
Tel: +86-10-63887732
Fax: +86-10-63887730
Email：12006129@chnenergy.com.cn

Description Clarification

China Longyuan Power Group Corporation Limited is referred to as “Longyuan Power”, “Longyuan” and “the Company” in the report.

Coverage

This report shares its fulfillment of economic, social and environmental responsibilities by Longyuan Power and its subsidiaries.

Time Frame

January 1 – December 31, 2018. Some content is excluded.

Contents

01

02

04

06

08

14

20

32

50

58

59

60

61

Qiao Bao Ping
Chairman

ME AGE
F OM HE CHAI MAN

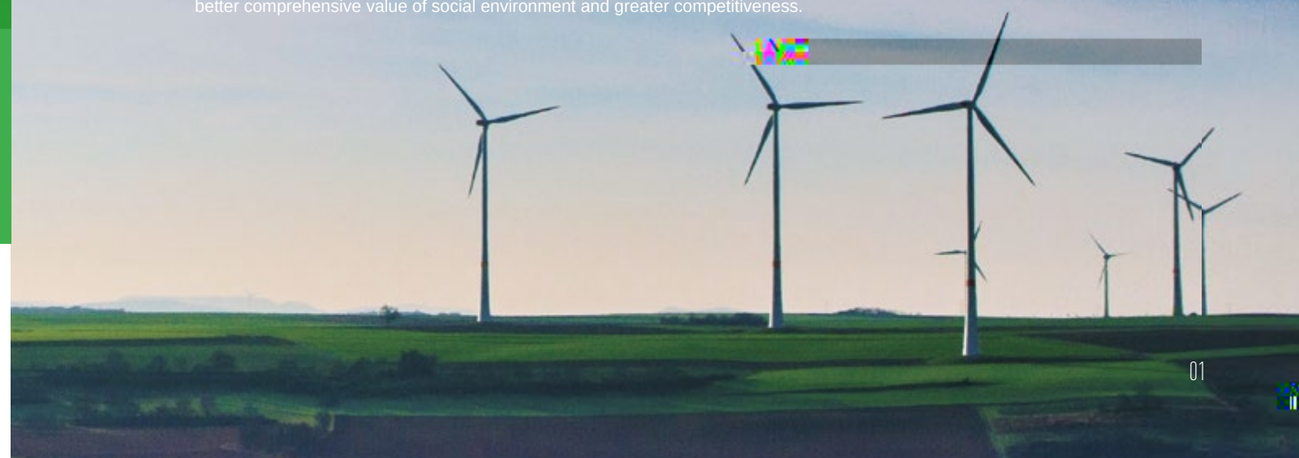
New Era, New Mission, New Responsibility

Nowadays, it has become a global trend for companies to fulfill their social responsibilities. As an important trend of the times, it frames today's business norms and standards, and represents an effective way to innovate corporate management model and increase corporate competitiveness. Longyuan Power promotes its corporate social responsibility not only to meet the needs of domestic and international social responsibility development, but also to compose the key element of building a world-class new energy listed company in an all-round way.

As a leader in China's new energy sector, Longyuan Power upholds its spirit which is characterized as leading the way and pursuing win-win cooperation.We lay stress on corporate social responsibility and regard it as an important component to fulfill our mission to develop clean energy for a beautiful China and to achieve our strategic objective of establishing a world-class new energy company with global competitiveness. Longyuan Power has also been actively exploring the concept and practices of corporate social responsibility and dedicates itself to promoting the mutual complement between corporate social responsibilities and corporate operation. We aim at sustainable development and comprehensive value maximization with all employees' participation and all-round integration. Through transparent and ethical enterprise practices, we fulfill our social responsibility in every decision-making, system and procedure establishment, business operation, daily management and our corporate culture. In the meantime, Longyuan Power constantly promotes its social responsibility to improve its comprehensive value creation, business operation transparency and brand awareness, fostering a core value featuring Endeavor, Efficiency, Innovation and Harmony.

Year 2018 was the first year of China Energy Group consolidation. As an important part of the China Energy Group's new energy sector, Longyuan Power follows the guidance of Xi Jinping Thought on Socialism with Chinese characteristics for a New Era and upholds the spirit of the Nineteenth National Party Congress. Under the leadership of China Energy Group's Leading Party Group and the company's board of directors, Longyuan will conscientiously implement the "1169" strategy, adhere to the general work guideline of making progress while maintaining stability, continue to apply the new development philosophy, and proceed to integrate the concept of social responsibility into corporate mission, strategic goals and daily operations. The continuously strengthened responsibility management and its economic, social and environmental responsibilities have led Longyuan Power to a remarkable responsibility performance and have promoted itself to be the world's largest wind power operator with six consecutive years ranking in Global Top 500 New Energy Enterprises List.

Year 2019 marks the 70th anniversary of the founding of People's Republic of China which also represents a crucial year for us as we endeavor to achieve the first Centenary Goal of building a moderately prosperous society in all respects. Longyuan Power will take Xi Jinping Thought on Socialism with Chinese characteristics for a New Era as guiding ideology, respond to the call of achieving socialism through best endeavors, share responsibility shoulder by shoulder with all social communities. By following national energy strategic deployment and China Energy Group strategy, we will make a big push to set an exemplary role in shouldering our social responsibility, to make new and greater contributions to a beautiful China, accomplish a harmonious development of corporate, staff, society and environment, to achieve higher development quality, better comprehensive value of social environment and greater competitiveness.



Great Enterprise Is Built From Best Endeavors

Longyuan Power is one of the first companies to develop new energy which leads China's wind power industry for a long time. Guided by the energy strategy of four revolutions and one cooperation as well as under the strong leadership of the Party Committee of China Energy Group and committee of directors, in 2018 Longyuan Power led by "1169" strategy carried out the essence of new-year and mid-year work conferences, firmly adhered to the general work guideline of making progress while maintaining stability, continued to apply the new development philosophy, steadily improved quality and efficiency, resulting in increased profitability, lead utilization hours in districts, continuous optimization of energy layout and distribution, maintaining a sound and steady improvement in operation, ranking as Global Top 500 New Energy Enterprises for six consecutive years.

These achievements are attributed to the company's consistent emphasis on and continuous implementation of social responsibility. For a long time, especially from 2018, the Company regards social responsibility as a nucleus part of the corporate strategy and culture, commits to its promise of sustainable development, improves social responsibility management system, carries forward the concept of responsibility, puts responsibility strategy into practice, strengthens responsibility governance, enhances responsibility communication, and boosts responsibility implementation. It dedicates to achieving maximization of the integrated economic, social and environmental value for the corporate development through issuing regular social responsibility report and disclose complete social responsibility information while embracing social responsibility into business operation and constantly improving social responsibility performance.

Great enterprise is built from best endeavors as achieving Socialism through best endeavors. Longyuan Power has shouldered its social responsibility with actions and endeavors, gradually building a highly responsible brand image in the international arena. Looking ahead to 2019, Longyuan Power will continue to carry out Xi Jinping thought on energy strategy, apply to new development philosophy, put development strategy which takes innovation as its driving force into practice, and comprehensively implement China Energy Group's working arrangements. We will propel our exemplary social responsibility work to build up a world-class energy company with global competitiveness, and repay to investors, customers, employees, partners and the whole society with better performance.

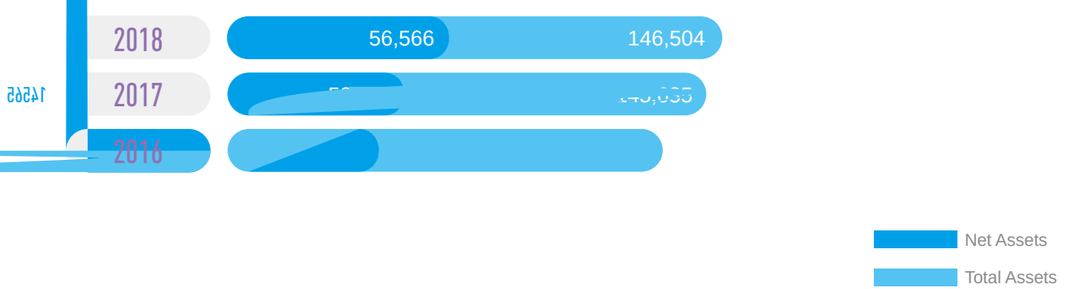
ME AGE
F OM HE E IDEN

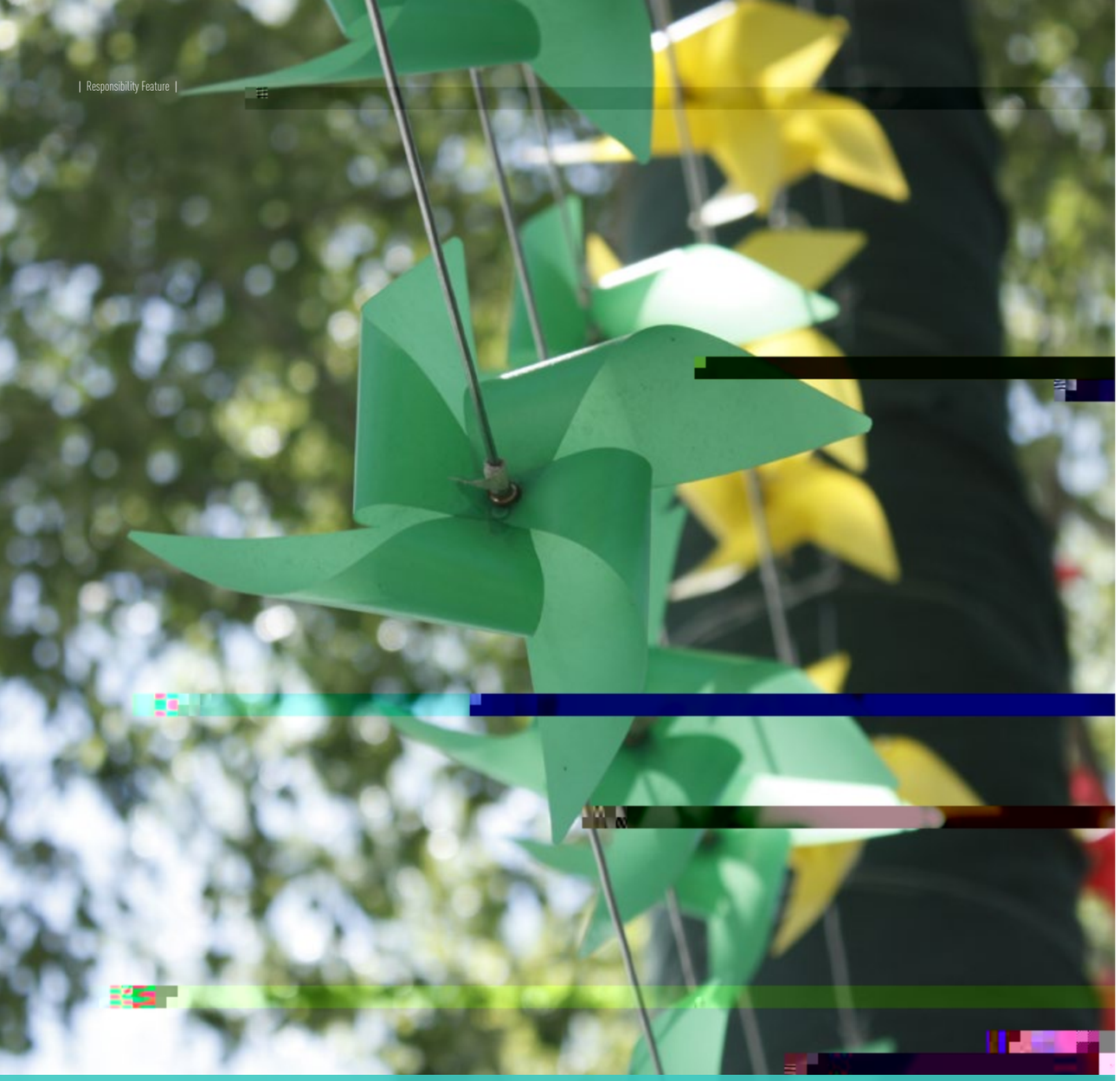
CORPORATE PROFILE

Founded in 1993, Longyuan Power was originally affiliated to the National Energy Administration of the PRC and became an affiliated corporation of former Ministry of Power Industry, former State Power Corporation and Guodian Group successively. It is currently affiliated to China Energy Group and a pioneer specialised in wind power development in the PRC. In 2009, the Company was successfully listed on the Main Board of the Hong Kong Stock Exchange, which made it known as the “First Listed New Energy Company in the PRC”. Currently, Longyuan Power has developed into a large-scale power generation conglomerate focusing on new energy. It possesses over 300 wind farms as well as PV, biomass, tidal, geothermal and coal power generation projects, distributed in 32 provinces and municipalities of the PRC and other countries such as Canada and South Africa.

As of the end of 2018, the installed capacity of Longyuan Power holdings reached 21,044 megawatts, of which the wind power was 18,919 megawatts, maintaining its lead in world's largest wind power operators. Based on good business performance, the Company has been awarded grand prizes such as the "National Civilized Unit", “National May 1st Labor Award”, "Best Listed Company in Corporate Governance ", “The Listed Company with the Most Investment Value during the 13th Five-Year Plan period", " Listed Company with Best Brand Value ", and "Best Listed Company”. It has been listed the “Global Top 500 New Energy Enterprise” for six consecutive years.

KE E FO MANCE





E ON IBILI
FEA E

Responsibility feature plays the most important role of corporate social responsibility. Longyuan Power analyzes and ranks the influence on the Company's operations and on stakeholders, selects the most substantive feature of the company's responsibility for the public.

Performing Duties Overseas

In accordance with the requirements of high-quality development, Longyuan Power actively participated in the “Belt and Road Initiative”, steadily implemented “Going Global” strategy, focused on oversea wind power and photovoltaic market, steadily promoted oversea business, built up its overseas business card on performing duties, and set up a good enterprise image.

01/ Longyuan Power South Africa Renewables (Longyuan South Africa) Performing Duties

In 2018, Longyuan South Africa actively carried out corporate social responsibility while conducting operations in South Africa. It set up a good Chinese enterprise image of serving local communities and making contributions in economic and social development, in environmental protection, and in social welfare.

Extended Reading

From July 25 to 27, 2018, BRICS Summit was held in Johannesburg, South Africa. President Xi Jinping attended the tenth BRICS leaders meeting. In order to show the world China's “Belt and Road Initiative”, CCTV International broadcasted “Belt and Road Initiative” South Africa Specials during the summit, including episodes “De Aar Town – Story about the Wind” and “ Coming to the southernmost tip of the African continent” which illustrated Longyuan South Africa De Aar project through its overseas development achievements in terms of project operation and performing social responsibility.

Extended Reading

On October 14, 2018, Xiao Yaqing, director of the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council and deputy secretary of the party committee of SASAC, went to Longyuan South Africa Renewables. Xiao Yaqing fully recognized the achievements made by the Longyuan South Africa in terms of business development and Party building, and highly praised wind power project in South Africa as well as Longyuan Power “Going Global” strategy.

Safety production and management improvement. With reference to the high standards of safety management in South Africa combined with domestic sophisticated experience, we build a practical safety management mechanism to guarantee the implementation of safety and security measures. We actively promote the integration of culture and management, regularly carry out safety production training for all Chinese and international employees on a monthly basis, realizing continuous 426 days of safety production. We specify management roles, optimize automatic alarm system, and lift workload on supervision in semi-unattended mode. We improve response efficiency from equipment failure and reduced energy loss under the premise of not increasing the number of production personnel.

Generate power and increase revenue.Under the circumstance that the annual average wind speed is lower than the speed in feasibility study, the annual utilization hours has reached 3,120 hours, 16% higher than that in feasibility study. The electricity generating capacity achieved its annual goal one month ahead, reaching 763 million kWh for the year with 79.99 million kWh surplus.

Serve local community and boost employment. The Longyuan South Africa project has promoted abundant direct and indirect employment opportunities, with more than 700 jobs during project construction, more than 100 long-term jobs per year during operation; all of these have principally increased the employment rate of black people in South Africa, especially those from local communities.

Improve the environment and engage in public welfare. The Longyuan South Africa supports local public services, facilitates local infrastructure, eliminates community poverty, improves local environment, and helps local small-size black businesses. We fund for local schools, improve local education environment, and subsidize poverty-stricken students for education. We keep our promise of the supporting plan made with local government before project implementation, accumulating five-million-yuan expenditure in 2018.

PETRUSVILLE

ERSKOOL

HIGH SCHOOL

04 April 2018

Longyuan Mulilo Wind Power (SF) (PTY)Ltd

Dr Ass

RE: Letter of Appreciation for funding

Dear Sir/Madam

The School Governing Body (SGB) and the School Management Team (SMT) of Petrusville High school wish to express deepest thanks that the school was selected to receive funding from your company.
The total funding of R100 760.40 was paid to the following suppliers for the services that they rendered to the school:

1. SEBOMA CONSTRUCTION AND PRODUCTS (PTY) LTD : R23 335.00 for fixing and repairing the ablution facility of the learners.
2. CME ETATOCARIBS: R83 231.40 for the supply of seventy (70) single condensation desks.

Please see the attached photos of evidence.

Generous contributions from companies like yours (LONGYUAN MULILO) provide the financial and moral support needed to ensure that the vision and mission of the school is realised. With your faithful financial contribution, you have demonstrated your deepest commitment towards uplifting your communities.

We look forward to a continuing partnership with you.

Thank you

Yours Faithfully
F. Sobegale (Principal)

02/ Longyuan Canada Renewables (Longyuan Canada) Performing Duties

In 2018, Longyuan Canada strengthens wind farms safety management, improves the quality of wind turbine operation and maintenance with 272 GWh power generated in Dufferin Wind Farm. As of December 31, 2018, it has been 1,492 consecutive days of safety production.

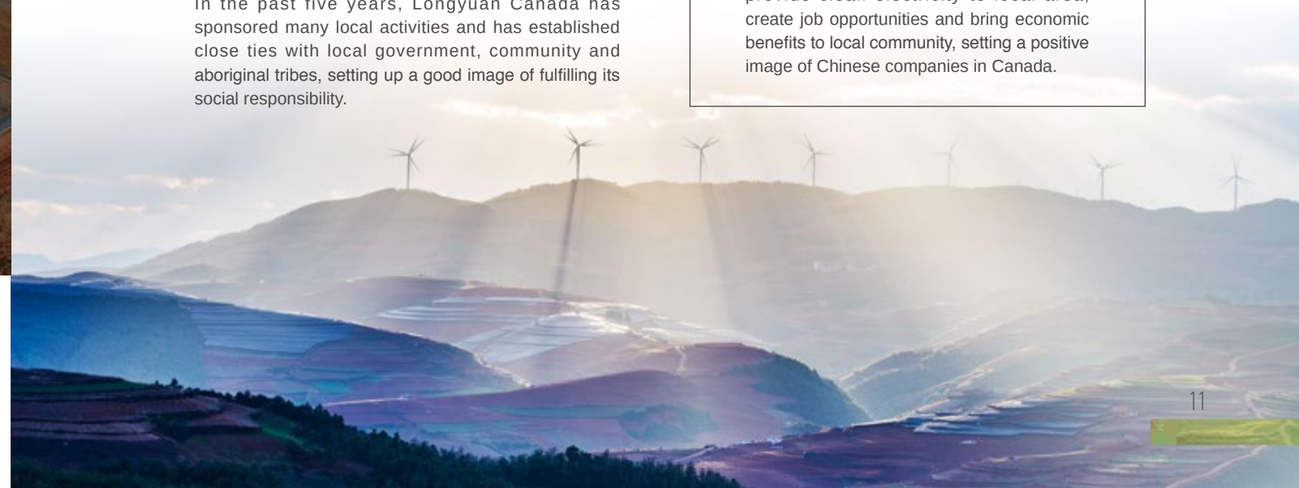
Longyuan Canada donates food to local poverty relief agencies and shows care to families in poverty strive every year before Christmas.

Longyuan Canada became local junior hockey team jerseys sponsor from 2018, planning to reach a total of 12,000 Canadian dollars in three years. As hockey being the most favorable sport in Canada, we build a good relationship with and show our social responsibility to local community by sponsoring local junior hockey team.

In the past five years, Longyuan Canada has sponsored many local activities and has established close ties with local government, community and aboriginal tribes, setting up a good image of fulfilling its social responsibility.

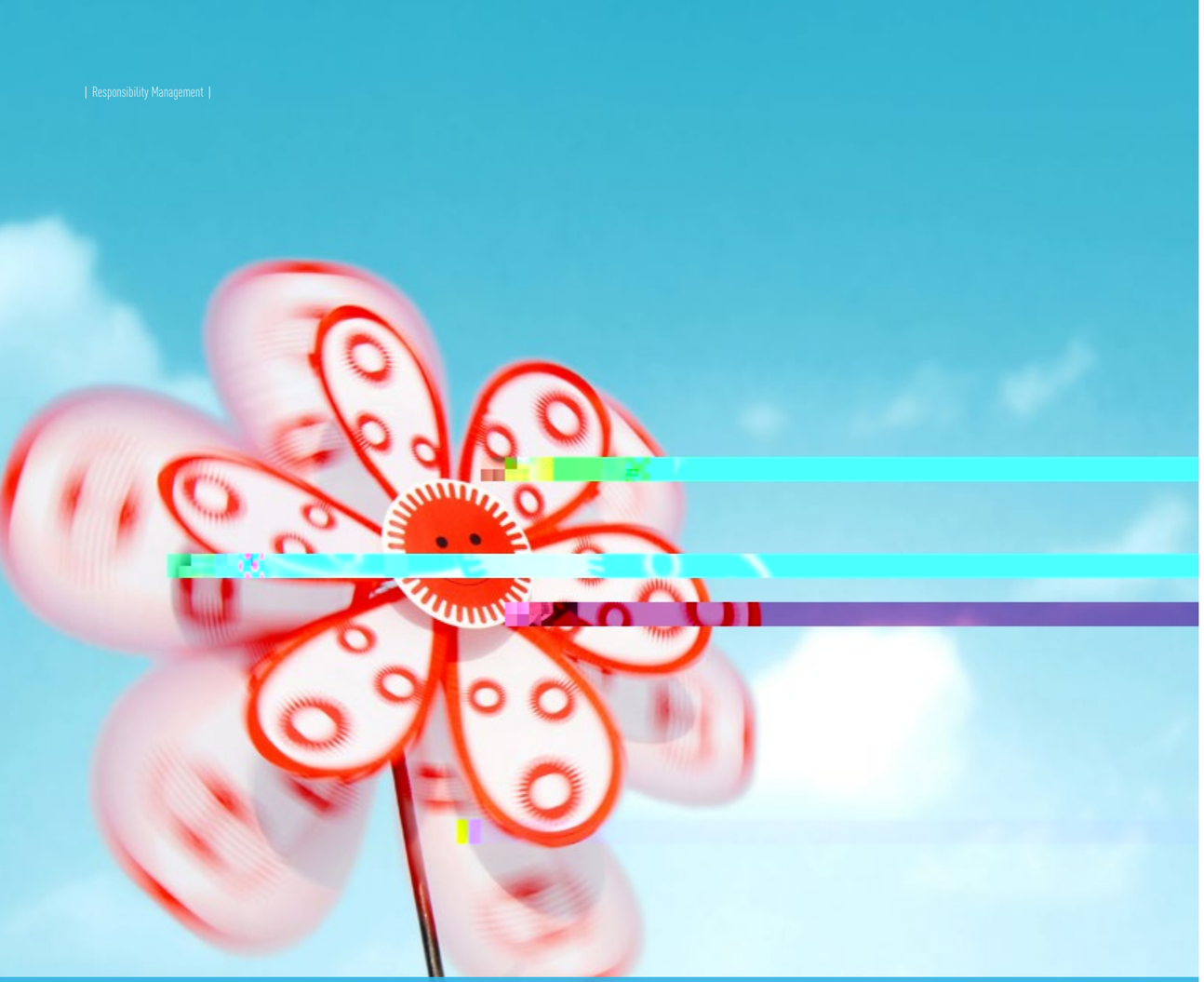
Extended Reading

On July 17, 2018, Lu Shaye, Chinese Ambassador to Canada, visited the Dufferin Wind Farm, and spoke highly of Longyuan's achievements in developing new energy in Canada. He specified that Chinese enterprises invest in Canada where the wind power projects are environmentally friendly, provide clean electricity to local area, create job opportunities and bring economic benefits to local community, setting a positive image of Chinese companies in Canada.



Longyuan Power ranks in “Global Top 500 New Energy Enterprises List” for six consecutive years

On December 12, 2018, the International Energy Summit Forum & the 8th Global Top 500 New Energy Enterprises Summit were held at People's Daily. At the summit, the 2018 Global Top 500 New Energy Enterprises list was released, and Longyuan Power continued to rank on the list for six consecutive years.

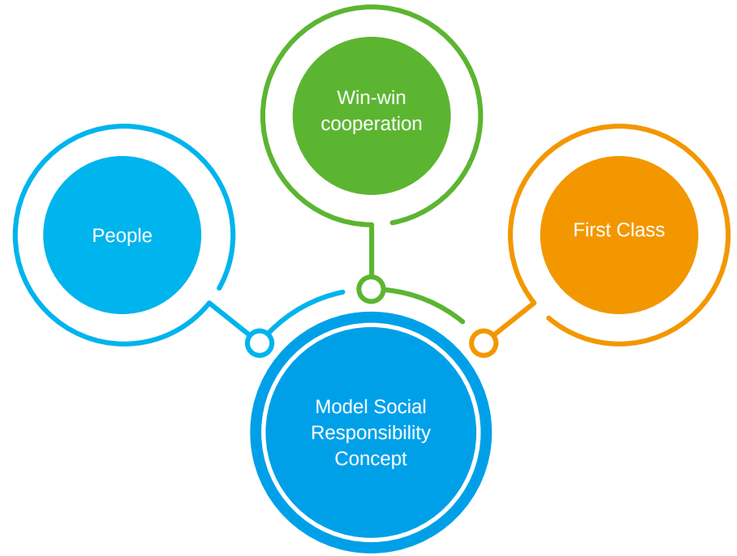


E ON IBILI MANAGEMEN

As a leader in China's new energy sector, Longyuan Power upholds its spirit which is characterized as leading the way and pursuing win-win cooperation. We actively explore the concept and practices of corporate social responsibility and dedicate ourselves to promoting the mutual complement between corporate social responsibilities and corporate operation. We aim at sustainable development and comprehensive value maximization with all employees' participation and all-round integration. Through transparent and ethical enterprise practices, we fulfill our social responsibility in every decision-making, system and procedure establishment, business operation, daily management and our corporate culture. In the meantime, Longyuan Power constantly promotes its social responsibility to improve its comprehensive value creation, business operation transparency and brand awareness, fostering a core value featuring Endeavor, Efficiency, Innovation and Harmony.

Responsibility Concept and Strategy

The concept of social responsibility guides the formulation of social responsibility strategy while the social responsibility strategy promotes the implementation of the concept of social responsibility. They complement each other and become the two engines of social responsibility management.



01 / Promote the Concept of Responsibility

A good Company features a strong sense of social responsibility.
Longyuan Power regards fulfilling its social responsibilities as its inherent responsibility and obligation, forms a model of social responsibility people, win-win cooperation and first-class as its features. We pay attention to the dynamic balance of economic, social and environmental responsibility, continuously increase competitiveness, management level and our social responsibility management, setting up a good social reputation and brand image with unstopping promotion to the harmonious development of enterprises, society and the environment.

02 / Implementation of Responsibility Strategy

Longyuan Power has always attached great importance to undertaking corporate social responsibility and regarded it as an important part of the company's mission to develop clean energy for a beautiful China and to achieve its strategic objective of establishing a world-class new energy company with its global competitiveness. Guided by corporate philosophy of paying equal attention to corporate scale and benefits, corporate development and staff welfare, corporate hard and soft power under collective and international trend. We strive to integrate corporate social responsibility into the company's operation management and continuously improve corporate social responsibility performance.

Responsible Governance

Longyuan Power has continuously improved and strengthened the construction of social responsibility management system in its daily operation and management and achieved remarkable accomplishment in organization management and system construction.

01 / Strengthening Organization Management

In the process of promoting social responsibility management, The Company has set up a social responsibility leadership from senior management of the enterprise which is responsible for the overall deployment of social responsibility management and for the construction of social responsibility management system. The functional departments and full-time personnel have been identified and each subsidiary has established a social responsibility management system to continuously provide safeguard of social responsibility.

02 / Improve System Construction

The Company gradually establishes its social responsibility systems such as daily management system, information collection system, information disclosure system and social responsibility reporting system. With social responsibility management being constantly standardized and institutionalized, we set up a social responsibility reporting system to compile report up to the standard, through which we regularly publish annual social responsibility reports to the public, disclose every detail of the social responsibility concept, practice and performance as well as willingly accepts public inspection.

Longyuan
Power

Stakeholders	Government & Shareholders	Employees	Customers	Partners	Social Institutions	Community
Target & focus	● Safe and stable electricity supply ● Maintain and increase the value of state-owned assets ● Comply with laws and pay taxes ● Maximize shareholders' long-term benefits	● Guarantee their rights and benefits ● Provide professional development ● Realize their value ● Care for them physically and psychologically ● Corporate culture	● Provide sufficient, stable, safe, and environment-friendly electricity at a reasonable price ● Enhance service quality	● Abide by commercial morals, laws and regulations ● Strengthen standardized safety management ● Be credible for a win-win situation	● Participate in the discussion and research on public policies and industrial standards ● Follow the industrial development trend and policies ● Promote the sustainable development of the Company and the industry	● Protect the community environment ● Participate in community construction ● Support public welfare
Communication channels	● Participate in the discussion on relevant policy formulation and contribute its experience ● Assert positive influence on public policies ● Talk with the government in the operational area ● Increase information disclosure	● Staff representatives from the Supervisory Board ● Labor unions of different levels ● Staff Congress ● Increase information disclosure	● Pay regular visits to customers ● Publish product quality information ● Provide service activities ● Seek for customers' opinion ● Increase information disclosure	● Business negotiation and technical exchanges ● Publish management regulations on suppliers and contractors ● Share management experience and technical standardswww ● Contract negotiations ● Routine business communication ● Increase information disclosure	● Provide corporate experience ● Participate in relevant activities ● Enhance international exchanges ● Increase information disclosure	● Talk with local governments ● Support community welfare ● Community visits and exchanges ● Increase information disclosure
Major actions	● Execute the national energy policies ● Open to supervision, inspection and evaluation ● Regularly hold meetings of shareholders ● Regularly hold meetings of the Board of Directors ● Hold meetings with investors	● Strengthen employees' training and cultivate their skills ● Improve living and working facilities ● Continue with the Green Care Campaign ● Insist on employees' occupational health check	● Refine quality management system and recommend products' technical upgrade	● Establish transparent and fair regulations for bidding ● Compile legitimate and fair contracts for cooperation ● Improve the system and procedures of project construction supervision ● Actively communicate and coordinate with contractors and create a safe and healthy working environment ● Provide fair competitions to suppliers	● Take part in industrial organizations ● Communicate about concerned problems in various methods ● Participate and support the international environmental standardization	● Conduct educational donations, disaster relief, and crisis rescue ● Support the new rural construction ● Support and promote local economic development by constructing major projects ● Carry out employee volunteering activities ● Invest in environmental protection projects
Key performance indicators	● Fees and taxes ● Power production ● Dividend-payout ratio ● Stock value	● Occupational health check rate ● Number of trainings given to employees ● The guarantee of salaries and vacations ● Donations to employees in difficulties	● Electricity sales	● Contract implementation rate	● Number of organizations and people to take part in and the number of activities	● Social welfare investment ● Number of employee volunteers and the number of activities

Responsibility Implementation

In 2018, The Company worked out a standard social responsibility indicator system to describe the world-class corporate social responsibility features, which depicts a roadmap of social responsibility implementation from 2015 to 2020 as follows:

Roadmap of CSR 2018	Implementation of CSR 2018
Set up a mechanism to regularly track and analyze the indicator system, timely choose key indicators into the assessment system, and gradually expand the scope	Implemented
Set up a charity foundation	Implemented
Set up CSR columns in internal publications	Implemented
Participate in CSR forums and conferences from home and abroad	Implemented
Cooperate with research institutes to carry out topic research on CSR	Implemented

F LFILL ECONOMIC E ON IBILI

Longyuan Power's sustainable development cannot be achieved without the cooperation and support from our stakeholders, our clients and our partners. Longyuan Power pays great attention to relationship management with stakeholders, clients and partners, to finding the balance between its own development and their demands, to its social responsibility implementation and a win-win cooperation.

Responsibility on Shareholders

Responsibility on shareholders means that the Company is responsible for the benefits of its shareholders. The capital invested by shareholders show their trust to the company, the staff and its management. Longyuan Power cherishes and makes good use of shareholders' investment, constructs a solid corporate governance structure, and builds a business culture with value maximization as its driving force to increase its corporate value and repays to the shareholders, winning long-term trust and support from shareholders and investors.

01 / Safeguard Shareholders' Rights and Interests

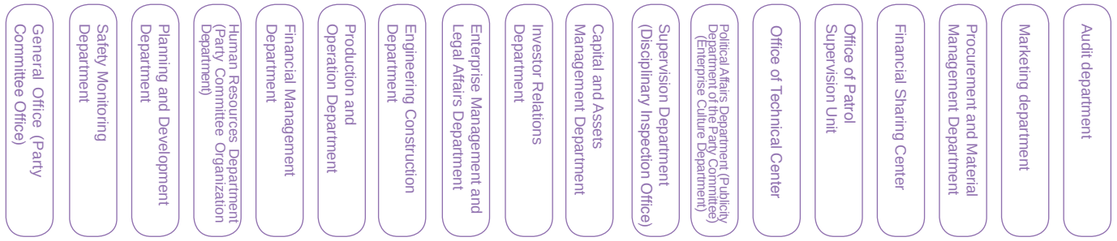
Longyuan Power establishes a shareholder rights safeguard mechanism to disclose corporate information such as major business decisions, financial performance and social practice activities to shareholders in a timely and accurate manner to guarantee appreciation value and the interest of shareholders and investors.

Extended Reading

The Company achieved a profit before tax of RMB 5.897 billion, a year-on-year increase of 7.9%. The net profit attributable to equity holders of the Company was RMB 4.166 billion, an increase of 8.3% year-on-year.

18 units of the Company have a profit over 100 million yuan, including Jiangsu offshore, Sulong company and Jiangsu company both over 500 million yuan, Fujian company, Xinjiang company and Hebei company over 400 million yuan, Anhui, Liaoning, Shanxi, Heilongjiang, Mengdong companies over 300 million yuan, Yunnan, Mengxi, Gansu, Ningxia, Guizhou companies over 200 million yuan.

The Company's asset-liability ratio was 61.4%, 2.0 percentage points lower compared with it from the beginning of the year.



Longyuan Power adheres to standardized governance structure. The Company's shares consist of domestic shares, held by China Energy Group and its subsidy Guodian Northeast Electric Power Co., Ltd., accounting for 57.27% and 1.17% respectively, and H shares accounting for 41.56%.

For the sake of its long-term and stable development, the Company constantly improves its corporate governance structure in accordance with Chinese laws and regulations as well as requirement of the Stock Exchange of Hong Kong Limited. The Company has set up the General Meeting of Shareholders, the Board of Directors, committees under the Board of Directors, the Supervisory Board and the senior management led by the President, all of which keep a balanced and t Electric Power Co., Ltd., accounting for

05 / Improve Market Value

The Company properly maintained investor relations through activities such as roadshows, performance disclosure and investment summits, and actively conveyed positive voices to enhance the confidence from the capital market on the company's development. In 2018, under the circumstance where stock price of Hong Kong's H-share new energy sector fluctuates, the company's share price was relatively stable with its overall performance better than the whole market and the new energy sector. Due to good company-investor relationship and its excellent performance, Longyuan Power won the “Best Listed Company” award in the 8th China Securities “Golden Bauhinia” Awards Selection this year.

Responsibility on Clients

01 / Scaled Development

Longyuan Power continues to deepen its work, lays stress on the leading role of strategy, continuously optimizes development layout, strives for high-quality resources, develops offshore wind power in an orderly manner, pursues project cooperation, implements Going Global strategy in an active and steady pace, continues to attract client through innovation, maintains its leading trend, and presents a sustainable, strong and responsible company to clients.

Continuously optimize the development layout. Longyuan Power lays stress on overall planning during preparation, focuses on exploiting high-quality wind resources in the central, eastern and southeastern coastal areas of China, continuously adjusts its key sectors of developing national wind power, and achieves a development pattern of “national expansion and dispersion within province”, carrying out wind power operations in 31 provinces and municipalities across the country. Wind power projects with capacity of 1.71 million kilowatts are approved for the whole year, all of which were located in areas with good electricity distribution condition and wind resources.

Develop offshore wind power in an orderly manner. Longyuan Power makes the best use of country's 2018 offshore wind power policy during its window period, actively pursues project resource development rights, approves Jiangsu offshore projects with 1 million kilowatts capacity reaching a record high. Dafeng H7 project completed production and Jiangsu Offshore Company reached more than 1 million kilowatts installed capacity at the end of the year.

CLASSIC CASE

Highest Record of Approval for One Province

On December 29, 2018, good news came from the Jiangsu Provincial Development and Reform Commission that Longyuan Power Jiangsu Offshore Area Company Dafeng H4#300MW Offshore Wind Power Project and Jiangsu Dafeng H6#300MW Offshore Wind Power Project as well as Sheyang Offshore South District H2-1# 100MW Wind Power Project are all approved. In addition to the Sheyang Offshore South District H2#300MW Wind Power Project approved in January 17, 2018, Longyuan Power has newly approved capacity of 1 million kilowatts in the Jiangsu region in 2018, making it the highest annual record from the National Energy Group's approval for one province.

Implement Going Global strategy in an active and steady pace. During this year, Longyuan Power conducted its research in and expanded its marketing to North Africa and South America regions. Through field visits and specific project exchanges, the company works out an overseas marketing plan which covers North America with the Canadian project as the fulcrum, Latin America with Argentina as its entry point, Central and Eastern Europe and 'Belt and Road Initiative' countries with Poland and Ukraine as starting point, and balances North and South Africa development based on existing projects in South Africa. The Company develops market strategy which integrates greenfield investment, greenfield development and acquisition of projects under construction, laying a good foundation for the future development of overseas business.

Extended Reading

Conducted a preliminary evaluation of the Ukrainian Yuzhnyi (72MW) wind power project.
Signed a confidentiality agreement for wind power projects in Poland (78MW) and Argentina (100MW) and participated in the first round of wind power tenders in Poland.
Gaining profits for four consecutive years since the launch of the Canada Dufferin Project.
Profitability was achieved by the South African De Aar project in 2018.

02 / Scientific and Innovative Management

The Company actively promotes the development of engineering construction to a wider range, higher level and greater degree, firmly raises the awareness of pursuing exquisite works, and devotes itself to building exquisite projects. It carries out a strategy driven by creation, innovates management system and mechanism, perfects management, promotes corporate information construction, conducts continuous, scientific and lean management, and constantly improves the overall management level.

CLASSIC CASE

Company's Longest Single Pile Sinking Record

On September 8, 2018, Longyuan Jiangsu Dafeng H7 offshore wind power project set the Company's longest single pile sinking record. The single pile of this construction is 86 meters long, 5.5 meters in diameter and weighs 677.92 tons. It adopts the construction scheme of “self-lifting platform-double hook-to-turn” and utilizes the world's largest professional offshore wind power construction platform “Longyuan Zhenhua No.1”. In the operation, the verticality of the pile body is within the limits of 0.32 per thousand, which is far superior to the designed requirements of three thousandths, which marks a great significance for the development of offshore wind power in China.

Extended Reading

The Company completed 135 maximum bid limit reviews, reducing budget costs.
The Company signed supplement agreement on 18 un-invoiced main engine purchase contract and saved project cost.
The Company conducted settlement audits on 89 individual projects, reducing the amount of project settlement.
The Company put into operation six wind power projects throughout the year with a capacity of 523.5 MW.
The Company's Shandong Yushan, Qingyun, Guangxi Hengxian Liujing, Shanghai Chongming Beibao Phase I won the "China Quality Power Project Award" which represents the highest award for engineering quality in China's power construction industry.

Make every effort to build exquisite projects. The Company strictly implements the construction start-up procedures, deepens preparation work, implements the conditions for commencement in advance, optimizes the project quality management, strictly controls the project cost, carries forward safe and civilized construction, promotes project with high quality and efficiency, and continues to lead the industry development with exquisite projects.

CLASSIC CASE

Set the fastest construction record of domestic offshore wind power single pile foundation

On November 8, 2018, Longyuan Fujian Company completed the construction of A72 single pile foundation of the first phase of Putian Nanri Island Offshore Wind Farm Project in 4 days. It sets the fastest construction record of domestic offshore wind power single pile foundation, symbolling that China has jumped a major leap in the construction of domestic rock-socketed single piles.

Promote corporate information construction. Longyuan Power adheres to planning, strengthens top-level design, convenes corporate conference on the topic of informationization, specifies thoughts, targets, related management department andits functions for corporate informationization. We comprehensively improved management level by using corporate information construction as an engine to promote efficient corporate operation.

03 / Robust and Efficient Operation

Based on the market, Longyuan Power shoulders its responsibility, lays stress on both quality and efficiency, continuously improves power generation capacity, vigorously promotes technological innovation, enhances scientific and technological support capabilities, achieves remarkable business performance through robust and efficient operations, maintaining a healthy and sustainable development trend and continuously enhancing customer satisfaction and trust.

Extended Reading

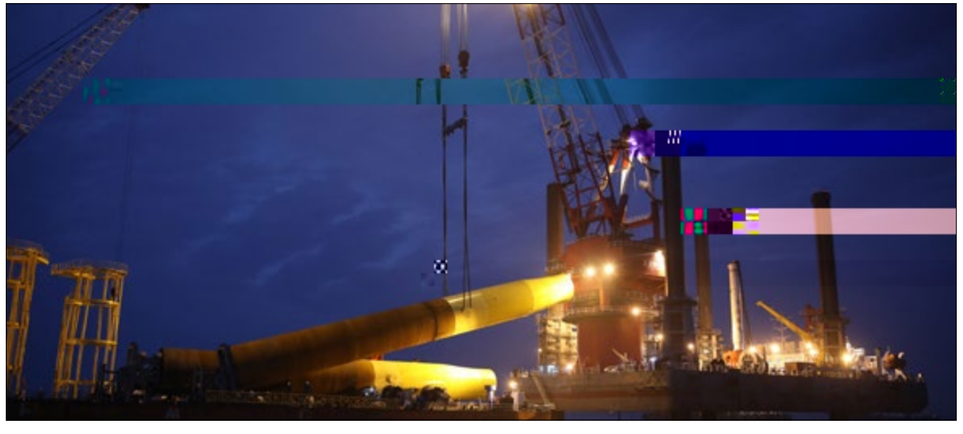
The Company's wind power curtailment ratio is lower than the average of comparable companies.
The Company's power consumption restriction decreased year on year.
Longyuan Power Sales Co., Ltd. completed Beijing's first thermal power market transaction with a transaction volume of 80.12 million kWh, ranking 5th in the number of agency users among 120 sales companies in Beijing.
The Company has completed a total of 49.971 billion kWh of power generation, of which wind power generation was 39.542 billion kWh, an increase of 14.78% year-on-year.
The Company's average utilization hours of wind power in 2018 was 2,209 hours, an increase of 174 hours from 2017 and 114 hours higher than the industry average.

Continuously improve power generation capacity.
The Company strictly implemented dual controls on grid curtailment rate and quantity. The Company further addressed grid curtailment management through a two-pronged approach as well as other methods to prevent risk backlashes. Internally, it performed stringent assessment on grid curtailment, deepened follow-up analysis on grid curtailment, established the emergency response mechanism on grid curtailment management and implemented the reporting and other systems on grid curtailment; externally, it strengthened marketing awareness and strove for additional transactions. Meanwhile, despite the ever- expanding scale of wind power trading, the Company observed the principle of “striving for larger capacity while maintaining the price” and further conducted market transactions to maximize the benefits of the Company while continuously improving its power generation capacity.

Extended Reading

At the first National Science and Technology Conference of the China Energy Group, the Company won the advanced unit of scientific and technological innovation, and its 10 scientific and technological achievements won the Science and Technology Progress Award.
The "Three-blade new tidal generator set design, manufacturing and engineering demonstration" and "Development of large-scale drilling rigs and key technologies for offshore wind power construction" projects won three provincial and ministerial awards such as China Electric Power Science and Technology Progress Award.
"Safety Monitoring and Evaluation Technology for Support Structure of Offshore Wind Turbines" won the China Electric Power Construction Science and Technology Progress Award.
Three projects, including the design, fabrication and installation of multi-pile steel structure technology for offshore wind turbines won the Energy Innovation Award of China Energy Research Association.
Capacity and efficiency improvement project of Unit 1 at Wenling Jiangxia Chaoshan Experimental Power Station won the honorary title of Excellent “Outstanding Ocean Engineering" in China.

Improve the ability of science and technology support.
Longyuan Power continues to increase support for science and technology projects that have significant influence on wind power development to enhance its science and technology support. There are 14 Science and Technology projects approved, 38 patents granted, and 13 software copyrights issued. We promote the standardization construction of the wind farm monitoring system, unified management of 14 mainstream models by developing the wind turbine monitoring system independently. We continue to formulate standards and procedures and abide by 11 national and industry standards, of which the energy industry standard "Wind Power Unit Vibration Evaluation Guidelines" and "Photovoltaic Power Plant Equipment Post Evaluation Procedures" have been approved by the National Energy Administration, maintaining our lead in technology of the industry. A number of scientific accomplishments with core competitiveness have emerged including “new intertidal wind power single-pile foundation design” and “large-diameter single-pile rock-embedded technology”, many of which are among the world's first.



Responsibility on Partners

Responsibility on partners is to shoulder responsibility for partners. The Company adheres to the business philosophy of fair operation, strictly abides by national laws and regulations, international trade rules, business ethics and industry rules, and strives to build mutual support, mutual benefit and all-win relations in line with the principle of equality, respect and integrity while following the trend of the market.

01 / Treat All Parties Equally

The Company continues to adhere to the policy of extending social responsibility to partners, builds a partner responsibility chain, and guides partners to develop fair cooperation in terms of quality, efficiency, price and service. When selecting partners, the Company strictly abides by the principle of fair trade, effectively regulates the pre-qualification procedures, and conducts interactive exchanges, inspections and confirmations of the cooperative units in a fair and impartial manner. The Company strictly implements the project construction contractor access system, establishes and improves the project bidding system, construction supervision systems and procedures, giving each qualified supplier equal opportunities for competition, which wins a wide recognition from all partners.

02 / Keep Promise and Fulfill Agreement

The Company respects and protects the legitimate rights and interests of its partners, and acts in strict accordance with the contract. Personnel of all departments of the Company strictly abide by the rules and regulations, and maintain cooperative relationship in a fair, honest and equal manner, which has been fully appreciated in the industry.

03 / Achieve Win-Win Cooperation

The Company actively cooperates with all parties to jointly promote the healthy, stable and orderly development of the domestic clean energy industry. The Company's has established strategic partnerships with outstanding enterprises in the design, construction and supervision industries at home and abroad to achieve win-win cooperation.

CLASSIC CASE

Donghaitang wind farm became the base of comprehensive practice of Taiping primary school (East Campus)

On November 19, 2018, the Taiping Primary School East Campus awarded the Longhai Zhejiang Company Donghaitang Wind Farm as its base for comprehensive practices. The Donghaitang Wind Farm has cooperated with the Taiping Primary School East Campus and has successfully carried out several comprehensive practical activities to educate students about wind power and new energy knowledge, attracting interests and participations from students. After the award, Donghaitang Wind Farm will serve as a comprehensive practice base for Taiping Primary School (East Campus) and will continue to cooperate with the school to carry out the “windmill exploration” activity, spreading seeds for the development and utilization of new energy in the hearts of primary school students, contributing to promote wind power and new energy popularization.

F LFILL OCIAL E ON IBILI

The sustainable development of Longyuan Power is inseparable from the cooperation and support of the government and employees and its safety production and social welfare. Longyuan Power attaches great importance to the management of relationship with the government and employees, actively pursues the balance between its own development and the demands of the government and employees, constantly strengthens safety production, actively participates in social welfare, earnestly fulfills social responsibilities and strives to promote social harmony.

Responsibility on Government

01 / Adhere to Practicing Integrity

Extended Reading

The Company formulated the Implementation Measures for Central Committee eight-point decision on improving Party and government conduct, took tough actions against the practice of formalities for formalities' sake, bureaucratism, hedonism, and extravagance, and timely handled the problems found.

The Company organized the theme party event of "New Era, New Mission and New Responsibility". Eight typical cases such as "Three Belts and Three Promotions" of Hebei Company were demonstrated at the Company.

The Company carried out the study and publicity of "Liangjiahe". Staff from headquarters and some units went to Liangjiahe to study in the field.

Cadres and workers of the Company watch educational films specials such as " Amazing China " and "Model 3".

Staff in Beijing units of the Company visited a large-scale exhibition Great Change for celebrating the 40th anniversary of China's reform and opening up".

The Company formulated and implemented the "1+3+1" evaluation trial system for Party building which aimed at conducting monthly and annual assessment to the quality of grassroots Party building.

The Party committee of the Company incorporated the responsibility system for Party building into the annual responsibility work plan for the first time, signed a letter of responsibility for Party building with 38 units, and deployed and assessed with the production management department.

The Company improved the Longyuan Party Building Management Information System, developed new functional modules, and continued to build and innovate activities with Party Committee Brands and Branches Characteristics.

The Company established an education base for the construction of honest administration of Party working style, promoted warning education into the classroom and building a clean culture, and consolidated the achievements on improving the work style.

The Company strengthened the management of the website, web-platform in Wechat, Weibo and Apps, and promoted the implementation of the "Opinions on Standardizing the Network Behavior of Party Members and Cadres".

The Company prepared and published the "Annual Program on Integrity Education" and combined typical cases to carry out all staff education activities. It regularly conducted legal and discipline warning education lectures for employees to enhance their awareness of integrity.

The Company conducted daily talks on integrity with staffs working in key areas and key positions, emphasized on several targets, and take proactive supervision moves.

The Company compiled the "Annual program on supervision and inspection", carried out special inspections, and increased the prevention of integrity risks in key areas.

The Company vigorously conducted making achievement in position activity which upheld the spirit of Socialism is achieved by restless efforts, set up 1,226 units responsible by party members and 524 Model positions as well as 143 teams for shooting difficulties of party members, fully harness the roles of party group and party members.

CLASSIC CASE

Demonstrating Clean and Integrity Administration Through Riddles, Verse, Drawings and Models

Extended Reading

03 / Motivate Employees to Grow

Extended Reading

In 2018, the Company selected 129 outstanding employees and 29 companies for the General Manager Award Fund.

In 2018, talent tank was primary formed by the Company certifying 23 chief technical staffs for different field and 298 professional and skilled personnel.

37 candidates were selected from the Company's 12th skill competition which added electrical maintenance competition session in a way combines recommendation and test competition, changing its feature from exclusiveness to inclusiveness.

04 / Promoting Democratic Management

05 / Implement Projects that Benefits People

Data of Benefiting Staff 2018

Grant Allowance and Fund for Employee in hardship	3.3 million yuan
Arrange Model for Recuperation	62 Employees
Fundraise for Poverty Relief	0.4 million yuan
Grant Mutual Funds	0.9 million yuan
Issuance to major illness, disability, vehicle accidents	40 Types

06 / Enrich Cultural and Sports Activities

CLASSIC CASE

Building the homogenous culture of Longyuan Power

The Company held the fourth staff basketball game

Longyuan Mengdong Company held the "Youth Contribute for the New Era" keynote speech contest

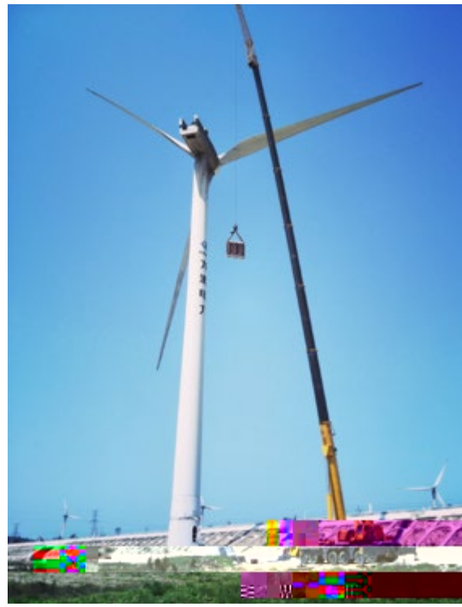
Longyuan Jiangsu Maritime Company launched the "Pottery Culture Crafting Life" activity

Longyuan Gansu Company launched the Autumn Workers Fun Games

Safety Production

01 / Building a Safety Culture

02 / Strengthening Safety Management



03 / Carry Out Safety Inspection

04 / Strengthening Equipment Management

Social Welfare

01 / Serve Local Economy

CLASSIC CASE

Organize the National Poverty Alleviation Day Theme Event

The Company promotes the successful poverty alleviation in Youyu County

02 / Participation in Philanthropy Activities

CLASSIC CASE

Longyuan Zhongneng Company launches public welfare theme Party day activities

Longyuan Guangdong Company organized A good clothes, A warm heart" donation

Longyuan Guizhou company Visited Senior Party Members

Mapengkou wind farm cope with spontaneous combustion of trucks

03 / Join In Volunteering Service

CLASSIC CASE

Special love for special you

Responsibility, Setting Up Images

Longyuan Heilongjiang Company visited the nursing home

F LFILL EN I ONMEN AL E ON IBILI

Longyuan Power has been actively implementing the national energy conservation and emission reduction policy for a long time, adhering to the environmental protection policy of "protecting the environment, preventing pollution, carrying out environmental governance according to law, and developing sustainable green power". In the process of developing green energy, the company has made efforts to build a clean development mechanism, continuously strengthen environmental protection, and earnestly fulfill environmental responsibility It makes efforts to shape the Company's green and low-carbon image, always bears in mind the its responsibility, mission and dedication to clean energy, and makes greater contributions to building a beautiful China and promoting ecological civilization.

Energy Conservation and Emission Reduction

In December 2018, Longyuan Tianjin Company installed domestic sewage purification equipment to ensure that the sewage discharge reached the standard and was successfully approved by relevant departments to achieve zero pollution of sewage discharge. The picture shows the recycled water inspection test report.

Extended Reading

In 2018, the Company's comprehensive plant electricity consumption rate was 3.93%, down 0.16 percentage points from 2017.

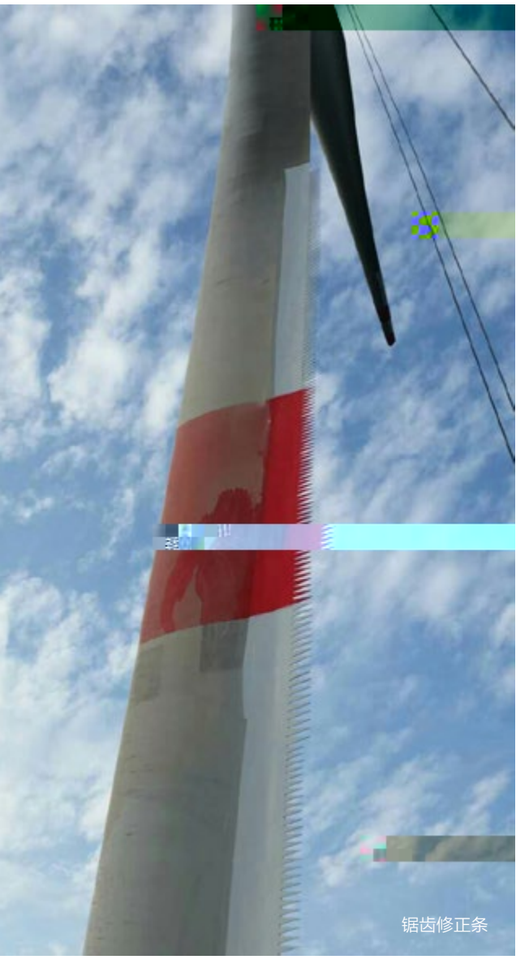
In 2018, the Company's two thermal power companies consumed 146 kilograms per megawatt hour, down 15.61% from 2017.

In 2018, the Company's thermal power enterprise's comprehensive utilization rate of ash and slag is 100%, which is used for road construction and cement concrete.

In 2018, the Company's wind and renewable energy generation capacity was 40,050,925 MWh, equivalent to a reduction of CO2 emissions of 39,576,559 tons, roughly equivalent to one year's CO2 emissions of 13 million ordinary gasoline vehicles.

Compared with 2017, the two thermal power companies in 2018 reduced emissions of 29 tons of sulfur dioxide, 238 tons of nitrogen oxides, 8 tons of dust and 475,677 tons of carbon dioxide.

Environmental Control



01 / Implement Strict Noise Control

CLASSIC CASE

Jintang Wind Farm Blade Noise Reduction

02 / Adhere To Green Management

Planting "Longyuan Power Green Memorial Forest"

Protecting Creatures

01 / Protecting Marine Organism

CLASSIC CASE

02 / Protecting Wildlife

CLASSIC CASE

Install Ultrasonic Bird Repeller

H

In January 2018, at the “2017 China Debt Outstanding Member Commendation Conference”, the Company successfully won two awards: “Excellent Issuer” and “Innovative Business”.

In January 2018, Longyuan Wind Power Training Center was awarded the “Outstanding Contribution Award for Skills Training for Power Industry in 2017” by the Power Education Fund Management Committee of China Electric Power Education Association.

In February 2018, Longyuan Shanxi Company won the 6th National Power Industry Equipment Management Innovation Achievement Award for Excellence in the Design and Demonstration of Lubricating Oil Cooling System Based on Gearbox Life Cycle.

In March 2018, project conducted by Longyuan Shandong Company “Improving Wind Turbine Power Generation in Low Wind Speed Regions” and “Improving Wind Turbine Power Generation Corrected Power Curves” were awarded the QC Achievement Award for Excellent Quality Management of 2018 Power Construction in China Construction Association.

In April 2018, the China Electricity Council awarded the Company as “2017 National Power Industry Enterprise Culture Construction Model Unit”.

In April 2018, the Company won the outstanding labor union in the national power industry.

In April 2018, Fan Dengsheng of Longyuan Mengdong Company won Youth Expert in State-Owned Enterprise Position.

In May 2018, Longyuan Hebei Company won the 2017 National Youth Safety Production Demonstration Post.

In May 2018, three projects belonged separately to Shandong Yushan, Qingyun, Guangxi Hengxian Liujing, and Shanghai Chongming Beibao Phase I wind power were awarded the “China Power Excellent Engineering Award” by the China Electric Power Construction Enterprise Association.

In June 2018, Longyuan Engineering Technology Co., Ltd. won the “3rd Youth Innovation Award in State-Owned Enterprise”.

In August 2018, Longyuan Guizhou Company’s Mawoshan Wind Farm won the AAAAA-level advanced honor for the 2017 National Wind Farm Production and Operation Statistics.

In September 2018, Longyuan Jiangsu Xuyi Wind Farm and Anhui Longhu Wind Farm were awarded “Top Ten Excellent Wind Farms” in the 20th China Wind Power Industry.

In November 2018, the Company won the “Best Listed Company” award in the 8th China Securities “Golden Bauhinia” Award.

In November 2018, at the 2018 Energy Annual Meeting and the 10th China Energy Enterprise High-Level Forum, Energy magazine awarded the Company the title of “Energy New Energy Model Enterprise”.

In November 2018, Longyuan Zhongneng Company “Key Technology Research and Application of Unified Data Platform for Wind Power Operation Based on Cloud Center” won the first prize of 2018 Power Innovation Award.

In November 2018, Longyuan Carbon Assets Co., Ltd.’s four unifications to boost the Group’s Carbon Management Project was awarded the second prize of the 2018 Power Innovation Award Management Class I, becoming the only award-winning project in the field of carbon emission management.

In November 2018, Capacity and efficiency improvement project of Unit 1 at Wenling Jiangxia Pilot Tidal Power Station won the honorary title of “Outstanding Ocean Engineering” issued by China Ocean Engineering Consulting Association.

In November 2018, Longyuan Hebei Company was awarded the “China Power News” 2017-2018 Excellent Communication Station.

In November 2018, the Company’s chief technical staff, Wang Jianguo, was awarded the “Outstanding Contribution Award for Skilled Personnel Training in the Power Industry in 2018” issued by the Power Education Fund Management Committee of China Electric Power Education Association.

In December 2018, the 2018 International Energy Summit and the 8th Global Top 500 New Energy Enterprises Summit announced the results of the “2018 Global Top 500 New Energy Enterprises”. The Company ranked 21st and ranked among the list for six consecutive years.

Prospects

According to the established roadmap for social responsibility work from 2015 to 2020, looking forward to the future, Longyuan Power’s social responsibility implementation route in 2019 is:

1. Conduct social responsibility risk management;
2. Establish a social responsibility work information system;
3. Incorporate performance appraisal indicators into the appraisal and evaluation system to conduct comprehensive social responsibility performance appraisal;
4. Conduct internal social responsibility research and optimize the management system based on performance appraisal results and research results;
5. Participate in the formulation of domestic and international social responsibility standards and contribute to the development of domestic and international social responsibility.

HI D- A COMMEN

I read the Longyuan Power Group Co., Ltd. 2018 Social Responsibility Report in an earnest manner, from which I appreciate the efforts and achievements made by Longyuan Power in the past year, and from which I witness its persistency in shouldering social responsibility and the integration of the concept of social responsibility in various fields. As a new energy-based power, its development is not only related to the development of the country's philosophy in keeping green mountains, saving energy and pursuing low-carbon lifestyle, but also to the people's sense of well-being and happiness. I would like to specify the feature of Longyuan Power in terms of social responsibility disclosure and practice as follows:

First, it is leading the edge. Longyuan Power's 2018 Social Responsibility Report fully reflects the requirements of ESG standards and SDGs, which is not only the requirements of the external environment, but more importantly, the inherent needs of enterprises to achieve sustainable development. With the continuous development of social responsibility management, the requirements of all stakeholders for the disclosure of corporate social responsibility are gradually changing, requiring enterprises to adjust in real time.

The second is that it clarifies the boundaries of responsibilities. Longyuan Power's 2018 Social Responsibility Report reflects the considerations of shareholders, clients, employees and other stakeholders in terms of economy, society and environment. As proposed by ISO26000 requirement, corporate social responsibility means that companies are responsible for the impact of their decisions and activities on the social environment through a transparent and ethical approach. From the framework and logic of the report, Longyuan Power has gradually clarified its own boundaries, concept and roadmap of responsibility.

Thirdly, it has distinctive features. Longyuan Power's 2018 Social Responsibility Report shares the characteristics of the energy industry, the power industry and new energy industry, and at the same time it outstands its design further featuring social responsibility. With more and more corporates issuing their social responsibility reports, Longyuan Power's report shows its distinctive characters under the circumstance that few reports are featured.

Nevertheless, it can be seen from Longyuan Power's social responsibility report that Longyuan Power has not yet formed a complete system in terms of corporate social responsibility management and social responsibility integration into corporate operations, leaving several works still need to be integrated.

I hope that Longyuan Power will take this opportunity to further improve its social responsibility management level while releasing social responsibility reports and strengthening social responsibility communication, to maximize the company's economic, social and environmental comprehensive value and to create a better future with its stakeholders.

Director of the Corporate Social Responsibility Promotion Center of the China Federation of Industrial Economics
Secretary General of the China Industrial Enterprise Social Responsibility Research Think Tank
Vice President of Chinese Institute of Business Administration
Director of Beijing Rongzhi Enterprise Social Responsibility Research Institute
Wang Xiaoguang

FEEDBACK

Thank you for reading Longyuan Power 2018 CSR Report. We sincerely look forward to your valuable feedback which will improve our report to better demonstrate our will, action and performance on creating economic, social, environmental and comprehensive values in a systematic and scientific way and will help us to improve our corporate social responsibility management and practice.

Your feedbacks

What's your overall evaluation of Longyuan Power's fulfillment of its CSR?
○ Very Good ○ Good ○ Average ○ Bad

What's your overall evaluation of this report?
○ Very Good ○ Good ○ Average ○ Bad

How will you evaluate Longyuan Power's CSR fulfillment in creating economic value?
○ Very Good ○ Good ○ Average ○ Bad

How will you evaluate Longyuan Power's CSR fulfillment in creating social value?
○ Very Good ○ Good ○ Average ○ Bad

How will you evaluate Longyuan Power's CSR fulfillment in creating environmental value?
○ Very Good ○ Good ○ Average ○ Bad

Do you think the information disclosed by the report is accurate, clear and complete?
○ Yes ○ No

Do you think the format and content arrangement of this report is easy to read?
○ Yes ○ No

What's your opinion and suggestion on our CSR work?

What's your opinion and suggestion on our CSR report?

About You

Name: Company: Position:
Tel: Fax: Email:

国家能源集团
CHN ENERGY

Add: #6-9 Fuchengmen North Road, Xicheng District, Beijing
Tel: +86-10-63887601
Fax: +86-10-63887750
Website: http://www.clypg.com.cn
Postcode: 100034

This Report is printed on recycled paper.