



中国神华能源股份有限公司

CHINA SHENHUA ENERGY COMPANY LIMITED

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

Stock Code: 01088

Targeted Poverty Alleviation

2018 ESG Report





About the Report

This is the first environmental, social and governance report¹ (referred to as “ESG Report”) issued by China Shenhua, which mainly introduced information of the Company in aspects of environmental protection, social contribution and corporate governance with an eye to enhancing communication and liaison with all stakeholders. The Board and all the Directors of the Company guarantee that the report does not contain any false representation, misleading statement, or major omission, and bear joint and several liabilities for the truthfulness, accuracy and completeness of the content hereof.

Main Scope of the Report

The report is mainly about China Shenhua and its subsidiaries. For details of the main scope of the report, please refer to Appendix IV of this report.

Reporting Period

The ESG Report of the Company is issued annually. The reporting period is from 1 January to 31 December 2018.

Preparation Basis of the Report

“Notice on Strengthening Listed Companies’ Undertaking of Social Responsibilities and Issuance of Guidelines on Environmental Information Disclosure by Companies Listed on the Shanghai Stock Exchange”, “Guidelines on Environmental Information Disclosure by Companies Listed on the Shanghai Stock Exchange”, “Guidelines on Preparation of Corporate Report on Performance of Social Responsibilities”, “Notice of Information Disclosure in Relation to Further Optimizing Poverty Alleviation Work of Listed Company”, and with reference to the “Guidelines on Environmental, Social Responsibility and Corporate Governance Information Disclosure by Listed Companies (Draft for Public Comments)” issued by the Shanghai Stock Exchange;

“Environmental, Social and Governance (“ESG”) Reporting Guide” issued by the Hong Kong Stock Exchange;

The GRI Standards issued by Global Reporting Initiative (“GRI”).

¹ The Company has issued 11 annual social responsibility report since the first corporate and social responsibility report in 2008, accumulatively, In order to further fulfill the information disclosure requirements for listed companies, the Company firstly issued environmental, social and governance report in 2019.

Principles of Data Processing

The reporting period of data and statement disclosed in this report is consistent with the reporting period of this report. The financial information contained in this report is sourced from the audited financial report of the Company for 2018. Unless otherwise indicated, Renminbi is the denomination currency in this report. The major indicators on safety and environmental protection of the Company are calculated in accordance with China's regulations or industry standards.

Assurance

This report has been assured independently by our independent auditor, Deloitte Touche Tohmatsu Certified Public Accountants LLP. The proof, scope, methodology and conclusion of the assurance are included in Appendix III.

Language Versions and Availability of the Report

This report is published in Simplified Chinese, Traditional Chinese and English. The financial data contained in the Simplified Chinese version are extracted from the A-Share financial report of the Company, whereas those in the Traditional Chinese version and English version are extracted from the H-Share financial report of the Company. This report is available to stakeholders and the public in a PDF document, which can be downloaded from the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange and the official website of China Shenhua (www.csec.com). Please email ir@csec.com or dial 86-10-5813-3355 to request for a printed copy of this report.

We have taken into consideration the different reading interests and requirements of different stakeholders to the extent possible during the compilation of this report to make it as plain, clear and easy to read as possible. The compilation of this report may not be entirely satisfactory due to various objective constraints. You are welcome to put forward your opinions and suggestions by completing the Feedback Sheet attached with this report. The Company will improve and enhance the report on a best effort basis in the future.

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Chairman's Statement

In 2018, China Shenhua adhered to Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the guiding principles of the 19th National Congress by upholding Party leadership, strengthening Party building, earnestly putting remaining committed to the new development philosophy, and promoting in-depth supply-side structural reform, thereby improving corporate governance level on an on-going basis, accelerating high-quality development of the Company, and continuously enhancing the Company's capability for sustainable development. China Shenhua ranks the fifth among global energy companies in the list of the "2018 Top 250 Global Energy Companies" issued by S&P Global Platts, being the top Chinese energy enterprise.

Looking back over the last year, all business segments of China Shenhua witnessed steady growth with the operating results maintaining at a high level. The Company has significant outcomes in terms of corporate governance, social contribution and environmental protection.

Focusing on targeted poverty alleviation

We determined to put into practice significant deployment of targeted poverty alleviation implemented by the Central Government and the State Council, by sticking to the established poverty alleviation objectives and investigate and solve thoroughly the prominent problems that prevent impoverished people from getting enough food and clothing with guarantee on compulsory education, basic medical care and housing security, insisting on "precisely supporting", and innovating the social assistance idea, thereby to accomplish hundred-percent the mission of poverty alleviation. The Company has invested a total of RMB54.33 million in three targeted counties, namely Wubu County and Mizhi County in Shaanxi Province and Butuo County in Sichuan Province throughout the year. 1,186 people shook off poverty in the poverty population as registered through data tracking. The donation of the Company in poverty alleviation on education and medical care through China Energy Foundation (formerly known as Shenhua Foundation) amounted to RMB43.06 million.

Improving corporate governance level

We have always been strengthening Party building, promoting Party conduct and clean administration, organizing the construction activity of “formation of socialism by construction”, holding an ethic lecture on “The Pillars of Our Great Nation”, the Party theme day of “new era, new mission and new responsibilities” and other Party building activities; optimizing the governance structure of corporate legal persons, leveraging the functions of the Board and all professional committees to regulate the operation of the Company. With the supply-side structural reform as the main task, we vigorously put into practice the policy of “addressing overcapacity, reducing inventory, deleveraging, lowering costs and bolstering areas of weakness”, strictly controlled the investment, and took solid actions for high-quality development of enterprises, incorporated the concept and actions of performing social responsibilities into the corporate development strategies, safeguarded the rights and interests of shareholders and stakeholders, and won the honor of “2018 Hong Kong Listed Companies Governance Excellence Award” presented by the Hong Kong Listed Companies Chamber of Commerce.

Sharing a harmonious society

We adhered to the concept of “value creation”, continuously enhanced the social contribution by leveraging the advantages of integration and continuously improving the efficiency of operation. In 2018, the Company achieved an operating revenue of RMB264.1 billion, and profit before tax of RMB70.141 billion, with multiple indicators, including the transportation turnover of railways, hitting historical high. The safety production of the Company continued to maintain a leading position in the industry, with 17 coal mines rated as “special-grade safe and efficient mines”, 5 generating units winning rewards in the National Thermal Power Operation Reliability Competition (全國火電運行可靠性對標競賽), and the transportation segment achieving safe operation for 1,052 consecutive days. Putting effort on motivating and unleashing the momentum of new business development of the Company through technological innovation, the Company won a total of 34 provincial and ministerial level science and technology awards throughout the year. To enhance the liberal management of enterprise, the Company introduced the positions of “Top Master” for supporting the career development path of the staff, organized a labor skill contest, implemented in-depth “people-oriented construction”, supported the staff in difficulties, helped commence local emergency rescue and emergency assistance, supported the construction of overseas communities, and promoted the spirit of volunteer service.

Building a civilized ecological environment

We are committed to the prevention and control of pollution with focus on integrating corporate development into construction of social and ecological civilization and developing ecological mining areas. We carried forward ultra-low coal-fired emission and smart power generation, while the proportion of capacity of ultra-low emission units continued to remain as the top-notch in the industry by achieving the “use of coal is as clean as that of gas”. The Company also constructed efficient digital railways and ports by transforming a 2,155 km-long coal transporting channel into a green corridor, realizing that “The building and operating of a railway can help driving local economy and afforesting local areas”.

Those who keep pace with the time succeed, those who reform and innovate win. In 2019, we will remain true to our original aspirations, continuing to move forward with a belief in upholding justice while pursuing shared interests. We would accelerate our pace to become the top-notch energy enterprise with global competitiveness, welcoming the 70th anniversary of establishment of the People’s Republic of China with excellent results.

Chairman: 凌 久

22 March 2019

Chairman: Ling Wen



TARGET: FOCUSING ON TARGETED POVERTY ALLEVIATION, PURSUING THE GOAL TOGETHER

The inherent difficulty entails extraordinary courage, and only persistent efforts befit this commendable cause.

In 2018, in active response to the call of the Party and the state to “win the battle against poverty”, China Shenhua aimed at and made a list on major issues that hinder the progress of targeted poverty alleviation in impoverished regions, and designated personnel to be responsible for each of the above issues. In addition, by coordinating capital projects and developing innovative poverty alleviation methods, we devoted ourselves in, making new contributions to help the local government win the poverty alleviation battle.





Photo of villagers from Bozuo Village, Butuo County, Sichuan Province, a targeted poverty alleviation county of China Shenhua

The Strategy of Poverty Alleviation: Leading the Way with Precise Understanding

Success is born of difficulties and hardships. China Shenhua regards targeted poverty alleviation as one of the key tasks, with focus on resolving major issues; concentrates on developing long-term poverty alleviation industries to increase the participation of impoverished people from which they can obtain immediate benefits; strengthens the enrollment rate of compulsory education to keep children from dropping out of school caused by poverty; implements medical assistance programs to guarantee basic medical needs of the poverty-stricken population; pushes ahead ecological poverty alleviation to promote the coordination between poverty alleviation development and ecological preservation; insists on the combination of poverty alleviation and educational support by carrying out professional education and skill training to enhance the endogenous power and self-development capability of the poor; reinforces infrastructure construction to improve people's living standards in the poverty-stricken areas; and designates personnel for front-line targeted poverty alleviation work and ensure that at least 1 cadre at county level to serve temporary position and 1 first secretary stationed in the village to undertake targeted poverty alleviation work in each targeted county.



Key directions of targeted poverty alleviation of China Shenhua

The Way of Poverty Alleviation: Targeted Poverty Alleviation Spreading Love

In 2018, taking improvement of the production and living conditions for people of targeted poverty alleviation counties as the intention and the foothold, China Shenhua invested mainly in self-reliance projects in respect of education, sanitation and people's livelihood. An alleviation fund of RMB54.33 million was invested in the three targeted poverty alleviation counties, namely Wubu County and Mizhi County in Shaanxi Province and Butuo County in Sichuan Province. With the alleviation fund, a total of 22 various assistance projects were implemented, 1,186 people shook off poverty in the poverty population as shown through data tracking, assistance was provided to employment transfer of 70 poor labors, and training sessions were provided to 50 cadres at junior level and 82 technicians in poor villages. An amount of RMB43.06 million were invested in education and medical poverty alleviation programs through China Energy Foundation. 13 subsidiaries and branches, including Zhunneng Group, have proactively invested in the poverty alleviation fund, and provided targeted alleviation assistances towards poor villages within the Company's business domain.

Assisting Industry Development to Create Job Opportunities and Increase Income

Adhering to the scientific and stable industry poverty-alleviation policies and integrating the condition and tradition in the targeted counties, the Company developed unique industries which resulted in significant increase in the income of poor families. The Company donated RMB8.05 million to Wubu County, to support 5 industrial development projects, including hand-made noodle factories, vegetable greenhouse, jujube orchard and Chinese medical herb planting base, expecting to increase the income of about 585 local families (including 874 people from 253 poor families); and the Company also donated RMB1 million to support the black fungus plantation project in Yong'an Village of Tuquan County, Inner Mongolia, and harvested over 9,000 jin (jin=1/2kilogram) of black fungus in 2018, increasing the income of 168 people from 80 families.



Shendong Coal Group carrying out greenhouse poverty alleviation in Mizhi County



The construction of hand-made noodle factories supported by Shendong Coal Group in Wubu County



Workers producing noodles in a noodle factory in Wubu County

Carrying out Ecological Poverty Alleviation to Achieve a Win-Win Situation

The Company strengthened ecological protection and restoration in poor areas to achieve a win-win situation of ecological improvement and poverty alleviation. We have donated RMB2 million as the “poverty alleviation funds for green ecological protection” in Butuo County, expecting that over 500 poor people would increase their income with poverty alleviated. We have also established 35,000 mu of grasslands and bred 1,000 dams at our “Thousands of Fine Beef Cattles on Thousand Mu (1Mu=666.66 square meter) of Grassland Breeding and Fattening Base” in Zhungeer Banner, Inner Mongolia, realizing annual sales revenue of RMB5 million.



The “Thousands of Fine Beef Cattles on Thousand Mu of Grassland Breeding and Fattening Base” in Zhungeer Banner, Inner Mongolia

Strengthening Educational Support to Stop the Transmission of Poverty to the Next Generation

The Company helped build loving care schools and set up student grants; utilized enterprise resources to conduct training courses, with the purpose of promoting employment transfer of poor labors. In 2018, China Shenhua supported 100 technical talents for fruit tree plantation in Mizhi County with training sessions organized in Northwest A&F University. Taking advantage of the internal skill training center of the Company, the Company organized training sessions in terms of modern business knowledge and accounting knowledge for 55 leaders of getting rich and young cadres at junior level in Wubu County and Mizhi County, and organized electrician and welder skills trainings for 23 poverty labourers as registered in national poverty population database. Also, the Company donated RMB4 million to Mizhi County to build the sixth kindergarten, which is able to take care of about 400 children (including 153 kids from villages among which 80 kids from poor families), solving the problem of lacking state-run kindergartens in the east of the county.



China Shenhua assisted the construction of educational infrastructure

Promoting the Medical Care to Avoid Poverty Caused by Illness

The Company put effort on solving poor sanitary conditions and high incidence rate of congenital diseases, infectious diseases and other severe problems in poor areas. The Company implemented targeted poverty alleviation projects such as “Reviving Education and Supporting Medicine, Helping with Both Aspiration and Knowledge” in Butuo County and donated RMB2 million to establish special “Loving Care Fund” to help Butuo County enhance the capability and level of primary medical services, improve the effectiveness of the local disease treatment, and reduce poverty and recurrence of poverty caused by illnesses.

Promoting the Community Construction and Upgrading the Infrastructure

The Company strengthened the development foundation of poor villages by supporting the reconstruction of dilapidated houses in poor counties and villages and improving water safety, transportation, lightening and other infrastructure. In 2018, China Shenhua donated RMB4.90 million to 28 poor villages in Mujiaya Village, Wubu County to install 3,950 sets of water filters, completely resolving drinking safety problems in 28 villages. The Company also donated RMB0.4 million to support the construction of Gongjiashan Bridge Culvert Project, relieving the travel difficulties for over 1,500 people from 6 villages; donated RMB4 million to Mizhi County to support the construction of Yangjiagou Flood Drain Project, conducting thorough treatment of the rivers; donated RMB1.60 million to install 533 solar street lights for the local streets and roads in the villages, solving the travel issues for 172 poor people from 65 families.



China Shenhua assisting the construction of safe drinking project in Wubu County

Conducting Poverty Alleviation through Party Building to Enhance the Effectiveness

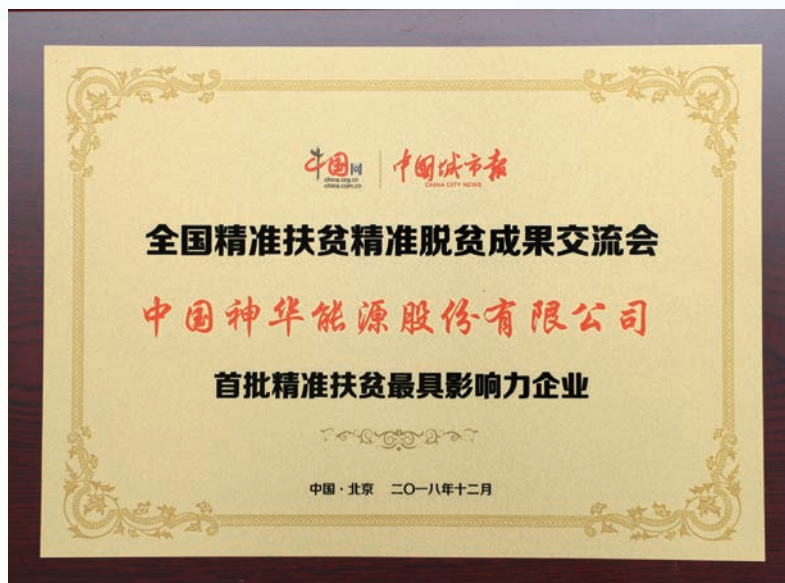
The Company promoted Party building and poverty alleviation via Party branch construction, paired assistance work and cadre training, in order to promote the organizing ability and poverty alleviation effectiveness of party organizations in poor villages. Donating RMB0.15 million as the special Party membership fees, the Company assisted the establishment of “Hongqi Party Branch” in Bozuo Village, Juesa Town, Butuo County to conduct activities, strengthening the collective economy in poor villages. Nine registered poor people have achieved poverty alleviation stably. The Company also conducted educational activities in respect of hardworking, poverty alleviation race and endeavour with gratitude, and endeavored to Party members and masses via night school for peasants, experience teaching, Party lectures and other approaches. The Company donated RMB2.96 million to Mizhi County to protect the red heritage resources in Yangjiagou, which helped develop the red tourism industry and assisted 303 registered poor people from 125 families in poverty alleviation.



China Shenhua carried out the “Hongqi Party Branch”
Party lectures in Bozuo Village, Juesa Town, Butuo County

The Result of Poverty Alleviation: Witnessing the Achievement and Benefiting People

In 2018, the targeted poverty alleviation achieved favorable results with Mizhi County and Wubu County undergone the assessment and inspection of poverty elimination. The Company won the “First Batch of the Most Influential Companies in Targeted Poverty Alleviation” by the 2018 National Targeted Poverty Alleviation and Results Exchange. Hu Xiaoming, the First Secretary stationed at Bozuo Village of Butuo County, won the title of “National Poverty Alleviation Pioneer”.



The First Batch of the Most Influential Companies in Targeted Poverty Alleviation

2018 Poverty Alleviation Achievements of China Shenhua:

1. Investment amount in targeted poverty alleviation counties: RMB54.33 million
2. Number of people shaking off poverty as registered through data tracking: 1,186 people
3. Investment amount through China Energy Foundation in improving the educational resources in poor areas: RMB29.599 million
4. Investment amount through China Energy Foundation in helping poor people with severe disease receive treatment: RMB13.465 million
5. Number of subsidized students in poverty through China Energy Foundation: 1,100 people
6. Number of poor people with severe disease who has received treatment through China Energy Foundation: 19,813 people

A photograph of four men standing on an industrial metal platform. They are wearing light-colored work shirts, dark trousers, and white hard hats with a red logo. The man on the far left has a blue safety harness, while the others have yellow and red ones. They are all smiling at the camera. The background shows industrial structures with green safety railings.

1. GOVERNANCE — STABLE AND HEALTHY DEVELOPMENT THROUGH UNION AND EMPOWERMENT

China Shenhua proactively promoted and put into practice the concept of sustainable development; and, through management innovation and technological innovation, constantly enhanced corporate governance standards, strengthened our ability to defend against risks, continuously created value for the society, proactively fulfilled social responsibilities, paid attention to the expectation of all stakeholders, actively advocated the construction of ecological civilization, and strived to be the promoter, implementer and leader of clean energy development, as well as the service provider of clean energy technology solutions.



1.1. Profile of the Company

1.1.1. Journey to Shenhua

China Shenhua Energy Company Limited, controlled by China Energy, is cross-listed in both Hong Kong and Shanghai stock exchanges. The headquarter is located in Beijing. It is a coal-based integrated energy company with businesses of power, transportation and coal chemicals, primarily engaged in production and sales of coal and electric power, railway, port, shipping transportation as well as coal-to-olefins production. The Company's technology in coal exploitation and production safety has secured a leading position in the global market, and that of clean coal-fired power generation and heavy-loaded railway transportation has secured a leading position in domestic market.



Strategy of the Company

Strategic objective : building a coal-based world-class integrated energy company with global competitiveness

Performance for the year

Revenue: RMB264,101 million

Net profit attributable to equity holders of the Company (under Accounting Standards for Business Enterprises): RMB43,867 million

Profit for the year attributable to owners of the Company (under International Financial Reporting Standards): RMB44,137 million

Basic earnings per share (under Accounting Standards for Business Enterprises): RMB2.205/share

Basic earnings per share (under International Financial Reporting Standards): RMB2.219/share

Final dividend for the year 2018 (tax inclusive, proposed): RMB0.88/share

Total tax paid: RMB53,182 million

Donations to society: RMB460 million

Social contribution per Share (under Accounting Standards for Business Enterprises): RMB6.648/share

Social contribution per Share (under International Financial Reporting Standards): RMB6.661/share

Number of employees: 86,856

1.1.2. Party Building Leading

In June 2018, a new session of the Party Committee in China Shenhua was established, upheld Party leadership, prioritized the enhancement of the Party building as always, insisted on the guidance of the thought on socialism with Chinese characteristics for a new era proposed by Xi Jinping, fully implemented the guiding principles of the 19th National People's Congress, unswervingly promoted the building of good conduct and political integrity and the anti-corruption campaign, guided high quality development of the enterprise by high quality Party building, and continuously polished the brand of Party building.



Adhering to the navigation of piloting banner

China Shenhua resolutely implemented the new requirements of political construction for the new era, adhered to the general requirements for Party building of China Energy, formulated work plans for Party building, amended and improved the Articles of Association and rules and regulations, institutionalized the research and discussions by Party committee as preceding procedures of material decision-making, established responsibility system and responsibility list of “double duties for one post”, and realized the synchronized advancement and enhancement of Party building, production and operation.

Consolidating the foundation of Party building

China Shenhua achieved an organic integration of the Party building with enhancement of corporate governance, strengthening the comprehensive leadership of the Party. By continuously solidifying theoretical arms, we have realized full coverage on publicizing the guiding principles of the 19th National People’s Congress, consolidated the ideological foundation for enterprise development and common endeavours, promoted standardized construction for primary-level Party branches, proactively initiated series of events such as the Party-themed day, stimulated vigor of the employees to devote to their career, and provided strong underpinning to ensure standardized and efficient operation for the Company.



Key tasks of Party building of China Shenhua in 2018

Forging the brand of Party building

China Shenhua focused on improving the quality of Party building and proactively pushed forward brand engineering of Party building, carried out a series of Party building activities, further achieved consensus, reinforced undertaking of duties, and promoted healthy development of the enterprise.

Case study: A series of activities for “new era, new missions and new duties” party-themed day

In July 2018, to commemorate the 97th anniversary of the establishment of the Communist Party of China, China Shenhua has carried out a series of activities for “New Era, New Missions and New Duties” Party-themed day. Through studying theoretical documents, launching Party-themed lectures, visiting Party building sites such as the military museum, the Company encouraged Party members to remain committed to our founding aspiration, always keep in mind our mission and unite and strive as a whole.



China Shenhua organized the thematic Party lecture for Party-themed activities



Carrying out Party-themed activities by the Party branch of the Board of Directors, Supervisory Committee and Investor Relations Department at underground working area

1.1.3. Corporate Governance

A good corporate governance mechanism helps raise its value and safeguard the interests of the shareholders, and is a crucial precondition to sustainable development of the Company. China Shenhua has continuously optimized its governance systems through long-term practice of corporate governance, and has formed an efficiently-operated corporate governance mechanism and system.



Governance mechanism

China Shenhua has strictly adhered to the Company Law, Securities Law and other laws and regulations and the requirements of the China Securities Regulatory Commission, optimized the legal person corporate governance structure, set up explicit rules of procedures and work flow, and formed a management system and operation mechanism in which duties were performed in accordance with laws and regulations by the shareholders' general meeting, the Board of Directors, the Supervisory Committee, the senior management and functional departments, effectively ensuring the Company's independent, efficient and transparent operation.

General meeting

The general meeting of the Company performs such work as meeting convening, notice and review, voting and information disclosure strictly in accordance with the Articles of Association and rules of procedures to safeguard the shareholders' right to know, to participate, to question and to vote. The Company attached great attention to investor protection work. In 2018, it added in its Articles of Associations, separate vote counting of minority shareholders and cumulative voting system, not imposing any minimum shareholding limitation for soliciting voting rights, and the Company shall attach attention to the opinions of minority shareholders, and other contents. The Company convened two general meetings throughout the year with all resolutions approved.

Board of Directors

The Board of Directors is a standing decision-making body of the Company. As of the end of 2018, the fourth session of the Board of the Company comprised 10 Directors, including 4 executive Directors, 5 independent non-executive Directors and 1 non-executive Director. The Board of Directors executed the resolutions of shareholders' general meeting, and made decisions on significant issues, including the production and operation plan as well as investment proposal of the Company. The Board and its special committees paid close attention to the Company's performance of social responsibilities, and considered resolutions in relation to social responsibility report, dividends distribution and other issues. In 2018, the Company convened 9 Board meetings, and considered 52 resolutions in relation to annual report, remuneration of the Directors and Supervisors and dividends distribution, and also listened to 4 reports.

Name of the meeting	Number of meetings convened
Meeting of the Strategic Committee	2
Meeting of the Audit Committee	11
Meeting of the Remuneration Committee	3
Meeting of the Nomination Committee	5
Meeting of the Safety, Health and Environmental Protection Committee	1

The meeting of the special committees under the Board of Directors of China Shenhua in 2018

Performance of duties of independent Directors

The Company ensured that proper conditions are in place for independent Directors to perform their duties, designated departments to undertake work related to independent Directors' affairs and independent board committee, assisting the independent Directors in conducting research and investigation, convening meetings and expressing independent opinions, etc..

In 2018, the Company's independent Directors have faithfully performed and diligently fulfilled their duties pursuant to the provisions of the Company Law, as well as legal provisions such as Guiding Opinions on Establishing Independent Director System for Listed Companies, the Articles of Association and the Company's Independent Director System, safeguarding the interests of the Company as a whole, safeguarding the legitimate rights and interests of all shareholders, especially minority shareholders, and based on the in-depth understanding of the Company's situation, together with their professional knowledge and practical experience have provided opinions and suggestions on the normative development of the Company, and have played their roles as independent Directors.



Research visit in 2018 of all independent Directors of China Shenhua to the construction site of Indonesian Java No. 7 coal-fired power plant project

Supervisory Committee

The Supervisory Committee of the Company is accountable to the general meeting. In accordance with the Articles of Association and relevant laws and regulations, it supervises the daily operating activities and performance of duties of Directors and senior management, rectifies the actions in violation of laws and the Articles of Association. Each member of the Supervisory Committee of the Company faithfully performed his supervisory duties during his effective term of office to ensure that the Company adheres to and complies with the Listing Rules, the PRC laws and regulations, the Articles of Association and other relevant regulations to safeguard the interests of the Company and its shareholders. The Supervisory Committee of the Company comprised 3 supervisors, including 1 employee representative. In 2018, the Company convened 7 meetings of the Supervisory Committee.

For more information on corporate governance, please refer to 2018 annual report of China Shenhua.

Compliance in operation

In compliance with the national laws and regulations and the Listing Rules, China Shenhua continued to improve its own systems and management, strengthen its operation control so as to enhance its compliance level and consolidate the foundation of sustainable development. In 2018, the Company's internal risk management and control has covered all its business segments with 100% coverage for both risk management and internal control assessment.



Institutional construction

Introducing the Work Plan for the Construction of Institutional System to standardise and accelerate the construction of institutional systems



Risk management

Proactively promoting internal control and risk management, strengthening legal reviews on regulations, economic contracts and major decisions



Anti-corruption

Promoting integrity culture construction, distributing "Workbook of Standards on Clean Politics for Party Members and Cadres" (《黨員幹部廉潔從政規範手冊》), and tunneling through the petition and reporting channels

Anti-Corruption work	2018
Integrity education (sessions)	4,794
Employees' receiving integrity education activities (person-times)	297,237
Corruption reports received (pieces)	346
Corruption reports verified (pieces)	346
Persons who have received disciplinary or administrative penalties (persons)	79
Losses recovered from anti-bribery, fraud and embezzlement work (RMB10,000)	896.68

Anti-corruption Work of China Shenhua in 2018

1.1.4. Honors Received by the Company

- 1) awarded the "First batch of the Most Influential Companies in Targeted Poverty Alleviation" by the 2018 National Targeted Poverty Alleviation and Results Exchange (《全國精準扶貧精準脫貧成果交流會》);
- 2) honored as the "2018 CCTV China Top Ten Listed Companies";
- 3) awarded "2017 A-Class Grade for Information Disclosure" by the Shanghai Stock Exchange;
- 4) awarded "2018 Hong Kong Corporate Governance Excellence Award" by the Chamber of Hong Kong Listed Companies;
- 5) awarded top 30 of the first session of the "Most Trustworthy New Listed Companies" by China Media Group and CNR;
- 6) awarded "Top 100 listed companies in China" in the "12th China Listed Companies Value Ranking" hosted by STCN and "2018 Golden Wing Award", won two awards from the Most Valuable Hong Kong Stock Connect Company Selection Activity (《最具價值港股通公司評選活動》) – the "most valuable Hong Kong Stock Connect Company" and the "Highest Investment Return Hong Kong Stock Connect Company";
- 7) awarded "the Most Socially Responsible Listed Company" and "Golden Horse Award – the Most Socially Responsible Dividend Distribution Award" by Securities Daily;

- 8) awarded “The Leading Reformational and Innovative Enterprise in the Passing Decade of Energy Industry” at the 2018 Annual Conference of Energy and the 10th China Energy Enterprises Summit;
- 9) awarded “Outstanding A-share Listed Company with Ten Consecutive Years of Grade-A Report” by Rankins;
- 10) selected as one of the Top 500 Creditable Enterprises in China and Top 500 Creditable Listed Companies in China;
- 11) in 2018, China Shenhua was included in MSCI China A Shares Index Constituents, and was included in component stock of both Hang Seng High Dividend Yield Index Constituents and Quality Growth Low Volatility Index Constituents by Hong Kong Hang Seng Indexes Company Limited, and was included in 2018 SGCX-ESG50 Index Constituents of 2018 by Caixin Information and SynTao Green Finance.

1.2. ESG Management

China Shenhua attached great importance to social responsibility management, integrating the concept and action of social responsibility into corporate development strategies, formulating comprehensive and sustainable development plan while proactively fulfilling corporate social responsibility to promote harmonious development of company and society.

1.2.1. ESG Culture

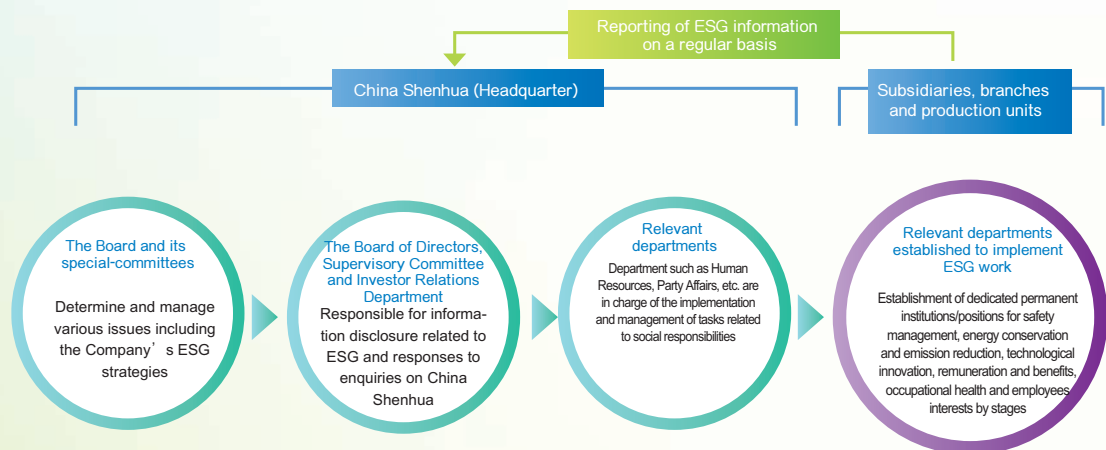
ESG fulfillment not only brought benefits to the society, but also created precious development opportunities for the enterprise itself. Guided by new development concept, the Company continuously optimized its social responsibility model based on the core theme of “supplying clean energy” to form a ESG promotion model with the characteristics of China Shenhua and a cultural atmosphere to fulfill social responsibility.



CSR model of China Shenhua

1.2.2. ESG Governance

The Company has established a relatively complete social responsibility management system, covering the headquarter, subsidiaries and branches, plants (mines and sections) and various overseas projects. The Board of Directors and each of the special committees under it are the leadership and decision-making bodies for social responsibility work. The management of the Company is responsible for the advancement and implementation of ESG work, while the Board of Directors, Supervisory Committee and Investor Relations Department are responsible for information disclosure related to ESG. All subsidiaries and branches have their social responsibility management department and staff, forming a top-down organizational system.



1.2.3. Full Integration of Social Responsibility

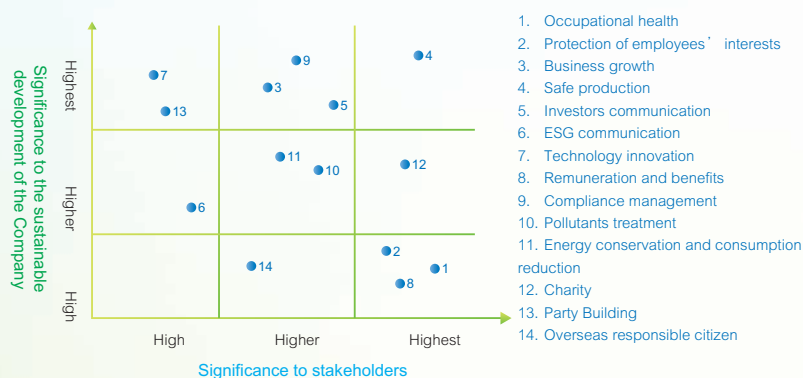
In accordance with the Social Responsibility Special Planning for the Thirteenth Five-Year Period, the Company proactively carried out the integration of social responsibility. The Company incorporated the concept of social responsibility into its development strategies, operational management and corporate culture, the Company incorporated safety management, performance management, employee protection, environmental protection, technological innovation and material procurement which involved stakeholders into the specific assessment, adhered to combination of process management and results assessment, achieving synergy in the development market performance, social performance and environmental performance.

In 2018, wage for safety performance for frontline employees and mine officers in Shendong Coal Group amounted to nearly 40% of the total wage, using wage leverage to motivate safety management; By a selection of innovative and advanced units and individuals, Guohua Power Branch has selected and set up examples to stimulate enthusiasm and creativity in all of its employees; Shuohuang Railway has included material management into the assessment indicators, thereby increasing material turnover efficiency.



1.2.4. Materiality Analysis

Based on the relevant standards and documents, policies and regulations on social responsibility and the issues of concern to stakeholders within the year, as well as the procedures of “identification, review, ordering”, contents disclosed in the ESG Report were determined by China Shenhua. Based on a full understanding of the expectations and appeals of the stakeholders, the Company determined the importance of different issues to stakeholders to increase the substantiveness of the report.



1.2.5. Communication with Stakeholders

Stakeholders' engagement and communication are the foundation of corporate sustainability. Through various channels of dialogue with stakeholders, China Shenhua understands the expectations of the stakeholders, and promotes the continuous improvement of its social responsibility management work.

Table of communication with stakeholders

Stakeholders	Expectations and needs	Communication and feedback
Shareholders	Stable operation	Improving competitiveness and profitability
	Earnings and returns	Insisting on a high proportion of cash dividend, strengthening market value management
	Unimpeded information flow	Information disclosure in a timely manner
Customers	Performance of contracts in good faith	Promoting the signing of three-year long-term contracts with strict execution
	Quality assurance	Strengthening coal quality management and “quasi-liner shipping”
	Premium services	Satisfaction surveys

Stakeholders	Expectations and needs	Communication and feedback
Staff	Wages and welfare	Protection of rights and interests, medical insurance, enterprise annuity
	Career development	Education and training
	Health and safety	Health protection, elimination of occupational diseases
	Humanitarian care	Caring for staff
Suppliers	Business ethics	Execution of contracts pursuant to the agreement
	Transparent procurement	Open procurement, e-procurement
	Mutual benefits and win-win cooperation	Symposium
Community	Community development	Community activities
	Public welfare activities	Activity and promotion
	Jobs creation	Training and communication
Regulatory authorities	Full compliance with laws and regulations	Compliance management
	Energy security	Structural adjustment, guarantee of supply
	Tax payment in accordance with laws	Prompt tax payment
	Environmental protection	Clean production, clean transportation, clean conversion
Creditors	High solvency	Due repayments
	Due repayment of debts and interest	Better communication and liaison
	Mutual trust and cooperation	Win-win cooperation
Industrial peers and industry organizations	Fair competition	Refraining from vicious competition
	Facilitating industry progress	Exchange of experience
	Promoting the development of industrial chain	Technological innovation



Entering into Strategic Cooperation Framework Agreement between Shenhua Logistics Group and Baotou Iron & Steel (Group) Co., Ltd. (包头钢铁(集团)公司)



China Shenhua carried out 2018 reverse roadshow



Instructors of general education courses from Hong Kong at the journey to China Shenhua 2018 activity

1.2.6. Social Contribution per Share

In 2018, the social responsibility contribution per share of China Shenhua² stood at RMB6.648 (Accounting Standard for Business Enterprises) and RMB6.661 (International Financial Reporting Standards), respectively.

²

Social contribution per share is calculated on the basis of the Company's basic earnings per share created for shareholders, adding the value of tax paid to the country, salary paid to its employee, interests on borrowings paid to creditors such as banks and value created for other stakeholders such as external donations, and deducting other social costs due to environmental pollution and other factors. Other social costs due to environmental pollution and other factors include the taxes and fees payable and funds in relation to the environment provided in accordance with the relevant requirements of the State, including pollutant discharge fee, coal sustainable development fund, compensation for water and soil losses, compensation for land acquisition, security deposits for mine environment control and restoration and provision of reclamation expenses.



2. SOCIETY — BETTER LIFE FOR SHARING HAPPINESS

China Shenhua never forgets its original responsibility, aspiration and mission. On the basis of mutual trust and equality, we work with the public to create value with our partners, continuously improve our product quality and service within the Company, reinforce safety production, pay attention to growth and rights protection of our employees, perseveringly fulfill the people's growing need for a better life, pursue the Chinese dream for the great rejuvenation of the Chinese nation, and strive to create a happy and harmonious human society.



2.1. Safety-oriented

China Shenhua revolves around the goal of building an intrinsically safe corporation. Adhering to the principles of “same responsibility for both the Party and management, dual responsibilities for one position, comprehensive management with joint efforts, accountability for negligence of duty” and “safety management is essential to production management”, China Shenhua established a safety production system with “cultural leadership, responsibility implementation, risk prevention and control, strong guarantee, solid foundation” as its core to ensure safety production on an on-going basis.

2.1.1. Safety Management

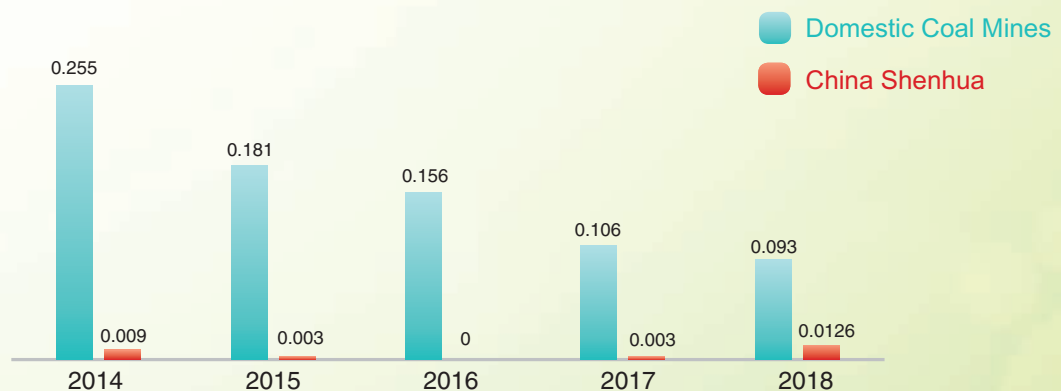
China Shenhua continued to strengthen the fulfillment of safety management responsibility, pushed forward the establishment of a dual prevention and control mechanism for risk prevention and control and hidden danger investigation, with focus on the management and control of major issues, consolidated basic management of safety, conducted safety management audit, implemented safety management responsibility of contractors, thereby advancing in-depth and systematic safety management. In 2018, the Company formulated the Three-year Plan for Safe Production in the Coal Industry of China Shenhua, and revising and improving eight enterprise standards such as the Safety Consultation Standards for Underground Mines and multiple management systems such as the Safety Management Measures for Coal Mine Explosives. The Company also initiated the upgrading and reformation of the online safety monitoring system, conducted special inspections and expert consultations, made public the major safety hazards and supervised their rectification, and completed the formulation of the annual plans for major coal mine disaster prevention and control of 29 coal mines. By introducing the audit method, the Company took a deep dive to seek for safety management flaws of the production units with occurrence of accidents. The Company also carried out on-site safety production convention at primary-level production units, supplemented and improved the standard work flows of different positions, carried out simultaneous arrangement, inspection and assessment of safety management of contractors and the Company, and established a “blacklist” system for contractors.

Coal Segment	Power Segment	Transportation Segment
Invited 15 experts from National Coal Mine Safety Administration to co-examine some major mines of the company	Commissioned external experts for individual examination on 7 units of infrastructure projects, and comment on safety of major power plants	Invited experts from the Ministry of Transport of the People's Republic of China, the National Railway Administration to conduct safety seminars on railways, ports and shipping enterprises

Implementation of safety inspection work of each business segments

2.1.2. Safety Protection

China Shenhua continuously raised the standards of safety, and has built an invulnerable bulwark for safety line. With respect of organization support, the Company enhanced the management and control system of “safety committee + safety supervision department + primary-level production units” of each subsidiary and branch to make each unit and individual familiar with the risk prevention and control standards and assume safety management responsibility. With respect of technological support, the Company took the initiative in mechanisation, automation and intellectualisation construction to advance labour reduction and efficiency promotion and safe development. With respect of equipment support, the Company improved equipment introduction standards, strengthened equipment monitoring and fault diagnosis, and guaranteed regular repair and maintenance of equipment. The Company comprehensively enhanced its emergency management capability by equipping itself with rescue crews and adequate professional equipment. In 2018, China Shenhua has conducted 4,387 times of emergency drills, and has trained up rapid response and skillful rescue capabilities of the rescue teams in all sectors of the Company; Shuohuang Railway has invested and built the first professional and systematic large-scale-comprehensive emergency drilling base in the nation, and has since organized 19 projects of comprehensive practical drills. Coastal enterprises such as Zhuhai Coal Dock responded actively to the influence brought by extreme weather and successfully defended against the super typhoon “Mangosteen”. With respect of capital support, the total investment in safety production amounted to RMB5.446 billion.



Bar chart of comparison on fatality rate per million tonne of raw coal production from 2014 to 2018

Case study: Zhunneng Group 2018 emergency rescue drill for hillside collapse accidents

On 28 June 2018, Zhunneng Group held the emergency rescue drill for hillside collapse accidents at Heidaigou Opencast Coal Mine. During the drill, the engineering rescue team cleared the pavement and gravel quickly and reopened the road. The fire rescue team used fire rescue equipment to demolish the vehicle cab and rescued the trapped personnel. The emergency response and support capabilities of our employees have been effectively improved through this drill.



Zhunneng Group 2018 emergency
rescue drill for hillside collapse accidents

2.1.3. Safety-oriented Culture

China Shenhua continuously carried out diversified safety-themed activities, including Employee Safety Training, Safe Production Month and Safety Knowledge Competition, in order to cultivate the awareness of safe production of employees. In 2018, the Company held a special training program of safety supervision personnel and a training program of knowledge of safety and environmental management and audit system of transportation sector, produced video on coal mine accidents for warning and educational purposes, and carried out a series of safety culture activities, including the “Ankang Cup” competition, Safe Production Consultation Day, Exhibition of Achievements of Standard Operating Procedures of Posts, safety-themed speech contest, Post Drilling and family assistant management, with safety training time throughout the year reaching 1,534,550 hours..



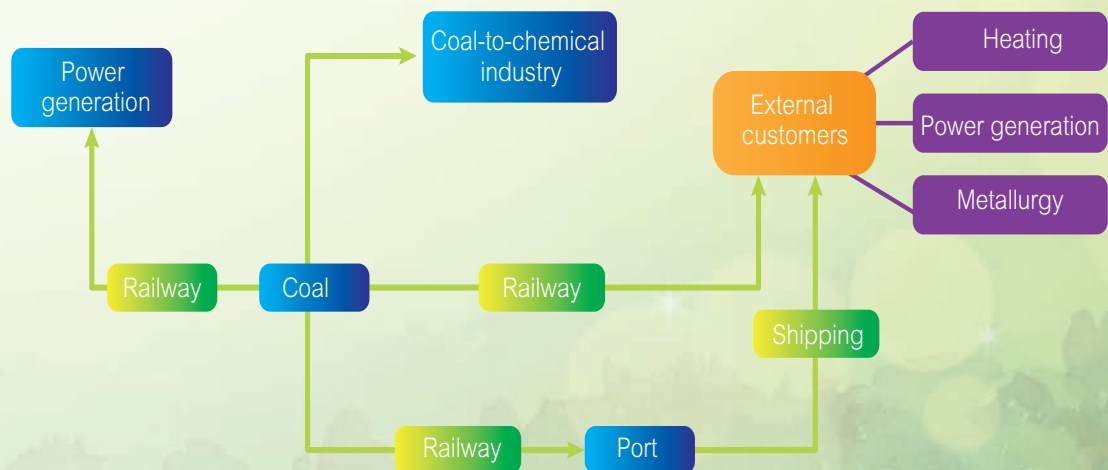
"119" Fire Safety Promotion Month activity in 2018 by Zhunneng Group

2.2. Operation in Good Faith

Adhering to market-orientation, China Shenhua optimized allocation of resources, and provided stakeholders with quality products, thereby improving market competitiveness of enterprises. On the premise of steady and healthy development, China Shenhua, through formulating and implementing a series of rules and regulations, standards and measures, etc., standardized the management of corporate operation and upstream and downstream suppliers, promoted the improvement of quality and efficiency, conveyed the concept of responsibility, and maximized the overall value of supply chain.

2.2.1. High-quality Development

Regarding realization of safe and steady operation as the target and based on the integrated operation covering coal, power generation, railway, port, shipping and coal-to-chemical industry, China Shenhua implemented dynamic optimization of resources allocation among business segments and subsidiaries and branches, enhanced synergy among business segments, launched low-cost operation strategy and delicacy management, maximized the value of the Company, and improved core competitiveness of the Company.



Integrated operation mode of China Shenhua

In pursuit of excellent product quality, China Shenhua carried out exploration and innovation of clean production, clean transportation and clean conversion of coal by adhering to “improving quality, increasing varieties and creating brands”. In particular, research on clean coal production were at the forefront in the industry.



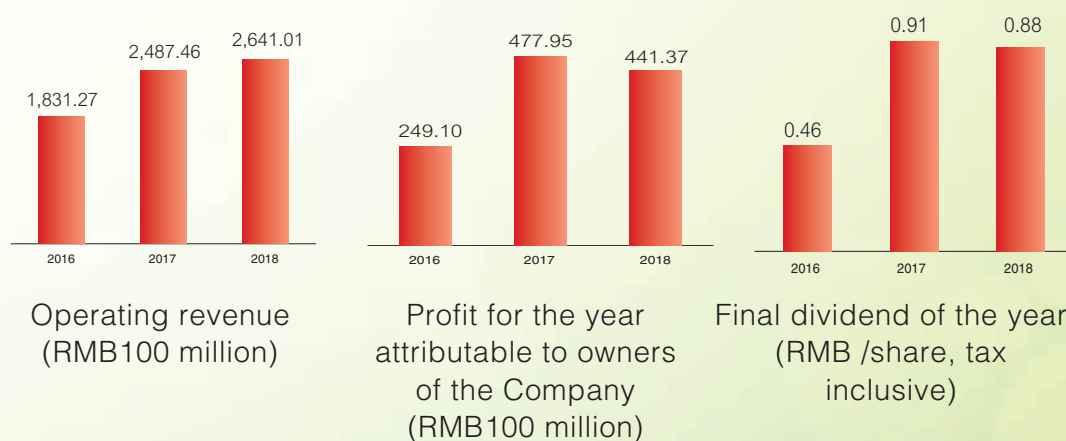
Measures of China Shenhua for improving product quality management

2.2.2. Partnership

China Shenhua has attached great importance to stakeholders, including investors, suppliers and customers. China Shenhua was committed to protecting the rights and interests of the parties, and maintaining decent cooperation relationship. The Company achieved win-win cooperation with stakeholders through improving operation capability, enhancing the quality of products and services, implementing information disclosure in accordance with laws and regulations, and carrying out open and transparent procurement actions, etc.

Investors

In accordance with regulatory requirements, the Company accurately provided investors with important information, including operation data and decision-making management, in a timely and accurate manner. In addition, the Company held results conferences, investor meetings and reverse roadshow activities on a regular basis. The Company protected the right to interests of investors by constantly improving sound operation capability and relatively stable cash dividend policy. In 2018, the Board of the Company recommended the distribution of final dividend for the year at RMB0.88 per share (tax inclusive). The Company implemented reverse roadshow activities, invited investors to visit Shendong Mines for visiting production and operation of the digital mine, and responded promptly to investors for satisfying their information needs.



Operating revenue, net profit and final dividend for the year of China Shenhua in 2016-2018

Suppliers

China Shenhua formulated a unified supplier management system and criteria of access, selection, evaluation and withdrawal, realizing delicacy management of suppliers. Procurement process, which has basically realized 100% electronization to ensure equal opportunities for participation, was open and transparent. In 2018, procurement amount of China Shenhua reached approximately RMB136.23 billion.

In addition, China Shenhua required suppliers to comply with basic business ethics and the principle of mutual agreement, and to raise the awareness of performing social responsibility and enhancing capability of sustainable development, so as to promote the establishment of close and long-term cooperation relationship between the parties, mutual benefit and win-win results. China Shenhua communicated with suppliers through organizing symposiums, on-site investigation of production, information system interaction and other methods. As of the end of 2018, China Shenhua has cooperated with 63,985 suppliers of different categories, including 497 overseas suppliers.

Region ³	North China	Northeast China	East China	South Central China	Southwest China	Northwest China	Others
Number	23,367	3,100	16,490	6,280	2,386	11,865	497

Number of suppliers by regions

³ Specific classification criteria are as follows: North China (Beijing, Tianjin, Hebei, Shanxi and Inner Mongolia); Northeast China (Heilongjiang, Jilin and Liaoning); East China (Shanghai, Shandong, Jiangsu, Anhui, Jiangxi, Zhejiang and Fujian); South Central China (Henan, Hubei, Hunan, Guangdong, Guangxi and Hainan); Southwest China (Chongqing, Sichuan, Guizhou, Yunnan and Tibet); Northwest China (Shaanxi, Gansu, Ningxia, Xinjiang and Qinghai); Others (Hong Kong, Macao, Taiwan and overseas)

Case study: Entering into procurement contracts with suppliers for win-win development

In November 2018, during the First China International Import Expo, Shenhua Logistics Group Limited, a subsidiary of China Shenhua, attended the “Signing Ceremony of Procurement Contracts of China Energy Group” on behalf of China Energy Group, and signed material procurement contracts with 20 overseas suppliers. Through communication at the symposium, we understood the development trend of international advanced equipment, strengthened the cooperative relationship between the Company and suppliers, and laid a solid foundation for reducing procurement costs, improving procurement efficiency, and stabilizing material supply.



Signing Ceremony of Procurement Contracts

Customers

Adhering to the principle of “customer is market and customer is God”, the Company implemented standardized management in customer development, archive management, information maintenance, aftersales service, information confidentiality, etc., so as to improve customer service level, and protect the right to privacy of customers. In 2018, there was no violation of the right to privacy of customers and loss of customers’ data by the Company.

Quality products

In 2018, total sales revenue from top five customers of the Company amounted to RMB72,626 million, accounting for 27.5% of total operating revenue of the Company.

Customer service

Protecting the right to privacy of customers; continuously improving customer service level; customer satisfaction rate reached above 98%.

Key performance of products and services

2.3. Innovation-driven Development

Following the changing trend of economic environment, China Shenhua comprehensively implemented innovation-driven development strategy, constantly optimized innovation system, established innovation platform, and promoted organic integration of innovation work with business demand. As of the end of 2018, China Shenhua had one State Key Laboratory, i.e., State Key Laboratory for Coal Exploration and Water Resources Protection and Utilization; one Academician and Expert Workstation, i.e., Academician and Expert Workstation of Guohua Power Branch; Postdoctoral Working Stations were established in 3 units, namely Shendong Coal Group, Guohua Power Branch and Shuohuang Railway; technological innovation and talent cultivation mechanism combining the industry, education and research was established at the preliminary stage.

2.3.1. Innovative Management

Being innovation-oriented, China Shenhua improved capability of independent innovation, established and improved management of science and technology innovation projects, awards for scientific and technological achievements and management of Postdoctoral Working Stations, etc., strengthened evaluation of scientific and technological innovation, and constantly enhanced the quality and level of science and technology management.

Protection of Intellectual Property

The Company laid emphasis on protecting intellectual property by formulating strategies for protecting intellectual property, actively promoting patent application with focus on major projects and demonstration projects, thereby achieving the whole-process intellectual property management of major scientific, technological and economic activities. In 2018, the Company had been granted 581 new patents, including 113 patents for invention.

R&D Input

The Company constantly increased R&D input in a series of major innovation projects, and provided support for the Company's development strategies and scientific and technological innovation. In 2018, accumulated investment in R&D of the Company amounted to RMB860 million. The scientific research team established by the Company comprised 3,873 technical talents with senior or higher professional titles and 1 expert of the "Bai Qian Wan Talents Program".

Technical Exchange

China Shenhua actively implemented internal and external exchange and communication for innovation and technology, convened several workshops for innovation and technology, earnestly implemented the national strategies on scientific and technological innovation, discussed and arranged various requirements and tasks of the Company in respect of scientific and technological innovation work, and discussed major plans on scientific and technological innovation, so as to better drive rapid development of the Company.



China Shenhua held the First Exhibition of New Technology & Equipment of Heavy Haul Road

2.3.2. Innovation Results

In 2018, China Shenhua obtained a total of 34 science and technology awards at provincial and ministerial-level, including 9 first prizes. “Packaged technology and equipment for high-recovery mining with flexible formwork, composite materials and safely support at coal mines” jointly completed by Shendong Coal Group won second prize of National Science and Technology Progress Award. (國家科學技術進步獎二等獎); the “Research and Application of Key Technologies for Reinforcement and Renovation of Established Heavy Haul Works Equipment under Conditions of 30t Axle Load” project was awarded with the first prize of 2018 Science and Technology Award of the China Railway Society; and six projects including “Packaged Technology, Equipment and Demonstration of the Shield Construction of Long-Distance Inclined Shafts of Coal Mine” were awarded with the first prize of 2018 Science and Technology Award of the China National Coal Association.



8.8-Meter Large-Mining-Height Intelligent Coal Face

Application in Production of the World's First 8.8-Meter Large-Mining-Height Intelligent Coal Face

In March 2018, the world's first 8.8-meter large-mining-height intelligent coal face was put into operation in Shangwan Coal Mine of Shendong Coal Group. For constructing a 16-million ton super-safe and efficient mine with the best single-well and single-side output, the highest productivity, the greatest effectiveness and efficiency in the world, it filled the comprehensively high technological gap in one-off cutting on the fully mechanized and extra thick coal seam in the world, representing a historic transformation in mining equipment and mining technology.



Construction of the Nation's first TBM long-range high-gradient inclined shaft of coal mine

Project of Packaged Technology, Equipment and Demonstration of the Shield Construction of Long-Distance Inclined Shafts of Coal Mine was Awarded

In view of the technical difficulties in shield construction project of long-distance inclined shafts of coal mine such as extra mining depth, continuous slope, high-pressure and abundance of water, China Shenhua carried out research and demonstration of relevant technology, and formed the packaged equipment and technology system for shield construction of long-distance inclined shafts of coal mine, filling the gap in domestic and overseas relevant area, and creating a new model of safe, rapid and efficient construction for inclined shafts of coal mine.



Certificate of the key technology study of green development for extra-large open-pit mining areas of Zhungeer and the Applied Technology Award

Award Granted to Key Technology and Application of Green Coal Mining in Extra-large Open-Pit Mining Area of Zhungeer

Zhunneng Group developed the green development theory and key technology system in large open-pit mines of Zhungeer through continuous R&D and practice, realizing safe and efficient green development of open-pit mines in vulnerable environment. Direct economic benefits over past three years amounted to RMB1,658 million. In addition to driving the technological progress of the industry, the project also contributed to creating beautiful and pleasant mine environment, realized intensive recycling and environmental-friendly development, and was awarded the first prize of 2018 Science and Technology Award of the China National Coal Association.

2.4. Employee Development

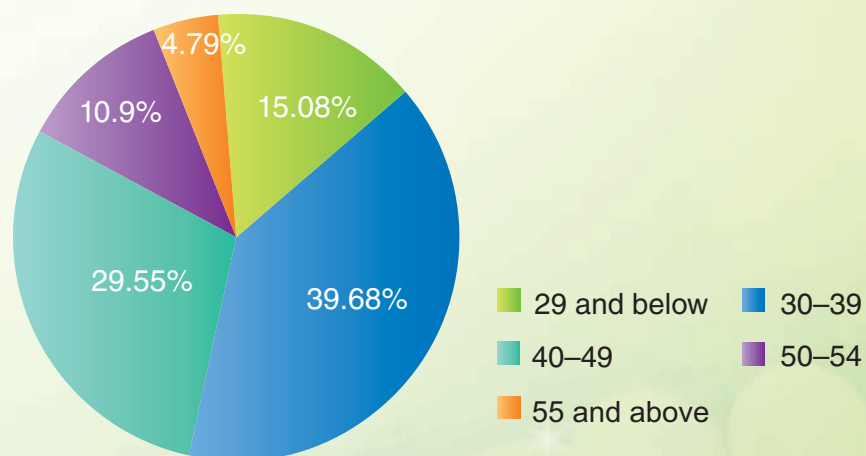
As the most important internal stakeholders of enterprises, employees secure the intelligence for sustainable development and are the source of innovation of enterprises. China Shenhua has been adhering to the “people-oriented” concept, and regarding employees as valuable wealth for everlasting prosperity of fundamental business of the Company. China Shenhua was committed to building a professional and high-quality talent team, attached great importance to the rights and interests and career development of employees, recognized the value of employees, and strived to create a democratic, harmonious and sharing work atmosphere.

2.4.1. Protection of Rights and Interests

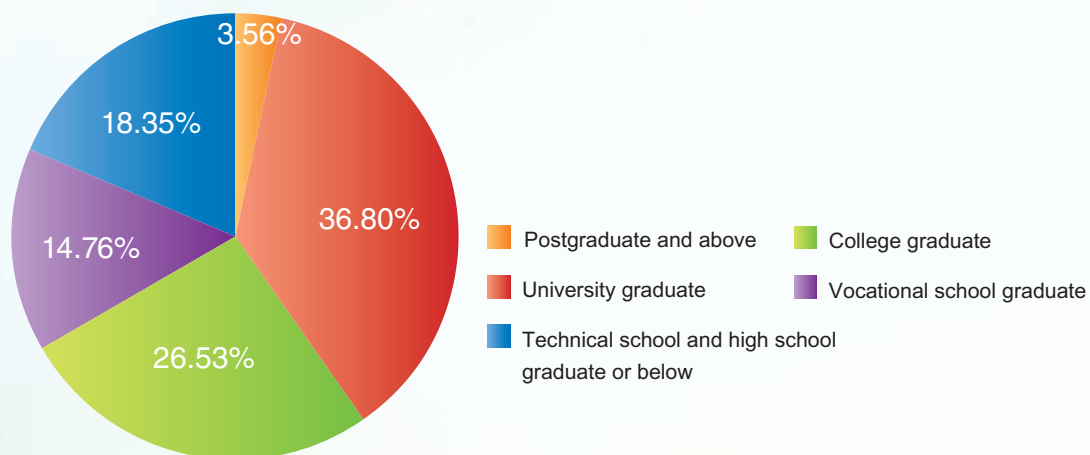
China Shenhua strictly complied with the Labor Law, the Labor Contract Law and other laws and regulations, respected and protected the lawful rights and interests of employees, optimized employment mechanism, provided employees with competitive wage and welfare system, actively implemented democratic management, protected occupational health and safety of employees, and built harmonious and stable labor relationship.

Equal Employment

The Company adhered to the principle of equal employment and equal remuneration for equal work to prevent employment discrimination. The Company paid social insurance and housing provident fund for employees in accordance with the laws on schedule, ensuring the entitlement to reasonable working hours and paid leave of employees. The Company carried out irregular inspections on the execution of labor employment through implementing labor employment supervision and inspection system. There was no employment of child labor, forced labor and employment dispute in 2018.



Employees by age



Employees by education background

Category of professionals	2017 (person)	2018 (person)
Operation and maintenance	55,168	53,233
Management and administration	13,653	13,218
Finance and accounting	1,772	1,830
R&D and technical support	14,088	13,967
Sales and marketing	933	902
Others	3,443	3,706
Total	89,057	86,856

Composition of employees by specialty

Staff turnover rate by age and gender

Staff turnover	Aged 29 or below	Aged 30–39	Aged 40–49	Aged 50–54	Aged 55 or above	Total
Male (person)	255	528	147	45	141	1,116
Female (person)	84	91	35	94	26	330
Total (person)	339	619	182	139	167	1,446
Staff turnover rate (%)	2.59	1.80	0.71	1.47	4.02	1.66

Democratic Management

China Shenhua attached great importance to employees' opinions and suggestions on enterprise development and management, provided clear information exchange and communication channels, and regularly convened democratic meetings to allow employees to understand the condition of the Company and to ensure employees' rights of democratic participation, information and supervision. In 2018, 99.65% of employees of the Company joined the labor union as members.



Employees' democratic management system and measures

Occupational Health

China Shenhua established a comprehensive management system for occupational safety and health and kept improving the working environment for employees to eradicate the root causes of occupational diseases. The Company also set up occupational health and safety management profiles for employees, implemented “pneumoconiosis” and other special screening for employees of coal enterprises, and provided proper treatment and arrangement for those suffering from occupational diseases. In addition, consultation sessions and training on mental health are provided to relieve the stress faced by employees.

Case study: Self-purification and enhancement of mental health

In November 2018, in order to enhance the awareness of employees' mental health and promote employees' physical and mental health as well as family harmony, Shenhua Sales Group implemented psychological counseling training on the themes of “personality analysis” and “self-purification”, helped trainees better seize their personalities and characteristics, give full play to their own advantages, unburden themselves, and achieve all-around career development.



Employees of the Company were analyzing their own personalities

2.4.2. Career Development

China Shenhua has been improving and deepening talents cultivation mechanism, established a multi-level, multi-channel and large-scale training system based on subsidiaries and branches, incentive and restraint, talent introduction and withdrawal system closely related to performance appraisal and career path combined with management, technology and skills, and achieved a talent promotion mechanism covering all posts.

Training for Employees of Different Categories

Category of Employees	Total Number of Trainees	Accumulated Training Hours
Management	58,473	2,220,225
Including: Senior management of the Group	1,969	20,204
Appointed Senior professionals	78,416	2,268,028
Technicians	423,868	1,577,348
Others	79,243	111,399

Case study: Developing “craftsman classroom” focusing on professionalism and promoting improvement

Focusing on cultivating “professional competence, professional spirits and professional talents”, in 2018, Shendong Coal Group established a platform for both theoretical learning and on-site practice in an all-around way through offering “craftsman class” and holding skill improvement activities for different posts. Equipment Maintenance Center held welding post skill improvement activities turning the post into “a large classroom” and “a drill ground”. Engineering Quality Supervision Station “craftsman class” carried out a total of 29 internal training programs with 286 participants. Liu Zhanying, a maintenance electrician of Shendong Coal Group, and Zhang Lei, an overhead line worker of Shuohuang Railway, were awarded the title of “National Technical Expert” at the 14th China Skills Award and National Technical Expert Award by the Ministry of Human Resources and Social Security.



A master welder was demonstrating pipe circular seam welding

2.4.3. Caring for Staff

Prioritizing employees' welfare, China Shenhua cared for employees' work and life, provided support to female employees, addressed issues which employees were concerned about, helped employees in need overcome difficulties, carried out abundant cultural and sports activities, provided employees with a platform for self-presentation, communication and interaction, guided employees to pursue wonderful life, and enhanced the sense of belonging of employees and cohesive force in the enterprise.



Caring for female employees

- The Company complied with the Law on the Protection of Rights and Interests of Women (《婦女權益保障法》) and Law on Maternal and Infant Health Care (《母嬰保健法》) and other laws and regulations.
- The Company implemented selection and recognition activities of "Contributions of Women", "Lifting with Beauty and Happiness" Female Staff Photography Competition, Collection of "Micro Stories" of Female Employees (Family Members) in Coal Industry Assisting in Safety Management, etc.
- The Company implemented HPV and other specific examinations for female employees.



Caring for employees in need

- The Company commenced "Two Festivals" Comfort Extending Activities, expressed condolences to and caring for 409 employees in poverty.
- The Company organized work on providing assistance and support to employees in need such as serious disease relief and college education subsidy, issued serious disease relief of more than RMB4.56 million and assisted 117 employees with serious diseases.
- The Company participated in the theme activity of 2018 national "Poverty Alleviation Day"; with donations made by employees of the headquarter amounting to RMB27,000.



A variety of cultural and recreational activities

- The Company commenced "Making Contributions on Posts & Walking Together" brisk walking activity.
- The headquarter, subsidiaries and branches of China Shenhua established their respective basketball teams, and participated in the First Employee Basketball Game held by China Energy.
- The Company held the Collection of Excellent Photography, Calligraphy and Paintings of energy industry for Celebrating the 40th Anniversary of the Reform and Opening Up of the PRC

Main actions taken by China Shenhua in 2018 for caring for employees



Zhunneng Group held the Second "Be Grateful to be Accompanied by You with Flowers" flower arrangement activity



China Shenhua participated in the First Employee Basketball Game of China Energy

2.5. Contributions to Communities

Adhering to the corporate concept of “Being Grateful to the Motherland and Contributing to the Society and People”, China Shenhua actively participated in social charitable activities, assisted domestic and overseas enterprises in development of infrastructure, employment and education, etc. in local communities through various models, including special funds, voluntary assistance and emergency rescue, effectively improved the living standards of residents in local communities, and promoted the harmony between enterprises and local communities.

2.5.1. Donation and Assistance

As the important governing unit and major fund donor of China Energy Foundation (formerly known as Shenhua Foundation), with the support of the Foundation, China Shenhua has been helping children with “leukemia and congenital heart disease”, and improving educational infrastructure in poor villages through various charitable activities such as “Loving Care Actions, Loving Care Libraries and Loving Care Schools”.

Case study: Actions for love

Adhering to the principles of “Delivering China Energy’s Loving Care, Supporting Public Welfare Undertakings and Promoting Social Harmony and Development”, China Energy Foundation has implemented a series of activities such as Loving Care Actions, Loving Care Libraries and Loving Care Schools, focusing on poverty alleviation, disaster relief, assistance to Qinghai and Tibet, culture and education, environmental protection, cooperation and exchange, as well as community building. And it was awarded the titles of 5A-level Foundation among National Social Organizations and National Advanced Social Organization, winning wide attention and recognition from all walks of life. In 2018, China Shenhua has donated RMB440 million to the Foundation.

In 2018, the main actions of China Shenhua carried out through China Energy Foundation include:



Building 1,661 Loving Care Libraries



Funding 1,100 impoverished students in Xinjiang and Guizhou to help them finish school



Assisting 1,280 children with congenital heart disease and leukemia in poor families across the nation



Free screening of congenital heart disease for 18,533 new-born babies in seven pilot counties in Hebei Province and Shaanxi Province

2.5.2. Volunteerism

Volunteerism, like the torch in the dark night, brightens others but also warms up ourselves. Focusing on the volunteerism of “dedication, love, solidarity and progress”, China Shenhua joined hands with stakeholders to jointly carry out social charitable activities such as caring for youngsters and elderly, blood donation without payment and consultancy assistance, delivering positive energy in the society.

Case study: Creating the brand of volunteerism; promoting the positive energy in the society

In 2018, Shenwan Energy Company further optimized “Xiao Shen Long” Youth Volunteer Service management system, actively participated in a series of brand social activities, such as “Qingmeng Lixue” donation and home visit for students, blood donation without payment, and made positive contributions to construction of civilized and happy communities together with local people.



During the 2018 Chinese New Year, Ma'anshan City was rarely hit by snowstorm. “Xiao Shen Long” Youth Volunteer Service immediately established “snowstorm” commando, removed the snow, and provided the city with strong support for electric power supply and heating.



In March 2018, “Xiao Shen Long” Youth Volunteer Service carried out “Qingmeng Lixue” Donation and Home-visit for students in Wujiang Town, understood the idea and learning situation of poverty-stricken students, and did the best to address these students’ needs and difficulties in their study.



In March 2018, “Xiao Shen Long” youth volunteer service participated in “Volunteerism in Ma’anshan, Dedication of Love” charity bazaar for assisting impoverished students. All of the proceeds from the charity bazaar were donated to “Qingmeng Lixue Grants”.

2.5.3. Disaster Relief

When facing earthquake, typhoon, flood and other disasters, China Shenhua has always been battling at the front, and immediately assisted local government in emergency rescue and disaster relief, protecting people's lives and properties, expressing great love, and manifesting its sense of responsibility as a central state-owned enterprise.

Case study: Shenhua Shendong team for national mine emergency rescue

Established in 1997, Rescue & Fire Brigade of Shendong Coal Group was mainly responsible for rescue in mines of Shendong Coal Group and ground firefighting mission in mining areas as well as providing emergency rescue services for more than 400 local mines in Yulin City, Shaanxi Province and Erdos City, Inner Mongolia Autonomous Region. In 2018, Shendong Coal Group Rescue & Fire Brigade was included in the national mine emergency rescue team, and was named as "Shenhua Shendong National Mine Emergency Rescue Team", through which the spirit of Shenhua people of being responsible and dedicated and showing great love when facing disasters was fully recognized.



Shenhua Shendong Team of National Mine Emergency Rescue was at the rescue site

Case study: The ark of life never goes far away

As impacted by typhoon on 4 August 2018, surge in waters off Zhejiang reached 2.5 meters. Fishermen were found in the sea when “Shenhua 808” of China Shenhua was heading to Taishan Power Plant. After 3 hours of rescue, all the 3 fishermen in distress were successfully rescued.



Person in the sea was found by “Shenhua 808”



“Shenhua 808” was rescuing persons in water

2.5.4. Overseas Construction

Adhering to the concept of “joint discussion, co-construction and sharing”, China Shenhua joined hands with overseas communities and governments to promote local economic and social development for improvement of people’s livelihood and well-being, and established the image of China Shenhua as a responsible brand. In 2018, overseas enterprises of China Shenhua actively joined hands with local communities in Indonesia and Australia to carry out cooperation in various aspects, including medical care, education, culture, environment, public utilities and emergency rescue and disaster relief.

Case study: Unity between overseas enterprises and local communities

In addition to development, overseas enterprises of Guohua Power Branch always bore in mind their responsibilities, proactively communicated with surrounding communities, expressed condolences to them on behalf of the enterprise during local festivals, actively assisted local government in disaster relief and settlement when disasters struck, and helped affected people recover their normal production and life as soon as practicable.



In June 2018, during Eid al-Fitr, PT. GH EMM INDONESIA sent necessities to poor villagers in surrounding 7 villages.



In September 2018, earthquake struck Central Sulawesi, Indonesia with a magnitude of 7.5 Richter scale. Guohua Jawa Company donated clothing, daily necessities and other materials to affected people through local charity organization.



3. ENVIRONMENT — GREEN AND LOW CARBON, BEAUTIFUL CHINA

China Shenhua aims to assist in building beautiful China. The Company strictly complies with the Environmental Protection Law and other laws and regulations, adheres to the co-existence of development and protection, synchronizes governance and repair, and carries out concurrent energy saving and efficiency enhancement. We continuously promote green management system, proactively carry out pollution prevention and control, actively strengthen energy conservation and consumption reduction, and lead the industry towards to green upgrading.



3.1. Green Management

China Shenhua has adhered to implementing the spirit of Notice on Issuing a Three-Year Action Plan on Defending the Blue Sky by State Council (Guo Fa [2018] No. 22) and other documents to continuously optimize the construction of environmental protection systems, set up special funds for environmental protection, actively carry out low-carbon technological R&D and green concept training, achieve effective management of carbon emissions, and lay a solid foundation for green development.

3.1.1. Environment Management System

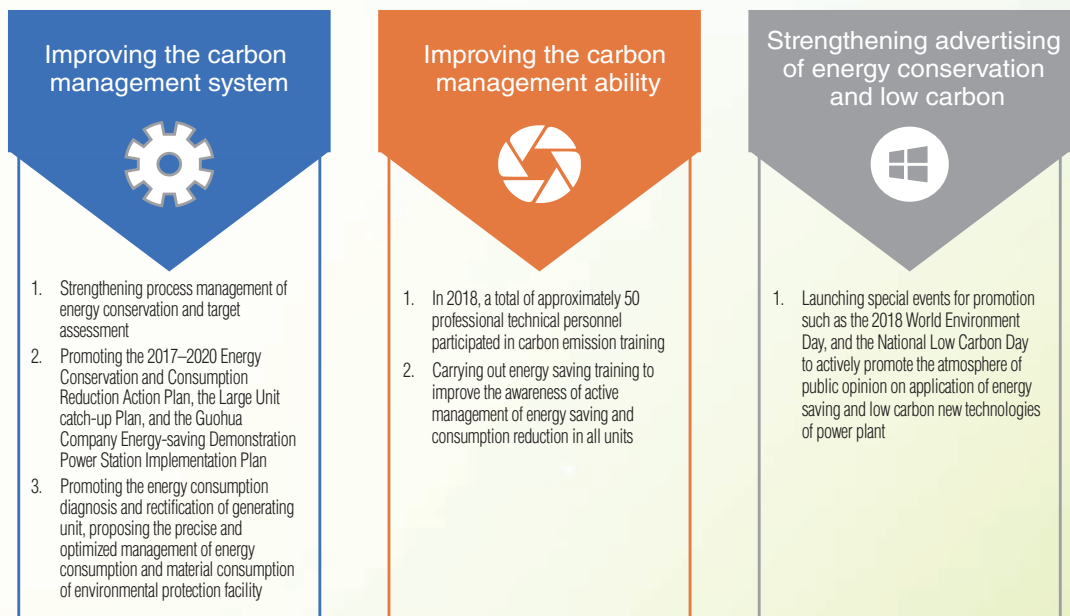
China Shenhua attaches great importance to the construction of environment management system, and actively implements ISO 14001 environment management, HSE, energy conservation and environmental protection and other standardized management systems. All subsidiaries, branches and factories (mines and sections) have set up energy conservation and environmental protection management committees to incorporate environmental protection work into their daily work plans, strengthen the environmental responsibility of leaders and employees at all levels, clarify the tasks and indicators of environmental protection, and implement the assessment of environmental protection work in all sections of production management and technical management to achieve closed-loop management. In 2018, Shendong Coal Group formulated the Environmental Objective Responsibility System and Baotou Energy Company improved the Measures of Assessment on Energy Conservation and Environmental Protection Work (Trial) and other environment management rules and regulations, providing a strong guarantee for sustainable development.

3.1.2. Environmental Risk Management

China Shenhua continues to improve its environmental risk prevention and control system, insists on screening for hidden dangers and weaknesses, and implements the “daily monitoring, weekly analysis and monthly notification” system of real-time environmental indicators, environmental protection evaluation system of internal third parties and special inspection system, so as to ensure that the risks arising from environmental factors with significant impact are under effective control. In 2018, China Shenhua had no major environmental pollution incidents and had not been imposed on major administrative penalties for environmental pollution.

3.1.3. Carbon Emission Management

China Shenhua continuously optimizes the carbon management system, promotes the construction of management system for carbon emission reduction, organizes operation training of carbon trading, and carries out diversified forms of promotion on energy saving and low carbon to enhance the awareness of active management of carbon emissions, and promote the harmonious development between people and nature. In 2018, Guohua Power Branch of the Company further improved the carbon management system, and promoted the effective management of carbon emissions by improving carbon management and strengthening promotions on energy saving and low carbon and other measures.



2018 Carbon Management Measures of Guohua Power Branch

3.2. Pollution Prevention and Treatment

China Shenhua strictly complies with the Atmospheric Pollution Prevention and Control Law and other relevant laws and regulations. Following the principle of “preventing pollution at source, controlling pollution in the process and abating pollution at the end”, the Company continues to promote dust prevention and boiler technological transformation, reduces emission of air pollutant, promotes the development of circular economy, realizes the value of harmless waste through re-excavation, reasonable disposal of hazardous waste, and effectively battles in the war for defending “blue sky, clean water and green land”.

3.2.1. Exhaust Gas Prevention and Treatment

Focusing on the “high-quality green power generation plan”, China Shenhua promotes coal-fired power plants toward the green road through flue gas desulfurization and denitrification, dust removal and technological transformation of boiler. As of the end of 2018, the capacity of ultra-low emission coal-fired generating units of China Shenhua amounted to 53,960MW in total, accounting for 89.9% of the total installed capacity of coal-fired generating units.

Flue Gas Emission of China Shenhua’s Coal-fired Power Business in 2018

Pollutants	Total volume of emission (10,000 tonnes)	Performance of emission (g/kWh)
Soot	0.29	0.0104
SO ₂	1.85	0.07
NO _x	3.82	0.14

Case study: Coal-fired power plants can also be cleaner than gas-fired power plants

Encountering the problem of flue gas emissions from coal-fired power plants, Guohua Power Branch of the Company took the lead to propose the concept of “near-zero emissions”, in which air pollutant emission limits of coal-fired power generation were better than that of gas-fired power generation, and carried out technological transformation for ultra-low emission. As of the end of 2018, Guohua Power Branch of the Company became the first large-scale power generation enterprise in China to comprehensively achieve ultra-low emission transformation. Compared with 2013, soot emissions decreased by 86% year on year; sulfur dioxide emissions decreased by 69% year on year; nitrogen oxide emissions decreased by 87% year on year, which were lower than that of the emission standard of gas-fired power generating units, providing a new direction for coal-fired power plants toward the green road. Guohua Power Branch of the Company ranked first in the “2018 100 Excellent China Green Gold Enterprise”, and was nominated as a candidate for the 10th China Environmental Awards.



The “near-zero emission” wet dust collector equipment of Guohua Sanhe Power Plant

3.2.2. Treatment of Solid Waste

China Shenhua actively carried out recycling and reuse of solid waste, and carried out value re-excitation of solid non-hazardous waste such as coal gangue. The hazardous chemicals such as waste mineral oil were recycled and treated by manufacturers with relevant qualifications to avoid environmental pollution. In 2018, 1,477.94 tonnes of hazardous waste and 21.86 million tonnes of non-hazardous waste were discharged⁴.

Case study: Coal mining without getting a glimpse of coal of shendong coal group

In terms of coal gangue utilization, not only did Shendong Coal Group innovate the underground rockless roadway layout technology, but also reduced gangue production from the source, and carried out comprehensive resources utilization of coal gangue by filling abandoned roadway, filling trenches for field cultivation, power generation, brick production and other methods to achieve the goal of coal mining without getting a glimpse of coal in coal mines. In 2018, Shendong Coal Group produced a total of 19.08 million tonnes of coal gangue, with a utilization amount of 1.04 million tonnes, and 18.04 million tonnes of gangue was safely disposed of in the drainage field.



Coal mining area of Shendong Coal Group

⁴ All compliance disposition

Case study: Huanghua harbour has unique skill on dust treatment

In order to solve the dust problem of coal port, Huanghua Harbour Administration has innovatively developed a full-process dust treatment system to achieve long-term effective dust treatment through the belt washing devices of belt conveyors, stacker sprinkler, dust removal renovation and closure of car dumper. The recovered coal powder was mixed with water and pressed into coal blocks. Approximately 10 tonnes of coal dust can be recycled and treated every day. The ship's ballast water, coal sewage water and rain water were recycled and unutilized for the creation of a "Two Lakes and Two Wetlands" eco-water system, through which the issue of coal sewage water emission was solved and the demand for dust treatment was met. With the green coverage rate of the port area reaching 31.3%, the wind speed of the yard was effectively slowed down and the generation and spread of dust were reduced, being a demonstrative model for China's coal port.



Dust treatment in Huanghua Port – water sprinkled from the Arm of Stacker



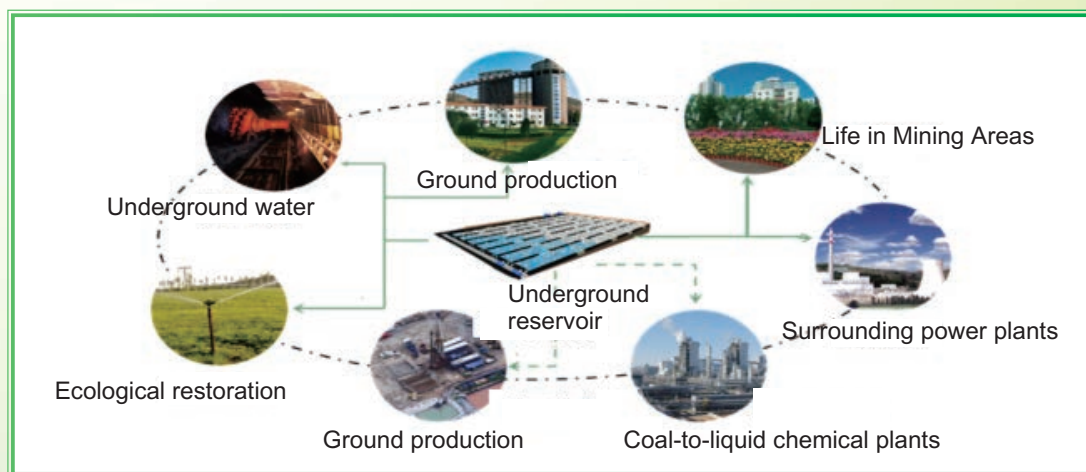
Before and after the implementation of the dust treatment system project

3.2.3. Utilization of Water Resources

China Shenhua has fully implemented the Action Plan on Water Pollution Prevention and Control (2015–2020). The Company promoted the research and development of technological innovation of distributed underground reservoir while constructing wastewater treatment plants and deep-water advanced water-treatment plants, effectively solving the problems of mine water supply and drainage, sewage treatment, flood prevention and control, environmental protection, energy conservation and emission reduction, as well as production in mining area, ecological and domestic water shortage through construction of underground reservoir in the goaf to ensure the comprehensive treatment and effective use of water resources surrounding the mine. In 2018, the total water consumption of China Shenhua amounts to 252.3 million tonnes, with comprehensive utilization rate of waste water being 79.43%.

Shendong Coal Group has already possessed complete sets of independent intellectual property rights in underground reservoir technology, opening up a new path for protection and utilization of coal mining water resources in the main coal producing areas of western China, and obtained 51 national authorized patents. The World Coal Association promoted and applied a case study of coal mine underground reservoir construction to major coal production countries in the world, providing the global coal industry with a “Shendong Solution” for reference and promotion (please refer to the website link: <https://www.worldcoal.org/shenhua-group-water-management-programme>).

In 2018, 95% of the production, domestic and irrigation water in the mining area of Shendong Coal Group was from the underground reservoir, generating an accumulated economic benefit of RMB2.8 billion. The ecological irrigation utilization project of the subsidence area of seven mines and four plants in Wulan Mulun River Basin was completed, achieving zero impact on the water quality of Wulan Mulun River.



Schematic diagram of water recycling in Shendong Coal Group

Case study: “Four absence” natural sewage treatment plant

In order to solve the “water disaster” (mine water) under the mine, Shendong Coal Group has created a “four absence” natural sewage treatment plant with absence of equipment, electricity consumption, material consumption and labor by virtue of distributed underground reservoir technology and by making use of the goaf left after exploration of the super large working area to transfer and store the sewage produced from rock seepage and underground mining. With the help by natural purification resulted from long-distance flow through coal gangue, not only were pollution and waste in the sewage reduced, but it also effectively reduced the incidents arising from water seepage. In 2018, 35 underground reservoirs in Shendong mining area with a total water volume of approximately 30 million m³ can save approximately RMB1 billion in water purchase, sewage treatment and mine water discharge and other expenses each year.



Coal No. 1 underground reservoir in 2-2 coal seam
of Daliuta Coal Mine, Shendong Coal Group

Case study: Creating a place with South-China-tape scenery with blue sky, green land and clean water

Shendong Coal Group is located in the continental climate zone in the north with temperate and semi-arid climate, facing a grim situation with fragile natural conditions and a severe shortage of water resources. Following continuous growth of the company, the contradiction between supply and demand of water resources in mining areas has become increasingly prominent. By promoting the construction of underground reservoirs not only has Shendong Coal Group gotten rid of the fame of the large water user in the past, but it has also become an important local water supply base. As of the end of 2018, not only did Shendong Coal Group solve the problem of water use, but it also performed the treatment of Mu Us Desert into “a place with South-China-tape scenery”.



2,490 hectares of economically beneficial sea buckthorn
were planted by Shendong Coal Group using underground reservoirs

3.3. Ecological Mining Area

The impact of coal mining on the environment is an outstanding problem for all countries in the world. As a leader in China's energy industry, China Shenhua has long been focusing on the concept of green development to build a green ecological mining area with both internal and external harmonious development through two measures, namely ecological construction and green mining, and created a "green business card" within the energy industry.

3.3.1. Ecological Construction

China Shenhua is committed to reducing the impact of production operations on the ecological environment. The Company effectively recovered the ecological environment of the mining areas, open pit mines, railways and other operating areas through soil and water conservation, windproof and sand fixation, subsidence area treatment, reclamation and greening, and ecological park construction, thereby protecting the biodiversity of surrounding area by comprehensive investigation and rectification of environmental pollution and ecological damage. Daliuta Mine Water and Soil Conservation Science and Technology Demonstration Park of Shendong Coal Group was awarded the title of "National Water and Soil Conservation Science and Technology Demonstration Park" by the Ministry of Water Resources of the state. The open-pit coal mine of Shenbao Energy Company was awarded the title of the Demonstration Base of Green Mine Construction Standardisation by the Green Mine Promotion Committee.



China Shenhua carried out the construction of an artificial lake in the reclamation area

Case study: Building a four-in-one ecological park

In order to resolve the contradictory problems between exploration and environmental restoration, Zhuneng Group initiated the construction of the “Zhungeer National Mine Park”, building a four-in-one ecological park of forest land, economic crops, aquaculture and tourism by means of combination of reclamation, environmental protection and industrial management. In 2018, Zhuneng Group completed 10,000 mu of vegetation restoration and planted 1,500 mu of silage corn; newly planted 2,000 mu of alfalfa which could be harvested by machines and 100 mu of small grain experimental demonstration base.



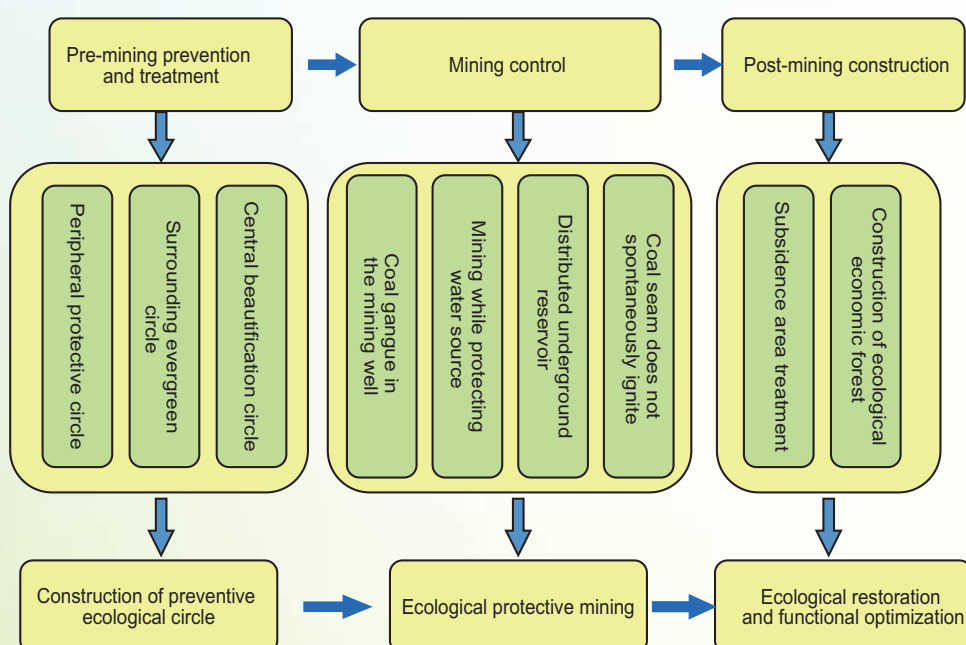
“Zhungeer National Mine Park” of Zhuneng Group

3.3.2. Green Mining

China Shenhua has been insisting on mining “black coal” with “green concept”. While effectively treating and controlling pollutants such as exhaust gas, residue and waste water, China Shenhua will give full play to its scientific and technological strength and continuously optimize the ecological environment management model to contribute a Shenhua solution to the development of green and harmonious mining area.

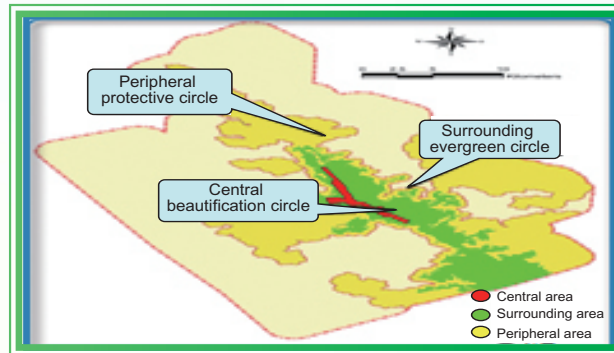
Case study: Ecological environment management model of “three stages and three circles”

As the largest coal production base in China and even in the world, and the largest 10 million tonnes level wells and mines group, Shendong Coal Group has put into practice the green development concept and implemented the ecological environment management model of “Three Stages and Three Circles”.



The ecological environment management model of
“Three Stages and Three Circles” of Shendong Coal Group

During the pre-mining construction process, based on the construction of preventive ecological circle, Shendong Coal Group strengthened and protected the scope of environment which may be affected through construction of the peripheral protective circle, the surrounding evergreen circle and the central beautification circle, and provided effective protection for the green mining in the mining area.



During the mining control process, exhaust gas, waste water and residue generated in coal production were effectively treated by adhering to the concept of “reduction at source, control in the process and utilisation at the end”, so as to comprehensively promote ecological protective mining.



The ground was sealed and dustproof to ensure clean environment in the mining area

During the post-mining construction process, extensive arbors and shrubs were planted to achieve ecological and functional restoration.



The Batuta Salix Forest Demonstration Base after treatment

3.4. Energy Saving and Consumption Reduction

China Shenhua actively carried out green upgrading of coal-fired power generation and green transformation of coal-fired industry, and systematically improved efficiency of use of energy to further deepen energy conservation and consumption reduction. In 2018, comprehensive energy consumption of China Shenhua amounted to 49.58 million tonnes of standard coal, and the comprehensive energy consumption per RMB10,000 of output value was 2.72 tonnes of standard coal.

3.4.1. Efficient Power

In 2018, the integrated energy supply center of Fuping Power Plant achieved the integrated supply of electricity, steam, cooling system, heat and water supply, forming the “Fuping Mode” for coal utilization in China. Guohua Power Branch of the Company actively implemented the Action Plan for Energy Conservation and Consumption Reduction and Large Unit Catch-up Plan and promoted the construction of energy conservation demonstration power station of Dingzhou power plant and development of four power plants, including Mengjin Power Plant, for external heat and water supply and other joint-supply projects, resulting in the significant decline in coal consumption for power supply throughout the year. Beijing Gas-fired Power Plant, being the only power generation unit among the winners, won the honor of the second “Excellent Corporation for Environmental Protection in Beijing”.

3.4.2. Clean Energy

During the process of leveraging the value of coal, in order to avoid pollution arising from emissions, China Shenhua has strengthened its research and development efforts on clean coal products, and has adopted advanced technologies to continuously optimize coal mining, washing and processing and transportation processes through equipment transformation and other means to make the clean utilization and green conversion of coal into a reality. In 2018, Shendong Coal Group launched a special campaign to eliminate obsolete mechanical and electrical equipment, eliminating 81 equipment with high energy consumption.

Case study: Promoting green development by achieving small targets around you

In 2018, Baotou Energy Company replaced high energy consumption coal-fired boilers with solar energy and heat collector modules together with auxiliary air source heating pump technology. Through such technology, Baotou Energy Company could save approximately 1,800 tonnes of standard coal and 1.1 million kWh of electricity, and reduce emissions of 13.32 tonnes of soot, 4,860 tonnes of carbon dioxide and 15.3 tonnes of sulfur dioxide annually. At the same time, due to reduction of the operation and maintenance of the boilers, the direct economic benefit brought by it amounted to approximately RMB2.5927 million per year.



Solar energy collection devices in the mining area of Shenhua Baotou Energy Co., Ltd.

4. FUTURE OUTLOOK: GOING FORWARD SHOULDER TO SHOULDER IN 2019

2019 is the 70th anniversary of the establishment of the People's Republic of China and a crucial year for building a moderately prosperous society in all respects. It is also an important year for China Shenhua to achieve sustainable development. Now, the journey has begun and it is the suitable time to strive ahead.

We will continue to deepen the supply-side structural reform, focus on quality improvement and efficiency enhancement as well as transformation and upgrading, and push forward as the leader in the development of the industry.

Our objective is to satisfy people's desire for a better life. We will consolidate the strength of all parties to provide higher quality products and services for the society, bring driving force for community development, contribute to poverty alleviation, achieve a win-win situation, and share the fruitful results of enterprise development.

We will continue to promote construction of clean energy, strengthen pollution prevention and treatment, develop new technologies for energy conservation and emission reduction, and vigorously carry out publicity of environmental protection, protect the ecological environment, to win the battle of protection of blue sky, clean water and green land.

In the future, China Shenhua will accelerate the promotion of high-quality development, strive to achieve our blue print with our greatest effort, and establish a respectable world-class energy company by leveraging our responsibility, full spirit, and excellent work style.



Appendix I: Table of Key Performance

Governance		
Indicators	2017	2018
Integrity education (sessions)	5,194	4,794
Social contributions per share (RMB/share) (ASBE)	6.294	6.648
Social contributions per share (RMB/share) (IFRS)	6.433	6.661
Number of information disclosure documents released	190	222
Number of Board meetings convened	14	9
Number of general meetings convened	1	2
Proportion of independent Directors at the end of the period (%)	43	50
Proportion of female Directors at the end of the period (%)	43	30
Shareholding ratio of the controlling shareholder at the end of the period (%)	73.06	73.06
Number of shares held by Directors, supervisors and senior management at the end of the period (shares)	1,500	0

Society		
Indicators	2017	2018
Cash dividend in aggregate (RMB million)	222,492	239,975
Annual final dividend (RMB/share) (tax inclusive) (proposal)	0.91	0.88
Total tax paid (RMB million)	48,693	53,182
Donations to society (RMB million)	63	460
Operating revenue (RMB million)	248,746	264,101
Total assets (RMB million) (ASBE)	567,124	587,239
Total assets (RMB million) (IFRS)	571,602	591,626
Net profit attributable to shareholders of the Company (RMB million) (ASBE)	45,037	43,867
Profit for the year attributable to owners of the Company (RMB million) (IFRS)	47,795	44,137
Commercial coal production (million tonnes)	295.4	296.6
Coal sales (million tonnes)	443.8	460.9
Total power sales (billion kWh)	246.25	267.59
Sales of Polyethylene (thousand tonnes)	324.6	315.4

Society		
Indicators	2017	2018
Sales of Polypropylene (thousand tonnes)	308.8	297.7
Turnover of self-owned railways (billion tonne km)	273.0	283.9
Seaborne coal at self-owned ports (million tonnes)	227.8	238.3
Shipment turnover (billion tonne nautical miles)	80.4	89.9
Percentage of purchase from top five suppliers to total purchase (%)	15.7	24.2
Percentage of sales revenue from top five customers to revenue (%)	14.6	27.5
Investment in safety production (RMB100 million)	39.56	54.46
Safety production training (person-times)	153,292	413,028
Fatality rate per million tonne of raw coal production	0.003	0.0126
Number of serious accidents and above	0	1
Mechanization rate of coal mining and excavation (%)	99.26	99.34
Number of super-safe and efficient mines	17	17
Number of scientific projects approved by the headquarter	90	134
Capital investment in research and development (RMB100 million)	8.63	8.60
Number of patents obtained	543	581
Including: number of invention patents obtained	126	113
Number of current employees (persons)	89,057	86,856
Number of employees with disabilities (persons)	458	497
Number of child labor (persons)	0	0
Number of part-time employees (persons)	0	0
Number of employees from minority ethnic groups (persons)	4,891	4,235
Number of female employees (persons)	18,567	17,389
Newly recruited employees (persons)	494	1,267
Average days of paid annual leave (days)	9.1	10.38
Capital investment in occupational health (RMB100 million)	3.98	3.06
Additional employees with occupational disease (cases)	5	19
Staff training (10 thousand persons)	63.51	64.00
Staff training hours in aggregate (10 thousand hours)	419.15	617.70

Environment		
Indicators	2017	2018
Designated investment in environmental protection (RMB100 million)	9.68	14.22
Investment in energy conservation (RMB100 million)	5.84	6.1
Number of major environmental pollution accidents	0	0
Comprehensive energy consumption (10 thousand tonnes of standard coal)	5,056.12	4,958.44
Comprehensive energy consumption per RMB10 thousand output value (tonne standard coal/ RMB10,000)	3.18	2.72
Including: Comprehensive energy consumption against railway turnover (kg standard coal/10 thousand tonne kilometers)	24.29	24.32
Integrated energy consumption against port throughput (kg standard coal/10 thousand tonnes)	2,160.06	2,053.32
Integrated energy consumption against shipping turnover (kg standard coal/1,000 tonne nautical miles)	5.17	5.18
Energy consumption against polyolefin produced from coal (kg standard coal/tonne)	5,274.59	4,991.06
Total electricity consumption (100 million kWh)	226.24	226.61
Total natural gas consumption (100 million m ³)	10.74	11.79
Total oil consumption (10 thousand tonnes)	37.17	35.91
Total water consumption (million tonnes)	247.55	252.30
Water consumption per RMB10 thousand output value (tonne/RMB10,000)	15.57	13.84
Including: Fresh water consumption for thermal power generation (kg/kWh)	0.65	0.55
Water resource from sea-water desalination (10 thousand tonnes)	1,496.4	1,663.1
Unit fresh water consumption (million tonnes)	182.92	169.31
Amount of sewage water produced (million tonnes)	180.93	170.85
Including: Integrated utilization amount of sewage water (million tonnes)	129.2	135.7
Integrated utilization rate of sewage water (%)	71.41	79.43
Recycling rate of underground mine water (%)	70.86	83.22
Recycling rate of industrial waste water (%)	85.76	85.56
Total emission of Chemical Oxygen Demand (COD) (10 thousand tonnes)	0.15	0.083

Environment		
Indicators	2017	2018
Capital investment in water and soil conservation and ecological construction (RMB100 million)	3.32	4.7
New afforestation area (10 thousand m ²)	3,612.5	3133.0
Total emission of hazardous wastes (tonne)	304.52	1,477.94
Hazardous wastes emissions per RMB10,000 output value (kg/RMB10,000)	0.019	0.081
Total emission of harmless wastes (10 thousand tonnes)	3,449.91	2185.84
Harmless wastes emissions per RMB10,000 output value (tonne/RMB10,000)	2.17	1.20
Total emission of soot (10 thousand tonnes)	0.6899	0.7034
Performance of SO ₂ emission from thermal power generation (g/kWh)	0.08	0.07
Total emission of SO ₂ from thermal power generation (10 thousand tonnes)	2.05	1.85
Performance of NO _x emission from thermal power generation (g/kWh)	0.15	0.14
Total emission of NO _x from thermal power generation (10 thousand tonnes)	3.94	3.82
Performance of soot emission from thermal power generation (g/kWh)	0.0148	0.0104
Total emission of soot from thermal power generation (10 thousand tonnes)	0.387	0.289
Integrated utilization of coal gangue (10 thousand tonnes)	353.91	1,163.02
Total emission of coal gangue (10 thousand tonnes)	2,780.91	2,242.29
Raw coal washed and processed (million tonnes)	268.74	267.1
Removed gangue washed and processed (million tonnes)	26.87	33.46
Average recovery rate in coal mining area (%)	88.22	87.76
Average recovery rate in mining area of underground coal mines (%)	84.15	82.96
Average recovery rate in mining area of open-cut mines (%)	97.82	98.15
Capacity of units of 600MW (inclusive) and above (MW)	38,440	43,030
Proportion to the total capacity of coal-fired units of 600MW (inclusive) and above (%)	68.7	71.7
Capacity of integrated utilization power plants (MW)	6,484	6,484

Environment		
Indicators	2017	2018
Capacity of units with air cooling technology (MW)	13,720	13,490
Total generation of coal fly ash, cinder and desulphurised gypsum (10 thousand tonnes)	2,244.89	1,887.06
Including: Comprehensive utilization amount of coal fly ash, cinder and desulphurised gypsum (10 thousand tonnes)	1,568.78	1,444.47

DESCRIPTION OF ESG UNDISCLOSED INDICATORS

Number and Name of Indicator	Reason for Undisclosed Indicators
A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	The Company is mobilizing all the relevant production enterprises to carry out audit on carbon footprint data for 2018 in accordance with the Notice on Formulation of the Carbon Emission Reports for 2018 and Review and Emission Monitoring Plans (Huan Ban Qihou Han [2019] No. 71)《關於做好2018年度碳排放報告與核查及排放監測計劃制定工作的通知》(環辦氣候函[2019]71號) issued by the Ministry of Ecology and Environment and the audited data shall be reviewed and confirmed by the government organizations of all levels. The data relating to greenhouse gas emissions for 2018 is expected to be finalized after May 2019.
A2.5 Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A

Appendix II: Indicator Index

Contents		ESG	Recommendations of disclosure of the Shanghai Stock Exchange ⁵	GRI Standards
About the Report			Preparation Guidelines Article 3, Preparation Guidelines Articles 1, 2	102-46, 102-49, 102-50, 102-51, 102-52, 102-53,
Chairman's Statement		A1, A1.5, A3, B2.1, B8.1, B8.2		102-14, 102-15
Target: Focusing on Targeted Poverty Alleviation, Pursuing the Goal Together		B8, B8.1, B8.2	"Notice of Poverty Alleviation"	203-1
Governance	Profile of the Company	B7, B7.1, B7.2	Notice Articles 1, 2, 4, Preparation Guidelines Article 5	102-1, 102-3, 102-6, 102-7, 102-11, 102-18, 102-19, 102-22, 102-26, 205-2, 205-3
	ESG Management			102-12, 102-20, 102-21, 102-29, 102-31, 102-32, 102-40, 102-42, 102-43, 102-44
Society	Safety-oriented	B2, B2.1, B2.3	Notice Articles 1, 2, 5(1), Preparation Guidelines Article 4(1)	
	Operation in Good Faith	B5, B5.1, B5.2, B6, B6.2, B6.5	Notice Articles 5(1), (3) Preparation Guidelines Article 4(3)	102-2, 102-9, 102-10, 102-16, 102-17, 102-30, 103-2, 201-1, 204-1, 414-1
	Innovation-driven Development	B6.3		

5. "Notice on Strengthening Listed Companies' Efforts in Undertaking Social Responsibilities and Issuance of 'Guidelines on Environmental Information Disclosure by Companies Listed on the Shanghai Stock Exchange'" is referred to as the "Notice"
 "Guidelines on Environmental Information Disclosure by Companies Listed on the Shanghai Stock Exchange" is referred to as the "Guidelines"
 "Guidelines on Preparation of 'Corporate Report on Performance of Social Responsibilities'" is referred to as the "Preparation Guidelines"
 "Notice of Information Disclosure in Relation to Further Optimizing Poverty Alleviation Work of Listed Company" is referred to as the "Poverty Notice"

Contents		ESG	Recommendations of disclosure of the Shanghai Stock Exchange ⁵	GRI Standards
	Employee Development	B1, B1.1, B1.2, B2, B2.3, B3, B3.1, B3.2, B4, B4.1, B4.2		102-8, 102-41, 401-1, 401-2, 401-3, 403-3, 403-4, 404-1, 404-2, 405-1
	Contributions to Communities	B8, B8.1, B8.2	Notice Articles 1, 2	413-1
Environment	Green Management	A1, A1.5, A2	Notice Articles 1, 2, 5(2), Guidelines Article 3(1),(3), (5), (9), Preparation Guidelines Article 4(2)	103-2, 303-3, 304-1, 304-2, 304-3
	Pollution Prevention and Treatment	A1, A1.1, A1.3, A1.4, A1.5, A1.6, A2, A2.2, A2.4	Guidelines Article 3(2), (3), (4), (5) and (6)	306-2
	Ecological Mining Area	A3, A3.1	Notice Article 5(2) and Guidelines Article 3(3)	
	Energy Saving and Consumption Reduction	A2, A2.3		302-1, 302-4
Future Outlook: Going Forward Shoulder to Shoulder in 2019				
Appendix	Table of Key Performance	A1.1, A1.3, A1.4, A2.1, A2.2, A2.4, B1.1 B8.2		302-1, 302-3, 303-1, 305-5, 305-7, 306-1, 306-2
	Indicator Index			102-55
	Independent Assurance Report			102-56
	Assets Distribution Map			102-4, 102-5, 102-7
	Definition			
Feedback				

Appendix III: Independent Assurance Report

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Independent Assurance Report

To the Board of Directors of China Shenhua Energy Company Limited (the “Board of Directors”):

We have been engaged by the Board of Directors of China Shenhua Energy Company Limited (“CSEC”) to perform a limited assurance engagement on the information disclosed in its 2018 Environmental Social and Governance (“ESG”) Report for the financial period from 1 January 2018 to 31 December 2018.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the compilation and presentation (including reporting guidelines, limitations, reporting data and relevant identification procedures) of the Report in accordance with the recommendations of the following guidelines issued by Shanghai Stock Exchange and Hong Kong Stock Exchange:

- Notice on Strengthening Listed Companies’ Undertaking of Social Responsibilities and issuance of ‘Guidelines on Environmental Information Disclosure by Companies Listed on the Shanghai Stock Exchange’
- Guidelines on Environmental Information Disclosure by Companies Listed on the Shanghai Stock Exchange
- Guidelines on Preparation of ‘Corporate Report on Performance of Social Responsibilities’ (collectively known as the “SSE Guidelines”)
- Environmental, Social and Governance Reporting Guide

The Board of Directors is also responsible for determining CSEC’s objectives in respect of ESG performance and reporting, including identification of stakeholders and material issues that are relevant to these stakeholders; for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived; and for maintaining adequate records.

Our Responsibilities

In accordance with our agreed terms of engagement with CSEC, it is our responsibility to carry out a limited assurance engagement and to express a conclusion on CSEC’s compliance with the recommendations of the guidelines issued by Shanghai Stock Exchange and if there were any error that would have a material impact on the Key ESG Indicators related to ESG disclosed in the Report, based on our work performed; and to report our conclusion solely to the Board of Directors, and for no other purpose. We do not assume responsibility towards or accept liability to any third parties for the contents of this Independent Assurance Report.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants. Our firm applies International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Basis of Our Work

We conducted our work in accordance with International Standard on Assurance Engagements 3000: “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by

the International Federation of Accountants. We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to form our conclusions below.

Procedures, Scopes and Limitations of Our Work

Our procedures performed included interviewing with CSEC’s personnel responsible for collecting, compiling and reporting the information, analyzing the information obtained, and other procedures relevant to the collection of the appropriate audit evidence. Specifically we:

- Interviewing management and staff at CSEC Head Office responsible for collating and reporting the Disclosed Information, and interviewing staff of the centralized departments for business management at CSEC Head Office;
- In accordance with the recommendations of SSE Guidelines and ESG, comparing the information presented in the ESG Report to corresponding information in the relevant underlying sources from CSEC Head Office to determine whether key information contained in such underlying sources has been included in the ESG Report;
- Performing analytical review procedures on the selected key indicators relating to environmental protection, production safety and others recommended to be disclosed by SSE Guidelines and ESG;
- Visits to Shenhua Shendong Coal Group Corporation Limited and Guohua Power Branch of the Company, selected on the basis of a risk analysis;
- Reconcile key financial data in the ESG Report with the audited financial statements.

In a limited assurance engagement, the evidence gathering procedures are less in scope than a reasonable assurance engagement. Accordingly, we do not express an opinion on the effectiveness of any of the CSEC’s application systems, business processes, and the related financial performance data.

We performed our limited assurance engagement over the internal controls and procedures at and information provided by the head office of CSEC, Shenhua Shendong Coal Group Corporation Limited and Guohua Power Branch of the Company. We did not carry out limited assurance engagement mentioned above at any other branches and subsidiaries of CSEC nor involve interviewing with external stakeholders. Moreover, historical comparative data is not within the scope of our work.

Our Conclusions

- Subject to the limitation of our work, and the work performed and described in the Independent Assurance Report, nothing has come to our attention that causes us to believe that the Report was not prepared in compliance with the recommendations of SSE Guidelines at any material respect; and
- Subject to the limitation of our work, and the work performed and described in the Independent Assurance Report, nothing has come to our attention that causes us to believe that there were any error that would have a material impact on the Key Indicators related to ESG disclosed in the Report.

This is translation of the Chinese language version of the Independent Assurance Report. If there is any conflict in meaning between the Chinese and English versions, the Chinese version will prevail.

Deloitte Touche Tohmatsu Certified Public Accountants LLP

22 March 2019



- 圖例 Legend
- 省界線
Provincial Boundary
 - 國有或地方鐵路線
State-owned or Local Railway
 - 自有運營鐵路
Self-owned Railway (in operation)
 - 自有在建鐵路
Self-owned Railway (under construction)
 - 自有礦區
Self-owned mines



中国神华能源股份有限公司
CHINA SHENHUA ENERGY COMPANY LIMITED



主要資產分佈圖 Assets Distribution Map

2019



煤礦 COAL MINE

- A1. 神東礦區
Shendong Mines
- A2. 准格爾礦區
Zhunge'er Mines
- A3. 勝利礦區
Shengli Mines
- A4. 寶日希勒礦區
Baorixile Mines
- A5. 包頭礦區
Baotou Mines
- A6. 澳大利亞沃特馬克煤礦項目（前期工作階段）
Watermark Coal Project in Australia (preliminary work in progress)
- A7. 新街台格廟勘查區（前期工作階段）
Xinjie Taigemiao Exploration Area (preliminary work in progress)



電廠 POWER

- | | | | |
|-------------------------------------|-------------------------------|---------------------------------------|------------------------------|
| B1. 淦東電力
Cangdong Power | B9. 北京燃氣
Beijing Gas Power | B17. 孟津電力
Mengjin Power | B25. 南蘇EMM
EMM Indonesia |
| B2. 三河電力
Sanhe Power | B10. 綏中電力
Sulzhong Power | B18. 太倉電力
Taicang Power | B26. 九江電力
Jiujiang Power |
| B3. 定州電力
Dingzhou Power | B11. 浙能電力
Zheneng Power | B19. 陳家港電力
Chenjiagang Power | B27. 余姚電力
Yuyao Power |
| B4. 盤山電力
Panshan Power | B12. 舟山電力
Zhoushan Power | B20. 徐州電力
Xuzhou Power | B28. 壽光電力
Shouguang Power |
| B5. 准能電力
Zhunge'er Power | B13. 錦界能源
Jinjie Energy | B21. 神皖能源
Shenwan Energy | B29. 柳州電力
Liuzhou Power |
| B6. 神東電力
Shendong Power | B14. 富平熱電
Fuping Thermal | B22. 神華四川能源
Shenhua Sichuan Energy | B30. 國華寧東
Guohua Ningdong |
| B7. 國華准格爾
Guohua Zhunge'er | B15. 台山電力
Taishan Power | B23. 神華福建能源
Shenhua Fujian Energy | |
| B8. 國華呼電
Guohua Hulunbeier Power | B16. 惠州熱電
Huizhou Thermal | B24. 寧東電力
Ningdong Power | |



鐵路 RAILWAY

- C1. 神朔鐵路
Shenshuo Railway
- C2. 朔黃鐵路
Shuohuang Railway
- C3. 黃萬鐵路
Huangwan Railway
- C4. 大准鐵路
Dazhun Railway
- C5. 包神鐵路
Baoshen Railway
- C6. 巴彥鐵路
Bayan Railway
- C7. 甘泉鐵路
Ganshan Railway
- C8. 准池鐵路
Zhunchi Railway
- C9. 黃大鐵路（在建）
Huangda Railway (under construction)
- C10. 塔韓鐵路
Tahan Railway



港口 PORT

- D1. 黃驊港
Huanghua Port
- D2. 神華天津煤碼頭
Shenhua Tianjin Coal Dock
- D3. 珠海煤碼頭
Zhuhai Coal Dock



煤化工 COAL CHEMICAL

- F1. 包頭煤化工
Baotou Coal Chemical



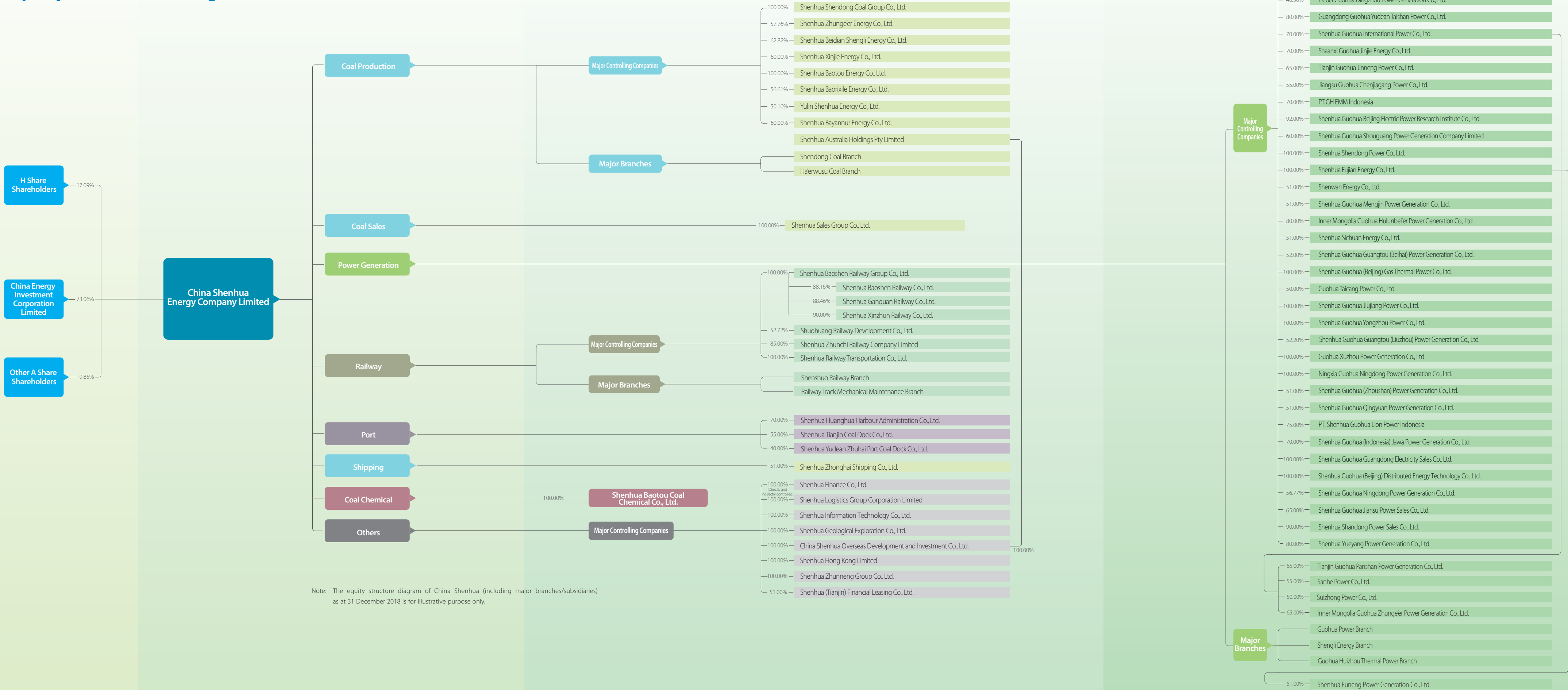
航運 SHIPPING

- E1. 神華中海航運
Shenhua Zhonghai Shipping Company

註：於2018年12月31日之分佈圖，僅做示意。
Note: This map as at 31 December 2018 is for illustrative purpose only.



Equity structure diagram



Appendix V: Definitions

Abbreviation	Full Name
China Shenhua or the Company Group	China Shenhua Energy Company Limited the Company and its subsidiaries
China Energy	China Energy Investment Corporation Limited (國家能源投資集團有限責任公司)
China Energy Group	China Energy and its subsidiaries (excluding the Group)
Shendong Coal Group	Shendong Coal Group Co., Ltd.
Guohua Power Branch	Guohua Power Branch of the Company
Shendong Power Company	Shenhua Shendong Power Co., Ltd.
Zhunneng Group	Shenhua Zhunneng Group Co., Ltd.
Shenshuo Railway	Shenshuo Railway Branch of the Company
Shuohuang Railway	Shuohuang Railway Development Co., Ltd.
Shenhua Sales	Shenhua Sales Group Co., Ltd.
Huanghua Harbour Administration	Shenhua Huanghua Harbour Administration Co., Ltd.
Shenhua Logistics	Shenhua Logistics Group Corporation Limited
Baotou Energy Company	Shenhua Baotou Energy Co., Ltd.
Baotou Coal Chemical Company	Shenhua Baotou Coal Chemical Co., Ltd.
Shenbao Energy Company	Shenhua Baorixile Energy Co., Ltd.
Zhuhai Coal Dock	Shenhua Yudean Zhuhai Port Coal Dock Co., Ltd.
Shenwan Energy Company	Shenwan Energy Co., Ltd.
Fujian Energy Company	Shenhua Fujian Energy Co., Ltd.
Sanhe Power Plant	Sanhe Power Co., Ltd.
Dingzhou Power Plant	Hebei Guohua Dingzhou Power Generation Co., Ltd.
Mengjin Power Plant	Shenhua Guohua Mengjin Power Generation Co., Ltd.
EMM Indonesia	PT.GH EMM INDONESIA
Jawa Company	Shenhua Guohua (Indonesia) Jawa Power Generation Co., Ltd.
Fuping Power Plant	Fuping Thermal Power Plant of Shenhua Shendong Power Co., Ltd.
Beijing Gas-fired Power Plant	Shenhua Guohua (Beijing) Gas-fired Power Co., Ltd.
Shanghai Stock Exchange	Shanghai Stock Exchange

Abbreviation	Full Name
Hong Kong Stock Exchange	the Stock Exchange of Hong Kong Limited
Listing Rules	the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
Accounting Standards for Business Enterprise	the latest Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China and the related application guidelines, interpretations and other related requirements
International Financial Reporting Standards	International Financial Reporting Standards issued by the International Accounting Standards Committee
A Share (s)	Ordinary shares that are issued to domestic investors with the approval of CSRC and listed on the domestic stock exchanges, and denominated, subscribed and transacted in RMB
H Share (s)	Ordinary shares that are issued to foreign investors with the approval of CSRC and listed on the Hong Kong Stock Exchange, and denominated, subscribed and transacted in Hong Kong dollar
Articles of Association	Articles of Association of China Shenhua Energy Company Limited
Company Law	Company Law of the People's Republic of China
Securities Law	Securities Law of the People's Republic of China
Labour Law	Labour Law of the People's Republic of China
Environmental Protection Law	Environmental Protection Law of the People's Republic of China
Atmospheric Pollution Prevention Law	Atmospheric Pollution Prevention Law of the People's Republic of China

Feedback

China Shenhua values your opinions on the Company's endeavors on environmental, social and governance and this ESG Report. Your opinions and advice will add momentum to the continual improvement of this Report.

Please fax this sheet to +86-10-5813-3355 or email it to ir@csec.com after you have answered the following questions.

1. Is there any topic that you are concerned about but is not covered in this Report? If so, please write down the issue(s) that you are concerned about.

2. Which part(s) of this Report are you most interested in?

You are welcome to provide personal particulars if you wish:

Name: _____

Occupation: _____ Organization: _____

Telephone: _____ Fax: _____

Email: _____ Postal code: _____

Contact address: _____

The Board of Directors, Supervisory Committee and Investor Relations Department; China Shenhua Energy Company Limited
22 Xibinhe Road, Andingmen Dongcheng District,
Beijing, China
Postal Code 100011

Affix
stamp
here

China Shenhua Energy Company Limited
The Board of Directors, Supervisory Committee and Investor Relations
Department

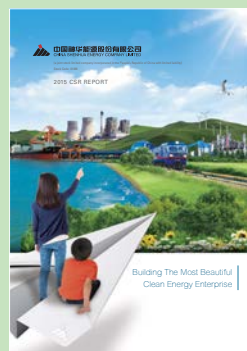
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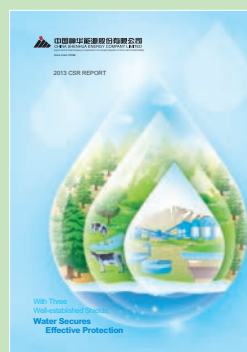
2016 CSR REPORT



2015 CSR REPORT



2014 CSR REPORT



2013 CSR REPORT



2012 CSR REPORT



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