

新特能源股份有限公司

Xinte Energy Co., Ltd.

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

Stock code : 1799

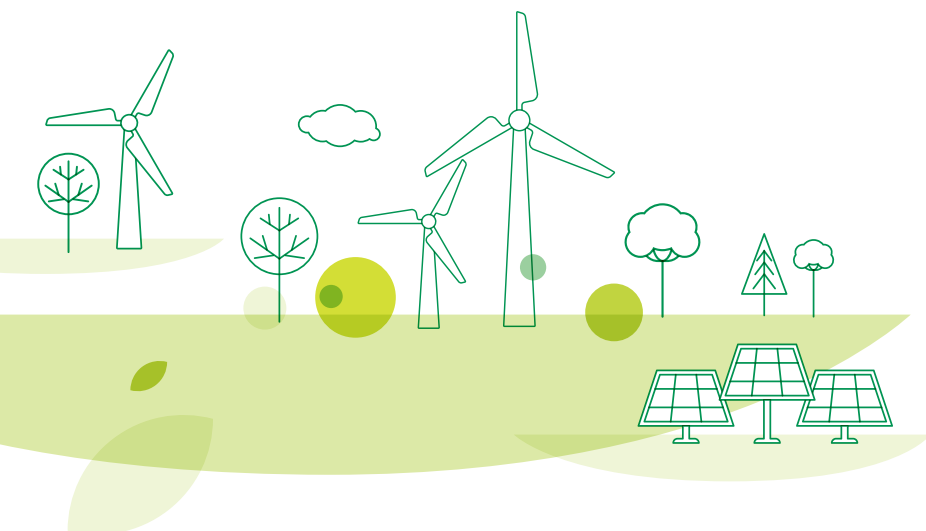


2018

Environmental, Social and Governance Report

Contents

I.	About this Report	3
1.	Introduction	3
2.	Time Scope	3
3.	Coverage	3
4.	Basis of Preparation	3
II.	Corporate Governance and Fulfilling Responsibilities	4
1.	Group Profile	4
2.	Corporate Governance	5
III.	High Value Products to Lead in Innovation	6
1.	Products and Services	6
1.1	Product Quality	6
1.2	Customer Services	8
2.	Innovation Makes Excellence	9
2.1	Technological Innovation Management	9
2.2	Product Technology Innovation	10
3.	Building Green Supply Chain System and Creating Win-win Cooperation Partnership	12



IV. Social Responsibility, Cooperating for Common Prosperity	14
1. Employee Rights and Development	14
1.1 Employee Remuneration and Benefit	14
1.2 Employee Incentive and Promotion	15
1.3 Employee Rights and Protection	15
2. Employee Diversity	16
3. Employee Growth and Development	18
4. Social Welfare	19
4.1 Support Community Development	19
4.2 Care for the Society	19
5. Anti-corruption Behaviour Promotion	20

V. Environmental Protection and Scientific Development	22
1. Resource Utilization and Consumption	23
2. Energy Conservation and Emissions Reduction	25
2.1 Development of Clean Energy	25
2.2 Development of Circular Economy	26

VI. Safe Production and Comprehensive Protection	29
1. Safe Production	30
2. Occupational Health	31
3. Identification of Potential Hazards	32

VII. Prospects in 2019	33
-------------------------------	-----------

Content Index for Environmental, Social and Governance Report	34
--	-----------

About this Report



1. Introduction

This report is the third Environmental, Social and Governance Report issued by Xinte Energy Co., Ltd. and its subsidiaries (the “Group”). This report mainly discloses the Group’s performance and achievements in the areas of corporate governance, product value, social responsibilities, environmental protection and safe production during the reporting period.

2. Time Scope

This report covers the period from January 1, 2018 to December 31, 2018 (the “Reporting Period”).

3. Coverage

The entities covered by this report include Xinte Energy Co., Ltd. and its subsidiaries.

4. Basis of Preparation

The contents of this report are prepared in accordance with the Environmental, Social and Governance Reporting Guide in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Corporate Governance and Fulfilling Responsibilities



1. Group Profile

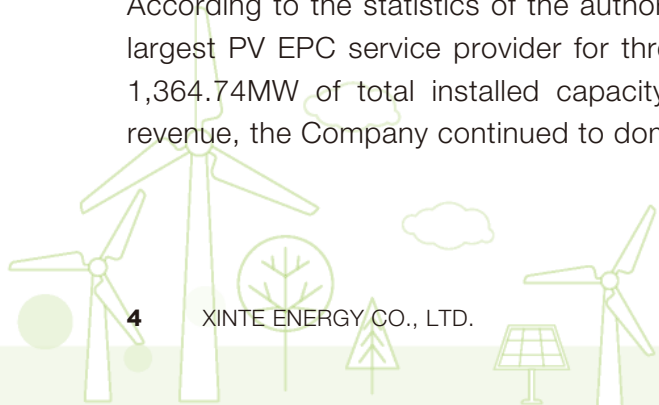
The Group is a leading global polysilicon producer and developer and operator of wind and photovoltaic (“PV”) resources. It was listed on the Main Board of The Stock Exchange of Hong Kong Limited on December 30, 2015 with a stock code: 1799.

The Group has always been adhering to the philosophy of “new energy, new life, new future” in innovation and development. With its main focus on the new energy industry and insistence on scientific and technological innovation, it accelerates its structural adjustment, reinforces its stable development in the domestic businesses, fosters its development in the international markets, and continues its effort in becoming an outstanding provider of green smart energy services in the world.

The Group is mainly engaged in polysilicon production and the development and operation of PV and wind power resources. Its business scope covers the upstream and downstream segments of the new energy industry.

With regard to the upstream polysilicon production, the Group’s current annual production capacity of polysilicon is 30,000 tons. Its overall production cost, quality and technology have reached a leading level in the international arena. Meanwhile, in order to capture the market and improve its core competitiveness, the Group commenced the construction of a 36,000-ton-per-annum high-purity polysilicon production upgrade project (the “**36,000-ton Polysilicon Project**”) in the first half of 2018, which was completed and has commenced production in May 2019. The quality of polysilicon products produced by the project will meet the electronic grade level 2 or above, and will serve the market of materials for quality monocrystalline silicon wafers and polysilicon wafers. After its completion, the total polysilicon production capacity of the Group will reach 70,000–80,000 tons/year.

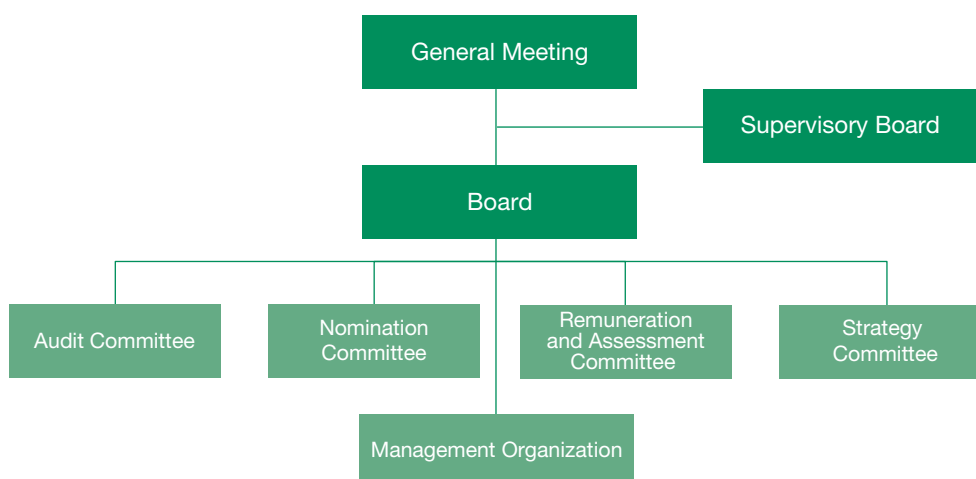
With regard to the development of downstream wind and PV resources, the Group is committed to providing complete life-cycle solutions in the development, design, construction, operation and maintenance of power station projects, as well as the research, development and manufacturing of a full range of core new energy products such as on-grid network inverters. According to the statistics of the authoritative institution IHS Markit, the Group was the world’s largest PV EPC service provider for three consecutive years from 2015 to 2017. In 2018, with 1,364.74MW of total installed capacity of wind power and PV stations bringing recognised revenue, the Company continued to dominate the industry.



Corporate Governance and Fulfilling Responsibilities

2. Corporate Governance

In strict accordance with the Company Law of the People’s Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Articles of Association of Xinte Energy Co., Ltd. and other related laws, regulations and regulatory documents, the Group has set up a system of modern enterprise organisation and an operation mechanism with separation of powers which provides checks and balances among general meetings, the board of directors (the “**Board**”), supervisory board and management. It continuously improves its corporate governance system and optimises its internal control, while strengthening its risk management to promote the efficient, scientific and normalised operation and coordinated business development of the Group.



For details on the corporate governance of the Group, please refer to the Corporate Governance Report section in the 2018 Annual Report of the Company.

High Value Products to Lead in Innovation



The Group always adheres to its business philosophy of development driven by technology and innovation. Focusing on the green, clean and efficient use of energy, it takes on the mission of constructing quality projects, creating quality products and providing quality services, with an aim to grow with the suppliers and to provide high-quality products and services to the customers.

1. Products and Services

1.1 Product Quality

Product quality is the foundation for a company to survive and develop. The Group has firmly established the concept of “Quality First”, upheld the principle of “high-quality development and success through quality” for strategic development, operated in compliance with the laws, solidly insisted on the standard of quality, actively promoted fulfillment and certification of quality system standards, given full play to full-cycle quality management function, and cultivated a culture of quality and craftsman’s spirit.

The Group strictly abides by the relevant laws, rules and quality standards applicable to renewable energy service, such as the Product Quality Law of the People’s Republic of China (《中華人民共和國產品質量法》), the Product Quality Safety Law of the People’s Republic of China (《中華人民共和國產品質量安全法》), the Renewable Energy Law of the People’s Republic of China (《中華人民共和國可再生能源法》), the Prevention and Control of Atmospheric Pollution Law of the People’s Republic of China (《中華人民共和國大氣污染防治法》) and the Energy Conservation Law of the People’s Republic of China (《中華人民共和國節約能源法》). To further regulate quality control and continuously improve product quality, the Group also actively promotes new versions of quality management system, by formulating guidelines and standards including Quality Assessment Management System (《質量考核管理制度》) and Construction Project Quality Management Rules (《工程建設項目質量管理規定》), actively initiates benchmarking with quality benchmarking enterprises in the industry, pushes forward the setup of a quality information platform, so as to regulate quality management, improve product quality and increase customer satisfaction on an on-going basis.



High Value Products to Lead in Innovation

In 2018, as a leading global polysilicon producer, developer and operator of wind and PV resources, the Group continuously improved the qualities of its polysilicon, static VAR generator (“**SVG**”), inverters and other products and strengthened service quality management of power stations. By vigorously promoting quality improvement projects and focusing on solving bottleneck problems that had long been affecting quality improvement, it kept raising the level of customer satisfaction.

- In 2018, the proportion of the Group’s grade 1 polysilicon solar products or above reached 99.92%, an increase of 2.24% over 2017, continued to satisfy customers’ demand for high-quality polysilicon.
- In 2018, the Company vigorously promoted the standardisation work of its SVG products and established a multidimensional quality management system for research and development. The SVG products attained a first-time commission passing rate of 100% for the year and earned a PCCC certification for electrical energy products. Customer satisfaction continued to improve.
- In 2018, the first-time commissioning pass rate of the Group’s string inverters was 92.02%, in particular, the model TS50KTL-PLUS inverter obtained the German TÜV certification.
- In 2018, The Group was honoured with several prizes in “the PV Industry Evaluation Campaign” of “Solar Energy Cup” (光能杯) in 2018, including the “Outstanding PV Materials Company of the Year” (年度優秀光伏材料企業), the “Outstanding PV EPC Company of the Year” (年度優秀光伏EPC企業), the “Global Influential Brands Award” (全球品牌影響力大獎), the “EPC Team of the Year” (年度最佳EPC團隊) and the “Outstanding Inverter Company of the Year” (年度優秀逆變器企業), demonstrating the industry’s approvals towards the performance of the Group.

The Group focuses on service areas such as PV and wind power station, etc. and provides customers with complete solutions in the development, design, construction, commissioning, operation and maintenance of clean energy projects. Recognizing the importance of project quality control in determining the operational efficiency of a project after completion of contraction, the Group utilises advanced digital platform to create an end-to-end process complete value chain, extending from design concept to project demonstration, and from delivery of project management to lean operation and management. The Group upholds the principle of “Safety first, quality always” and has built a comprehensive quality management system to encompass all levels from senior management to on-site quality management personnel with specified scope of management for each level, thus ensuring the achievement of management quality objectives at each level and incorporating a culture of quality into project construction, operation and management service and the practice of operational management.

High Value Products to Lead in Innovation

1.2 Customer Services

Customer services are the source of a company's profit and the driving force of its development. As always, the Group practises its "Customer Satisfaction" service motto, secures the health and safety factors of the products and services provided, makes technological innovations according to the various needs of the customers, provides customised, professional product solutions, assists customers in creating value, and strives for the development of the Group along with its customers. At the same time, the Group also focuses on the protection of customers' data and privacy. During the Reporting Period, there has not been any leakage of customer data.

The Group puts efforts in upgrading its services, laying a solid foundation for product quality improvement and after-sales services in a more focused manner, through timely follow-up and resolving issues of customer concerns, regular customer visits and surveys, understanding closely customers' actual needs and solving various practical problems on site. In 2018, the Group made a total of more than 3,520 visits to customers, issued 410 and received 410 customer service quality questionnaires, completed 5 customer satisfaction survey reports and formulated corresponding improvement measures. The customer satisfaction rate for the year was over 96%.

The Group has established a call centre operation system, covering business processes including demand response, demand dispatch, service execution and service feedback, and an on-site problem handling workflow covering on-site problem collection, categorization and resolution. In the meantime, the Group selected 13 wind and solar power stations as targets of investigation and research, listened to customers' opinions and summarised opinions on products through on-site examination and other methods deployed according to quality, technology and setup of after-sale service team, seeking to be the first in service efficiency and first in quality, and striving to create the maximum value for customers. By thoroughly collecting customer demands from telephone and on-site surveys, the actual operation and service level of the Group's products are understood, which aids to improve the Group's product and service quality and further increases customer satisfaction.



High Value Products to Lead in Innovation

2. Innovation Makes Excellence

Innovation is the top driving force for the development of enterprises, the basis of improving core competitiveness and centralised demonstration of a nation's overall abilities. The Group insists on technological innovation by launching technological innovation endeavors. It strengthens the transformation of its innovative achievements, enlarged the scale of the technology industry, and continuously achieves new breakthroughs in technological innovation.

2.1 *Technological Innovation Management*

The Group attaches great importance in the fundamental management work of innovative development. It continuously explores and refines innovation management processes and strategies, insists on supporting and leading business development through technological innovation and expediting the transformation of technological results into actual productivity.

The Group constantly improves its innovative management mechanism. It creates a favourable atmosphere for learning and innovation through activities such as working skill competitions and on-job trainings, so as to mobilise the passion and creativity of young staff, stimulate their potentials for innovation, and cultivate an innovative culture of “respecting labour, knowledge, talents and creation”.

Meanwhile, the Group has actively launched the “production, study and research” projects with prominent domestic and overseas institutions, initiated research and development and cooperation in areas such as polysilicon reduction and intelligent micro-grid with Tsinghua University, University of Chinese Academy of Sciences, Zhejiang University, Harbin Institute of Technology, Shanghai Jiao Tong University, Germany's Aalen University and Technical University of Munich, with an aim to promote the transformation and industrialization of technical findings.

In 2018, the Group applied for a total of 118 patents and technical secrets and was granted 75 patents. As at the end of 2018, the Group accumulated 430 domestic authorised patents and 4 international PCTs and actively participated in the preparation of 51 standards, including 26 national standards, 14 industrial standards and 11 local standards.

High Value Products to Lead in Innovation

2.2 Product Technology Innovation

Product technology innovation has always been the driver for the Group's continuous advance. The Group continues to implement various product and technological innovation work to ensure its leading position in technological innovation and market application in the new energy industry.

Adhering to its strategic principle of “refining its main business and extending towards high-end products” in polysilicon production, the Group conducted researches in 2018 on more than 81 innovative topics including quality improvement of electronic grade level 1 polysilicon and recycling of wastes, and followed through with their implementations. Taking advantage of its research and development (“R&D”) center and focusing on the extended industry chain of silicon and the bottleneck technical problems in crystalline silicon production, the Group was intensely involved in the strategic cooperation of “production, study and research” by introducing high-end talents, with an aim to improve R&D efficiency of projects as well as the application of industrial know-how.

- In January 2018, the Group was honoured with the first prize of “Scientific and Technological Progress Award in Xinjiang Uygur Autonomous Region” (新疆維吾爾自治區科技進步獎) for the project of “Development and Application of the Key Anti-coking Technology of Fired High-alkali Coal in Zhundong” (《燃用淮東高鹼煤防結焦關鍵技術開發及應用項目》).
- In February 2018, the Group was awarded the first prize of “Scientific and Technological Progress Award of China Nonferrous Metal Industry Association” (中國有色金屬協會科技進步一等獎) for the project of “Independent Innovation and Industrialisation of Key Technologies for Green Production of High-purity Crystal Silicon” (《高純晶體硅綠色生產關鍵技術自主創新與產業化項目》).
- In November 2018, the Group was granted the 20th National Outstanding Patent Award (第二十屆中國專利獎) for its invention “A Method and Device for Recycling of Off-gas in Polysilicon Production” (《一種多晶硅生產中尾氣再回收利用的方法及裝置》).



High Value Products to Lead in Innovation

In 2018, in the area of wind power and PV resources development, the Group focused on PV grid parity, improvement of wind power engineering designs and intelligent micro-grid, etc., with an objective to launch technological innovations with the lowest cost of electricity and highest return. The Group continued to improve its competitiveness with intelligent operation and maintenance as its core in technological innovation. In 2018, the Group rigorously promoted flexible direct current (“DC”) power transmission as well as demonstration and application of power routers, continuously followed potential flexible DC power transmission projects, strengthened the eCloud intelligent operation and maintenance platform and the integration of equipment including inverters, SVG, flexible DC power transmission, power routers, etc., consolidated various innovative products, to form a holistic and complete intelligent power grid solution based on cloud computing and big data, thus raising the competitiveness of high-end power electronic equipment manufacturing.

- In February 2018, the Group was honoured with the second prize of “Scientific and Technological Progress Award in Xinjiang Uygur Autonomous Region” for the project of “R&D and Industrial Application of 1.25MW Stand-alone Inverter for Photovoltaic Grid Connection” (《單機1.25MW光伏併網逆變器研發及產業化應用項目》).
- In May 2018, the Group was awarded the first prize and the second prize of “QC Achievements of Power Energy Industry in Xinjiang Uygur Autonomous Region” (新疆維吾爾自治區電力能源專業QC成果) for the projects of “Reducing the Concrete Filling Factor of Basic Bored Piles in Wind Turbines” (《降低風機基礎鑽孔灌注樁混凝土充盈系數》) and “Reducing the Sand Loss Rate Surrounding the Grouting Piles” (《降低灌注樁周圍沙土流失率》), respectively.
- In September 2018, the Group won the bid for the pole 1 converter valve package of Liubei Power Station in the UHV multi-terminal DC demonstration project for the transmission of power to Guangdong and Guangxi from Wudongde Power Station of China Southern Power Grid Limited (中國南方電網有限責任公司), with bidding amount of RMB689 million. The Group successfully developed the world’s first $\pm 800\text{kV}/5000\text{MW}$ UHV flexible DC converter valve in June 2017 and this is the first time of it achieving industrialization.
- In November 2018, the Group’s “Demonstration Project of Complete Life-cycle Energy Management and Centralised Monitoring System of Big Data-based TB-eCloud New Energy Plants and Industrial Parks” was recognised as the “2018 Industrial Internet Pilot Demonstration Project – Industrial Internet Platform Integration Innovation Application Pilot Demonstration Project” (2018年工業互聯網試點示範項目 — 工業互聯網平台集成創新應用試點示範項目) of the Ministry of Industry and Information Technology of the People’s Republic of China.

High Value Products to Lead in Innovation

3. Building Green Supply Chain System and Creating Win-win Cooperation Partnership

Under the fast pace of economic globalization nowadays, one can only take a share of the opportunities in the open economy and achieve mutual benefit by opening up and cooperation. The Group targets to create a competitive green supply chain within its supplier management system in which the benefits of the suppliers are taken care of. A win-win strategic cooperative relationship in which benefits and risks are shared with the suppliers is built according to the principle of “honesty, integrity and mutual benefits”.

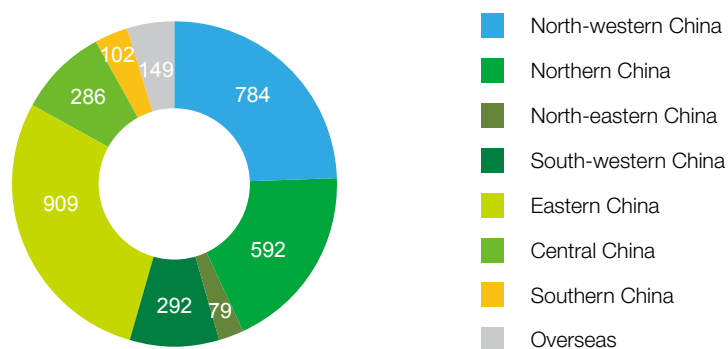
The Group has always strived to build a good supply chain partnership with a mindset of openness, cooperation, exchange and win-win outcomes. Following a philosophy of mutual growth, it maintains sustainable cooperation relationship with all suppliers through communication, joint-innovation, mutual respect and sharing of strengths. In order to improve the quality of suppliers, strengthen their willingness to cooperate and reduce contractual risks, the Group has set up a systematic and complete system of supplier screening, admission, evaluation and assessment, and has established specific execution and management methods for each process to make sure that responsibilities are linked to specific individuals and that the root cause of every issue can be traced.

The Group has a systematic, hierarchical management policy for suppliers. Further exchange and communication are made with excellent partners, while suppliers that are not up to standard will be gradually phased out. In 2018, the Group had 3,196 suppliers providing labour service, equipment, raw materials, etc.. The timely delivery rate was 97.9% and the passing rate of raw materials delivered to the factory was 98.0%, which increased by 0.2 percentage point and 0.3 percentage point respectively as compared to last year. In 2018, the Company re-organised its “List of Qualified Suppliers”, established a qualified supplier resources library, completed the update and filing of supplier information, classified and aggregated the suppliers’ grades, and categorised suppliers by assessing their capabilities, product quality, and services, etc.. Auxiliary material suppliers were regularly evaluated, during which 20 unqualified suppliers were eliminated.



High Value Products to Lead in Innovation

As at the end of 2018, the Group had 3,196 qualified suppliers. The distribution of the Group's suppliers by region is as follows:



- On August 31, 2018, the Group organised a supplier meeting. 67 suppliers attended the meeting and 14 were being complimented. The supplier meeting provided information, answered questions from suppliers and communicated with suppliers on 5 areas, namely the basic information of the Group, development strategic plans, supplier management system, procurement management system and financial payment system. The meeting was beneficial to the mutual trust and understanding between the Group and the supplier, forming a solid basis for subsequent continuing cooperation and a consensus for various forms of cooperation in the future.
- On January 5, 2019, on the ceremony celebrating the Group's tenth anniversary, 10 excellent construction companies were awarded the "Overcoming Obstacles Award" in recognition of partners who completed the targets with guaranteed quality and quantity according to the construction plan in the construction of the 36,000-ton Polysilicon Project, in which the construction companies had shared both benefits and risks with the Group, further consolidating their win-win strategic cooperation relationship.

Social Responsibility, Cooperating for Common Prosperity

Carrying out social responsibilities is an integral part of a company's business activities, as well as an important part for scientific development and building of a harmonious society. The Group practises development concept which is "innovation, coordination, green, open and sharing", actively fulfills corporate social responsibility, values the understanding and support of the stakeholders, concerns about the development of employees, supports social welfare and contributes its power for the building of a harmonious society.

1. Employee Rights and Development

With a philosophy of "Development by the Employees, for the Employees and Results Shared with the Employees", which emphasises on win-win relationship between individual and enterprise and harmonious development, the Group leads with advanced corporate culture, encourages the advanced culture to take roots, and strengthens the cohesiveness, improves wellbeing and feelings of social responsibility among the employees.

1.1 Employee Remuneration and Benefit

In 2018, through internal and external salary surveys of the same industry, the Group properly formulated and analyzed the 2018 salary restructuring and proportion. A performance-based compensation incentive system which emphasises on "creativity and sharing" has been established to ensure the growth of the Group's operating efficiency, average employee efficiency, and human capital investment contribution rate, and at the same time the income of the employees can grow correspondingly so that the stability of key employees and the core technical team can be guaranteed. Through general adjustments to the salary standards of the employees and vigorous adjustments and reform in respect of bonus packages, five types of social insurances and one housing fund, festive benefits, travel allowances and phone subsidies, both the employees' income level and satisfaction have been improved. This has further improved the competitiveness of the Group's compensation packages in the industry, maintained the stability of the workforce and improved the work enthusiasm of the employees.



1.2 Employee Incentive and Promotion

To support the Group's development strategies and establish a scientific and standardised talent selection mechanism, the Group adheres to the selection principles of meritocracy, integrity, competence and professionalism, actively creates an employment environment in which fair competition is encouraged, and uplifts the overall level of management. With a merit-based recruitment mechanism, talents are selected by way of open selection and fair competition. Meanwhile, the Group improves the employees' enthusiasm and corporate efficiency by optimizing organizational structure and strengthening talent management. The work of employees selection, development and evaluation are standardised, and a 360 degree performance feedback process combined with performance review, covering aspects including knowledge, skills, performance and compliance, provides an objective evaluation of the capability of an individual, which is used as reference for hiring and appointment and to provide the employees with various development and advancement opportunities.

1.3 Employee Rights and Protection

The development of a corporation depends very much on its employees, and the growth of the employees is the foundation of a corporation's sustainable development. The Group strictly complies with relevant laws and regulations in relation to remuneration and termination, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination, other compensation and benefits, such as the "Labour Law of the People's Republic of China", "Labour Contract Law of the People's Republic of China" and the "Trade Union Law of the People's Republic of China". To protect the legal rights of the employees, the Group formulated and implemented sound human resources systems in recruitment, labour contracts, promotional mechanism as well as compensation and benefits. The Group has entered into labour contracts with all regular employees, clearly defining matters such as employees' remuneration, working days and hours, positions, employee benefits, training, confidentiality obligations in respect of trade secrets and reasons for termination. The Group strictly prohibits the employment of child labour and forced labour for all positions, and opposes discrimination of nationality, gender, country of origin and ethnicity. All departments are required to comply with relevant requirements in respect of child labour, forced labour and non-discrimination. The Group's human resources department and trade union are responsible for monitoring and ensuring that neither child labour nor forced labour is employed and there is no discrimination. During the Reporting Period, the Group did not experience any major labour disputes, discover any case of child labour, forced labour and discrimination, nor did it receive any report in respect of serious violation of labour laws and regulations stipulated under the laws of the People's Republic of China.

2. Employee Diversity

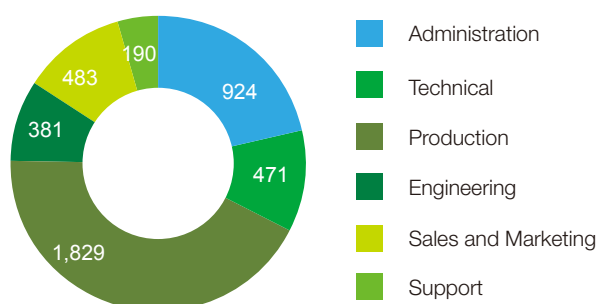
Employee diversity is an indispensable part of the Group’s “people-oriented” management philosophy. Through an inclusive environment, the Group allows every employee to grow and thrive. As a leading enterprise in the new energy industry, the Group values the diversity of the employees, and recruits employees from different geographical regions and different cultures with an open mind. It actively creates an open, inclusive and diverse working atmosphere, contributing to the enhanced creativity and cohesiveness of the Group.

As at December 31, 2018, there were 4,278 employees in the Group, of which 3,488 were regular employees, 790 were workers from labour dispatch agencies. During the year 2018, there were 894 newly recruited employees, of which 586 were fresh graduates and 308 were experienced workers. The specific personnel structure is shown as below:

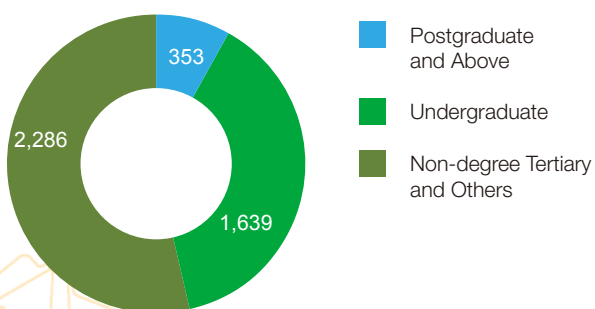
1 Number of employees by age and gender:



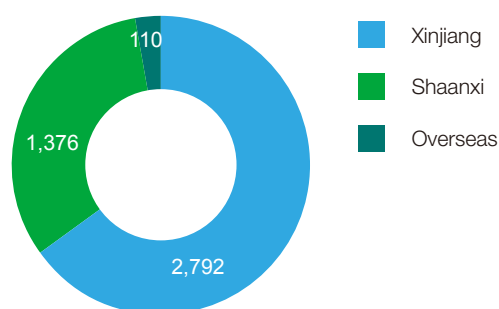
2 Number of employees by functional role:



3 Number of employees by educational level:



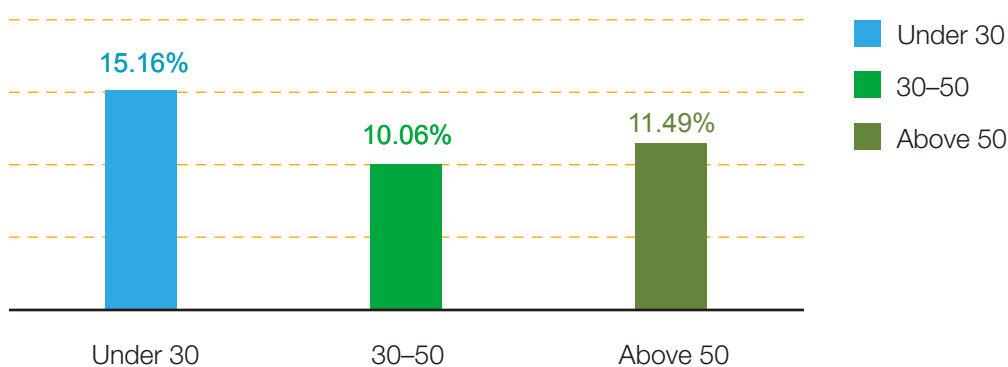
4 Number of employees by region:



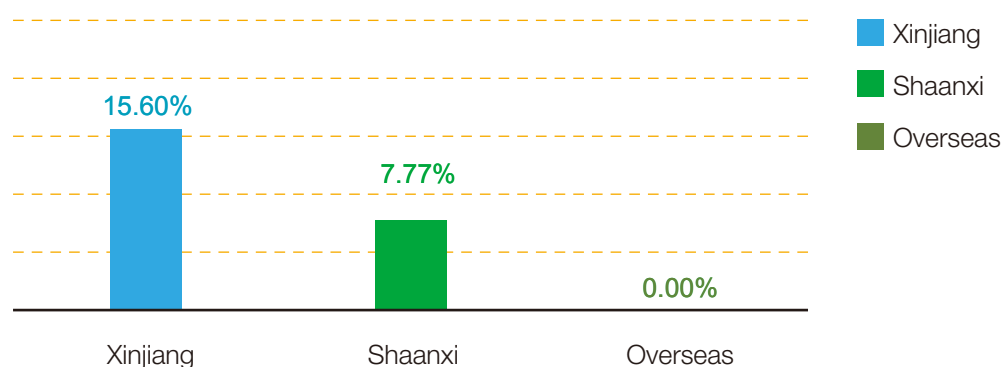
Social Responsibility, Cooperating for Common Prosperity

In 2018, a total of 632 employees resigned from the Group and the staff turnover rate was about 12.87%. The specific turnover statistics are as follows:

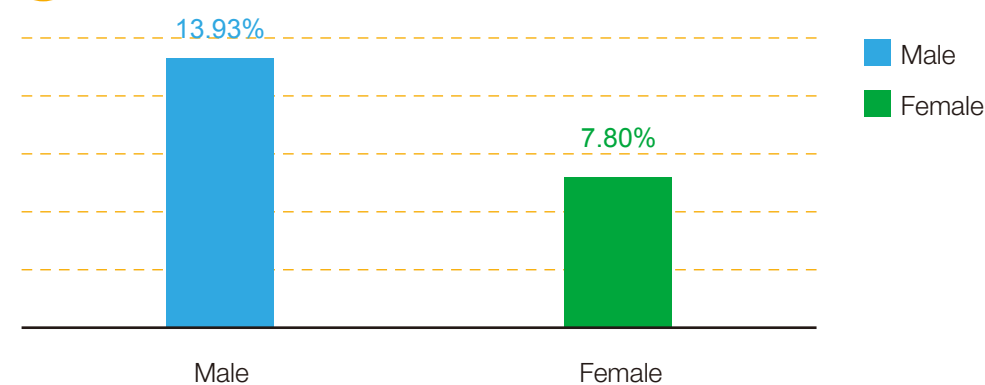
1 Staff turnover by age:



2 Staff turnover rate by region:



3 Staff turnover rate by gender:



Note: Calculation formula: Staff turnover rate = number of employees left / (number of employees at the end of the Reporting Period + number of employees left) x 100%

3. Employee Growth and Development

While protecting the rights of the employees, the Group also adopts a strategy of development through strong reliance on talents. With a globalised vision, the Group continuously upgrades its organizational structure and optimises the combination of its talents. Through a mechanism of internal training and external recruitment, the ability of human resources assurance is further strengthened and a talent nurturing system in which the Group and the employees are able to create, share and grow together has completely developed.

- To strengthen the development of employees in areas like professional competence, teamwork capability and business development ability, the Group has developed a variety of training methods which cover all employees in 2018. These include regular workshops and practical learning and training camps, lectures for senior management, professional training camps, job-based qualification attainment training, WeChat learning, reading and notes, computer aided learning, curriculum development and informal gatherings. Through various kinds of training and sharing, not only has the work quality been improved, but the self-worth and professional capabilities of employees have also been raised.
- To meet the market demand for low-cost and high-quality polysilicon, the Group launched a technical talents nurturing program with Xinjiang University in 2018 for the 36,000-ton polysilicon project, which was participated by 1,658 persons. Through the deepening of cooperation between the university and the corporation, customised classes for the development of existing employees and production technique-integrated training plans, the Group has trained up professional teams with both theoretical knowledge and operation skills, fulfilling the Group's requirement of high speed and high quality talent development.
- In 2018, the Group completely strengthened the life cycle management of fresh graduates. These 586 fresh graduates have been provided with a focused training cycle of three years, and were expected to merge into the backbone and management team within the shortest time-span such that their sense of belonging can be enhanced. The early familiarization of the working and living environment, synchronization with our corporate values and quick integration into their teams will lay a sound foundation for trainees' practical work in the future.



Social Responsibility, Cooperating for Common Prosperity

4. Social Welfare

The Group has always adhered to the concept of “serving the society, benefiting the society and growing with the society” by actively participating in social public welfare activities, duly fulfilling corporate social responsibilities, contributing back to the society with gratitude and striving to create a harmonious public relationship with the society.

4.1 Support Community Development

In order to implement complete poverty alleviation by 2020 as mentioned by Xi Jinping, the President of the People’s Republic of China, the Group has been assisting in targeted poverty alleviation, strengthening poverty alleviation in impoverished areas, striving to improve the living standards of the people in the areas of our projects, supporting local social and economic development, and allowing the development of the Group to benefit the local people.

- The 30MW PV Poverty Alleviation Project in the Ganzê County: During the construction of the project, the Group mobilised nearly a thousand people in the Ganzê County in Sichuan, helping 3,271 poor families to register their identity, and helped the poor population by increasing their annual per capita income by RMB1,000.
- The 150 MW Huangmaogeng Wind Power Project in Meigu County: As hydropower makes up the main source of electricity in Meigu County of Liangshan Yi Autonomous Prefecture in Sichuan, the power generation in winter has been unstable. The construction of the wind power project by the Group complements the power supply of hydropower and provides assurance to power supply for production and daily use. The project also provided over 300 jobs during its construction, and the large quantity use of gravels, cement and steel during the construction of the site also helped the development of the local construction enterprises.

4.2 Care for the Society

The Group actively participates in social and public welfare activities and fully involves in social charity activities. It strives to create a harmonious relationship with the public and assume the responsibilities and obligations of its social role. It encourages employees to participate in and carry out social welfare activities, and has contributed substantially in distress assistance and physical donation.

- In January 2018, the Group and its employees donated RMB234,900 to Kejige Aiike Village and Altay Village in Yulong Kashi Town, Hetian District of South Xinjiang, helping both villages in poverty alleviation.

Social Responsibility, Cooperating for Common Prosperity

- In June 2018, the Group organised its employees to participate in a non-paid blood donation event in Urumqi High-tech Zone, contributing a total of 3,700 CC of blood which added to the Urumqi blood bank reserve and helped saving lives.
- In July 2018, the Group organised and launched the “Warmth Giving Project”. The labour union of the Group visited 29 families of employees with difficulties. By understanding the specific situations of these families, guidance and assistance on difficulties faced in daily work and life were provided to the families such that they can continue to work with their peace of mind, enjoy their lives and look forward to a bright future.
- In August 2018, the Group launched a week-long books, stationery and clothing donation activity at the Yulong Kashi Town Primary School in Hetian, which contributed in enriching the cultural and material wellbeing of the local children.
- To effectively improve the effectiveness and improve the foundation work of poverty alleviation, the Group regarded “poverty alleviation through education” as the main contents in its poverty alleviation work. In December 2018, it organised the Poverty Alleviation through Education Work Group, who visited Xinjiang’s Hetian District and encouraged the young people who had finished elementary and high school but did not continue their education to participate in middle and high school entrance examination, purchased studying materials and conducted focused tutoring. Through these efforts, it is hoped that the young people in the rural area can be guided to accept modern ideas and face the modern challenges, consciously take advantage of the country’s beneficial policies, acquire skills that can change their lives and eventually contribute their own efforts in building their new villages.

5. Anti-corruption Behaviour Promotion

“Honesty, self-discipline and duly performance of duties” are not only a driving force for the sustainable development of a corporation and the foundation on which it can flourish and continue to be successful, they are also the code of conduct for each of our employees. To consciously implement the establishment of clean governance and the work of anti-corruption as well as to effectively carry out such work and relevant promotion, the Group strictly abide by relevant the national laws and regulations such as the “Criminal Law of the People’s Republic of China” and “Punishing corruption and regulations of the People’s Republic of China”, formulated and issued a number of internal regulations and policies including “Disciplinary System for Violation of Regulations”, “Clean Governance Handbook” and other documents of anti-corruption system. Starting from the top to the bottom, integrity risks prevention and control systems such as disciplinary committee, auditing and supervision have been established to carry out periodic inspections and reviews in order to prevent issues of corruption, with focus on key departments such as finance, procurement and engineering project departments.



Social Responsibility, Cooperating for Common Prosperity

In 2018, the Group's disciplinary inspection and supervisory work involved the strengthening of supervision and inspection and further enhancement of the accountability mechanism, to form a dynamic management system with improvement of execution capabilities driven by supervision, which contributed to the standardised management and self-improvement of production operation. In 2018, there were three characteristics in the Group's disciplinary, inspection and supervisory work, namely: (1) gradual strengthening of "Dual Responsibilities for One Post" and continuous improvement of the employees' awareness of integrity, self-discipline and vigilance in not crossing red lines; (2) integration of disciplinary inspection and supervisory work into production operation management, which had increased the supervisory and accountability of key business areas such procurement, finance and engineering projects, gradually demonstrating the results of anti-corruption and integrity promotion; (3) further strengthening of the coverage of anti-corruption and integrity culture promotion as well as improvements in establishment of system, which had enhanced the employees' awareness of anti-corruption, integrity and self-discipline through activities on party conduct and anti-corruption education as well as awareness education. Centered on the "Disciplinary System for Violation of Regulations", the Group's disciplinary inspection and supervisory work solidly promotes integrity through laws and regulations, with gradual strengthening of the punishment and anti-corruption system.

- In 2018, the Group's integrity appointments were extended to cover each and every employee. While various levels of officials in the disciplinary committee were responsible to hold talks on integrity with senior managers before they take offices, hold meetings with employees of key positions, conduct cautionary and encouraging conversations and hold exit interviews, etc., the local party branches were responsible for the appointments of employees of other levels. A register of suggestions and issues obtained from integrity appointments was prepared for monitoring and improvements;
- In 2018, the Group conducted a total of 46 educational sessions on cautioning against corruption and compliance trainings, which were participated by all employees. Interviews were conducted with 43 suppliers. 26 integrity publications and more than 40 promotional articles were published.

Through a series of anti-corruption and integrity activities, including cautionary and encouraging speeches, pre-appointment talks on anti-corruption, the promotional column "*Anti-corruption Express*" and integrity information publications, the employees can deeply experience and feel the rationale of integrity education, and put the rational understanding and emotion recognition into practice, such that the educational purpose of "integration with management and centering around services" can be achieved.

During the Reporting Period, the Group was not involved in any major litigation cases related to bribery, extortion, fraud and money laundering of the Group or its internal employees, nor had it received any complaints as such.

Environmental Protection and Scientific Development



With the development of the society, the awareness of environmental protection becomes stronger and stronger. To carry out national energy restructuring, resolve energy and environmental crisis and thus realise harmonious development between human and the nature, it is imperative to develop clean energy. By adhering to the concept of green development, the Group has consistently implemented energy conservation and emission reduction by integrating the development and utilization of resources with environmental protection, effectively promoting conservation and recycling of resources and developing a green economy.



1. Resources Utilization and Consumption

The Group's energy consumptions are mainly coal and electricity used in the production of polysilicon. In 2018, the Group stepped up efforts in energy conservation and consumption reduction. Through technological innovation projects, it improved the operating efficiency of the reduction furnace, adopted large-diameter reduction furnaces and comprehensively utilised cold-hydrogenation heat energy facilities, which increased the conversion rate of single furnace and further reduced the unit power consumption of polysilicon production. With regard to coal-fired power plants, the Group improved the combustion efficiency of coal and enhanced the fine management of coal mines mainly through the fine management of coal blending and air distribution, resulting in a decrease of overall standard coal consumption of more than 11% as compared with 2017.

The water resources used in production are mainly surface water, compliant wastewater from treated sewage, urban reclaimed water and a small amount of underground water. The Group strictly complies with regulations relating to national water resources use. There are no major issues with acquisition of water sources. In respect of water efficiency plans, the Group invested RMB12.3 million in an advanced sewage treatment and recycling project in 2018. The effluent water complies with the water standard for industrial use. The recycled water meets the demand for greening in summer, as well as the demand for refilling industrial circulating water in winter, effectively improving the recycling rate of water resources.

Environmental Protection and Scientific Development

The Group uses mainly wood, paper, and plastic packaging materials as packaging materials. In 2018, the Group strengthened the improvement of packaging materials for polysilicon products, and put into trial use of an integrated recyclable high-density polysilicon clean package box, produced by rotational molding of high-density polyethylene materials. This package box is integrated with pallet, capable of replacing the existing polysilicon packaging box and wooden pallet, and is characterised by its overall seamlessness, high intensity, non-deformation and collision-resistant, long useful life and reusability. The Group also made adjustments to the sizes and forms on the structural basis of the original packaging boxes, and used packaging boxes with a holding capacity of 400kg/box in the end product workshops while putting emphasis on the reuse of packaging materials, thus further reducing packaging costs.

Item	2018		2017	
	Consumption	Density (/ton)	Consumption	Density (/ton)
Energy:				
Electricity (ten thousand kWh)				
– Power Consumption in Production	278,751	8.20	257,983	8.77
– Power Consumption in Office	752	0.02	703	0.02
Diesel (ton)	184	0.01	198	0.01
Coal (ton)	2,056,367	60.48	2,320,891	78.94
Water:				
– Water Consumption in Production (m ³)	2,291,100	67.39	1,366,786	46.49
– Water Consumption in Office (m ³)	120,000	3.53	223,250	7.59
Packaging Materials:				
Wooden materials (ton)	735	0.02	712	0.02
Paper materials (ton)	1,263	0.04	1,073	0.04
Plastic materials (ton)	656	0.02	586	0.02



2. Energy Conservation & Emissions Reduction

Energy conservation and emissions reduction are powerful measures to promote corporation development and improve the economic and social benefits of a corporation. The Group regards energy conservation and emissions reduction as a significant part of production management and actively responds to the national policy in developing a green recycling economy and building a resource-saving and environment-friendly society.

Currently, the Group has the honor to be the only “Green Manufacturing System” demonstration unit in Xinjiang that fully encompasses green engineering projects, green design products and a green supply chain. Through upstream polysilicon production and downstream clean energy development, the Group has achieved green recycling economy and clean energy production, and has become one of the “Excellent Recycling Economy Enterprises” (優秀循環經濟企業) in the national industrial economy.

2.1 Development of Clean Energy

In 2018, the Group conducted a thorough exploration on the national and local policies and plans. Faced with a trend of cancellation of subsidies and grid parity, the Group adjusted its resource development strategies focusing on distributed PV, micro-grid, complementary energies and decentralised wind power. It actively expanded new markets and explored innovative development models, to change its business from development of traditional large-scale wind and solar resources to multi-operations and diversified businesses driven mainly by wind power resources.

In 2018, the Group completed and recognized the revenue for 1,364.74MW of installed capacity for EPC and BT projects in PV and wind power stations, and completed the transfer of 403.5MW BT projects. For the year ended December 31, 2018, the Group’s total BT projects which were under construction and completed for transfer was 368.45MW, and there were approximately 2GW of BOO projects under construction and completed.

2.2 Development of Circular Economy

The Group is committed to the integration of green economy and circular economy in the production of polysilicon, based on the principle of “reduction, reuse, and recycling”. With the fundamental features of low consumption, low emission, and high efficiency, the Group is striving to achieve sustainable development and an economic growth model based on the concept of sustainable development.

The exhaust gas emitted during the production of polysilicon mainly includes nitrogen oxides and sulfur dioxide; the solid and liquid wastes mainly include hydrolyzate produced during the polysilicon wastewater treatment process and fly ash, furnace slag, and desulfurised gypsum produced by boiler operation of the self-contained power plant. Hazardous wastes mainly consist of waste oil produced during equipment lubrication and spent catalyst emitted during the replacement of power plant denitrification facilities. The specific types of pollutants and emission amounts are as follows:

Item	2018		2017	
	Emissions (ton)	Density	Emissions (ton)	Density
Exhaust gas:				
Dust	34.42	0.0010	116.89	0.0040
Sulfur dioxide	104.04	0.0031	273.99	0.0093
Nitrogen oxides	505.32	0.0149	1,114.08	0.0379
Greenhouse gas:				
COD	36.99	0.0011	16.58	0.0006
Ammonia nitrogen	1.53	0.0000	0.53	0.0000
Hazardous waste:				
Waste oil	131.39	0.0039	37.91	0.0013
Waste denitration catalyst	260.00	0.0076	200.00	0.0068
Non-hazardous waste:				
Solid waste produced by landfills	6,500.00	0.1912	6,581.00	0.2238



Environmental Protection and Scientific Development

The Group has adopted various measures to reduce or to properly dispose of the abovementioned discharged wastes. The handling details are as follows:

- Introducing polysilicon by-product cold hydrogenation processing technology and carry out heat energy exchange with the materials that used to be heated by steam, such that the temperature of the materials can be raised while steam consumption can be reduced, and the cooling load of the system can be lowered while at the same time the surplus steam energy of the power plant can replace the electricity used by the material vaporiser in the cold hydrogenation system, thus reducing production energy consumption and realizing recycling of condensate.
- Building slag fields according to the general construction standard for solid waste landfill sites to meet the disposal need of all hydrolysate under the current production situation. To effectively reduce the production of hydrolysate, the Group implemented the “Transformation Project on Waste Chlorosilane Recycling Technology” (《廢氯矽烷回收利用技術改造項目》) to recycle high-boiling residues and low-boiling residues discharged from polysilicon production, which further contributed to resources recycling.
- Part of the coal ash, furnace slag and desulfurised gypsum generated by the Group’s power station for polysilicon production were recycled by the Group for the production and sale of aerated concrete. The Group produced 106,200 m³ of aerated concrete in 2018. As for the remaining part, the Group entered into disposal and utilization agreement with construction material companies for the purpose of construction materials production. With these measures, the Group achieved a 100% recycling rate for solid wastes generated by its own power plants.
- The Group appointed qualified manufacturers and hazardous wastes disposal centres specified by government to legally dispose of the hazardous wastes produced during the production process. In 2018, the Group legally transferred 131.39 tons of waste oil and 260 tons of waste denitration catalyst.
- The Group actively responded to the State Council’s Air Pollution Prevention and Control Action Plan and implemented the relevant details to further improve the environmental protection level of coal-fired power plants and promote clean production in the coal-fired power industry. The Group implemented ultra-low emission technology transformation project for two machines of its thermal power plant. The transformation project was evaluated by a third-party assessment and monitoring agency upon completion, and was granted an ultra-low emission certification by the Environmental Protection Department of Xinjiang Uygur Autonomous Region in March 2018.

Environmental Protection and Scientific Development

Through the above measures, the Group has reduced the amount of pollutants discharged, maximised the recycling of resources and eliminated and reduced environmental pollution, striving to achieve coordinated and sustainable economic and environmental development.



Safe Production and Comprehensive Protection



Production safety is a significant matter that affects the security of the national property and the people's interests. Safe production is significant in promoting the Group's development, ensuring the safety of its employees, and maintaining social stability. The Group has continued to enhance the safety awareness of all its employees by continuously intensifying safety management and safety training establishment and organizing various security activities to identify and rectify hidden issues, so as to further improve the safety management standard of the Group.

1. Safe Production

In order to implement the safety management concept of “People and Safety First” seriously and thoroughly, the Group regulates production safety management and strengthens the production safety management of production lines, so as to improve the overall standard of production safety management.

In 2018, more than 10,000 construction workers from a total of 27 construction units were engaged in the 36,000-ton Polysilicon Project of the Group. Despite the scale of the construction and difficulties in production safety management, the Group has strictly complied with the production safety principle of “Attention to Details, Standardised Safety Practices and Controlled Processes”. During the production process, there are five steps, each of which has established a multi-level and all-rounded production safety responsibility system to strengthen the safety management responsibility of the construction units, and designate a responsible person for production safety of the construction units for each project, ensuring the completion of construction of the 36,000-ton Polysilicon Project in a safe and efficient manner.

In 2018, according to the Health, Safety, Security and Environment (HSSE) Inspection Plan formulated by the Group at the beginning of the year, the Group has carried out inspections on specific projects, the implementation of safety and environmental management system, and the supervision over equipment and procedural operation on a weekly basis; according to the seasons, the implementation of windbreaks and falling objects prevention in the spring and autumn, the implementation of high-temperature prevention plan in the summer, and the implementation of frost protection plan and winter construction plan in the winter; and major inspections before the holidays, and urged responsible units to take rectification actions in a timely manner. The leaders in charge of safety, leaders of the centralised management departments, and workshop managers participate in the weekly comprehensive inspections of the subsidiaries and the monthly inspections of the security committee. In 2018, a total of 3,152 hidden issues were identified, all of which have been rectified with a rectification rate of 100%.

In order to further promote the sustainable, healthy and stable development of production safety and strengthen site safety management, the Group has organised safety seminars and safety education trainings, and formulated 55 annual safety and environmental protection training programs, which have been circulated to all departments for implementation on a monthly basis. During 2018, an aggregate total of 23,000 employees have participated in safety education trainings. Such safety seminars and trainings have enhanced the employees’ awareness of production safety and labour protection, protected their work safety and health interests, and continuously improved the safety and health awareness and skills of employees, facilitated the establishment of the safety culture of the Group, which ensures the achievement of annual safety targets and sustainability of safety development.

2. Occupational Health

The Group focuses on the establishment of an occupational health and safety system and strictly complies with applicable safety laws and regulations in relation to the provision of a safe working environment and the protection of employees from occupational hazards, including but not limited to the “Law of the PRC on Prevention and Treatment of Occupational Diseases” (《中華人民共和國職業病防治法》), the “Regulations on Supervision over the Occupational Health at Workplace” (《工作場所職業衛生監督管理規定》) and the “Regulations on the Administration of Labour Protection Appliances” (《勞動保護用品管理規定》). In addition, the Group have formulated management systems such as the “Identification and Evaluation of Environmental Factors Management Guidelines” (《環境因素識別與評價管理辦法》) and the “Safety and Environmental Accidents Management Guidelines” (《安全環境事故管理辦法》) for the orderly and effective launching of various activities in relation to occupational health.

In 2018, the Group strictly implemented the concept of “People-oriented Scientific Development” and continued to conduct special inspections on occupational hygiene in workplace, and carried out a series of promotional activities in relation to examinations, prevention and treatment of occupational diseases, protecting the occupational health of the employees.

- For all employees who are exposed to occupational hazards, an occupational hazard notice is signed and one file for each employee is set up, specifying the history of contracting occupational diseases, the results of physical examinations for past years and etc.;
- Revised and increased the frequency of physical examinations for employees working in hazardous positions from once a year to once every six months, so as to prevent the occurrence of occupational diseases in advance;
- Carried out occupational health examination activities in 2018, conducted occupational disease examinations on employees working in toxic and hazardous positions, and offer health checkups for all employees on an annual basis;
- Organized an awareness week for prevention and treatment of occupational diseases, in particular, formulated a plan and organized the initiative, to make publicity through newspapers and magazines, panels, banners, SMS, WeChat and etc.;
- Invited experts from the Safety Education and Training Center in Urumqi to conduct special trainings on occupational health and personal injury first-aid knowledge for our employees, and invited professionals from Health 100 Physical Examination Center to give guidance and advice on the Group’s health checkups, as practices of prevention, control and elimination of occupational hazards and protection of the health of employees.

Safe Production and Comprehensive Protection

During the Reporting Period, the Group did not experience any material accidents, nor was it subject to any penalties for material violations of the laws and regulations in relation to occupational health and safety in China.

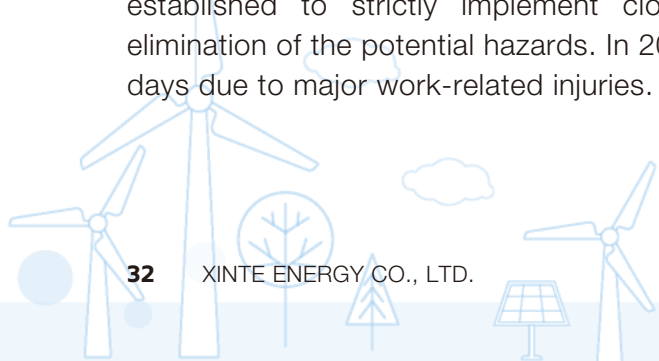
3. Identification of potential hazards

To fully implement the policy of “safety first, prevention focused and comprehensive management”, regulate the identification and management of potential hazards, and effectively prevent the occurrence of accidents, the Group strictly complies with laws and regulations including the “Fire Control Law of the PRC” (《中華人民共和國消防法》), the “Provisional Regulations on Hidden Dangers Identification and Management for Production Safety Accidents” (《安全生產事故隱患排查治理暫行規定》) and the “Provisional Regulations on the Supervision over Electric Power Hidden Dangers” (《電力安全隱患監督管理暫行規定》), based upon which, the Group has formulated requirements for the identification and management of potential hazards for production safety. The Group will regularly identify, evaluate and update environmental factors and hazard sources, categorise major environmental factors and hazard sources for the formulation of a risk prevention and control handbook as well as its implementation.

The Group has set up comprehensive emergency and response procedures, including emergency plans for fire and various dangers, workplace injuries, emergencies and natural disasters. In addition, we hold various emergency drills regularly to enhance our employees’ ability to respond to emergencies.

- In 2018, the Group organised 24 emergency drills jointly with the voluntary fire brigades of nearby enterprises or voluntary fire brigades workshops, which were joined by 963 participants.
- In 2018, 304 onsite fire prevention inspections and 33 general inspections of firefighting water systems, labour insurance, gas-proof facilities, fire extinguishers, etc. were conducted throughout the year, and 206 notices of fire hazard rectification were issued. The overall rectification rate was 100%.

In 2018, the Group focused on the identification and management of potential hazards. Standards covering planning, organization, implementation, rectification and review were established to strictly implement closed-loop management, ensure the rectification and elimination of the potential hazards. In 2018, there were no work-related fatalities, or loss of work days due to major work-related injuries.



Prospects in 2019



Along with the change of the national energy strategy and the energy restructuring, the new energy industry in China has entered a stage of stable, efficient and scientific development. New energy enterprises will further accelerate industrial integration and eliminate outdated production capacity, enabling cutting-edge technologies and quality products to dominate the market.

Against the backdrop of the current development, the Group will seize the opportunities of the time and integrate the environmental, social and corporate governance factors into its production operations, to fulfill its responsibilities for the environment and society and to continuously improve its own corporate governance standards, with an aim to achieve long-term economic, environmental and social sustainable development.

In 2019, the Group will actively integrate itself into the new era, establish a new mission and achieve a new leap forward. It is going to put all its efforts in writing a new chapter on the creation of an outstanding, green and intelligent global energy service provider, which contributes green energy to the society and creates a better life for the people!

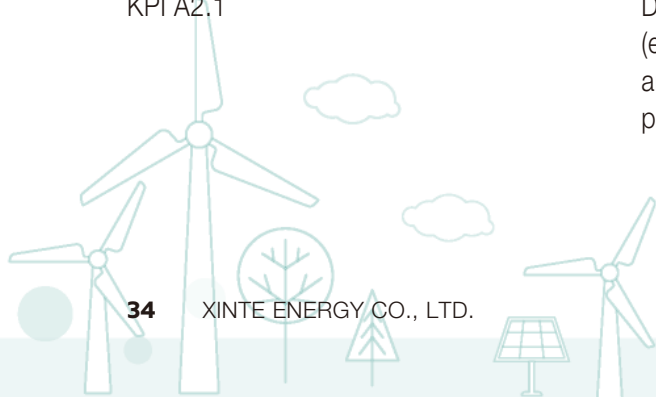


Content Index for Environmental, Social and Governance Report



Reporting Index

Subject Areas/Aspects	Disclosure Index	Page
Comply or Explain	Recommended Disclosure	
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) policies; and (b) compliance with relevant laws, and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	25–28
KPI A1.1	The types of emissions and respective emissions data.	26
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	26
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	26
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	26
KPI A1.5	Description of measures to mitigate emissions and results achieved.	27–28
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	27–28
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	23–24
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	24



Content Index for Environmental, Social and Governance Report

Subject Areas/Aspects		Disclosure Index	Page
Comply or Explain	Recommended Disclosure		
KPI A2.2		Water consumption in total and intensity (e.g. per unit of production volume, per facility).	24
KPI A2.3		Description of energy use efficiency initiatives and results achieved.	23–24
KPI A2.4		Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	23
KPI A2.5		Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	24
Aspect A3: The Environment and Natural Resources			
General Disclosure		Policies on minimizing the issuer's significant impact on the environment and natural resources.	23–28
KPI A3.1		Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	23–28
B. Social Employment and Labour Practices			
Aspect B1: Employment			
General Disclosure		Information on: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	14–15
	KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	16
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	17



Content Index for Environmental, Social and Governance Report

Subject Areas/Aspects	Disclosure Index	Page
Comply or Explain	Recommended Disclosure	
Aspect B2 : Health and Safety		
General Disclosure	Information on: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	30-32
	KPI B2.1 Number and rate of work-related fatalities.	32
	KPI B2.2 Lost days due to work injury.	32
	KPI B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	30-32
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	18
	KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	NOT APPLICABLE
	KPI B3.2 The average training hours completed per employee by gender and employee category.	NOT APPLICABLE
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	15



Content Index for Environmental, Social and Governance Report

Subject Areas/Aspects	Disclosure Index	Page
Comply or Explain	Recommended Disclosure	
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour. 15
	KPI B4.2	Description of steps taken to eliminate such practices when discovered. NOT APPLICABLE
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure		Policies on managing environmental and social risks of the supply chain. 12–13
	KPI B5.1	Number of suppliers by geographical region. 13
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. 12–13
Aspect B6: Product Responsibility		
General Disclosure		Information on: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling, privacy matters relating to products and services provided and methods of redress. 6–11
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons. NOT APPLICABLE
	KPI B6.2	Number of products and service related complaints received and how they are dealt with. NOT APPLICABLE
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights. 9–11
	KPI B6.4	Description of quality assurance process and recall procedures. 8



Content Index for Environmental, Social and Governance Report

Subject Areas/Aspects	Disclosure Index	Page
Comply or Explain	Recommended Disclosure	
	KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.
		NOT APPLICABLE
Aspect B7: Anti-corruption		
General Disclosure		Information on: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.
Community		
Aspect B8: Community Investment		
General Disclosure		Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure that its activities take into consideration the communities' interests.
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.



新特能源股份有限公司

Xinte Energy Co., Ltd.

