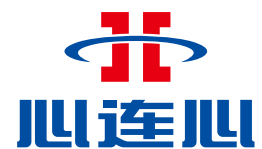


High-Efficiency Fertilisers in China

中國高效肥

Environmental, Social and Governance Report 2018 環境、社會及管治報告



China XLX Fertiliser Ltd.
中國心連心化肥有限公司*

(Incorporated in Singapore with limited liability)

(於新加坡註冊成立之有限公司)

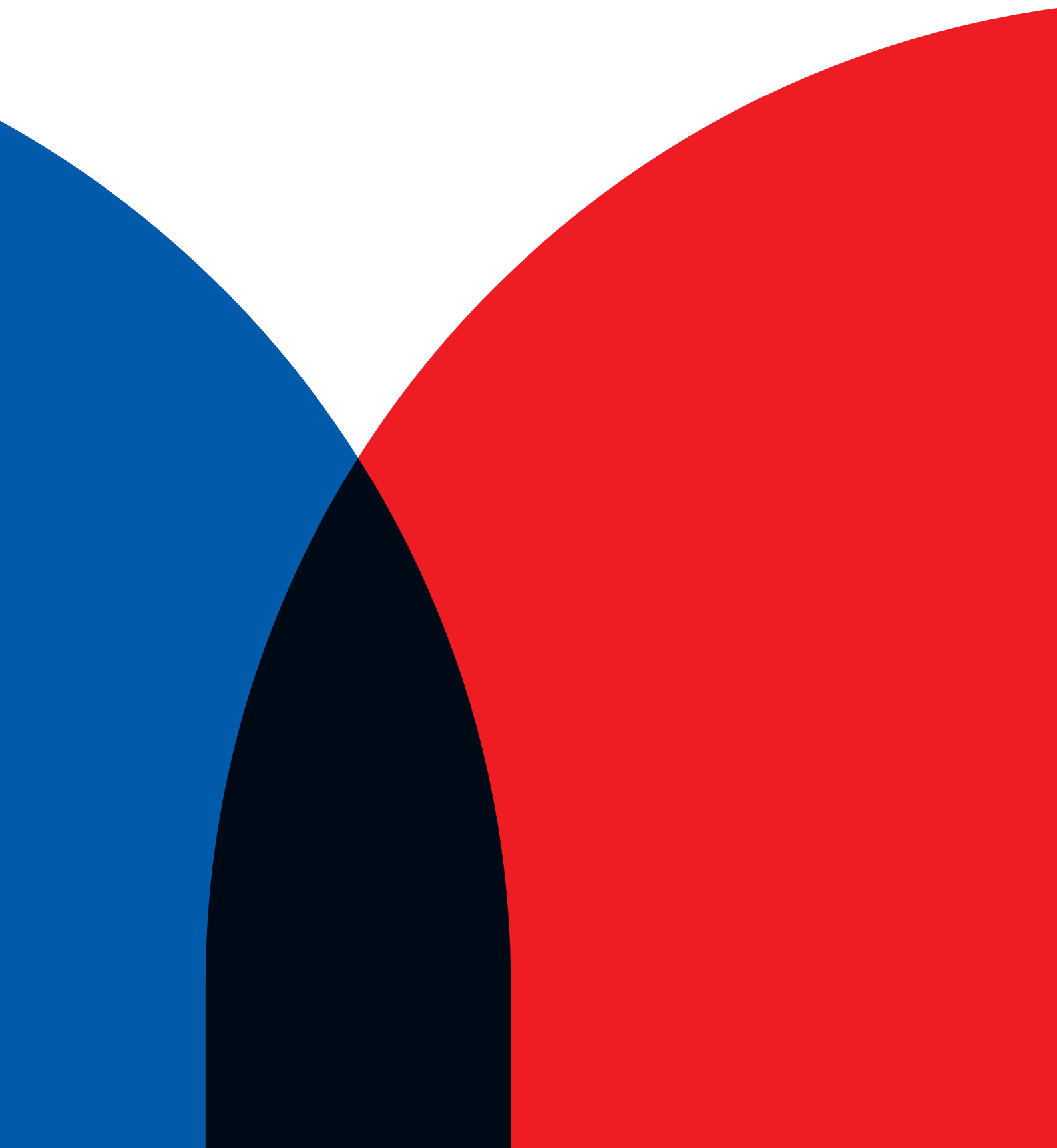
Stock Code 股份代號: 1866

* For identification purpose only 僅供識別

CHINA XLX CULTURE 中國心連心文化

We attribute our achievements and breakthroughs to our dedicated team at China XLX. The team is committed to uphold the vision with integrity, discipline and strong commitment.

我們所有的成績與突破，都歸功於誠信為本、紀律嚴明、專注投入、放眼未來和充滿快樂的中國心連心團隊。



CHINA XLX DEVELOPMENT STRATEGY:

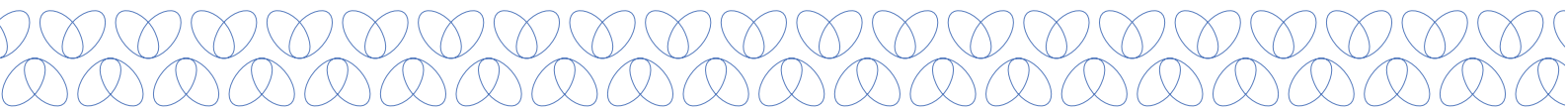
"Adhere to Produce Good Fertiliser". Explore and appropriate develop new energy and new chemical materials. Adhere to the competitive strategy of combination of "combination of low cost and differentiation" with the focus on fertiliser industry. Based on the fundamental conditions of "Henan, Xinjiang, Jiujiang" bases, become market-oriented, follow the development path with high standard, parks and bases with special features.

中國心連心發展戰略：

「堅持化肥、做好化肥」。探索並適度發展新能源及新材料化工品。堅持「低成本和差異化相結合」的競爭策略做好化肥主業。根據「河南、新疆、九江」基地基礎條件，以市場為導向，走高標準、園區化、基地特色化發展道路。

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ABOUT THE REPORT

The Group adopts a business philosophy of “Essence and Sincerity”, sticks to an enterprise spirit of “Dedication”, and regards benefiting the society as its historic responsibility. It strives to increase the income of farmers and efficiency for customers through continuous innovations in products and services. It adheres to the people-oriented concept, protects the lawful interests of employees, provides a smooth career development channel, and builds a fair and sound working environment in order to promote the growth of employees and the Company. It follows the philosophy of sustainable development and implements energy-saving and emission-reduction measures to achieve green operation. It actively participates in community development and public welfare activities and makes donations to fulfill its responsibility as an enterprise citizen.

RESPONSIBILITY OF GOVERNANCE

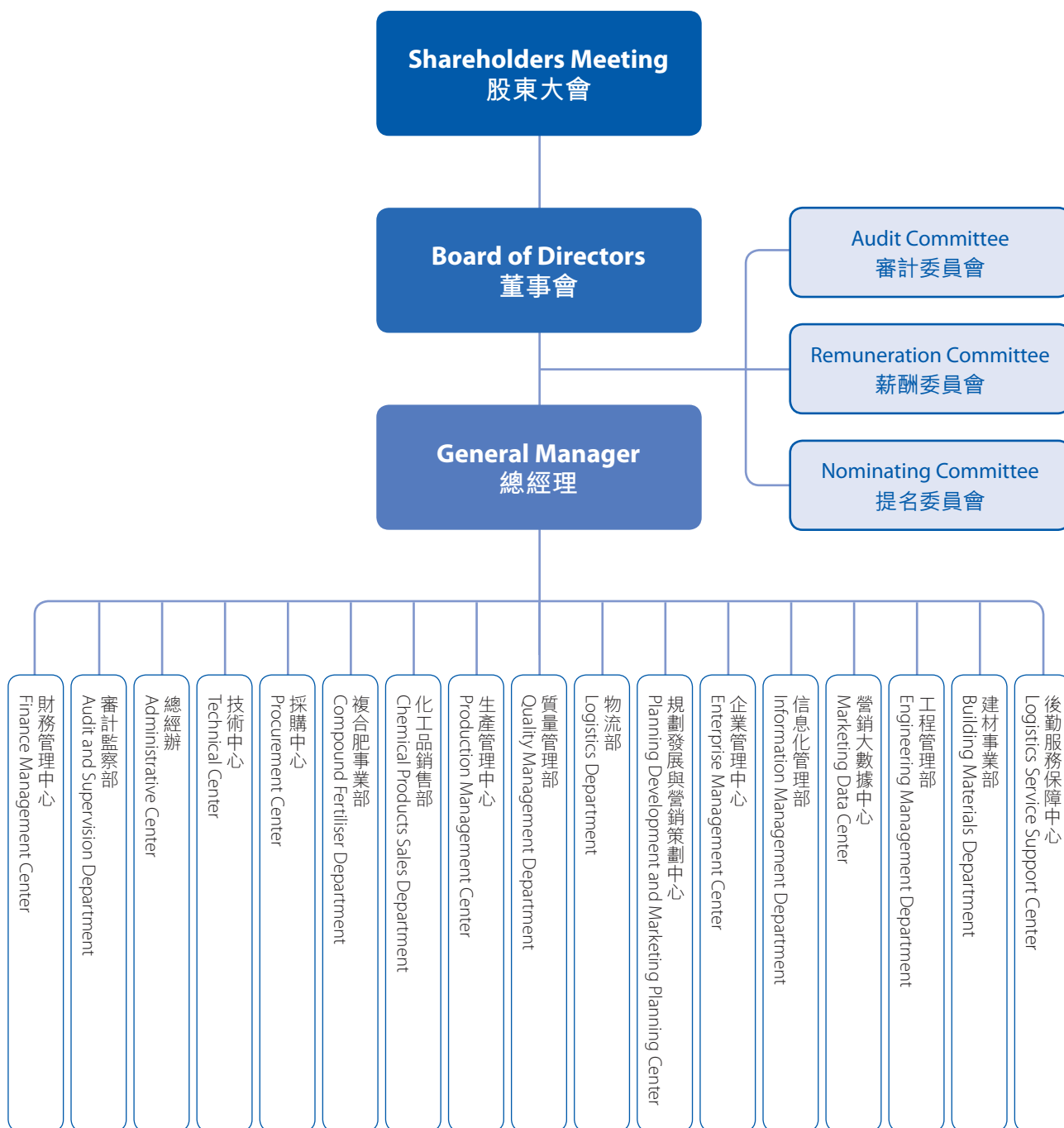
The Board of the Group supports the Company to fulfill the corporate social responsibilities, and to bear all the responsibilities of the Group regarding environment, society and governance, management strategy and reports. The Board is responsible for evaluating and measuring the Group’s risk on the environment, society and governance, to ensure that the Group has established an appropriate and effective environment, society and governance risk management system, and internal supervision system. The management team of the Group will provide confirmation to the Board on whether the relevant systems are effective. The Group has established an ESG working group which is formed by the core departments of the Group, consisting of a person in charge of each department; specialists are appointed to commence the work on ESG management and reports.

關於本報告

心連心以「至精至誠」，以「執事敬業」為企業精神，以為社會造福為歷史責任，通過持續產品和服務創新，為農民增收，為客戶增效；堅持以人為本，保障員工合法權益，暢通職業發展通道，營造公平良好的工作環境，促進員工與企業共同成長；深化可持續發展理念，推動企業節能減排，引領綠色運營；積極參與社區建設，投身公益，行善樂捐，努力履行企業公民責任。

責任管治

心連心董事會支持心連心對履行企業社會責任所做的承諾，並對心連心的環境、社會及管治策略以及匯報承擔全部責任。董事會負責評估及釐定心連心有關環境、社會及管治的風險，並確保心連心設立合適及有效的環境、社會及管治風險管理和內部監控系統。心連心的管理層向董事會提供有關系統是否有效的確認。心連心成立了由集團核心部門組成的ESG報告工作組，由各部門負責人直接參與，並指定專人負責開展ESG管理和報告的工作。



COMMUNICATION WITH STAKEHOLDERS

Referencing the ESG guideline, and based on the degree of influence within the group of stakeholders in the daily operations of the Group, the Group identified its key stakeholders, including shareholders, investors, employees, customers, suppliers, government, community, industry association and the chamber of commerce, and responded to the reasonable expectations and demands of stakeholders through the following ways.



利益相關者溝通

心連心參考ESG指引中所涵蓋的利益相關方，並根據集團利益相關者在日常運作中的相互影響程度，識別出關鍵利益相關者，包括股東及投資者、員工、客戶、供應商、政府、社區、行業協會及商會，通過以下多種方式回應利益相關方的合理期望和利益訴求。

BRIEF INTRODUCTION OF THE REPORT

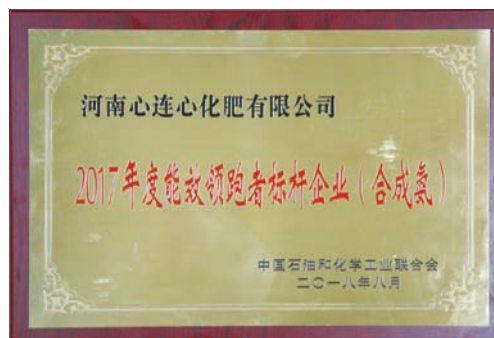
The Company has prepared the "Environmental, Social and Governance Report 2018 of China XLX Fertilizer Ltd." in accordance with the requirements of the Environmental, Social and Governance Reporting Guide (the "Guide"). The Report describes the concept and practice of sustainable development and social responsibility of the Company from two aspects, being environmental and social, covering the period from 1 January 2018 to 31 December 2018. In accordance with the requirements of the Guide, the Company has disclosed the key performance indicators of the environmental aspects which cover the two major production bases located in Henan and Xinjiang.

報告簡介

根據《環境、社會及管治報告指引》要求，心連心編制了2018年的《環境、社會及管治報告》，覆蓋時間範圍為2018年1月1日至2018年12月31日，從環境和社會兩個範疇闡述心連心的可持續發展與社會責任理念和實踐。根據指引要求，心連心在報告中披露了環境範疇的關鍵績效指標，涵蓋心連心位於河南和新疆的兩大生產基地。



Green Factory
綠色工廠



Ammonia Energy Consumption Leader 2017 Award
2017年度能效领跑者标杆企业(合成氨)

A ENVIRONMENTAL

The Company has been stressing on environmental protection, energy-saving and emission-reduction and comprehensive utilization of resources. Bearing in mind the idea of green development, the Company has been increasing its environmental investment and persistently commencing works on technology innovation and facilities upgrade. In 2018, the Company won the "energy efficiency leader benchmark enterprise (synthetic ammonia)" for seven consecutive years. In 2018, the Group was honorably awarded the "Green Factory" and "Ammonia Energy Consumption Leader 2017 Award".

A 環境範疇

心連心始終高度重視環境保護、循環經濟和資源的綜合利用，一直秉承綠色發展理念，不斷加大環保投入，持續開展技術創新、設施升級等工作。2018年，心連心連續7年獲得能效领跑者標杆企業(合成氨)，並獲得國家工信部授予的國家級「綠色工廠」殊榮，「2017年度氮肥、甲醇行業節能減排先進單位」等獎項。



ISO 14001 Environmental Management System Certificate
ISO 14001 環境管理體系認證證書

A1 EMISSIONS

The Company has been in strict compliance with laws and regulations such as the Environmental Protection Law of the PRC, Water Pollution Prevention and Control Law of the PRC, Air Pollution Prevention and Control Law of the PRC, Solid Waste and Environmental Pollution and Solid Waste Prevention and Control Law, and the Interim Provisions on Administration of the Discharge Permit. It has also acquired emission permit legally, and formulated a series of regulations according to the actual circumstance of the Company, for instance, Environmental Protection Management Regulations, Environmental Protection Facility Operation and Management Regulations, Integrated Measures for the Management of Water Resources (for Trial Implementation), and Solid Waste Management Regulations, with a view to regulating and promoting the Company's environmental protection, pollution prevention and control, energy-saving emission reduction works, so as to gradually promote the institutionalization of environmental protection and achieve sustainable development.

The Company improves its environmental management level by establishing an ISO 14001 environmental management system, and conducts annual external audits.

The Company actively adopts internationally leading new processes and technologies which is helpful to reduce the energy consumption and the emissions of pollutants. Meanwhile, the Company vigorously develops the cyclic industry, turns the coal ash and slag (solid waste) into new building materials, recycles treated sewage and wastewater back to the coal gasification process, and realizes "ultra-low emission" of exhaust gas.

A1 排放物

心連心嚴格遵守《中華人民共和國環境保護法》、《中華人民共和國水污染防治法》、《中華人民共和國大氣污染防治法》、《中華人民共和國固體廢棄物污染環境防治法》和《排污許可證管理暫行規定》等法律法規的規定，依法獲取《排污許可證》，並結合實際情況，制定了《環境保護管理規定》、《環保設施運行管理規定》、《水資源一體化管理辦法（試行）》、《固體廢物管理規定》等一系列制度文件，規範和推進心連心的環境保護、防治污染、節能減排工作，逐步推進環境保護制度化，助力可持續發展。

心連心通過建立ISO 14001環境管理體系來提高心連心環境管理水平，並每年進行一次外部審核。

心連心積極採用國際領先的新工藝、新技術，降低了能耗，減少了污染物的排放量，並大力發展循環產業，實現煤灰、爐渣（固廢）全部轉化成新型建材，污水、濃水經過處理重新回到煤氣化裝置循環利用，廢氣達到「超低排放」。

1) WASTEWATER DISCHARGE

For wastewater, the Company's sewage discharge has been in strict compliance with national, ministry, local, district, and enterprise standards. The Group has built sewage treatment facilities and has ensured the normal operation of environmental protection facilities and wastewater discharge meeting standards. The Company has set up online monitoring equipment at the sewage outfall operated by third-party companies to conduct online continuous monitoring of wastewater discharge. The online measuring data can be uploaded to national, provincial, municipal and county monitoring platforms. The system will also measure the indicators of sewage through internal self-measurement and measurement conducted by the environmental monitoring departments of Xinxiang City and Xinxiang County.

Since 2017, the Company controlled the impact of wastewater discharge on groundwater and surface water in accordance with the indicators of $COD \leq 40 \text{ mg/L}$ and $NH_3-N \leq 4 \text{ mg/L}$, which had met the relevant standards. After treatment, the COD, NH_3-N and phosphonium contents of external discharge have met the standard requirement. The current emission data are $COD \leq 40 \text{ mg/L}$, $NH_3-N \leq 2 \text{ mg/L}$ and total phosphonium $\leq 0.4 \text{ mg/L}$.

1) 廢水排放

廢水方面，心連心的污水排放嚴格遵守國家、部頒、地方、區域及企業標準。心連心安裝了污水處理設施，並確保環保設施的正常運行和廢水穩定達標排放。心連心在廢水外排口建立了在線監測系統，由第三方公司進行運維，對廢水的排放進行在線連續監測，在線數據能夠上傳到國家、省、市、縣各級監控平台，並通過內部自測和新鄉市、新鄉縣環境監測部門測量對廢水各指標進行測量。

自2017年來，心連心按照 $COD \leq 40 \text{ mg/L}$ 、 $NH_3-N \leq 4 \text{ mg/L}$ 的指標來控制廢水排放對地下水和地表水的影響，嚴於政府要求排放標準。經過處理後外排水COD、 NH_3-N 、總磷含量均滿足排放標準要求，目前實際排放數據為： $COD \leq 40 \text{ mg/L}$ 、氨氮 $\leq 2 \text{ mg/L}$ 、總磷 $\leq 0.4 \text{ mg/L}$ 。

2018 A1.1 Emissions of Waste Gas and Sewage
2018年A1.1廢氣與廢水的排放量

| Emissions of sewage 廢水排放 | Emissions (Tons) 排放量(噸) | Emissions of waste gas 廢氣排放 | Emissions (Tons) 排放量(噸) |
|-----------------------------|----------------------------|-----------------------------------|----------------------------|
| Volume of wastewater 廢水量 | 3,478,022.00 | NOx | 696.90 |
| COD | 149.78 | SO2 | 457.63 |
| NH3-N | 4.22 | Soot 煙塵 | 122.32 |
| Total phosphonium 總磷 | 1.59 | | |

2) EXHAUST EMISSION

The exhaust emission of the Company shall meet national, ministry, local, district and corporate standards. In order to meet the emission standards for Soot, SO₂ and NO_x, the Company has enforced the "Responsibility Scheme for Tower Director and Chimney Director" and all boilers of the Company are equipped with dust removal, desulfurization and denitration devices, and online monitoring devices are installed at boiler outlets, which are operated by third-party companies, with monitoring data uploaded to monitoring platforms at provincial, city and county levels.

In 2018, the Company conducted exhaust emissions in accordance with the standards of Soot≤10mg/Nm³, SO₂≤35mg/Nm³ and NO_x≤100mg/Nm³. The Company made further renovation on the techniques and facilities of furnace flue gas control to further reduce the nitrogen oxide content of boiler flue gas. The existing actual emission data are Soot ≤5 mg/Nm³, SO₂≤25 mg/Nm³, NO_x≤40 mg/Nm³, respectively.

3) WASTE DISCHARGE

The Company classifies wastes according to local standards and reports to competent environmental protection authorities on the types, production, flow, storage, disposal and other relevant information of major industrial solid wastes in accordance with the requirements of China's industrial solid waste declaration and registration system. It stores solid waste at a proper location or delivers them to qualified entities for incineration, compression and other compliant treatments.

In 2018, all units of the Company conducted investigation and identification of the company's general solid waste and hazardous waste, and identified 7 kinds of general solid waste and 26 kinds of hazardous waste. Meanwhile, Plant IV will implement sludge drying and coal slime drying projects to solve the problems of solid waste disposal.

2) 廢氣排放

心連心廢氣排放須符合國家、部頒、地方、區域及企業標準。為實現煙塵、SO₂和NO_x達標排放，心連心實行「塔長、鹵長責任制」，鍋爐全部配套安裝有除塵、脫硫、脫硝裝置，在鍋爐排放口安裝在線監測裝置，並由第三方運營，在線數據能夠上傳到國家、省、市、縣各級監控平台。

2018年心連心按照煙塵≤10mg/Nm³、SO₂≤35mg/Nm³、NO_x≤100mg/Nm³的指標達標排放。2018年，心連心對鍋爐煙氣污染物治理方面進行進一步的設備工藝改造，進一步降低鍋爐煙氣氮氧化物含量，目前實際排放數據為：煙塵≤5 mg/Nm³、SO₂≤25 mg/Nm³、NO_x≤40 mg/Nm³。

3) 廢棄物排放

心連心按照地方標準對廢棄物進行分類管理，並根據國家工業固體廢物實行申報登記制度的要求，向環保主管部門提供主要工業固體廢物的種類、產生量、流向、貯存、處置等有關資料；對廢棄的固體廢物進行合理堆放，或轉移給有處理資質的單位進行焚燒、壓縮填埋等合規處置。

2018年心連心組織各單位對公司一般固體廢物及危險廢物進行排查識別，共識別出一般固體廢物7種，危險廢物26種，同時實施四分公司污泥幹化、煤泥幹化項目，解決生產固廢處置難題。



HARMLESS WASTE

The Company's major harmless wastes are furnace slag, fuel ash, vaporized slag and filter cake respectively. In the disposal of harmless solid waste, the Company gives priority to internal recycling, and solid waste which cannot be recycled for internal use will be sold or disposed of. For solid waste to be disposed of, the Company classifies them according to their different metal contents, specifications and models and degrees of waste and sells them to qualified entities in compliance with the regulations. It follows up on the waste transfer processes and results, to minimize the impact of waste on the environment. In 2018, the Company by carrying out processing of coal ash, furnace slag and other solid wastes and selling them as building materials, the Company successfully transferred the unorganized waste emissions to organized emissions.

HAZARDOUS WASTE

According to the List of Hazardous Waste, the hazardous wastes generated by the Company mainly include waste catalyst, waste oil, fuel oil and alkylated waste, for which the Company has in place corresponding internal and external disposal measures.

Regarding hazardous waste for internal use, the Company requires clear records of the data relating to treatment or recycling facilities (equipment) with mature technology, qualified operators, normal operation of key equipment, material consumption and finished goods (semi-finished goods) to be kept, and requires that the risk of secondary pollutants should be lower than the original waste and be effectively treated. The Company timely reports to or files with competent authorities once the conditions are met.

Regarding hazardous waste for external use, the Company strictly implements the relevant national administrative licensing requirements and conducts bidding in accordance with its established procedures. The Company is in strict compliance with the requirements of the Management Measures for Transfer Forms of Hazardous Waste.

無害廢棄物

心連心的主要無害廢棄物是鍋爐渣、煤灰、汽化爐渣和濾餅等。在處置無害固體廢物時，心連心優先考慮內部回收利用，確實不能內部回收利用的則考慮外售或廢棄。對外售的固體廢物，心連心會根據不同的金屬含量、不同的規格型號、不同的廢舊程度等進行分類，並按規定銷售給有資質的處理單位，並跟蹤廢物的轉移流程和結果，以防止廢棄物對環境的影響。2018年心連心將煤灰爐渣等固體廢物進行深加工，作為建築材料進行銷售，實現了廢物無組織排放到有組織排放的轉變。

危險廢棄物

根據《危險廢物名錄》，心連心主要的危險廢物有廢催化劑、廢機油、雜醇油和烴化廢液等。針對這些危險廢棄物，心連心制定了相應的內外部利用的處理措施。

對內部利用的危險廢棄物，心連心要求處置或回收設施（設備）技術成熟，操作人員經過培訓合格，關鍵設備正常運行、物料消耗以及產品（半成品）等數據記錄清晰，二次污染物的危險程度應低於原始廢物並得到有效治理，具備條件後及時向主管部門申報或備案。

對外部利用的危險廢棄物，心連心要求嚴格執行國家相關的行政許可要求，按照既定的工作流程組織招、投標工作，並嚴格按照《危險廢物轉移聯單管理辦法》的規定進行管理。

Emissions and Intensity of A1.3 Hazardous Waste and A1.4 Harmless Waste in 2018
2018年A1.3 有害廢棄物及A1.4 無害廢棄物的排放量及密度

| Waste Discharge 廢棄物排放 | Emissions (Tons) 排放量 (噸) | Intensity (tons/million tons production) 排放密度 (噸 / 萬噸產品) |
|--------------------------|-----------------------------|--|
| Harmless Waste 無害廢棄物 | 352,864.27 | 744.06 |
| Hazardous Waste 有害廢棄物 | 586.44 | 1.24 |

4) GREENHOUSE GAS EMISSION

In 2018, the group proactively responded to the "Carbon Emission Permit Trading" arranged by the National Development and Reform Commission of the PRC, participated in greenhouse gases verification and training on market capacity of carbon trading organized by provincial and municipal committees, implemented the carbon capture projects, and the promotion of carbon emission demonstration project construction, and was successfully selected into the first batch of pilot projects in the province, which enhanced the company's low-carbon influence. All units actively carried out the establishment of low-carbon emission park, and became the first enterprise in Henan province to carry out carbon capture, utilization and storage. The Company attaches great importance to the development of circular economy and has carried out a few comprehensive utilization projects of resources. For example, the processing of carbon dioxide gas into food grade and industrial grade carbon dioxide for sale can reduce carbon dioxide emissions by 500,000 tons per year.

4) 溫室氣體排放

2018年，心連心積極回應國家發改委「碳排放權交易工作」的安排，參與了省、市發改委組織溫室氣體核查、碳交易市場能力培訓，實施碳捕集項目，推進碳排放示範工程建設，順利入選省第一批試點項目，提升了公司低碳影響力。心連心各單位積極開展創建低碳園區工作，並成為河南省第一家開展碳捕集、利用與封存的企業。心連心高度重視發展循環經濟，開展了多項資源綜合利用項目，如：將二氧化碳氣體加工成食品級和工業級二氧化碳進行銷售，每年可減少50萬噸二氧化碳氣體排放。

全國碳排放管理示範工程簽約儀式暨培訓會在心連心舉行



Carbon Emission Permit project
全國碳排放管理示範工程簽約儀式

The major emission entities, Henan XLX Fertilizer Co., Ltd. and Xinjiang XLX Energy Chemicals Co., Ltd. receive inspection on carbon emission annually by investigation agency authorized by government. In view that the inspection time is later than the publishing time of the annual report, the data of greenhouse gases emission in 2018 cannot be disclosed in this Environmental, Social and Governance Report consequently. To ensure the accuracy of data, the Group herein discloses the data of greenhouse gases emission in 2017 which was verified by the investigation agency; the data of greenhouse gases emission in 2018 will be disclosed in the subsequent report after verification.

河南心連心化肥有限公司和新疆心連心能源化工有限公司作為重點排放單位，每年接受政府授權的第三方核查機構的碳排放數據核查。由於核查時間晚於年報發佈時間，因此無法在本ESG報告中披露2018年的溫室氣體排放資訊。為了保證數據的準確性，心連心在本報告中披露經第三方核查的2017年碳排放數據，2018年的碳排放數據通過核查後將在後續的報告中披露。

A1.2 Emission and Intensity of Greenhouse Gases in 2018
2018年A1.2 溫室氣體排放量及密度

| Emission of Greenhouse Gases 溫室氣體排放 | Emission (tCO ₂ e) 排放量 (tCO ₂ e) | Total Emission (tCO ₂ e) 排放總量 (tCO ₂ e) | Emission Intensity (tCO ₂ e/Tons product) 排放密度 (tCO ₂ e/噸產品) |
|---|---|--|---|
| Direct Emission (Aspect I) 直接排放 (範疇一) | 7,097,385.00 | 8,075,398.02 | 1.45 |
| Indirect Emission (Aspect II) 能源間接排放 (範疇二) | 978,013.02 | | |

A2 USE OF RESOURCES

The Group strives to make full use of recycled resources in all aspects and maximize energy and water saving. The Company has developed regulations and rules including the XLX Energy Saving Management Regulations and the Integrated Measures for the Management of Water Resources (for Trial Implementation). It aims to adopt measures which are technically feasible, economically reasonable and in line with the requirements of environmental protection measures, to reduce the loss and waste at various aspects including acquisition, storage, processing, conversion and consumption of energy and to use water and energy more effectively and reasonably.

A2 資源使用

心連心力求在各個環節充分循環利用資源，最大限度地節能節水。心連心根據實際情況制定了《心連心公司節約能源管理規定》及《水資源一體化管理辦法(試行)》等制度辦法，要求採取技術上可行、經濟上合理且符合環境保護要求的措施，減少能源購入、儲存、加工轉化和消費等各個環節的損失和浪費，更加有效合理地利用水和能源。

In the process of development, the Company attaches great importance to energy conservation and green transformation and introduces new energy-saving technologies. From 2013 to 2017, the Company completed more than 1,500 technical transformation projects with an investment of about RMB 400 million, and applied cross-industry energy-saving technology into the production system, achieving good results. The Company's traditional process of producing a ton of synthetic ammonia consumes 1,000 kg of standard coal, which is 28% lower than the national energy consumption limit and 25% lower than the industry average. Since the coal-water slurry gasification process was put into operation in 2013, the Company has won "energy efficiency leader benchmark enterprise" for two consecutive years through the energy-saving technology transformation. The comprehensive energy consumption is 27% lower than the national energy consumption limit and 17% lower than the industry average.

1) ENERGY CONSERVATION

The Company established the "leading group for energy conservation and emission reduction" headed by the general manager, which strictly implements the responsibility system for energy conservation goals, instills the enterprise's strategy into the behavior of all employees through the performance management system for energy conservation goals, and ensures the realization of enterprise strategy with performance management, and creating the channel between strategy and performance realization. The Company has established an energy management system in accordance with GB23331 which is inspected and approved by an external supervisory body.



GB23331 Energy Management System Certificate
GB23331 能源管理體系認證證書

心連心在發展中高度重視節能降耗和綠色化改造工作，引進節能新技術。2013-2017年，共完成1,500餘項的技術改造項目，投資約4億元，將跨行業的節能技術應用於生產系統中，取得了良好的效果。心連心傳統工藝生產一噸合成氨消耗標準煤1,000公斤，比國家能耗限額限定值低28%，比行業平均水平低25%；水煤漿氣化工藝自2013年投產運行以來，通過實施節能技術改造，已連續兩年榮獲「能效领跑者標杆企業」，綜合能耗比國家能耗限定值低27%，比行業平均水平低17%。

1) 節約能源

公司建立由總經理掛帥的「節能減排領導小組」，嚴格落實節能目標責任制，通過節能目標績效管理體系將企業的戰略轉變為全體員工的行為，用績效管理來保障企業戰略的實現，打通從戰略到績效實現的通道。心連心依據GB23331建立了能源管理體系，並通過外部監督審核與認證。



Voluntary Energy Conservation Commitment
節能自願承諾

Each year, the Company allocates special energy-saving funds to conduct energy-saving technological upgrading projects as scheduled and based on the order of priority, accelerates the elimination of old techniques, technologies and equipment with high energy consumption, encourages the introduction of advanced foreign energy-saving technologies and develops, promotes and applies new energy-saving technologies, new technology, new equipment and new materials. In 2018, the company implemented 25 major energy-saving technical renovation projects, such as new condensation recovery device for desalted water and Heat Optimization Project and the Urea Energy Balance Optimization Renovation Project, saving energy of 11,000 tons of standard coal per year.

All units of the Company strictly follow the national and industry standards for energy consumption limits, and the efficiency of power consumption equipment is measured on a regular basis to ensure economic and reasonable power consumption at all units. In 2018, commissioning and operation of the Company's oil ring vacuum pump was completed, achieving the expected goal of power saving.

心連心每年安排節能專項投入資金，有計劃、分重點地組織實施節能技術改造項目，加快淘汰高耗能的落後工藝、技術和設備，並鼓勵引進國外先進節能技術，開發、推廣、應用節能新技術、新工藝、新設備、新材料，2018年實施脫鹽水新增凝水回收裝置及熱量優化利用項目、尿素溴化鋰機組蒸汽熱源使用優化等較大節能技改項目25項，年節能量達到1.1萬噸標煤。

心連心各單位均嚴格執行國家和行業的能耗限額標準，並定期對耗電設備進行效率測定，確保各單位經濟合理用電。2018年心連心油環真空泵調試運行完成，達到預期節電目的。

A2.1 Energy Consumption and Intensity in 2018
2018年A2.1能源消耗量及密度

| Type of Energy 能源類別 | Energy Consumption 能源消耗量 | Total Consumption (MWh) 能耗總量 (MWh) | Consumption Intensity (MWh/Tons Product) 能耗密度 (MWh/噸產品) |
|------------------------|-----------------------------|---------------------------------------|--|
| | | | |
| Fuel 燃料煤 | 955,247.22 Tons 噸 | | |
| Raw coals 原料煤 | 2,475,372.81 Tons 噸 | | |
| Diesel Fuel 柴油 | 433.82 Tons 噸 | 20,875,562.09 | 4.40 |
| Gasoline 汽油 | 480.00 Tons 噸 | | |
| Electricity 電 | 152,856.76 GWh 萬度 | | |
| Natural gas 天然氣 | 2,036.91 萬立方米 | | |

In order to standardize the purchasing behavior and save resources, the company formulated the "Instruction of Woven Bag Purchasing", and conducted comprehensive statistics and management on the use of packaging materials, to standardize the use of packaging materials and reduce the waste of packaging materials.

為了規範採購行為，節約資源，心連心制定《編織袋採購作業指導書》，並對對包裝材料的使用進行全面的統計和管理，規範包裝材料的使用，減少包裝材料的浪費。

A2.5 Consumption of Packaging Materials in 2018
2018年A2.5包裝材料的用量及單位產品佔量

| Type of packaging materials 包裝材料類別 | Consumption(Tons) 消耗量(噸) | Unit product share (tons/10 thousand tons of products) 單位產品佔量(噸/萬噸產品) |
|---------------------------------------|-----------------------------|--|
| Woven bag 編織袋 | 10,451.05 | 22.04 |

2) SAVING WATER RESOURCES

The Company strengthens its water-saving management and rational use of water resources, in order to build a green energy-saving enterprise. The Company has set up an integrated water resource management committee, which is responsible for setting annual water-saving targets, indicators and incentive measures, and accountable for information collection, technical reserve, project implementation, optimization and transformation, personnel training, research activities, supervision and inspection relating to water saving management.

The Company arranges regular water-saving training to encourage employees to actively save water. The Company encourages the comprehensive utilization of various water resources in chemical industry parks and living areas, and increases incentives for water conservation units. In order to improve the recycling rate of water resources, the Company has adopted the water reuse and urea process condensate to improve water consumption efficiency.

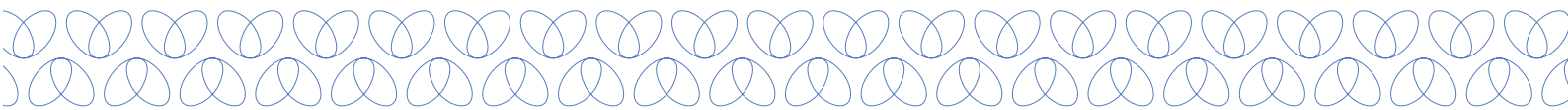
2) 節約水資源

心連心強化企業節水管理，合理利用水資源，創建綠色節約型企業，成立了水資源一體化管理委員會，負責制定心連心年度節水目標、指標及激勵措施和節水管理方面的資訊收集、技術儲備、工程實施、優化改造、人員培養、攻關活動、監督檢查等工作。

心連心定期進行節水培訓，以鼓勵員工積極節水。心連心鼓勵化工園區和生活區內各種水資源的綜合利用，並加大對節水單位的激勵力度。為了提高水資源的循環利用率，心連心採取了中水回用和尿素解析廢液處理回用技術等方法來提高用水效率。

A2.2 Consumption and Intensity of Water in 2018
2018年A2.2水的消耗量及密度

| Type of Water 水的類別 | Consumption of Water (Tons) 水消耗量(噸) | Intensity of Water Consumption (Tons/ Tons Product) 水耗強度(噸/噸產品) |
|-----------------------|--|---|
| Water 水 | 9,953,394.53 | 2.10 |



A3 ENVIRONMENT AND NATURAL RESOURCES

The major environmental and natural resources impact of the Company includes exhaust and wastewater discharge, water resources and energy consumption. The Company pays much attention to the impacts of its operation on the environment and natural resources and has in place a targeted environmental management system and energy management system. The Company has established relevant management rules including the Environmental Protection Management Regulations and the XLX Energy Saving Management Regulations to enhance management and reduce the impacts on environment and natural resources.

B SOCIAL

While striving to maximise profits, the company also places high value on human resources. As an enterprise with social responsibility, the Company puts the “people-oriented” goal into practice, adheres to the principles of justice, fairness, equality, and has established a sound salary incentive system, welfare system, promotion system, and carried out a variety of staff activities.

B1 EMPLOYMENT

In accordance with laws and regulations such as the Labour Law of the People's Republic of China and the Labour Contract Law of the People's Republic of China, the Company has developed the “XLX Personnel and Labour Management Regulations” to effectively ensure that employees enjoy their labour rights and perform their obligations in accordance with the law. The Company regards employees as its most valuable assets, implements a “people-oriented” principle in production and operation, staff training, labor security, compensation and benefits and “five types of social insurance contributions and one housing fund contribution”, and cares for the work, life, health, safety and career development of employees comprehensively and in multiple ways. It strives to build a harmonious and win-win labor relation to promote the common development of the Company and employees.

A3 環境及天然資源

心連心的主要環境及天然資源影響包括廢氣與廢水排放、水資源與能源資源消耗。心連心高度重視運營過程所造成的環境及天然資源影響，建立針對性的環境管理體系和能源管理體系，制定《環境保護管理規定》和《心連心公司節約能源管理規定》等相關管理規定來加強管理，減少環境及天然資源影響。

B 社會

心連心在創造利潤的同時，也對人力資源高度重視。作為一個具有社會責任感的企業，心連心將「以人為本」的目標落到實處，堅持公正、公平、平等原則，建立了完善的薪酬激勵體系、福利制度、晉升制度，並開展了多樣化的員工活動。

B1 僱傭

本公司依據《中華人民共和國勞動法》和《中華人民共和國勞動合同法》等法律法規制定了《心連心公司人事、勞動管理規定》，以保障員工依法享有勞動權利和履行勞動義務。心連心視員工為公司最重要的財富，在生產經營、員工培訓、用工保障、薪酬福利、「五險一金」繳納等方面切實推行「以人為本」方針，全方位、多角度地關心員工的工作生活、健康安全與職業發展，努力構建和諧、雙贏的勞動關係，以促進公司與員工的共同發展。

1) PERSONNEL RECRUITMENT

The Company implements unified personnel planning and recruitment. It recruits talent through multiple methods including online recruitment, campus recruitment, special recruitment and large job fairs, and conducts comprehensive evaluation and selection of external candidates based on job requirements and standards. In the recruitment process, the Company has been in strict compliance with relevant laws and regulations, candidates are treated in a fair and equal manner without regard to their nationality, sex, colour, age, family background, ethnicity, religion, and physical status.

In September 2018, the Company established “the personnel planning and annual recruitment plan”, “three years personnel planning and recruitment plans in 2018” and other relevant regulations, added staff through internal staffing, employees hiring, introduction of technical talents, management trainees and other ways, to guide recruitment activities. At the same time, the Company established the hierarchy of cadre, by importing and personal cultivation of high-quality talents, optimizing the structure of company cadres, improving cadres’ professionalism. In 2018, the Company audited the basic data of human resources. From the perspective of functional division, office staff accounted for 38%, and production workers accounted for 62%. From the perspective of education background of employees, 84% obtained college degree or above, 16% received undergraduate degrees; the new employee entry rate reached 5.2%, which improved the company's per capita labor efficiency and promoted the company's human resources overall planning.

1) 人員招聘

心連心實施統一的人員規劃及招聘選拔，通過網絡招聘、校園招聘、專場招聘、大型招聘會等多種方式選拔人才，並參照崗位任職要求和工作標準，對外部應聘人員進行綜合能力評價篩選和錄用。公司在招聘過程中，嚴格按照國家相關法律、法規，不因種族、性別、膚色、年齡、家庭背景、民族傳統、宗教、身體素質等區別對待，堅持公正、公平、平等原則。

2018年9月心連心制定《人員規劃及年度招聘計劃》、《三年人員規劃及2018年招聘計劃》等相關規定，通過內部人員調配、一線員工招聘、技術人才引進、管培生引進、聯辦班招生等方式補充人員，指導招聘工作的進行，同時通過高素質人才的針對性引進與個性化培養，優化公司幹部結構，提升幹部隊伍專業素質，實現公司幹部梯隊的科學建設。2018年公司對人力資源基礎數據進行盤點。從職能劃分角度，辦公室職員佔比38%，生產工人佔比62%；從員工學歷分布看，專科或以上學歷佔比84%，專科以下學歷佔比16%；新員工入職率達到5.2%，提升了公司人均勞效，促進了公司人力資源統籌規劃。

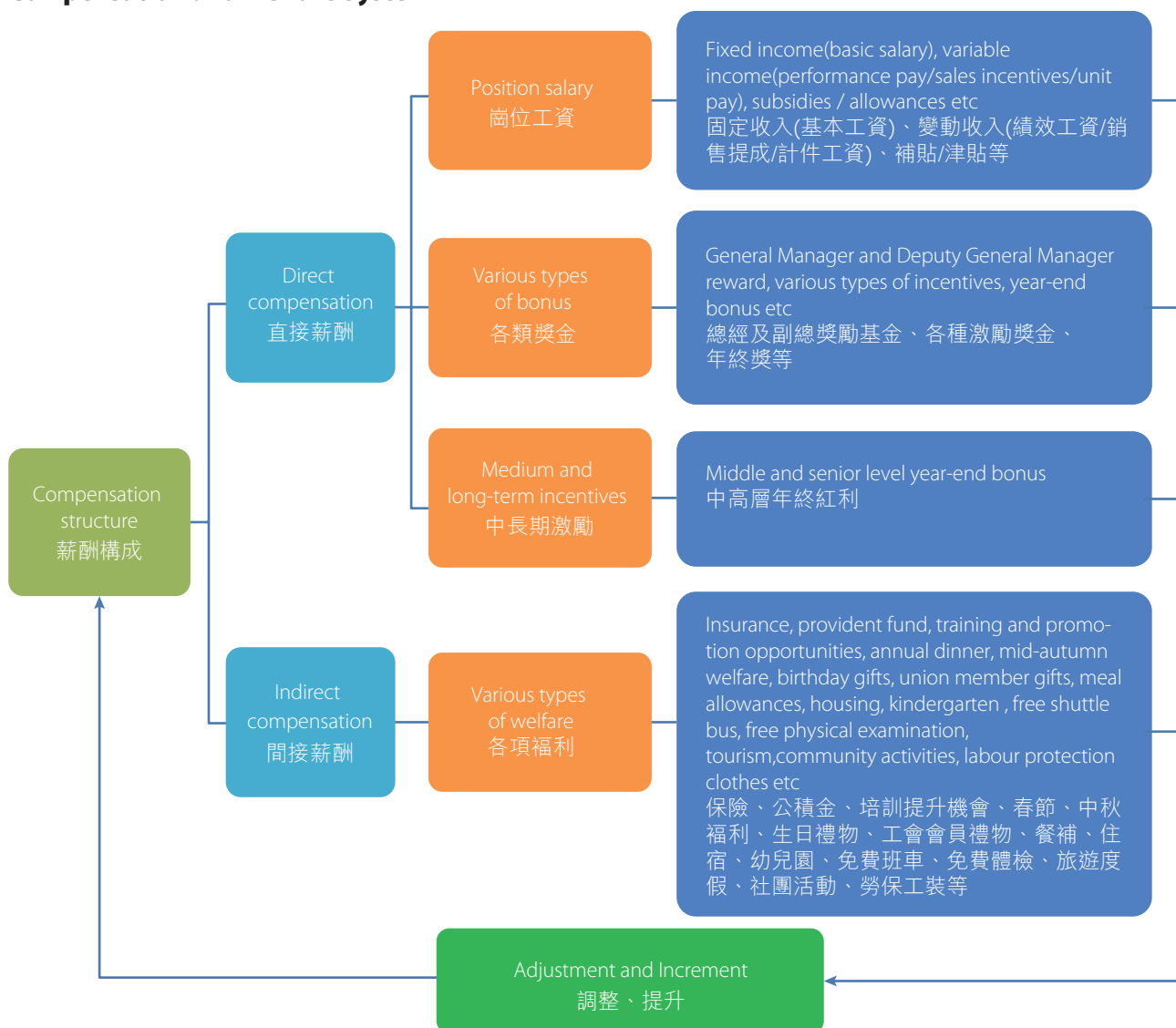
2) COMPENSATION AND WELFARE

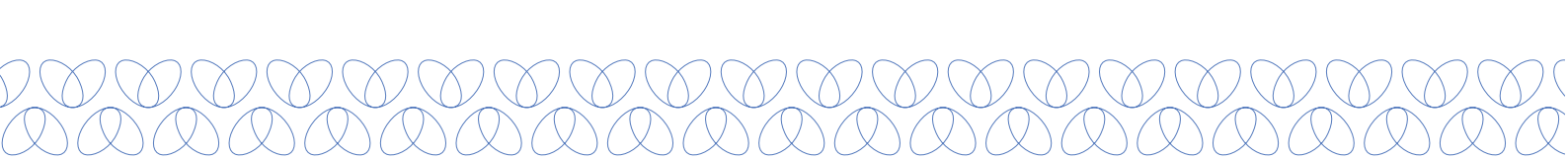
The Company has set up a fair and equitable, multi-level, multi-type compensation incentive system, subject to annual adjustments.

2) 薪酬福利

心連心建立了公平公正、多層次、多類別的薪酬激勵體系，每年適時進行調整。

公司薪酬福利體系 Compensation and Welfare System





On May 28, 2018, the “2018 Annual Salary Adjustment Plan of XLX Company” was discussed and adopted at the regular meeting of the Company’s managers. After consideration, the Company decided to provide more than RMB 31 million for annual salary and welfare adjustment, which was implemented in May 2018.

3) WELFARE

The Company provides endowment insurance, unemployment insurance, medical insurance, industrial injury insurance and maternity insurance contributions to employees in a timely manner, distributes gifts and shopping cards on holidays including the Spring Festival and the Mid-Autumn Festival, cooperates with large hospitals to provide regular free physical examinations to employees, issues meal subsidies and provides accommodation. In 2018, large amount of medical insurance benefits was added, the maximum payment for basic medical insurance has been raised from RMB 80,000 (upper limit of hospitalization reimbursement) to RMB 300,000, which increases the reimbursement amount for serious diseases and improves the Company’s care for employees.

4) INCENTIVE MECHANISM

In order to promote and encourage innovations, the Company has established a diversified incentive mechanism, focusing on “low cost and differentiation”, setting up an instant incentive system with “monthly salary incentives + major business systems”, and set up a number of awards and titles such as management innovation award, technical innovation award, QC achievement award, reasonable recommendation award, year-end bonus, safety risk fund, cost award, production volume award, model worker award, “moving XLX award”, and excellent staff award. In addition, the winners of the model worker, “moving XLX award” and the first and second prizes of management and technical innovations will be awarded free travelling opportunities.

2018年5月28日，《心連心公司2018年年度薪酬調整方案》在公司經理例會討論通過，公司經研究決定，年度提供3,100餘萬元進行年度薪酬與福利的調整，於2018年5月開始實施。

3) 福利方面

心連心按時為員工繳納養老保險、失業保險、醫療保險、工傷保險和生育保險；在春節、中秋等節日會發放禮品、購物卡等；定期與大型醫院合作，為員工提供免費體檢服務；發放餐補；提供住房。2018年增加大額醫療保險福利，基本醫療保險最高支付限額由原來的8萬元提升為（住院報銷上限）30萬元，提高了大病報銷額度，提升了公司對員工的關愛度。

4) 激勵機制

為提倡和鼓勵創新，心連心建立了多元化的激勵機制，圍繞「低成本、差異化」，設置了「月度薪酬激勵+各主要業務系統」的即時激勵體系，並設立了管理創新獎、技術創新獎、QC成果獎、合理化建議獎、年終獎、安全風險金、成本獎、產量獎、勞動模範、感動心連心人物、優秀員工等獎項和榮譽稱號，並安排勞動模範、感動心連心人物、管理及技術創新一、二等獎的人員旅遊。

5) PROMOTION AND DEVELOPMENT

The Company's position system has established standard requirements for the name and rank of positions and their promotion paths, and also composed a series of assessment schemes, for example, the Measures for Selecting and Appointing Cadres at the Grassroots level, the Measures for the Administration of Recruitment and Ranking Engineering Technicians, and the Measures for Grading Assessment of General Work.

5) 晉升與發展

心連心的職位體系對職級名稱和序列對應作了規範，並建立了《中基層幹部選拔任用辦法》、《工程技術人員職務聘任分級管理辦法》、《通用工種分級評定辦法》等一系列考核評定辦法。

| M (Management) M (管理族) 管理通道 | | P (Professional) P (專業族) 專業通道 | | T (Technical) T (技術族) 技術通道 | | | S (Sales) S (市場族) 市場通道 | | O (Operational) O (操作族) 操作通道 | | |
|--------------------------------|--|----------------------------------|--|-------------------------------|------------------------------------|---|---------------------------|---|---------------------------------|------------------------------|-------------------------------|
| Qualification 任職資格 | XLX 心連心總 | Qualification 任職資格 | Position 業務 | Qualification 任職資格 | Technique 技術 | Safety Technique 安全技術 | Qualification 任職資格 | Sales 銷售 | Qualification 任職資格 | Operation 操作工 | General Technician 通用技工 |
| M6 | Chairman 董事長 | | | T6 | Chief Engineer 首席工程師 | | | | | | |
| | General Manager 總經理 | | | | | | | | | | |
| | Deputy General Management 副總 | P5 | Senior Expert 高級專家 | T5 | Senior Engineer 總工程師 | | | | | | |
| M5 | Assistant to GM 總經理助理 | P4 | Expert 專家 | T4 | Expect-level Engineer 專家級工程師 | | | | | | |
| | Director/Plant Manager 總監/廠長 | | | | | | | | | | |
| M4 | Manager/ Associate Manager 經理/副經理 | P3 | Director-level Specialist 主任級專家 | T3 | Director-level 主任工程師 | Senior Safety 高級安全 | S4 | Sales Expert 銷售專家 | | | |
| | | | | T2 | Engineer 工程師 | Safety Director 主任安全 Safety Engineer 安全工程師 | | | O4 | Senior Technician 高級技師 | Senior Technician 高級技師 |
| M3 | Supervisor 主管 | P2 | Supervisor- level Specialist 主管級專員 | T1 | Assistant Engineer 助理工程師 | Assistant Safety Engineer 助理安全工程師 | S2 | Senior Business Manager 高級業務經理 | O3 | Technician 技師 | Technician 技師 |
| M2 | Specialist/ Leader 專員/組長 | P1 | Specialist 專員 | | | | | | O2 | | Level 3 Worker 三級工 |
| | | | | | | | S1 | Business Manager 業務經理 | O1 | | Level 2 Worker 二級工 |
| | | | | | | | | | | | Level 1 Worker 一級工 |

6) CARE FOR EMPLOYEES' LIFE

- On the afternoon of December 4, 2018, the 4th "I love my family and I am grateful to have you" collective birthday of the Company was held in the classroom on the second floor of nitrogen fertilizer research center. The employees whose birthday are in the 10th lunar month and their parents were invited to participate. Yuqian Liang, vice President of XLX trade union, and chairman of each labor division had a special and unforgettable birthday with each of the families.
- On September 17, 2018, the autumn military training presentation was held in the flag-raising square of the second branch. More than 1,600 representatives from 22 teams of the Company were inspected by the leaders of the Company.
- On September 14, 2018, the Company held the keynote speeches with a theme of "learn from Jinggangshan spirit and practice barracks culture". More than 300 management cadres and party members from various units of the Company attended the conference.
- On April 16, 2018, the Company held the 14th staff and workers' sports meeting with the theme of "show the true meaning of sports and promote the spirit of striving", and more than 1,440 people participated.

6) 關愛員工生活

- 2018年12月4日下午，心連心公司第四屆「我愛我家·感恩有你」集體生日在氮肥研究中心二樓階梯教室舉行，活動邀請了農曆十月生日的員工及父母共同參加。心連心工會副主席梁玉千、各分工會主席與各位家人共同度過了一個特殊而難忘的生日。
- 2018年9月17日，秋季軍事隊列訓練會操在二分公司升旗廣場隆重舉行，公司各單位的22支代表隊共1,600餘人，接受了公司領導的檢閱。
- 2018年9月14日，公司舉辦了「學井岡山精神，踐行軍營文化」主題報告會。來自公司各單位的300餘名管理幹部、黨員代表參加了大會。
- 2018年4月16日，公司以「賽出體育真諦，弘揚奮鬥精神」為主題，舉辦了第十四屆職工運動會，共計1,440餘人參加。



The 4th "I love my family and I am grateful to have you" collective birthday
第四屆「我愛我家·感恩有你」集體生日活動



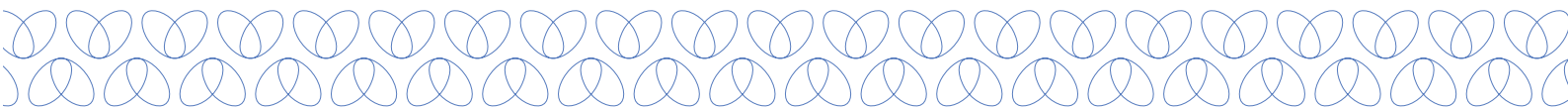
The keynote speeches with a theme of "learn from Jinggangshan spirit and practice barracks culture"
「學井岡山精神 踐行軍營文化」主題報告會



The autumn military training presentation
秋季軍事隊列訓練會操



The 14th staff sports meeting
第十四屆職工運動會



B2 HEALTH AND SAFETY

In order to protect and improve the working environment and safeguard the safety and occupational health of employees, the Company has been in strict compliance with laws and regulations including the Labor Law of the People's Republic of China, the Safe Production Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Occupational Diseases, as well as its internal rules including the Occupational Health and Safety Management Procedures, and the Emergency Plan Management Rules. It has effectively implemented the OHSAS18001 occupational health and safety management system and continues to improve the working environment and working conditions for employees in multiple areas.

1) OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

The Company protects the production safety by continuous safety supervision and daily inspections. The Company organizes a special inspection every six months to eliminate potential accidents. In 2018, the Company has organized a special investigation on filling positions, dangerous vehicles around and trans-boundary pipelines. A total of 71 problems have been found through self-examination. Corrective measures were formulated and rectification was carried out step by step.

2) SAFETY CULTURE DEVELOPMENT

The Company pays attention to the publicity and training of safety culture and strictly abides by the General Safety Requirement and Provisions on the Supervision and Administration of Labor Protection Articles in the production operation, to regulate the employees' safety from multi-dimensions. On February 7, 2018, the Company issued the Safety Culture System Perfect Plan and put forward clear requirements on the organization's security, duty process, and specific improvement measures. Meanwhile, the Company arranged education and training for organized employees on the warning signs of seven major accident types, and formulated the corresponding management improvement measures respectively to strengthen the safety awareness of employees.

B2 健康與安全

為保護和改善工作環境、維護員工安全和職業健康，心連心嚴格落實《中華人民共和國勞動法》、《中華人民共和國安全生產法》、《中華人民共和國職業病防治法》等法律法規和內部《職業健康安全管理制度》、《公司應急預案管理規定》等規範性文件，並有效運行OHSAS18001職業健康安全管理体系，從各個方面不斷改善員工工作環境和勞動條件。

1) 安全生產與職業健康

心連心通過持續的安全督查和日常檢查來保障公司的安全生產。公司每半年組織一次專項檢查，排除事故隱患。2018年組織了充裝崗位及周邊危運車輛和跨界區管道進行專項排查，共自查出各類問題71項，制定了整改措施，組織進行了逐步整改。

2) 安全文化建設

心連心重視安全文化教育，在生產作業中嚴格遵守《安全準則》、《一般安全規定條款》、《勞動防護用品管理規定》，多角度規範員工安全。2018年2月7日，心連心發佈《安全文化體系完善方案》，從組織保障、職責流程、具體改善措施、實施計畫、激勵辦法等方面進行明確和要求，並專題組織學習了7個大型事故警示教育，並分別制定了針對性的管理改善措施，強化員工的安全意識。

3) SAFETY MANAGEMENT

With the expansion of the Company, the introduction of new processes and new media, and the diversification and complexity of production safety risks, the Company completed the construction of its Emergency Command Center in January 2018 to improve the Group's ability to deal with accidents, crisis and command. In 2018, the Emergency Command Center organized two company-level emergency drills and two factory-level emergency drills. Through the drills and evaluations, the effectiveness and standardization of the drills will be constantly improved.



Dimethyl ether tank car leak emergency drill of 2018
2018年二甲醚罐車洩露應急演練

3) 安全管理

隨著公司規模的擴大，新工藝新介質的引用，安全生產風險更加多樣化和複雜化，公司於2018年1月份完成應急指揮中心建設，以提高集團公司的事故及危機處置、指揮能力。2018年應急管理中心組織公司級應急演練兩次，組織分廠級應急演練評比兩次，通過演練和評比，不斷提升演練實效性、規範性。



B3 DEVELOPMENT AND TRAINING

The Company attaches great importance to talent training and has established an education mode with the characteristics of the Company. In 2018, the Company provided differentiated job skill training and general quality training for employees at different positions and levels, held academic classes together with colleges and universities and implemented a mentorship system etc., in order to increase the knowledge and skills of existing employees and to ensure their abilities to meet the development needs of the Company.

B4 LABOUR STANDARDS

The Company strictly complies with the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China, and formulated the XLX Personnel and Labor Management Regulations to specify that the new employees to be recruited must be aged 18 or above. The Company has no illegal use of child labor or forced labor. It safeguards the legitimate rights and interests of employees, and strives to create a fair, democratic, competitive and merit-based employment mechanism.

B3 發展及培訓

心連心重視人才培訓，並探索出了具有心連心特色的教育模式，在2018年對員工開展實施了差異化的崗位技能培訓、通用素質培訓與高校聯辦學歷班以及師帶徒等模式，提升員工的知識技能，確保能更好地適應公司的快速發展。

B4 勞工準則

心連心嚴格遵守《中華人民共和國勞動法》和《中華人民共和國勞動合同法》等國家法律法規要求，制定了《心連心公司人事、勞動管理規定》，明確規定所僱傭人員年齡為18周歲及以上，不存在僱傭童工、強制勞動等情況，保障了員工的合法權益，努力打造一個公平、民主、競爭、擇優的選人用人機制。

B5 SUPPLY CHAIN MANAGEMENT

According to Procurement Management Procedures, Bidding Management Procedures and Supplier Management Procedures, the Company selects suppliers that can meet the Company's technical needs and product competition needs, to build a stable, honest and efficient supplier team. While learning from advanced upstream and downstream supply chain enterprises, the Company also promotes its concept of safety and corporate social responsibility and leads enterprises in the supply chain for continuous improvement in order to fulfill its social responsibilities in the environmental protection, safety and health areas.

B6 PRODUCT RESPONSIBILITY

The Company has been in strict compliance with laws and regulations including the Law of the People's Republic of China on Product Quality, the Law of the People's Republic of China on the Protection of Consumer Rights and Interests, the Trademark Law of the People's Republic of China and the Patent Law of the People's Republic of China. By adhering to the corporate vision of "becoming the most respected enterprise in the chemical fertilizer industry" and its quality principle of "strict process control, analysis and comparison for improvement, leading technical innovations, and customer satisfaction first", the Company requires high product quality at all areas from product development to product delivery, and continues to seek innovations and breakthroughs in product enhancement and renovation, in the hope of providing more efficient, safer and more environmentally-friendly products.

B5 供應鏈管理

心連心依據《採購管理程式》、《招投標管理程式》、《供應商管理程式》，篩選出滿足技術需要和產品競爭需要的供應商，打造穩定、誠信、高效的供應商隊伍，在向先進的上下游供應鏈企業學習的同時，傳遞公司的安全、企業社會責任理念，帶領供應鏈的企業持續改善，共同實現環保、安全與健康領域的社會責任承諾。

B6 產品責任

心連心公司嚴格遵守《中華人民共和國產品品質法》、《中華人民共和國消費者權益保護法》、《中華人民共和國商標法》和《中華人民共和國專利法》等法律法規，秉承「成為最受尊重的化肥企業集團」的企業願景，以「嚴格過程控制，分析對比提高，科技創新領先，顧客滿意為準」的品質方針，從產品開發到產品出廠的每個環節都以高品質為要求以保障產品質量，在產品增效和改良的環節不斷創新突破，以期提供更高效率、安全、環保的產品。



ISO 9001 Quality Management System Certificate
ISO 9001 品質管制體系認證證書



In addition, the Company has established a quality control system ISO9001, which was approved by a third party, and formulated and strictly implemented internal systems and procedures including the Control Program of Product Realization, the Management Program of New Products, Maintenance Management Program for Public Relations, the Management Measures for Customer Satisfaction Survey, the Regulations on the Management of Product Formula and the Intellectual Property Management Procedures. It strives to improve customer satisfaction, respect customer privacy, manage advertising labels, protect technology patents and trademarks, in order to continue to provide consumers with high-quality services and accurate product information, to protect the intellectual property rights of the Company and others, to maintain fair competition in the market, so as to fulfill the Company's responsibility for consumers and the community.

1) ENSURING PRODUCT QUALITY

The Company holds regular quality analysis meetings, conducts a variety of activities in the National Quality Month, in order to increase product quality awareness and create a good environment in which everyone cares about quality. At the same time, in line with the principle of "high efficiency, environmental protection and safety", the Company has formulated the "New Product Introduction Acceptance Procedure" to strengthen the process inspection. The Company has a rigorous product evaluation system. Before the products leave the factory, they must go through a lot of experiments, such as indoor experiments, small area experiments, field demonstration experiments and so on, and carry out toxicology tests, soil evaluation tests and other projects, to ensure that every product launched is green, environmentally-friendly and effective.

In 2018, based on the basic principle of "low cost and differentiation", the Company conducted product research on a total of 25 products. At present, it has promoted more than 2,700 tons of products.

此外，心連心建立了ISO9001品質管制體系，並通過第三方的體系認證，制定並嚴格執行《產品實現控制程序》、《新產品開發管理程式》、《公共關係維護管理程式》、《顧客滿意度調查管理辦法》、《產品配方保密管理規定》、《智慧財產權管理程式》等內部制度程式，努力提升客戶滿意度，持續為消費者提供優質的服務和真實的產品資訊，維護市場公平競爭，從而盡到公司對消費者和社會的責任。

1) 保障產品品質

心連心會定期召開品質分析會，提高品質意識，同時本著「高效、環保、安全」的原則，制定了《新產品引進驗收程式》，強化過程檢驗。心連心有一套嚴謹的產品評價體系。產品出廠前，要經過大量的試驗，從初開始的室內試驗、社區試驗、大田示範等肥效試驗，到開展毒理試驗、土壤評價試驗等項目，確保推出的每一個產品都是綠色、環保和增效的。

2018年，心連心以「低成本+差異化」為基本原則，圍繞市場開展產品研發，共開展研究25個產品，目前已經推廣2,700多噸。

2) PROVIDING HIGH-QUALITY SERVICES

The Company actively explores a more diversified and efficient service model. It cooperates with Rural Taobao of Alibaba, China's largest e-commerce company to develop Shuangxin Fertilizer, the No. 1 fertilizer brand of the e-commerce business channel. The Company has also established a first-class agricultural team to provide online agricultural guidance. Shuangxin Fertilizer demonstration fields have been established to provide services including scientific cultivation, soil fertilization, field management and agricultural technology guidance.

In 2018, the Company built 3,652 demonstration fields, held 1,412 observation meetings and built 209 demonstration villages. In addition, the Company has developed customized soil testing and fertilizer allocating project with the assistance of "Internet+". By building XLX intelligent fertilizer allocating stations for soil testing and fertilizer allocating projects, the Company scientifically analyses the nutrients of the soil samples, and hence customizes fertilizer formula, and uniformly purchases and distributes raw material, offering a one-stop service, including testing, allocating, producing, supplying and distributing, soil testing formulaic product, as well as comprehensive agriculture services. Until present, the Company has already established 92 intelligent fertilizer allocating stations.

2) 提供優質服務

心連心積極探索更加多元高效的服務模式：與中國最大的電商公司阿里巴巴農村淘寶合作後，全力打造村淘電商管道化肥第一品牌雙心化肥；心連心打造一流的農業服務團隊，提供在線農化指導，建立雙心化肥示範田，提供科學種植，測土施肥，田間管理，農技指導等服務。

2018年建設示範田3,652塊，召開觀摩會1,412場，建設示範村209個；此外，心連心還借助「互聯網+」開展定制化的測土配肥項目，通過建立心連心測土配肥項目智慧終端機配肥站，對土壤樣本中的養分進行科學分析，定制肥料配方，實施原料統一採購和配送，為農戶提供測、配、產、供、銷一站式的測土配方產品和全方案農技服務。截至目前心連心已成立92家智慧終端機配肥站。



Xingnong Company's venue layout in Qingfeng market exchange meeting
清豐市場交流與農公司會場佈置



The general manager of Xingnong Company communicated with the visiting dealers
與農高總與到訪經銷商交流

B7 ANTI-CORRUPTION

In order to further improve the complaint reporting procedures and approaches, improve awareness of management and core post personnel on non-corrupt practices, improve the anti-fraud detection ability of internal audit staff and prevent the risk or loss which may come from workplace crimes, the Company conducted vocational integrity training for the sales system on February 5, 2018, and trained 423 staff. On August 9, 2018, the Company organized a legal education activity called "visit Xinxiang prison in Henan province" for party members and cadres for warning education.



Professional integrity training for the sales system on 5th February
2月5日銷售系統進行職業廉政培訓



Visiting Xinxiang Prison for warning education on 9th August
8月9日參觀新鄉監獄，進行警示教育

B7 反貪污

為進一步完善、宣貫投訴舉報程式及途徑，通過職業道德警示教育等培訓，提升公司管理層及管錢管物核心崗位人員的廉潔意識，同時提高內審人員的反舞弊審核能力，預防職務犯罪給公司帶來風險或損失。心連心於2018年2月5日對銷售系統進行了職業廉政培訓，培訓人數423人。8月9日，公司組織了黨員幹部廉潔自律法制教育活動「參觀河南新鄉監獄」，進行警示教育。

XLX leadership places great emphasis on corporate anti-fraud practices and joined the China Enterprise Anti-fraud Alliance Association in 2018. For the middle-level and above management personnel and cashier, procurement, sales, warehouse and other important positions related to money and material management, the Company carries out professional ethics warning education for them from time to time every year, and establishes a good complaint reporting channel to improve the internal and external environment of anti-fraud behaviour, enhance the professional ethics of management and anti-fraud concept, improve the ability of audit and prosecution personnel, create an open, fair and just operation environment, and establish the best social image.

心連心領導層重視公司反舞弊建設，並於2018年加入了《中國企業反舞弊聯盟》協會。對中層以上管理人員及出納、採購、銷售、倉庫等涉及管錢管物重要崗位，每年不定期進行職業道德警示教育，並建立良好的投訴舉報通道。目的是為了改善反舞弊內外部環境，提升管理層職業道德及反舞弊理念，提高審計檢察人員能力，打造公開、公平、公正的運營環境，樹立最佳社會形象。

B8 COMMUNITY INVESTMENT

The Company actively participates in environmental protection, education, culture, sports, science, health, community building, poverty alleviation and other social welfare activities to dedicate care and create returns for the society.

B8 社區投資

心連心積極參加環境保護、教育、文化、體育、科學、衛生、小區建設、扶貧濟困等社會公益活動，奉獻愛心，回報社會。

1) POPULARIZATION OF TECHNOLOGY TO SERVE FARMERS

- Established XLX national fertilizer and efficiency cooperation network, established more than 300 experimental sites across the country to carry out research on high-efficiency fertilizer and fertilization technology, and to guide farmers to increase production and income and to drive modern agricultural progress.
- Set up XLX technology demonstration village, built 100 technology demonstration villages in China, trained farmers in agricultural technology, and improved farmers' planting technology.
- Will invest RMB 35 million (a total of RMB 35 million for three consecutive years from 2017 to 2019) to launch the large-scale public welfare activity named "Enrich China" and fulfill the mission of "China Efficient Fertilizer" advocate.

2) DONATIONS AND ASSISTANCE

XLX always adheres to the value of honesty and sincerity, giving back to the public with gratitude, and actively responds to the national poverty alleviation activities, and vigorously carries out poverty alleviation projects such as poverty alleviation through providing public welfare, poverty alleviation through advancement in science and technology and contributes to the promotion of poverty alleviation activities. In 2018, the Company organized a number of fundraising activities, including donating RMB 1 million to the Moral Model Award and help raise funds for the fundraising activities in Langan Township, Yulan County, Xinjiang, and the establishment of the "XLX Company education fund". The Company donated RMB 1 million to the "100 enterprises to help 100 villages", the poverty alleviation fundraising activity, held in Xinxiang County.

1) 普及科技、服務農民

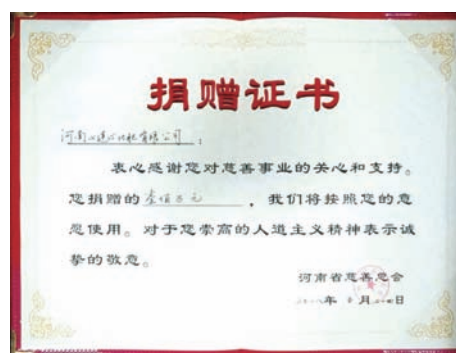
- 成立心連心全國肥效協作網，在全國各地建立300餘個實驗點開展高效肥施肥技術研究，為指導農民增產增收、現代農業進步等貢獻力量。
- 建立心連心科技示範村，在全國建設了100個科技示範村，對農民進行農業技術培訓，提高農戶種植技術水平。
- 心連心將投入3,500萬元的資金（2017年-2019年連續3年共計3,500萬），啟動「沃豐中華大型公益活動」，踐行「中國高效肥」宣導者的使命。

2) 捐贈與幫扶

心連心一貫秉承對社會誠、對公眾誠的文化理念、用感恩的心回報社會公眾，心連心積極響應國家精準扶貧活動，全力開展公益項目扶貧、科技惠農扶貧等項目，為精準扶貧活動貢獻一份力量。2018年公司組織了多次捐款活動，包含對新疆吾爾自治區和田地區于蘭縣蘭干鄉貧困捐款活動、向道德模範獎勵幫扶基金捐贈100萬元、設立了「心連心公司助學金」、向新鄉縣召開的「百企幫百村」暨慈善捐助社會扶貧活動捐助100萬元等。



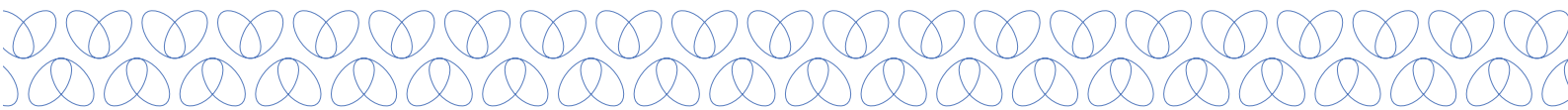
XLX donated RMB178,378 and clothing, shoes and other items to the poverty alleviation fundraising activities in Langan Town, Yulan County, Hetian District, Xinjiang Uygur Autonomous Region.
心連公司向新疆維吾爾自治區和田地區於蘭縣蘭干鄉貧困捐款活動捐贈善款 178,378 元和衣物、鞋等物品。



XLX donated RMB1 million to Xinxian City to launch the Moral Model Awards Assistance Fund so as to help and promote the construction of Xinxian.
心連公司向新鄉市啟動道德模範獎勵幫扶基金捐贈 100 萬元，助推出彩新鄉建設。



Xinxiang county held the "100 enterprises to help 100 villages" and poverty alleviation mobilization meeting and donation of RMB 1 million.
新鄉縣召開「百企幫百村」暨慈善捐助社會扶貧動員大會，心連心現場捐助善款 100 萬元。



3) SUPPORT COMMUNITY ACTIVITIES

In 2018, the Company established the XLX community with a total construction area of about 250,000 square meters and a permanent population of about 11,170 people. The current planned construction of the community has a convenient service hall, which provides property management services, party culture construction services, integrated services, civil affairs, judicial assistance, labor safeguard service platform, party room, residents' committees room, comprehensive control room, conflict mediation room, etc., the next step is to constantly improve all kinds of facilities in the community, at the same time, the Company will also actively promote community organizational construction, management, the implementation of grid, communication with the government, give full play to the functions of community services, in building a civilised community in Xinxiang.

3) 支持社區活動

2018年心連心新成立了心連心社區，總建築面積約25萬平方米，常住人口約11,170人。社區目前規劃建設有便民服務大廳，包含物業服務、黨建服務、綜合服務、民政服務、司法援助、勞動保障等視窗、黨委室、居委會室、綜合治理室、矛盾調解室等，下一步將不斷完善社區各類設施建設，在基礎設施完善的同時，還將積極推進社區組織機構建設，實行網格化管理，與政府對接，充分發揮社區各項服務職能，爭建新鄉市文明社區。



China XLX Fertiliser Ltd.
中國心連心化肥有限公司*

(Incorporated in Singapore with limited liability)
(於新加坡註冊成立之有限公司)

Stock Code 股份代號：1866

* For identification purpose only 僅供識別



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