

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

2019

Environmental, Social and Governance Report





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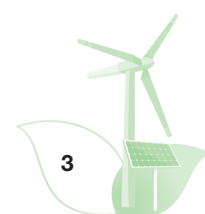
About Us

Xinte Energy 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 stock code: 1799.

We have 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 technological innovation, we accelerate structural adjustment, reinforce the stable development in domestic businesses, foster the development in international markets, and continue our 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 annual production capacity of high-purity polysilicon is 80,000 tons, of which the 36,000-ton per-annum high-purity polysilicon production upgrade project (the “**36,000-ton Polysilicon Project**”) is expected to reach its designed capacity in 2020. After that, the quality of products will be electronic grade level 2 or above. The overall output and quality of polysilicon products will be greatly improved, and the costs will be significantly reduced, further improving the Group’s competitiveness in polysilicon market. 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, and focusing the research, development and manufacturing of core new energy products such as the inverter, SVG, energy router and flexible DC. According to the statistics of IHS Markit, the Group’s grid-connected PV installed capacity ranked first in the world for three consecutive years from 2015 to 2017, and second in the world and first in People’s Republic of China (the “**China**” or the “**PRC**”) in 2018.

Affected by the sharp drop in polysilicon prices, during the Reporting Period, the Group achieved a revenue of RMB8,722.11 million, a net profit of RMB516.79 million and a profit attributable to owners of the Company of RMB402.64 million, down by 27.64%, 53.47% and 63.65% respectively over the same period of last year.



About this Report

I. Introduction

This report is the fourth Environmental, Social and Governance Report issued by Xinte Energy Co., Ltd. (“**Xinte Energy**”). This report mainly discloses the Group’s performance and achievements in the areas of corporate governance, products and services, employee rights and development, social responsibilities, environmental protection and safe production during the Reporting Period.

1. Time Scope

This report covers the period from 1 January 2019 to 31 December 2019 (the “**Reporting Period**”).

2. Coverage

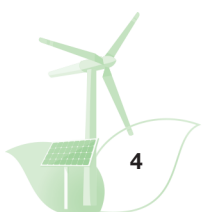
The entities covered by this report include Xinte Energy Co., Ltd. and its subsidiaries (hereinafter referred to as the “**Group**”, “**we**” or “**us**”).

3. 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.

4. Access

This report is published in electronic format in both Chinese and English. Should there be any discrepancy in the report, the Chinese version shall prevail. For more information about the background, development philosophy, products and services of Xinte Energy, please visit the official website of Xinte Energy at www.xinteenenergy.com.

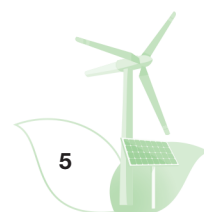


II. Environmental, Social and Governance Strategies

The board of directors (the “**Board**”) of Xinte Energy is responsible for reviewing the effectiveness of environmental, social and governance work, as well as reviewing and formally approving the annual environmental, social and governance report. The Group conducts environmental, social and governance risk management based on the current risk management and internal control system to ensure the effective management and control of such risks. At present, the Group has formulated and implemented risk management and internal control policies and measures for major business processes, and conducted regular evaluations to ensure that the policies and measures for risk management and internal control are properly implemented; the Group has also reviewed the adequacy and effectiveness of the risk management and internal control system through the appointment of external auditing firms and internal audit.

The Group carries out the corporate mission of “let new materials and new energy start a new life and light up a new future”, undertakes environmental and social responsibilities, as well as listens to and actively responds to the demands and expectations of stakeholders. While continuously integrating the concept of sustainable development into corporate strategy, decision-making and operation, the Group timely reviews the impact of business development on the environment and the society, striving to promote social harmony and sustainable development.

By preparing and making disclosure in this report, the Group also reflects on and improves the deficiencies in its environmental, social and governance work, and enhances the management and control ability of environmental, social and governance risks.



III. Communication with Stakeholders and Materiality Assessment

The Group adheres to the core value of “actively forge ahead for win-win cooperation”, pays close attention to the demands and expectations of stakeholders, gradually improves the communication mechanism with stakeholders, with a view to work with all stakeholders to jointly promote the coordination and sustainable development of economy, environment and society.

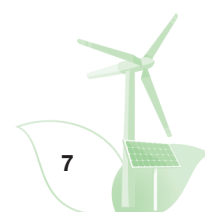
By understanding the expectations and demands of all stakeholders, we evaluate the importance of various environmental, social and corporate governance issues to the Group’s business development and the concerns of stakeholders, and determine the disclosure focus of this report to actively respond to the expectations and demands of all stakeholders.

Stakeholder	Expectation and Demand	Communication and Response
Shareholders and investors	Return on investment Protection of rights and interests Corporate transparency Risk control	Improve profitability Convene general meetings Routine information disclosure Optimize internal control and risk management
Governments and regulators	Compliance operation Respond to the call of the state Support local development	Tax payment in full and on time and anti-corruption management Actively implement relevant policies Actively undertake social responsibility
Employees	Platform for career development Remuneration and benefits Healthy and safe working environment Listen to the voice of employees	Improve the mechanism for career promotion Competitive salary and safeguards for welfare Implement health and safety management system Mechanism for equal communication and appeal
Customers	Product quality Customer service quality Protection of customers’ rights and interests	Practice craftsman spirit All-round attentive services Compliance marketing

About this Report

Stakeholder	Expectation and Demand	Communication and Response
Suppliers and partners	Sincere cooperation Experience sharing Win-win cooperation Business ethics and reputation	Establish supplier management system Promote daily communication Carry out project cooperation Perform contracts according to laws and evaluation of suppliers
Society and the public	Support social welfare Protect natural environment Promote social progress	Engage in public welfare Adhere to green operation Share development achievements

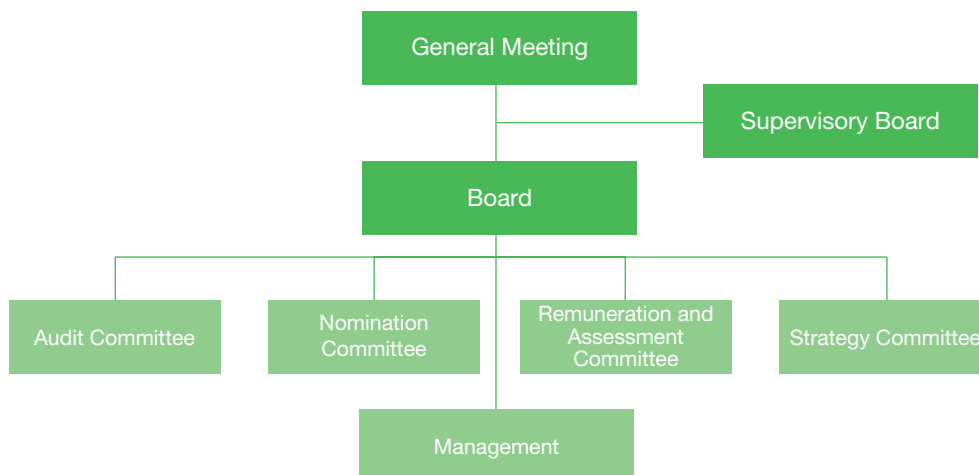
By consolidating the expectations and demands of the above stakeholders, combining business characteristics and environment, social and governance characteristics of the industry, we identified five categories of “compliance management”, “product and supply chain”, “employee management and social responsibility”, “environmental protection” and “health and safety” as the main focus of this report. At the same time, the Group will regard all issues as the focus of the 2020 environmental, social and governance work plan, continuously improve relevant management systems and structure, enhance the performance, and share the value created in economic and social aspects with all stakeholders.



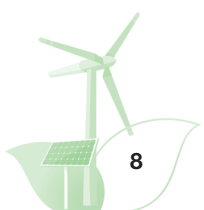
Improve Corporate Governance and Operate in Accordance with Laws

1. Improve Corporate Governance

Improving an effective corporate governance structure is the core of modern enterprise system. 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 organization and an operation mechanism with separation of powers which provides checks and balances among general meetings, the Board, supervisory board and management. Under the Board of the Company, an Audit Committee, Nomination Committee, Remuneration and Assessment Committee and Strategy Committee were established, forming a corporate governance structure with clearly stipulated powers and responsibilities, properly performed functions, effective checks and balances, scientific decision-making and coordinated operation among the owners, decision-making organ, supervision organ and management.



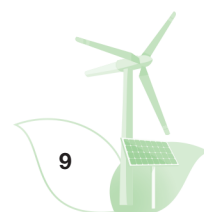
For details on the corporate governance of the Company, please refer to the Corporate Governance Report section in the 2019 Annual Report of the Company.



2. Operate in Accordance with Laws

Managing enterprises according to laws is a requirement for the country to implement the rule by law in an all-round way and the need to adapt to the new normal in economy. Compliance operation is a requirement and a vital guarantee for the implementation of Scientific Outlook on Development, the effective prevention and resolution of risks, the maintenance of corporate brand and reputation, and the promotion of competitiveness and corporate value. In order to achieve high-quality development, the Group continues to improve the awareness of legal compliance operation, and take compliance operation as the basis, foundation and strategy of strengthening the Company.

In the process of operation, we have continuously established and improved the compliance management system, and formed a set of highly executable and procedural management systems and processes, so that the management efficiency is constantly improved and the operational costs and risks are reduced. At the same time, we pay attention to the cultivation of corporate compliance culture as a vital impetus and spiritual support for the Group's development. We are firm in managing enterprises according to laws, take the initiative to assume social responsibility, and engage in creating a good market environment, thereby promoting the sound development of the society.



Make the Future with Quality and Drive Development with 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.

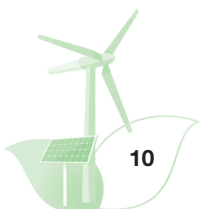
1. Products and Services

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”, actively practiced the quality culture of “honesty as the foothold” and “reliability”, regarded quality as the basic principle for all work, 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.

By strengthening quality control to meet the requirements of internal and external quality testing institutions and national standards, we strictly abide by the Product Quality Law of the People’s Republic of China (《中華人民共和國產品質量法》), the Standardization Law of the People’s Republic of China (《中華人民共和國標準化法》) and other relevant laws and regulations, implement 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》), and push 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.

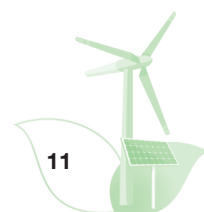
Effective operation of quality management system is an important guarantee for stable and reliable quality of products and services. The Group has always attached great importance to the continuous construction and improvement of its quality management system. In 2019, the Group conducted a comprehensive inspection on the construction and operation of its quality management system in cooperation with external professional consulting agencies, further improving the applicability and operational effectiveness of the quality management system, and providing a strong systematic guarantee for the steady improvement of the quality of products and services. In the meantime, the Group enhanced quality control, carried out quality performance evaluation based on multiple standards such as results of product and service quality, quality team building, quality improvement and key product control. It also increased awards and punishments and further raised the attention of all staff to quality work, effectively making use of quality performance as a driving force. In 2019, the Group continued to optimize the design of safety signs for inverter and SVG products, to prevent from personal injury that may be caused by personnel misoperation, so as to reduce potential safety hazards, and make products safer and more user-friendly.



Make the Future with Quality and Drive Development with Innovation

Under the guidance of quality strategic objectives and the mode of management, the Group utilizes quality tools such as lean production management method and statistical process control to integrate resources and solve the technical bottleneck problems encountered in the production process. By launching quality improvement activities such as “Woodpecker Project”, “Small Reform” and “PFMEA”, the Group solved 100% of the problems found in the process and continuously improve product quality. At the same time, we made full use of information tools such as QMS, MES and ERP to ensure effective traceability and efficient output in the quality management throughout the production process.

- In 2019, the Group set up a “project team to improve the proportion of electronic grade products”. From the process improvement of front-end cold hydrogenation, synthetic raw material system and purification system of intermediate products to the analysis of the whole reduction process, the team proposed 39 quality improvement measures which continuously improved the proportion of polysilicon electronic grade products;
- In 2019, the Group continued to optimize the top-level design of the project quality management system, tackled and improved 15 quality management systems and processes, achieved 100% full coverage of the sample project, made 122 sample production processes for 29 new projects, and carried out quality control in the whole process of project construction;
- In 2019, the project of “reducing the proportion of backboard scratches in the process of component installation” (《降低組件安裝過程背板劃傷比例》) shared by the Group won the third prize at the 40th achievement exchange meeting of quality management group of Xinjiang Uygur Autonomous Region (“**Xinjiang**”);
- In 2019, the 70MW wind power station project in Shangjiangwei Town, Jiangyong County of Wuling Power in which the Group participated won the “Quality Project Award” of Hunan Province in 2019 granted by Hunan Renewable Energy Society and Hunan New Energy Industry Association (湖南省新能源產業協會);
- In 2019, the Group’s “practical experience in implementing the product life-cycle quality model based on continuous improvement” (《實施基於持續改進的產品全生命週期質量模型的實踐經驗》) successfully won the honor of “National Quality Benchmark” in 2019 granted by China Association for Quality, and the Group was the only domestic enterprise in polysilicon industry that received this honor in 2019;
- In 2019, the Group won three awards of “Photovoltaic EPC/Owner Unit”, “Photovoltaic Power Station Operation and Maintenance Brand” and “Photovoltaic Inverter Brand” in the “Polaris Cup” selection ceremony of influential photovoltaic brands;



Make the Future with Quality and Drive Development with Innovation

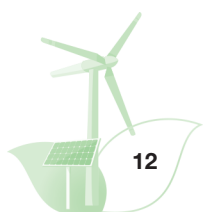
- In 2019, the Group won four awards including “Inverter Technology Breakthrough Award”, “EPC Top 10 Service Providers”, “Excellent Brand Communication Award” and “Top 10 Inverter Suppliers” at the fourth CPIF and 2019 Ceremony of Excellent Photovoltaic Brands in China (第四屆中國光伏產業論壇暨2019中國好光伏品牌盛典).

1.2 Customer Services

Xinte Energy always puts customers’ interests in the first place, adheres to the service principle of “Customer Satisfaction”, and prioritizes the satisfaction of customers’ needs in operation. The Group follows up and solves customers’ concerns in a timely manner with efficient communication mechanism and complaint feedback mechanism, pursues better product quality through continuous technological innovation, and actively responds to customers’ requirements for products, in an effort to provide products and services with the best quality for customers. At the same time, the Group also paid attention to protection of customers’ data and privacy, no leakage of customer data occurred during the Reporting Period.

We attach great importance to customers’ satisfaction towards our products. By building a call center business system, we have realized a business process from response to requests, requests assignment, service execution and service return visit, and an after-sales on-site problem-solving process comprising on-site problem collection, classification and solution. By means of “whole process service”, “advanced service”, “life-long service” and “24-hour service”, we have set up a problem-solving group that can handle R&D, after-sales and quality issues according to customers’ needs. In addition, the Group collects sufficient customer requests by telephone and on-site investigation and learns about the actual usage and service level of its products to continuously improve the quality of the Group’s products and services and further enhance customer satisfaction.

In 2019, we increased efforts to deal with quality problems and assigned special personnel to follow up specific problems, achieving a real-time problem-solving rate of 98%. The Group puts emphasis on the close communication and cooperation with customers. In 2019, it conducted the activity of “go ten thousand miles to improve quality” for three times, conducted on-site inspection and survey for key customers, learned about how our products were used and handled customers’ needs, striving for highest service efficiency and best quality and creating the greatest value for customers. In order to reflect customers’ evaluation of product quality and service more directly, we adopted the method of customer satisfaction survey for consideration and constantly improved product and service quality. In 2019, our customer satisfaction exceeded 92 points.



Make the Future with Quality and Drive Development with 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 the Group's overall abilities. We insist on technological innovation by launching technological innovation endeavors. We strengthen the transformation of our innovative achievements, enlarge the scale of the technology industry, and continuously achieve new breakthroughs in technological innovation.

2.1 Technological Innovation Management

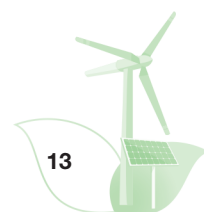
The Group attaches great importance to the cultivation of a professional innovation team, and constantly improves the quality of its scientific research team through training and arrangement of further study for staff. In 2019, we carried out six sigma theoretical training and project guidance, quality control improvement activities, clean management training and other activities, and sent personnel to various domestic and overseas new energy technology research and development (the “**R&D**”) centers for training and scientific research.

In 2019, we launched 26 “production, study and research” projects with Tsinghua University, Tianjin University and other scientific research institutes, and signed cooperation agreements with the Center for Power Electronics Systems in the U.S. to formally establish strategic partnership, aiming to jointly promote the progress and development of key technologies in the new energy industry. Upholding the philosophy of “innovation and sharing”, the Group sets target responsibility award and technology innovation award for technological innovation projects which incentivize participants based on the market efficiency of new products. In 2019, the Group gave out innovation incentive of over RMB5 million.

In 2019, the Group was awarded the second prize of Scientific and Technological Progress Award of Silicon Industry Branch and first prize of Scientific and Technological Progress Award of Xinjiang for the project of “Development and Application of Key Technology for Intelligent Manufacturing of High-Purity Crystal Silicon Materials”(高純晶體硅材料智能製造關鍵技術開發與應用) and the outstanding award of the 21st China Patent Award for the project of “Process for Industrial-Grade Silicon Tetrachloride”(工業級四氯化硅的處理工藝).

2.2 Product Technology Innovation

Technological innovation of products is the driving force for enterprises to keep moving forward. We continue to carry out various tasks of product and technological innovation, strive to improve the quality of polysilicon, and continuously reduce the cost of PV and wind power. By conducting in-depth exploration into new technologies such as big data, internet of things and artificial intelligence, we take the lead to constantly apply innovative technologies to the new energy industry and promote the intelligent construction of new energy industry.



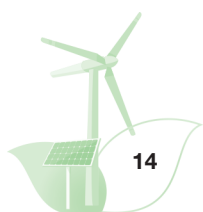
Make the Future with Quality and Drive Development with Innovation

In terms of polysilicon production, the Group further improved the conversion efficiency of reduction furnace through equipment transformation and process optimization during the Reporting Period. Polysilicon supplied to monosilicon wafer customers accounted for more than 80% of the total output, and the production cost was approximately 15% lower than that in the same period of last year. The Group has realized productivity enhancement, quality improvement and cost reduction to raise efficiency, and enhanced the competitiveness of its polysilicon products. Meanwhile, for the recycling industrial chain combining polysilicon and new energy, the Group carried out R&D of new products, layout of patents and evaluation of intellectual properties, and planned out the development mode for the extension of zirconium-based new materials, new powder materials, advanced ceramics, organic silicon and other industrial chains. In 2019, the Group's "High-Temperature-Resistant Silicon Nitride Ceramic Insulation Ring for Polysilicon System"(多晶硅系統耐高溫氮化硅陶瓷絕緣環) passed the appraisal for new products by Xinjiang.

In terms of the development, operation and maintenance of wind power and PV resources, the Group seized key technologies by virtue of the research and engineering demonstration project of the design and integration technology for grid parity of large PV power generation system, and helped projects of grid parity and competitive bidding to obtain advantageous resources. Through intelligent operation and maintenance measures such as the establishment of UAV detection team, the development of automatic defect identification technology and the improvement of the remote monitoring function of E-Cloud Platform, the Group managed to efficiently identify and screen failures of power stations to improve their operation and maintenance and reduce the cost of power generation. The flexible DC converter valve of Wudongde UHV multi-terminal DC project completed the full set of type test and possessed the conditions for mass production. The Group successfully developed the 208kW 1500V string inverter, thus upgrading the string inverter from low power to high power.

3. Supply Chain Management

Stable and high-quality supply chain system is the cornerstone of maintaining product quality and creating corporate value, and an essential driving force for an enterprise to develop. The Group has always been committed to establishing a long-term and stable cooperative relationship with suppliers to build a clean, efficient and professional supply chain management system and to create a transparent and fair supply chain management environment. With the benefits of the suppliers 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".



Make the Future with Quality and Drive Development with Innovation

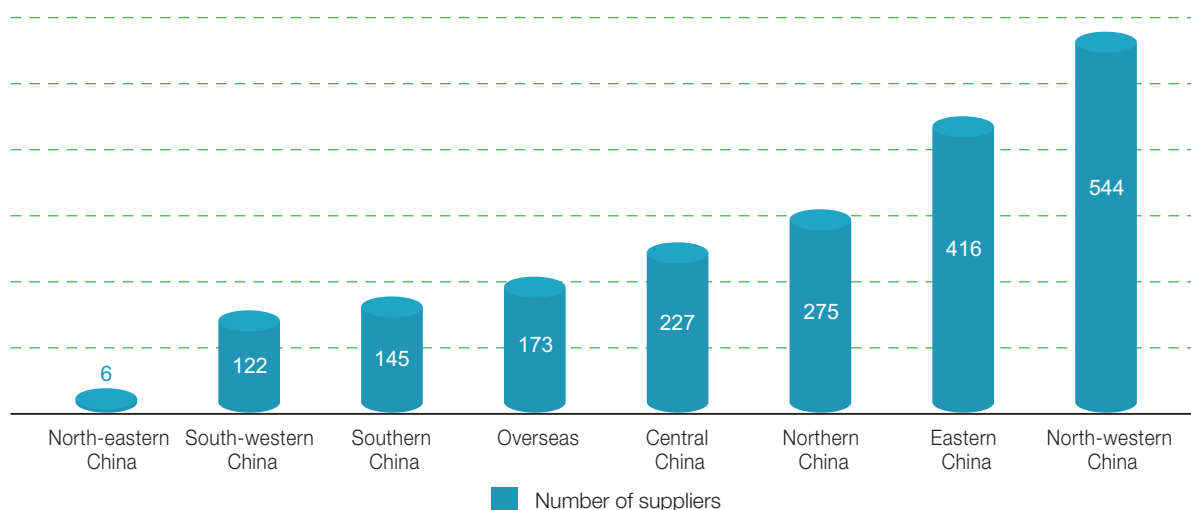
We continue to share the “reliability” culture with suppliers, pass on the Group’s development strategy and publicize and implement the Group’s quality management requirements towards suppliers. We also carry out various special trainings for key raw material suppliers regarding purchasing standards, inspection standards and key quality control points, control product quality from the source, and strictly implement the evaluation system for qualified suppliers. The Group improves the management ability of suppliers in technology, production, quality, green consumption reduction of raw materials and other aspects by means of quality interview and quality spot check. Meanwhile, it urges suppliers to improve product and service quality and replaces post-event quality accountability with pre-event quality control, thereby effectively reducing the incidence of product quality problems. At the same time, the Group has established a “technology + procurement” communication mechanism with suppliers to share the latest technology, policy information and industrial information. Based on sufficient communication and trust, the Group recommends advanced production processes and technical methods to suppliers to jointly tackle technical problems, improve processes and reduce costs, so as to promote win-win cooperation with suppliers, jointly improve product quality and grow together with suppliers.

The Group has a systematic, hierarchical management policy for suppliers. Further cooperation, reward and encourage are made towards excellent partners, while suppliers that are not up to standard will be required to rectify and the suppliers who behave negatively will be gradually phased out. Suppliers are rated by the Group according to the evaluation results to reasonably prevent supply chain risks.

In 2019, the Group had 1,908 qualified suppliers recorded on the “List of Qualified Suppliers”.

The distribution of qualified suppliers by region is as follows:

Distribution of Suppliers



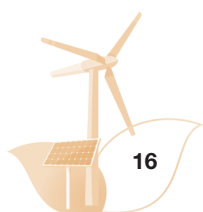
Join Hands and Contribute to the Society

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 the development concept of "innovation, coordination, green, open and sharing", strives to build the best platform for employees and assiduously boosts social development to contribute its power for the building of a harmonious society.

1. Employee Rights and Interests and Development

Employees are the most valuable asset of Xinte Energy. Under the philosophy of "Development by and for the Employees and Results Shared with the Employees" which emphasizes win-win relationship between individual and enterprise and harmonious development, we regard it as our fundamental responsibility to protect the rights and interests of employees. The Group strictly abides by "the Labour Law of the People's Republic of China", "the Labour Contract Law of the People's Republic of China", "the Trade Union Law of the People's Republic of China" and other relevant laws and regulations to guarantee fair and reasonable benefits for employees. Paying attention to the growth and development of employees, the Group is committed to creating a healthy, safe, open and equal working environment for employees and promoting the common development of employees and the Group.

In order to protect the legitimate rights and interests of employees, the Group has formulated and implemented a sound recruitment and employment system, set up a well-established promotion mechanism, salary and welfare policies and other human resource systems, and signed labour contracts with all regular employees, so as to clarify employees' compensation, working days and hours, positions, employee benefits, training, confidentiality obligations related to business secrets and termination reasons for dismissal to fully protect the rights and interests of employees. 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 or any case of child labour, forced labour and discrimination, nor did it suffer any punishment in respect of serious violation of labour laws and regulations stipulated under the laws of the PRC.



Join Hands and Contribute to the Society

1.1 Employee Remuneration and Benefit

The Group strictly abides by laws and regulations, pays wages on time, and pays five insurances and one housing provident fund for employees in time and in full to guarantee employees' legitimate rights and interests. Under the remuneration philosophy of "standard, transparent and value-oriented", the Group establishes and improves the remuneration system that conforms to the characteristics of all kinds of employees, and motivates employees to realize their own value by offering competitive salaries.

In 2019, the Group continued to improve the remuneration system and performance management system. Through the investigation of internal and external compensation offered by its peers, the Group properly formulated and analyzed the annual salary adjustment structure and proportion. Combining the increase of employee income with the its operating efficiency and employee performance, the Group practically implemented the concept of "one who creates shares, and the more one creates, the more he shares" to achieve synchronous growth in employee income while increasing operating efficiency, average employee efficiency and the contribution rate of human capital investment. We continued to strengthen the incentive mechanism for performance and major projects, deeply optimize the innovation sharing mechanism for the involvement of scientific and technological elements in benefits distribution, implement the complement commercial insurance and flexible welfare insurance projects covering all employees, and comprehensively implement the mechanism for the simultaneous growth of employee income and corporate benefit, so as to allow employees to share the achievements of the Group's innovation and development to a greater extent and further stimulate innovation vitality.

1.2 Employee Growth and Development

While protecting the rights and interest of the employees, Xinte Energy also adopts a strategy of development through strong reliance on talents. With a globalised vision, Xinte Energy continuously upgrades its organizational structure and optimizes the combination of its talents. According to its development strategy and the needs of employees, Xinte Energy improves the training system and stimulates the potential of employees, thereby enabling employees to create, share and grow together with the Company.

In 2019, the Group extensively strengthened the life cycle management of new employees. New employees would receive induction trainings, with one-to-one guidance under "one mentor for each apprentice" when they started to work. A series of targeted professional trainings would be arranged according to any needs of new employees for the purpose of business development. At the same time, we carried out post transfer training according to the changes of employees' positions to fully cater to employees' needs for trainings in horizontal development and vertical promotion. Focusing on market demand, industry trends in new fields and research weaknesses, the Group cooperated with Tianjin University, Xi'an Jiaotong University, Harbin Institute of Technology and other well-known universities to establish practice bases that integrate industry and education to combine theoretical research and practical application and cultivate "double excellent" talents who can do scientific researches and put the achievements into production.



Join Hands and Contribute to the Society

During the Reporting Period, the Group regularly carried out a variety of trainings based on different functional sequences, different types of work and different management levels to enhance employees' professional skills, career planning and safety production, and the coverage rate for different genders and employee categories reached 100%.

1.3 Employee Incentive and Promotion

The Group attaches great importance to employees' career development. Guided by the selection principle of "meritocracy, integrity, competence and professionalism", the Group strives for the optimal allocation of human resources through the combination of open selection and competitive employment, actively creates a fair competitive environment for recruitment, and constantly improves the overall management level.

The Group sets up "dual channel" leading to professional and management as two career development paths for employees and changes the single-post promotion channel. By improving personal income packages through skill evaluation and selecting "star of new energy of the month", "excellent employees of the quarter" and "sci-tech innovation award", the Group encourages employees to find their personal development orientation in the Group, which is conducive to motivating employees and retaining talents. Furthermore, the Group stimulates vitality and improves organizational efficiency by optimizing organizational mechanism and strengthening talent management, standardizes personnel selection, training and assessment, and objectively evaluates the ability of the evaluated personnel in terms of knowledge, skills, business, compliance and other aspects using a method combining 360-degree comprehensive and democratic evaluation and performance evaluation. The evaluation results are used as a reference for competitive appointment of personnel to provide various development and promotion opportunities for employees.

1.4 Employee Care

Xinte Energy adheres to the concept of "create and share" featuring win-win relationship between individual and enterprise and harmonious development, and takes the most concerned, direct and realistic issues of employees as the top priority. Committed to creating a balanced and vibrant working and living environment for employees, the Group actively practices the corporate culture of "reassuring employees", presses ahead with pro-people projects, and continuously improves the construction of corporate cohesion. The Group organizes various recreational and sports activities for employees to improve their physical health and relieve their work pressure. By strengthening the construction of communication channels for employees, the Group listens to employees' voice attentively and responds to their needs in a timely manner. The Group cares for each employee by providing them with a variety of heart-warming benefits and helps families in need.

In 2019, the Group extended the service of "green medical channel" to deal with the problem in medical treatment for employees, and invited relevant medical institutions over to offer medical treatment which provided convenience for employees. In order to show respect for women in the workplace and the love for babies, the Group set up "nursing rooms" in office buildings for lactating female employees showing its humanistic care for female employees.

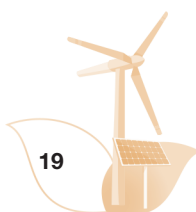
Join Hands and Contribute to the Society

In 2019, we held a basketball friendship match under the slogan of “never forget original goals and keep missions in mind”, the “Golden Camel Cup” football friendship match and the “Voice of Xinte” singing competition, and established basketball, football, badminton and other associations for our employees, in an attempt to enrich their spare-time life, help them relax after tight work and encourage them to work efficiently and live happily. By hosting such themed activities as “March 8 Beauties’ Day: Office Ladies Shine”, “June 30: Daddy Loves You Even If I’m Not by Your Side”, we cared for employees and their families and increased their sense of belonging.

In order to put into practice the cultural connotation of “fight in the front and support in the rear”, we organized an assortment of activities such as family get-together and “golden autumn student assistance” meetings, visited employees during major festivals, and kept abreast of employees’ family status in time, so as to inform employees’ families of their work and life in the Group and show them our care. In 2019, the Group opened a green medical channel for the needy employees, applied for special relief fund of major illness, and provided scholarships for their children to reduce the burden of employees and effectively relieve their worries.

1.5 Employee Diversity

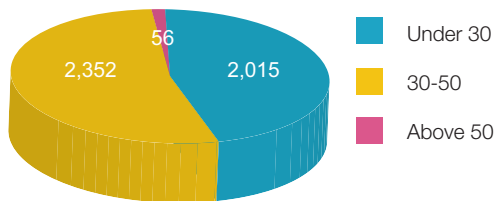
The Group is committed to building a standardized, orderly, fair and effective human resource system. Talents are recruited according to their educational level, experience, skills, potentials and interview performance without being treated differently due to gender, age, marital status, nationality, physical condition and other factors. We recruit employees with different nationalities, races and cultural backgrounds with an open mind and actively create an inclusive, open and diverse working atmosphere to enhance our creativity and inclusiveness as an enterprise.



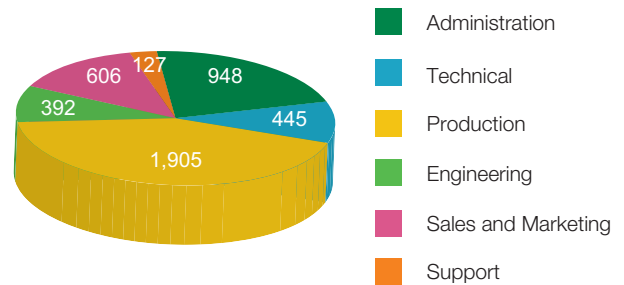
Join Hands and Contribute to the Society

As at December 31, 2019, there were 4,423 employees in the Group including 4,012 regular employees and 411 workers from labour dispatch agencies. Among them, 393 were minority employees and 857 were female employees. During the year 2019, there were 887 newly recruited employees, of which 431 were fresh graduates and 456 were experienced workers. The specific personnel structure is shown as below:

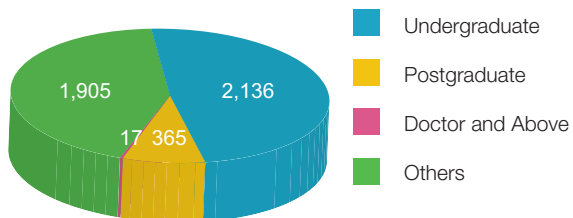
1 Number of employees by age:



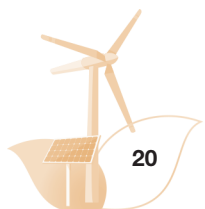
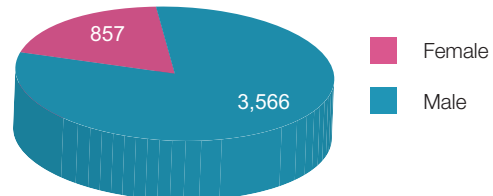
2 Number of employees by functional role:



3 Number of employees by educational level:



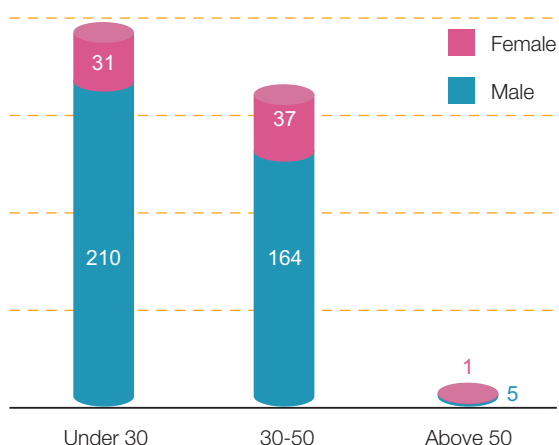
4 Number of employees by gender:



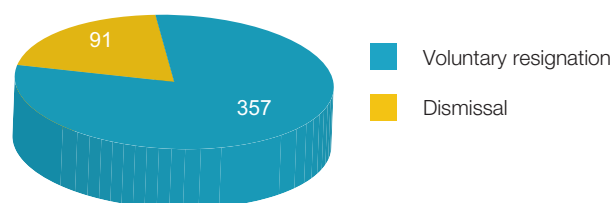
Join Hands and Contribute to the Society

In 2019, a total of 448 employees resigned from the Group and the staff turnover rate was about 10.17%. The specific turnover statistics are as follows:

5 Staff turnover by age:



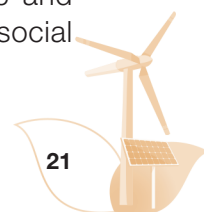
6 Staff turnover by type of resignation:



2. 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, repaying the society with gratitude and accomplishing every public welfare activity in a responsible manner to create a harmonious public relationship with the society.

- We carried out “targeted poverty alleviation” work in the poverty-stricken areas of Hotan, Xinjiang and took the lead in putting forward and implementing the poverty alleviation idea of “poverty alleviation and technology support”. We helped local colleges, teachers and students by successively setting up students’ tutoring class at night school for college entrance exam, assigning employees as extracurricular tutors, donating multimedia equipment, and regularly distributing golden autumn grants and other ways. In 2019, we successfully helped three young people who dropped out of school to get enrolled in universities, assisted 38 poor families in going out and getting employed, and let hundreds of children experience modern education;
- In 2019, the Group organized donations from employees and the activity of “love in Hotan: donating clothes to warm the cold winter” for twice, distributing coal worth RMB340,000 and donating hundreds of coats, sweaters, trousers and toys to Kejige Aike Village and Altay Village, Yulong Kashi Town, Hotan Prefecture to care for the poor and fulfill its social responsibility;



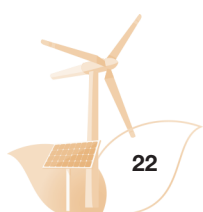
Join Hands and Contribute to the Society

- In March 2019, through the Industry and Information Technology Department of Xinjiang, we donated a farm video monitoring project worth RMB280,000 to the breeding cooperative in Yarkant (莎車) County, Kashgar (喀什) Prefecture, Xinjiang to help local farmers achieve scientific breeding;
- In June 2019, the Group organized its staff to participate in the free blood donation activities held by the Urumqi High-Tech Zone Subdistrict, donating 1,800CC of blood in total;
- In 2019, in response to the call of Xi'an High-Tech Zone, the Group paired up with Daowuzhuang Village in Xi'an City to carry out poverty alleviation and organized its staff to purchase large quantities of agricultural products from Daowuzhuang Village, helping more than 100 households get rid of poverty in total.

3. Anti-corruption Behaviour Promotion

It is an important prerequisite for maintaining the sustainable development of an enterprise to strictly and legally manage an enterprise, promote corruption-free operations, and implement compliance management. Effective rules, regulations and supervisory system are the basis for managing an enterprise in accordance with laws. In strict compliance with relevant national laws and regulations such as “the Criminal Law of the People’s Republic of China” and “the Anti-Money Laundering Law of the People’s Republic of China”, the Group has established and improved anti-corruption procedures and mechanism for prevention and control. It has 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, pursuant to which regular internal assessments are conducted to continuously improve the development of a clean governance. As an independent audit and supervision department, the audit and supervision department formulates an effective audit and supervision system to standardize our operation through strengthening the effectiveness of internal audit inspection rules and regulations in preventing corruption-related risks and targeting at the risk areas and key links prone to corruption in the operation and management process.

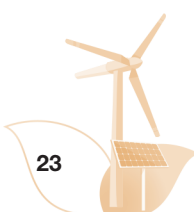
- In 2019, the Group placed emphasis on the effective implementation of the “Letter of Accountability for Clean Management” (《廉政目標責任書》), focused on its core task, and highlighted supervision, discipline enforcement and accountability efficiency. The Group duly fulfilled its duty in relation to anti-corruption, improved the compliance and anti-corruption awareness of all staff, and prevented corruption risks, so as to provide a strong disciplinary guarantee to form a green, healthy and sustainable business environment;



Join Hands and Contribute to the Society

- In 2019, the Group covered key posts and departments in its anti-corruption interviews, and customized targeted interview plans based on the nature of position and rank of employees. The Group also carried out pre-job qualification review of management personnel and pre-job political review of general employees, and dismissed employees suspected to involve in corruption, so as to prevent “promotion of corrupt personnel” and “employment of corrupt personnel”;
- In 2019, we strengthened the construction of anti-corruption culture, and carried out anti-corruption education and warning education for staff by watching warning educational films, listening to anti-corruption education courses, sending anti-corruption SMS on major holidays, participating in court trials and visiting anti-corruption warning education base. By such means, the awareness of anti-corruption and self-discipline of all staff was enhanced; our staff were able to learn the corporate anti-corruption system while participating in such activities; and employees’ compliance awareness of corruption-free employment and anti-corruption was fostered;
- In 2019, the Group actively furthered the implementation of anti-corruption culture “into enterprise”, and, to integrate anti-corruption culture “into post” and “into project”, posted posters in office buildings, workshops, project sites as well as tip-off signs in key areas, so as to deepen the construction of anti-corruption culture into the front line and improve staff’s incorruptible performance ability of obligations;
- In 2019, we continued to innovate the handling methods of disciplinary inspection and supervision personnel, strengthen the capacity of disciplinary inspection and supervision team and the construction of disciplinary inspection and supervision talent team, and focus on key personnel, key events and key issues. By conducting key inspections on key posts and business links involving higher risks over the years through big data analysis, we seriously investigated into the discovered conducts and disciplinary issues that were likely to violate relevant disciplines and ordered rectification, thus further creating a clean and incorruptible working atmosphere.

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



Green Development Begins with Environmental Protection

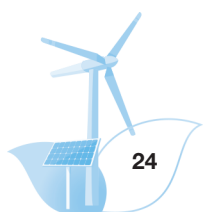
Green development is a requirement for the construction of a modern economic system and a fundamental solution to the problem of pollution. As a responsible enterprise, the Group actively responds to the call for full-scale “battle for the protection of blue sky, clear water and clean land” in China. Through tireless exploration for the application of new energy technology, the Group endeavors to develop smart green energy, optimize energy structure, and promote scientific and technological innovation. Furthermore, it increases investment in energy conservation, emission reduction and environmental protection, and promotes the harmonious development of human and nature through practical actions.

In strict compliance with the Environmental Protection Law of the People’s Republic of China (《中華人民共和國環境保護法》), the Law on the Prevention and Control of Water Pollution of the People’s Republic of China (《中華人民共和國水污染防治法》), the Law on the Prevention and Control of Air Pollution of the People’s Republic of China (《中華人民共和國大氣污染防治法》), the Law on the Prevention and Control of Solid Pollutants of the People’s Republic of China (《中華人民共和國固體污染物防治法》) and other laws and regulations, we formulate corresponding management measures, identify and keep an eye on important environmental factors, and actively monitor various environmental indicators to ensure the “three wastes” meet or surpass relevant emission standards and achieve clean production. The Group is rated as an “advanced unit in environmental protection” of Ganquanpu Economic and Technological Development Zone in Urumqi.

1. Resource Utilization and Consumption

As the world’s leading polysilicon new material research and manufacturing base and a large-scale PV and wind power system integrator and operator, by actively contributing to the society products and services related to PV, wind power and other clean energy infrastructure, the Group gives full play to the role of clean energy in environmental efforts such as resource conservation and emission reduction, and makes positive contributions to restoring “blue sky and white clouds” and “clear water and green mountains”.

The Group’s energy consumptions are mainly coal and electricity used in the production of polysilicon. In 2019, we increased efforts into the rectification of energy conservation and consumption reduction. Through fine management and technological innovation projects, we implemented measures such as improving the operation efficiency of reduction furnace and optimizing the operation of cold hydrogenation, with the comprehensive power consumption of polysilicon production down by over 2% compared with that at the beginning of the year. With regard to coal-fired power plants, the combustion efficiency of coal was improved and fine management of coal mines was enhanced through the reasonable blending of coal and fine control of air distribution for combustion, resulting in a decrease of overall standard coal consumption of more than 3% as compared with that in 2018.



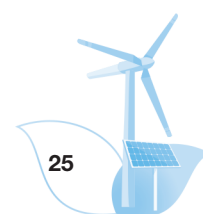
Green Development Begins with Environmental Protection

The Group values the protection of water resources, implements strict water resource management system and formulates water-saving plans. In respect of water resource usage, we strictly comply with regulations of China relating to water resource. The water resources we used are mainly surface water, compliant wastewater from treated sewage, urban reclaimed water and a small amount of underground water. In respect of water efficiency plans, we invested RMB12.3 million in an advanced sewage treatment and recycling project in accordance with water-saving plans. Upon the completion of the project, the recycled water meets the demand for greening in summer, as well as the demand for refilling industrial circulating water in winter. Through waste water and rainwater recovery and treatment, the Group reuses the recovered water resources in production and park greening, improves the utilization rate of water resources and reduces the waste and usage of water resources.

In respect of packaging materials usage, the Group mainly uses wood, paper, and plastic packaging materials. In 2019, we continuously strengthened the improvement of packaging materials for polysilicon products, tried to use reusable materials, and promoted size and form adjustment, thus further reducing packaging costs and resource consumption. The cost for packaging materials was about 20% lower than that in 2018.

Item	2019 Consumption	Density*	2018 Consumption	Density
Energy:				
Electricity (ten thousand kWh)	297,337	8.03	279,503	8.22
— Consumption in Production	296,448	8.01	278,751	8.20
— Consumption in Office	889	0.02	752	0.02
Diesel (ton)	194	0.01	184	0.01
Coal (ton)	2,511,934	67.81	2,056,367	60.48
Water:				
	3,196,148	86.28	2,411,100	70.92
— Consumption in Production (ten thousand m ³)	2,973,880	80.28	2,291,100	67.39
— Consumption in Office (ten thousand m ³)	222,268	6.00	120,000	3.53
Packaging Materials:				
Wooden materials (ton)	687	0.02	735	0.02
Paper materials (ton)	1,146	0.03	1,263	0.04
Plastic materials (ton)	626	0.02	656	0.02

* Density is calculated based on the Group's output of 37,000 tons of polysilicon in 2019, excluding the output of the 36,000-ton Polysilicon Project in pilot production.



Green Development Begins with Environmental Protection

2. Energy Conservation and Emissions Reduction

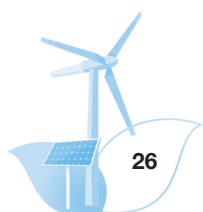
Energy conservation and emissions reduction are powerful measures to promote corporation development and improve the economic and social benefits of a corporation. Only by constantly reducing the use of non-renewable energy and the emission of waste and hazardous substances can enterprises and the society achieve sustainable development. As a leading green energy enterprise in the world, we strictly abide by the Law on Energy Conservation and Emission Reduction of the People's Republic of China (《中華人民共和國節能減排法》) and other relevant laws and regulations, actively implement energy-saving transformation projects, and promote the application of new energy-saving technologies. We carry out various energy-saving and environmental protection activities, strengthen the operation, maintenance and management of environmental protection equipment, and enhance the supervision and assessment of energy conservation and environmental protection.

Through upstream polysilicon production and downstream clean energy development, the Group has achieved green circular economy and developed green energy. It is rated as an "excellent circular economy enterprise" in the field of industrial economy in China, and also the only demonstration unit in Xinjiang with "green engineering", "green design product" and "green supply chain" honors and all green production lines.

2.1 Development of Clean Energy

Whatever opportunities and challenges it faces, Xinte Energy never changed its original goal to take up environmental and social responsibilities. It keeps on improving the efficiency of new energy power generation and popularizing green and smart energy. 2019 is a crucial year for the transition of China's PV and wind power to grid parity, under the guidance of national policies and the strategic policy of "simultaneous development of wind and PV power", we continue to optimize the resource structure and strengthen the construction of green energy base, striving for the goal of benefiting the human society.

In 2019, the Group completed and recognized the revenue for 1,288.86MW of installed capacity for EPC and BT projects in PV and wind power stations. For the year ended December 31, 2019, the Group's total BT projects which were under construction and completed for transfer was 432MW, and there were over 2,425MW of BOO projects under construction and completed.



Green Development Begins with Environmental Protection

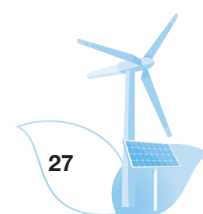
2.2 Development of Circular Economy

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” and the fundamental features of low consumption, low emission and high efficiency, the Group vigorously develops 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 oxides; the solid and liquid wastes mainly include hydrolyzate produced during the polysilicon wastewater treatment process and fly ash and furnace slag 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	2019 Emissions (ton)	Density*	2018 Emissions (ton)	Density
Exhaust gas:				
Dust	36.43	0.0010	34.42	0.0010
Sulfur dioxide	154.03	0.0042	104.04	0.0031
Nitrogen oxides	608.36	0.0164	505.32	0.0149
Greenhouse gas:				
COD (chemical oxygen demand)	33.25	0.0009	36.99	0.0011
Ammonia nitrogen	4.31	0.0001	1.53	0.0000
Hazardous waste:				
Waste oil	97.04	0.0026	131.39	0.0039
Waste denitration catalyst	279.8	0.0076	260.00	0.0076
Non-hazardous waste:				
Fly ash	166,241.07	4.4930	128,731.00	3.6780
Furnace slag	102,372.66	2.7668	99,216.08	2.6815

* Density is calculated based on the Group's output of 37,000 tons of polysilicon in 2019, excluding the output of the 36,000-ton Polysilicon Project in trial production.

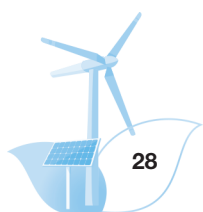


Green Development Begins with Environmental Protection

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

- The Group regularly checks the machines in its own power plants and replaces the plate catalyst for individual machine to reduce ammonia injection consumption and nitrogen oxides emission;
- For the waste oil, waste denitration catalyst and other hazardous wastes generated in the process of production, we hand them over to institutions with a qualification to dispose hazardous wastes for legal treatment with which we enter into strict disposal agreements that meet China's various relevant requirements;
- Part of the coal ash and furnace slag generated by the Group's power station were recycled by the Group for the production and sale of aerated concrete. The Group produced approximately 190,000 m³ of aerated concrete in 2019. 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 actively responded to and implemented the State Council's Environmental Pollution Prevention and Control Plan to further improve the environmental protection level of coal-fired units and maximize clean production in coal-fired industry. At the same time, to shoulder our environmental responsibility, we engage a qualified professional institution to carry out comprehensive testing on the environmental factors of the Group on an annual basis to promote the continuous tracking and optimization of environmental management.

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. In 2019, the actual emission of the Group's own power plants was far lower than the standard emission index of China, for which it was granted the title of "outstanding contribution unit for pollution control" by the Management Committee of Ganquanpu Economic and Technological Development Zone in Urumqi.



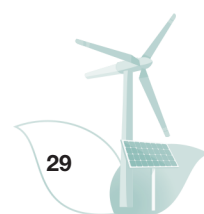
Health and Safety

Safety production is a major issue concerning the safety of people's lives and property, a sign of the coordinated and healthy development of economy and society, and a requirement for enterprises to be highly responsible for the interests of its employees. It is of great significance to do well in safety production for promoting the development of enterprises, ensuring the safety of employees and maintaining social stability. The Group takes the national laws and regulations as the criterion, comprehensively implements national decisions and deployment regarding safety and environmental protection, and adheres to the safety management concept of "safety first". It continuously promotes the implementation of the HSSE (health, safety, security and environment) management system and pays close attention to the source, process and post control to ensure sound operation.

1. Occupational Health

The Group focuses on the establishment of an occupational health and safety management 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 on Prevention and Treatment of Occupational Diseases of the PRC (《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 has 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 effectively launching of various activities in relation to occupational health.

Protecting the health and safety of employees is an important part of their rights and interests. In 2019, the Group continued to carry out special inspection of occupational health in the workplace, publicize occupational health examination and occupational disease prevention knowledge by means of newspapers, billboards, banners, SMS and WeChat, and organize over 1,000 safety trainings covering all employees. The Group invited experts from safety education training center and physical examination center to give lectures and exchange ideas, in an aim to popularize the knowledge of occupational health, first aid for personal injury and corporate health examination among employees. It arranges for a physical examination for all employees annually, organizes employees exposed to occupational hazards to take the annual physical examination for occupational diseases, and makes proper management as to occupational diseases in strict accordance with legal requirements, so as to prevent the occurrence of occupational diseases and ensure the occupational health of employees.



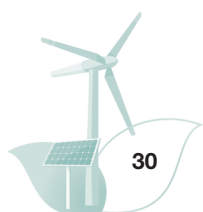
2. Safe Production

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 a system for the identification and management of potential hazards for safe production.

In 2019, according to the HSSE inspection plan formulated at the beginning of the year, the Group organized weekly inspection on the implementation of the plan. According to different seasons, the implementation of windbreaks and falling objects prevention plan in the spring and autumn as well as the implementation of frost protection and high-temperature prevention plan in the winter and summer were checked. Before holidays, special inspections were organized and carried out. Responsible persons were urged to complete the rectification on time and strictly implement the closed-loop management of hidden dangers to ensure that all hidden dangers were properly rectified and potential accidents were effectively prevented.

In 2019, a series of safety culture activities such as “production safety month”, “life first, develop safely”, “environment day” and “119” were organized by the Group. It took full advantage of radio, Weibo, WeChat and other new media publicity means to further expand the coverage of safety activities, and widely mobilized and encouraged employees to participate in safety activities and offer ideas and suggestions for safe production. During such activities, the Group organized trainings with a total of 25,000 attendances, carried out 23 fire emergency drills and drills for tackling emergency with more than 1,000 attendances, and published 25 articles in relation to safety. More than 4,000 attendances were recorded in watching publicity videos; more than 200 banners and billboards were made; and more than 3,000 publicity materials were distributed, all of which have contributed to a strongly secure atmosphere within the Group. In 2019, the Group was granted the honor of “youth safety and civilization demonstration post” by the Central Ministry of Emergency Management of the Communist Youth League of China.

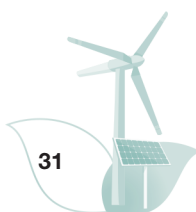
During the Reporting Period, the Group had no work-related fatalities, and the number of lost work days due to major work-related injuries was nil. There were no major accidents, nor was any punishment imposed on us for serious violation of relevant laws and regulations regarding occupational health and safety in China.



Prospects in 2020

Looking forward, ahead of us lie both opportunities and challenges. Driven by innovation with a development quality based on green technology and intelligent environmental protection featuring reliability and efficiency, the Group will create more economic and social values for its employees, customers, shareholders and the society and fully fulfill its social responsibility as an enterprise through law-abiding, sincere, steady and sustainable operation under the strategy of sustainable development, the core value of “reliability”, and the business principle of “satisfying customers and reassuring employees and shareholders”.

With new development in a new era, in 2020, Xinte Energy will continue to adhere to the philosophy of seeking change while making innovations, create value for the society, promote the wide application of clean energy around the world, and better advance the development of the global green energy industry with its advanced technologies, high-quality products and reliable services, to live the mission of “contributing green energy and creating better life”.

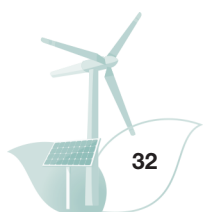


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Reporting Index

Subject Areas, Aspects, General Disclosures and KPIs

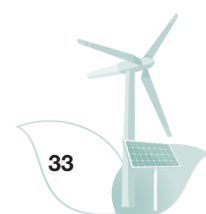
	Disclosure Index	Page
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	26-28
KPI A1.1	The types of emissions and respective emissions data.	27
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	27
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	27
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	27
KPI A1.5	Description of measures to mitigate emissions and results achieved.	28
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	28



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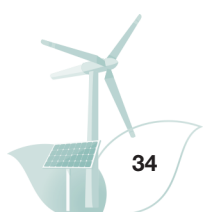
	Disclosure Index	Page
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	24-25
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	25
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	25
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	24-25
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	25
KPI A2.5	Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	25
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	24-28
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	24-28



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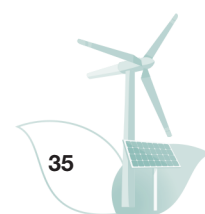
	Disclosure Index	Page
Social Employment and Labour Standards		
Aspect B1: Employment		
General Disclosure	Information on: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	16-19
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	20
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	21
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.	29-30
KPI B2.1	Number and rate of work-related fatalities.	30
KPI B2.2	Lost days due to work injury.	30
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	29-30



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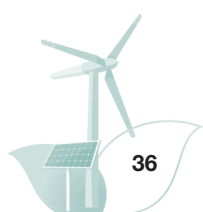
	Disclosure Index	Page
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	17-18
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management, etc.).	18
KPI B3.2	The average training hours completed per employee by gender and employee category.	N/A
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.	16
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	16
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	N/A
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	14-15
KPI B5.1	Number of suppliers by geographical region.	15
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.	14-15



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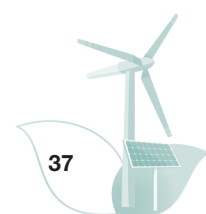
	Disclosure Index	Page
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling, privacy matters relating to products and services provided and methods of redress.	10-14
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	N/A
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	13-14
KPI B6.4	Description of quality assurance process and recall procedures.	12
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	12
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.	22-23
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.	23
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	22-23



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	Disclosure Index	Page
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.	21-22
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	21-22
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	21-22





新特能源股份有限公司
Xinte Energy Co., Ltd.