

新特能源股份有限公司

Xinte Energy Co., Ltd.

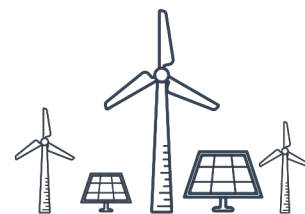
(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock code : 1799



**Environmental, Social
and Governance Report
2020**

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About Us

Xinte Energy Co., Ltd. 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 30 December 2015 with stock code: 1799.

We have always been adhering to the philosophy of “green, renewable energy, synergy, symbiosis, and win-win” in innovation and development. With the main focus on the new energy industry and insistence on technological innovation, we accelerate structural adjustment, 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, in 2020, the Group’s sales amount of the polysilicon with recognised revenue was 66,300 tons, and the technology has reached the international leading level. 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 on the research, development and manufacturing of core new energy products such as inverter, SVG, energy router and flexible DC.



About this Report

I. Introduction

This report is the fifth Environmental, Social and Governance Report issued by Xinte Energy Co., Ltd. (the “**Company**”) and its subsidiaries (collectively “**Xinte Energy**”, the “**Group**”, “**we**”, “**our**” or “**us**”). This report mainly discloses the Group’s performance and achievements in the areas of corporate governance, products and services, employee care, social responsibilities, environmental protection and safe production during the Reporting Period. The board of directors of the Company (the “**Board of Directors**”) has reviewed this report and confirmed that the contents hereof are accurate, true and complete.

1. Time Scope

This report covers the period from 1 January 2020 to 31 December 2020 (the “**Reporting Period**”).

2. Coverage

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

3. Basis of Preparation

The contents of this report are prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and under the reporting principles of materiality, quantitative, balance and consistency. For the disclosure summary of the respective indicators, please refer to the content index in section VIII of this report.

4. Access

This report is published in electronic format in both Chinese and English. For more information about the background, development philosophy, products and services of Xinte Energy, please visit the official website of Xinte Energy at <http://www.xinteenergy.com>.

About this Report

II. Environmental, Social and Governance Guidelines

To ensure that the requirements of ESG Reporting Guide are effectively implemented, the Board of Directors has entrusted the management to establish a dedicated ESG work leading team, in which the management acts as the first responsible person in charge of environmental protection, safety, manpower, marketing and supply chain. The team organizes relevant departments and offices to make decisions on major issues during the implementation process of the ESG Reporting Guide. Meanwhile, different departments and offices have also assigned certain relevant personnel as team members to take charge of daily communication and detailed implementation required by the ESG Reporting Guide. With the establishment of ESG work leading team, the contact mechanism of ESG management has made its appearance in the Group. This has established a work model of ESG management, which is guided by the Board of Directors, led by the Company's management and participated by many departments together, and comprehensively guaranteed the effectiveness and applicability of the Group's ESG management.

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.



About this Report

III. Communication with Stakeholders about Their Demands

The Group adheres to the value concept 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. During the Reporting Period, the Group actively communicated with different stakeholders and responded to their concerns and demands through the following methods.

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

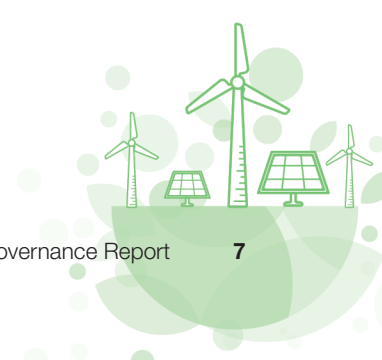
About this Report

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 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.

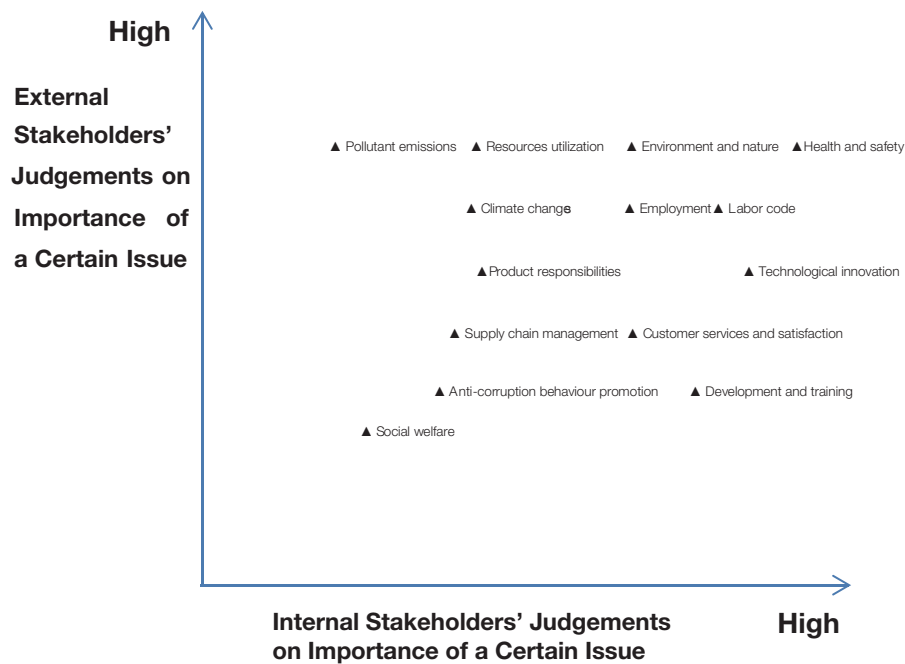
The materiality assessment on ESG issues of the Group during the year covers the following steps:

- In view of the business characteristics of the Group and the ESG features of the industry, the Group updated the list of ESG issues in the six aspects including “corporate governance”, “innovation services”, “supply chain management”, “social responsibilities”, “environmental protection”, and “health and safety”;
- Through interviews, meetings and other forms, the Group understood the expectations and demands of different departments and their major external stakeholders;
- Based on the survey results of the above-mentioned interviews and meetings, the Group determined the priorities of material ESG issues, discussed and determined the keynote disclosure of the Report and the key points for improvement in the future ESG work of the Group.



About this Report

Following our communication with various stakeholders, the Company has identified the following issues as well as their respective priorities:

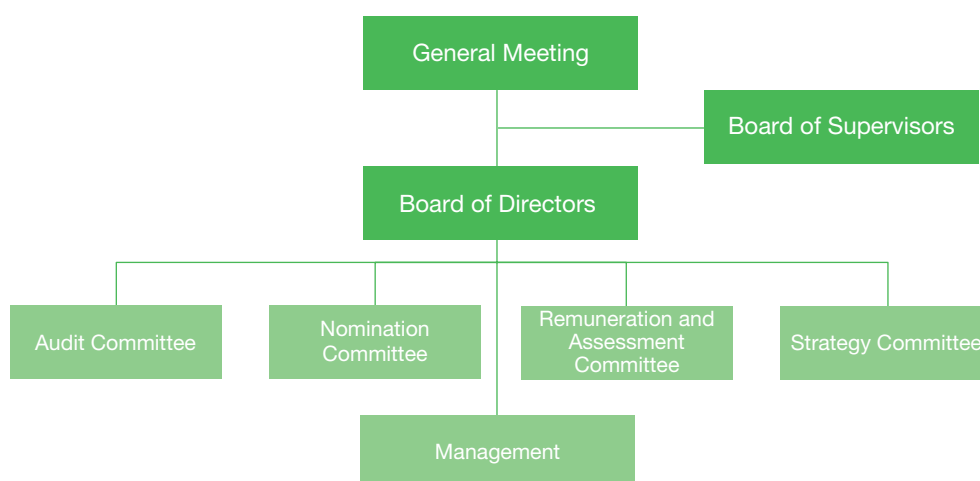


Based on the above-mentioned major issues, the Group will make disclosure of the issues in the following sections such as “corporate governance”, “innovation services”, “supply chain management”, “social responsibilities”, “environmental protection”, and “health and safety” of the Report, and focus on the issues at the top of the list of priorities in response to the concerns of stakeholders. Meanwhile, the Group will determine the focus areas of its ESG work plan for 2021 according to the assessment results, continue to improve the relevant management policies and systems, improve the performance, and share the value created in economic, social and environmental areas with stakeholders.

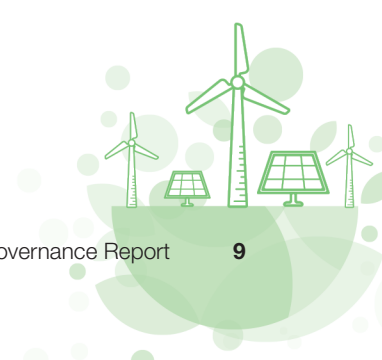
Corporate Governance

1. 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 of Directors, the Board of Supervisors and the management. Under the Board of Directors, an Audit Committee, a Nomination Committee, a Remuneration and Assessment Committee and a 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 power organ, the decision-making organ, the supervision organ and the management.



For details on the corporate governance of the Company, please refer to the Corporate Governance Report section in the 2020 Annual Report of the Company.





2. Operate in Accordance with Laws

Managing enterprises according to laws is a specific manifestation of the country to implement the rule by law in an all-round way. It is an inevitable choice for enterprises to ensure their healthy and sustainable development, safeguard their own legitimate rights and interests, and improve their level of management. 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, the promotion of competitiveness and stable development of enterprises. 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 improved the compliance management system, established a compliance risk identification and warning mechanism, comprehensively and systematically classified the compliance risks existing in our business management activities, conducted systematic analysis on the possibility, impact, and potential consequences of risks, and issued early warnings in time for risks that are typical, general, and likely to have serious consequences. At the same time, we pay attention to the compliance trainings and legal publicity and education, and establish an systematic and normalized training mechanism to ensure that employees understand and follow the corporate compliance goals and requirements. We regard compliance operation as a vital impetus and spiritual support for the Group's development. We are firm in managing the enterprise 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.

Innovation Services

China's new energy industry has accelerated its pace towards grid parity, and the market demands for high-quality and low-cost products has become more urgent. The percentage of monocrystalline silicon dense materials will continue to increase, and many enterprises with high costs and low quality will drop out. High-quality development has become an inevitable choice for the future development of new energy enterprises. The Group always adheres to the development strategy of "innovation driving the development, and technology leading the future", accelerates the technical transformation of products, and promotes technological innovations and digital transformation. By focusing on quality development, the Group takes the responsibility of creating high-quality projects, producing high-quality products, and providing high-quality services, so as to achieve common development with suppliers and provide high-quality products and services to customers.

1. Products and Services

1.1 Product Quality

Product quality is the cornerstone for survival and development of an enterprise, and is the core of an enterprise's competitive advantage in the market. The Group firmly establishes the quality-first awareness, and always regards the providing of products and services with reliable quality which meet customer requirements as the foundation of the Company.

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》) of the Group, 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 a direct manifestation of enterprise management efficiency and economic benefits. The Group continues to improve quality control throughout its entire quality management process, formulates improvement plans and puts them into effective implementation. In 2020, the Group conducted an in-depth optimization on the establishment 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 management, effectively making use of quality performance as a driving force.



Innovation Services

The Group has carried out a “Marathon Management Model” to implement overall management on product quality, and adopted lean management models and methods such as Six Sigma, lean production, quality diagnosis, and continuous quality improvement to optimize internal operation procedures and enhance product quality. The Group has deepened its accumulation and inheritance of technologies, carried out product R&D activities in strict compliance with the R&D procedures, and strengthened the reviews and verifications in the R&D process. Meanwhile, the Group strictly implemented quality inspection and unqualified products disposal in the aspects of raw materials and parts procurement, products assembly & transportation, and onsite installation. Products failing to pass the tests and verifications were strictly prohibited from leaving the factory. In addition, the Group required to further regulate the scope of product testing, formulate optimal test standards, and establish a test platform to ensure product quality. During the Reporting Period, the Group had no sold or shipped products that need to be recalled due to safety and health problems.

- In 2020, the Group focused its efforts on solving the major problems relating to parameters such as donor impurity and acceptor impurity, minority carriers service life, and metal trace impurity elements on surface of polysilicon. Through technical process optimization, and improvement of whole-process quality control chart, the Group increased the percentage of electronic-grade polysilicon out of the furnace. Compared with 2019, the electronic-grade polysilicon out of the furnace in 2020 recorded an increase of 12.37%;
- In 2020, the Group won the annual “Excellent Quality Award” selected by customers, representing a high degree of recognition by customers for the quality of products and services of the Group;
- In 2020, the Group won the title of “Leading Enterprise in Energy Technology Innovation” at the 12th China Energy Enterprise High-level Forum hosted by the Energy Magazine;
- In 2020, the Group won five awards including “Influential Photovoltaic Leadership Enterprise in 2020”, “Excellent Photovoltaic Material Supplier in 2020”, “Top 10 Photovoltaic Inverter Suppliers”, “Photovoltaic Inverter Technology Breakthrough Award” and “Excellent Brand Communication Award” at the 2020 Ceremony of Excellent Photovoltaic Brands in China hosted by in-en.com;
- In 2020, the Group won three awards of “Influential Photovoltaic EPC/Owner Unit”, “Influential Photovoltaic Power Station Operation and Maintenance Brand” and “Influential Photovoltaic Inverter Brand” in the “Polaris Cup” selection ceremony of influential photovoltaic brands;
- In 2020, the Group won two awards of “Most Influential Inverter Enterprise” and “Annual Most Influential EPC Enterprise” in the “Solar Energy Cup” selection ceremony of influential photovoltaic brands hosted by solarbe.com.

Innovation Services

1.2 Customer Services

Customer satisfaction is the driving force for enterprise development. The Group always adheres to the service principle of “Customer Satisfaction” and continuously improves product quality, expressing our appreciation to the trust of customers with good quality of products and services. At the same time, the Group continues to improve customer service level, establish a customer satisfaction survey mechanism, carry out activities for customer return visits, and strive to create the greatest value for customers through multiple means and channels. For protecting customer privacy, the Group has formulated the “Trade Secret Management System” and staffed with a special person responsible for managing customer information and documents, and has encrypted documents through information-based confidentiality measures to ensure that customer information will not be leaked.

We attach great importance to customer satisfaction on our products, and conduct daily communication with customers through regular and irregular emails, telephone calls, customer visits, and onsite customer evaluation. In the meantime, we conduct analysis on differentiated customers and their overall demands. We have set up a problem-solving team that can handle R&D, after-sales and quality issues according to customers’ needs, so as to provide customers with practical feedbacks and continuously optimized products. In addition, the Group continues to improve the response mechanism for customers’ pre-sales and after-sales technical service needs, and regularly organizes customer service personnel to learn about product supporting processes for improving the professionalism of the customer service personnel. By means of “whole process service”, “advanced service”, “life-long service” and “24-hour service”, we have further improved customer satisfaction and our problem response efficiency.

In 2020, we increased our efforts to deal with quality problems, adopted weekly follow-up and monthly supervision measures, and held product quality meetings in each week. Each product line was responsible for analyzing the causes of the current and remaining quality problems and developing the improvement measures. A dedicated person was assigned to follow up on specific issues, and the timely problem settlement rate reached 98%. In 2020, the Group did not receive any written complaints about product quality.

The Group formulated relevant rules and regulations as well as some regulatory documents such as the “400 Customer Service Management Measures” and “Standardized Working Time Processing Sheet” to establish a customer demand response mechanism, and set up a management team to classify and manage customer needs in different levels, so as to satisfy customer needs in a timely and efficient manner. Based on the “Return Visit Sheet on Handling Opinions for Customer Demands”, we conducted an overall assessment and confirmation on our problem-solving effect. In order to reflect customers’ evaluation on our product quality and service more directly, we adopted the method of customer satisfaction survey for appraisal and constantly improved product and service quality. In 2020, the customer satisfaction survey showed that our customer satisfaction rate increased by 2% year-on-year.



2. Technological Innovations

Innovation is the most important quality in our business operations, the foundation of the Group's long-lasting development, and the centralised demonstration of the Group's overall abilities. For decades, the Group has always attached importance to technological innovation, positioned itself as a technology-oriented enterprise, and supported our innovation in terms of capital, staff and industrial applications. 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.

In terms of polysilicon production, through the implementation of innovative projects such as reduction process, optimization of cold hydrogenation system, recovery of tail gas, cleaning of silicon material, and cost accounting model, the Group achieved whole-process control on internal and external quality and various costs of polysilicon products. By combining with the recovery of waste liquid and waste gas from polysilicon production through industrial chain extension projects, the Group further improved product quality and increased the proportion of electronic-grade polysilicon. In 2020, the Group was awarded the first and second prizes of the "Fourth Session of Patent Award in the Xinjiang Uygur Autonomous Region" (第四屆新疆維吾爾自治區專利獎) for the project of "An Optimization Method for Combustion in a Boiler with Mixed Combustion of Zhundong Coal" and "A Method to Hydrogenate Silicon Tetrachloride"; and the second prize of 2020 China Nonferrous Metals Industry Science and Technology Award (2020年度中國有色金屬工業科學技術獎) for the project of the "Solar-grade Polysilicon Quality Improvement and Standard Establishment" (《太陽能級多晶硅質量提升及標準建立》).

In terms of the development of wind and PV power resources, the Group promoted the refined control in the complete life cycle of power station projects through the application of new technologies and industrialization of technical achievements, and conducted dynamic management and control through project estimation, design budget, equipment procurement, and project settlement. The Group focused on the exploration of new technologies such as photovoltaic flexible support and photovoltaic system design in complex terrains, completed the development and application of economic comparison software for photovoltaic products, and optimized the design of wind turbine foundation as well as the foundation for power transmission and transformation equipment. The Group also reduced project construction costs, and assisted parity and bidding projects to achieve optimal benefits. In addition, the Group improved the intelligent operation & maintenance measures such as the remote monitoring function of E-Cloud Platform, and managed to efficiently identify and screen failures of power stations to improve their operation and maintenance and reduce the cost of power generation. At the same time, the Group conducted 12 management innovation research topics focusing on power routers, power conversion system, energy management system technology, etc., to continuously enhance the Group's competitiveness.

Innovation Services

The UHV flexible DC converter valve successfully developed by the Group adopted a series of technologies for non-locking overhead flexible DC transmission, which was applied in the national UHV multi-terminal DC demonstration project-Kunliulong DC project during the Reporting Period. The successful delivery of such product demonstrated the world-leading delivery capabilities and operating quality of the Group's converter valve products in full life-cycle projects covering design, production, installation, commissioning, and on-site problem solving.

The Group has established a complete intellectual property management system to effectively manage and protect its technological innovation fruits, thus promoting internal scientific and technological innovation. In the process of technology introduction and cooperation, the Group researches on development status of similar technologies at home and abroad through patent literature, conducts reviews and forecasts on imported projects, and learns patent information, as well as the scope of patent protection, technical content, and legal information about patentees, patent validity and covered regions, thus respecting and avoiding infringement of intellectual property rights of others.

In 2020, the Group achieved fruitful results in technological innovations. A total of 124 applications for patents and technical secrets were submitted with 101 applications granted. As of the end of 2020, the Group had a total of 567 domestic patents and seven International Patent Cooperation Treaty (PCT) patents. It has actively participated in the formulation of 70 standards, including three international standards, 38 national standards and 29 industry standards.



Supply Chain Management

When cooperating with its suppliers, the Group has always adhered to high moral standards and business ethics. It conducts fair operations, supports the development of suppliers while safeguarding their legitimate rights and interests, and actively assumes the responsibilities of a leading company in the industry. The Group ensures the sustainable and healthy development of the supply chain ecosystem in the industry by driving suppliers to fulfill their social responsibilities through our own influence.

1. Responsible Procurement

In terms of procurement, the Group follows the principle of “Openness and Transparency, Fair Competition, Legal Compliance, Integrity and Credibility” to guarantee the open, just and fair procurement process. Prior to establishing the purchase and sales relationship with suppliers, the Group informs the suppliers about our corporate culture of anti-corruption, honesty and self-discipline and signs the Anti-corruption Agreement to specify the Group’s obligations and list out the whistleblowing hotline, e-mail and other information.

While selecting suppliers, the Group takes product quality, cost and credibility of the supplier into consideration and incorporates the ISO9001, ISO14001–2015 and OHSAS18001 as the standards of development, evaluation and assessment of suppliers. The Group carries out monthly and annual evaluation of suppliers in terms of product quality, delivery performance, technical capacity and service, gives consideration to performance of suppliers in terms of sustainable development, environmental protection and production safety, determines the supplier level as per the evaluation result, awards and encourages excellent suppliers, rectifies and abandons suppliers with negative performance, and evaluates and prevents supply chain risks.

The Group focuses on the performance of suppliers in social responsibility, actively drives and affects suppliers’ performance of social responsibility, and lists the requirement of suppliers’ social responsibility performance in supplier contract:

- Before suppliers deliver goods, the Group requires them to provide buyers with material safety data specifications of the hazardous materials and sufficient written warning and notification (including proper labels on the cargo, container and packaging);
- Suppliers should develop and provide environment-friendly cargos or services characterized by safety use, efficient utilization of energy and natural resources, recycling, re-utilization or proper disposal;
- The production and goods and services provided abide by related national laws, regulations and standards in terms of environment and occupational health and safety;
- Suppliers should sufficiently identify risks (including potential risks) of products related to environmental and occupational health and safety incurred during the process of transportation, disassembling, installation and operation, and take effective control measures.

Supply Chain Management

2. Coordinated Development

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. Amid the long-term and stable cooperation with suppliers, the Group pays attention to their voices, conducts innovations and pursues common development with suppliers whilst sharing countless business opportunities with them.

The Group has carried out scientific research and innovation cooperation with wind turbine suppliers, and conducted research on a new type of wind turbine grid-connected system based on electric energy routers that replaces wind power converters and wind turbine transformers. The project aims to reduce wind farm losses based on coordinated control of wind farm reactive power, and to carry out the demonstration project application of the entire field of wind farm with rapid reactive power response. Through this project, we jointly carry out technological innovations to promote technological progress in the industry.

In 2020, the Group implemented analysis on supplier quality for 12 times, including onsite evaluation for 9 times, and conducted a “Look Back” activity on quality problems. To respond to the problem which has many quality-related feedbacks during use of materials, the Group and suppliers jointly analyzed and formulated quality improvement measures. The Group provided technologies, information, and personnel supports to suppliers, so as to systematically improve the management and quality of the entire supply chain.

The Group implements the survival of the fittest policy for suppliers in accordance with its internal assessment standards. In 2020, the Group had 1,623 qualified suppliers recorded on the “List of Qualified Suppliers”.

The distribution of qualified suppliers by region is as follows:

No.	Region of suppliers	Number of suppliers
1	Northern China	167
2	Central China	77
3	Eastern China	510
4	North-western China	542
5	South-western China	67
6	North-eastern China	72
7	Southern China	105
8	Central-southern China	83
Total		1,623



Social Responsibilities

The sustainable development of an enterprise is closely related to the fulfillment of its social responsibilities. Earnest fulfillment of social responsibilities is an important part for scientific development and building of a harmonious society. The Group practices the development concept of “developing the enterprise, serving the society, focusing on people, and achieving growth together”, 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. Equal and Regulated Employment

The Group strictly abides by the “Labor Law of the People’s Republic of China”, the “Labor 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.

The Group has formulated a “Recruitment Management System” to regulate its employee recruitment procedures, 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 labor 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 treats employees of different races, nationalities, genders, ages, religious beliefs and cultural backgrounds equally and fairly, and prohibits and resists any form of employment of child labor and forced labor. The Group’s human resources department and trade union are responsible for monitoring and ensuring that neither child labor nor forced labor is employed and there is no discrimination. During the Reporting Period, the Group did not experience any major labor disputes or any case of child labor, forced labor and discrimination, nor did it suffer any punishment arising from serious violation of labor laws and regulations of the PRC.

Social Responsibilities

1.1 Employee Remuneration and Benefit

The Group has established a reasonable and encouraging salary system according to the laws and regulations of the local area. It regularly adjusts salaries based on market conditions to provide reasonable and competitive salaries to employees. It pays the wages of its employees on schedule, and fully pays five social insurances and one housing fund to protect their legitimate rights and interests.

In 2020, the Group continued to improve the remuneration system and performance management system. Based on the employee positions system, the Group connected the management modules of position level, career qualification, salary and performance, and integrated them into a whole system to realize the closed loop of the human resources 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.



Social Responsibilities

1.2 Employee Growth and Development

Xinte Energy regards staff development as a crucial foundation of sustainable development. Through providing employees with targeted and diversified trainings, the Group helps them to achieve their personal growth. It also cultivates a work environment of openness and fair competition, facilitating career development channels for its employees.

In 2020, the Group continued to increase training investment. It enhanced the training system from five aspects: curriculum, instructor, platform, format and hardware, in an organized approach, and provided employees with comprehensive learning opportunities through a mixture of internal/external, online/offline training programs. The Group established a training college as the management body for staff training. By taking into consideration the business planning strategies and the needs of employee development, the training college formulates the plans, standards and systems for training. It develops learning programs which essentially cover the four areas: the Groups' business orientation training, strategic talents training, key position personal training and general ability building. The Group regularly organized internal lectures hosted by senior managers and experts to establish a curriculum system with leadership, professionalism, and general competence, thereby cultivating employees' executive thinking and expert experience. The Group also hired external lecturers from professional training institutions such as Siemens and University of Chinese Academy of Sciences to enter the Company and give lectures, so as to further improve employees' business abilities, leadership and professional skills.

The in-house instructors are the backbone staff of Xinte Energy to retain and disseminate its corporate culture, knowledge, skills, and experience. The Group selects excellent employees through open selections inside the enterprise and hires them as in-house instructors. After training and recognizing their teaching qualifications, they undertake part-time jobs for course development and teaching tasks within the Group. The teaching of in-house instructors is carried out based on the skills of different functional lines of the Group, including but not limited to trainings in production techniques, financial knowledge, safety management and leadership improvement.

In 2020, the Group nurtured 118 in-house instructors and hired 20 external lecturers from other professional institutes to teach employees. A total of 8,188 people participated in employee skill improvement trainings, and the proportion of trained employees reached approximately 100%.

During the Reporting Period, the average number of training hours in the Group was approximately 227 hours per person, the average number of training hours for senior management was approximately 528 hours per person, the average number of training hours for middle management was approximately 529 hours per person, and the average number of training hours for frontline employees was approximately 210 hours per person. The average number of training hours for male employees was approximately 225 hours per person, and the average number of training hours for female employees was approximately 432 hours per person.

Social Responsibilities

1.3 Employee Incentive and Promotion

The Group attaches great importance to employees' career development and strives to expand the space for employees to realize their own values. 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. Based on the employment mechanism of "horse racing instead of only horse selection", the Group adopts regular selection and irregular internal recruitment every year to ensure the matching between talents and positions and the right talents for specific positions. In addition, the Group continues to create opportunities for career promotions of employees by precisely implementing the strategies such as "Stars Project", "New Intermediate Leader Turnover Plan" and "Backup Successor Scheme".

The Group focuses on the top-level design of the human resources system, implements a top-down overall control concept, and advocates a value-driven mechanism to clarify the incentive scheme of each business line based on profit contribution, organizational performance and personal performance. In this way, the Group distributes more incentive resources to frontline employees of value creation, while taking into account the incentive gap and fairness, to create an incentive system that is competitive and suitable for the development of the Group. In 2020, through the selection of "star of new energy of the month", "excellent striver of the quarter", "sci-tech innovation award" and "excellent striver of the year", the Group encourages employees to pinpoint their personal development orientation in the Group, which is conducive to motivating employees and retaining talents.

1.4 Employee Care

The Group places a strong emphasis on the communication between its leaders and employees. It creates different conditions and opportunities for communication according to different subjects and purposes, and establishes a platform for the exchange of information of employees and leaders through various forms of communication and sharing activities. The Group strengthens communication between employees and the management through meetings such as "General Manager's Office Meeting" and "Employee Representatives Conference". The Group conducts a survey on employee engagement for all the staff every year. It also continuously improves measurement indicators and sample requirements, systematically evaluating the level of employee satisfaction. The Group will incorporate the results of this annual survey in its new year's work plan and develop specific measures to improve it.

The Group adheres to its "People-First" philosophy. It actively carries out a variety of cultural and sports activities in order to build work-life balance for employees, help them improve their work environment and quality of life, and enhance their happiness and sense of belonging.

The Company provides free and open fitness facilities and activity venues to create opportunities and conditions for its employees to develop interests, cultivate hobbies and learn new skills. It regularly organizes a variety of cultural and sports activities to encourage them to "work efficiently while living a happy life".



Social Responsibilities

In 2020, 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 “Women’s Fight in Career” and “August 1st Care for Military Families”, we convey our care for employees and their families and increase their sense of belonging.

In order to put into practice the cultural connotation of “care for everyone with heart and warm every family with love”, we organized a variety 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 2020, the Group opened a green medical channel for the needy employees, applied for special relief fund of major illness, created the “mutual aid fund for employees”, and provided scholarships for their children to reduce the burden of employees and effectively relieve their worries.



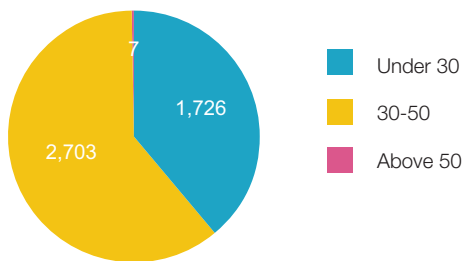
1.5 Employee Diversity

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.

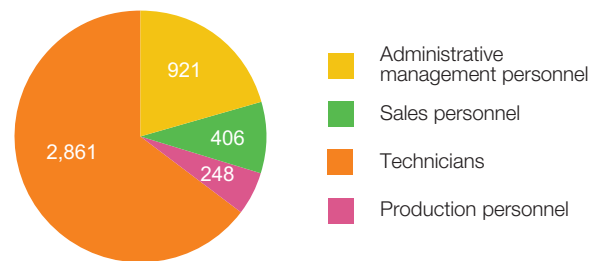
Social Responsibilities

As at December 31, 2020, there were 4,436 employees in the Group including 3,977 regular employees and 459 workers from labor dispatch agencies. Among them, 850 were female employees. During the year 2020, there were 415 newly recruited employees, of which 241 were fresh graduates and 174 were experienced workers. The specific personnel structure is shown as below:

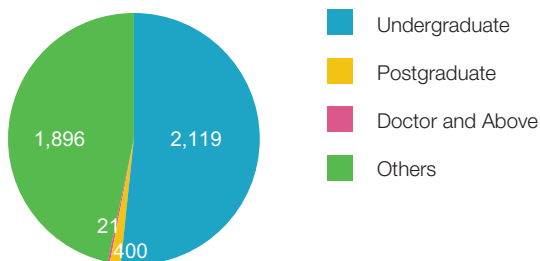
1 Number of employees by age:



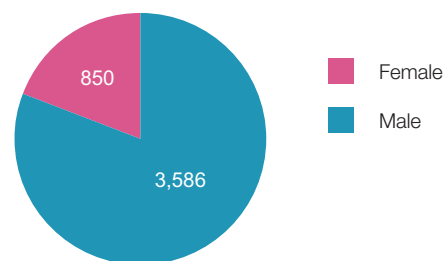
2 Number of employees by functional role:



3 Number of employees by educational level:



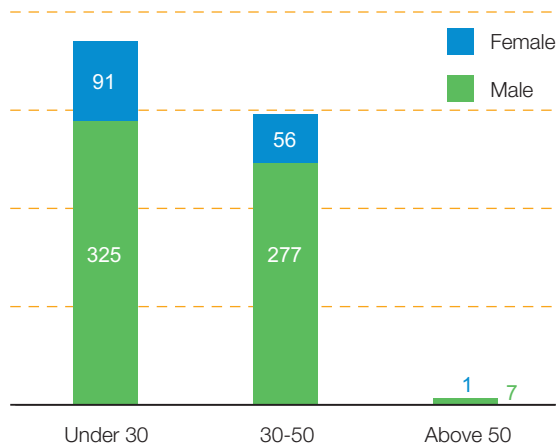
4 Number of employees by gender:



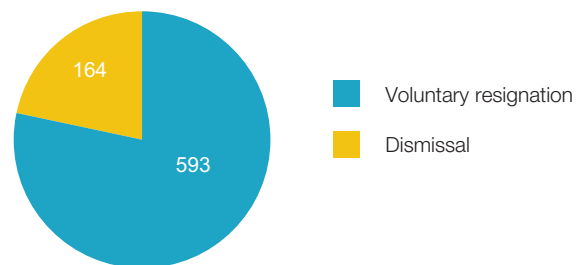
Social Responsibilities

In 2020, a total of 757 employees resigned from the Group and the staff turnover rate was about 17.06%. 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.

“Xinte Energy actively engages in the local community and organizes donation and voluntary activities to support the construction of the local community.” Over the years, Xinte Energy’s employees have been contributing to the society by adhering to the idea of “sharing light with others”. In 2020, the Group’s community service time exceeded 18,096 hours. It organized all employees to donate money and materials to poverty-stricken areas for several times, and donated more than 5,000 pieces of clothing, and books, toys, etc. to poverty-stricken areas. In 2020, when facing the COVID-19 pandemic (the “**Pandemic**”), we used our existing production lines to speed up the production of more than 200 barrels of disinfectant, which were donated to the anti-pandemic front line in Urumqi and major enterprises and institutions to earnestly fulfill our social responsibilities.

3. Anti-corruption Behavior 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 2020, the Group implemented the integration of project inspection and anti-corruption supervision, formulated a checklist for inspecting corruption-related risks, and clarified the corruption-related risks relating to project personnel and suppliers. In addition, before the audit personnel conducted patrol inspections, we provided trainings to the patrol inspectors on anti-corruption investigation skills to enhance the inspectors’ awareness and ability to detect corruption-related risks in different projects;
- In 2020, the Group carried out activities such as “Anti-corruption Education Month”. Through the online training platform, internal news and information, and other media, we conducted special anti-corruption trainings. Throughout the year, we organized 120 anti-corruption education trainings participated by 13,728 employees, achieving a coverage of 100% on the staff;
- In 2020, the Group formulated a corruption-related risks prevention and control manual for the key aspects in each business prone to corruption-related risks. According to the contents of the manual and the integrated annual audit work plan, we carried out special investigations on corruption-related risks to discover integrity risks, and strengthened our work in pre-prevention and in-process supervision, so as to build a “firewall” for corruption-related risk supervision;





Social Responsibilities

- In 2020, the Group duly performed its disciplinary inspection and supervision responsibilities, and strengthened the deterrence against corruption through multiple measures such as tip-off letters and visits, inspections and investigations, public notifications, and anti-corruption culture education, so as to enhance the awareness of all employees for anti-corruption. The Group strengthened its own integrity team building, strictly implemented integrity inspections in the selection and appointment of cadres. Adhering to the philosophy of ideological and political construction, the Group further normalized and standardized its legal education and warning education on anti-corruption.

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.

Environmental Protection

The Group actively responds to China’s strategic policy of “peaking carbon emissions and achieving carbon neutrality” and strives to give play to the important role of the new energy industry in optimization of the energy structure and construction of the ecological civilization. At the same time, the Group strives to reduce the adverse impact on the environment during its production and operation, improve resource utilization efficiency, promote energy conservation and emissions reduction, build an ecological civilization, and achieve common and harmonious development with the environment.

In September 2020, Chinese President Xi Jinping announced at the 75th Session of the United Nations General Assembly that China will strive to peak carbon emissions by 2030 and achieve carbon neutrality by 2060. On 12 December 2020, Chinese President Xi Jinping further detailed the goal of peaking carbon emissions by 2030 at the United Nations Climate Ambition Summit, and announced that by 2030, China’s total installed capacity of wind and solar power will reach 1.2 billion kilowatts. On 21 December 2020, the White Paper “Energy in China’s New Era” issued by the State Council of China stated that China will continue to promote green energy production and consumption, gradually use renewable energy to replace fossil energy, build a diversified and clean energy supply system, and provide greater policy support and more room for the development of new energy industry. The Group will continue to follow favorable policies and seize opportunities to further enhance the Group’s core competitiveness in the new energy industry. During the Reporting Period, the Group did not encounter any climate change or related policy that had a significant adverse impact on the operations of the Group.

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

The Group pays attention to the possible impact of its products and services on the environment, and strives to achieve energy conservation, consumption reduction, and materials recycling while improving product quality and lowering the costs. We control the use of resources and the emission of pollutants in the entire process covering design, production and operation, formulate and comply with the Group's internal energy conservation and emissions reduction system, conduct standardized management on production and operations, and continuously increase investments in technologies, equipment, manpower, and financial and material resources for environmental protection.

The Group's energy consumptions are mainly coal and electricity used in the production of polysilicon. In 2020, 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 self-adaptive program of reduction furnace, optimizing the energy consumption of cold hydrogenation, and enhancing the energy efficiency of centrifugal pumps, with the comprehensive unit power consumption of polysilicon production down by over 27% year-on-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 optimization of combustion boilers and fine control of air distribution for combustion, resulting in a decrease of overall standard coal consumption of more than 0.2% as compared with that in 2019. During the Reporting Period, the Group achieved the annual target of a year-on-year decrease in comprehensive energy consumption of coal, electricity and other energy sources.

The Group values the protection of water resources, implements strict water resource management system, and sets an annual target for overall water consumption to be less than 80 tons/ton. In 2020, we achieved a year-on-year decrease of 10.45% in water consumption of polysilicon through the project of comprehensive ladder utilization of waste water, thereby fulfilling our annual target. Through the implementation of the technical transformation project of cross-flow backwater treatment unit for chemical water ultrafiltration device, we have greatly saved water resources. The Group invested in the construction of an advanced sewage treatment and recycling project. 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. During the Reporting Period, the Group did not find any problems in obtaining water sources.

Environmental Protection

In respect of packaging materials usage, the Group mainly uses wooden, paper, and plastic packaging materials. In 2020, we continuously strengthened the improvement of packaging materials for polysilicon products, adopted vacuum sealing technology to reduce the damage of packaging bags caused by friction between the goods and packaging bags during the sealing and transportation process, and reduced the damage of inner and outer packaging bags to less than 3%, thus further reducing packaging costs and resource consumption.

Item	2020		2019	
	Consumption	Density ⁽¹⁾ (per ton)	Consumption	Density ⁽²⁾ (per ton)
Energy:				
Electricity (ten thousand kWh)	524,862.94	7.27	297,337	8.03
– Consumption in Production	524,001.36	7.26	296,448	8.01
– Consumption in Office	861.58	0.01	889	0.02
Diesel (ton)	80.18	–		
Coal (ton)	2,526,193	34.98	2,511,934	67.81
Water:				
	5,397,202	74.73	3,196,148	86.28
– Consumption in Production (ten thousand m ³)	5,038,223	69.76	2,973,880	80.28
– Consumption in Office (ten thousand m ³)	358,979	4.97	222,268	6.00
Packaging Materials:				
Wooden materials (ton)	1,684	0.02	687	0.02
Paper materials (ton)	1,916	0.03	1,146	0.03
Plastic materials (ton)	1,628	0.02	626	0.02

⁽¹⁾ Density is calculated based on the Group's output of 72,000 tons of polysilicon (including 36,000 tons/year high-purity polysilicon industrial upgrade project pilot production) in 2020.

⁽²⁾ Density is calculated based on the Group's output of 37,000 tons of polysilicon in 2019.



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. By reducing the use of non-renewable energy and the emission of waste and hazardous substances, enterprises and the society can 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 changes 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. In 2020, with the gradual transition of China's PV and wind power to grid parity, and under the guidance of national policies and the strategic policy of "simultaneous development of wind and PV power", Xinte Energy continued to optimize the resource structure and strengthen the construction of green energy base, striving for the goal of benefiting the human society.

In 2020, the Group completed and recognized the revenue for approximately 2GW of installed capacity for EPC and BT projects in PV and wind power stations. For the year ended 31 December 2020, the Group's BOO projects which realized powering generation revenue was 830MW.

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 gases emitted during the production of polysilicon mainly include nitrogen oxides and sulfur oxides; the solid and liquid wastes mainly include hydrolyzate produced during the polysilicon wastewater treatment process and fly ash, furnace slag and desulfurization gypsum produced by boiler operation of the self-contained power plant. Hazardous wastes mainly consist of waste oil produced during equipment lubrication and spent catalyst emitted during the replacement of power plant denitrification facilities. The Group strictly follows the national environmental protection standards regarding pollutants emission, strengthens the implementation of the measures for environmental protection facilities governance and pollutant prevention & control, and 100% of the environmental protection facilities are put into operation without incident that violates the national pollutants emission standards. The specific types of pollutants and emission amounts are as follows:

Item	2020		2019	
	Emissions (ton)	Density ⁽¹⁾ (ton/ton)	Emissions (ton)	Density ⁽²⁾ (ton/ton)
Exhaust gas:				
Dust	53.41	0.0007	36.43	0.0010
Sulfur dioxide	260.00	0.0036	154.03	0.0042
Nitrogen oxides	649.53	0.0090	608.36	0.0164
Greenhouse gas:				
COD (chemical oxygen demand)	37.61	0.0005	33.25	0.0009
Ammonia nitrogen	2.05	0	4.31	0.0001
Hazardous waste:				
Waste oil	76.22	0.0011	97.04	0.0026
Waste denitration catalyst	0	0	279.8	0.0076
Non-hazardous waste:				
Fly ash	195,867.23	2.7204	166,241.07	4.4930
Furnace slag	150,735.55	2.0935	102,372.66	2.7668

⁽¹⁾ Density is calculated based on the Group's output of 72,000 tons of polysilicon (including 36,000 tons/year high-purity polysilicon industrial upgrade project pilot production) in 2020.

⁽²⁾ Density is calculated based on the Group's output of 37,000 tons of polysilicon in 2019.



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 carried out a chlorosilane and hydrogen recovery project in polysilicon production process to recover the chlorosilane and hydrogen contained in the tail gas of polysilicon production, and minimized the emission of pollutant gases;
- 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, furnace slag and desulfurization gypsum generated by the Group's self-contained power plant were recycled by the Group for the production and sale of aerated concrete. The Group produced approximately 216,600 m³ of aerated concrete in 2020. As for the remaining part, the Group entered into disposal and utilization agreements 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 self-contained power plants;
- In 2020, the Group organized the identification of 2,323 environmental factors, evaluated 12 important environmental factors, issued 1,975 monitoring reports covering 7,521 monitored items, and set up 51 marks for pollutant discharge outlets, making the pollutants emission 100% compliant with relevant national standards. We set up online monitoring facilities at each major discharge outlet, connected our grid with the government network, thereby achieving real-time data transmission and monitoring. We accepted the quarterly monitoring comparison implemented by the Municipal Ecological Environment Bureau according to law, and our compliance rate reached 100%. The flue gas data of our self-contained power plants are released and publicized on the self-monitoring information release platform for key monitored enterprises in Xinjiang Autonomous Region.

Through the above measures, the Group has reduced the amount of pollutants discharged, maximized the recycling of resources and eliminated and reduced environmental pollution, striving to achieve coordinated and sustainable economic and environmental development. In 2020, the actual emission of the Group's self-contained power plants was far lower than the standard emission index of China, for which the Group was granted the title of "outstanding contribution unit for pollution control" by the Management Committee of Ganquanpu Economic and Technological Development Zone in Urumqi. During the Reporting Period, the Group achieved its annual target of a year-on-year decrease in polysilicon production unit pollutant emissions.

Health and Safety

Protecting the life safety and occupational health of employees is the core of the essence of safe production. It is of great significance to do well in safe 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 core idea of “focusing on people, focusing on safety concept, and developing safe production behaviors”, so as to standardize the personal thoughts and behaviors of our employees. We strive to take the most stringent standard, management, and assessment for our production, promote the construction of the HSSE (health, safety, security and environment) management system, focus on the supervision of direct operation tasks, implement safety management in the production and construction process, highlight occupational health and emergency management, strengthen the construction of a safety management team, and increase investments in safety 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 Labor 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 effective 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 2020, the Group organized and completed the annual physical examinations of all employees to identify occupational disease hazards. Through activities such as “Occupational Disease Prevention Week”, we notified all employees with occupational disease hazards, established occupational health surveillance archives, and set up more than 700 notice boards for occupational disease hazards in the workplaces. We conducted monitoring on occupational harmful factors every quarter, and issued the monitoring data of 623 occupational harmful factors. In this way, the Group continuously improved the quality of employees’ working environment, and publicized the detection data in a timely manner.



2. Safe Production

In order to improve our safety management work, the Group focuses on the safety management in production and construction process, the safety management in direct operations on site, and the safety management on personnel. To 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 2020, according to the HSSE inspection plan formulated at the beginning of the year, the Group organized weekly inspection on the implementation of the plan, and carried out informatization construction for the HSSE management of different projects. According to different seasons, the implementation of windbreaks and falling objects prevention plan in spring and autumn as well as the implementation of frost protection and high-temperature prevention plan in 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 2020, a series of safety culture activities such as “production safety month”, “life first, develop safely”, “promotion week for the law on prevention and treatment of occupational diseases” and “focus on fire fighting and care for life” 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 a total of 3,284 trainings and carried out 25 fire emergency drills and drills for tackling emergency with more than 38,716 attendances, achieving a training coverage of 100%;
- In 2020, the Group organized all employees to study the “Ten Prohibitions”, solicited safety slogans for 10 times, and submitted more than 800 slogans. During the activities such as “production safety month” and “fire fighting month”, all employees participated in the quizzes and contests on the “Safety First” platform to learn the knowledge about safe production and occupational health through answering questions;
- In 2020, the Group won the honors including the “Advanced Unit for Production Safety Month in Urumqi” and the “Advanced Unit for Safe Construction in Urumqi”.

During the period from 2018 to 2020, 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.

3. COVID-19 Pandemic Prevention and Control

In 2020, the COVID-19 Pandemic broke out on a global scale, causing a sudden crisis, and impacting human health, economic growth, social development and international relations.

In January 2020, the Group held a special meeting for deployment of the COVID-19 Pandemic prevention and control, and established an emergency prevention and control office to specifically arrange the deployment of the Pandemic prevention and control, so as to achieve dynamic monitoring and strict control on the pandemic. While ensuring that the Pandemic prevention and control is carried out in a controllable, orderly and effective manner, we actively responded to employee' concerns about their employment and incomes, and the concerns of all sectors of society for the development of the Group. We made an overall plan for achieving prevention and control of the Pandemic and for the orderly development of our production and operations, and finally realized the situation of Pandemic prevention and control with stable development of our production and operations.

- The Group provided all employees with Pandemic prevention materials necessary for production and life, regularly conducted disinfection in public places such as offices and production sites, adjusted our work model to avoid excessive concentration of people, and strengthened the control on the number of employees in the employee restaurant through the measures such as “rotating meals” and “eating at the different time” to ensure hygiene and safety in public areas;
- The Group formulated 17 supporting mechanisms including Pandemic prevention and control plans and emergency response plans, signed Pandemic prevention commitments with all employees and all cooperative labor service providers, carried out 90 scheduling inspections, convened 40 special meetings for Pandemic prevention and control, and issued more than 100 meeting minutes and important notices to ensure safe production;
- The Group strictly implemented a dynamic management system for Pandemic prevention and control information and a daily scheduling system covering all employees, took various measures for ensuring the supply of masks, temperature monitoring, isolation management and other services for employees, and organized all employees to conduct nucleic acid testing every week to effectively protect the lives, health and safety of all employees;
- The Group invited the attending doctors of Urumqi People's Hospital (anti-pandemic staff supporting Wuhan) to train the employees on anti-pandemic knowledge, conducted online examinations on COVID-19 Pandemic prevention knowledge for all employees, and reached a pass rate of 100%, which effectively improved all employees' awareness of Pandemic prevention and control and enhanced their scientific response abilities.





Prospects in 2021

Xinte Energy has always been committed to the mission of “contributing white clouds and a blue sky to mankind, and leaving more resources for the future”. Adhering to philosophy of green energy and low-carbon life, we strives to promote the harmonious coexistence of man and nature. The Group will unswervingly implement the ecological civilization construction concept of “peaking carbon emissions and achieving carbon neutrality”, and strive to become a global leader in clean energy, energy conservation and environmental protection solutions.

We will promote our growth based on current situations, and seek development in the long run. Looking forward to 2021, ahead of us lie both opportunities and challenges. The Group will always pursue sustainable operation and long-term development, and focus on the joint growth of economic, social and environmental benefits during our business development, while taking into account the interests of various stakeholders to achieve sustainable development and common prosperity. In the future, the Group will continue to improve its sustainable development management system, lay a solid foundation for the work, and create a long-term mechanism for continuously advancing its sustainable development. By promoting the in-depth integration of philosophy, strategies and culture of sustainable development, and establishing a responsible business model with new energy characteristics, the Group strives to become a green energy enterprise that is highly respected and recognized by the society.

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Reporting Index

Subject Areas/Aspects

Comply or Explain Recommended Disclosures

	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.	27-32 27 27
KPI A1.1	The types of emissions and respective emissions data.	31
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	31
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	31
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	31
KPI A1.5	Description of emission targets set and steps taken to achieve them.	31
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction targets and steps taken to achieve them.	32



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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.	27
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).	29
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	29
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	28
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	28
KPI A2.5	Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	29
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	27
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	27
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate related issues which have impacted, and those which may impact, the issuer.	27
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	27

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Social		
Employment and Labor 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.	18
KPI B1.1	Total workforce by gender, employment type (e.g. full-or part-time), age group and geographical region.	23
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	24
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.	33
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	34
KPI B2.2	Lost days due to work injury.	34
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	33-34



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Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	20
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management, etc.).	20
KPI B3.2	The average training hours completed per employee by gender and employee category.	20
Aspect B4: Labor 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 labor.	18
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	18
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	18

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Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	16
KPI B5.1	Number of suppliers by geographical region.	17
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.	17
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	16
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	16
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.	11-13
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	12
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	13
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	15
KPI B6.4	Description of quality assurance process and recall procedures.	12
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	13



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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.	25
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.	26
KPI B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	25
KPI B7.3	Description of anti-corruption training provided to directors and staff.	25
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.	24
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	24
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	24



新特能源股份有限公司

Xinte Energy Co., Ltd.