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## China XLX Culture
**中國心連心文化**

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

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

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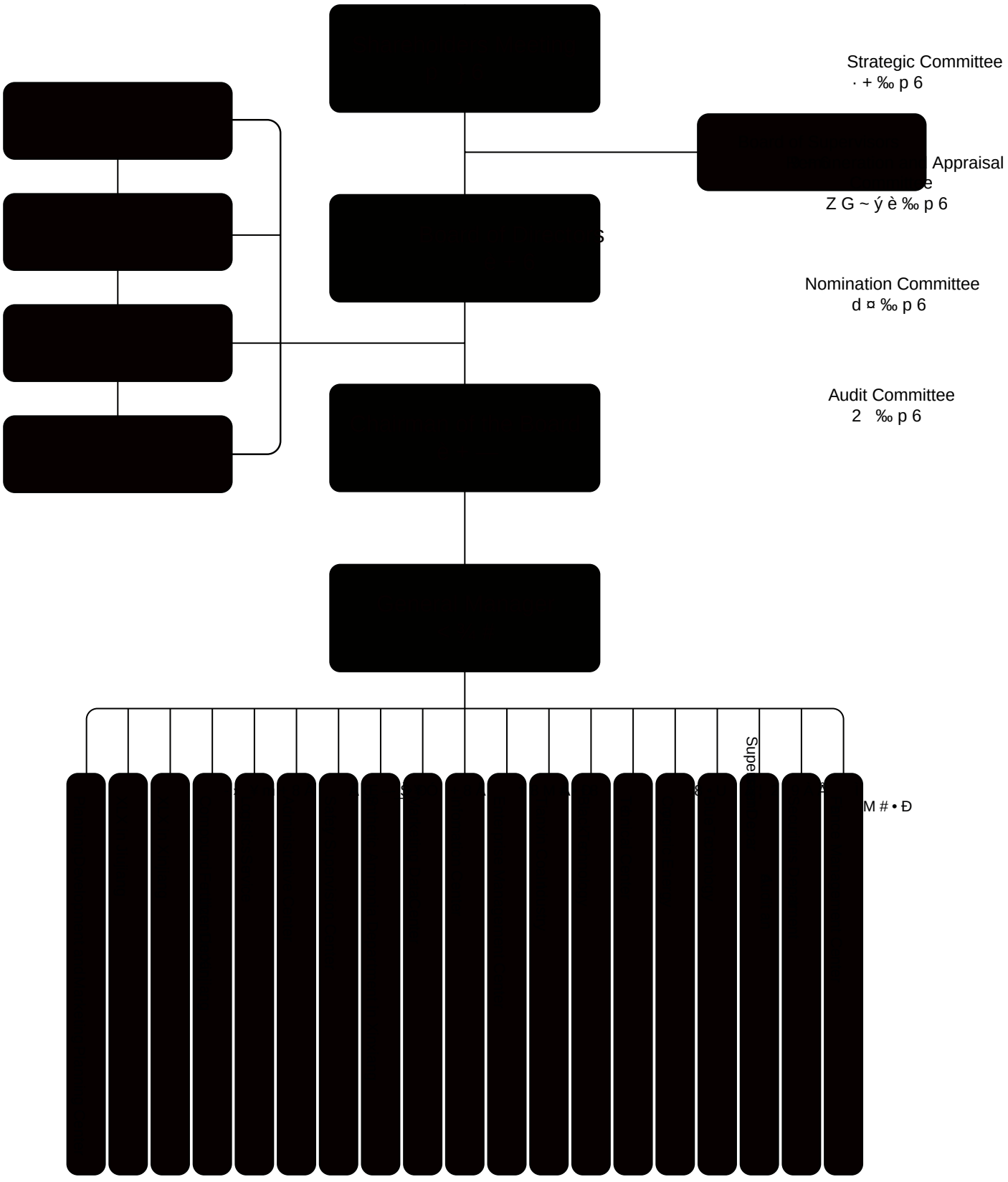
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## ABOUT THE REPORT

This report is the environmental, social and governance report of China XLX Fertiliser Ltd. (hereinafter referred to as XLX group or the group) in 2020. XLX Group adopts a business philosophy of "Strengthen and expand the main business and create the maximum value of the whole value chain", sticks to an enterprise spirit of "Studiousness, Dedication, Innovation,and Inclusiveness", and regards "for a better tomorrow" as its social responsibility,

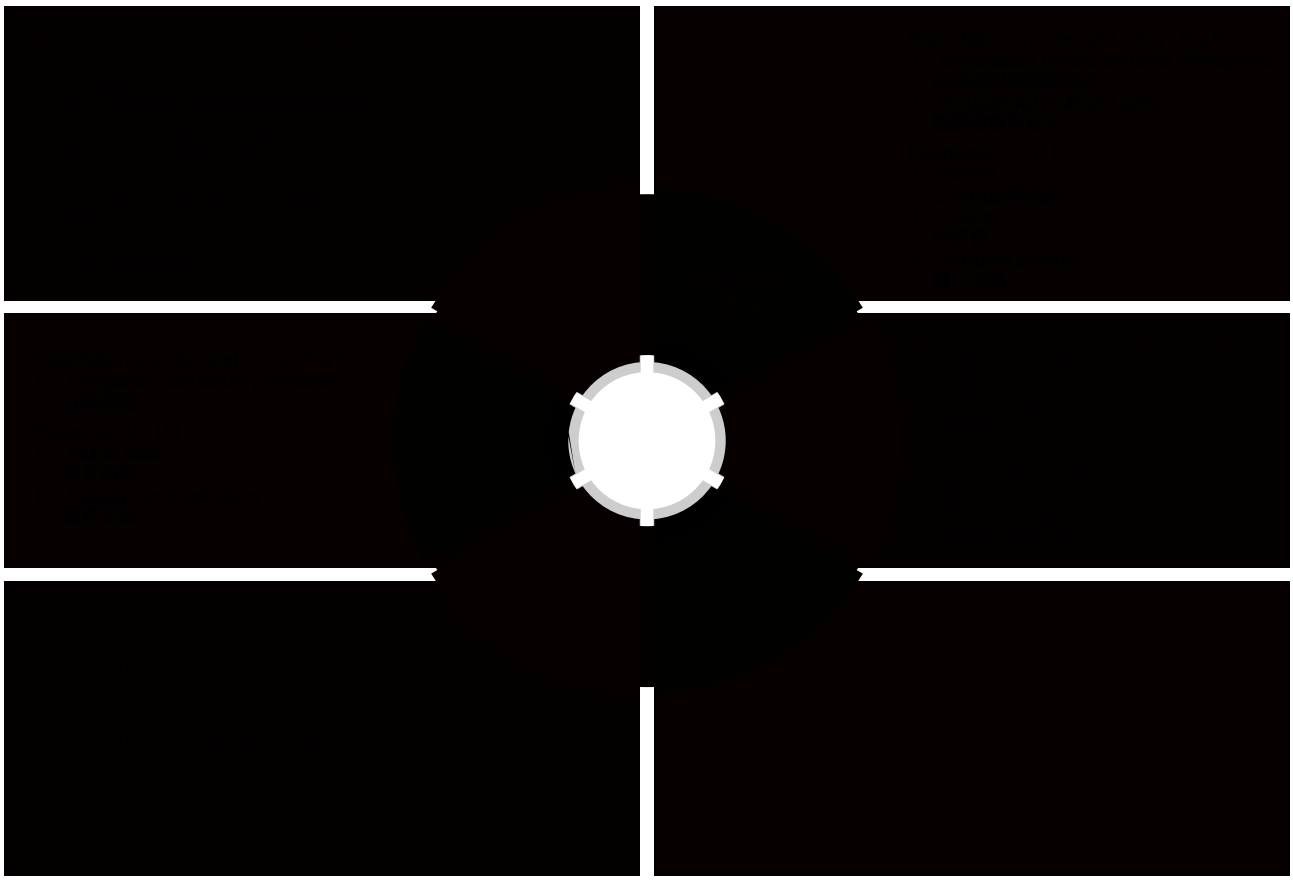

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## COMMUNICATION WITH STAKEHOLDERS

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

## 利益相關者溝通

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



## SUSTAINABLE DEVELOPMENT MANAGEMENT SYSTEM

Based on the development concept of "for a better tomorrow", XLX group insists on the upgrading development direction of clean coal chemical industry to ensure the advantages and leading position of chemical fertilizer industry. At the same time, new energy, new materials and chemicals should be moderately developed to form an overall industrial development pattern of "fertilizer based, fertilizer and chemical simultaneously". In the next three years, the group will actively respond to the social and industrial upgrading and development, as well as the requirements of the United

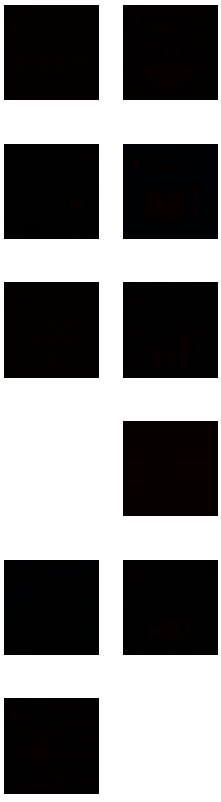
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| | Set "Environmental Protection Management Regulations", "XLX Group Energy Saving Management Regulations" and other relevant regulations to strengthen management and reduce the impact of environment and natural resources; at the same time, water-saving appliances and equipment are also used in the plant.<br>制定《環境保護管理規定》和《心連心集團公司節約能源管理規定》等相關管理規定來加強管理，減少對環境及天然資源的影響；同時廠區內也採用節水器具和設備。 | On the one hand, the group formulates medium and long-term low-carbon, energy-saving and water-saving plans to optimize specific technologies and devices; on the other hand, the group optimize energy operation and reduce the impact of environment and natural resources through real-time monitoring of various devices.<br>一方面，制定中長期低碳、節能節水計劃，優化具體技術和裝置；另一方面，通過各種裝置實時監測，優化能源運行，減少對環境及天然資源的影響。 | Through new technology and new equipment, achieving the goal of energy saving, resource reuse and low pollution emission, and achieving the goal of improving air quality and protecting the environment.<br>通過新技術、新設備做到節能、資源再利用和低污染排放全方面升級，並達到改善空氣質量、保護環境的目標。 | |

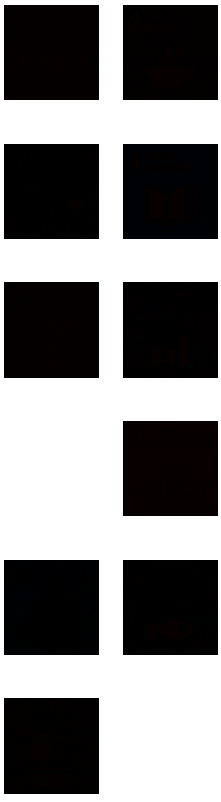
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| | According to the requirements of national and local governments, XLX group formulates corresponding measures to face climate change.<br>針對國家和地方政府的規定要求，制定相應面對氣候變化的措施。棹 | | | |

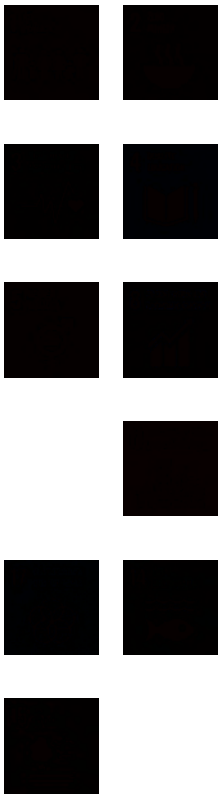
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| | In accordance with laws and regulations including the Labor Law of the People's Republic of China and the Labor Contract Law of The People's Republic of China, the XLX Group Personnel and Labor Management Regulations has been developed to effectively ensure that employees enjoy their labor rights and perform their obligations under the law.<br>依據《中華人民共和國勞動法》和《中華人民共和國勞動合同法》等法律法規制定了《心連心集團公司人事、勞動管理規定》，以保障員工依法享有勞動權利和履行勞動義務。 | Establish a perfect labor and human rights policy.<br>建立完善的勞工與人權政策。 | The global labor and human rights policy has reached the industry-leading level.<br>全球化的勞工與人權政策達到行業領先水平。 | |

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| To protect and improve the working environment, and safeguard the safety and occupational health of employees, XLX has been in strict compliance with laws and regulations including the Labor Law of the People's Republic of China, the Safe Production Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Occupational Diseases, as well as its internal rules including the Occupational Health and Safety Management Procedures, and the Emergency Plan Management Rules. It has effectively implemented the OHSAS18001 occupational health and safety management system and continues to improve the working environment and working conditions for employees in multiple areas. At present, XLX has already gotten the Certificate of Occupation Health & Safety Management System.<br>心連心集團嚴格落實《中華人民共和國勞動法》、《中華人民共和國安全生產法》、《中華人民共和國職業病防治法》等法律法規和內部《職業健康安全管理程序》、《公司應急預案管理規定》等規範性文件，並有效運行OHSAS18001職業健康安全管理體系。目前，心連心集團已經獲得「職業健康安全管理體系認證證書」。 | Carry out secondary planning for the plant area, create the whole process of occupational health, and make XLX group from "green factory" to "tourism factory".<br>對廠區進行二次規劃，打造全過程職業健康，讓心連心從「綠色工廠」邁向「可旅遊工廠」。 | Increase capital investment, constantly improve the working environment, protect the physical and mental health of employees, in line with international standards.<br>加大資金投入，不斷改善工作環境，保障員工身心健康，符合國際標準。 | |

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| | The group has carried out differentiated post skills training, general quality training, jointly running academic classes with colleges and universities, as well as teacher leading apprentice mode, and made use of time Guanghua online training platform to improve the knowledge and skills of employees. The group also carried out study tours to Japan, Germany and Taiwan.<br>集團開展差異化的崗位技能培訓、通用素質培訓與高校聯辦學歷班以及師帶徒等模式，利用時代光華在線培訓平台，提升員工的知識技能。並且開展了赴日、德以及台灣遊學。 | The group will continue to upgrade learning courses and training platforms to help employees improve their general and professional abilities.<br>集團將對標先進企業，繼續升級學習課程及培訓平台，幫助員工全方面提升通用能力及專業能力。 | To establish an international advanced technical and management team.<br>建立國際領先的技術和管理人才團隊。 | |

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| XLX strictly complies with the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China, and formulated the XLX Group Personnel and Labor Management Regulations<br>心連心集團嚴格遵守《中華人民共和國勞動法》和《中華人民共和國勞動合同法》等國家法律法規要求，制定了《心連心集團公司人事、勞動管理規定》。 | The group will continue to strictly abide by relevant laws and regulations, formulate corresponding treatment measures, and protect the basic rights of employees in all aspects.<br>集團將繼續嚴格遵守相關法律法規，制定相應處理措施，全方面保障員工的基本權利。 | In line with relevant international laws and regulations, continue to improve the group's personnel and labor management regulations.<br>接軌國際相關法律法規，繼續完善集團人事、勞動管理規定。 |  |

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| | Implement supplier control plan, improve supplier audit process, access assessment and standard setting. At the same time, establish a quality manual, make statistical analysis and form a list of quality defects, set a closed loop feedback process, and force suppliers to improve their quality through on-site visits.<br>實施供應商管控方案、健全供應商審核流程、准入考核及標準設定。同時建立建立質量手冊，統計分析並形成質量缺陷列表，設定反饋流程的閉環，並通過供應商現場走訪，倒逼供應商的質量提升。 | Through group management, promote the platform application of supplier management, procurement management and bidding management, and establish the big data procurement platform of XLX group company.<br>通過集團化的管理，推進和推廣供應商管理、採購管理、招採管理的平台應用，建立心連心集團公司模式的大數據採購平台。 | Based on TFs and ecovadis, improve the supplier social responsibility requirements, and build a sustainable supply chain management system framework.<br>基於TfS和EcoVadis完善供應商社會責任要求，並搭建可持續供應鏈管理體系框架。 |  |

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| | Strictly abide by relevant national laws and regulations, ensure the product quality, provide the quality service, increase the customer satisfaction, upgrade the customer service platform, and improve the product and service complaints and handling methods.<br>嚴格遵守國家相關法律法規，保障產品質量、提供優質服務、增加客戶滿意度、升級客服平台並完善產品及服務的投訴及處理辦法。 | 1. Through the group's new technology and new equipment to ensure the product more green, environmental and efficiency;<br>2. Continue to maintain the high customer satisfaction, and maintain the scores higher than 90;<br>3. Strive for the timely handling rate of complaints can be stabilized at more than 90%;<br>1、通過集團新技術、新設備，確保產品更加綠色、環保、增效；<br>2、繼續保持高的客戶滿意度，維持在90分以上水平；<br>3、爭取投訴處理及時率可以穩定在90%以上水平； | Make the products of XLX comply with the relevant regulations of global supply countries or regions for chemical fertilizer.<br>使心連心的產品符合全球供應國家或地區對於化肥的相關規定。 |  |



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| XLX group actively participates in social public welfare activities such as environmental protection, education, culture, sports, science, health, community construction, poverty alleviation and so on, contributing love and repaying society.<br>連心集團積極參加環境保護、教育、文化、體育、科學、衛生、小區建設、扶貧濟困等社會公益活動，奉獻愛心，回報社會。 | In the future, the group will actively respond to the call of the government, receive the task of poverty alleviation, accurately connect the target of poverty alleviation, and strive for the best performance of poverty alleviation.<br>未來集團將積極響應政府號召，領取扶貧任務，精准對接扶貧對象，爭取最佳扶貧績效。 | Give back to society as much as possible and create a harmonious and beautiful community environment.<br>盡可能回饋社會，創造和諧美好的社區環境。 | [redacted]<br>目標 |

## BRIEF INTRODUCTION OF THE REPORT

### REPORT SCOPE

The main data range of this report is from January 1, 2020 to December 31, 2020 (a part of contents are beyond the above scope). This paper expounds on the concept and practice of sustainable development and social responsibility of XLX group from two aspects of environment and society. According to the requirements of the guidelines, XLX group disclosed the key performance indicators in the field of environment in the report,

## A ENVIRONMENTAL

XLX has been stressing environmental protection, energy-saving and emission-reduction and comprehensive utilization of resources. In 2020, XLX group will continue to disclose its environmental performance. Under the supervision of the board of directors, XLX will take the initiative to adopt the industry's advanced cleaner production technology, speed up the industrial upgrading and green transformation of the enterprise, and invest a lot of money in the normal operation of environmental protection facilities every year. In addition, XLX Group continues to innovate and improve its technology, optimize its infrastructure, and achieve the leading level of the industry in terms of consumption indicators. Since 2011, the group has been rated as "energy efficiency leader benchmarking enterprise (synthetic ammonia)" by the Ministry of industry and information technology of the people's Republic of China and China Petroleum and Chemical Industry Federation for nine consecutive years. In the national key industry energy conservation and emission reduction standard competition, the group has won the "National May 1st Labor Award" and the highest environmental credit behavior evaluation level of 5A.

In 2020, XLX group will carry out four research projects on new technologies of energy conservation and emission reduction, including one project on environmental protection, two projects on energy conservation and one project on water conservation. Compared with that in 2019, the energy consumption continued to decline, which laid a solid foundation for the group to take the lead in energy efficiency and promote the technological progress of the industry.

## A 環境範疇

心連心集團始終高度重視環境保護、循環經濟和資源的綜合利用，一直秉承綠色發展理念，不斷加大環保投入，持續開展技術創新、設施升級等工作。2020年心連心集團繼續披露環境績效，在董事會的監管下，心連心主動採用行業先進清潔生產技術，加快企業產業升級和綠色化改造，每年投入大量資金用於環保治理設施的正常運行。此外，心連心集團不斷創新技術改造，優化基礎設施，各項消耗指標達到行業的領先水平。自2011年起，集團連續九年被國家工信部與中國石油和化學工業聯合會評為「能效領跑者標桿企業（合成氨）」，在全國重點行業節能減排達標競賽中，榮膺「全國五一勞動獎狀」殊榮，並且獲得企業環境信用行為評價最高級別5A等級。

2020年，心連心集團共開展節能減排新技術研究4項，其中環保類1項、節能類2項、節水類1項。較2019年相比，實現了能耗的持續下降，為實現集團能效領跑，促進行業技術進步打下了堅實的基礎。



## A1 EMISSIONS

XLX has been in compliance with laws and regulations strictly, such as Environmental Protection Law of the PRC, Water Pollution Prevention and Control Law of the PRC, Air Pollution Prevention and Control Law of the PRC, Solid Waste and Environmental Pollution and Solid Waste Prevention and Control Law, and the Interim Provisions on Administration of the Discharge Permit. It has also acquired emission permit legally and formulated a series of regulations due to the actual demand, for instance, Environmental Protection Management Regulations, Environmental Protection Facility Operation and Management Regulations, Integrated Measures for the Management of Water Resources (for Trial Implementation), and Solid Waste Management Regulations. These rules and regulations aim to regulate and promote environmental protection, pollution prevention and control, energy-saving and emission reduction, which can gradually achieve the institutionalization of environmental protection as well as sustainability.

XLX improves its environmental management level by establishing an ISO 14001 environmental management system, and conducts annual external audits, and renews the relevant certificate upon passing external audits. In order to strengthen environmental management, XLX has incorporated its departments, plants and branches into its environment management network and set out the relevant environmental protection responsibility in view of their respective duties.

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

心連心集團通過建立ISO 14001環境管理體系來提高心連心集團豈蓉贛鞜水污染

## 1 WASTEWATER DISCHARGE

For wastewater, XLX's sewage discharge has been in strict compliance with the national, ministry, local, district, and enterprise standards. In order to minimize the generation of wastewater, XLX group has installed wastewater treatment facilities. Since the wastewater purification equipment was put into operation, the technology department, branch plants and equipment manufacturers have reformed the filtration, purification, backwashing, water pump and odor of wastewater purification equipment. In addition, the daily management of wastewater equipment and strict implementation of process operation have ensured the environmental protection facilities in the normal operation and stable discharge of wastewater. Only when the water quality meets the company's external drainage water quality standard can XLX group directly discharge water through clear water ditch or clear water pipe. In order to ensure that all units of the group have effectively controlled the links of sewage generation, all units of XLX group have strengthened the management of discharge outlets, installed standardized metering facilities, and carried out regular comparison and strong inspection. At present, the wastewater treatment equipment has basically reached 15-20 treatment capacity, effectively reducing 80-90% impurities and grease in wastewater, reducing acid distribution blockage, and extending the operation cycle of wastewater evaporator.

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心連心集團的廢水排放標準一直嚴格遵守國家、部頒、地方、區域及企業標準。為了達到最大程度減少污水的產生，心連心集團安裝了污水處理設施，自廢水淨化設備投運後，技術部、分廠及設備廠家對廢水淨化設備的過濾、淨化、反洗、水泵、氣味等進行了改造，又從廢水設備的日常管理、嚴格落實按工藝操作入手等方面，確保了環保設施的正常運行和廢水穩定達標排放。心連心集團只有在水質符合公司外排水水質標準時才通過清水溝或清水管直接排水。為了確保集團各單位對產生污水的環節進行了有效控制，心連心集團各單位加強排放口管理，安裝規範的計量設施，進行定期比對和強檢，目前廢水設備基本達到15-20處理能力，有效降低廢水80-90%雜質和油脂，減少配酸堵塞現象，延長廢水蒸發器運行週期。

Since 2017, XLX group has controlled the impact of wastewater discharge on groundwater and surface water according to the indicators of COD≤40mg/L and NH3-N≤4mg/L, which is stricter than the discharge standard required by the government. In 2019, by introducing technologies such as reducing total nitrogen with concentrated water, ceramic membrane ultrafiltration and gasification ash drying, compared with the original ion exchange resin method, the wastewater discharge is greatly reduced. In 2020, the group adopts the process of lime, high-density sedimentation tank and ozone catalytic oxidation to treat the existing RO concentrated water, so that the final effluent COD is less than 40 mg/L. At the same time, the total nitrogen in the water is further treated by the advanced denitrification device, which provides the basis for the reuse of this part of wastewater. In the next three years, XLX group will continue to develop new technologies, and plan to reduce about 50% of the wastewater by adding new reclaimed water reuse facilities.



## 2 EXHAUST EMISSION

The emission standards of XLX group meet the national, ministerial, local, regional and enterprise standards. According to the standard of fume≤10mg/Nm3, SO2≤35mg/Nm3, NOx≤50mg/Nm3.

In order to achieve the emission of fume, SO2 and NOx up to the standard, XLX group implements the "tower leader and chimney leader responsibility system". All boilers are equipped with dust removal, desulfurization and denigration devices. Online monitoring devices are installed at the boiler outlet and operated by a third party. Online data can be uploaded to national, provincial, municipal and county monitoring platforms. The concentration of sulfur dioxide in boiler flue gas is less than 10mg/m, the lowest is less than 5mg/m, and the desulfurization rate is 99%. In 2020, the group will install an online monitoring system for ammonia escaping pollutants at the pollutant discharge outlet of the boiler to control the ammonia consumption, reduce ammonia escaping and improve the treatment level of pollutant discharge; at the same time, the group will carry out denigration transformation on the boiler, increase SCR catalytic reaction device, improve the treatment efficiency of nitrogen oxides in the boiler, and control the concentration of nitrogen oxides within 30mg/m.

The emissions of nitrogen oxides, sulfur dioxide and fume and dust of XLX group this year are 336 tons less than those of 2019. In the next three years, the group will use ammonia desulfurization, SCR + SNCR combined denigration and other methods to control the particulate matter in the waste gas at≤5mg/Nm3; SO2≤10mg/Nm3; NOx≤35mg/Nm3, so as to ensure that the company's waste gas treatment emission is in the leading position in the industry.

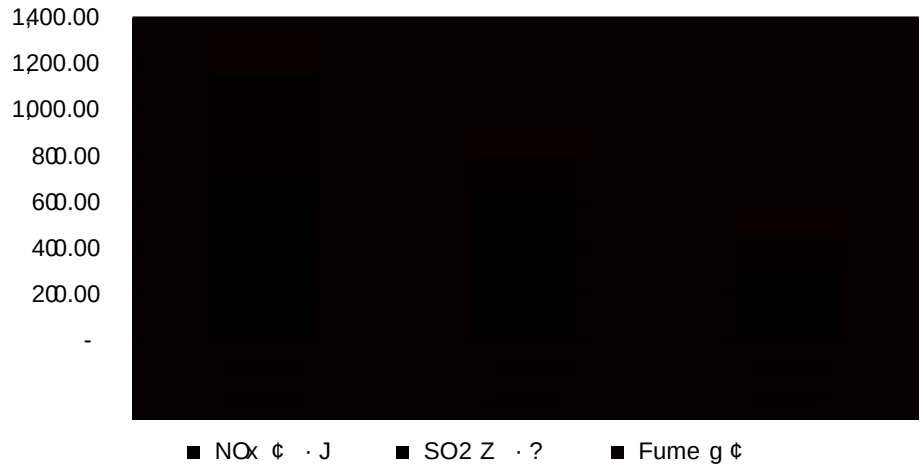
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心連心集團的廢氣排放標準符合國家、部頒、地方、區域及企業標準。按照煙塵≤10mg/Nm3、SO2≤35mg/Nm3、NOx≤50mg/Nm3的指標達標排放。

為實現煙塵、SO2和NOx達標排放，心連心集團實行「塔長、囪長責任制」，鍋爐全部配套安裝有除塵、脫硫、脫硝裝置，在鍋爐排放口安裝在線監測裝置，並由第三方運營，在線數據能夠上傳到國家、省、市、縣各級監控平台。通過氨水對鍋爐煙氣進行脫硫脫硝，鍋爐煙氣二氧化硫排放濃度低於10mg/m，最低可達5mg/m以下，脫硫率達99%。2020年，集團在鍋爐污染物排放口安裝氨逃硫
監測囪铱愷樽事囤二湮矐由甩蠆
囝億彐僻艎硫
硝　訾拔瀋垚名，囝吒v牖爐啟鵪凜媗卉璜

| | | | |
|---|---|---|---|
| NOx<br>氮氧化物 | 281.85 | 635.30 | 696.90 |
| Fume<br>煙塵 | 103.65 | 88.38 | 122.32 |

**Emissions of waste gas 廢氣排放**



## 3 WASTE DISCHARGE

According to local standards, XLX classifies wastes as harmless waste and hazardous waste which is beneficial to deal with hazardous waste and recycle or dispose of the harmless waste, and reports to competent environmental protection authorities on the types, production, flow, storage, disposal and other relevant information of major industrial solid wastes under the requirements of China's industrial solid waste declaration and registration system. It stores solid waste at a proper location or delivers them to qualified entities for incineration, compression, and other compliant treatments to reduce waste emissions. In the next three years, the group will continue to hand over qualified third-party units for compliant waste disposal.

## 3 ;Ý J ° ó

心連心集團按照地方標準對廢棄物進行分類管理，主要分為無害廢棄物和危險廢棄物，進而處理危險廢棄物和回收或售賣無害廢棄物，並根據國家工業固體廢物實行申報登記制度的要求，向環保主管部門提供主要工業固體廢物的種類、產生量、流向、貯存、處置等有關資料；對廢棄的固體廢物進行合理堆放，或轉移給有處理資質的單位進行焚燒、壓縮填埋等合規處置減少廢棄物排放。未來三年，集團將繼續交與第三方具有資質的單位合規處置廢棄物。

| | | | | | | |
|---|---|---|---|---|---|---|
| Harmless Waste<br>無害廢棄物 | 320,272.98 | 164,279.85 | 352,864.27 | 743.39 | 414.74 | 744.06 |

## 4 GREENHOUSE GAS EMISSION

XLX group has been actively responding to the requirements of national and local climate change authorities, taking a series of positive measures to reduce greenhouse gas emissions, orderly carrying out greenhouse gas emission data collection and reporting, and actively cooperating with third-party organizations to complete carbon emission data audit in December. At the same time, the group also takes this opportunity to strengthen carbon emission management from raw material procurement, quality analysis, production and operation, energy measurement and other aspects, continuously improve the company's carbon emission management level, effectively promote energy conservation and low-carbon work, and boost the high-quality development of the enterprise.

## 4 ]

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As the major emission entities, Henan XLX Chemical Industry Group Co. Ltd. and Xinjiang XLX Energy Chemicals Co., Ltd. receive annual inspection on carbon emission from a third-party verification institutions authorized by the government. Since the inspection time is later than the publishing time of the annual report, the data of greenhouse gas emission in 2020 cannot be disclosed in this Environmental, Social and Governance Report. To ensure the accuracy of data, XLX herein discloses the data of greenhouse gas emission in 2019 which was verified by the investigation agency; the data of greenhouse gas emission in 2020 shall be disclosed in the 2021 Environmental, Social and Governance Report after verification.

In 2019, the direct emission of the group will be 5.9 million tCO2e, about 750000 tCO2e less than that in 2018, and the indirect emission of energy will be 99000 tCO2e, 100000 tCO2e less than that in 2018. In the next three years, it is planned to reduce CO2 emissions by 250000 tons through the construction of photovoltaic power generation projects and CO2 capture projects, accounting for 4% of the current total emissions.

河南心連心化學工業集團股份有限公司和新疆心連心集團能源化工有限公司作為重點排放單位，每年接受政府授權的第三方核查機構的碳排放數據核查。由於核查時間晚於年報發佈時間，因此無法在本ESG報告中披露2020年的溫室氣體排放信息。為了保證數據的準確性，心連心集團在本報告中披露經第三方核查的2019年碳排放數據，2020年的碳排放數據通過核查後將在2021年的ESG報告中披露。

2019年，集團直接排放592萬tCO2e，相比2018年減少約75萬tCO2e，能源間接排放為99萬tCO2e，相比2018年減少10萬tCO2e。未來三年，計劃通過建設光伏發電項目和CO2捕集項目減少CO2排放25萬噸，佔目前排放總量的4%。

## A2 USE OF RESOURCES

XLX strives to make full recycled use of resources in all aspects, and maximize energy and water saving. In order to comply with the relevant energy laws and regulations including the Energy Conservation Law of the People's Republic of China and the Management Measures for Energy Saving at Key Energy Consumption Entities, to strengthen energy management and to improve energy efficiency, XLX has developed regulations and rules including the XLX Group Energy Saving Management Regulations and the Integrated Measures for the Management of Water Resources (for Trial Implementation). It aims to adopt measures that are technically feasible, economically reasonable and in line with the requirements of environmental protection measures, to reduce the loss and waste at various aspects including acquisition, storage, processing, conversion, and consumption of energy and to use water and energy more effectively and reasonably.

### 1 ENERGY CONSERVATION

XLX established the "leading Group for energy conservation and emission reduction" headed by the general manager, which strictly implements the responsibility system for energy conservation goals, instills the enterprise's strategy into the behavior of all employees through the performance management system for energy conservation goals, and ensures the realization of enterprise strategy with performance management, and creating the channel between strategy and performance realization. XLX has established an energy management.

## A2 U 4 \

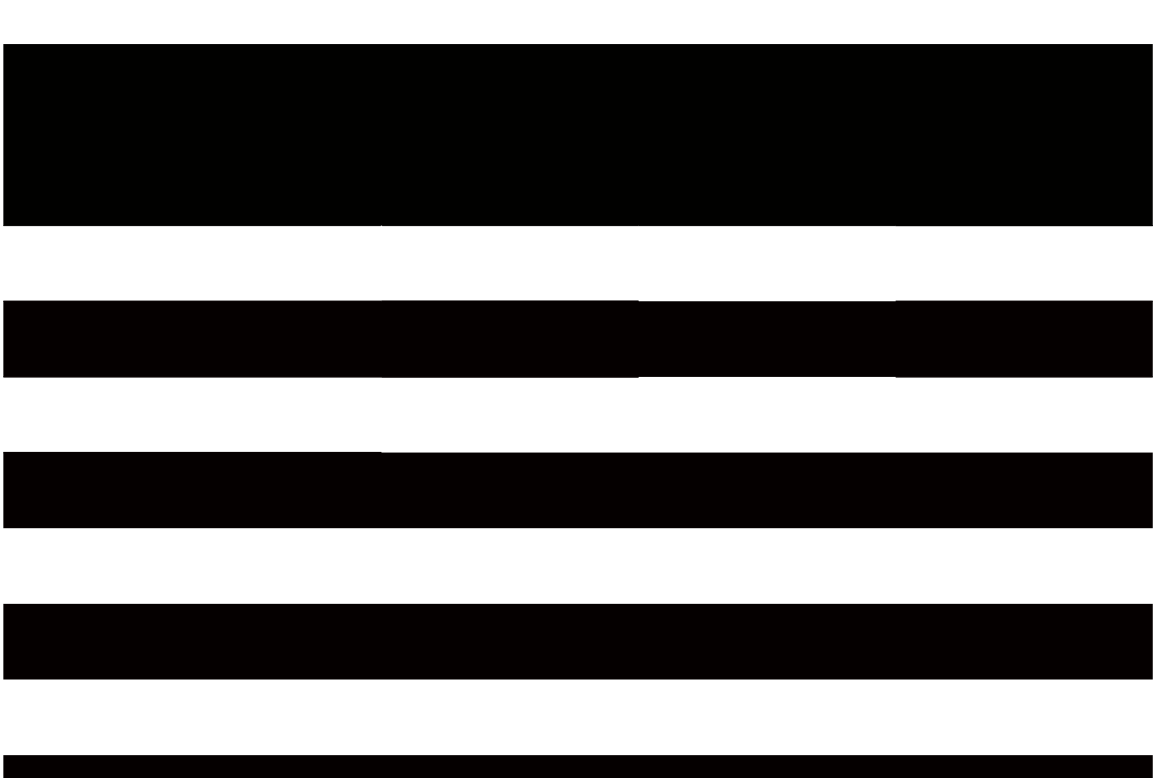
心連心集團力求在各個環節充分循環利用資源，最大限度地節能節水。為貫徹《中華人民共和國節約能源法》和《重點用能單位節能管理辦法》等相關能源法律法規，加強心連心集團用能管理，提高能源利用效率，心連心集團根據實際情況制定了《心連心集團公司節約能源管理規定》及《水資源一體化管理辦法（試行）》等制度辦法，要求採取技術上可行、經濟上合理且符合環境保護要求的措施，減少能源購入、儲存、늑놐少能萇約能

In order to further promote the comprehensive and efficient utilization of energy resources and achieve better economic, social and environmental benefits, the group has also prepared to build a professional chemical park of coal chemical circular economy, integrated the group's resources, coordinated cooperation, and carried out a number of resources comprehensive utilization projects according to the principle of complementary advantages and maximum interests. In addition, the group also carried out "energy efficiency benchmarking activities". Facing the mature and stable production process, how to avoid the repeated work step by step and day by day is the primary problem to achieve energy saving and consumption reduction. XLX launched the "benchmarking" action, which not only carries out the overall "benchmarking" for advanced enterprises, but also carries out special benchmarking for advanced processes and equipment. Through benchmarking, leak detection, improve their own value, continue to save energy and reduce consumption. In recent years, XLX has won more than 100 patents and awards in energy saving and consumption reduction, "development and application of 22Mpa energy-saving medium pressure ammonia synthesis system" won the second prize of science and technology progress of Nitrogen Fertilizer Association, "research and application of urea production process technology device" won the second prize of Science and technology progress of Henan Province. In particular, the overall energy consumption and pollutant emission of the project are at the leading level of similar technologies in the industry.

為進一步促進能源資源綜合高效利用，取得了較好的經濟效益、社會效益和環境效益，集團還籌建了煤化工循環經濟專業化工園區，整合集團資源、協調合作，根據優勢互補、利益最大化原則，開展了多項資源綜合利用項目。此外，集團還深入開展「能效對標活動」。面對成熟、穩定的生產工藝，如何避免按部就班、日復一日的重復工作是實現節能降耗的首要問題。心連心推出「對標」行動，既對先進企業進行整體「對標」，又針對先進工藝和設備進行專項對標。通過對標，查漏補缺，提升自身價值，持續節能降耗。近年來，心連心累計在節能降耗方面獲得100余項專利和獎勵，「22MPa節能型中壓氨合成系統裝置開發與應用」榮獲氮肥協會科技進步二等獎，「尿素生產工藝技術裝置研究與應用」榮獲河南省科技進步二等獎。尤其是「年產45萬噸合成氨裝置清潔生產工程技術項目」，整體能源消耗和污染物排放均處於行業同類技術領先水平。

In recent years, XLX has invested more than 600 million yuan in the introduction of energy-saving process and the transformation of energy-saving equipment. The larger projects include the enterprise energy management center with 69.17 million RMB investment, and the energy-saving technology transformation of synthetic ammonia production line with 51 million RMB investment. According to conservative estimation, since 2011, XLX has saved nearly 300,000 tons of standard coal, the comprehensive cost is about 10% lower than that of the same industry for many years, and the urea manufacturing cost is 16% lower than the average level of the industry. In the case of general losses in the national fertilizer industry, it still maintains a healthy and stable development momentum. At the same time, all units of XLX group strictly implement the national and industrial energy consumption quota standards, and regularly measure the efficiency of power consumption equipment, so as to ensure the economic and reasonable use of electricity. In the future, by implementing the solar term plan for furfural production, the group will maintain the unit steam consumption under normal conditions from about 16.2 tons

近幾年，心連心累計投入資金超6億元，用於節能工藝的引進和節能設備的改造，其中較大的項目有：投資6917萬元建設的企業能源管理中心，投資5100萬元的合成氨生產線節能技術改造等。保守估算，2011年以來，心連心累計節約標準煤近30萬噸，綜合成本連續多年比同行業低10個百分點左右，尿素製造成本比行業平均水平低16%，在全國化肥行業普遍虧損情況下，仍然保持健康穩定的發展勢頭。同時，心連心集團各單位均嚴格執行國家和行業的能耗限額標準，並定期對耗電設備進行效率測定，確保各單位經濟合理用電。未來，集團通過落實糠醛生產節氣方案，將正常情況蒸汽單耗維持在16.2噸左右。



## 2 SAVING WATER RESOURCES

XLX group strengthens the water-saving management of enterprises, makes rational use of water resources, creates a green and energy-saving enterprise, and establishes an integrated water resources management committee, which is responsible for formulating the annual water-saving objectives, indicators and incentive measures of XLX group, as well as information collection, technical reserve, project implementation, optimization and transformation, personnel training, key research activities, supervision and inspection of water-saving management.

In order to improve the recycling utilization rate of water resources, XLX group carried out cascade utilization of coal gasifier gasification ash water system, realized optimization, and saved 600 tons of water every day. After being treated by reclaimed water reuse, the utilization rate of circulating water reaches 99%, reaching the first level requirement of cleaner production (> 95%). In the future, XLX has been focusing on reducing unit consumption and water purification capacity. Currently, it is actively coordinating the approval and inspection process of furfural tower bottom wastewater purification device, which can be used in the plant in the future.

## 2 ·Òå U

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

為了提高水資源的循環利用率，心連心集團對煤氣化爐氣化灰水系統進行了梯級利用，實現優化，每天節約用水600噸。循環水排污通過中水回用處理循環使用後，利用率達到99%，達到清潔生產一級要求（＞95%）。心連心一直把降低單耗和水淨化能力作為努力的重點和方向，目前正在積極協調糠醛塔底廢水淨化裝置的審批考察流程，未來可供廠區內使用。

| | | | | | | |
|---|---|---|---|---|---|---|
| Water<br>水 | 19,221,519.00 | 12,632,076.00 | 9,953,394.53 | 4.46 | 3.19 | 2.10 |

## A3 ENVIRONMENT AND NATURAL RESOURCES

The main environmental and natural resource impacts of XLX group include waste gas and wastewater discharge, water and energy consumption. XLX group attaches great importance to the impact of the environmental and natural resources caused by the operation process, establishes the targeted environmental management system and energy management system, and formulates the environmental protection management regulations and energy saving management regulations of XLX group to strengthen the management and redu(t)vi447 Tc T*[str)11(engthwanage《) Tj(t)(u)(t)(i)(l)(i)(t)(y) (m)(a)(n)(a)(g)(e)(m)(e)(n)(t) (r)(e)(g)(u)(l)(a)(t)(i)(o)(n)(s) (o)(f) (t)(h)(e) (e)(n)(v)(i)(r)(o)(n)(m)(e)(n)(t)al(ces cau

## A3 ¤¿ÂÍU

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

同時，心連心的規劃、設計、建設過程，也處處體現了環保的理念。建築材料均選用蘊能低、高性能、高耐久性的優質建材。優先採用節水器具和設備。廠區內綠化植採用適合工廠種植的維護少、耐候性強的植物。室外透水地面面積佔室外總面積的比例不小於30%。

## A4 I·

心連心集團極響應國家和地方氣候變化主管部門的規定要求，參照氣候相關財務信息披露工作組(TCFD)的建議，將氣候風險納入公司全面風險管理體系中，並制定主動抗御氣候變化的管理方針及策略。

1 THEMAJORDIFFICULTIESFACEDBY XLX 1 Ð¹Ð« &WYô I,

| | |
|---|---|
| 1. The emission standards of pollutants have been continuously improved;<br>2. The "fee to tax" of water resources and pollutants promotes enterprises to reduce emissions.<br>1、污染物排放標準不斷提高；<br>2、水資源、污染物「費改稅」等促使企業減排。 | Using new technology, new process, vigorously develop the circular economy, such as: the introduction of advanced control system (APC) of production equipment, the transformation of water-saving and demisting of circulating water, etc.<br>使用新技術、新工藝，大力發展循環經濟，例如：引進生產裝置先進控制系統（APC）、循環水節水除霧改造等。 |
| | |
| Because of the serious over exploitation of groundwater in Hebei Province, Xinxiang is a water shortage area, and XLX is a big water user. The water resource tax leads to limited water use and higher operating costs.<br>由於河北省地下水超採嚴重，新鄉為缺水地區，而心連心又是用水大戶，徵收水資源稅導致用水受限，運營成本提高。 | Developing water recycling technology, for example, water saving and defogging of circulating water can recycle 150 tons of water every hour.<br>開發水循環利用技術，例如循環水節水除霧改造，使得每小時節水150噸。 |

2 THE MAJOR CLIMATE OPPORTUNITIES IDENTIFIED BY XLX

| | | |
|---|---|---|
| Market expansion<br>市場擴大 | The products with high performance, low pollution and zero emission bring more opportunities to the development of domestic and foreign projects. For example, XLXhumic acid products show outstanding performance in practical application and are exported to more than 20 countries and regions such as Japan, the United States, South Korea, Brazil, Australia, South Africa, Southeast Asia and Europe;<br>高性能、低污染、零排放的產品對開發國內外項目帶來更多機遇，例如心連心腐植酸產品在實際應用中表現特出，出口日本、美國、韓國、巴西、澳大利亞砭滯玁勝龍弭癩睹似畬耟蠖 仞騪畝檷鬚恢夷炤匰犬跰 | |

## B SOCIAL

While pursuing economic benefits, the group attaches great importance to the performance of corporate social responsibility, maintains the interests of shareholders, employees, customers, business partners and the whole society, treats suppliers, customers and employees in good faith, improves the efficiency and quality of implementation by using professional advantages, and combines social responsibility with long-term competitive advantage of the enterprise. It has passed the ISO14001 certification of environmental protection management system and ISO18001 certification of occupational health and safety management system in 2006 and 2009 respectively. As an enterprise with social responsibility, it also puts the "people-oriented" goal into practice, adheres to the principles of justice, fairness, equality, and has established a sound salary incentive system, welfare system, promotion system, and carried out a variety of staff activities.

### B1 EMPLOYMENT

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

## B 社會

本集團在追求經濟效益的同時，高度重視企業社會責任的履行，維護股東、員工、客戶、商業夥伴與整體社會等各方利益，誠信對待供貨商、客戶和公司員工，利用專業優勢提高執行效率和質量，並將履行社會責任與提高企業的長期競爭優勢結合起來，於2006年及2009年分別順利通過「環保管理體系ISO14001認證」及「職業健康安全管理體系ISO18001認證」。作為一個具有社會責任感的企業，心連心集團將「以人為本」的目標落到實處，堅持公正、公平、平等原則，建立了完善的薪酬激勵體系、福利制度、晉升制度，並開展了多樣化的員工活動。

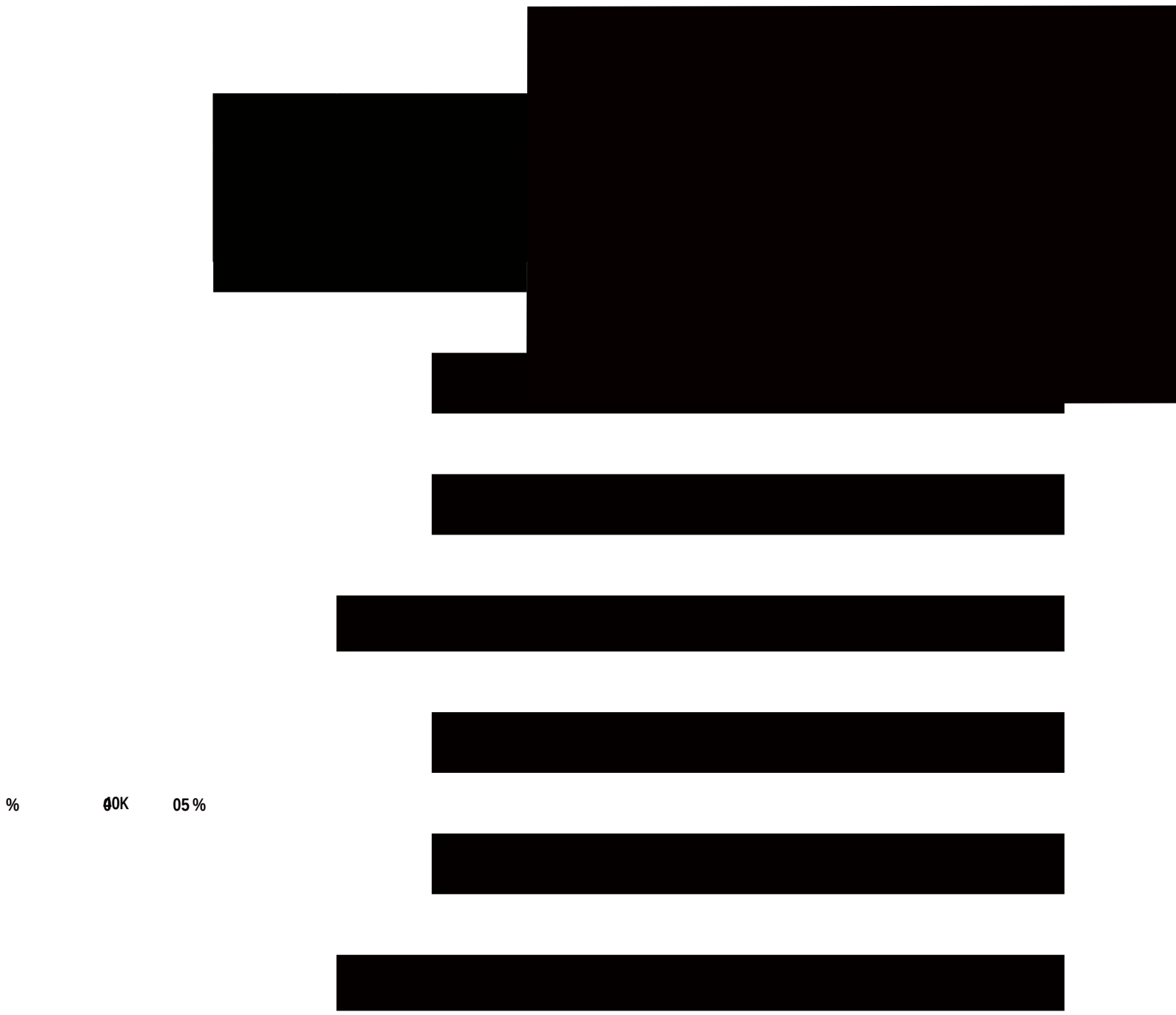
### B1 ‡¿

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

## 1 PERSONNEL RECRUITMENT

XLX implements unified personnel planning and recruitment. It recruits talent through multiple methods including online recruitment, campus recruitment, special recruitment, and large job fairs, conducting comprehensive evaluation and selection of external candidates based on job requirements and standards.





| | | | | | | |
|---|---|---|---|---|---|---|
| Undergraduate<br>本科 | 1,947 | 32.5% | 378 | 30.5% | 288 | 28.0% |
| Doctor<br>博士 | 3 | 0.1% | 0 | 0.0% | 0 | 0.0% |

| | | | | | | |
|---|---|---|---|---|---|---|
| The Number of new male recruits<br>新招男員工數量 | 295 | 77.63% | 106 | 65.43% | 93 | 83.04% |

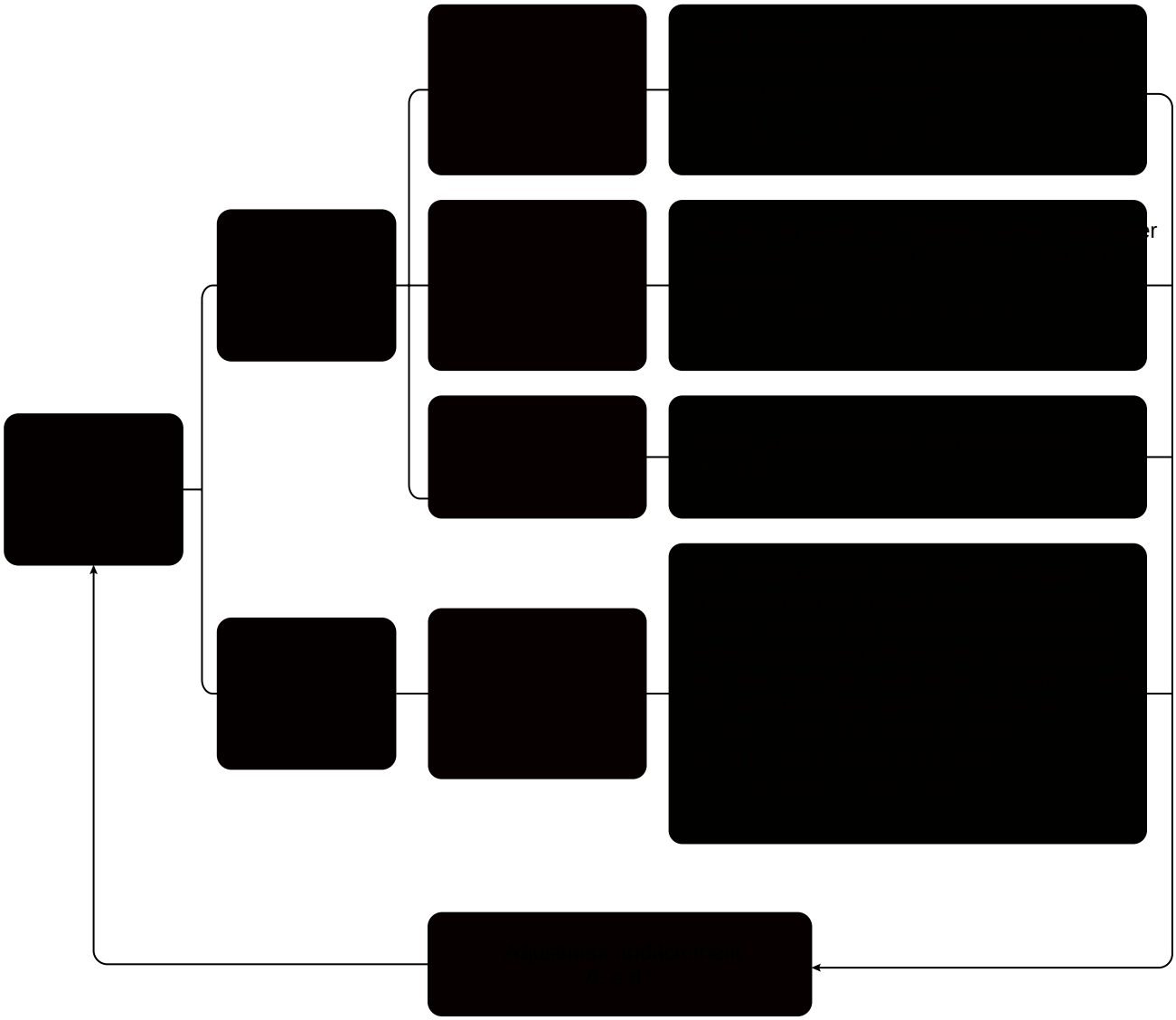
## 2 COMPENSATION AND WELFARE

XLX has set up a fair and equitable, multi-level, multi-type compensation incentive system, subject to annual adjustments, which could promote the progress of firm and employees.

## 2 ZGE;

心連心集團建立了公平公正、多層次、多類別的薪酬激勵體系，並且每年適時調整，促進了企業與員工共同進步。

**Compensation and Welfare System**
**公司薪酬福利體系**



In 2020, the Human Resources Committee approved the "XLX Group 2020 Annual Salary Adjustment Plan", the proportion of individual and unit payment is 10%, which greatly improved the happiness index of employees.

2020年，人力資源委員會通過了《心連心集團公司2020年年度薪酬調整方案》，個人和單位的繳費比例都在10%，極大提升員工幸福指數。

### 3 WELFARE

XLX provides endowment insurance, unemployment insurance, medical insurance, industrial injury insurance and maternity insurance contributions to employees on time. Moreover, gifts and shopping cards on holidays including the Spring Festival and the Mid-Autumn Festival are provided as festival welfare, and meal subsidies and accommodation are issued as daily welfare. In addition, XLX cooperates with large hospitals to offer regular free physical examinations to employees. From 2019, the group will continue to increase large medical insurance benefits,and the maximum payment limit (hospitalization reimbursement limit) of basic medical insurance above RMB 80000 increased from RMB 280000 in 2018 to 350000, which increases the reimbursement amount for serious diseases and improves care for employees.

### 3 E ; Ù &

心連心集團按時為員工繳納養老保險、失業保險、醫療保險、工傷保險和生育保險；在春節、中秋等節日會發放禮品、購物卡等；定期與大型醫院合作，為員工提供免費體檢服務；發放餐補；提供住房。從2019年開始，公司繼續增加大額醫療保險福利，在基本醫療保險最高支付限額8萬元以上最高支付限額（住院報銷上限）由2018年的28萬增加到35萬，提高了大病報銷額度，提升了公司對員工的關愛度。

### 4 INCENTIVE MECHANISM

In order to promote and encourage innovation, XLX group has established a diversified incentive mechanism. Around "low cost and differentiation", it has set up a real-time incentive system of monthly salary incentive + main business systems, and create many awards such as management innovation award, technology innovation award and QC achievement award. In 2020, XLX group will further optimize the target incentive system and performance strategy management system, and complete the project. The incentive mechanism should be standardized from the aspects of making annual incentive measures, making separate incentive measures for key events, and modifying and improving performance management methods. For example, the general manager's fund is set up to give additional rewards to employees who have made significant contributions to the company. The reward is given in cash and back-to-back. At the same time, set up branch manager reward fund, used to improve the work enthusiasm of grass-roots staff, reward to the individual or team that contributed to the branch.

### 4 ç , Ú S

為提倡和鼓勵創新，心連心集團建立了多元化的激勵機制，圍繞「低成本、差異化」，設置月度薪酬激勵+各主要業務系統的即時激勵體系，並設立了管理創新獎、技術創新獎、QC成果獎等諸多獎項，2020年心連心集團進一步優化目標激勵體系和績效管理體系，完善創新管理辦法等方面的制度，關鍵事件制定單獨激勵辦法，例如定年度大目標激勵辦法，對公司改完善績效管理辦法不斷規範。促進激勵機制有重大貢獻的員工給予額外獎設立總經理獎勵基金，採用勵。該獎勵以現金形式、「背靠背」的辦法進行發放。同時，設立分公司經理獎勵基金，用於提高基層員工的工作積極性，獎勵給對分廠作出貢獻的個人或班組。

5 PROMOTION AND DEVELOPMENT

The position system in XLX has established standard requirements for the name and rank of positions and their promotion paths, and also composed a series of assessment schemes, for example, the Measures for Selecting and Appointing Cadres at the Grassroots level. In order to further broaden the talent development platform, standardize the work of employee career development, preliminarily define the general standards of job qualifications at all levels, so that employees engaged in different jobs have equal career paths and opportunities, XLX started to implement the job qualification system and standard training, the preparation of job qualification standards, the construction of evaluation system and the implementation of certification evaluation from the end of 2018 list measures.

6 CARE FOR EMPLOYEES' LIFE

– On March 13, 2020, due to the impact of the COVID-19, there are many difficulties in returning to the work. 164 employees of XLX group of Xinjiang Province, starting from Xinxiang City, Henan Province, arrived in Urumqi by the charter plane arranged by the group and returned to Changji Manas plant area smoothly.

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心連心集團的職位體系對職級名稱和序列對應作了規範，並建立了《幹部管理辦法》等一系列考核評定辦法。為進一步拓寬人才發展平台，規範員工職業發展工作，初步明確各職級任職資格通用標準，使從事不同的工作的員工均有平等的職業生涯路徑和機會，心連心集團從2018年底開始實施任職資格體系及標準培訓、任職資格標準編制、構建評價體系並實施認證評估等一系列舉措。

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– 2020年3月13日，因受疫情影響，公司人員返崗存在諸多困難，新疆心連心公司的164名職工從河南省新鄉市出發，統一乘坐公司安排的南航包機抵達烏魯木齊，順利返回昌吉瑪納斯廠區。

## B2 HEAITH AND SAFETY

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

In 2020, in order to conscientiously implement the general secretary Xi Jinping's important exposition on safety in production, in particular, the spirit of "the fundamental elimination of potential dangers" has been made in the near future. F Ce establish the concept of people-centered safety development, comprehensively implement the safety production policy of "safety first, prevention first, comprehensive management", build the group's general goal, strengthen the group's special rectification of safety production, improve the management level of safety production, and foree special action plan in accordance with the relevant provisions of "three-year action plan of national special rectification of safety production" and other documents. Through the implementation of the three-year action, XLX will improve and implement the responsibility system, system achievements, management methods, key projects, working mechanism and prevention and control system to fundamental2y eliminate the potential accidents of hazardous chemicals, and solidly promote the modernization of the safety management system and management ability of hazardous chemicals. From 2018 to 2020, the number of work-related casualties of the group is 0.

## B2 p ~ Ä Œ

為保護和改善工作環境、維護員工安全和職業健康，心連心集團嚴格落實《中華人民共和國勞動法》、《中華人民共和國安全生產法》、《中華人民共和國職業病防治法》等法律法規和內部《職業健康安全管理程序》、《公司應急預案管理規定》等規範性文件，並有效運行OHSAS18001職業健康安全管理體系，從各個方面不斷改善員工作業環境和勞動條件。目前，心連心集團已經獲得「職業健康安全管理體系認證證書」。

2020年，為認真貫徹落實習近平總書記關於安全生產重要論述，特別是近期作出的「從根本消除事故隱患」的重要指示精神，牢固樹立以人民為中心的安全發展理念，全面落實「安全第一，預防為主，綜合治理」安全生產方針，打造公司總目標，按照《全國安全生產專項整治三年行動計劃》等文件相關規定，加強公司安全生產專項整治，提高安全生產管

1 SAFETY TRAINING

In May 2020, XLX organized the first special training for internal trainers of safety professional in Baligou Training Center. A total of 51 safety management personnel from Xinxiang Ammonia Division, Xinxiang Compound Fertilizer Division, Safety Supervision Center and Electric Instrument Operation Department of Xinxiang Ammonia Division participated in the training, covering three major safety management personnel including process safety, equipment safety and electrical engineering.

1 ÄŒCÅ

2020年5月，心連心公司在八里溝培訓中心組織了公司第一期安全專業內訓師專項培訓。來自新鄉合成氨事業部、新鄉復合肥事業部、安全督察中心、新鄉合成氨事業部電儀運營部共51名，涵蓋工藝安全、設備安全、電工專業三大專業的安全管理人員參加了此次培訓。



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### 3 EMERGENCY DRILL

In order to further strengthen the awareness of risk prevention, train the emergency team and comprehensively improve the group's ability to deal with emergencies, XLX regularly organizes and conducts emergency drills of comprehensive contingency plans in accordance with the requirements of national laws, regulations and the company's drill plan.

– June 10, 2020, the group has carried out a total of 47 minutes for comprehensive preparedness drill activities, involving Xinxiang synthetic ammonia, production coordination department, department of binary company group office, technology center, logistics center, cryogenic energy companies and chemical industrial park molecules and other ten units relevant staff, including 65 people live in, and evacuation personnel 353 people, view personnel 38 people, evaluation personnel 6 people.

### 3 Ð" Ö

為進一步強化風險防範意識，鍛鍊應急隊伍，全面提升公司突發事件應急處置能力，根據國家法律法規要求及公司演練計劃，心連心集團定期組織開展綜合預案應急演練活動。

– 2020年6月10日，集團開展了總用時47分鐘的綜合預案應急演練活動，涉及新鄉合成氨事業部二分公司、生產協調部、集團辦公室、技術中心、後勤服務中心、深冷能源公司及化工園區分子公司等十個單位相關人員，其中參演人數65人，疏散人員353敢蓮胺數

## B3 DEVELOPMENT AND TRAINING

XLX attaches great importance to talent training and has established an education mode with the characteristics. In 2020, XLX provided differentiated job skill training and general quality training for employees at different positions and levels, as well as, held academic classes together with colleges and universities and implemented a mentorship system,b7(o)1(r)vdes, take advantage of the online training platform of Times Guanghua, increasing the know3udge and skills of existing employees to ensure their abilities to meet the development needs of the firm.

In June 2020, in order to meet the needs of the rapid development of the group, carry forward the group's "pass, help and lead" style, create a good learning atmosphere in the department, promote the team construction of the financial management center, the f(r)vnanc(r)val management center held the "teac(r)her and apprentice" signing ceremony in the west conference room of the third f(r)loor of the admvnistration buildvng. The group's senior f(r)vnanc(r)val management center deputy manager and 18 pairs of teachers and apprentices attended the ceremony.

## B3 ï • ¿ C Å

心連心集團重視人才培訓，並探索出了具有心連心集團特色的培訓模式，2020年對員工開展實施了差異化的崗位技能培訓、通用素質培訓與高校聯辦學歷班以及師帶徒等模式，利用時代光華在線培訓平台，提升員工的知識技能，確保能更好地適應公司的快速發展。

2020年6月，為滿足公司快速發展

## B4 LABOUR STANDARDS

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

## B4 ö _ Æ

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

## B5 SUPPLY CHAIN MANAGEMENT

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

## B5 6 Ð á M #

心連心集團依據《採購管理程序》、《招投標管理程序》《供應商管理程序》，篩選出技術需要和滿足產品競爭需要的供應商，並且在採購信息中增加有害物質使用、可回收材料使用、能效等環保要求，打造穩定、誠信、高效的供應商隊伍，在向先進的上下游供應鏈合作夥伴學習的同時，傳遞公司的安全、企業社會責任理念，帶領供應鏈的企業持續改善，共同實現在環保、安全與健康領域的社會責任承諾。

In 2020, XLX will implement the supplier management and control plan, improve the supplier audit process, access assessment and standard setting. At the same time, the group set up a quality manual, made statistical analysis and formed a list of quality defects, set up a closed-loop feedback process, and forced suppliers to improve their quality through on-site visits to suppliers; In the future, the group will continue to optimize supplier management mode, set up collectivization Zhaocai management platform, implement in supplies online, online evaluation of suppliers, the risk management of all process control, procurement of online intelligent upgrade, such as the operation to use Jingdong and business expansion and extension of product, realize the transformation of the Huicai mode, through the collectivization management, promote supplier management, procurement management, Zhaocai management platform application, establish XLX group purchasing platform model of big data.

2020年，心連心集團實施供應商管控方案，健全供應商審核流程、准入考核及標準設定。同時建立質量手冊，統計分析並形成質量缺陷列表，設定反饋流程的閉環，並通過供應商現場走訪，倒逼供應商的質量提升。未來，集團將持續優化供應商管理模式，搭建集團化招採管理知慧平台，實現集採物資上線，供應商線上評價、風險管理的可控、採購全流程的線上操作等智能化升級，以借助京東和商務品台的擴展和延伸，實現慧採模式的轉型，通過集團化的管理，推進和推廣供應商管理、採購管理、招採管理的平台應用，建立心連心集團公司模式的大數據採購平台。

## B6 PRODUCT RESPONSIBILITY

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

### 1 ENSURING PRODUCT QUALITY

In addition, XLX has established a quality control system ISO9001, which was approved by a third party, formulated and strictly implemented internal systems including the Control Program of Product Realization, the Management Program of New Products, Maintenance Management Program for Public Relations, the Management Measures for Customer Satisfaction Survey, the Regulations on the Management of Product Formula and the Intellectual Property Management Procedures. It strives to improve customer

XLX holds quality analysis meetings regularly to improve quality awareness. At the same time, in line with the principle of "high efficiency, environmental protection and safety", XLX has formulated the "New Product Introduction Acceptance

3 CUSTOMER SATISFACTION

In December 2020, XLX group commissioned a third-party professional company to conduct a customer satisfaction survey of the group's products. The overall customer satisfaction score of this year is 90.28 points, higher than the average score of the industry. At the same time of strengthening customer relationship management, the group should understand customer feedback from multiple perspectives from the source, and take customer feedback as the direction of improving customer satisfaction, so as to form a closed-loop management of customer relationship maintenance.

4 COMPLAINTS AND HANDLING OF PRODUCTS AND SERVICES

Since 2019, XLX has upgraded its customer service platform. The customer service center adheres to the concept of "customer first, attentive service" and provides quick solutions. At present, the platform can not only consult product prices and agrochemical services, but also make complaints about products and services. The group's big data center will report the weekly summary data to key business operators, so as to continuously optimize products and services.

## B7 ANTI CORRUPTION

XLX in the construction of anti-corruption work, focusing on honest, strong internal control and fraud, the group executives are of the utmost importance to the enterprise internal discipline inspection work, authorization audit supervision in disciplinary inspection and supervision, compliance and risk control functions, such as work, actively build risk oriented, to control as the main line, with management as the goal, with value-added mode of modern enterprises for the purpose of the fraud.

XLX joined the Chinese enterprise coalition against fraud in 2018,

## 1 TRAINING AND EDUCATION

XLX on a regular basis to carry out the party members to study, further promote the "two learn how to make a" learning education normalized institutionalization, at the same time, the company high-level, main value chain of the core staff, regularly carry out warning education training, professional ethics from the company case, case example and social real cases, let everybody resist the temptation of money fame and wealth, be upright, be strict with yourself and set an example. In addition, the group also hired professional lawyers to carry out the training of "Early Warning of Criminal Risks in Enterprise Operation" for the middle and senior management of the company to strengthen the legal awareness of the middle and senior management. In addition, the group combines with Xinxiang City Warning Education Base and Xinxiang Municipal Prison. Every year around July, the company organizes the middle and senior management and the personnel in the core positions of money and property management to visit the prison and listen to the report. Let staff learn lessons from every shocking case and every heart-rending confession, understand that the lawdomoto ston and Soct thee apanunderstmi-30(y )]TJ rthe ry(enne middlou stthe r)1ist the tnorCevoperery

2 OPTIMIZE THE MECHANISM

XLX introduced the idea of comprehensive risk management, optimized the management process, strengthened the main responsibility, and formed a strong and solid management system. The group has formulated the Eight Prohibitions to clarify the power red line of management levels. It has formulated the Measures for the Administration of Corporate Integrity and the Prohibition on Corporate Integrity to set the requirements for all employees of the company. The Measures for the Management of Complaints and Reports of XLX has been formulated to clarify the channels for complaints and reports, and at the same time, play a warning and prevention role to further improve the anti-fraud control effect of companies. It has formulated and issued the Auditing System on Leaving Office (Appointment) to audit the performance of leading cadres' rights during the period of recognition.

3 STRICT SUPERVISION

The Group set up a special department to strengthen the internal supervision of the enterprise. The Ministry of Audit and Supervision is responsible for carrying out special supervision on the major operational problems of enterprises, urging relevant units to make rectification of the discovered problems, and holding violations of regulations and disciplines to account. The group will continue to combine strict regulation with love and encourage people to assume their responsibilities. XLX not only seeks truth from facts, carries out precise accountability in accordt>(a)1(g)1(e)1( p)1(e)1(o)1( 0.a)1( )1(i)1(o4po,)26 Complaints a(s)19b

## B8 COMMUNITY INVESTMENT

XLX actively participates in environmental protection, education, culture, sports, science, health, community building, poverty alleviation, and other social welfare activities to devote love and create returns for the society.

### 1 PROJECTS TO BENEFIT THE PEOPLE

The energy-saving renovation project of exiBtxSsTf 9.s

2 CHARITY

During the epidemic, clinical blood tension, in order to ease the tension of the county medical emergency blood, to ensure the safety of blood, Xinxiang City blood supply station recently carried out voluntary blood donation activities, XLX is listed as one of the activities of blood donation sites. In August 2020, Xinxiang City Central Blood Station came to XLX to carry out the "voluntary blood donation and love" activity.

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疫情期間，臨床用血緊張，為緩解縣醫療急救用血的緊張局面，保障用血安全，新鄉市供血站近期在全縣範圍開展無償獻血活動，心連心公司被列為活動的其中一個獻血站點。2020年8月，新鄉市中心血站來到心連心公司開展了「無償獻血　奉獻愛心」活動。

3 SUPPORTING INDUSTRY

In April 2020, XLX held fertilizer donation ceremony in Manas, the group hopes to be able to help farmers increase production, and if the farmers have questions in the process of use,or other questions in agricultural technology aspect, who can call "400" service lines on the packages, the company will provide free agrochemical service.

3 §5*8

2020年4月，在瑪納斯縣舉行了心連心公司愛心化肥捐贈儀式，心連心公司希望能夠幫助農民增產增收，並且後續農民朋友在使用過程中如果有需要咨詢的問題以及農技方面的疑問，可以撥打「400」服務電話，公司將提供免費的農化服務。