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

2025
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Contents

I. About This Report

1. Basis of Preparation of the Report

This report is prepared in accordance with the Environmental, Social and Governance Reporting Code (the "**ESG Reporting Code**") in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**") for disclosing the management measures and performance related to the Company's Environmental, Social and Governance ("**ESG**").

2. Time Scope

This report is an annual report covering the period from 1 January 2025 to 31 December 2025 ("**2025**" or the "**Reporting Period**").

3. Coverage of the Report

The entities covered by this report include Xinte Energy Co., Ltd. ("**Xinte Energy**", "**we**" or the "**Company**") and its subsidiaries (with the meaning given to that term under the Listing Rules) (collectively, the "**Group**"), and is consistent with the scope covered by the Company's annual report.

4. Release Cycle

This report is Xinte Energy's tenth environmental, social and governance report, which is released annually.

5. Basis of Preparation

This report is prepared in accordance with the principles of materiality, quantitative, balance and consistency under the ESG Reporting Code of the Stock Exchange to ensure relevance, completeness, clarity and comparability of the report. The Company has determined the disclosure content and scope through identification of material ESG issues and communication with various stakeholders.

6. Information Description

The data used in this report comes from the Group's official documents and reports, internal statistical data and public data. The currencies in this report are presented in RMB, unless otherwise specified. This report has been reviewed and approved by the Company's board of directors (the "**Board**"). All directors guarantee that the contents of the report are free from any false records, misleading statements or material omissions.

7. Access to the Report

This report is published in both Chinese and English versions. If there is any inconsistency in the content, the Chinese version shall prevail. Please visit the website of Xinte Energy at www.xinteenergy.com or the website of the Stock Exchange at www.hkexnews.hk for review.

II. About Our Group

The Group is a leading polysilicon producer and developer and operator of wind and photovoltaic ("PV") resources in the industry. It is committed to implementing the national "dual carbon" strategy, promoting the global low-carbon transformation, and providing green and intelligent clean energy system solutions to the world. The Company was established in 2008 and listed on the Stock Exchange in 2015 (stock code: 01799.HK). The Group has always been adhering to the philosophy of "green, recycling, synergy, symbiosis, and win-win" in development, with the mission of "contributing green energy and creating a better life", and the vision of "building a modern silicon-based new energy industry system with international competitiveness and becoming a global green, intelligent energy service provider", we will continue to promote the development of new energy industry and the transformation of energy structure towards green and low-carbon, injecting inexhaustible power into the implementation of the national "dual carbon" strategy.

In the field of polysilicon, the Group has an annual production capacity of 300,000 tons, ranking among the top polysilicon producers. In the field of development, construction and operation of wind and photovoltaic (PV) power stations, the Group is committed to providing full-life-cycle integrated solutions for green and smart systems, covering project development, design, construction, operation, power sales, and green and intelligent products. In electrical equipment manufacturing, the Group focuses on the R&D and manufacturing of electrical equipment including inverters, Static VAR Generators (the "**SVG**"), energy routers and energy storage converters, striving to deliver full-life-cycle "zero-carbon" digital solutions. As of the end of the Reporting Period, the Group had an approximately 4GW of operated power plants projects which have achieved grid-connected power generation. During the Reporting Period, the completed total installed capacity of PV and wind power construction projects of the Group which had been recognized as revenue amounted to approximately 2.74GW.

For further details on the operation of the Group, please refer to 2025 annual report of the Company.

III. ESG Governance

1. ESG Management System

As the highest responsible body for ESG-related matters of the Company, the Board is responsible for the decision-making and approval of the Company's ESG strategy to ensure its alignment with the Company's long-term development strategy; approving the Company's ESG objectives, strategic plans and key performance indicators, and supervising their implementation; identifying, assessing and managing material ESG risks and opportunities relevant to the Company's business; reviewing and approving the Company's ESG report and other ESG-related management policies.

In order to ensure that ESG-related matters are integrated into its corporate governance and decision-making process, the Company incorporates the implementation effectiveness of the ESG strategy and risk management effectiveness into the performance evaluation system, so as to strengthen the core responsibilities of relevant personnel in promoting the implementation of the ESG strategy and risk prevention. The Company has established a regular ESG training mechanism, organizing periodic learning sessions for relevant personnel on the latest ESG regulatory policies and industry best practices, thereby enhancing their ability to assess and analyze ESG risks and opportunities. Meanwhile, the Company has established an ESG Committee, which is composed of senior management and persons in charge of relevant functional departments of the Company. The ESG Committee is responsible for drafting and formulating ESG-related documents, coordinating various functional departments and subsidiaries to carry out specific work, and providing professional support. Members of the ESG Committee are responsible for ESG matters in their respective business areas to ensure the Group's compliance with laws and regulations and continuous optimization and improvement in various areas, including but not limited to key areas such as corporate governance, environmental protection, social responsibility, scientific and technological innovation, employee care, product and service quality, supply chain management and climate-related risks and opportunities.

2. Stakeholder Communication and Response

The Company always attaches great importance to communication with stakeholders. Based on the Company's corporate governance structure, operation model and business characteristics, and drawing on the experience and practices of global peers, we have identified key stakeholders (customers, shareholders, suppliers, employees, communities, government, media, etc.) and continuously deepen exchanges and interactions with internal and external stakeholders. The Company has established a regular and efficient communication mechanism through various channels such as publishing ESG reports, conducting interviews and surveys, participating in various conferences and forums, and conducting diversified cooperation and exchanges, so as to identify stakeholders' expectations, actively respond to the demands of all parties, continuously optimize and improve ESG management, enhance the Company's ESG performance, and achieve mutual benefits and win-win outcomes. In 2025, in response to the core concerns and expectations of stakeholders, the Company has actively made the following responses:

Stakeholders	Focus or Expectation	Response
Clients	Fulfill the contract with integrity Product and service quality Products and service delivery Clean and honest business environment Innovative research and development	Perform contracts in accordance with laws Provide high quality products and services Conduct customer visits Technical seminars, exchanges and innovative cooperation Conduct customer satisfaction surveys Improve customer complaint handling process
Shareholders, investors or potential investors	Corporate governance Sustainable development capability Information disclosure Risk control	Make compliance information disclosures Convene the general meeting of shareholders Organize investor exchanges and on-site inspections Optimize internal control risk management Enhance operational resilience and risk resistance capacity

III. ESG Governance

Stakeholders	Focus or Expectation	Response
Suppliers and other business partners	Green supply chain Win-win Clean and honest business environment Fulfill the contract with integrity	Establish a supplier management system Select suppliers in a fair and impartial manner Perform contracts in accordance with laws Carry out cooperation on innovative projects Strengthen the construction of a supply chain information platform
Employees	Compliant employment Protection of legitimate rights and interests Building development platforms Occupational health protection Care for employees' daily life	Equal employment practices Pay salaries and benefits in full and on time Improve talent development channels Conduct regular employee health check-ups Carrying out projects for employee well-being
Communities	Protect local environment Support local economic development Charity	Carry out energy conservation and emission reduction Protect the environment Support the development of community public utilities Participate in community welfare activities

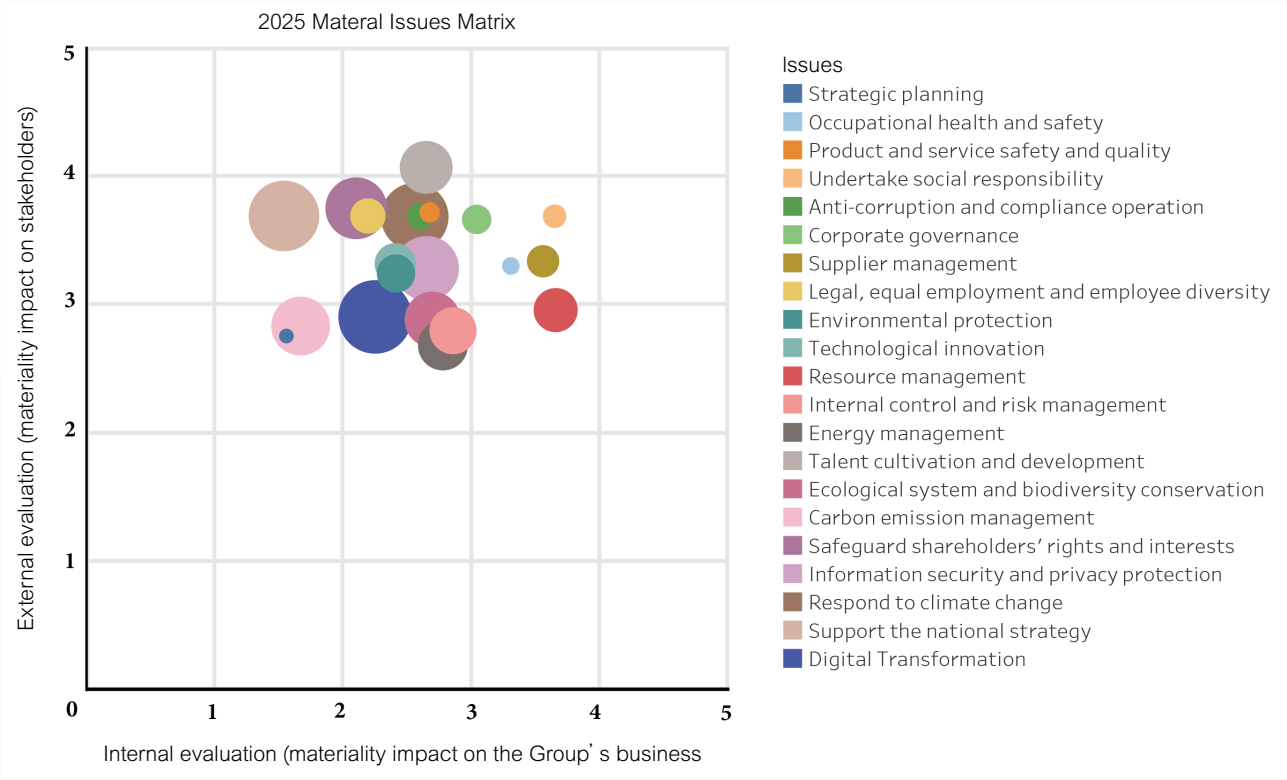
III. ESG Governance

Stakeholders	Focus or Expectation	Response
Government and Regulatory Agencies	Obey the law Pay taxes according to law Environmental protection Promote economic development	Establish internal control mechanisms Conduct operations in compliance with laws and regulations Cooperate with supervision and inspection Carry out energy saving, consumption reduction and energy management initiatives Provide jobs
News media, industry associations	Information disclosure Smooth communication Mutual development	Organize surveys, visits and exchange meetings Carry out cooperation in frontier areas of industry development

3. Identification and Assessment of Material Issues

Through communication with stakeholders, we understand the sustainable development issues of concern to them. Accurate identification of material issues plays a crucial role in managing potential risks, exploring emerging opportunities, maintaining relationships with stakeholders, and formulating forward-looking strategic plans. Based on a full consideration of the results of stakeholder communications, and taking into account multiple dimensions including the global political and economic situation, the opportunities and challenges faced by the Company, the Company's operating strategies, actual situation and development vision, as well as advanced practices in the industry, we carefully screened out 21 issues with substantial impact.

In order to further verify and refine the importance of these issues, the Company collected a wide range of valuable opinions from various stakeholders on the importance of material issues by distributing online questionnaires to them, and successfully collected 2,025 valid questionnaires. Based on the insights and analyses of the questionnaire data, the importance matrix of the Group's material issues in 2025 is as follows:



IV. ESG Practice

1. Corporate Governance

1. Corporate Governance

During the Reporting Period, in strict accordance with the Company Law of the People's Republic of China (the "**Company Law**"), the Listing Rules and other applicable laws, regulations and regulatory documents, as well as the articles of association of Xinte Energy Co., Ltd. (the "**Articles of Association**"), the Company has set up a system for organization of modern enterprise and an operating mechanism with clear separation of powers which is able to maintain balance among the general meeting, the Board, the board of supervisors and the management. The Company's general meeting of shareholders, the Board, the board of supervisors and the management operate according to clear decision-making authority and standardized processes to ensure clear duties and responsibilities, each fulfilling their responsibilities and effectively safeguarding the rights and interests of the Company and stakeholders.

The Company's governance structure, operation and organizational structure were as follows:

Governance body	Scope of authority	Achievements for 2025
Shareholders' meeting	The shareholders' meeting is the Company's highest authority, and the Company effectively abides by the relevant provisions of the Articles of Association, the Rules of Procedure for the Shareholders' Meeting and other relevant provisions, and legally convenes and holds the shareholders' meeting to ensure the exercise of shareholders' rights.	Convened 7 shareholders' meetings and reviewed 20 proposals, including the 2024 annual report, 2024 board report, connected transactions under the equity transfer and capital increase agreement, connected transactions under the factoring service framework agreement, revision of the expected caps for connected transactions, proposed appointment of directors, abolition of the board of supervisors and proposed amendment to the Articles of Association.

1. Corporate Governance

Governance body	Scope of authority	Achievements for 2025
Board of directors	As of the date of this report, the Company's board of directors consists of 9 directors, including 3 executive directors, 3 non-executive directors and 3 independent non-executive directors, including 1 female director, accounting for 11.11% of the total board members. The Board is responsible for convening the shareholders' meeting, implementing the resolutions of the shareholders' meeting, and reviewing the Company's external investments, connected transactions and other matters within the scope authorized by the shareholders' meeting. The Board is responsible for evaluating the responsibilities and work performance assigned to senior management to ensure the effective operation of the Company and safeguard the rights and interests of shareholders.	Convened 20 Board meetings and reviewed 57 proposals, including regular reports such as the annual report, semi-annual report and quarterly report, appointment of senior management of the Company, proposed amendment to the Articles of Association of the Company, capital injection to subsidiaries by ABC Financial and ICBC Financial, connected transactions relating to acquisition of equity interests, issuance of asset-backed special plans, revision of the expected caps for connected transactions, and investment in and construction of new energy power stations.

1. Corporate Governance

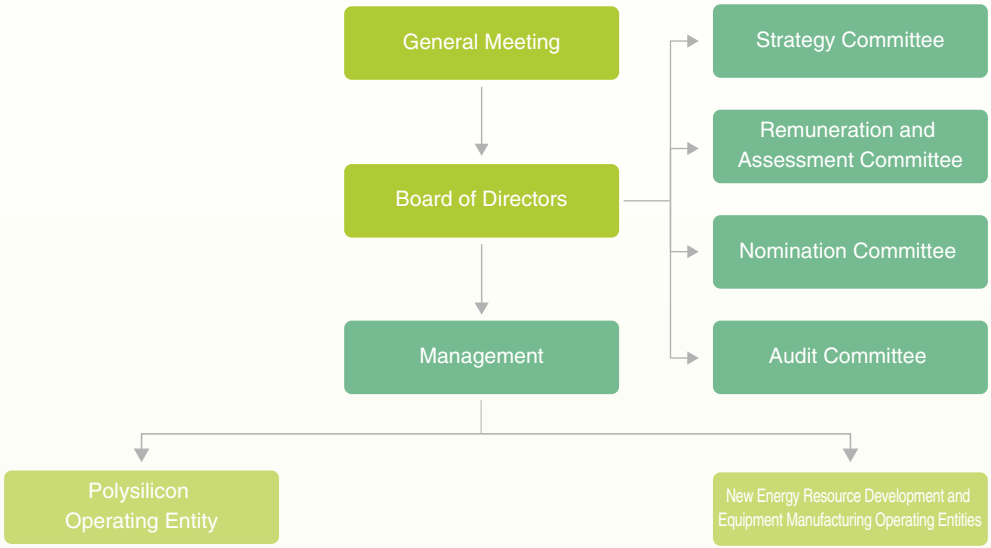
Governance body	Scope of authority	Achievements for 2025
Special committee of the board of directors	The Company's special committees of the Board include the Audit Committee, the Nomination Committee, the Strategy Committee and the Remuneration and Assessment Committee. For the Audit Committee, Remuneration and Assessment Committee and Nomination Committee respectively, independent non-executive directors account for more than one half of the members and chair such committees. Each special committee performs its respective professional functions in accordance with the rules of procedure to ensure the Company's standardized operations.	Convened 14 specialized committee meetings, including 10 audit committee meetings, 3 nomination committee meetings and 1 remuneration and assessment committee meeting, and reviewed 31 proposals.

1. Corporate Governance

Governance body	Scope of authority	Achievements for 2025
Board of supervisors	The board of supervisors is the Company's supervisory body, which lawfully inspects the financial status of the Company, supervises internal control, risk control, information disclosure, major issues, and the performance of the Board and senior management personnel. During the Reporting Period, the Company's board of supervisors consists of 5 supervisors, including 2 employee supervisors. Pursuant to the relevant provisions of the Company Law and the Guidelines for the Articles of Association of Listed Companies, and in light of the actual situation of the Company, the board of supervisors was abolished upon the approval at the fourth extraordinary general meeting of the Company held on 30 December 2025. The relevant functions and powers of the board of supervisors shall be exercised by the Audit Committee.	Convened 10 meetings of board of supervisors and reviewed 21 proposals, including regular reports such as the annual report, semi-annual report and quarterly report, as well as connected transaction matters.

1. Corporate Governance

Governance body	Scope of authority	Achievements for 2025
Senior management	As of the end of the Reporting Period, the Company has 5 senior managers, including 2 female senior managers, accounting for 40% of the total senior management staffs. Senior managers are responsible for the Company's production and operation management, implementing the Board's resolutions, the Company's development strategy, annual operating plans, investment plans and financial budget plans, etc.	Fully implemented the decisions of the Company's board of directors, formulated reasonable production plans, deployed new profit contributing units, strengthened product research and development, and expanded the business scale of research and development and manufacturing of electrical equipment. The Group achieved an operating revenue of RMB15.255 billion in 2025.



For more information on the corporate governance of the Group, please refer to the Corporate Governance Report section of the Company's 2025 Annual Report.

2. Risk Management and Internal Control

The Group has always attached great importance to the establishment and improvement of its risk management and internal control system. It has continuously optimized its risk identification and assessment mechanisms, enhanced risk handling capabilities, deepened risk management and control concepts, and ensured that internal control and risk compliance management cover all business processes, so as to achieve effective supervision and governance over the Company's operations and development and safeguard its sustainable and stable development.

During the Reporting Period, the Group established a risk management framework covering multiple dimensions such as engineering, finance, supply chain and marketing. Through regular comprehensive risk screenings and special risk assessments, it dynamically identified various risk factors that may arise in operation and management. For identified key risks, clear risk response strategies and specific control measures were formulated and risk management responsibilities were allocated and implemented at all levels to respective departments and positions, forming a risk management responsibility system with full employee participation and full-process monitoring. In respect of internal control development, in accordance with the Guidelines for Enterprise Internal Control Evaluation, the Guidelines for Enterprise Internal Control Audit and other relevant national laws, regulations and regulatory requirements, and combined with its own business characteristics, the Group continuously improved its internal control systems and optimized business processes. Strict approval authorities and control procedures have been set for major decisions and important business links to ensure that all business activities are conducted in a standardized manner within the institutional framework. Meanwhile, by strengthening internal audit supervision, the Group regularly inspects and evaluates the effectiveness of internal control, promptly rectifies any identified internal control deficiencies, and continuously enhances the execution and effectiveness of internal control, providing solid assurance for achieving the Company's business objectives. In 2025, the Group had no major deficiencies on internal control in the financial reports; no major deficiency on internal control in the non-financial reports was found. The Company continued to maintain the effectiveness of its internal control system to ensure stable corporate operations.

3. Anti-corruption Behavior Promotion

Adhering to the business philosophy of integrity, the Group strictly abides by the Anti-Corruption and Bribery Law of the People's Republic of China (《中華人民共和國反貪污賄賂法》), the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》), the Criminal Law of the People's Republic of China (《中華人民共和國刑法》), the Anti-Money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》) and other laws and regulations. We attach great importance to the construction of a culture of integrity and business ethics, and have established a strict internal supervision mechanism. We adopt a zero-tolerance policy towards any form of improper behavior, including but not limited to bribery, incitement, corruption, extortion and money laundering.

To standardize the conduct and ethics of all employees, we have formulated and continuously improved the relevant management systems such as the Internal Audit Management System (《內部審計管理制度》) and the Audit Supervision Accountability Management System (《審計監察追責管理制度》), improved and covered the system framework for ISO 37301 Compliance management system certification and ISO 37001 Anti-bribery management system certification, and regularly conducted integrity and compliance risk assessments, implemented compliance access for customers and suppliers as well as entry reviews for employees to foster an integrity atmosphere. To promptly identify and handle improper behavior, we have established reporting channels, and the relevant provisions for integrity complaints and reports are included in contracts, tender documents and other texts. We also promise to keep the identities of the reporters confidential and prevent any retaliatory action.

In respect of employees' integrity in practice, all employees of the Group have signed the Employee Compliance Commitment Letter, and employees' performance in integrity practice has been incorporated into the indicators for performance appraisal and promotion assessment. The Group has organised integrity warning education and publicity activities through a combination of online and offline approaches. By means of learning, watching, identifying and discussing, the Group has further enhanced all employees' awareness and initiative in abiding by rules and disciplines and practising integrity and self-discipline, so as to remain vigilant at all times, take preventive measures and stay alert against corruption, and firmly build an ideological line of defence against corruption and degeneration. In 2025, the Group organised various integrity promotion activities including visits to integrity education bases and integrity knowledge competitions, with a total of 23,551 participants. Integrity and anti-corruption training covered directors, senior management and employees in key positions. The Group has actively fostered an integrity education atmosphere of "all employees engaging in integrity initiatives, diverse efforts to promote integrity, and comprehensive advocacy of integrity", and strived to enhance employees' awareness of integrity and self-discipline.

1. Corporate Governance

In respect of integrity and self-discipline management for stakeholders, the Group has established compliance management systems covering anti-unfair competition, anti-commercial bribery and integrity compliance due diligence for business partners. The Group has incorporated compliance clauses in various contract templates and separately signed the Business Partner Compliance Commitment Letter covering integrity cooperation to encourage business partners to maintain integrity and self-discipline. In 2025, the Group normalized integrity supervision by organizing integrity forums for business partners, issuing the Letter to Partners of Xinte Energy Company for integrity warning and publicity, conducting follow-up visits on integrity cooperation and inquiring about any non-integrity acts in the cooperation process, so as to create a fair, impartial and win-win business environment.

In 2025, the Group did not engage in any major illegal or irregular activities, such as bribery, extortion, fraud and money laundering, nor did it have any pending or concluded corruption litigation cases.

2. R&D Innovation

Closely following the "dual carbon" goals and the development trends of the new energy industry and adhering to the core operating policy of "innovation-led", the Group focuses on R&D and innovation approaches such as improving quality, reducing costs and improving efficiency of polysilicon, integrating wind-solar-storage integrated systems, and iterating high-efficiency inverter technologies. It conducts various scientific research projects to solve the technical quality bottlenecks and cost reduction problems of each product line, and deepens the construction of scientific research and innovation mechanisms and systems to drive improvement of scientific and technological innovation competences.

1. Innovation System and Platform Construction

To ensure systematic and efficient innovation work, the Group has established a multi-level innovation system that is market demand-oriented, centered on technological breakthroughs, and linked by collaboration among industry, academia and research. In terms of construction of the scientific research organization structure, the Group has coordinated internal resources to establish research institutes, comprehensively planned R&D strategy and resource allocation, and set up professional research institutions in each business sector to be responsible for the technological R&D and innovative implementation of specific product lines. This has formed an R&D management structure characterized by "led by the Group's R&D center, coordinated by business sectors, and executed by project teams".

In terms of construction of innovative talent teams, the Group has continuously strengthened the organization management system and the talent team cultivation strategy, constantly revised the technological innovation management system, stimulated the internal innovation vitality of the organization, improved the performance assessment mechanism for innovation incentives, and encouraged scientific researchers to take on heavy responsibilities and overcome technical problems. To further stimulate the innovation and efficiency-enhancing potential of employees, the Group has established a work mechanism and operation model featuring full participation and multi-level coordination, giving full play to the important role of talents in technological breakthrough and innovation, business reform and research and development, so as to create an agglomeration effect for outstanding talents. As of the end of 2025, the Group had 14 innovation studios for model workers and craftsman talents and established a multi-level training system for highly skilled personnel covering national and provincial levels, building a skills training platform with a comprehensive system and a clear echelon. In addition, the Group actively promoted in-depth cooperation with renowned domestic and international universities and research institutions to jointly establish laboratories, research and development centers and talent training bases. This fully integrates external high-quality innovation resources to achieve complementary advantages and collaborative innovation, while pooling internal and external advantageous research resources within the industry to address bottlenecks, cutting-edge industrial technologies, product and process improvement technologies, new material development and application, and core process technologies, continuously enhancing the Group's exploration capability and technological reserve in cutting-edge technological fields.

2. Product Technology and Business Innovation

In 2025, centering around the national "dual carbon" and "construction of a new energy system" strategic goals, and focusing on key technologies for national and industrial development, industrial common key basic technologies and strategic frontier technologies, the Group continued to explore the new energy field, actively expanded its business scope, strengthened basic research on product technology innovation, and promoted key core technology research, accelerated research and development of "high-end, intelligent and green" technologies to enhance the performance of new energy products. The Group has established the Energy and Internet Power Electronics Laboratory (能源與互聯網電力電子實驗室), the National and Local Joint Engineering Laboratory for PV Power Generation Control and Integration (光伏發電控制及集成國家地方聯合工程實驗室), the National Key Laboratory of PV Materials and Batteries (光伏材料與電池全國重點實驗室), and the China-Tajikistan Belt and Road Joint Laboratory (中-塔「一帶一路」聯合實驗室). It is a National Enterprise Technology Center (國家企業技術中心), a National and Local Joint Engineering Research Center (國家地方聯合工程研究中心), a National Intellectual Property Right Demonstration Enterprise (國家知識產權示範企業), an Intelligent PV pilot demonstration Enterprise (智能光伏試點示範企業), and an Industrial Internet Pilot Demonstration Enterprise (工業互聯網試點示範企業). It has won awards such as the second prize of the National Science and Technology Progress Award and the commendation award of the China Industry Grand Prize.

In terms of polysilicon production, the Group has focused on addressing bottleneck issues such as product quality improvement, production stability ensurance, and energy conservation and consumption reduction to carry out technological innovation work. It has conducted technological innovation, industry-university-research cooperation, and process package optimization in areas such as design of new reduction furnaces, intelligent control and simulation processes of reduction furnaces, production process recycling and reuse, catalyst development, and advanced intelligent control technologies. It has achieved breakthroughs in core technologies such as conversion rate improvement, stable process operation and intelligent control, and continuously improved the production efficiency and product quality of polysilicon.

2. R&D Innovation

In terms of the development, construction and operation of wind power and PV resources and the manufacturing of electrical equipment, the Group has made efforts from four dimensions: efficiency improvement, stable synergy, scenario expansion and cost reduction. It has actively explored new business models, continuously increased investment in technological and product innovation focusing on new materials, new technologies, new scenarios and digitalization, steadily advanced transformation of the scientific and technological innovation system, and vigorously developed new productive forces. In terms of product technological innovation, the Group dynamically optimized product R&D and innovation work based on changes in market demand focusing on breaking through key technologies such as localization of devices like IGBT/IGCT and full-scenario grid control, fully realized the release of key products such as 215kW energy storage converters and their integrated 5MVA energy storage converters and boosters, distributed 30kW inverters, and integrated 125kW/261kWh industrial and commercial energy storage cabinets. In terms of engineering and technological innovation, the Group has solidified management responsibilities from cost, progress, safety, quality and other dimensions, comprehensively improved the systematic delivery capacity of engineering projects, strictly implemented technological optimization and cost reduction and efficiency improvement control actions, and continuously promoted project cost reduction focusing on optimizing costs and maximizing investment returns. In terms of the transformation to intelligent operation and maintenance, the Group has effectively promoted significant improvement in per capita efficiency by implementing an intensive operation model of "centralized monitoring, minimally staffed operation and maintenance, regional operation and maintenance, and professional inspection and repair". In 2025, the on-grid electricity provided by operators was increased by 14.5% year-on-year, the per capita operation and maintenance capacity was increased by 21.95% year-on-year, and the per capita number of managed wind turbines and arrays was increased by 29.06%. In terms of technological innovation in the service industry, the Group continued to promote multi-scenario application demonstrations of new energy in line with policy guidance, and focused on exploring business models for systems such as direct green power connection, energy storage, and green power hydrogen, ammonia, and alcohol, as well as conducting research on key technologies for digital and intelligent energy management.

The Group has successfully developed the industry's first ±800kV/5000MW ultra-high voltage flexible DC transmission converter valve equipment in collaboration with China Southern Power Grid. Relying on the ±800kV flexible DC transmission converter valve and based on the "DC fault no-lock crossing control (直流故障無閉鎖穿越控制)" technology, the Group already has the competence to design flexible DC system solutions for various application scenarios such as land and offshore applications and develop key core equipment. The Group can provide owners with system solutions that are both technically and economically viable and suitable for the transmission of new energy.

2. R&D Innovation

Some of the technological innovation achievements made by the Group in terms of product technology and business innovation in 2025 are as follows:

- The Segmented Grid Adaptive Intelligent Distributed PV Power Generation System (《分構網自適應智能分佈式光伏發電系統》) and High-Voltage and Large-Capacity Flexible DC Converter Valve Based on 6.5kV/4kA IGCT Power Devices (《基於6.5kV/4kAIGCT功率器件的高壓大容量柔性直流換流閥》) projects in which the Group participated have been included by the National Energy Administration (NEA) in the fifth batch of major technical equipment for the first (set) in the energy field.

- The Key Technologies and Applications of Intelligent Management and Control for Large-scale New Energy Grid Connection and Multi-Energy Complementarity (《大規模新能源並網與多能互補智慧管控關鍵技術及應用》) project won the first prize of Shandong Science and Technology Award.

- The Application of Technology for Optimal Configuration and Support Capacity Evaluation of Large-scale Energy Storage Integration into Power Systems (《大規模儲能接入電力系統優化配置及支撐能力評價技術應用》) project in which the Group participated won the first prize of the Science and Technology Award of State Grid Economic and Technological Research Institute.

- The Xinjiang New Energy Power Generation Grid Connection Technology Industry Concept Validation Center (新疆新能源發電並網技術產業概念驗證中心) has passed the certification by the Autonomous Region Concept Certification Center, Department of Science and Technology, Xinjiang Uygur Autonomous Region.

- The TBEA PV Inverter Manufacturing Intelligent Factory (特變電工光伏逆變器製造智能工廠) and Ultra-High Voltage Flexible DC Converter Valve Intelligent Factory (特高壓柔性直流換流閥智能工廠) have been recognized in the list of advanced intelligent factories in Shaanxi Province in year 2025 (first batch).

- The TBEA Generation, Grid, Load and Energy Storage Coordinated Microgrid Demonstration Project in Xi'an Industrial Park (《特變電工西安產業園源網荷儲協調型微網示範工程》) has been awarded as one of the carbon peaking pilot projects in the industrial sector in Shaanxi Province in the second batch.

2. R&D Innovation

- The Application of Technology for Optimal Configuration and Support Capacity Evaluation of Large-scale Energy Storage Integration into Power Systems (《大規模儲能接入電力系統優化配置及支撐能力評價技術應用》) project in which the Group participated won the third prize of the Energy Science and Engineering Award of the China Energy Research Society.

- The High Voltage and Large Capacity Flexible DC Converter Valve Based on IGCT Power Devices (《基於IGCT功率器件的高壓大容量柔直換流閥》) project has passed the new product appraisal by the China Electricity Council.

- The Key Technologies and Applications of Generation, Grid, and Energy Storage Coordinated Planning Supporting the Transmission from New Energy Bases in Desert, Gobi, and Barren Land in Xinjiang (《支撐新疆沙戈荒新能源基地送出的源網儲協同規劃關鍵技術及應用》) project has passed the scientific and technological achievement appraisal of the China Electricity Council.

3. Intellectual Property Protection

The Group strictly adheres to the Patent Law of the People's Republic of China (《中華人民共和國專利法》), Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), Trademark Law of the People's Republic of China (《中華人民共和國商標法》), Enterprise Intellectual Property Management Standards (《企業知識產權管理規範》) and other relevant laws, regulations and standards, continuously promotes the construction of intellectual property management system, deeply integrates the intellectual property strategy into the entire process of R&D and innovation, and has established a complete closed loop of intellectual property management from initiation of technology R&D projects, patent layout, and achievement transformation to rights protection.

In terms of patent management, we have established a scientific and complete intellectual property business process to ensure the quality and value of patent applications. We carry out patent layout focusing on core technologies, key processes and new products, and have formed a patent portfolio covering multiple fields such as polysilicon production, flexible DC converter valves, inverters and energy storage systems. To prevent and control risks such as patent infringement and leakage of technical secrets, the Group has formulated the Patent and Technical Secret Management System (《專利及技術秘密管理制度》) and other systems, established standardized procedures for patent and intellectual property management, and regularly conducts risk screening and monitoring concerning patent infringement. In addition, the Group regularly organizes intellectual property right training and promotion activities to further improve the awareness of R&D personnel regarding intellectual property right protection and strengthen the overall level of intellectual property management.

2. R&D Innovation

During the Reporting Period, the Control Method, Device and Related Equipment for Reduction Furnace (《一種還原爐調控方法、裝置及相關設備》) developed by the Group won the second prize of the Sixth Autonomous Region Patent Award of the People's Government of Xinjiang Uygur Autonomous Region; the Group led the completion of the Report on Investigation and Analysis of the Free-To-Operation (FTO) of 1500V/450kW String Inverters (《1500V/450kW組串式逆變器自由實施(FTO)調查分析報告》), providing a basis for the compliant application of related technologies and product commercialization decisions; the Company passed the classification evaluation of innovation and intellectual property management competence and won the Innovation and Intellectual Property Management Competence (《創新與知識產權管理能力》) level certificate (Level 3) issued by Zhongzhi (Beijing) Certification Co., Ltd. based on the ISO 56005 international standard; and the affiliated company of the Group passed the national standard certification of Enterprise intellectual property compliance management system — Requirements (《企業知識產權合規管理體系要求》) (GB/T 29490–2023) and obtained a certificate of Intellectual Property Right Compliance Management System Certification issued by the National Certification and Accreditation Administration.

In 2025, the Group was granted 104 new patents, including 48 invention patents; obtained 45 software copyrights; and participated in the preparation of 16 standards, including 5 national standards. As at 31 December 2025, the Group had a total of 939 domestic authorized patents and 2 international patents, and had obtained 133 software copyrights in aggregate. It had participated in the preparation of 213 published standards, of which 6 were international standards, 65 were national standards and 58 were industry standards.

4. Digital Transformation

Guided by a top-level strategy, the Group has deepened transformation and reform, taking increasing revenue and creating efficiency as the core starting point, and actively promoting digital transformation work. The Group breaks through the limitations of lean and automated manufacturing through the application of automatic control, Internet of Things, cloud computing, big data and other information technology means, based on business standards and guaranteed by organization, talent, culture and technology. By leading minimally staffed or even unmanned operation of production lines and logistics through technological innovation in processes, and integrating the application of information technology in business operations, the Company comprehensively connect the data of the entire business process, including safe production, integrated product development, integrated supply chain, order and delivery, problem and solution, and integrated shared financial services, to support end-to-end data application, gradually achieve the transformation and reform of each business sector, as well as quality improvement, efficiency increase and cost reduction, connect the industrial ecosystem chain, form a complete intelligent entity, and utilize technological means to realize digital transformation and upgrading, providing strong support for the Group's safety, quality improvement, cost reduction and efficiency increase. During the process of digital transformation, the Group passed the appraisal of the GB/T 23001–2017 Integration of informatization and industrialization management system, validating the deep integration of the Group's digital strategy and industrialized operation.

With years of in-depth experience in the new energy industry, the Group has been actively exploring the deep integration with digitalization and intelligence, independently developed and built the leading New Energy TB-eCloud (新能源TB-eCloud) industrial Internet platform in China. This platform covers five core sections: smart design, smart monitoring, smart power plants, smart trading, and energy services. It covers the entire life cycle of wind power, PV power, and energy storage, providing users with one-stop digital energy services. In addition, the Group has independently developed a leading polysilicon industrial Internet platform in China, which, led by intelligent manufacturing, comprehensively drives the upgrading of the polysilicon industry, focuses on breaking through data barriers throughout the production process, and achieves efficient production collaboration, continuous process optimization, intelligent equipment operation and maintenance, closed-loop control of safety and environmental protection, as well as full traceability of quality. This injects strong digital impetus into its own high-quality development, helping the PV industry move forward in a more advanced, intelligent and green direction.

2. R&D Innovation

In 2025, the Company and its subsidiaries were respectively awarded the titles of Integrated Intelligent Factory for Intelligent Management and Control of Polysilicon Based on Industrial Internet+ (基於工業互聯網+的多晶硅智能管控一體化智能工廠) and Efficient Full-Business Collaborative Intelligent Factory for High-Purity Silicon-based Materials Production Empowered by Generation 5 Mobile Communication Technology + Industrial Internet (第五代移動通信技術+工業互聯網賦能高純硅基材料生產的高效全業務協同智能工廠) from the Department of Industry and Information Technology of Xinjiang Uygur Autonomous Region. It was awarded the title of Integrated Intelligent Factory for Production and Operation Collaborative Management and Control Based on Industrial Internet (基於工業互聯網生產經營協同管控一體化智能工廠) from the Department of Industry and Information Technology of Inner Mongolia Autonomous Region, and the titles of Intelligent Factory for PV Inverter Manufacturing — Advanced Intelligent Factory of Shaanxi Province in 2025 (光伏逆變器製造智能工廠–2025年陝西省先進級智能工廠) and Intelligent Factory for Ultra-High Voltage Flexible DC Converter Valves — Advanced Intelligent Factory of Shaanxi Province in 2025 (特高壓柔性直流換流閥智能工廠–2025年陝西省先進級智能工廠) from the Department of Industry and Information Technology of Shaanxi Province.

3. Products and Services

To ensure the quality of products and services, the Group has established a quality R&D management model that is market-oriented and guaranteed through professional reviews. It has strengthened the quality process control throughout the entire chain, from raw material procurement, production and manufacturing, and finished product inspection to after-sales service. We always adhere to the customer-centered approach, optimize service experience, respond efficiently to customer demands, and fully guarantee the resolution of problems, to ensure that the Group provides customers with high-quality products and services and continuously improves customer satisfaction.

1. Improve Quality Management

The Group always adheres to the business philosophy of "first-class quality", strictly follows the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》) and relevant laws and regulations as well as industry standards, and places the quality of products and services at the core strategic position of enterprise development. Quality management covers all types of business of the Group, including upstream polysilicon production, downstream wind and PV power station construction and operation, as well as products and services such as inverters (for ground power stations, commercial and industrial fields, household systems), energy storage systems, and flexible DC converter valves required for power station construction.

(1) Quality system construction

At the level of quality system construction, the Group takes international advanced standards as the guide and combines the characteristics of the new energy industry and its own business practices, to actively promote the construction of the quality information system focusing on improvement of the quality of polysilicon and electrical equipment products, the construction of quality model projects, and the combination of information technology and quality information systems, further improving the refinement and intelligence level of quality management. It formulates and continuously improves its internal systems to ensure that the entire process, from raw material procurement, process control, finished product inspection, and quality acceptance to after-sales service, is under a standardized and normalized quality management framework. By regularly conducting internal audits, management reviews and third-party certification audits, the suitability, adequacy and effectiveness of the quality management system are continuously optimized, providing a solid guarantee for the stable improvement of product and service quality.

The Group has passed the ISO 9001 quality management system certification and achieved standardized quality management throughout the entire process from R&D to delivery. In terms of laboratory competence improvement, the Group has passed the ISO/IEC 17025:2017 laboratory management system accreditation, which ensures mutual recognition of test data in the world.

(2) Quality process control

In terms of quality process control, the Group attaches great importance to quality control throughout the entire life cycle. With regard to achievement of the entire process of products and services, it focuses on R&D design, quality control at the source of procurement, up-to-standard product inspection, and back-end operation and maintenance safeguards. Through quality process control, it strictly controls each link in production and service throughout the process, and regularly evaluates and assesses the quality achievement rate. It works out corrective measures for operation deviations, makes continuous improvement, reduces costs and ensures the quality of products and services.

In terms of improving the quality of polysilicon products, the Group adhered to the customer application end quality evaluation as the guideline, improved product testing and grading standards, revised 26 polysilicon quality control standards, added 13 standards related to clean acceptance, and formulated clear product quality requirements with stricter and more detailed standards. It carried out optimization and adjustment work focusing on full-process quality management and product structure. In combination with the current latest process technology and equipment, the Group conducted quality and technological transformation and upgrading of some facilities to effectively reduce the concentration of impurities from both the donor and acceptor. For cold hydrogenation, raw material, and reduction workshops, the focus was on conducting refined control over the stability of system operation to improve the stability of operation process and improve the consistency and stability of quality results. In response to market and customer demands, it optimized and adjusted product performance parameters to precisely match differentiated needs of customers. It deeply empowered business with digital transformation, drove the model transformation and efficiency leap of quality management, and developed a quality domain management system. Currently, it has released the quality grading module, quality alarm process parameter module, and after-sales quality module online. By collecting key quality data throughout the entire process from production to sales in real time, it constructed a multi-dimensional quality analysis model to achieve early warning and rapid response to abnormal quality, so as to ensure product and quality safety.

3. Products and Services

In terms of improving the construction and operation quality of wind power and PV power stations, the Group, driven by the quality map, has improved 1,094 control documents regarding forms, certificates, sheets and books for four key processes of design, procurement, construction as well as operation and maintenance, compiled 11 standard process quality brochures for business scenarios, unified the quality standards for power station construction and operation and maintenance, established a list of quality management and control standards for 10 key processes such as pile foundation construction and high-voltage cable terminal production, laying a foundation for the quality control of key and daily projects. It effectively strengthened the engineering quality management of new energy power stations, covering the entire construction process including pre-planning, formulating key quality process plans, fully promoting model projects, conducting technical presentations for key physical processes, carrying out quality inspections, and strictly controlling final acceptance. At the same time, it established a quality responsibility traceability mechanism covering the entire project cycle to ensure that project quality is controllable. For quality standard construction of new business formats, it carried out benchmarking and meeting exchanges, collected various standards, formed quality control plans, and organized and carried out the screening of supervision and manufacturing units to create conditions for high-quality implementation of projects.

In terms of quality improvement of electrical equipment, the Group has fully promoted the online release of the quality information system. A total of 39 modules have been released online, achieving online control of seven key tasks including quality issue management, design minefield early warning, and control of suppliers with high quality risks, breaking through data barriers of system, achieving data intercommunication, sharing and traceability, and significantly improving the efficiency of quality control and data traceability competence. It continuously strengthened and solved difficult and pain point problems in the quality process mechanism, strictly controlled the quality of new product R&D, and focused on solving quality improvement problems such as BOOST overcurrent of string inverters, SVG power modules, and thermal design margins, to comprehensively build a solid defense line for product quality. In response to diversified standard requirements of overseas markets, it established a differentiated quality control system, and passed multiple international certifications, including SGS (Société Générale de Surveillance S.A.), TÜV (Technische Überwachungs Vereine), IEC (International Electrotechnical Commission), VDE (Verband Deutscher Elektrotechniker), and ROHS (Restriction of Hazardous Substances, an European Union Mandatory Environmental Directive), to ensure compliance and reliability of products worldwide.

3. Products and Services

In addition, the Group strengthens the development of quality control standards for ex-factory products and standardizes the scope of product testing. It operates laboratories qualified under CNAS (China National Accreditation Service for Conformity Assessment) and CMA (China Metrology Certification), which conduct quality testing in accordance with industry standards and customer requirements. The Group strictly implements quality inspection and the disposal of non-conforming products, prohibits products that have not passed testing and verification from being released, ensures 100% inspection prior to shipment, and guarantees the quality of delivered products. In 2025, the Group completed the re-examination and expansion of its CNAS laboratory accreditation. Following review by an expert panel, it was unanimously confirmed that the laboratory met the requirements for CMA accreditation, further verifying the Group's quality control capabilities in all aspects from product research and development to production.

In 2025, the Group organized various quality improvement activities, including quality knowledge competitions, quality skill contests, quality month events and the selection of outstanding quality improvement research projects, with a total of 9,093 participants. A subsidiary of the Group was successfully selected into the 2025 Quality Benchmarking Enterprise List of the Department of Industry and Information Technology of Shaanxi Province. The Group's project, Reducing the Damage Rate of Pitch Belt Wheel Supports for 2.0MW Units (降低2.0MW機組變槳帶輪支撐損壞率), was awarded the 2025 Achievement Certificate for Wind Power Operation, Maintenance and Overhaul Quality Control Circle Activities issued by the China Electric Power Technology Market Association, and the relevant technology received the Special Prize in the "Problem-Solving Category".

In 2025, the overall test pass rate of the Group's products remained stable. There were no major quality defects in construction projects.

2. Optimizing Service Experience

The Group always upholds the service concept of "customer-centered", and is committed to creating a more efficient and greener customer experience, while actively adhering to responsible marketing practices. By continuously optimizing the customer service management system and improving the complaint feedback and handling process, the Group ensures customer information security and provides customers with better and more satisfactory services.

(1) Increasing customer satisfaction

Adhering to the customer demand-oriented approach, the Group carried out in-deep understanding of customer needs, and comprehensively collected customers' feedback and suggestions on product performance, delivery timeliness, service quality, technical support and after-sales service through various investigation forms including customer satisfaction survey, inviting customers to the Company for communications, random phone follow-ups and face-to-face interviews. In response to pain points and improvement directions identified during investigations, a special task force was established to conduct in-depth analysis, work out practical and feasible improvement measures and implemented them within a specified time limit, thus forming a closed-loop management mechanism of "investigation — feedback — improvement — validation".

In terms of customer service, the Group has established a full-cycle 7×24-hour service response mechanism covering services before, during and after sales, as well as an online technical support platform. It established a team of experienced technical engineers to provide rapid response and remote and on-site guidance for problems encountered by customers during product installation, adjustment as well as operation and maintenance. In addition, for customized service schemes for customers, it established technical application teams and stationed them at the front line of customers according to the special application scenarios and personalized demands of customers in different industries, and established a collaborative processing model of "business negotiation and connection + on-site technical application guarantee" to follow up on problem investigation, formula optimization and application validation throughout the process, forming differentiated solutions for customer demands to ensure that customers have the best experience during the process of use.

3. Products and Services

In terms of customer problem solving and support, the Group has established an efficient, rapid response and closed-loop handling mechanism for customer complaints, which clarifies such aspects as responsible departments, complaint information collection, complaint issue analysis, complaint handling and reply, complaint improvement and verification, and properly addresses customers' requirements on product quality and service support. In 2025, the Group received a total of 6 customer complaints concerning issues such as pollution during polysilicon product packaging and transportation, long replacement times for inverter operation spare parts, and delayed replacement of individual components for new energy power station operation and maintenance. The Group promptly rectified by means of improving packaging materials and packaging methods, increasing spare parts reserves, and enhancing after-sales service timeliness to prevent the recurrence of the same or similar situations.

In 2025, the Group received 134 letters of commendation and appreciation from customers, the overall customer satisfaction index increased, and there were no recalls of sold or shipped products for safety and health reasons. In 2025, the Group conducted 9 customer satisfaction surveys, distributing a total of 640 survey forms covering multiple dimensions such as engineering and product quality, on-time delivery, technical support, and after-sales service. The overall customer satisfaction rate in 2025 reached approximately 92%. For customers with a satisfaction score below 80, the Group conducted 100% follow-up visits to identify the specific causes of dissatisfaction and formulated targeted improvement plans. Through precise improvement measures, the secondary satisfaction scores of relevant customers all increased to above 90 points, effectively regaining customer trust, consolidating the foundation for cooperation, and further enhancing customers' trust in and loyalty to the Group's products and services.

(2) Ensuring information security

The Group continuously strengthens the construction of network and data security protection competence, builds a solid security barrier for digital operations, strictly abides by the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》), the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》), the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》) and other relevant laws and regulations, refers to the ISO/IEC 27001 information security management standard to formulate and issue the relevant management systems for cyber information security, strictly manages the safe and stable operation of data assets and business systems, and is committed to safeguarding the information security of stakeholders.

In terms of security protection for industrial control systems ("**industrial control**"), it completed the deployment of industrial control security system, and has strictly implemented the isolation of industrial control network, production network and office network, as well as IP and port-level access control. An independent isolation area for the industrial control network has been established in accordance with the Guiding Principles for Industrial Control Network Security Protection (《工控網絡安全防護指導原則》). It deploys industrial control host guard comprehensively for computers, servers and integrated machines on production lines to achieve virus scanning and removal and peripheral device access control functions, and activates the industrial control network security operation and maintenance audit mechanism to trace and manage the entire process operation behavior.

In terms of information security control, we have encryption systems fully covering office computers for all employees. Through overall encryption, control of external transmission permissions for files, and monthly audit and assessment mechanisms, the risk of sensitive data leakage is prevented. We promoted the iterative upgrade of outdated network security equipment, completed the load balancing of core Internet exits and the replacement of firewalls, optimized the network architecture of office, production, industrial control and fire security in accordance with the construction standards for different zones and domains, strengthened the attack protection capabilities between domains and from Internet exits, ensured the stable operation of production and business through high-standard security governance, safeguarded the data security of the Group and its stakeholders, and effectively safeguarded the information privacy and security of all stakeholders.

As at the end of the Reporting Period, the Company and three subsidiaries have obtained ISO 27001 Information Security Management System certification. In 2025, the Group had no violation incidents or litigation arising from customer information leakage.

4. Supply Chain Management

The Group has always been adhering to the philosophy of "openness, synergy, mutual benefit, and symbiosis" in development, and is committed to promoting green and low-carbon transformation of the supply chain. It continuously takes actions in system construction, supplier access, supply chain digitalization, industry exchanges and diversified cooperation, etc., to improve supply chain resilience and the efficiency of industrial chain synergy, and actively practices the concept of responsible procurement, and promotes the green and social responsibility construction of the supply chain to facilitate the high-quality development of the new energy industry.

1. Supply Chain System

For the supply chain system, the Group takes "Synergy, Efficiency, Resilience, Reliability, Intelligence and Innovation" as its core objectives, and has established an integrated management model covering the entire chain from raw material procurement, production and manufacturing, warehousing and logistics to finished product delivery.

In terms of supplier screening and management, it has established a strict mechanism for supplier access, assessment, classification and dynamic optimization. In accordance with the established procurement procedures and policies, it implements a management mechanism of mutual separation, mutual restraint and mutual supervision to select suppliers openly, fairly and impartially, and adopts a multi-cycle and multi-dimensional combined performance evaluation method to comprehensively consider suppliers from multiple dimensions such as qualification review, production capacity, past performance, quality control, environmental protection standards, occupational health and safety, and fulfillment of social responsibilities. Finally, the performance evaluation results are classified, differentiated management strategies and cooperation policies are adopted for suppliers of different grades respectively, high-quality strategic partners are selected, and strategic synergy is deepened, to ensure stable supply and controllable quality of key raw materials.

In terms of construction of a digitalized intelligent supply chain, the Group actively promoted the intelligent upgrade of the supply chain, introduced the Internet of Things, big data analysis, information and other technologies, and integrated information systems such as supply chain management platform, enterprise resource planning, warehouse management system, and sales management platform, which significantly improved the comprehensive efficiency of operations such as bidding and procurement approval, shipping plan formulation, inbound and outbound goods management, statistical analysis, inventory count, and financial accounting, achieving real-time sharing and dynamic monitoring of inventory data, and effectively reducing the risks of inventory overstock and stockouts.

4. Supply Chain Management

In 2025, the supply chain security management activities of the Group's inverters, SVGS, microgrids, energy storage converters, flexible transmission converter valves manufacturing and their sites were audited by a third-party authoritative institution, which complied with the standard requirements in ISO 28000:2002 Security and resilience — Security management systems — Requirements (《安全和復原力 — 安全管理系統 — 要求》) and Q/GDZR 01125-2025 Technical specification for supply chain security management system certification (《供應鏈安全管理體系認證技術規範》), and a supply chain security management system certification certificate was obtained.

As of the end of 2025, the Group had a total of 1,621 registered qualified suppliers, and their distribution by region is as follows:

Region (China)	Province	Number of suppliers
East China	Jiangsu, Shandong, Zhejiang, Shanghai, Anhui	537
Northwest China	Xinjiang, Shaanxi, Ningxia, Gansu, Qinghai	450
North China	Hebei, Inner Mongolia, Beijing, Tianjin, Shanxi	265
Central China	Henan, Hunan, Hubei	115
Northeast China	Liaoning, Heilongjiang, Jilin	88
Southwest China	Sichuan, Yunnan, Guizhou, Chongqing	87
South China	Guangdong, Guangxi, Hainan	79
Total		1,621

2. Responsible Procurement

By deeply introducing the concept of responsible procurement into the entire process of supply chain management, the Group always organically integrates ESG concepts with supply chain management, actively promotes responsible procurement, green procurement and other strategies, empowers the construction of supplier competence, and jointly builds a responsible and trustworthy supply chain ecosystem.

In terms of supplier access and evaluation, the Group formulated and strictly implemented the Supplier Management Regulations (《供應商管理制度》) and the Procurement Management Regulations (《採購管理制度》). It conducted investigations on suppliers regarding core aspects such as qualification review, factory audit, sample trial use and delivery competence. It also included factors such as environmental management, social responsibility and ethical norms into the evaluation system, required business partners to understand the Business Partner Compliance Code of Conduct (《商業夥伴合規行為準則》), fill out the Business Partner Compliance Survey Questionnaire (《商業夥伴合規調查問卷》), sign documents such as the Business Partner Compliance Commitment (《商業夥伴合規承諾書》), Supplier Social Responsibility Agreement (《供應商社會責任協議》), and Safety and Environmental Protection Agreement (《安全環保協議》), ensuring that the coverage rate of social responsibility agreements reached 100%, and giving priority to choosing partners who performed well in terms of environmental protection investment, employee rights protection, safe production and business integrity.

In terms of green supply chain construction, the Group actively promoted the greening and sustainability of raw materials. It conducted green supply chain management for partners focusing on green management strategies and planning, green design, green procurement and supplier management, green production, green logistics and recycling, etc., distributed the Sustainable Supply Chain Management Initiative (《可持續供應鏈管理倡議》) to partners, gave priority to purchasing raw materials and components for which environmental label certification, energy-saving certification or other green product certifications had been obtained, gave priority to selection of environmentally friendly packaging supply chain products that were degradable, recyclable or reusable, and reduced the use of non-degradable plastics. At the same time, suppliers were encouraged to carry out research and application of green production technologies. By optimizing the production process of raw materials, the discharge of wastewater, waste gas and solid waste in production was reduced, promoting the overall green and low-carbon transformation of the supply chain. In 2025, the Group's green supply chain management competences were significantly improved, and green evaluations of core suppliers in fields including polysilicon production and supply, new energy power station construction, and electrical equipment were completed. On-site audits of some suppliers showed that the special indicators for green supply chain management of the suppliers have all been improved compared with those before the audits.

4. Supply Chain Management

In terms of supplier empowerment and win-win cooperation, the Group has established a regular communication and cooperation mechanism with suppliers. Through various forms such as holding regular supplier conferences, carrying out mutual visits of top management, organizing technical exchange seminars, and conducting joint training, it carried out in-depth communication and collaboration with suppliers on issues such as supply quality standard improvement, safety management, technological innovation directions, ESG concepts, and green production process improvement. In addition, the Group listened to the opinions and demands of suppliers through various means such as regular visits, symposiums, and online communication platforms, and jointly solved problems encountered in cooperation. In 2025, the Group organized a total of 8 special training and exchange activities for suppliers, reaching over 98 supplier times of participation. This effectively improved the consistency in understanding and practicing of responsible procurement among the upstream and downstream supply chain. For suppliers with high performance scores, outstanding performance in quality and efficiency improvement, supply guarantee, and ESG management, the Group also enhanced their sense of identity and cooperation enthusiasm of suppliers by awarding honorary titles to outstanding suppliers and providing incentives such as technical support and priority for payment, so as to achieve coordinated development and joint creation of value in the upstream and downstream supply chain.

5. Environmental Protection

In the great journey to pursuing energy transformation, Xinte Energy has always integrated ecological and environmental protection into the core system of enterprise management, actively responding to global policies on climate change and the call of China's "carbon neutrality" strategy, and fully promoting the construction of a green and low-carbon management system. By means of efficient resource utilization, reducing pollutant and waste emissions, improving resource utilization efficiency, strengthening ecological protection and promoting development of a circular economy, it comprehensively improved the level of environmental protection work, and drove environmental protection management towards standardization and long-term effectiveness, laying a solid foundation for green and low-carbon development and ecological protection.

The Group strictly abides by 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 of the People's Republic of China on Environmental Impact Assessment (《中華人民共和國環境影響評價法》), the Cleaner Production Promotion Law of the People's Republic of China (《中華人民共和國清潔生產促進法》), the Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法》), the Air Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國大氣污染防治法》), the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》) and other national environmental protection laws and regulations as well as those applicable in the regions where the Group operates. It actively studies environmental protection-related policies, implements and continuously optimizes relevant documents such as the Company's Environmental Protection Management System, and has formed a systematic, complete and highly operable environmental management system to continuously improve the Group's environmental management.

In 2025, the Group continued to focus on environmental protection initiatives including efficient resource utilization, energy saving and consumption reduction, pollution prevention and green and low-carbon transformation. The Company's subsidiaries were awarded provincial-level honors such as "Zero-Waste Factory", "Enterprise for Emergency Support under Heavy Pollution Weather" and "Typical Case of Green and Low-Carbon Development", bringing the Group closer to achieving its goals of green, low-carbon and sustainable development. As at the end of 2025, the Company and its major subsidiaries have passed the three management system evaluations of Green Factory, Green Supply Chain and Green Enterprise. The Company and its major subsidiaries have obtained ISO 14001 Environmental Management System Certification and ISO 50001 Energy Management System Certification. During 2025, the Company fully fulfilled its tax and fee obligations related to environmental protection, and no incidents of major penalties or circularized criticisms due to violations of environmental laws and regulations occurred.

1. Efficient Utilization of Resources

The Group strictly abides by the Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》) and other regulations, formulates and implements the Company's internal institutional documents, and actively promotes the implementation of key projects such as energy conservation, water conservation, and the use of green low-carbon environmentally friendly materials. It improves resource utilization efficiency through technological innovation and process improvement, facilitating the development of a resource-saving enterprise.

The Group mainly consumes electricity, coal, water resources, and packaging materials such as wood, paper and plastic in its production and operation. To strengthen the environmental protection and reduce resource consumption, the Group actively develops and implements energy-saving initiatives, and conducts special supervision and inspection on core energy-saving work on a regular basis, including energy use status and the implementation of energy consumption quota standards per unit product. Through continuous optimization and improvement, the Group comprehensively promotes green production and low-carbon operation of the enterprise.

(1) Coal and power resources

Coal and electricity are the main resources consumed in the production and operation process of the Group. Coal is mainly used for power generation in the Company's self-owned power plants for polysilicon production. In 2025, the Group's self-owned thermal power plants strictly implemented the requirements of the Notice on Carrying out the Renovation and Upgrading of National Coal-fired Power Units《關於展開全國煤電機組改造升級的通知》issued by the National Development and Reform Commission and the National Energy Administration, so as to save coal consumption, improve coal combustion efficiency and reduce coal consumption per unit product.

In terms of power generation from self-owned power plants, the Group has implemented a research project on blended coal burning technology, achieving flexible blending of open-pit coal with kaolin and high-ash coal. This has thoroughly replaced underground coal supply and partially replaced kaolin, improving the safety of operating units in self-owned power plants and continuously reducing fuel costs. It carried out intelligent upgrade of burning regulation system, and achieved three goals of improving the thermal efficiency of boiler, reducing coal consumption and reducing pollutant emissions by taking real-time data of furnace as the core and through intelligent algorithm control. It focused on energy efficiency improvement and safety assurance, replaced low-efficiency motors and regulating devices, optimized thermal and coal conveying systems, carried out boiler safety renovations, and significantly improved the comprehensive utilization efficiency of energy.

In terms of production electricity consumption, the Group has implemented process optimization and energy-saving technological transformations such as upgrading tail gas recovery device, comprehensive utilization technology transformation of thermal energy in cold hydrogenation unit, reduction production technology optimization, and process standardization technology. Then, the comprehensive electricity consumption of polysilicon production unit had a decrease of approximately 4% as compared with that of the corresponding period of last year, effectively reducing the unit consumption of products.

In terms of electricity consumption in office and daily life, by dividing the grid responsibilities in public areas, the Group implements the requirements for energy-saving use of lighting and public appliances in public places. Sound and light sensor lights are installed in corridors to avoid the occurrence of lights being left on continuously. Heating curtains and air conditioning equipment in winter are adjusted according to ambient temperature to avoid power waste. Regular checks are conducted to ensure that computers and other office equipment are turned off outside working hours. The Group advocates employees to establish an environmental-friendly awareness of energy conservation to reduce electricity consumption in office and daily life.

(2) Water resources

The Group strictly abides by the Water Pollution Prevention and Control Law of the People's Republic of China《中華人民共和國水污染防治法》and other relevant water resources laws and regulations, strengthens water resources management, establishes and improves a water-saving management system, and implements water resource management measures such as water conservation and water recycling. The Group's water resources are mainly used in the process of circulating water replenishment, demineralized water production, and steam replenishment for self-owned thermal power plants in polysilicon production, the construction in power station construction and operation, and daily greening, office and domestic water of the plant area.

In terms of polysilicon production water, the Group continues to strengthen the utilization of recycled water and reduce new water consumption on the basis of ensuring the supply of water resources required for production operations. The Group sets up an automatic monitoring system in the polysilicon production plant area to realize real-time monitoring and control of water consumption, optimizes the flow of circulating water pump into the water, adjusts the temperature difference of circulating water in various production devices, and implements phased water use to continuously reduce water consumption. In 2025, the Group implemented the industrial wastewater zero-discharge project and put into operation the triple-effect evaporation device to enhance water recycling, thereby advancing the goal of industrial water zero-discharge. The water intake per unit of polysilicon product decreased by 9.36% year-on-year, outperforming the advanced value specified in GB/T 18916.47-2020.

In terms of water consumption for the construction and operation of new energy power stations, the Group incorporates energy conservation, environmental protection, safety, intelligence and other factors into the planning and design process, and strictly controls the construction quality to improve the management level of new power stations in aspects such as low-carbon environmental protection, soil and water conservation, and occupational health and safety. The Group set up machinery, equipment, and vehicle flushing and recycling water devices at the construction sites of power station projects in deserts, mountains and other water-scarce areas, and established rainwater collection systems at the construction sites of power station projects in areas with abundant rainfall to improve the utilization rate of water resources.

In terms of daily office and domestic water use, the Group formulated and implemented a special water conservation plan and effectively improved water resource utilization through specific measures such as sewage reuse, improving the utilization rate of water-saving appliances and reasonable implementation of greening and water-saving irrigation, achieving the goal of a year-on-year decrease in per capita domestic water consumption.

(3) Other resources

In terms of packaging materials, with respect to product packaging using wooden, paper and plastic materials, the Group advocates reducing the generation and use of packaging materials during operations and gradually increasing the use of recyclable packaging. Taking into account loading and unloading conditions, transportation methods, transportation distance and other factors, the Group continuously optimizes product packaging and shipping methods to reduce packaging damage and improve the packaging recycling rate. In 2025, the Group strengthened communication and exchanges with customers, optimized packaging materials, and vigorously promoted the use of eco-friendly packaging that is degradable, recyclable or reusable, so as to reduce the use of non-degradable plastics. By changing packaging boxes to stitched boxes, paper consumption was reduced through lightweighting: the weight of each packaging box was reduced from 14.5kg to 14.2kg, and the clean outer bag was shortened from 25 meters to 20 meters, with its weight reduced by 20%, continuously lowering plastic consumption.

5. Environmental Protection

In terms of production, the Group has implemented a number of technical improvement measures for efficient resource utilisation in three areas: innovation of inspection methods, optimisation of auxiliary material processes, and upgrading and retrofitting of equipment. Paperless inspection and electronic approval have been fully implemented to replace traditional paper-based signing. Inspection records, work permits, hot work permits and other documents are now recorded electronically, which has significantly reduced manual recording workload and saved paper resources. The material of sieve plates in the finished product workshop has been upgraded, extending their service life from 3–5 days to 60–90 days. This has reduced auxiliary material costs, improved product quality and lowered material consumption. Automated cleaning of graphite holders has been introduced, enhancing the cutting quality of silicon-deposited graphite holders. Following commissioning, graphite holder consumption has decreased by 42.8%, leading to a significant reduction in graphite procurement.

In terms of office and daily life, the Group enhances the efficiency of resource utilisation by promoting the digitalisation and greening of office processes and implementing energy saving publicity: the Group implements the functions of online contract signing and e-ticketing for operations, making the entire process paperless, thereby saving paper resources and enhancing operational efficiency, and implementing the concept of "green office"; the Group also conducts energy-saving inspections in office areas, and carries out special spot checks on the implementation of energy-saving requirements in respect of the use of electricity, water, printing, air-conditioner settings, and urges employees to take energy-saving and low-carbon actions.

(4) Usage amounts and density of main energy and resource

During the Reporting Period, the main energy and resource usage of the Group was as follows:

Index	Type	2025 Consumption	2025 Density note (per tonne)	2024 Consumption	2024 Density note (per tonne)
Water resources	Consumption in Production (ten thousand m^3)	508.41	0.0053	695.48	0.0035
	Consumption in Office (ten thousand m^3)	71.80	0.0007	76.29	0.0004
Electric energy	Consumption in Production (ten thousand kWh)	610,914.57	6.3383	1,175,618.97	5.9136
	Consumption in Office (ten thousand kWh)	2,233.58	0.0232	1,969.08	0.0099
Fuel and others	Diesel (tonne)	94.88	0.0010	135.74	0.0007
	Coal (tonne)	2,429,869.00	25.2102	2,341,741.37	11.7795
Packaging materials	Wooden materials (tonne)	3,516.82	0.0365	4,402.95	0.0221
	Paper materials (tonne)	2,144.30	0.0222	3,142.16	0.0158
	Plastic materials (tonne)	2,118.58	0.0220	7,120.88	0.0358

Note: Density is calculated based on the Group's polysilicon production volume.

2. Reducing Pollution Emissions

As an industry-leading demonstration enterprise with full coverage of green manufacturing systems such as green design, green products, green factories, and green supply chains, the Group adheres to green and clean development and strictly complies with the Law of the People's Republic of China on Conserving Energy and Reducing Emissions (《中華人民共和國節能減排法》) and other relevant laws and regulations, constantly improves the environmental management system, updates environmental protection technologies, optimizes the waste recycling system, and actively balances the relationship between economic benefits and environmental protection benefits through circular economy practices, so as to establish a civilized and environmentally-friendly corporate image.

The Group regularly entrusts qualified third-party testing agencies to test waste gas and wastewater emissions, as well as noise, soil, groundwater, etc. The test results are all in compliance with relevant emission limit requirements, ensuring that pollution emission management measures are implemented and emission reduction targets are achieved according to regulations.

5. Environmental Protection

(1) Greenhouse gas emissions

The Group strictly abides by the national and local waste gas emission standards, and has established an air pollution control leading group centered on the general manager and relevant business leaders to organize, formulate and implement the Group's special air pollution control plan. In 2025, the Group newly formulated and implemented an internal system with more detailed management requirements on carbon emissions. In view of the exhaust gases such as dust, sulfur dioxide and nitrogen oxides generated during the power generation of the Group's self-owned power plants and the production of polysilicon, the Group monitors the exhaust gas emissions in real time through scientifically configured exhaust gas treatment facilities and monitoring systems to ensure that the emissions and concentration meet standards. In 2025, the Group's waste gas emissions were in compliance with the Integrated Emission Standard of Air Pollutants (GB 16297-1996).

The Group's greenhouse gas emission accounting system is structured in strict accordance with ISO 14064–1:2018 Greenhouse Gas — Specification for the quantification and reporting of greenhouse gas emissions and removals. The emission source identification system defines boundaries and categories in line with the GHG Protocol. For fossil fuel and fugitive emission factors, the Group gives priority to the values recommended in the IPCC Guidelines for National Greenhouse Gas Inventories, while the emission factors for electricity consumption adopt the latest data issued by the Ministry of Ecology and Environment. Scope 1 emission sources mainly comprise direct CO_2 emissions from coal combustion and fugitive emissions at self-owned power plants during polysilicon production. Scope 2 emission sources mainly include two categories: (i) indirect CO_2 emissions from purchased grid electricity consumed in production; and (ii) indirect CO_2 emissions from steam consumption for production facilities and residential areas during production. Scope 3 emission sources mainly consist of indirect CO_2 emissions from upstream raw materials and indirect CO_2 emissions generated in upstream and downstream transportation. The Group's self-owned power plants have participated in the national carbon emissions trading market. Each year, the Group proactively conducts carbon emission self-inspections, identifies energy-saving and carbon-reduction measures, implements related projects, and assesses the surplus or shortfall of carbon allowances. The Group dynamically tracks price trends in the national carbon emissions trading market, conducts reasonable forecasts of compliance costs accordingly, and formulates scientific compliance guidance plans to effectively manage internal carbon assets.

In 2025, the Group's greenhouse gas emissions were as follows:

Index	Emissions in 2025 (Tonnes of carbon dioxide equivalent)	Emissions in 2024 (Tonnes of carbon dioxide equivalent)
GHG (Scope 1)	5,693,157.64	4,822,141.13
GHG (Scope 2)	1,034,159.67	4,599,214.54
GHG (Scope 3)	2,481,004.34	3,561,621.73
Total	9,208,321.66	12,982,977.40

In 2025, the Scope 2 greenhouse gas emissions of the Group based on regions were as follows:

Region (China)	Index	Emissions in 2025 (Tonnes of carbon dioxide equivalent)
Northwest China	GHG (Scope 2)	966,317.48
North China	GHG (Scope 2)	67,842.19
Total		1,034,159.67

(2) Wastewater treatment

The Group strictly abides by national and local wastewater emission standards. The Group established a complete sewage treatment system for wastewater such as COD (Chemical Oxygen Demand) and ammonia nitrogen generated in the Group's production process of polysilicon, and achieved 100% recycling and comprehensive utilization. Except for polysilicon production, the Group's other production processes did not consume water resources or generate production wastewater; the Group's domestic sewage discharge met the relevant level standards of the Integrated Wastewater Discharge Standard (GB 8978-1996) and the Water Quality Standard for Sewage Discharged into Urban Sewers (GB/T 31962-2015).

5. Environmental Protection

In 2025, the polysilicon production park of the Group implemented the renovation of sewage treatment facilities. Domestic sewage was transferred to industrial water facilities for continued recycling after being treated from the second quarter, and therefore there was no discharge of domestic sewage or sewage treatment. The Group achieved a nearly 100% reuse of industrial wastewater by adopting water conservation and discharge reduction measures such as collecting and treating silicon-containing wastewater, replacing rotating drums with drying machines, cascade recycling of wastewater, implementing projects for zero discharge of industrial wastewater and putting triple-effect evaporators into operation.

(3) Waste management

The Group strictly abides by the laws and regulations and waste discharge standards such as the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》) and the Measures for the Prevention and Control of Environmental Pollution by Waste Hazardous Chemicals (《廢棄危險化學品污染環境防治辦法》), and conducts scientific, rational and safe disposal of all types of waste. For hazardous wastes (such as waste oil, waste denitration catalysts, waste acid barrels, waste sulfuric acid, waste oil barrels, etc.) and non-hazardous wastes (such as fly ash, furnace slag, hydrolyzate, desulfurization gypsum, etc.) generated in the production and manufacturing process, the Group has formulated and implemented a number of internal management systems to clarify the management responsibilities for hazardous wastes, standardize disposal requirements for hazardous wastes in collection, storage, disposal and management, identify emission sources and optimize production processes, and scientifically manages wastes in accordance with the principles of reduction, resource utilization and harmlessness. General solid wastes mainly include packaging boxes, waste plastic bottles and other items, which are collected centrally and transferred to specialized manufacturers for unified recycling and treatment. Domestic waste is regularly collected and transported by the municipal sanitation department in the place where the operating entity is located to ensure no impact on the surrounding environment.

(4) Noise prevention

The Group strictly abides by the Emission Standard for Industrial Enterprises Noise at Boundary (《工業企業廠界環境噪聲排放標準》) (GB12348-2008), pays close attention to the operating noise of boilers, steam turbines, ball mills, compressors and other equipment, and the noise during construction, regularly monitors the noise and main noise sources at factory boundaries, factory areas and living areas, and takes the noise prevention and control measures listed in the table below, effectively strengthening noise management. During the Reporting Period, the measurement results of all noise measurement cycles of the Group were in compliance with relevant national standards.

Management sector	Prevention
Noise source	Purchase machinery and equipment with advanced technology and low noise
Noise propagation	Rationally design the layout of production workshops, distinguish and fully utilize the sound insulation effects of the plant structure and walls, and install soundproof doors, windows and mufflers, etc.
Noise Reception	Reduce the impact of noise on the surrounding environment through reasonable layout, make full use of the sound insulation effect of buildings on site and use green belts to reduce noise; provide employees who may be affected by noise pollution with standard earmuffs and other labor protection supplies

(5) Discharge amounts and density of main wastes

During the Reporting Period, the main waste emissions of the Group were as follows:

Index	Specific type	Production sector	2025 Emissions (tonne)	2025 Density note (per tonne)	2024 Emissions (tonne)	2024 Density note (per tonne)
Exhaust gas	Dust	Self-owned power plants	40.1	0.0004	34.74	0.0002
	Sulfur dioxide	Self-owned power plants	282.83	0.0029	217.37	0.0011
	Nitrogen oxides	Self-owned power plants	691.05	0.0072	553.88	0.0028
Wastewater	COD	Polysilicon production	15.91	0.0002	34.54	0.0002
	Ammonia nitrogen	Polysilicon production	2.55	0.0000	9.11	0.0000
	Total Nitrogen	Polysilicon production	9.06	0.0001	/	/
Hazardous waste	Waste oil	Equipment lubrication	172.66	0.0018	192.8	0.001
	Waste denitration catalyst	Self-owned power plants	0.00	0.0000	294.16	0.0015
	Waste acid barrel	Equipment lubrication	0.08	0.0000	9.27	0.0000
	Waste sulfuric acid	Polysilicon production	83.64	0.0009	1,050.47	0.0053
	Waste oil barrel	Polysilicon production	12.52	0.0001	6.10	0.0000
	Waste activated carbon	Polysilicon production	101.21	0.0011	353.42	0.0018
	Waste adsorbent	Polysilicon production	70.86	0.0007	59.92	0.0003
	Waste paint drums	Polysilicon production	12.46	0.0001	68.29	0.0003
	Laboratory waste	Polysilicon production	0.33	0.0000	3.11	0.0000
	Waste packaging	Polysilicon production	17.53	0.0002	6.70	0.0000
	Lead batteries	Polysilicon production	16.84	0.0002	54.59	0.0003
	Waste ion exchange resin	Polysilicon production	23.88	0.0002	/	/
	Waste paint	Polysilicon production	34.06	0.0004	/	/

5. Environmental Protection

Index	Specific type	Production sector	2025 Emissions (tonne)	2025 Density note (per tonne)	2024 Emissions (tonne)	2024 Density note (per tonne)
Non-hazardous waste	Fly ash	Self-owned power plants	234,699.15	2.4350	243,330.90	1.2240
	Furnace slag	Self-owned power plants	136,505.75	1.4163	175,215.30	0.8814
	Hydrolyzate	Polysilicon production	41,343.79	0.4289	112,054.95	0.5637
	Desulfurization gypsum	Self-owned power plants	50,837.60	0.5274	61,405.84	0.3089
	Waste thermal insulation cotton	Polysilicon production	2,200.02	0.0228	/	/
	Waste silicon powder	Polysilicon production	1,821.71	0.0189	/	/
	Construction waste	Polysilicon production	14,035.40	0.1456	/	/
	Crystalline salt	Polysilicon production	2,227.75	0.0231	/	/

Note: Density is calculated based on the Group's polysilicon production volume.

3. Protecting Natural Ecology

The Group attaches great importance to the impact of business operations on biodiversity and ecology, firmly adheres to the philosophy of green development, and devotes all its efforts to safeguarding the green ecology of harmonious coexistence between humanity and nature.

The Group has formulated specific ecological protection measures in strict compliance with the Law of the People's Republic of China on Water and Soil Conservation (《中華人民共和國水土保持法》), the Regulations on Environmental Protection Management of Construction Projects (《建設項目環境保護管理條例》), the Wildlife Protection Law of the People's Republic of China (《中華人民共和國野生動物保護法》), the Regulations of the People's Republic of China on Nature Reserves (《中華人民共和國自然保護區條例》) and relevant regulations and actively practices the philosophy of environmental and biodiversity conservation throughout the entire process of project construction and operation. Each of the operating or project locations of the Group does not involve ecologically sensitive areas such as legally protected ecological zones, important habitats and other areas with important ecological functions and significant importance for protecting biodiversity.

In day-to-day operations, the Group minimizes the occupation and interference of surrounding land as much as possible by optimizing the scope of the factory area and land for project development, strictly prohibits deforestation, provides greenery on slopes, exposed land, idle land and both sides of roads within and around the factory area, and uses low-noise construction equipment and techniques to provide a relatively stable living environment for the animals and plants in the business location. Furthermore, the Group actively carries out ecological environment monitoring work, regularly investigates and assesses the quality of soil and groundwater in the factory area, closely monitors changes in the ecosystem, and identifies and addresses potential issues that may affect biodiversity in a timely manner. In addition, the Group also guides all employees to participate in the action of protecting the natural ecology together by strengthening the training of employees' awareness of ecological protection and conducting environmental protection publicity and education activities, etc., creating a good atmosphere where everyone cares approximately the ecology and cherishes the environment.

The Group's PV projects are located in deserts and Gobi. PV power stations can adjust the thermal balance in deserts and Gobi areas by converting solar radiation, reducing the frequency of sandstorms and sandflows. Meanwhile, as the PV panel is set up higher than desert vegetation and sand-fixing barriers, it has a better effect of wind and sand protection than native vegetation and sand-fixing barriers. In addition, the PV panel also has the function of collecting water, which can use the wastewater from cleaning PV panels and collected rainwater to promote the growth of vegetation in the PV field, increase vegetation coverage, and improve the ecological environment of deserts and Gobi.

5. Environmental Protection

During the planning stage of wind power projects, the Group conducted detailed ecological surveys, actively avoided ecological red lines, optimized wind turbine layout, and reserved sufficient space for bird migration channels and wildlife activity areas, etc; during the construction of projects, the Group strictly controlled the construction area, properly preserved stripped topsoil, implemented interception and drainage measures, and prevented soil and water loss. After the completion of construction, the Group preserved topsoil for reclamation or vegetation restoration; during the operation of new energy power stations, the Group installed bird repellers on wind turbine towers and sprayed warning paint on wind turbine blades for bird migration or breeding activities to establish eco-friendly new energy power stations.

The Group strives to build a garden-style industrial park and continuously improve the ecological environment of the park, while planting some berry seedlings to maintain and improve the living environment of organisms in the community. Focusing on the overall principle of "evergreen all year round, blooming in spring, leaf viewing in summer and fruit viewing in autumn", in 2025, the Group completed greening maintenance of over 500,000 square meters. By planting trees, shrubs, lawns and flowers, a complex structure of trees, shrubs, flowers and grass has been formed. Through the intelligent irrigation system, the Group has achieved precision utilization of water resources and reduced waste, striving to make the greening area have both ecological functions and rest space for employees, promoting the harmonious coexistence between man and nature, continuously creating a green industrial ecological environment of "blue sky and white clouds, birds singing and flowers fragrant", and continuously improving carbon sequestration capacity and ecological stability. Thanks to the continuous improvement of the ecological environment, wild animals such as shrews, squirrels, mistle thrushes and ring-necked pheasants appear in the factory area all year round, realizing the harmonious coexistence between humans, animals and plants, and contributing to the protection of biodiversity and ecological sustainable development.

4. Combating Climate Change

Climate change risk has become a critical global issue that cannot be ignored, and will exert a profound impact on global economic and social development. The Group actively responds to international climate change initiatives and the national "carbon peaking and carbon neutrality" strategy, identifies and assesses the impacts, challenges and opportunities brought by climate change, formulates corresponding strategies and measures based on its own operational characteristics, and strives to reduce greenhouse gas emissions during operations.

In advancing climate change response and green development, the Group integrates green and low-carbon concepts into its entire strategic planning and operation and management process, fulfilling its obligations in respect of energy conservation, carbon reduction and carbon asset accounting in accordance with the law. It actively explores "carbon peaking" implementation plans, emission reduction pathways and special energy-saving renovation plans for various industries, and gradually sets GHG emission reduction targets, carbon reduction measures and safeguard plans according to different business types. The Group steps up the development of new energy resources to provide more green electricity to society; carries out environmental protection renovation, advocates green operation, vigorously promotes the R&D and innovation of green and low-carbon products, and provides more energy-saving and environmentally friendly products to meet market demand. It develops new energy power stations to support energy-intensive projects, strengthens supply chain carbon footprint management, increases the proportion of green power in energy consumption, enhances product competitiveness, and promotes the green and low-carbon development of the industrial chain.

The Group incorporates climate change response into its ESG governance framework. All departments and production units integrate climate actions into daily work, actively promote energy efficiency management improvement, energy structure adjustment, green product design, cleaner production and greenhouse gas inventory, and are committed to improving climate governance performance. The Group has not yet applied carbon pricing in its decision-making and not yet factored climate-related considerations into remuneration policy.

(1) Climate-related risks and opportunities

The board of directors of the Group is responsible for overseeing climate-related risks and opportunities, and reviews the identified climate-related risks and opportunities. The identification of climate change risks and opportunities is regarded as a core part of corporate management and subject to comprehensive assessment. The Group measures the intensity of impacts of relevant risks and opportunities on its value chain and financial position from a time dimension, conducts risk analysis, and takes climate resilience measures in a timely manner. It continuously enhances its resilience and adaptability in the context of climate change, strives to reduce potential risks, actively seeks sustainable development opportunities in the low-carbon transition, and continuously strengthens its capacity to address climate change.

1) Physical Risk Identification and Mitigation Measures

Risk name	Risk description	Time range	Effects on value chains	Potential financial impact	Response strategies
Tropical cyclone	• Be accompanied by strong winds, rainstorms and storm surges, causing physical damage to equipment and buildings in coastal provinces and regions • Disrupt the operation of construction projects and delay outdoor operations • Cause power outages and transportation disruptions, and intensify the logistics and transportation risks of raw materials and finished products	Short/medium/ long term	• Upstream of value chains • Core operations • Downstream of value chains	• **Rising operating costs**: Increase in costs for equipment repairs and maintenance, emergency responses, additional cooling, drainage and flood control and post-disaster cleaning and repairs, etc. • **Decrease in operating revenue**: Decrease in revenue resulting from production interruptions, production reductions and shutdowns, order delays/cancellations, disruptions in power supply and product delivery	• **Improve emergency plans and linkage mechanisms**: Develop special emergency plans for high temperatures, floods and blizzards, etc., and establish an emergency organization system; collaborate with government emergency departments and pay attention to meteorological warnings; conduct regular emergency drills such as flood controls and be equipped with an emergency communication system

Risk name	Risk description	Time range	Effects on value chains	Potential financial impact	Response strategies
Extreme heat	• Increase the demand for industrial cooling and disrupt the stable operation of cooling systems • Cause a decrease in equipment efficiency and an increase in failure rate, and affect outdoor operations and enhance the risk of heatstroke among personnel	Short/medium/ long term	• Core operations	• **Increase in capital expenditures**: Increase in investments in the reconstruction of damaged assets, construction of disaster prevention facilities, upgrades of equipment for heat resistance and disaster resistance, and self-construction of water circulation systems • **Increase of other financial burdens**: Intensified increase in insurance rates due to claims records and risks; asset stranding caused by the discontinuation of use or early scrapping of critical equipment/ projects	• **Strengthen the disaster prevention and protection, and operation and maintenance of facilities**: Reinforce factories, warehouses and stations to high standards for flood prevention, wind prevention, lightning protection and frost prevention; maintain drainage pipe networks and install additional waterproof and antifreeze devices for equipment; regularly inspect and clean up snow and ice accumulations, and inspect and repair heating, ventilation, and cooling facilities • **Strengthen personnel safety training and work management**: Conduct specialized training on heatstroke prevention and cooling, first aid for frostbite and safety in windy weather; adjust daily routine during high temperature periods, set up shaded rest areas, and provide heatstroke prevention drinks; prepare for cold weather in the workplace during winter and be equipped with cold-proof equipment

Risk name	Risk description	Time range	Effects on value chains	Potential financial impact	Response strategies
Extreme precipitation and river floods	• Cause water accumulation and waterlogging, resulting in damage to the equipment due to immersion and circuit short • Erode raw materials stored outdoors, resulting in deterioration or loss of stock • Delay construction progress, destroy power, road and other infrastructure, trigger secondary disasters such as mudslides, and thus endanger the safety of personnel and assets	Short/medium/ long term	• Upstream of value chains • Core operations • Downstream of value chains		• **Promote technological upgrading and intelligent operation and maintenance**: Incorporate product design into characteristics of typhoon resistance, explosion prevention and easy maintenance; develop disaster-resistant equipment such as ice melting transformers; develop unmanned equipment mode and set temperature threshold warning; introduce typhoon-resistant and low wind speed turbines into wind power projects • **Ensure stable supply and efficient utilization of water resources**: Build a wastewater treatment system and establish multi-channel backup water supply systems; implement water efficiency improvement projects, optimize technological process and improve water recycling rate
Blizzard and freezing	• Cause icing of power grid facilities and breakage of transmission lines, resulting in power outages • Significantly reduce the efficiency of outdoor construction, transportation, and logistics • Interfere with the storage and production process of specific materials, and threaten personnel safety during operations	Short/medium/ long term	• Upstream of value chains • Core operations • Downstream of value chains		

Risk name	Risk description	Time range	Effects on value chains	Potential financial impact	Response strategies
Water scarcity	• The regional water scarcity problem becomes prominent, directly threatening the normal operation of high water consumption production bases in water scarce areas	Medium/long term	• Core operations		• **Implement strict site selection risk control and avoid risks at the source**: Avoid low-lying areas and wind vents for site selection for factory and station areas; assess wind speed risks using precise climate models before the development of wind power projects to avoid investment in areas with low power generation • **Purchase insurance**: Purchase property insurance and personnel accident insurance to cover the risks of asset damage and personal injuries caused by extreme weather, and transfer some financial losses through insurance
Wind speed trend	• Enhanced wind speed will increase the design load of photovoltaic equipment and increase the probability of equipment damage • Weakening wind speed may cause the actual power generation of the wind farm to be lower than expected, affecting production capacity and revenue	Long term	• Core operations		

2) Transition risk identification and response measures

Risk name	Risk description	Time range	Effects on value chains	Potential financial impact	Response strategies
Policies and laws	• Under the domestic "dual carbon" policy, the power sector marketization reform and policy adjustments for the new energy industry may bring challenges to the operation of new energy power generation • The regulation of carbon emissions is becoming stricter, the carbon trading mechanism is gradually improving, and the possibility and intensity of levying carbon taxes are increasing	Short/medium/ long term	• Core operations	• **Increase in short-term costs**: Increase in the operating costs of electricity, carbon compliance, green electricity and green certificates, and increase in capital expenditures for equipment updates, low-carbon research and development and energy-saving retrofit • **Increase in income uncertainty**: Market fluctuations, overcapacity, technology substitution and other factors may trigger a decline in prices of some products, affecting overall revenue and profits • **High demand for continuous capital investment**: To maintain competitiveness, continuous large-scale investment is required in areas such as technology research and development, intelligent transformation and equipment updates, which puts greater pressure on long-term capital occupation	• **Investment in the construction of new energy power stations**: Actively respond to the national dual carbon strategy, increase the construction and operation scale of new energy power stations, increase the power generation of power stations through management and technological innovation, reduce power generation costs, and increase the proportion of new energy power generation • **Low-carbon transformation of equipment and processes**: Promote energy-saving retrofit of high energy-consuming equipment and key energy consuming processes, coordinate technological transformation and new construction projects, and build a low-carbon demonstration system

5. Environmental Protection

Risk name	Risk description	Time range	Effects on value chains	Potential financial impact	Response strategies
Technologies	• Insufficient R&D funds and talents will lead to a lag in new product and technology upgrades, which cannot meet market demand	Medium/long term	• Core operations		• **Strengthen the research and development of green technologies**: Focus on green, low-carbon, intelligent and new material processes, intensify the research and development of energy-efficient and environmentally friendly products, develop power electronic products with strong compatibility and great upgrade potential, and accelerate technology and product iteration

5. Environmental Protection

Risk name	Risk description	Time range	Effects on value chains	Potential financial impact	Response strategies
Market	• With the diversified market demand for low-carbon products, products need to pass low-carbon/zero carbon, EPD (Environmental Product Declaration) and other certifications	Short/medium/ long term	• Core operations • Downstream of value chains		• **Green products and new business expansion**: By combining polysilicon production with ecological restoration, actively explore green manufacturing models such as photovoltaic desert control and agricultural and photovoltaic complementarity, expand new business scenarios such as green power direct connection, energy storage and green power hydrogen, ammonia and alcohol, and build a multi-energy complementary clean energy system of "wind solar hydrogen storage", and reduce the impact on the ecological environment while developing business to help to achieve sustainable industrial development under the dual carbon goal.

Risk name	Risk description	Time range	Effects on value chains	Potential financial impact	Response strategies
Reputation	• Regulatory authorities, investors, customers and other stakeholders have increasingly strict requirements for climate-related information disclosure. Improper responses may lead to financing difficulties and a decrease in brand value	Medium/long term	• Core operations • Downstream of value chains		• **Deepen the intelligent upgrade of the entire process**: Optimize production and operation through digitization and intelligence, continuously promote automation in all aspects, and apply information technology to the full lifecycle management of polysilicon and new energy industries • **Lay out green electricity to ensure clean energy consumption**: Built new energy projects+sign PPA (Power Purchase Agreement), purchase green electricity and green certificates, increase the proportion of renewable energy absorption and consumption, and ensure green power supply

Risk name	Risk description	Time range	Effects on value chains	Potential financial impact	Response strategies
					• **Optimize carbon assets and compliance management**: Purchase CCER (Chinese Certified Emission Reduction) to replace CEA (Chinese Emission Allowance) and reduce compliance costs, explore the potential for carbon market participation, and systematically enhance the carbon management capabilities of key emission units

3) Identification of transition opportunities and response measures

Opportunity name	Opportunity description	Time range	Effects on value chains	Potential financial impact	Response strategies
Resource efficiency Energy source	• Systematically promoting energy management, energy-saving diagnosis and technological transformation can comprehensively improve the efficiency of the company's power generation and energy consumption • Optimizing the energy consumption structure and developing clean energy can reduce the company's carbon emissions and energy costs • Adopting innovative application of waste and old equipment dismantling and recycling technologies can help to achieve internal circulation of resources and cost reduction • Carrying out research and development of energy-saving and low-carbon technologies and lean production can drive green and efficient processes to reduce energy consumption	Medium/long term	• Core operations • Downstream of value chains	• **Increase in short-term capital expenditures**: Purchase low-carbon equipment, develop technologies, invest in recyclable materials, and increase short-term investments in new models, projects and technologies • **Income growth**: The increase in sales of cables and transformers both domestically and internationally leads to an increase in revenue; the demand side of the new energy industry drives silicon material production capacity and technology investment, and the accelerated investment in photovoltaic+ and other integrated projects can significantly increase revenue if opportunities are seized	• **Digitalization and energy-saving technological transformation**: Promote digital energy management in various business sectors, build digital workshops and intelligent operation and maintenance of new energy power stations; implement energy-saving technological transformation, optimize production processes, and increase the proportion of green electricity usage • **Resource recycling and utilization**: Carry out the recycling and reuse of silicon-based water resources, solid waste and other resources; promote green packaging and logistics optimization; promote product lightweighting and recycling, and improve the utilization rate of raw materials

Opportunity name	Opportunity description	Time range	Effects on value chains	Potential financial impact	Response strategies
Products and services	• Polysilicon products continuously reduce product costs and improve product quality through process optimization and the application of new technologies • Breakthrough in solar power generation and conversion efficiency and optimization of manufacturing processes • The continuous increase in single unit capacity of wind turbines and technology iteration of large-scale blades promotes further reduction of renewable energy generation costs • Growth of project scale in emerging fields in emerging fields such as source network load storage projects and green hydrogen, ammonia and alcohols	Short/medium/ long term	• Upstream of value chains • Core operations • Downstream of value chains		• **Green products and new business expansion**: By combining polysilicon production with ecological restoration, actively explore green manufacturing models such as photovoltaic desert control and agricultural and photovoltaic complementarity, expand new business scenarios such as green power direct connection, energy storage and green power hydrogen, ammonia and alcohol, and build a multi-energy complementary clean energy system of "wind solar hydrogen storage", and reduce the impact on the ecological environment while developing business to help to achieve sustainable industrial development under the dual carbon goal.

Opportunity name	Opportunity description	Time range	Effects on value chains	Potential financial impact	Response strategies
Market	• Against the backdrop of global energy transition, the installed capacity of photovoltaics and wind power continues to expand, the penetration of emerging market applications deepens, and the demand for the entire industry chain grows comprehensively	Short/medium/ long term	• Core operations		• **Carbon asset management and ecological construction**: Establish a professional carbon asset team to develop carbon projects such as CCER and promote emission reduction trading and environmental benefit conversion

(2) Climate risk resilience

The Group integrates climate risk resilience construction into various aspects of its day-to-day operational management, and based on the actual operational situation of its business location, continuously improves its climate risk assessment mechanism, dynamically tracks changes in regional climate characteristics and trends such as frequency and intensity of extreme weather events. In light of the operational characteristics of different business segments, the Group enhances its ability to predict potential climate risks, strengthens the collection and analysis of climate risk data, systematically evaluates the potential impact of various climate risks on production and operation, supply chain, market demand and other aspects of the enterprise against the backdrop of global energy transition and climate change as well as the physical risks, transition risks and transition opportunities faced by the Group. The details are as follows:

1) Physical risks

Assuming that the internal factors such as the main business, business operation location, asset size and risk response measures of the Group remain unchanged, and only considering the disaster levels under various climate scenarios, the Group is exposed to the following main climate risks regarding the assets held by it:

Risk name	Risk description	Time range	Affected regions	Response strategies
Extreme heat	Cause a decrease in equipment efficiency and an increase in failure rate, and affect outdoor operations and enhance the risk of heatstroke among personnel	Short/medium/long term	Xinjiang, Inner Mongolia, Shaanxi	• Develop special emergency plans for high temperatures, and establish an emergency organization system • Conduct specialized training on heatstroke prevention and cooling safety • Adjust daily routine during high temperature periods, set up shaded rest areas, and provide heatstroke prevention drinks
Water scarcity	The regional water scarcity problem becomes prominent, directly threatening the normal operation of high water consumption production bases in water scarce areas	Medium/long term	Xinjiang	Increase research and investment and investment in in self-construction of water circulation systems
Wind speed trend	• Enhanced wind speed will increase the design load of photovoltaic equipment and increase the probability of equipment damage • Weakening wind speed may cause the actual power generation of the wind farm to be lower than expected, affecting production capacity and revenue	Medium/long term	Business locations of new energy power stations	• Strictly select sites for new energy power stations to avoid wind vents and avoid risks at the source • Optimize wind turbine design and intelligent scheduling system

2) Transition risk

Assuming that the current main business and production capacity of the Group remain stable, and the Group's emission reduction pathway is consistent with China's "3060" dual carbon goals, it means that the overall carbon emissions will peak in 2030 and achieve carbon neutrality by 2060. Meanwhile, based on China's new round of NDC (Nationally Determined Contributions) commitment to "reduce economy-wide net greenhouse gas emissions by 7% –10% from peak levels by 2035" as well as the emission reduction trend of the industry in which the Group operates, the Group analyzes the potential carbon cost risks it faces.

Based on the carbon emission inventory data of the Group and with reference to the carbon emission reduction pathway consistent with China's NDC, it is found that although the Group operates in a low-carbon industry, it is still, to some extent, affected by the energy-saving and carbon reduction of key energy consuming processes and the cost of technology iteration, and its carbon costs may gradually increase in the short term. However, in the long run, the Group proactively grasps the operational risks brought approximately by climate policies and changes in industry trends and enhances its green competitiveness and sustainable development capabilities by adjusting energy structure, technological routes and business layout, which will cause long-term carbon costs to decrease gradually and be ultimately converted into carbon benefits.

3) Transition opportunities

Assuming that internal factors such as the business market and main business of the Group remain unchanged, according to the 2025 Renewable Energy Report released by the International Energy Agency (IEA), it is expected that the global annual newly installed capacity of renewable energy will continue to grow from 750GW in 2025 to nearly 890GW in 2030 and that the global installed capacity of renewable energy will increase by approximately 4,600GW from 2025 to 2030. By 2030, the newly installed capacity of photovoltaic and wind energy is expected to account for 96% of the newly installed capacity of renewable energy, and the proportion of volatile renewable energy generation in the global power supply will reach 30%.

With the deepening of the consensus on global energy transition, the demand for installed capacity of wind and photovoltaic power is steadily increasing, and new tracks such as energy storage and hydrogen energy are accelerating their rise. In the future, new energy will continue to play a key role in ensuring energy security, upgrading industrial structure and promoting green economic growth, with broad long-term market space and good development opportunities.

(3) Climate-related actions

In response to global climate change, the Group is committed to creating a new industrial development model of "producing green products with green electricity", continuously increasing investment and construction efforts in wind power, photovoltaic and other green electricity, expanding the construction and operation scale of the Group's new energy power stations, and continuously increasing the contribution of green and clean energy. In 2025, the installed capacity of photovoltaic and wind power projects from which revenue was completed and recognized by the Group was approximately 2.74GW. As of the end of 2025, the Group had an approximately 4GW of operated power plants projects which have achieved grid-connected power generation. Compared with coal-fired power plants of the same scale, the annual power generation of self-operated power stations can reduce nitrogen oxide emissions by approximately 1,000 tons/year, sulfur dioxide emissions by approximately 615.99 tons per year, dust emissions by approximately 104 tons per year, and carbon dioxide emissions by approximately 6.5839 million tons per year.

In 2025, the Group will purchase 400,927 green certificates, absorb 716,600 kilowatt-hours through PPA, and consume 1.2031 million kilowatt-hours of self-generated distributed photovoltaic power, all of which are equivalent to 49,509.86 tons of standard coal equivalent.

In 2025, two subsidiaries of the Group were selected for the second batch of industrial carbon-peaking pilot projects in Shaanxi Province, and were awarded the titles of "zero-carbon or near-zero-carbon factory" and "industrial green microgrid" respectively. In terms of zero carbon park construction, the Group's subsidiaries fully integrated and utilized the roof space of the factory and dormitory buildings to build a distributed photovoltaic power station with a total installed capacity of 4.44 megawatts, with an average annual power generation of approximately 4 million kilowatt-hours and an annual savings of 2,800 tons of standard coal equivalent through supporting waste-heat recovery. Through the operation model of "self-generation and self-consumption, distribution of surplus electricity to the grid", the factory achieved efficient on-site consumption of clean energy and optimized system configuration, providing a replicable and promotable demonstration model for the construction of the Group's zero carbon park; in terms of building a green microgrid, the Group's subsidiaries relied on their proprietary technology to implement energy storage strategies and achieved efficient utilization of clean energy and near-zero-carbon emission operation in the park in combination with mobile communication remote control and carbon accounting system.

5. Environmental Protection

In 2025, the Group did not encounter climate change and related matters that have a material adverse impact on corporate operations. Apart from implementing technological renovations of polysilicon production equipment and intensifying the development of new energy power stations, constructing zero-carbon factories and building a green supply chain to actively respond to energy conservation, emission reduction and improve quality and efficiency, the Group did not have capital expenditures, financing or investments for climate related risks and opportunities. Due to the fact that the impact of climate-related risks and opportunities on the Group's finance involves a large amount of data collection and complex analysis work, and the long-term impact of climate risks is highly uncertain, it is difficult for the Group to accurately quantify the specific impact of climate risks on finance in the short term. Currently, the Group is still establishing and improving the relevant data collection and analysis system to ensure that the impact of climate risks on current and expected financial performance can be accurately evaluated and disclosed in the future.

6. Employee Care

The Group respects and safeguards the legitimate rights and interests of employees, and practices the corporate culture philosophy of "development for the employees, development by the employees, and development outcomes shared with the employees" with concrete actions. It fosters a diverse, inclusive, fair and equitable working environment for employees, provides learning resources conducive to skills upgrading, establishes sound development space and promotion channels, continuously enhances employee satisfaction, and promotes the growth and progress of employees.

As of the end of 2025, there were 7,512 employees in the Group. The details of composition and number of employees are as follows:

Classification indicators	Category	Number of individuals (person)	Proportion
By gender	Male employee	6,072	80.83%
	Female employee	1,440	19.17%
By age	Under 30	3,069	40.85%
	Between 30 and 49	4,324	57.56%
	Above 50	119	1.58%
By functional role	Production personnel	3,689	49.11%
	Science and technology R&D personnel	1,232	16.40%
	Management personnel	1,435	19.10%
	Sales personnel	743	9.89%
	Financial personnel	124	1.65%
	Others	289	3.85%
By geographical region	Northwest China	6,313	84.04%
	North China	1,199	15.96%
By education level	Doctor	43	0.57%
	Postgraduate	1,050	13.98%
	Undergraduate	4,144	55.17%
	Others	2,275	30.28%

6. Employee Care

In 2025, a total of 1,369 employees resigned from the Group and the staff turnover rate was 18.23%. The specific statistics are as follows:

Classification indicators	Category	Number of employees lost (person)	Proportion
By gender	Male employee	1,156	84.44%
	Female employee	213	15.56%
By age	Under 30	792	57.85%
	Between 30 and 49	560	40.91%
	Above 50	17	1.24%
By geographical region	Northwest China	1,049	76.63%
	North China	320	23.37%

1. Compliant Employment

(1) Equal and regulated employment

The Group strictly abides by national labor laws and regulations such as the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》), and the Law of the People's Republic of China on the Protection of Rights and Interests of Women (《中華人民共和國婦女權益保護法》). The Group has formulated and implemented internal regulatory systems. Based on the principles of equality, voluntariness and consensus through negotiation, the Group signs labor contracts with all employees, clarifying the contract period, working hours, work location, job type, rest and vacation, salary and benefits, etc., to ensure that employees are employed in compliance with laws and regulations.

6. Employee Care

In promoting employment equity, the Group firmly prohibits any discriminatory terms and practices based on gender, age, ethnicity, race, religious belief, region and other factors. It has established a diversified recruitment and promotion evaluation system that is job demand-oriented and competency-focused, ensuring that all job applicants and existing employees enjoy equal opportunities for employment and career development. With regard to the protection of female employees' rights and interests, the Group provides full protection throughout the entire process including recruitment, job placement, remuneration determination, maternity protection and career development, effectively safeguarding their equal rights and eliminating gender discrimination and unfair treatment. In the implementation of employee rights protection, the Group's human resources department and compliance supervision department are responsible for the standard signing of labor contracts, whole-process performance tracking, dispute resolution and closed-loop response to employees' reasonable demands, so as to safeguard employees' rights to know, participate in and supervise their legitimate rights and interests. Meanwhile, the Group continuously enhances employees' awareness of legal rights protection through regular internal publicity of relevant regulations, and strictly verifies that the age of recruits meets statutory requirements, so as to fundamentally eliminate illegal employment practices such as child labor, forced labor and discriminatory labor.

During the Reporting Period, the Group recruited a total of 623 professional talents through social recruitment, campus recruitment and other channels, injecting new vitality into the workforce. In 2025, the Group had no material violations, irregularities or litigation cases relating to employee discrimination, child labour or forced labour, and did not receive any complaints or penalties from regulatory authorities.

(2) Remuneration guarantee

The Group has established a lawful and fair remuneration management system. Compensation is determined based on job value evaluation and performance contribution. By benchmarking against industry remuneration data, the Group balances internal equity and external competitiveness, and has formulated a scientific remuneration mechanism oriented towards value creation and performance incentives, so as to eliminate remuneration discrimination arising from non-performance factors. A dynamic remuneration adjustment mechanism has been established, which closely links remuneration adjustments to the Group's operating performance, industry remuneration levels and employees' performance. This stimulates employees' enthusiasm and initiative, enhances organizational performance and fully safeguards employees' remuneration levels.

6. Employee Care

The remuneration of the functional management personnel of the Group is paid in the form of "basic remuneration + performance-based remuneration + seniority remuneration + allowance + welfare + bonus", and the remuneration is inclined towards the business modules that support the strategic development of the enterprise. The remuneration of production personnel is implemented on a piece-rate basis and is paid in the form of "position remuneration + piece-rate remuneration + seniority remuneration + allowance + welfare + bonus", combining the income of employees with the growth of per capita labor productivity, to stimulate the creativity of front-line employees and achieve "more work, more pay". The remuneration of sales personnel is paid in the form of "position remuneration + performance commission + seniority remuneration + allowance + welfare", combining the income of employees with the growth of performance indicators to further stimulate the enthusiasm of sales personnel.

The Group provides employees with pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, housing provident fund, etc., and purchases accidental injury insurance for employees to provide all-round protection. The Group has established a medium- and long-term incentive mechanism to continuously stimulate the enthusiasm and creativity of outstanding employees, enhance their sense of identity and belonging. By attracting and retaining talents, it improves the core competitiveness of the enterprise, promotes the common growth of the enterprise and employees, and achieves a long-term win-win results.

In 2025, the Group paid its employees on time and there were no cases of delayed payment or non-payment of wages.

2. Construction of Employee Development Platform

(1) Career development

The Group attaches great importance to the career development of employees, and is committed to building clear and diversified career development paths for employees, so as to achieve a win-win situation between employees' personal value realization and the Group's development. The Group designs a "dual-track" career development channel that coexists "horizontally" and "vertically" for employees. Employees can realize horizontal job rotation, transfer or secondment across departments and businesses through internal competition, and choose a suitable business field based on their own work practice. They can also achieve promotion and development through the dual channels of management or professional technology in the vertical track by continuously giving play to their management or professional expertise in their fields. To ensure the effective operation of career development channels, the Group regularly conducts job evaluation and talent inventory, and formulates tailored career development plans for employees based on their performance appraisal results, competency assessment and personal career development aspirations. Meanwhile, the Group has established an internal job competition mechanism to provide a platform for fair competition for employees. As long as employees have corresponding capabilities and performance, they can obtain more challenging positions and broader development space through competition. In addition, the Group helps employees accumulate cross-departmental and cross-professional work experience, broaden their career horizons and enhance comprehensive competitiveness through a mentorship system and job rotation, so as to empower employees' career development.

As of the end of the Reporting Period, the career development channels for the employees of the Group included seven major sequences, namely management, technology, marketing, engineering, production, function and logistics, as well as 32 sub-sequences, forming a diversified career development channel.

(2) Growth and improvement

The growth and improvement of employees is the core driving force for the sustainable development of enterprises. the Group has established a growth system that covers all employees, is stratified and classified and runs through the entire career cycle, designing differentiated learning content and training programs for employees at different levels and sequences. For new employees, the Group carries out systematic induction guidance and learning, covering basic contents such as corporate culture, rules and regulations, safety regulations and job skills to help them quickly integrate into their team and become competent in their job duties; for current employees, the Group implements skill enhancement training based on job competency, and provides multi-dimensional course resources such as professional skills, management abilities and professionalism through a combination of online learning platforms and offline practical training; for high-potential talents and reserve cadres, the Group initiates a special training program to accelerate the improvement of their comprehensive ability through mentorship, project experience, rotation practice and other methods in order to reserve core talents for the future development of the enterprise.

Meanwhile, the Group focuses on key professional fields and regards the competitions of labor skills and business abilities as an important lever to promote the high-quality development of the enterprise around enhancing core business capabilities, and builds a platform for employees to showcase their talents and exchange skills by organizing activities such as labor competitions, skill competitions and innovation project evaluations to effectively stimulating their enthusiasm and innovative creativity and provide high-quality talent support for the development of new quality productive forces. In addition, the Group strengthens the selection and cultivation of Xinjiang craftsmen, great country craftsmen, model workers, reserve personnel granted special allowances and the creation of various studios for skilled masters and their promotion, and formulates a detailed plan to further stimulate the innovation vitality and demonstration and leading role of the studios around the goal of deep integration of skill enhancement and innovation practice.

6. Employee Care

In 2025, the Group continued to strengthen the job competency of its employees, updated the job competency matrix training resources by following the principle of "what to do, what to learn, what to test", built 38 sets of professional knowledge question banks for functional blocks, completed 2,495 training tasks and accumulated 13,803 people to participate in the evaluation in 2025 to ensure that employees' skill levels were accurately matched with job requirements. As at 31 December 2025, the Group had 173 internal lecturers through internal selection and external reserve, and engaged 11 lecturers from external professional institutions. The Group offered 2,670 online employee empowerment courses throughout 2025, covering career sequences such as engineering, process technology, safety, marketing, finance, law, investment and human resources. In 2025, the Group's employee training has covered all employees. The details are as follows:

Average training hours (hours/person)					
All employees	By gender		By position		
	Male	Female	High level	Middle level	General staff
107.88	111.84	94.31	76.81	127.75	106.64

3. Employee Care and Benefits

(1) Employee care

The Group insists on creating an equal, open and transparent working atmosphere, focusing on communication and exchanges among employees and giving positive feedback to employees' needs, so as to ensure that employees have the right to know, participate in and supervise the corporate operations and management, thereby motivating employees to devote more enthusiasm to their work and life. It also continued to improve the construction of the "inclusive + special" rights protection service system for employees, and organized and carried out popular projects focusing on the most concerned issues of employees, covering a series of projects such as the construction of harmonious labor relations, the care of experts and talents, the training of talents, the construction of green medical channels, the education of employees' children, and the condolences of their families, so as to continuously improve the sense of acquisition, happiness and security of employees, improving the quality of life of employees. In 2025, the Group listened to employees' demands through labor union committees, open columns, work communication meetings, questionnaire surveys and other channels, and continued to improve the working and living environment, so as to enhance employees' cohesion and sense of belonging:

- Each grassroots trade union organizes a satisfaction survey every month, the content includes but is not limited to restaurant satisfaction, dormitory satisfaction, management responsibility, etc., to understand the demands of employees and solve the actual difficulties faced by employees. In 2025, employee satisfaction has increased compared with the previous year.

- The Group has built an online employee feedback platform "Speak on Code", which allows all employees to scan a QR code to provide feedback on various demands and suggestions. A dedicated person is appointed to quickly respond to and handle the issues, so as to achieve efficient communication with employees and improve employee satisfaction.

- The Group regularly organizes general manager office meetings to listen to the opinions and suggestions of employee representatives on the Company's operation and management, salary and welfare, career development and other aspects, so as to ensure smooth direct communication channels with employees, timely understand employees' demands and promote the resolution of relevant issues.

- The Group organized democratic meetings, employee seminars and workers' congresses between the management, functional departments and frontline production employees in workshops to communicate face-to-face and heart-to-heart, understand the work, study and life of employees in detail, listen to their demands, support employees in work, help employees in life, solve employees' practical difficulties and improve employees' sense of happiness.

(2) Employee benefits

The Group continues to improve its benefit mechanism, and cares for and responds to the different needs of its employees, providing them with various kinds of benefits covering economic subsidies, health, housing and travel, etc. In 2025, the Group distributed benefits for traditional Chinese holidays such as the Spring Festival and Dragon Boat Festival, as well as Xinjiang-specific holidays such as Eid al-Fitr and Eid al-Adha to employees, to a total of more than 90,000 people with a total amount of more than RMB34 million. In 2025, the employee benefits of the Group mainly included:

- In addition to normal salary payment and payment of five insurances and one fund, employees were also provided with multiple living subsidies such as corporate annuities, commercial insurance, catering subsidies, transportation subsidies, communication subsidies and high temperature allowances. For newly introduced high-end talents, tuition subsidies and settlement subsidies of varying amounts are provided based on their educational background and qualifications.

- Provided free hotel style employee dormitories and continuously carry out comprehensive renovation and upgrading of dormitory living conditions, renovation of interiors, repair of bathrooms and upgrading of furniture and household appliances in 2025 to create a safe and comfortable accommodation and living environment for employees.

- Be equipped with staff canteens providing food delivery services to the production area and employees with nutritious meal services for three meals a day, which strictly follow food safety management regulations and pay attention to balanced nutrition in daily dish combinations to meet the taste needs of different employees and enable employees to enjoy healthy, convenient, and delicious dining services in their spare time, effectively improving their dining experience and quality of life.

- Arranged regular physical examinations for all employees every year to ensure that "a disease can be treated as soon as possible or prevented in advance" and safeguard the physical and mental health of employees; carry out "two-cancer screening" physical examinations for female employees to fully implement the protection of the health rights and interests of female employees, build a strong defense line for health and enhance their sense of belonging and happiness; specially invite medical experts to carry out the "free consultation for health and service for warmth" activity to enable employees to receive authoritative hospital experts' consultations within the Company.

6. Employee Care

- Provided living areas with fitness and leisure facilities such as basketball courts, badminton halls, table tennis halls and football fields. In 2025, the Group repaired some outdoor basketball courts, indoor table tennis venues and badminton venues in the factory area. In addition to the overall environmental renovation, the Group also replaced internal hardware and purchased billiards tables and fitness equipment to improve the environment of employee sports facilities and guide employees to "walk out of the Internet, out of the dormitory and towards the sports field" by optimizing hardware configuration.

- Held a weight loss challenge, cultural and arts festival, fun basketball game, employee fun sports meeting, parent-child fun sports meeting, table tennis competition, chorus competition and other healthy cultural and sports activities, encouraging all employees to actively participate in various cultural and sports activities after work to enrich their personal lives, foster a positive and healthy lifestyle, and continuously enhance their sense of team belonging and cohesion.

- Carried out various employee care activities including International Women's Day, Children's Day Family Open Day, consolation activities for Army Day, Qixi Festival youth networking events, visiting needy employees, sick employees, pregnant employees, mutual aid fund consolation, and group birthday parties for employees, fully reflecting the warmth of the corporate family and further enhancing the cohesion of the Group and the team spirit of employees.

- Provided employee shuttle buses and caring official vehicles, improved and expanded parking lots in the parks, and installed additional rain shelters for electric vehicles and charging stations for new energy vehicles to encourage employees to travel in a low-carbon manner.

- Issued mutual aid funds to employees with special difficulties to help them overcome temporary hardships and solve their problems, creating a harmonious corporate atmosphere and fully demonstrating the Company's people-oriented management philosophy of caring for employees' work and life and building a harmonious enterprise.

4. Occupational Health

(1) Health management

The Group strictly abides by laws and regulations such as the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases(《中華人民共和國職業病防治法》). In accordance with the Classification Catalogue of Occupational Disease Hazards (《職業病危害因素分類目錄》) issued by the National Health Commission of the People's Republic of China and its own equipment and environmental conditions, the Group regularly identifies occupational disease hazard factors and updates occupational disease hazard notification letters. It has formulated and implemented relevant occupational health management systems, established a sound occupational health management system and continuously improved its occupational health management standards. As of the end of 2025, the Company and its major subsidiaries passed the ISO 45001certification of the occupational health and safety management system, and the major subsidiaries were awarded the honors of "Provincial Health Enterprise Construction Demonstration Unit" and "Municipal Health Enterprise Construction Demonstration Unit".

During the Reporting Period, the Group conducted daily and annual monitoring based on the updated occupational hazard factors and annual occupational hazard monitoring plan, and organized employees who were exposed to occupational hazards to undergo occupational health examinations, including pre-employment, on-the-job and post-employment occupational health examinations, to fully grasp the occupational health status of employees and promptly identify and deal with potential occupational health risks. To ensure the health and safety of employees during the work process, the Group provided employees with personal protective equipment that met national standards and strengthened training and supervision on the use of protective equipment to ensure that employees wear and use it correctly. Meanwhile, the Group continued to invest resources to improve the working environment, optimize ventilation, chemical factors and noise control in production workshops and reduce the concentration or intensity of occupational hazards so as to create safe and healthy working conditions for employees. In response to potential occupational health hazards, the Group established occupational health records to systematically manage employees' occupational health examination results, occupational disease diagnosis and treatment and other information and provide personalized health guidance and intervention measures for employees based on the examination results to help employees maintain their own occupational health.

During the Reporting Period, the Group did not have any incidents of serious damage to the health of its employees due to exposure to occupational hazards.

(2) Cultural promotion

The Group has always adhered to the principle of "life first, safety foremost", giving top priority to the life safety and health of employees and the public. It attaches great importance to the cultivation and promotion of occupational health culture, which is regarded as an important measure to improve employees' occupational health literacy and foster a sound atmosphere in which all employees prioritize occupational health, and guides employees to establish the awareness of "health first, prevention first". During the Reporting Period, the Group launched a series of themed activities focusing on the popularization of safety culture and occupational health knowledge, publicity and implementation of laws and regulations, and warning education on typical cases.

- The Group extensively carried out safety culture theoretical training, safety culture practical training, safety culture corridors, workshop safety culture training, safety symposiums, accident case warning education and other activities to popularize safety-related knowledge, organized safety knowledge competitions to test training results and enhance all employees' safety awareness.

- The Group carefully organized safety experience and fun quiz activities, including safety messages, drunk driving simulation, hard hat anti-smashing experience, fall from height experience, electric shock simulation, line fire, emergency evacuation drill, CPR first aid procedures and other various safety experiences, which fully mobilized the enthusiasm of all employees to learn safety knowledge, and improved all employees' sense of responsibility and identification with safety culture.

- It organized an occupational disease prevention week publicity event, carried out occupational disease prevention publicity through banners, new media, etc., to enhance all employees' awareness of occupational disease prevention and held occupational disease prevention knowledge competitions to consolidate the publicity results, creating an atmosphere of full participation and further enhancing employees' occupational disease prevention awareness and protection capabilities.

During the period from 2023 to 2025, the Group had no work-related fatalities, no major safety production accidents, and the number of lost workdays due to major work-related injuries was nil, and there were no penalties imposed on the Group for violation of laws and regulations relating to occupational health and safety.

7. Safety Production

Safety is the lifeline of production and operation and the basic premise for high-quality development. Only by adhering to the safety bottom line can we consolidate our foundation. The Group adheres to the safety-first culture and fully implements the safety production policy of "safety first, prevention first, comprehensive management", consistently prioritizing safety production as the foremost priority in the enterprise's development.

1. Safety Control

The Group has always complied with laws and regulations related to safe production such as the Production Safety Law of the People's Republic of China (《中華人民共和國安全生產法》), the Regulations on Production Safety Licenses (《安全生產許可證條例》), and the Regulations on the Safety Management of Hazardous Chemicals (《危險化學品安全管理條例》).In terms of special operation management, fire and explosion prevention management, safety accident management, hazardous chemicals management, accident emergency plans, key devices and critical sites management, the Group has formulated and implemented the Company's internal safety management systems, constantly improving the construction of the safety system. The Group has established a production safety management committee and sub-committees for equipment, production, engineering, intelligent manufacturing, process technology, human resources and training to fully implement the safety management responsibilities of each business segment and ensure the effective implementation of the principle that "those in charge of industries, business, and production and operations must be responsible for safety". Moreover, by signing the Safety Target Responsibility Letter (《安全目標責任書》) and other methods, the Group clarifies safety management responsibilities for all employees, to promote the organic integration of hierarchical safety risk management and control and hidden danger investigation and governance, strengthen safety production responsibilities, and enhance the awareness of production safety among all employees.

In 2025, the Group strengthened the safety team mechanism and system construction by continuously increasing investment in safety management, improving the safety performance incentive mechanism, optimizing the staffing of the safety, health and environmental protection team. It also improved the dual prevention mechanism of risk classification and color classification control and hidden danger investigation and treatment, strictly enforced on-site safety production management, and carried out safety management work focusing on the improvement of intrinsic safety of processes and equipment, identification and verification of major hazard sources, management of dangerous special operations, and integrated control of related parties, so as to timely warn and eliminate potential accidents from the source and effectively improve the ability to prevent and control accidents.

7. Safety Production

The Group has strictly implemented the three-tier emergency plan system of "comprehensive plans — special plans — on-site disposal plans". In response to the expansion of business formats, business development and changes in risks, the Group has timely revised and improved 4,289 emergency plans, and the coverage, operability and practicality of emergency plans have been continuously improved. It has strengthened targeted emergency drills to comprehensively improve employees' emergency response and emergency handling capabilities. In 2025, the Group conducted emergency response drills on a regular basis, organising a total of 2,053 drills throughout the year covering scenarios such as earthquakes, fires, explosions, poisoning and suffocation, with all employees participating. The Group also carried out emergency response capability enhancement training, practical assessments and competency tests for various disaster and accident scenarios to strengthen employees' emergency management capabilities, thus achieving the goal of "equipping all personnel with emergency response knowledge and the ability to handle incidents effectively".

In 2025, the Company and a number of its subsidiaries were awarded a number of national and provincial honours, including National Model Enterprise for Safety Culture Construction, Grade I Enterprise for Electric Power Work Safety Standardization, Four-Star Enterprise for Safety Culture Star-Rated Construction, and Advanced Collective for Standardized and Effective Fire Safety Management of Social Entities. This marks that the Group has reached a new level in the development of the work safety management system, the enhancement of risk prevention and control capabilities, and the standardization of work safety operations.

2. Digitalization of Safety Production

Deepened applications around the theme of "enabling data to create value", fostered new development advantages with new quality productive forces, continuously strengthened technological and intelligent prevention, promoted the digitalization and intelligentization of major hazard sources, and further shifted safety management from "post-incident disposal" to "pre-incident control", driving the in-depth digital integration of safety management and production processes. In 2025, focused on the standardization of work safety operations, the upgrade and development of smart work safety platforms, and the optimization of work safety early warning systems, to continuously promote the digitalization of basic safety management, intelligentization of operation control, precision of risk early warning, systematization of risk control, unmanned hazardous operations, integrated environmental monitoring, less-manned on-site inspections and remote operation and maintenance assistance, comprehensively improving the predictability and controllability of work safety management.

7. Safety Production

- Accelerated the development of the intelligent safety iHSSE platform. Through the measures of "unified platform, integration and replacement, and data connectivity", integrated terminal collected data, business systems and intelligent analysis data with various scenarios, systematically addressed the fragmentation issues in the current digitalization of safety and environmental protection, and ultimately achieved improved management efficiency, precise risk control and data-driven decision-making.

- Based on information technology, integrated hazard source monitoring, hidden risk identification and accident prevention functions, and continuously optimize the intelligent robotic inspection system which leverages drone and robot-based image capture to reduce manual operation risks, thereby establishing an efficient online early-warning system that enables full-process automated risk identification and intelligent response, with an abnormal behavior detection success rate exceeding 95% and a more than 50% improvement in safety management efficiency.

- Built intelligent spot inspection, digital and paperless inspection systems, enabling data sharing across multiple systems to support collaborative processing of inspection records, equipment status and other information, thereby achieving digital and efficient management of inspection work, improving inspection efficiency and the closed-loop rate of hazard handling, and realizing collaborative information processing through multi-system data sharing.

- Developed a smart fire protection system, building an automatic alarm network covering the entire plant, achieving "early detection and early warning" of fires, and pushing alarm information through mobile APP, reducing manual round-trip confirmation links and improving emergency response efficiency.

8. Social Feedback

The Group integrates the philosophy of "Creating Value and Common Development" into all aspects of its operations, actively responds to national calls, fulfills its commitment to supporting regional economic and community development, pursues the coordinated development of economic value and social benefits, while advancing toward its corporate mission of "enabling new energy and materials to usher in a new life and illuminate a new future". In 2025, the Group proactively engages in environmental protection, rural revitalization and community service, shouldering its social responsibilities and contributing Xinte Energy's efforts to these causes.

- Regularly organized volunteers to participate in community environmental sanitation activities at its operating locations, enhancing employees' awareness of environmental protection through waste cleanup, environmental sanitation, and tree planting initiatives, thereby fully implementing the ecological philosophy of respecting, adapting to, and protecting nature.

- Participated in the construction of more than 1GW of fishery-solar hybrid and agri-solar hybrid projects. These projects have not only improved land utilisation efficiency in the project locations and promoted the development of local characteristic agriculture, but also provided communities with a stable supply of clean electricity through the green and eco-friendly photovoltaic model, effectively mitigating the environmental impact caused by the consumption of traditional energy sources.

- Purchased and distributed agricultural goods from rural revitalisation initiatives to all employees as holiday gifts, supporting rural economic development through concrete actions.

- Organised volunteers to visit welfare institutions and participate in community orphan support activities, such as engaging the children in games and storytelling, while also donating love gift packages including school supplies, toys and nutritious food, to allow special groups in need to feel the warmth and support of society.

- Launched a volunteer initiative on safe electricity usage, conducting outreach in communities to educate residents on essential knowledge of safe electricity practices and enhance their safety awareness.

- Collaborated with communities to carry out a telecommunications fraud prevention campaign, disseminating anti-fraud knowledge to heighten residents' awareness against telecom scams.

V. Prospects in 2026

As 2026 marks the first year of the 15th Five-Year Plan, the Group is committed to prioritizing high-quality development as its top priority. We will align our strategy with the green and low-carbon transition of energy and the cultivation of new quality productive forces. By formulating our annual work plans in a scientific manner, we aim to ensure a strong start and lay a solid foundation for the entire 15th Five-Year Plan period. The Group will continue to pursue its vision of "building a world-class industrial system for silicon-based new materials and becoming an outstanding green and smart energy service provider in the world". It will take more determined steps to implement ESG principles, enhance its ESG management system, continuously strengthen technological innovation capabilities, leverage digital transformation as a driving force to improve quality, reduce costs and promote lean production, improve product and service quality, reduce energy consumption and pollutant emissions, and foster a diverse and inclusive working environment. The Group will actively participate in the battles to protect blue skies, clear waters, and clean soil, and advance with unwavering confidence, relentless vigor, steadfast resilience, and grounded efforts to fulfill its commitment to "delighting customers, reassuring employees, and earning shareholders' trust", striving to become a green energy demonstration enterprise that is leading in the industry, trusted by our shareholders, proud from our employees, and welcomed by the community.

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Disclosure Item		Page
Mandatory Disclosure Requirements		
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	5-9
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	3
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	3

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Disclosure Item		Page
"Comply or explain" Provisions		
Subject Area A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Hazardous wastes are those defined by national regulations.	42-48
KPI A1.1	The types of emissions and respective emissions data.	47-48
KPI A1.2	[Deleted on 1 January 2025]	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	47
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	48
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	42
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	45

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Disclosure Item		Page
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	38-42
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).	42
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	42
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	38
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.	39-40
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	40-42
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	49-50
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	49-50
Aspect A4: Climate Change		
General Disclosure	[Deleted on 1 January 2025]	
KPI A4.1	[Deleted on 1 January 2025]	

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Disclosure Item		Page
Subject Area B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the 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.	68-77
KPI B1.1	Total workforce by gender, employment type (for example, full-or part time), age group and geographical region.	68
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	69
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the 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.	78-79
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	79
KPI B2.2	Lost days due to work injury.	79
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	78

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Disclosure Item		Page
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	72-74
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	74
KPI B3.2	The average training hours completed per employee by gender and employee category.	74
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	69-70
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	70
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	70
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	33
KPI B5.1	Number of suppliers by geographical region.	34
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	35
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	35
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	36

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Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	30-31
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	31
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	31
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	32
KPI B6.4	Description of quality assurance process and recall procedures.	27-29
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	32
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the 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.	16-17
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.	17
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	16-17
KPI B7.3	Description of anti-corruption training provided to directors and staff.	17

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Disclosure Item		Page
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	83
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	83
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	83
Climate-related Disclosures		
Disclosure Obligation		
16. (1) Subject to paragraph 17, an issuer must report on the climate-related disclosures set out in this part in the ESG report on a "comply or explain" basis. An issuer who has yet to disclose information required under any of the provisions must provide considered reasons for non-disclosure. (2) Where an issuer has yet to disclose information required under any of the provisions set out in this part, regardless of whether such issuer has (a) opted to "explain" why it has not made a particular disclosure under the "comply or explain" regime or (b) chosen to apply an applicable relief available pursuant to the note to the relevant provision (whether it is required to report on a mandatory or "comply or explain" basis), such issuer is encouraged to provide information on the work plan, progress and timetable for making the required disclosure.		
17. (1) An issuer must disclose its Scope 1 greenhouse gas emissions and Scope 2 greenhouse gas emissions pursuant to paragraphs 28(a), 28(b) and 29 on a mandatory basis. (2) An issuer that is a constituent of the Hang Seng Composite LargeCap Index (HSCLI) must report on the provisions set out in this part on a mandatory basis in respect of financial years commencing on or after 1 January 2026. Note: This paragraph 17(2) applies to an issuer that is a HSCLI constituent throughout the year immediately prior to the reporting year. Once an issuer becomes subject to mandatory disclosure of Part D of this Code, it must continue to be subject to mandatory disclosure of Part D of this Code even if it subsequently ceases to be a HSCLI constituent. (3) An issuer is encouraged, but not required, to disclose industry-based metrics pursuant to paragraph 36.		

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Disclosure Item	Page
Definitions and Guidance	
18. (1) In this part, unless otherwise specified, terms in bold and italics shall have the meaning ascribed to them in Appendix A of the IFRS S2 Climate-related Disclosures. (2) When preparing disclosures pursuant to the provisions of this part, issuers should refer to (i) the application guidance set out in Appendix B of the IFRS S2 Climate-related Disclosures; and (ii) implementation guidance issued by the HKEX on its website, as amended from time to time.	
(I) Governance	
19. An issuer shall disclose information about: (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of ***climate-related risks and opportunities***. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about: Note: The responsibilities of such body(s) or individual(s) should be reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s). (i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to ***climate-related risks and opportunities***; (ii) how and how often the body(s) or individual(s) is informed about ***climate-related risks and opportunities***; (iii) how the body(s) or individual(s) takes into account ***climate-related risks and opportunities*** when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; (iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to ***climate-related risks and opportunities*** (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and	52

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(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee ***climate-related risks and opportunities***, including information about: (i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and (ii) whether management uses controls and procedures to support the oversight of ***climate-related risks and opportunities*** and, if so, how these controls and procedures are integrated with other internal functions. Note: When making disclosures required under paragraph 19, the issuer shall avoid unnecessary duplication of information disclosed under paragraph 13 of this Code. For example, although the issuer shall provide the information required by this paragraph 19, if it centrally manages the oversight of environmental, social and governance (ESG) related risks and opportunities (including climate-related ones), it should provide integrated governance disclosures rather than separate disclosures in respect of each individual ESG-related risk and opportunity, so as to reduce repetitive disclosures.	52
(II) Strategy	
Climate-related risks and opportunities	
20. An issuer shall disclose information to enable an understanding of ***climate-related risks and opportunities*** that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall: (a) describe ***climate-related risks and opportunities*** that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term; (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a ***climate-related physical risk*** or ***climate-related transition risk***; (c) specify, for each ***climate-related risk and opportunity*** the issuer has identified, over which time horizons – short, medium or long term – the effects of each ***climate-related risk and opportunity*** could reasonably be expected to occur; and (d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision making.	52-63

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Business model and value chain	
21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of ***climate-related risks and opportunities*** on the issuer's ***business model*** and ***value chain***. Specifically, the issuer shall disclose: (a) a description of the current and anticipated effects of ***climate-related risks and opportunities*** on the issuer's ***business model*** and ***value chain***; and (b) a description of where in the issuer's ***business model*** and ***value chain climate-related risks and opportunities*** are concentrated (for example, geographical areas, facilities and types of assets).	52-63
Strategy and decision-making	
22. An issuer shall disclose information that enables an understanding of the effects of ***climate related risks and opportunities*** on its strategy and decision-making. Specifically, the issuer shall disclose: (a) information about how the issuer has responded to, and plans to respond to, ***climate related risks and opportunities*** in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about: (i) current and anticipated changes to the issuer's ***business model***, including its resource allocation, to address ***climate-related risks and opportunities***; (ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect); (iii) any ***climate-related transition plan*** the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have such a plan; (iv) how the issuer plans to achieve any climate-related targets (including any ***greenhouse gas*** emissions targets (if any)), described in accordance with paragraphs 37 to 40; and (b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	63-67

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Disclosure Item	Page
23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	67
Financial position, financial performance and cash flows	
Current financial effect	
24. An issuer shall disclose qualitative and quantitative information about: (a) how ***climate-related risks and opportunities*** have affected its financial position, financial performance and cash flows for the reporting period; and (b) the ***climate-related risks and opportunities*** identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements. Notes: 1. The issuer shall describe climate-related matters in its financial statements in accordance with the requirements of Hong Kong Financial Reporting Standards, International Financial Reporting Standards, Chinese Accounting Standards for Business Enterprises, or other overseas financial reporting standards accepted by the Stock Exchange. 2. Where the quantitative information disclosed under paragraph 24 above is not presented as a separate line item in the financial statements, the issuer shall explain how such information is reflected in its financial statements (for example, by identifying the relevant financial items).	67

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Disclosure Item	Page
Anticipated financial effect	
25. The issuer shall provide qualitative and quantitative disclosures about: (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage ***climate-related risks and opportunities***, taking into consideration: (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy; and (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage ***climate-related risks and opportunities***. Notes: 1. In providing quantitative information about current or anticipated financial effects, an issuer may disclose a single amount or a range. 2. In preparing disclosures about the anticipated financial effects of a climate-related risk or opportunity, an issuer shall: (a) use all reasonable and supportable information that is available to the issuer at the reporting date without undue cost or effort; and (b) use an approach that is commensurate with the skills, capabilities and resources that are available to the issuer for preparing those disclosures. 3. An issuer need not provide quantitative information about the current or anticipated financial effects of a climate-related risk or opportunity if the issuer determines that: (a) those effects are not separately identifiable; or (b) the level of measurement uncertainty involved in estimating those effects is so high that the resulting quantitative information would not be useful. 4. In addition, an issuer need not provide quantitative information about the anticipated financial effects of a climate-related risk or opportunity if the issuer does not have the skills, capabilities or resources to provide that quantitative information. 5. If an issuer determines that it need not provide quantitative information about the current or anticipated financial effects of a climate related risk or opportunity applying the criteria set out in note 3 or 4 above, the issuer shall: (a) explain why it has not provided quantitative information; (b) provide qualitative information about those financial effects, including identifying line items, totals and subtotals within the related financial statements that are likely to be affected, or have been affected, by that climate-related risk or opportunity; and (c) provide quantitative information about the combined financial effects of that climate-related risk or opportunity with other climate-related risks or opportunities and other factors unless the issuer determines that quantitative information about the combined financial effects would not be useful.	67

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Disclosure Item	Page
Climate resilience	
26. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and ***business model*** to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified ***climate-related risks and opportunities***. An issuer shall use climate-related scenario analysis to assess its ***climate resilience*** using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose: ((a) the issuer's assessment of its ***climate resilience*** as at the reporting date, which shall enable an understanding of: (i) the implications, if any, of the issuer's assessment for its strategy and ***business model***, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; (ii) the significant areas of uncertainty considered in the issuer's assessment of its ***climate resilience***; and (iii) the issuer's capacity to adjust, or adapt its strategy and ***business model*** to climate change over the short, medium or long term; (b) how and when the climate-related scenario analysis was carried out, including: (i) information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios;	63-65

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(3) whether the climate-related scenarios used for the analysis are associated with ***climate-related transition risks*** or ***climate-related physical risks***; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the ***latest international agreement on climate change*** (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis); (ii) the key assumptions the issuer made in the analysis; and (iii) the reporting period in which the climate-related scenario analysis was carried out. Note: An issuer shall determine an approach to climate-related scenario analysis that enables it to consider all reasonable and supportable information that is available to the issuer at the reporting date without undue cost or effort. The determination of the approach shall be informed by the assessments of the issuer's exposure to ***climate-related risks and opportunities*** and its available skills, capabilities and resources.	

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Disclosure Item	Page
(III) Risk Management	
27. An issuer shall disclose information about: (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate related risks, including information about: (i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks; (v) how the issuer monitors climate-related risks; and (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period; (b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring ***climate-related risks and opportunities*** are integrated into and inform the issuer's overall risk management process.	52-55

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Disclosure Item	Page
(IV) Metrics and Targets	
Greenhouse gas emissions	
28. An issuer shall disclose its absolute gross ***greenhouse gas*** emissions generated during the reporting period, expressed as metric tons of ***CO2 equivalent***, classified as: (a) ***Scope 1 greenhouse gas emissions***; (b) ***Scope 2 greenhouse gas emissions***; and (c) ***Scope 3 greenhouse gas emissions***.	44
29. An issuer shall: (a) measure its ***greenhouse gas*** emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless otherwise required by a jurisdictional authority or another exchange on which the issuer is listed; (b) disclose the approach it uses to measure its ***greenhouse gas*** emissions including: (i) the measurement approach, inputs and assumptions the issuer uses to measure its ***greenhouse gas*** emissions; (ii) 及the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its ***greenhouse gas*** emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	43

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(c) for ***Scope 2 greenhouse gas emissions*** disclosed in accordance with paragraph 28(b), disclose its location-based ***Scope 2 greenhouse gas emissions***, and provide information about any contractual instruments that is necessary to enable an understanding of those emissions; and (d) for ***Scope 3 greenhouse gas emissions*** disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of ***Scope 3 greenhouse gas emissions***, in accordance with the ***Scope 3 categories*** described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). Notes: 1. An issuer is required to use all reasonable and supportable information that is available to it at the reporting date without undue cost or effort when the issuer selects the measurement approach, inputs and assumptions it uses in measuring ***Scope 3 greenhouse gas emissions***. 2 An issuer is permitted to measure its ***greenhouse gas*** emissions in accordance with paragraph 28 using information for reporting periods that are different from its own reporting period if that information is obtained from entities in its ***value chain*** with reporting periods that are different from the issuer's reporting period, on the condition that: (a) the issuer uses the most recent data available from those entities in its ***value chain*** without undue cost or effort to measure and disclose its ***greenhouse gas*** emissions; (b) the length of the reporting periods is the same; and (c) the issuer discloses the effects of significant events and changes in circumstances (relevant to its ***greenhouse gas*** emissions) that occur between the reporting dates of the entities in its ***value chain*** and the date of the issuer's ESG report. 3. Where an issuer's activities include asset management, commercial banking or insurance, the issuer is encouraged to disclose additional information about the issuer's Category 15 greenhouse gas emissions or those associated with its investments (***financed emissions***).	

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Disclosure Item	Page
Climate-related transition risks	
30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to ***climate-related transition risks***.	64
Climate-related physical risks	
31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to ***climate-related physical risks***.	65
Climate-related opportunities	
32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities. Note: In preparing disclosures to meet the requirements in paragraphs 30 to 32, an issuer shall use all reasonable and supportable information that is available to the issuer at the reporting date without undue cost or effort.	65
Capital deployment	
33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards ***climate-related risks and opportunities***.	67
Internal carbon prices	
34. An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of ***greenhouse gas*** emissions the issuer uses to assess the costs of its ***greenhouse gas*** emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision making.	51
Remuneration	
35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	51

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Industry-based metrics	
36. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular ***business models***, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with ***disclosure topics*** described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	43
Climate-related targets	
37. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any ***greenhouse gas*** emissions targets. For each target, the issuer shall disclose: (a) the metric used to set the target; (b) he objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how the ***latest international agreement on climate change***, including jurisdictional commitments that arise from that agreement, has informed the target.	43

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38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions.	42-43
39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	66

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40. For each ***greenhouse gas*** emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose: (a) which ***greenhouse gases*** are covered by the target; (b) whether ***Scope 1***, ***Scope 2*** or ***Scope 3 greenhouse gas emissions*** are covered by the target; (c) whether the target is a gross ***greenhouse gas*** emissions target or a net ***greenhouse gas*** emissions target. If the issuer discloses a net ***greenhouse gas*** emissions target, the issuer is also required to separately disclose its associated gross ***greenhouse gas*** emissions target; (d) whether the target was derived using a sectoral decarbonisation approach; and (e) the issuer's planned use of ***carbon credits*** to offset ***greenhouse gas*** emissions to achieve any net ***greenhouse gas*** emissions target. In explaining its planned use of ***carbon credits***, the issuer shall disclose: (i) the extent to which, and how, achieving any net ***greenhouse gas*** emissions target relies on the use of ***carbon credits***; (ii) which third-party scheme(s) will verify or certify the ***carbon credits***; (iii) the type of ***carbon credit***, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the ***carbon credits*** the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	43-44
Applicability of cross-industry metrics and industry-based metrics	
In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of (i) cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	

新特能源股份有限公司
Xinte Energy Co., Ltd.