



# 大唐環境產業集團股份有限公司

## Datang Environment Industry Group Co., Ltd.\*

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

Stock Code: 1272



# 2018

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

\*For identification purpose only



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中國大唐

## About the Environmental, Social and Governance Report

This Environmental, Social and Governance Report (hereafter referred to as the “**ESG Report**”) mainly introduces the efforts put in and the results achieved by Datang Environment Industry Group Co., Ltd. (the “**Company**”) and its main subsidiaries (the “**Group**”, “**Datang Environment**” or “**we**”) in realizing sustainable development, which mainly includes the Group’s environmental and social performances in areas that stakeholders are concerned about and are related to the Group’s sustainable development. The ESG Report is to be read in conjunction with the “Corporate Governance Report” of *Datang Environment Industry Group Co., Ltd. 2018 Annual Report* (the “**2018 Annual Report**”) in order to obtain a more comprehensive understanding of the Group’s performance in relevant areas.

### Reporting Scope

Unless otherwise stated, the organizational scope of the ESG Report covers the Company and its major subsidiaries, and mainly includes environmental protection facility concession operation, denitrification catalysts, environmental protection facilities engineering, water treatment business, energy conservation business and business in renewable energy engineering that are located in the People’s Republic of China (the “**PRC**”). The reporting scope of the ESG Report covers:

- China Datang Technologies & Engineering Co., Ltd. (中國大唐集團科技工程有限公司) (“**Technologies & Engineering Company**”);
- Datang (Beijing) Water Engineering & Technology Co., Ltd. (大唐(北京)水務工程技術有限公司) (“**Water Engineering & Technology**”);
- Datang Nanjing Environmental Protection Technology Co., Ltd. (大唐南京環保科技有限責任公司) (“**Nanjing Environmental Protection**”);
- Jiangsu Nanjing Thermal Electricity Engineering Design Institute Co., Ltd. (江蘇南京熱電工程設計院有限責任公司) (“**Nanjing Design Institute**”);
- Zhejiang Datang Tiandi Environmental Technology Co., Ltd. (浙江大唐天地環保科技有限公司) (“**Tiandi Environment**”);
- Beijing Datang Hengtong Science & Technology Co., Ltd. (北京大唐恆通科技有限公司) (“**Hengtong Company**”)<sup>1</sup>;
- Datang (Beijing) Energy Saving & Technology Co., Ltd. (大唐(北京)節能技術有限公司) (“**Energy Saving & Technology Company**”)<sup>1</sup>;
- Datang (Beijing) Energy Management Co., Ltd. (大唐(北京)能源管理有限公司) (“**Energy Management Company**”)<sup>1</sup>.

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<sup>1</sup> This subsidiary is newly included into the ESG Report’s reporting scope.

Unless otherwise stated, the reporting period of the ESG Report covers 1 January 2018 to 31 December 2018 (the “**Reporting Period**”), which is consistent with the Group’s 2018 Annual Report.

### **Reporting Guideline**

The ESG Report was prepared in accordance with the *Environmental, Social and Governance Reporting Guide* (the “**ESG Reporting Guide**”) set out in Appendix 27 to the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (the “**Listing Rules**”) published by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The ESG Report complies with the “comply or explain” provisions of the ESG Reporting Guide, and was prepared in adherence to the four reporting principles: materiality, quantitative, balance and consistency. The information involved in the ESG Report was sourced from the documents and statistical reports from the Group.

### **Confirmation and Approval**

The board of directors of the Company (the “**Board**”) is fully responsible for the Group’s environmental and social strategies and reporting, and has reviewed and approved the ESG Report in July 2019 to confirm the truthfulness, accuracy and completeness of the contents disclosed in the ESG Report.

### **Access to the ESG Report**

The electronic version of the ESG Report is available for downloading on the Company’s official website at [www.dteg.com.cn/](http://www.dteg.com.cn/). The ESG Report is published in two languages, Traditional Chinese and English. In case of discrepancy in the two versions, the Traditional Chinese version shall prevail.

### **Stakeholders’ Feedback**

Thank you for reading the ESG Report. Your valuable comments and recommendations are motivations for us to continue improving our sustainable development work and report quality. You are welcome to contact us by email at [ir@dteg.com.cn](mailto:ir@dteg.com.cn).

## Messages from the Chairman

Dear Shareholders,

In 2018, under the strong support of our shareholders, the Group insisted on new development concepts, comprehensively advanced high-quality development, vigorously developed a modern package of well-rounded environmental protection services that integrates concession operations, product manufacturing, engineering construction, technology research and development (“**R&D**”) and consulting services, and has been committed to contributing to the green development of the State. In the face of severe challenges in the market, we still made steady progress and overcame difficulties with the united efforts of our employees. We actively fulfill our corporate social responsibility while we continue to bolster our business development, making arduous effort in building a world-class technology-based environmental protection corporate.

Corporate governance is an important basis for sustainable development work. The Group is committed to enhancing the standard of our corporate governance to ensure a compliant business operation and to carry out sustainable development work pragmatically. In addition to adhering to compliant operations, we also actively seek to understand our stakeholders’ concerns, and respond to their expectations by formulating policies in energy conservation and environmental protection, technological innovation and employee benefits, to progress towards our sustainable development targets jointly with our stakeholders.

In the past year, we continued to drive green development, and unceasingly strengthened our capabilities in management, service, market presence, R&D, execution, and internal control. We spared no efforts in developing energy conservation and environmental protection business in the state, and firmly established ourselves as the largest flue gas desulfurization and denitrification concession operator in the PRC.

In the past year, we continued to improve our technological innovation capabilities, constantly increased investment in R&D and technological innovation and focused on developing R&D and technological innovation teams, and received a number of industry-wide technology awards. We made every effort to facilitate energy conservation and emission reduction by improving resources and energy efficiency, to achieve sustainable development.

In the past year, we adhered to the management philosophy of “People-oriented and safe development”, further provided employees with competitive benefits and a clear career path with promotion opportunities. Meanwhile, we organized a variety of activities for our employees, to increase their emotional connection to the Group, and to attract and retain outstanding talents.

We constantly enhance our core competitiveness comprehensively to accomplish a healthy and sustainable development. We strive to become a world-class technology-based environmental protection industry group, to make greater contributions promoting high-quality development, creating a sustainable and green society, and fighting battle to defend blue skies.

**Chairman of the Board**

**Jin Yaohua**

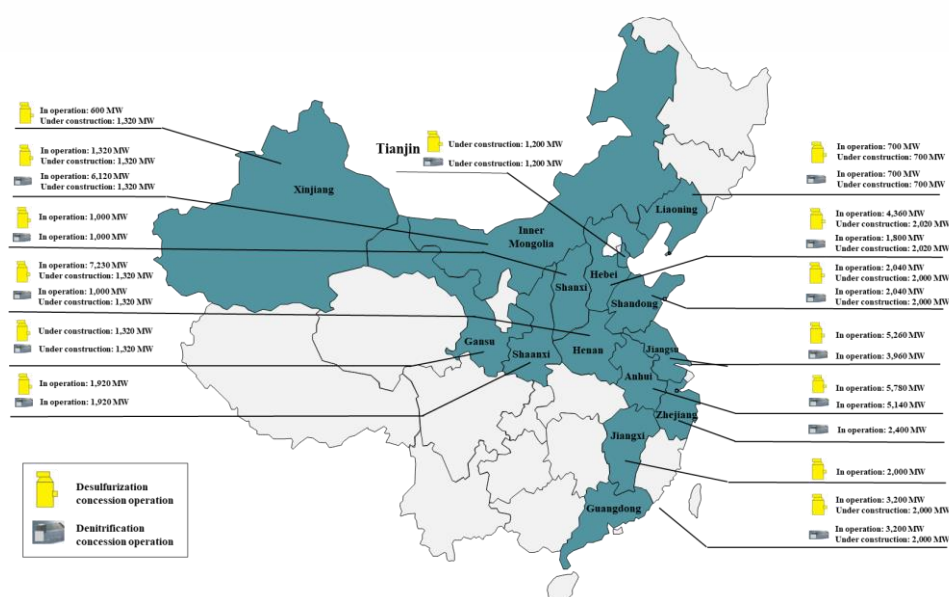




# 1. About Us

The Group is the sole platform for the development of environmental protection and energy conservation business under China Datang Corporation Ltd. (“**China Datang Corporation**”), one of the 4 major state wholly-owned power generation groups in the PRC. The principal business of the Group includes environmental protection facility concession operation, denitrification catalysts, environmental protection facilities engineering, water treatment business, energy conservation business and renewable energy engineering business. As a trendsetter and leader of the environmental protection and energy conservation for the PRC’s electric power industry, we are able to provide customers with convenient and quality one-stop environmental protection and energy conservation solutions in the areas of research and development, engineering, products, services, investments, operations, etc. along the entire value chain of the environmental protection and energy conservation industry, covering desulfurization, denitrification, dust removal, ash and slag handling, water treatment and energy conservation for coal-fired power plants.

We always focus on the overall requirement of “Doing the best and becoming the best”, adhere to the development directions of professionalism, marketization, internationalization and informatization. We unceasingly strengthened our capabilities in management, service, market presence, R&D, execution, and internal control, spared no effort in developing energy conservation and environmental protection business in the state. According to the statistics from the China Electricity Council (“**CEC**”), in terms of the cumulative contracted capacity by the end of 2018, the Group continued to be the largest flue gas desulfurization and denitrification concession operator nationwide.



The geographical layout and the cumulative generator capacity of the Group’s concession operations as of 31 December 2018

## 2. Compliant Operation

### 2.1 Corporate Governance

The Company has always been committed to improving corporate governance since its establishment. According to provisions of the Corporate Governance Code (the “**Code**”) set out in Appendix 14 to the Listing Rules, it has established a modern corporate governance structure comprising a number of independently operated bodies including the general meetings, the Board, the supervisory committee and the senior management in order to provide an effective check and balance. The Company has adopted the principles of the Code as its own corporate governance practices during the Reporting Period. There are five professional committees under the Board, including the audit committee, nomination committee, remuneration and evaluation committee, strategy committee and investment committee, to monitor the specific works of the Company accordingly.

The Board is responsible for assessing and determining risks related to environment, social and governance (“**ESG**”), and to ensure that appropriate and effective ESG risk management and internal control systems are set up in the Group. The Group has carried out ESG-related work according to the requirements of the ESG Reporting Guide and consulted an independent third-party consultancy for advice in establishing an effective ESG information management system, to better manage the Group’s ESG performance and to continuously advance the Group’s performance in sustainable development. Meanwhile, the Group formulated and implemented risk and opportunity control procedures to identify and confirm possible risks that could be found within our products, activities and service processes, and hence to assess and formulate corresponding measures according to internal and external situational factors and the expectations of relevant parties.

We have been adopting the standards of *Quality Management Systems – Requirements* (GB/T 19001-2016), the *Environmental Management Systems Requirements with Guidance for Use* (GB/T 24001-2016) and the *Occupational Health and Safety Management Systems Requirements* (GB/T 28001-2011) since the Company established and developed the Group’s *Management Manual* in pursuance of existing laws and regulations, continuously improving our management level to ensure an effective operation of the “Three standards (quality, environment, occupational health and safety) in one” manual.





The Group obtained the Quality Management System, Environmental Management System and Occupational Health and Safety Management System certificates

## 2.2 Anti-corruption

“Law-abiding and compliant operation” is both the Group’s principle as well as every single one of our employees’ code of conduct. To conscientiously implement the Party’s style of work, uphold integrity and combat corruption, and to solidly and effectively carry out anti-corruption work, the Group strictly abides by laws and regulations that have a significant impact on the Group’s operations in the PRC in relation to anti-corruption, such as the *Criminal Law of the PRC*, the *Regulations of the PRC for Suppression of Corruption*, relevant regulations of the State-owned Assets Supervision and Administration Commission of the State Council, the Listing Rules and fair competition rules, etc..

Meanwhile, we developed and enforced a number of internal rules and policies, such as the *Implementation Measure for the Responsibility System for Improving the Party’s Style of Work and Upholding Integrity of Datang Environment Industry Group Co., Ltd.* and other systems that combat corruption and uphold integrity. In addition, we require all of our employees to sign the *Letter of Undertaking of Integrity*, so that the requirements of combatting corruption and upholding integrity can penetrate the Group’s development. For instance, employees are required to declare any forms of gifts or gratuity received according to the Group’s requirements, with their performance in implementing the rules on integrity and self-discipline reported in a timely manner. In the meantime, we formulated the whistleblowing policy, encouraging employees to report any suspected corruption, bribery, extortion, fraud, money laundering or other misconduct in strict accordance with the whistleblowing and complaint management system, with all whistleblowing information kept confidential. During the Reporting Period, the Group did not violate any of the above laws and regulations relating to bribery, extortion, fraud and money laundering.

To implement the Party’s style of work, uphold integrity and combat corruption, the Group actively carried out anti-corruption education during the Reporting Period, arranged employees to learn the *Regulation of the Communist Party of China on Disciplinary Actions*, the *Code of Integrity and Self-discipline of the Communist Party of China*, the *Provisions of the Chinese Communist Party Regarding On-Site Inspections*, and other Party constitution and rules, to pave the way for the Group to build a culture of integrity while strengthening employees’ sense of honesty.

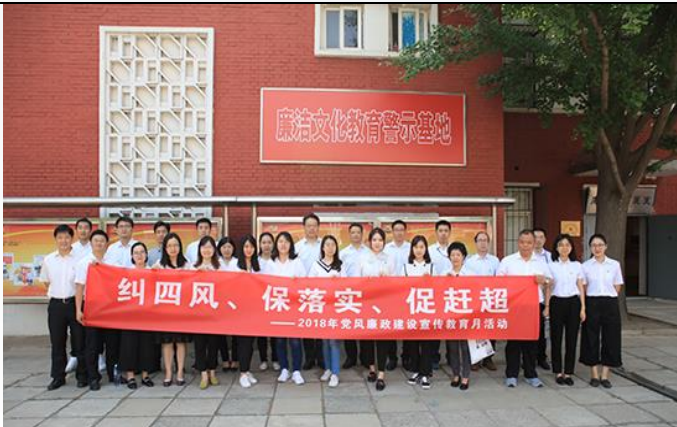
## Anti-corruption Education

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### **Case Study 1 “Remain true to our original aspiration, embody integrity and self-discipline” activity**

The Group organized the “Remain true to our original aspiration, embody integrity and self-discipline” activity on 25 May 2018. The activity provided employees with profound learning experience of their “original aspiration” by taking an oath of integrity and signing a banner of integrity, committing to act with integrity at work. The activity enhanced employees’ self-awareness and initiative in undertaking integrity at work.



### **Case Study 2 The Party’s style of work, uphold integrity and combat corruption education month**

The Group kicked-off the promotion work of the education month of the Party’s style of work, uphold integrity and combat corruption in 2018. The Group arranged more than 30 employees to visit and study at the Integrity Learning Centre of the Shijingshan Prosecutor’s Office on 25 May 2018, consolidating employees’ ideological and moral defense line against corruption, and educating them to be dedicated and honest.

## 3. Responsible Communication

### 3.1 Stakeholder Communication

Stakeholder engagement is indispensable to the Group's endeavors in promoting sustainable development. We place high emphasis on stakeholders' opinions, and proactively communicate with various stakeholders through different communication channels to fully comprehend their demands and expectations towards the different ESG areas of the Group. We respond to stakeholders through different channels and make adjustments to the Group's sustainable development strategy from time to time to fulfil our corporate social responsibility.

Stakeholders	Communication Channels	Frequency	Demands and Expectations	Our Responses
<b>Government and regulatory departments</b>	<ul style="list-style-type: none"> <li>Supervision and assessments</li> <li>Seminars</li> <li>Corporate reports and announcements</li> </ul>	<ul style="list-style-type: none"> <li>Regularly</li> <li>From time to time</li> <li>Regularly</li> </ul>	Comply with environmental, safety and other laws and regulatory requirements; keep track of policies and regulations in a timely manner; tax according to the law	Ensured compliant operation in accordance with relevant environmental, health and safety and other laws and regulatory requirements; taxed according to the law
<b>Shareholders and investors</b>	<ul style="list-style-type: none"> <li>The General Meeting</li> <li>Corporate reports and announcements</li> <li>Investor visits</li> <li>Investment summit participation</li> </ul>	<ul style="list-style-type: none"> <li>Annually/ from time to time</li> <li>Regularly</li> <li>From time to time</li> <li>From time to time</li> </ul>	Return on investment; guard against operational risk; open up new markets	Continuous improvement of corporate management; incorporate sustainable development strategies into business to lower operational risk; developed environmental protection business in steel, cement, metallurgy and other non-electric production fields
<b>Customers</b>	<ul style="list-style-type: none"> <li>Customer satisfaction survey</li> <li>Emails, interviews and site visits</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>According to needs</li> </ul>	Products and services comply with relevant laws and regulatory requirements; guarantee of product and service quality; smooth communication channels	Continuous improvement of the quality management of products; provided satisfying products and services



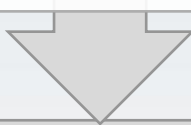
Stakeholders	Communication Channels	Frequency	Demands and Expectations	Our Responses
<b>Employees</b>	<ul style="list-style-type: none"> <li>Employee conference</li> <li>Employee activities</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Frequently</li> </ul>	Good and safe working and resting environment; promotion and development opportunities	Protected employees' rights and health and safety; rich employee activities; provided a clear career path and promotion opportunities
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Tendering and bidding</li> <li>Cooperating meeting</li> </ul>	<ul style="list-style-type: none"> <li>According to needs</li> <li>From time to time</li> </ul>	Clear and complete description of the tendering information; smooth communication channels	Ensured fair and transparent tendering process; grew together with suppliers
<b>General public</b>	<ul style="list-style-type: none"> <li>Community activities</li> <li>Charitable activities</li> </ul>	<ul style="list-style-type: none"> <li>From time to time</li> <li>From time to time</li> </ul>	Respond to communities' needs; protect the environment	Active participation in community services; implementation of environmental protection measures

## 3.2 Materiality Assessment

In response to the materiality reporting principle as stated in the ESG Reporting Guide, the Group conducted a materiality assessment with the assistance of an independent third-party consultancy in addition to regular communication with stakeholders, to learn more about stakeholders' concerns with regard to the Group's environmental and social issues related to sustainability. We invited the Group's senior management, government and regulatory departments, shareholders and investors, customers, employees, suppliers and the general public to participate in the materiality assessment.

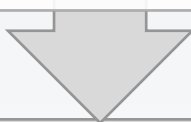
First step: Create a pool of sustainability issues applicable to the Group

The Group created a pool of 16 sustainability issues that are important to the Group by drawing on the ESG Reporting Guide, international reporting guidelines and from comparing the concerned issues of the same industry. Sustainability issues involved two aspects: environmental and social.



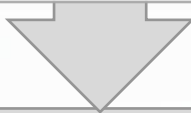
Second step: Ranking the sustainability issues

The Group invited the Group's senior management, shareholders and investors, customers, employees, government and regulatory departments, suppliers and the general public to rank the importance of the screened sustainability issues in the form of an online questionnaire. A total of 347 valid questionnaires were received.



Third step: Results analysis

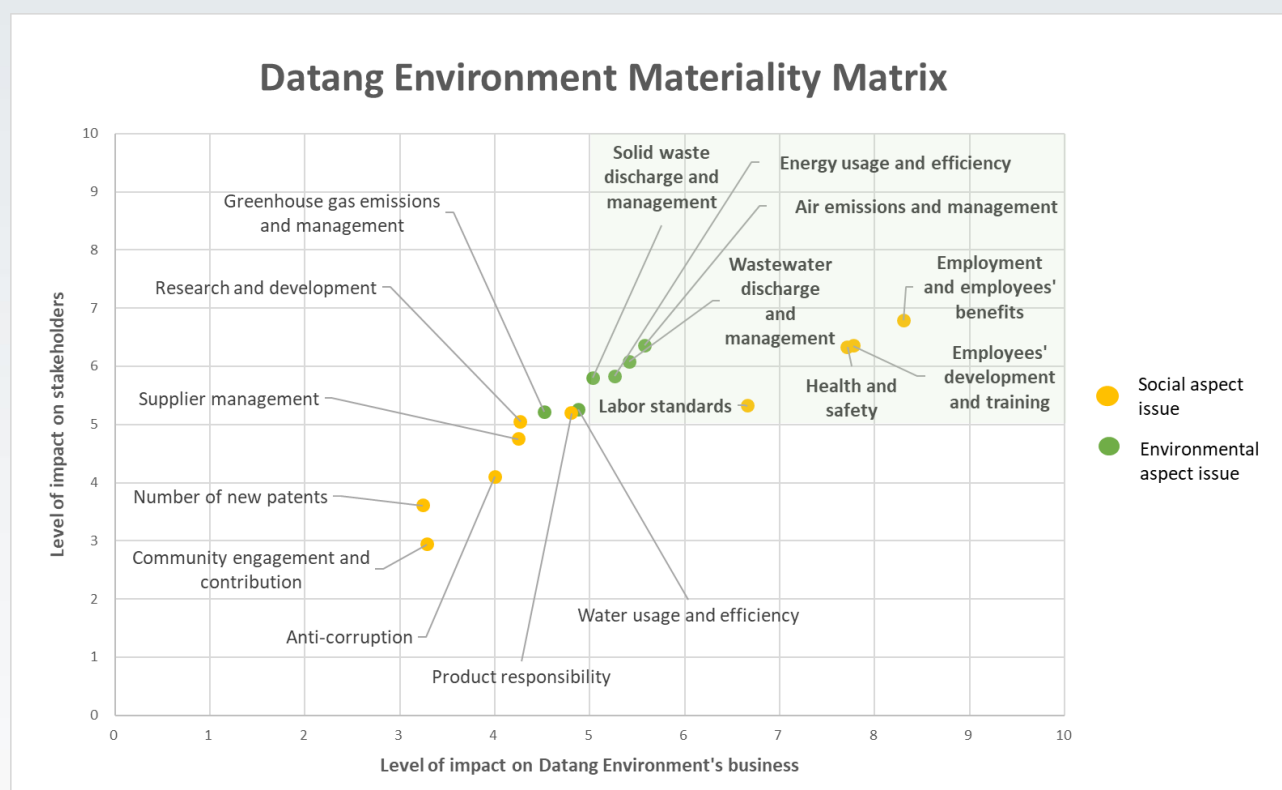
The Group examined the importance of sustainability issues to the Group through the two dimensions of "level of impact on Datang Environment's business" and "level of impact on stakeholders". A total of 8 issues of high-materiality were found with issues scoring 5 points or above in both dimensions determined as high-materiality issues.



Fourth step: Results validation

The Board reviewed and verified the issues of high-materiality and disclosed responses to these issues in the ESG Report in a focused manner. The Group will continue to pay attention to issues of high-materiality in our long-term operations, formulate and improve our policies and set goals.

The results of the materiality assessment are shown in the materiality matrix below.



In response to stakeholders' concerns, the ESG Report will focus on responding to the 4 social issues and 4 environmental issues of high-materiality in the following sections, highlighting works we have implemented with regard to these issues of high-materiality as well as the progress made. At the same time, the Group will continue to pay attention to issues of high-materiality in our long-term operations, to formulate and improve our policies and to set goals.

Aspects	Issues of high-materiality
Social	Employment and employees' benefits
	Employees' development and training
	Health and safety
	Labor standards
Environmental	Air emissions and management
	Energy usage and efficiency
	Wastewater discharge and management
	Solid waste discharge and management

## 4. Advocating for Environmental Protection, Green Development

The Group works unceasingly to promote green development and actively fulfils its corporate social responsibility. We constantly improve our technologies in energy conservation and emission reduction, and strive to actively extend the coverage of our energy conservation and emission reduction technology from power industry to non-electric industries, leading industries towards sustainability to reduce their impact on the environment. It is our mission to “Prevent and control pollution, conserve and reduce energy consumption, and reduce significant environmental impacts”. We have always been proactively responding to the national “13<sup>th</sup> Five-year” *Comprehensive Plan for Energy Conservation and Emission Reduction* and other policies regarding environmental protection, leading our business activities based on the theory of Scientific Outlook on Development. In addition to conserving energy and reducing energy consumption in the course of our production and operations, we are also committed to the development of our energy management contract business, the construction and operations of our desulfurization, denitrification, dust removal, water treatment and other environmental protection projects for the power, metallurgy, chemical, and other industries, the manufacturing of environmental protection products such as denitrification catalyst, as well as the construction of wind power and other renewable energy projects, unceasingly contributing to the state and the society in the field of energy conservation and environmental protection.

### 4.1 Environmental Protection and Energy Conservation Solutions

We promote clean and efficient energy utilization through our state-of-the-art technology, strong R&D capabilities and excellent services, providing environmental protection and energy conservation solutions for various industries. In 2018, all of the Group’s desulfurization and denitrification devices complied with prevailing statutory emission standard, contributing to the emissions reduction of sulfur dioxide and nitrogen oxides.

Annual achievements of the desulfurization and denitrification concession operation projects:

Project achievements	2018	2017
Annual reduction in sulfur dioxide (ten thousand tons)	128.11	106.11
Annual reduction in nitrogen oxides (ten thousand tons)	14.48	12.51





**Environmental protection catalyst production site at Nanjing**

Achievements regarding engineering construction and product manufacturing:

- Accumulatively completed renovation of frequency variation for 37 slurry circulation pumps, renovation of permanent-magnet machineries for 18 slurry circulation pumps and renovation of 10 ceramic pumps throughout the year;
- Production of desulfurization catalysts throughout the year amounted to 37,400 m<sup>3</sup>



**Desulfurization device of Technologies & Engineering Company**

Achievements regarding the renewable energy business:

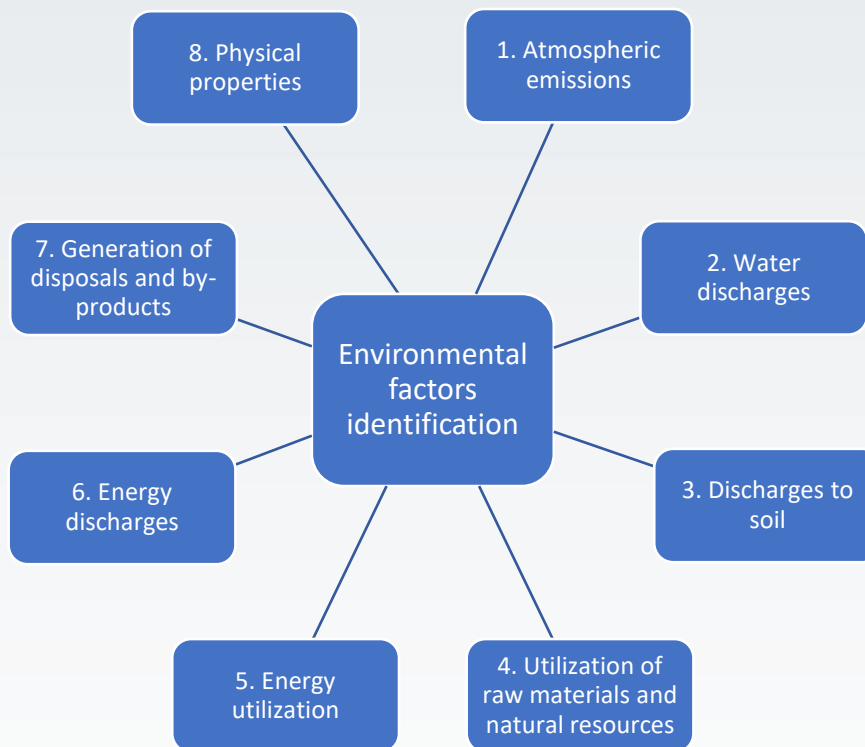
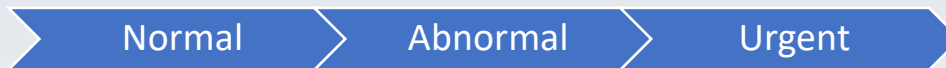
- Newly entered 18 contracts for renewable energy engineering projects, among which, 3 wind power plant site engineering projects and 15 photovoltaic engineering projects
- As of 31 December 2018, the cumulative installed capacity in operation for wind power plant site of the Group reached 1,048 MW and cumulated installed capacity in construction reached 630 MW, while the cumulative installed capacity in operation for photovoltaic engineering projects reached 951 MW and cumulative installed capacity in construction reached 140 MW



The wind power plant site engineering projects and photovoltaic engineering projects of Technologies & Engineering Company

## 4.2 Environmental Monitoring System

Our system has been certificated to be in conformity to the Environmental Management System (ISO 14001: 2015) and we have formulated the *Control Procedures of Identification and Assessment of Environmental Factors and Source of Hazards* accordingly. We conducted identification and risk assessment of environmental factors and sources of hazards in the operations or activities of the Group that can be either controlled or changed to facilitate the adoption of effective control measures to reduce the likelihood of significant impact on the environment and natural resources. During the identification of environmental factors and sources of hazards, we consider 3 statuses (normal, abnormal and urgent), 3 chronological conditions (past, present and future) and 8 categories (atmospheric emissions, water discharges, discharges to soil, utilization of raw materials and natural resources, energy utilization, energy release, generation of disposals and by-products and physical properties, such as size, shape, color, appearance and other issues).



### 4.3 Emissions Management

The major emissions generated from the Group's operations that may have impact on the environment and natural resources are wastewater, exhaust gas and wastes. We strictly comply with relevant laws and regulations that have a significant impact on the Group's operations in the PRC in relation to air and greenhouse gas ("GHG") emissions, discharges into water and land, generation and disposal of hazardous and non-hazardous wastes, and minimising significant impacts on the environment and natural resources, including but not limited to the *Environmental Protection Law of the PRC*, the *Water Pollution Prevention and Control Law of the PRC*, the *Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste*, the *Water and Soil Conservation Law of the PRC*, the *Law of the PRC on the Prevention and Control of Atmospheric Pollution*, the *Environmental Protection Tax Law of the PRC* and the *Standard for Environment and Sanitation of Construction Site*. The *Environmental Protection Tax Law of the PRC* was enacted on 1 January 2018, requiring enterprises that discharge taxable pollutants into the environment to pay the environmental protection tax in accordance with the provisions of the law, to protect and improve the environment. In response to this law, we have been investing a large amount of resources in environmental protection work and at the same time paid environmental protection tax in accordance with the law.

The Group's concession operations formulated the *Environmental Protection Control Management System* to monitor and effectively control the environmental factors and sources of hazards identified from the business operations, to ensure that emissions from our business activities comply with relevant environmental protection laws, regulations and standards. On one hand, we conduct regular inspection and analysis of major environmental factors in accordance with the *Major Environmental Factors Monitoring Records*, such as exhaust gas emissions, wastewater discharge, energy consumption, dust emissions, handling of chemicals, noise emissions, and other key factors. We systematically record information of production operation and arrange rectification work in the event of any abnormal situation. On the other hand, we also manage our procurement suppliers and contractors of construction projects. Regarding major environmental factors and unacceptable risks involved in the materials provided by suppliers and contractors and their behaviors, we ensure relevant environmental emissions are in compliance with corresponding standards by informing them of the specific requirements in written form in order to mitigate environmental impacts and reduce energy consumption. During the Reporting Period, the Group did not violate or receive any complaints relating to air and GHG emissions, discharges into water and land, generation and disposal of hazardous and non-hazardous wastes that have a significant impact on the Group.



#### 4.3.1 Air Pollutants

We are devoted to providing our customers with environmental protection solutions and making contributions to the reduction of sulfur dioxide and nitrogen oxides by the desulfurization and denitrification devices of the concession operations. The exhaust gas generated from our operations is mainly from the dust during our catalysts production and air pollutants from the machineries used. In order to reduce the generation of exhaust gas, we on one hand give priority to the use of mature, environmentally friendly and energy-efficient technology and equipment. On the other hand, we conduct regular maintenance on our production equipment to ensure smooth operation, to avoid the increase in exhaust gas emissions caused by defective equipment. Dust is also generated in our production process, and we have already taken effective measures against fly ash, such as water sprayer, ground hardening, enclosures, etc., ensuring that dust does not spread outside construction areas.

#### 4.3.2 Wastewater

The wastewater generated from our operations mainly comes from the operations of the desulfurization and denitrification systems and the production of desulfurization and denitrification catalysts. In order to reduce discharge of wastewater, the desulfurization and denitrification systems of our concession operations have implemented zero discharge practices for the wastewater generated from the operation, and all treated wastewater was collected and reused in power plants. In terms of the production of desulfurization and denitrification catalysts, we set up wastewater treatment facilities and rainwater and wastewater separation systems to mitigate the impacts of wastewater on the environment, which comply with the *Integrated Wastewater Discharge Standard* (GB 8978-1996). During the Reporting Period, there were 97,954 tons of wastewater discharged.

<b>Case Study - Nanjing Environmental Protection carried out wastewater reclamation technology retrofit</b>
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At present, the wastewater generated from the previous regeneration process of the desulfurization and denitrification catalysts at Nanjing Environmental Protection is treated under the sewage treatment plant to meet the <i>Discharge Standard of Pollutants for Vanadium Industry</i> before discharging through the municipal pipelines. In order to reduce emissions of pollutants, Nanjing Environmental Protection conducted a feasibility study on the technical transformation of the wastewater reclamation technology in 2018, which planned to fully reuse the reclaimed water resources for the flushing and chemical cleaning stages of the regeneration process. Not only could this plan achieve reductions in water consumption as well as in production costs, it could also reduce pollutant emissions, which then lead us to clean production and environmental protection. The technical transformation project is to be completed in 2019.
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### 4.3.3 Solid Wastes

To have a better solid wastes management, we classify solid wastes into non-hazardous wastes and hazardous wastes according to their nature and handle them according to their corresponding category. Meanwhile, we have been maintaining a waste inventory record with the amount of waste recorded as a basis for the development of solid wastes reduction plans. Common non-hazardous wastes such as paper and office supplies are collected and stored in the office, and are delivered to relevant department of the Group for further treatment. As for hazardous wastes, we developed regulations on the management of hazardous wastes such as spent catalyst, spent lubricating oil and sludges from wastewater treatment according to the *Regulation on the Safety Management of Hazardous Chemicals* (No. 591 Order of the State Council), the *Standard of Identification of Major Hazards Installation of Dangerous Chemicals* (GB 182819-2009) and other laws and regulations, to safely manage our hazardous chemicals and to eliminate their possible environmental impact. For the treatment of hazardous chemical wastes, we send them to professionally qualified waste recycling units for centralized harmless treatment, at the same time, we have also entered into the *Agreement on the Recovery and Disposal of the Hazardous Chemical Wastes* with some manufacturers of hazardous products, which the manufacturers would then carry out waste recovery in a centralized manner. We are committed to innovative technologies and do our best to reduce waste generation. During the Reporting Period, the Nanjing Environmental Protection treated an amount of 2,300 m<sup>3</sup> of regenerated catalysts. In addition, we built independent storerooms according to design standards for storing chemicals to mitigate the impacts of the leakage of dangerous chemicals on the soil, water and atmospheric environment and to minimize safety and environmental risks.

### 4.3.4 Noise

The Group's noise pollution mainly comes from the equipment for the production of desulfurization and denitrification catalysts. To ensure that the noise generated does not affect the surrounding environment at the production area, the Group commissioned a third-party environmental technology firm to conduct noise inspection around the production plant in accordance with the *Emission Standard for Industrial Enterprises Noise at Boundary* (GB 12348-2008), to ensure that the sound level during the operation of equipment meets the requirements of relevant standards and to minimize noise nuisance to the surrounding environment and neighborhood as far as possible.

## 4.4 Making Good Use of Resources

The Group strictly complies with laws and regulations that have a significant impact on the Group's operations in the PRC in relation to energy management and use of resources, including but not limited to the *Law of the PRC on Conserving Energy*, the *Renewable Energy Law of the PRC* and the *Circular Economy Promotion Law of the PRC*. Meanwhile, we implemented the *Environmental Protection Control Management System* to strengthen our management of the use of energy and resources.

### 4.4.1 Implementation of the “Achieving the Design Value, with Outstanding Performance in Benchmarking” Action Plan for Energy Conservation and Energy Consumption Reduction

In order to enhance the Group's performance in environmental protection and energy conservation as well as its capabilities in managing environmental indicators, we have implemented the “Achieving the Design Value, with Outstanding Performance in Benchmarking” Action Plan for Energy Conservation and Energy Consumption Reduction in our production operations, setting targets specifically for key production equipment and facilities in terms of their energy consumption in natural gas, water, electricity, steam, etc..

Targets	2019 (2018 as baseline <sup>2</sup> )	2020 (2019 as baseline)	Specific Measures
1. Reducing natural gas consumption during the calcination process	↓3%	↓2%	<ul style="list-style-type: none"><li>• Reduce the time gap between products entering the furnace for calcination</li><li>• Lower the start and stop frequency of the calcinating furnace</li><li>• Optimize equipment to improve machinery efficiency</li></ul>

<sup>2</sup> The baseline data was recorded and calculated by the Group as of 31 December 2018.

Targets	2019 (2018 as baseline <sup>3</sup> )	2020 (2019 as baseline)	Specific Measures
2. Increase the water efficiency of the deionized water equipment and the chilled water and cooling tower facility	↑5%	↑3%	<ul style="list-style-type: none"> <li>Reuse recycled water in cooling towers</li> <li>Strengthen the inspection of deionized water equipment, and focus on checking the valves, pipes, etc. to avoid water leakage</li> <li>Due to low temperature in winter, the temperature of the refrigeration unit is appropriately raised on the premise that the production equipment is operated smoothly, to lower the temperature of recycled water and hence to reduce water evaporation</li> </ul>
3. Enhance the reusal rate of the wastewater generated from the regeneration process of catalysts	↑5%	↑10%	<ul style="list-style-type: none"> <li>Increase wastewater and reclaimed water reuse after the technical transformation project</li> </ul>
4. Reduce the energy consumption of manufacturing plants' lighting	Upgrade and install 300 metal halide lamps; Conserve up to 70,000 kWh of electricity	Upgrade and install 340 metal halide lamps; Conserve up to 80,000 kWh of electricity	<ul style="list-style-type: none"> <li>Upgrade and install metal halide lamps</li> </ul>

Electricity consumption is one of the Group's major sources of GHG emissions, hence we actively adopt energy conservation measures to reduce GHG emissions. The Group's Corporate Production Safety Department is responsible for the management of energy used in production and daily operations, and arranges relevant personnel to read and record the electricity consumption from the electric meter monthly to keep statistical records of the monthly energy consumption and to calculate the energy consumption per unit of product. In case of any energy problems identified, they will be resolved in a timely manner, with a view to reduce the Group's GHG emissions while reducing the usage of energy. Production departments are required to optimize their operations based on their actual operating conditions in order to achieve the annual targets. The Group continued to carry out technical transformation work on various projects. In 2018, the Group completed the smart control technology transformation of the equipment used in Sanmenxia project site, enabling a single

<sup>3</sup> The baseline data was recorded and calculated by the Group as of 31 December 2018.



button to start and stop the equipment, shortening the start-stop time of the equipment, saving about 966 MWh of electricity annually. We also completed the renovation of the energy conservation for 12 slurry circulation pumps with the energy saving rate at about 19%, saving about 25,280 MWh of electricity, continuously reducing the Group's GHG emissions.

In terms of water sourcing, the water used by the Group was mainly sourced from municipal fresh water supplies, desalinated water and reclaimed water, hence, there were no difficulties with water sourcing. Our water supply facilities and pipes are maintained with regular care and maintenance, in case of dripping or leaking of water, repair will be conducted in a timely manner. The Group carried out wastewater reclamation in its production process, saving water of about 28.13 million tons per year.

#### **4.4.2 Cultivating Environmental Awareness**

Start to live a greener life from little things. To complement the Group's efforts in promoting green development, we seek opportunities to advocate environmental protection in every corner across our business operations, driving every single one of our employees to fulfil their obligations in protecting the environment and conserving energy, which facilitate the Group in building a resource-conserving corporate. The Group has employed specific conservation measures, including:

- Reduce paper consumption and promote paperless office;
- Standardize office supplies management and reuse goods whenever possible;
- Strengthen the management for energy saving with lights and computers turned off whenever they are not in use;
- Strengthen the management of public water taps to reduce unnecessary water consumption;
- Reinforce the management of vehicles use, and encourage employees to take public transport for business meetings that are of short-distanced, strictly forbidding any private use of vehicles.



The Group carried out voluntary tree planting activities

## 4.5 Environmental Performance

As of 31 December 2018, the types of emissions and respective emissions data of the Group during the Reporting Period are as follows:

Parameters	Units	2018	2017 <sup>4</sup>
Total revenue	RMB'000	8,588,070	8,024,494
Air pollutants			
Sulfur dioxide emissions during production <sup>5</sup>	Tons	0.79	0.71
Nitrogen oxides emissions during production <sup>5</sup>	Tons	4.67	3.96
Compliant sulfur dioxide emissions from concession operations <sup>6</sup>	Tons	11,927.21	11,824.84
Compliant nitrogen oxides from concession operations <sup>6</sup>	Tons	16,807.97	18,010.39
GHG emissions			
Scope 1: Direct emissions (excluding reductions due to planted trees) <sup>7</sup>	Tons CO <sub>2</sub> e	4,754.28	4,635.48
Scope 1 emissions intensity	Tons CO <sub>2</sub> e/RMB'000	5.54 x 10 <sup>-4</sup>	5.78 x 10 <sup>-4</sup>
Scope 2: Indirect emissions <sup>8</sup>	Tons CO <sub>2</sub> e	1,658,471.03	1,646,652.65
Scope 2 emissions intensity	Tons CO <sub>2</sub> e/RMB'000	0.19	0.21
Planted trees	Trees	500.00	50.00
GHG emissions reduction due to planted trees <sup>9</sup>	Tons CO <sub>2</sub> e	11.50	1.15
Total GHG emissions <sup>10</sup>	Tons CO <sub>2</sub> e	1,663,213.82	1,651,286.98
Total GHG emissions intensity	Tons CO <sub>2</sub> e/RMB'000	0.19	0.21

<sup>4</sup> During the Reporting Period, the Group re-analysed the water, electricity and natural gas consumptions of 2017 with a more comprehensive dataset in order to better communicate the Group's environmental performance in 2017. Hence, the Group updated the data relevant to the aforementioned areas in the ESG Report and is presented in Section 4.5. Please refer to the ESG Report for the most updated environmental performance of the Group in 2017.

<sup>5</sup> The data collection scope of the Group's air pollutants emissions in 2018 include boilers and forklifts used in production, as well as cooking and vehicles used in daily operations, which were calculated using calculation methods and relevant emission factors from the *Discharge Coefficients of Industrial Pollutants in the First National General Survey of Pollution Sources* and the *Discharge Coefficients of Urban Pollutants in the First National General Survey of Pollution Sources* issued by the Ministry of Ecology and Environment of the People's Republic of China, the *Non-road Mobile Source Air Pollutant Emission Inventory Preparation Technical Guide (Trial)* and the *Road Vehicles Air Pollutant Emission Inventory Preparation Technical Guide (Trial)* issued by the Ministry of Ecology and Environment of the People's Republic of China.

<sup>6</sup> The compliant air pollutant emissions from the Group's concession operations refer to the compliant air pollutant emissions emitted by the power plants of the Group's customers subsequent to treatment by the Group's desulfurization and denitrification systems. The air pollutants emissions disclosed is monitoring data.

<sup>7</sup> The calculation scope of Scope 1 GHG emissions includes those came from the operation of boilers and forklifts during production, as well as cooking and vehicles used in daily operations, which were calculated using calculation methods and relevant emissions factors from the *Reporting Guidance on Greenhouse Gas Emissions for Other Industrial Enterprises (Trial)* and the *Guidelines for Calculation Method and Reporting Guidance on Greenhouse Gas Emissions for On-road Transportation Enterprises (Trial)* issued by the National Development and Reform Commission of the People's Republic of China.

<sup>8</sup> The calculation scope of Scope 2 GHG emissions includes the indirect GHG emissions came from the use of electricity from every subsidiary, which were calculated using calculation methods and emission factors from the *2011- 2012 Average CO<sub>2</sub> Emission Factors of China's Sub-national Grids* issued by the National Development and Reform Commission of the People's Republic of China.

<sup>9</sup> The calculation of GHG reduction by planted trees was set out based on the *Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Building (Commercial, Residential or Institutional Purposes)* in Hong Kong issued by the Electrical and Mechanical Services Department and the Hong Kong Environmental Protection Department.

<sup>10</sup> The total GHG emissions include the Scope 1 direct GHG emissions and Scope 2 indirect GHG emissions of the Group in 2018, with the deduction of emissions reduced due to planted trees.

As of 31 December 2018, the amount of waste produced by the Group during the Reporting Period is as follows:

Parameters	Units	2018	2017
<b>Hazardous wastes<sup>11</sup></b>			
Spent catalysts <sup>12</sup>	m <sup>3</sup>	4,551.20	12,000.00
Spent lubricating oil	Tons	3.82	20.30
Sludges from wastewater treatment <sup>13</sup>	Tons	36,400.53	10,967.39
Collected dusts that contained hazardous wastes <sup>14</sup>	Tons	114.20	54.10
Spent desulfurization gypsum <sup>15</sup>	Tons	3,500,000.00	2,890,000.00
Intensity of total amount of spent catalysts generated	m <sup>3</sup> / RMB'000	5.30 x 10 <sup>-4</sup>	1.50 x 10 <sup>-3</sup>
Total amount of hazardous wastes generated excluding spent catalysts <sup>16</sup>	Tons	3,536,518.55	2,901,041.79
Intensity of total amount of hazardous wastes generated excluding spent catalysts <sup>16</sup>	Tons/ RMB'000	0.41	0.36
<b>Non-hazardous wastes</b>			
Dusts <sup>17</sup>	Tons	335.05	451.00
Leftover materials from cutting <sup>17</sup>	Tons	393.07	141.00
Domestic wastes	Tons	134.36	292.70
Paper	Tons	21.96	127.26
Other non-hazardous wastes <sup>18</sup>	Tons	153.68	—
Total amount of non-hazardous wastes generated	Tons	1,038.12	1,011.96
Intensity of total amount of hazardous wastes generated	Tons/ RMB'000	1.21 x 10 <sup>-4</sup>	1.26 x 10 <sup>-4</sup>
<b>Wastewater discharge</b>			
Amount of wastewater discharge <sup>19</sup>	m <sup>3</sup>	97,954.00	—

<sup>11</sup> As the Group's hazardous wastes mainly came from the Group's concession operations and Nanjing Environmental Protection, the amount of hazardous wastes included in the calculation and disclosed during the Reporting Period came from the concession operations and Nanjing Environmental Protection.

<sup>12</sup> During the Reporting Period, Nanjing Environmental Protection conducted treatment with all of the regenerated catalysts and did not generate any spent catalysts.

<sup>13</sup> The significant increase in the amount of sludge is mainly due to the transformation of desulfurization wastewater system. In addition, the sludge amount of some of the projects were estimations, hence there may be a deviation in the data.

<sup>14</sup> The increase in dust production mainly comes from Nanjing Environmental Protection's implementation of a new project on catalyst regeneration.

<sup>15</sup> During the Reporting Period, the concession operations used all spent desulfurization gypsum comprehensively for industrial materials and building materials.

<sup>16</sup> As the spent catalysts data was collected in cubic meters, and is difficult to convert into tons, therefore, the calculation of the total amount of hazardous wastes did not take into account the generation of spent catalysts, and only includes the generation of spent lubricating oil, sludges from wastewater treatment, collected dusts that contained hazardous wastes and spent desulfurization gypsum.

<sup>17</sup> The data collection scope includes Nanjing Environmental Protection.

<sup>18</sup> The data collection scope includes Nanjing Environmental Protection. Other non-hazardous wastes include solid wastes such as scrap metals, plastic wastes, etc. produced during the production process.

<sup>19</sup> The data collection scope includes Nanjing Environmental Protection. The desulfurization and denitrification systems of our concession operations have implemented zero discharge practices for the wastewater generated from the operation, and all treated wastewater was collected and reused in power plants.

As of 31 December 2018, the energy and water consumptions of the Group during the Reporting Period are as follows:

Parameters	Units	2018	2017
Use of resources			
Water consumption	Ten thousand m <sup>3</sup>	2,842.60	2,668.65
Intensity of water consumption	Ten thousand m <sup>3</sup> /RMB'000	3.31 x 10 <sup>-4</sup>	3.33 x 10 <sup>-4</sup>
Electricity consumption	MWh	2,543,599.96	2,307,369.02
Intensity of electricity consumption	MWh/ RMB'000	0.30	0.29
Natural gas <sup>20</sup>	Ten thousand m <sup>3</sup>	196.87	177.20
Intensity of natural gas consumption	Ten thousand m <sup>3</sup> /RMB'000	2.29 x 10 <sup>-5</sup>	2.21 x 10 <sup>-5</sup>
Gasoline	Tons	157.48	338.61
Intensity of gasoline consumption	Tons/ RMB'000	1.83 x 10 <sup>-5</sup>	4.22 x 10 <sup>-5</sup>
Diesel	Tons	5.22	9.83
Intensity of diesel consumption	Tons/ RMB'000	6.08 x 10 <sup>-7</sup>	1.23 x 10 <sup>-6</sup>
Energy saving of projects	MWh	26,246.00	99,130.00

<sup>20</sup> The data collection scope includes natural gas used for industrial boilers, heating boilers and cooking.



## 5. Quality First, Innovative Services

The Group firmly believes that quality is the fundamental basis of business success. Since our inception, we have been focusing on the environmental protection and energy conservation of the entire industry value chain and the green, clean and efficient application of energy. We see constructing high-quality projects and producing exquisite products as our foremost purposes, and along with innovative technology and high level of management, we provide our customers with superior and safe products and services, and put in all efforts to build the brand of “Datang Environment”.

We strictly comply with laws and regulations that have a significant impact on the Group’s operations in the PRC in relation to the health and safety, labelling and privacy matters and remedies of our products and services, including but not limited to the *Product Quality Law of the PRC*, the *Law of the PRC on Promoting Clean Production*, the *Renewable Energy Law of the PRC*, the *Atmospheric Pollution Prevention and Control Law of the PRC*, the *Law of the PRC on Conserving Energy* and the *Patent Law of the PRC*. Since the Group sells products and services to our customers through a direct sales model, no product advertising is involved during the sales process.

### 5.1 Excellent Products and Services

The Group further standardizes quality management work in particular on our engineering projects and concession operations, unceasingly improving the quality of our products. We formulated the *Management Measure for the Quality of Maintenance and Technical Renovation Projects of Datang Environment Industry Group Co., Ltd. (Trial)*. Meanwhile, we have successfully obtained the certification of *Quality Management Systems – Requirements* (ISO 9001:2015), and formulated and implemented the management procedures of products and services based on the requirements, as the operational management procedures of the desulfurization and denitrification facilities, the design of the control procedures and the project management procedures of the engineering, procurement and construction (“EPC”).

In order to maintain the Group's reputation for offering high-quality products, we monitor products' quality throughout the production process, which includes inspections on raw materials used, semi-finished products, finished products and the manufacturing process, and is carried out by our Quality Inspection Department. For instance, the department is responsible for sampling raw materials and sending them to laboratories for inspection, if the test results appeared to be ineligible, we will handle or control nonconforming products independently according to the *Incompetence, Non-conforming Control Management*, to prevent the use or delivery of substandard products. Meanwhile, we have performed traceable quality control throughout the life cycle of our products and services, enabling a clear status determination of our products at any production state and to ensure product traceability.

Regarding the management of our concession operations, we formulated the *Professional Management Plan of Desulfurization and Denitrification Concession Operations*, which mainly includes a standardized management system, technical standards and operating procedures. We established a production management information platform which collects real-time data from relevant desulfurization and denitrification environmental protection facilities to support our professional management. The platform is also helpful in realizing the centralized monitoring and lifecycle management of our environmental protection facilities. The sharing of environmental protection-related data became possible which allowed us to learn from experience. An operation supervision and assessment platform was also established to supervise, assess and pre-emptively control the risks over various indices of our concession operations, such as safety, technology, economy, and environmental protection performances.

## 5.2 Customer First

The Group sees its customers as one of the most important stakeholders. We attach great importance to our customers' opinions and regard them as the basis for the improvement of our products and services quality in the future. We continuously communicate with our customers to obtain a comprehensive overview of the service provision performance of every business segment of the Group in order to carry out a sophisticated quality control and provide customers with satisfactory products and services. We established a sound customer feedback mechanism to ensure communication channels are effective to collect customers' opinions.

The Group conducts customer satisfaction surveys annually, evaluates customer satisfaction with the Group's products and services through investigating and analysing information collected from the surveys, and subsequently identify areas that our products and services can improve on in order to constantly improve customer satisfaction.

The Group conducted a customer satisfaction survey in 2018 to understand customer satisfaction with our different business segments, and has received feedback from over 40 projects. In conjunction with customer satisfaction and their comments, we have prepared the *Customer Satisfaction Survey Analysis Report*. In summary, customers were very satisfied with the Group's products and services, but at the same time feedbacked on the product delivery progress, safety management, etc. of individual projects. In response, relevant departments of the Group immediately took improvement measures to meet the growing expectations of customers and the changing market environment.

Business	Customer Satisfaction (Out of 100 marks)
Engineering business (including renovation work for environmental protection and new construction projects)	92.5
Concession operation business	94.0

In addition to customer satisfaction surveys, we also have a comprehensive customer feedback mechanism. When a customer complaint is received, relevant department will immediately file the complaint and fill out the *Customer Complaint Registration Form*, recording customers' specific demands in detail. Thereafter, we work with the technology, R&D, production, quality, and other departments to conduct a complaint root cause analysis, and adopt corrective measures according to the provisions stated in the *Incompetence, Non-conforming Control Management* and the *Improvement, Rectification and Precautionary Measures Management*. If the complaint is classified as serious, our production, quality and technology departments will propose rectification measures with our customers in a timely manner and will arrive at the final rectification approach subsequent to discussion with our customers. We keep track of the implementation process of the rectification measures to avoid any recurrence of similar problems. During the Reporting Period, the Group did not receive any customer complaints and did not experience any product recalls due to safety and health reasons.

We strictly comply with the Group's confidentiality agreement and have the information of our customers and the Group kept in safe custody to ensure information security. We also included the *Employee Non-Disclosure Agreement* in the *Employment Contract*, emphasizing the importance of data confidentiality. Meanwhile, we create information folders for our customers on a highly confidential platform in a centralized manner, restricting the access to information to authorized employees only to prevent leakage of information. During the Reporting Period, the Group did not experience any customer information leakage and did not receive any complaints about the improper use of customer information that have a significant impact on the Group.

### 5.3 Continuous Innovation

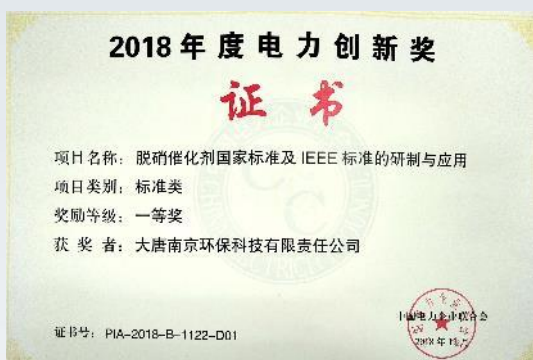
The Group attaches great importance to R&D and technological innovation and creates a culture of innovation within the Group, cultivating employees' spirit to be bold enough to make new attempts and to innovate. R&D and innovation drive us in making incessant progress and is one of the reasons that our business succeeds. We continue to strengthen our R&D capabilities to improve the efficiency of resources and energy use, thereby leading the industry to advance, and path our way towards sustainable businesses together.

In 2018, the Group continued to increase investment in R&D and technological innovation and focused on the cultivation of R&D and technological innovation teams, with outstanding achievements. During the Reporting Period, we obtained 13 technology awards, including China Industry Award (中國工業大獎表彰獎) and the Advanced Collective Award of Chinese Technology Market Golden Bridge Award (中國技術市場金橋獎先進集體獎). The “Research, Production and Application of National Standards of Denitrification Catalyst and IEEE Standards” (脫硝催化劑國家標準及IEEE標準的研製與應用) project received the first prize of 2018 China Power Innovation Award (Standard Category) (2018年度中國電力創新獎標準類一等獎), while the “Development and Application of Whole-life Cycle Management Technology of Denitrification Catalysts” (脫硝催化劑全生命週期管理技術開發與應用) received the Chinese Technology Market Golden Bridge Award (中國技術市場金橋獎). As of 31 December 2018, the Group accumulatively obtained 1,053 granted patents, of which 100 innovation patents, completed chief editing 1 international standard and 3 national standards, and participated in editing of 16 international, national and industrial standards.

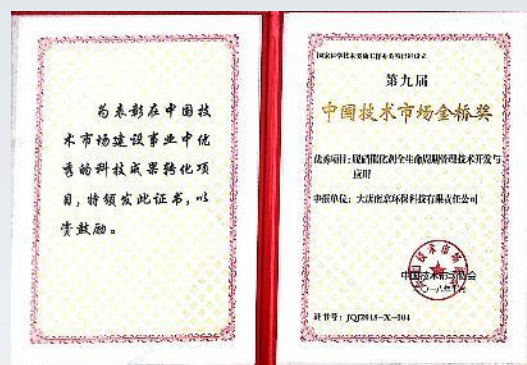


The Group was awarded the first prize of the 24<sup>th</sup> “Enterprise Management Modernization Innovation Achievement of Jiangsu Province”





The Group was awarded the first prize of China Electric Power Innovation Award in 2018



The Group was awarded the 9<sup>th</sup> Chinese Technology Market Golden Bridge Award

We place high emphasis on the protection of intellectual property rights and the achievements of our R&D colleagues. We rely upon a combination of patents, copyrights and trademarks, trade secrets, confidentiality policies, non-disclosure and other contractual arrangements to protect our intellectual property rights. Meanwhile, we formulated the *Management Measure for Intellectual Property Rights of Datang Environment Industry Group Co., Ltd. (Trial)* to safeguard the Group's core technologies. We also protect our trade secrets from infringement by entering into confidentiality agreements or trade secret agreements with our suppliers and employees. During the Reporting Period, we did not have any incidents related to intellectual property infringement.

## 5.4 Supplier Management

The Group has always maintained good relations with our suppliers in line with the mutually beneficial principle. To strengthen the Group's procurement management and to standardize supplier management work, the Group formulated the *Bidding Management Measure of Datang Environment Industry Group Co., Ltd.*, the *Supplier Management Measure of Datang Environment Industry Group Co., Ltd.*, the *Working Rules of Centralized Procurement Bidding for the Working Group of Datang Environment Industry Group Co., Ltd.*, and other policies to implement a well-managed procurement management system and a stringent supplier selection process. We established a supplier information management platform to manage the information of the suppliers. We employed for procurement in a centralized manner, to select suppliers that have good reputation in the society and have outstanding performance as our partners under the open, fair and just principles.

In the course of supplier selection, we conduct comprehensive assessment of the quality, production capacity, technical capability, qualification, price, past product quality, etc. of our suppliers. Meanwhile, we place emphasis on the environmental and social impact of our suppliers, and take suppliers' corporate social responsibility ("CSR") performance into consideration during the bidding process, which includes their policies adopted to prohibit child labor, energy-saving equipment and emission reduction measures taken to promote environmental protection and energy conservation, etc., aspiring to work with suppliers with good CSR performance and committed to building a responsible supply chain. Furthermore, we also inform our suppliers of raw materials and equipment in written form the relevant environmental requirements, looking forward to building a green supply chain with our suppliers.

We conduct assessment and evaluation with our qualified suppliers and update the Group's *Eligible Suppliers Register* from time to time. For suppliers who breach the contract in terms of integrity, quality, progress, customer service, and other violations of the law in the course of product and service provision, the Group will take appropriate action in accordance with the severity of its actions, and in serious circumstances, the supplier will be disqualified from the supplier register.

## 6. People-oriented, Road to Success

The Group believes that employees are one of our most important assets and considered them as indispensable factors in leading us to succeed. We have developed a sound human resources management policy, and we constantly update our policies and related management practices to maintain the Group's competitiveness, putting our "People-oriented" management philosophy into practice in order to attract, nurture and retain outstanding talents.

### 6.1 Talent Convergence

We strictly comply with relevant laws and regulations that have a significant impact on the Group's operations in the PRC in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare, including but not limited to the *Labor Law of the PRC*, the *Labor Contract Law of the PRC*, the *Trade Union Law of the PRC* and the *Special Rules on the Labor Protection of Female Employees*, to protect the legitimate rights and interests of employees and to ensure that employees are being treated fairly. During the Reporting Period, we have entered into the *Labor Contract* with all employees, which clearly stated employee's remuneration, job position, benefits, training, dismissal reasons and other matters. Additionally, to protect and safeguard the legitimate rights and interests of our female employees, we have entered into the *Collective Contract for the Protection of the Rights and Interests of Female Employees* with the Group's trade union, facilitating female employees' development with the Group. During the Reporting Period, the Group did not violate or receive complaints regarding compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

Function	No. of employees	Percentage of the total no. of employees
Concession operation management personnel	299	24.69%
Engineering and technical personnel	244	20.15%
Sales personnel	131	10.82%
R&D personnel	389	32.12%
Administrative and management personnel	97	8.01%
Manufacturing personnel	26	2.15%
Others	25	2.06%
<b>Total</b>	<b>1,211</b>	<b>100%</b>

Table 1. The number of employees as of 31 December 2018 by their functions of the Group

### 6.1.1 Employee Recruitment and Equal Opportunity

The Group has developed and conducted recruitment in accordance with the *Employee Recruitment Management Standards*, systematically propelling the development of a team of top talents by recruiting the best from within the Group and from external recruitment according to the Group's strategic developmental needs. During the recruitment process, the Group arranges candidates for written examinations and interviews, with their work experiences, capabilities, familiarity with the business, enthusiasm to work, and other personal qualities taken into consideration. Meanwhile, we advocate for the equality and diversity recruitment policies, ensure that candidates are not discriminated against on the basis of race, nationality, color, religion, gender, age, disability, pregnancy, etc..

### 6.1.2 Dismissal Regulations

The Group has set out the terms of the termination of employment contract in the *Labor Contract*, ensuring a standardized and transparent termination process to avoid any non-compliance risks or labor disputes.

### 6.1.3 Employees' Remuneration and Promotion

The Group provides employees with competitive remuneration and promotion opportunities, and has thoroughly established the *Remuneration Management Measure* and the *Employee Promotion Management Measure*. We determine employees' remuneration packages, which include salaries, bonuses and allowances, based on their work performances and the average market salary rates of different positions to provide them with a remuneration that aligns with the market standards. To motivate employees' potential, and to achieve our target in "Matching employees to jobs for maximum productivity", the Group implemented an effective promotion mechanism, objectively evaluating employees' work capabilities and performances through an extensive performance appraisal system, which the results serve as the basis for the promotions and salary adjustments of high-performing employees, and as recognitions to their work achievements, providing them with clear advancement paths and a broad space for development.

### 6.1.4 Working Hours and Leave System

The Group has a humane leave system, formulated the *Work Attendance Management Standard* and listed employees' working hours and rest periods in the *Labor Contract* to comply with relevant laws and regulations. In addition to statutory leave, our employees are also entitled to paid annual leave, sick leave, personal leave, maternity leave, marriage leave, bereavement leave, etc..

### **6.1.5 Labor Standards**

The Group's Human Resources Department checks candidates' proof of identity during the recruitment process, resolutely eradicating any employment of child labor under the age of 16, strictly complying with the *Law of the PRC on the Protection of Minors* and the *Provisions on the Prohibition of Using Child Labor*. During the Reporting Period, the Group did not violate any laws and regulations relating to the prevention of child labor that have a significant impact on the Group. The Group prohibits any act of forced labor, strictly oversees employees' overtime outside normal working hours and never forces employees to work overtime, stipulating employees to obtain approval from relevant supervisor prior to working overtime. Meanwhile, we ensure that employees are placed on leave within two weeks after working overtime. During the Reporting Period, the Group did not receive any complaints regarding forced labor.

### **6.1.6 Employees' Benefits and Welfare**

In addition to employee remuneration, the Group also provides other benefits to our employees, including medical, housing and retirement subsidies, overtime allowance and meal allowance, and pays social insurance funds (including pension insurance, medical insurance, work-related injuries insurance, unemployment insurance and childbirth insurance) and housing providing funds for employees.

The Group treasures our interaction with every employee, organizes a diverse array of employee activities such as ball games, networking activities, festive celebrations, etc. to foster communications with our employees, in order to build a harmonious and cohesive employee relationship, and to raise employees' sense of belonging to the Group, creating a positive working environment. Meanwhile, the diverse activities we organized not only enriched employees' lives, but also allowed employees to relax and to relieve stress.



## Employee Care



### Case Study 1 Embraced Sports in the Workplace

The Group understands the importance of employees' health to the business, vigorously encouraging a culture of work-life balance with sports embraced in the workplace, which allows employees to maintain their physical and mental health while working conscientiously. For the fourth consecutive year, the Group has arranged employees to participate in the marathons held in Beijing and Nanjing, with an accumulative of more than 200 employees completed the full marathon or half marathon. The Group also regularly organizes various types of ball games, such as football, basketball and table tennis competitions.



### Case Study 2 Increased team cohesiveness

The Group's trade union organized a creative walking event for employees to "Start fresh, set foot on a new journey, get out of their comfort zone, and to work wholeheartedly for Datang" on 29 June 2018. Employees took a creative walking tour in the Olympic Park to walk with "Datang" dignity. The activity not only enhanced employees' physical fitness, but also successfully increased team cohesiveness, fostered employees' sense of belonging to the Group, and motivated employees to practice Datang spirit to enable the Group to achieve our targets.



### Case Study 3 Conducted festive celebrations

On 17 August 2018, the Company held a “Social Gathering on the Chinese’s Valentine’s Day” for singles with China Huadian Engineering Co., Ltd. We organized unique and fun networking activities for employees that were single on the traditional Chinese Valentine’s Day. The activity not only enabled the Group’s employees to get together, but also created an opportunity for employees from cross-enterprise to learn from each other.



### Case Study 4 Emphasized on employee engagement

To commemorate the 97<sup>th</sup> anniversary of the founding of the Party, the Group organized the 4<sup>th</sup> singing contest on 25 July 2018 with the theme “Embark upon a new era”. Employees from different subsidiaries actively participated in the activity. The activity gave employees a chance to showcase their talents on stage.

## 6.2 Talent Development

We place a very high degree of emphasis on the training of talents and the building of teams, and have our talent management strategy as an integral part of our business strategy, proactively creating a working environment that supports employees to co-develop with the Group, and to pave way for both sides to make improvements in the course of learning from each other. The Group has a complete *Management Measure for Employee Education and Training*, which the Human Resources Department is responsible for enquiring the training needs for each job position of all departments later in the year, and to develop a training plan for the next year in conjunction with the Group’s strategic needs. Meanwhile, we summarize our employee education and training work every year and publish the *Talent Development Work Summary* in order to unceasingly optimize our training mechanism, and continuously improve the overall competencies of the team, to achieve the Group’s strategic goals. We regularly conduct training activities on business upgrading, safety education, job adaptability, skills upgrading, professional qualifications, and other topics according to the principle of “Hierarchical management, implementation according to different categories, and differentiated training”.



## Employee Training



### Case Study 1 Focused on knowledge sharing across the Group

Nanjing Environmental Protection officially launched the first director's lecture on 19 November 2018. The Company's mid-level managers shared their work experience and knowledge to all employees regarding domestic and foreign industry status and prospects, the company's technical orientation, quality improvement, process control, sales skills, functional management and other topics.



### Case Study 2 Graduate induction training

The Group held the "2018 Graduate Induction Training Conclusive Meeting" on 3 August 2018. We have always attached great importance to the induction training of graduates, providing them with a series of training courses on rules and regulations, corporate culture, production and operation, safety education and development prospects of the Company, etc. in the means of a variety of training formats such as lectures, front-line experiences, hands-on operations, etc..



### Case Study 3 To support the Group's business development

The Group organized a nine-day "2018 Inspection and Maintenance Job Training Course" on 4 September 2018, which invited well-known experts from the industry as instructors to share their interpretation of the latest national environmental policies and on policies and management standards that are relevant to the Group. Furthermore, Nanjing Environmental Protection also arranged employees to visit their denitrification catalyst production lines and laboratories to intensify employees' understanding based on the theory they learned. We hope to equip our employees with job-specific knowledge and skills through the training, so that they could better contribute their expertise to the Group's projects.

We systematically record all training information and established a training folder for each employee. We continuously understand the training needs of each job position to ensure that employees of different positions receive corresponding training. In addition, we evaluate the course content after each training to ensure the effectiveness of the training, in parallel, we also assess employees who participated in the training to ensure that training content was effectively delivered. In the future, we will continue to strengthen training in foreign languages, international laws, environmental policies, engineering standards, and other topics, to reinforce the capabilities of overseas business personnel comprehensively as well as to enhance the competitiveness of the Group's overseas operations.

### 6.3 Safety First

"People-oriented and safe development" is the Group's fundamental management philosophy. We always uphold the spirit of "Being pragmatic, dedicated, innovative, and self-motivated" to respect and care about our employees. We adhere to the management concept of "Intrinsic safety", and set the Group's production safety target to "Resolutely put an end to large accidents, prevent personal injury and death, avoid ordinary accidents from happening, ensure accidents of bad nature or that may cause adverse social impact from happening, and to ensure annual targets of production and operation being accomplished smoothly". The production safety targets aim at managing safety risk that may happen in the course of production and to avoid personal injury and damage to health. We strictly comply with relevant laws and regulations that have a significant impact on the Group's operations in the PRC in relation to providing a safe working environment and protecting employees from occupational hazards, including but not limited to the *Production Safety Law of the PRC*, the *Law of the PRC on the Prevention and Treatment of Occupational Diseases*, the *Regulations on Safety Supervision over Special Equipment*, and the *Provisions on the Supervision and Administration of Occupational Health at Work Sites*, to ensure employees' safety and production safety. During the Reporting Period, the Group did not violate or receive any complaints in relation to the provision of a safe working environment and the protection of employees against occupational hazards.

#### 6.3.1 Production Safety Management

In order to implement the production safety policy of "Safety first, prevention-oriented, and comprehensive management", the Group promotes safe and civilized construction thoroughly in our engineering projects. The Group has established a complete production safety management system to manage production safety in a seamless way, including but not limited to the *Management Measure for the Responsibility System of Production Safety*, the *Production Safety Management System for Construction Site Hazards* and the *Production Safety Incident Reporting System*, and the system has been certified to be in conformity to the Occupational Health and Safety Management System (OHSAS 18001:2007).

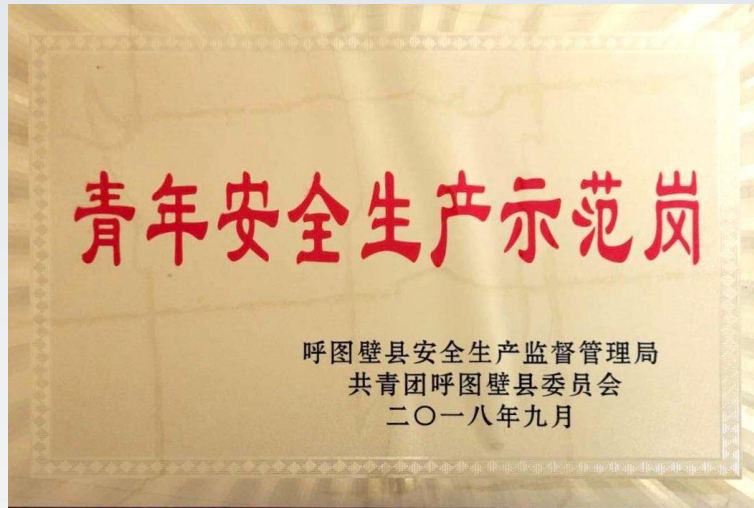
The Group carries out a three-level hierarchical responsibility management framework, which divides the Group into three levels namely “The headquarter of the company, subsidiaries and business department, and project department”. The framework established and improved the supervision system for having the chiefs of all levels to be responsible for production safety, such that the production safety goals of the Group could be achieved under the systematic and hierarchical production safety supervision system. Furthermore, as one of the Group’s key production bases, Nanjing Environmental Protection has set up a Production Safety Committee to be responsible for the formulation of its production safety goals and measures as well as to hold production safety work meetings regularly, to evaluate past production safety work and existing problems, and subsequently to organize and supervise the completion of rectification work.

The Group has developed the *Safety Management Standardization Manual* and the *Safety Supervision Manual* with the purpose of standardizing the safety management of all subsidiaries’ projects, clearly outlining the planning of construction sites, the management of safety equipment and safety protective equipment, etc.. To reinforce the supervision of our engineering projects, strengthen the implementation of safety measures, and effectively control the risks of site operations, the Group has consolidated our safety management for production project sites during the Reporting Period, which includes:

1. Hold a meeting every morning to identify safety risks in light of the duties to be performed that day, and to ensure safety measures are implemented in each production stage thoroughly;
2. Conduct on-site inspection at least once a day to confirm that the safety measures are in place, and inspect the implementation of the safety measures of high-risk operations at project sites; and
3. Summarize improvements needed in a timely manner by evaluating the implementation of the safety measures conducted on the previous day, analyze and discuss existing problems and develop corrective measures.

Meanwhile, we also adopted the “Four Don’t” principle, which laid out that any accident’s investigation shall not be allowed to pass if the cause of the accident was not discovered; if the persons liable for the incident and the public had not been educated; if the practical precaution measures had not been put into effect; and if the persons liable were not subjected to punishment.





The Hutubi project of the Group's concession operation business was awarded the "Honorary Certificate of the Youth Production Safety Demonstration" jointly presented by the Hutubi County Administration of Work Safety and the Communist Youth League Committee of Hutubi County



The level three electrical distribution boards protection and the safe passage at the Group's project sites

### 6.3.2 Occupational Health

The Group formulated the *Occupational Health and Safety Management Control Procedures* and the *Occupational Health and Safety Performance Monitoring Procedures*. The Safety Monitoring Department is responsible for reviewing our progress in achieving our occupational health and safety targets, and to follow up on any occupational health-related matters. To effectively eliminate safety hazards, corresponding *Work Safety Manual* and *Occupational Health Manual* are provided to employees. Meanwhile, employees are clearly informed of the existing or potential occupational hazards and diseases at work when signing the *Labor Contract*. The Group seriously implements the “Three levels of safety education”, which safety training is arranged to employees when they enter the enterprise, when they are assigned to a subsidiary or a specific project. Employees of all subsidiaries are required to take part in at least one safety training and assessment each year according to the safety training plan, to have a deeper understanding on relevant laws and regulations, master professional operating skills and requirements and strengthen awareness on health and safety. Moreover, we organize safety month events to improve the safety management of special equipment and respective operators. We provide employees at production sites with necessary personal protective equipment and also require contractors to provide their construction workers with personal protective equipment and to conduct inspections from time to time, to avoid or mitigate the damages to any of our construction workers caused by potential accidents. We also arrange physical examinations for our employees annually and set up personal health files for them, carrying out the basic work of occupational diseases and hazards prevention and control.

## Work on Occupational Health



### **Case Study 1 Improved employees' capabilities to cope with emergency**

In order to enhance employees' first aid knowledge, and to improve our capability in providing first aid in emergencies, the Group organised the first "Cardiopulmonary resuscitation" skills competition on 29 November 2018. The competition allowed employees to have a deeper understanding of Cardiopulmonary Resuscitation skills and strengthened their emergency preparedness and response capabilities, which hopefully they could deal with emergencies effectively to reduce the injury severity.



### **Case Study 2 Focused on employees' physical well-being**

The Group arranged employees to conduct physical examinations before, during and after their employment to ensure that their safety and health are not affected by potential workplace safety hazards.



### **Case Study 3 Launched production safety month events**

The Anyang concession operation project participated in the "Production Safety Month Advertising and Consultation Event" organized by the government of Anyang city. Safety bulletin boards were used to promote the theme of the safety month "Nothing is more important than your life, safe development" to the neighborhood at the event.



### 6.3.3 Investigation and Handling of Potential Hazards

To standardize the investigation and handling of potential hazards and to effectively prevent the occurrence of accidents, the Group strictly complies with the *Fire Control Law of the PRC*, the *Interim Regulations for the Accident Investigation and Handling of Potential Hazards*, the *Interim Regulations for the Supervision and Administration of Power Work*, and other laws and regulations, and these laws and regulations are also the basis for the formulation and implementation of the Group's *Regulations for the Investigation and Handling of Potential Hazards of Production Safety* and the *Management Standard for the Production Safety Emergency*.

We constantly identify environmental factors and sources of hazards, and categorize them into personal safety hazard, manufacturing hazard, equipment and facilities hazard, safety management hazard and other hazards. We rank hazards according to their level of danger, and develop and implement corresponding risk control manuals.

Comprehensive emergency preparation and response procedures were formulated, which include the contingency plans for fire, work-related injuries, emergency incidents and natural disasters. Meanwhile, we hold various kinds of drills to fully enhance employees' capability to cope with emergencies.



The Group's fire drill in 2018

## 7. Connecting with Societies, Caring for People's Livelihood

While the Group focuses on our energy conservation and environmental protection business, we are also mindful in fulfilling our corporate social responsibility, bringing positive impacts to the community we thrive in. Hence, we formulated and implemented the *Management Measure for the Volunteering Activities of Datang Environment Industry Group Co., Ltd.*, vigorously promoting volunteering activities, encouraging employees to actively participate in community services to give back to the society with the Group. We also nurture our employees in upholding the spirit of “Being pragmatic, dedicated, innovative, and self-motivated”, and to enthusiastically practice the core values of socialism.

The Group actively carried out various types of volunteering activities, which mainly divide into the help and support to employees, and the community services:



We have high regards for employees' lives, reached out to families in difficult circumstances to show our love and care to them. During the Reporting Period, the Group has conducted 123 activities to express our condolences to 1,145 employees and provided financial aid of RMB275,800 for employees.



## Community Services



### Case Study 1 Focused on environmental protection education

The Group attaches great importance to educating the next generation on the importance of environmental protection while being committed to developing our energy conservation and environmental protection business. The Group launched the second phase of the “Datang Elite Course” on 1 June 2018. Volunteers taught students the basic information about electricity, electric safety, environmental protection tips, etc. through easy-to-understand and lively classroom materials, raising children’s awareness of the importance to protect the environment as they grow and to cultivate their green habits at a tender age.



### Case Study 2 Volunteer service to show respect and care to elderlies

The Group organised the “Datang Environment Volunteer Visit at Qinghe Nursing Home in Haidian District to Express Condolences to Elderlies” on 10 August 2018. Volunteers presented a series of amazing performances for the elderlies, including singing, Tai Chi, dancing and musical performances, providing elderlies a feast for their eyes. The activity not only enabled elderlies to feel the society’s love for them, but also demonstrated Datang Environment’s spirit of giving back to the society, cultivated employees to remain true to their original aspiration, and to pass on the virtue of “Loving, respecting and caring for elderlies”.



### Case Study 3 Launched the “Integrating Culture into Classroom Learning” activity

The Group organised the “My Personal Growth – Pleasant Reading Scheme” in Shijingshan Huao School on 21 May 2018, encouraging students to develop reading habits by providing them with books for the reading corner, and also to vigorously promote a reading culture among students in school to stimulate a good learning atmosphere.



### Case Study 4 Raised funds with our love and devotion

2018 was the third consecutive year that we participated in the “Great Walker Fundraising Trekking Event”, an accumulation of RMB170,000 of funds was raised. We also implemented engineering projects and made in-kind donation to improve the lives of left-behind children in rural areas of Guizhou, spreading love and warmth by disseminating the spirit of goodness by taking concrete actions. We were also awarded by the China Foundation for Poverty Alleviation as the “Honorary Team”, the “Best Dissemination Team” and others, which are the manifestation of Datang Environment’s perseverance in undertaking social responsibility actively.

## 8. Looking Forward

Looking forward to 2019, the Group will firmly grasp the state's strong support for the development of energy conservation and environmental protection industry. We will continuously enhance the Group's core competitiveness and sustainability capabilities through our innovation and equipment technology, our high-quality products and services, and our first-class human resources, to continuously promote green development. The Group is going to steadily develop and maintain the leading position in business segments of environmental protection facilities concession operation and denitrification catalysts. Meanwhile, the Group will further develop air pollution control business in non-electric industries including steel, coking, cement and chemical to tie in with the *Three-Year Plan for Making China's Skies Blue Again* which was formally announced by the State Council of the PRC at the end of June 2018. We aspire to leverage the Group's influence to extend energy conservation and environmental protection technologies to different industries, leading industries a step forward to sustainability and hence reducing their impact on the environment.

The Group will, based on the requirement of “Doing the best and becoming the best”, adhere to implementing the philosophy of new development, adhere to the development directions of marketization, professionalism, internationalization, legalization and informatization to actively fulfil our corporate social responsibility. We strive to become a top-notch energy conservation and environmental protection enterprise in the world, to give back to our society through our outstanding results in energy conservation and emission reduction, and to make further contributions to the building of a beautiful and ecologically-friendly state for the society!

## The Stock Exchange ESG Reporting Guide Index

General Disclosures and KPIs	Description	Relevant Chapter(s) or Other Explanation
<b>Environmental</b>		
<b>Aspect A1: Emissions</b>		
<b>General Disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	4.2 and 4.3
<b>KPI A1.1</b>	The types of emissions and respective emissions data.	4.5
<b>KPI A1.2</b>	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.5
<b>KPI A1.3</b>	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.5
<b>KPI A1.4</b>	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.5
<b>KPI A1.5</b>	Description of measures to mitigate emissions and results achieved.	4.1, 4.3 and 4.4
<b>KPI A1.6</b>	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	4.3
<b>Aspect A2: Use of Resources</b>		
<b>General Disclosure</b>	Policies on the efficient use of resources, including energy, water and other raw materials.	4.4
<b>KPI A2.1</b>	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).	4.5
<b>KPI A2.2</b>	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	4.5
<b>KPI A2.3</b>	Description of energy use efficiency initiatives and results achieved.	4.4 and 4.5
<b>KPI A2.4</b>	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	4.4
<b>KPI A2.5</b>	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable <sup>21</sup>
<b>Aspect A3: Environment and Natural Resources</b>		
<b>General Disclosure</b>	Policies on minimising the issuer's significant impact on the environment and natural resources.	4
<b>KPI A3.1</b>	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	4

<sup>21</sup> Due to the operation nature of the Group, according to the materiality principle, the packaging material used for finished products is not applicable.



General Disclosures and KPIs	Description	Relevant Chapter(s) or Other Explanation
<b>Social</b>		
<b>Aspect B1: Employment</b>		
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, antidiscrimination, and other benefits and welfare.	6.1
<b>Aspect B2: Health and Safety</b>		
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.	6.3
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	6.2
<b>Aspect B4: Labour Standards</b>		
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.	6.1
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	5.4
<b>Aspect B6: Product Responsibility</b>		
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 <sup>22</sup> , labelling and privacy matters relating to products and services provided and methods of redress.	5.1 and 5.2
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	5.1 and 5.2
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	5.2
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	5.3
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	5.2
<b>Aspect B7: Anti-corruption</b>		
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.	2.2
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	2.2
<b>Aspect B8: Community Investment</b>		
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.	7
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	7
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	7

<sup>22</sup> Since the Group sells products and services to our customers through a direct sales model, no product advertising is involved during the sales process.