



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

2020

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



* For identification purpose only

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1. About the Report

Datang Environment Industry Group Co., Ltd. (the "**Company**") and its major subsidiaries (collectively referred to as the "**Group**", "**Datang Environment**" or "**we**") are delighted to publish the 2020 Environmental, Social and Governance ("**ESG**") Report (referred to as the "**Report**") to disclose our main sustainable development achievements in 2020 and to focus on responding to the expectations of various stakeholders of the Group. In order to gain a more comprehensive understanding of the Group's social responsibility and progress in the environmental, social, governance and economic aspects, we recommend that you also read the Company's 2020 Annual Report.

Reporting Scope

Organizational Scope: Unless otherwise stated, the organizational scope of the Report covers the Company and its major subsidiaries, and the specific list of companies included is shown in the table below.

Company Name	Abbreviation
Datang Environment Industry Group Co., Ltd.	“the Company”
China Datang Technologies & Engineering Co., Ltd.	“Technologies & Engineering Company”
Beijing Datang Hengtong Science & Technology Co., Ltd.	“Hengtong Company”
Datang (Beijing) Water Engineering & Technology Co., Ltd.	“Water Engineering & Technology”
Datang Nanjing Environmental Protection Technology Co., Ltd.	“Nanjing Environmental Protection”
Datang (Beijing) Energy Saving & Technology Co., Ltd.	“Energy Saving & Technology”
Datang (Beijing) Energy Management Co., Ltd.	“Energy Management Company”
Jiangsu Nanjing Thermal Electricity Engineering Design Institute Co., Ltd.	“Nanjing Design Institute¹”
Zhejiang Datang Tiandi Environmental Technology Co., Ltd.	“Tiandi Environment¹”

Time Frame: Unless otherwise stated, the Report covers the period from 1 January 2020 to 31 December 2020 (the **“Reporting Period”**), which is consistent with the Company's 2020 Annual Report.

¹ Nanjing Design Institute and Tiandi Environment are collectively referred to as “concession operation”.

Preparation Basis

The 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**”) issued by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange of Hong Kong**”) and strictly complies with the two levels of disclosure obligations under the mandatory disclosure requirements and the “comply or explain” provisions. The Report complies with the following reporting principles.

Materiality: The Report utilizes an online questionnaire engaging various stakeholders to extensively solicit their opinions on the Group's ESG issues. We evaluate ESG issues that have a significant impact on both the Group and external stakeholders as the ESG issues of high materiality (referred to as “**issues of high materiality**”), and subsequent to the review and validation of the board of directors of the Group (the “**Board of Directors**”), these issues are considered as the main focus of disclosure and response in the Report.

Quantitative: We disclosed environmental and social performance data in the previous ESG reports. The Report continuously adopts the previous disclosure practice on quantitative indicators and meanwhile covers some of the quantitative targets for reducing negative environmental and social impacts, so as to demonstrate the Group's confidence and determination in enhancing its sustainable development level.

Balance: In addition to the positive performance, the Report also discloses some negative indicators. The Report has been reviewed by the Board of Directors to confirm that there is no major omissions or selective descriptions, which can provide the Report readers with a reference for objective decision-making and judgment.

Consistency: The organizational scope and business scope of the Report are consistent with the previous year's report. Meanwhile the Report adopts the consistent statistic methodologies and provides historical data to allow for meaningful comparisons for readers.

Report Description

The Board of Directors comprehensively supervises the preparation and release of the ESG Report and reviewed and approved the Report in May 2021. The Board of Directors confirms the truthfulness, reliability, completeness and effectiveness of the information disclosed in the Report and there is no major information omission or misleading description.

Your Feedback

The electronic versions of the Report in the two languages of both Traditional Chinese and English are published on the Company's official website (Website: www.dteg.com.cn) and the HKEx News website of the Hong Kong Exchanges and Clearing Limited (Website: www.hkexnews.hk). In case of any discrepancy in the two versions, the Traditional Chinese version shall prevail.

Thank you for downloading and reading the Report. If you have any valuable comments on our sustainability work or the content of this Report, please feel free to contact us via the following way!

Email: ir@dteg.com.cn

2. Chairman's Statement

2020 was a landmark year. This year, the “13th Five-Year Plan” had been a success, the “30-60” carbon targets were introduced for the first time, a moderately prosperous society was comprehensively built, and the battle against the pandemic achieved major strategic results. The Group conscientiously implemented the strategic plans of the CPC Central Committee and the State Council, actively embraced the historical opportunities and challenges brought by economic and energy transformation, consistently strived to integrating sustainable development into corporate business development, continuously enhanced our corporate governance level, strengthened our talent reserve, optimized and adjusted our industry layout, and extensively listened to the expectations of stakeholders. We united to make collective efforts and kept putting in hard work, thus achieved satisfactory results in the aspects of corporate development and social responsibility.

Looking back at the year of 2020, we achieved green development in all business segments and actively expanded other environmental management business fields. We ranked first in the People's Republic of China (the “**PRC**” or “**China**”) for the cumulative installed capacity of desulfurization and denitrification facilities operated through the form of concession operation, and our desulfurization and denitrification facilities fully achieved 100% compliance with emission standards, making a positive contribution to the construction of lucid water and lush mountains.

Looking back at the year of 2020, we continued to strengthen technological innovation to build our core competitiveness. During the Reporting Period, we were awarded 163 utility model patent authorizations and 18 invention patent authorizations in total. Our self-developed technologies such as “Development and application of mercury removal technology which injects biomass coke through the flue of coal-fired boilers” achieved advanced level within the international field.

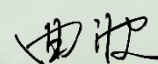
Looking back at the year of 2020, we continued to enhance the sense of cohesion and combat capability of our team. We effectively achieved collective improvement for both our employees and the Group, through optimizing employment management, improving occupational health and safety, and focusing on employee development and talent cultivation.

Looking back at the year of 2020, we actively gave back to the society and helped the people in need. We played the leading role as a central state-owned enterprise, donating cash and supplies to promote the progress of pandemic prevention and control as well as the resumption of work and production, contributing to the steady recovery of production and living.

Looking into the future, the Group will take the national guidance of "14th Five-Year Plan". We will take the opportunities of development brought by the efforts of "carbon peaking" and "carbon neutrality", seize the opportunity of the large-scale protection and treatment of the Yangtze River and Yellow River Basins, and ride on the high-speed train of the wind and solar renewable energy industry. We will take the responsibility to achieve high-level financial performance and sustainable development goals, and strive to build the Company into a first-class comprehensive energy and environmental management service provider. We will create greater shared value for our shareholders, customers, employees, communities and other stakeholders, making greater contributions to the development of the green environmental protection industry and the construction of a beautiful China!

Chairman of the Board of Directors

Qu Bo



3. About Us

3.1 Company Profile

The Group is a comprehensive environmental governance service provider integrating operation services, technology research and development, product manufacturing, engineering construction and project investment. We insist on development as our first priority, adhere to the development directions of marketization, professionalism, internationalization, law-based governance and informatization. We will deepen reform and innovation, strive to possess first-class human resources, innovation capability and equipment technology, form strong technological innovation strength and value creation capability and continue to enhance the Group's core competitiveness and sustainable development capability, so as to build into a world-class enterprise in comprehensive energy and environmental governance services.

3.2 Business Scope

The Group has been committed to becoming a world-class comprehensive enterprise providing energy and environmental management services, and continuously focuses on the whole industry chain of providing environmental protection and energy conservation services for coal-fired power plants and the green, clean and efficient use of energy, gradually growing into a technology-based company focusing on operation, engineering construction and product manufacturing with businesses covering the whole industry chain of the technological environmental protection for coal-fired power plants, including desulfurization, denitrification, dust removal, ash and slag handling, dust removal, water treatment and energy conservation. The Company has expanded its businesses to India, Thailand and other countries along the "Belt and Road".

Our principal businesses include:



Environmental protection facility
desulfurization and denitrification
concession operation business



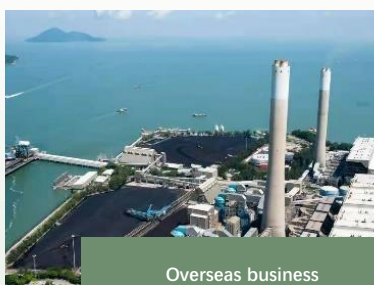
Denitrification catalysts business



Environmental protection facilities
engineering business



Water treatment business



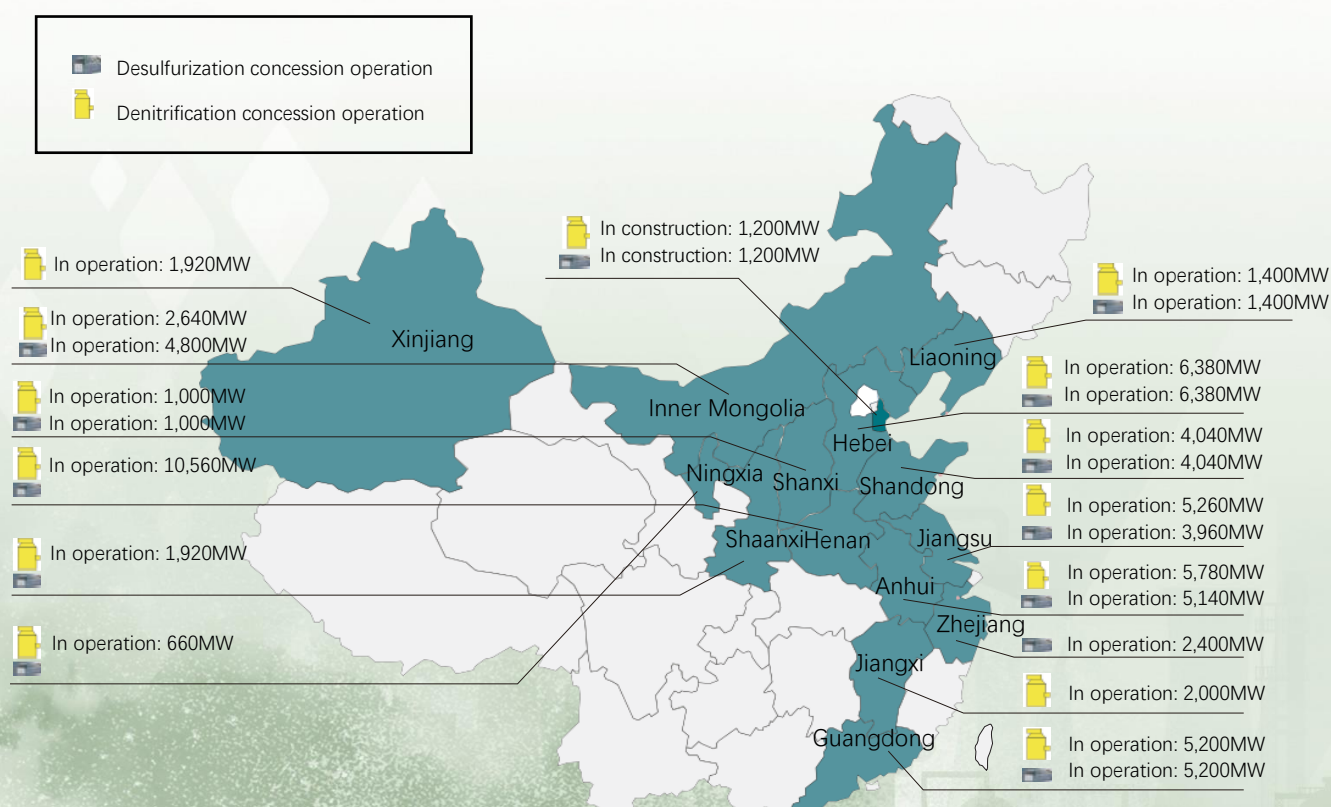
Overseas business



Renewable energy engineering
business

During the Reporting Period, the Group's business segments developed steadily, with its environmental protection facility concession operation business and denitrification catalysts business consolidating their leading positions in the industry. Based on the cumulative operating unit capacity as of the end of the Reporting Period, the Group continued to maintain its position as the largest flue gas desulfurization and denitrification concession operator in China. Based on the total output of denitrification catalysts in the Reporting Period, the Group remained as the largest producer of denitrification catalysts in China. During the Reporting Period, all of the Group's desulfurization concession operation and denitrification concession operation projects under construction have transferred into operational stage in respect of the environmental protection facility concession operation business. While consolidating its leading position in the environmental protection field of thermal power segment, the Group actively developed environmental protection and management businesses in steel, cement, metallurgy and other non-electric fields to grow the environmental protection market and expand its business influence.

As of the end of the Reporting Period, the cumulative installed capacity in operation for desulfurization concession operations of the Group reached 48,000MW; the cumulative installed capacity in operation for denitrification concession operation reached 40,550MW; the installed capacity of the desulfurization entrusted operation projects reached 1,960MW. The geographical layout and cumulative capacity of the Group's concession operation are shown in the map below.



3.3 2020 Achievements at a Glance

Governance

Continued to be the **largest desulfurization and denitrification concession operator and the largest manufacturer of denitrification catalysts in the PRC**

Won the “**Top 50 Environmental Enterprises in China**” award

Environmental

1,373,200 tons

of sulfur dioxide emissions reduced by the concession operation business

160,400 tons

of nitrogen oxides emissions reduced by the concession operation business

34,500 m³

cumulative production of denitrification catalysts

Social

RMB201,980,000

invested in technology, research and development

2

technological achievements reached internationally leading or advanced levels

10

achievements won provincial, city-level and industrial awards

181

patents obtained

35

technical standards being compiled

Officially launched with approval

the ISO international standard *the Technical Guidelines for the Treatment and Reuse of Wastewater in Thermal Power Plants*

78,879 hours

of total employee training hours

0

workplace injury

96.83

customer satisfaction score

502

suppliers

6,250 hours

of employee volunteer hours

RMB103,000

of charitable donations and community investments

4. Responsible Communication and Win-win Cooperation

4.1 ESG Governance

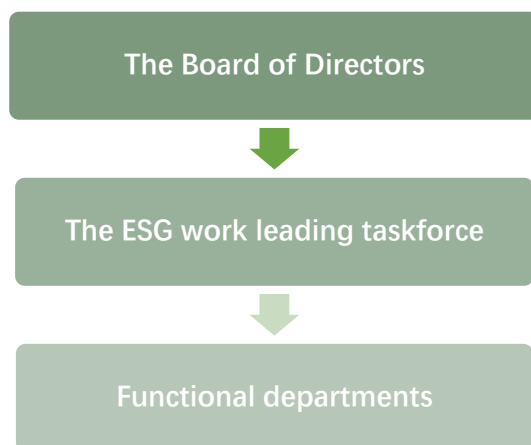
The Group has always been committed to enhancing the level of corporate governance and establishing and improving a modern corporate governance structure with effective checks and balances and independent operation comprised of the general meetings, meetings of the Board of Directors, the supervisory committee and the senior management.

As the highest governance unit of the Group, the Board of Directors has overall responsibility for review and oversight of the Group's sustainability plans, activities and performance. Specific responsibilities include participating in the assessment and confirmation of issues of materiality, identification and analysis of material ESG related risks, reviewing and approving ESG reports, and overseeing the development and implementation of sustainability strategies. During the Reporting Period, all the directors of the Company (the “**Directors**”) participated in sustainability trainings to develop and update their ESG-related knowledge and skills, ensuring that they continue to contribute to the Group's sustainability efforts in a comprehensive information available and need-based manner.

The ESG work leading taskforce, authorized by the Board of Directors, is responsible for maintaining an appropriate and effective ESG governance system, assisting in the formulation and progress review of the Group's sustainability strategies, and overseeing the implementation status of the sustainability work of each business unit and the Group as a whole. Specific responsibilities include establishing a sound ESG data statistics mechanism, preparing and reviewing ESG reports, organizing ESG trainings at the executive level, and taking the lead in assessing the materiality of ESG issues and ESG risks.

Each of the Group's subsidiaries and business segments has ESG work responsible staffs for implementing sustainability plans and overseeing the sustainability performance of each business segment to ensure the smooth implementation of the Group's sustainability management policies from top to bottom.

The ESG governance structure of the Group is shown in the figure below.



4.2 Stakeholder Communication

Ongoing communication with stakeholders is an important part of the Group's daily operations, which helps the Group to understand the expectations of various stakeholders on our sustainability development and to formulate targeted sustainability goals and strategies. The Group's business involves a number of stakeholder groups, including shareholders and investors, government and regulatory authorities, employees, customers, suppliers and business partners, as well as the general public.

The following table sets out the categories of stakeholder groups, communication channels and frequency.

Stakeholder Groups	Communication Channels	Frequencies
Shareholders and investors	Corporate reports and announcements	Biannually/According to operational needs
	General meetings	Annually/According to operational needs
	Official website, email and hotline	Recurring/According to operational needs
Government and regulatory departments	Corporate reports and announcements	Biannually/According to operational needs
	Supervision and assessments	Regularly/According to operational needs
	Seminars	From time to time
Employees	Employee performance appraisals	At least once a year
	Meetings and trainings	Recurring/According to employees' and operational needs
	Email and notice boards	Recurring/According to employees' and operational needs
	Team building and festive activities	Regularly

Stakeholder Groups	Communication Channels	Frequencies
Customers	Customer satisfaction surveys	Annually/Upon completion of each customer's terms of service
	Meetings, site visits, email and hotlines	According to customers' needs
Suppliers and business partners	Public tendering	According to procurement needs
	Meetings, site visits, email and hotlines	According to procurement and business development needs
Community and general public	Charity events	From time to time
	Donations	From time to time
	Official website, email and hotlines	According to the community and general public's needs

4.3 Assessment of Materiality Issues

We strictly follow the reporting principle of Materiality in the ESG Reporting Guide and have been conducting online surveys engaging with stakeholders for consecutive years to comprehensively assess the Group's materiality issues to ensure that the results of the materiality assessment can objectively and fairly reflect the economic, environmental and social impacts of the Group, thereby effectively promoting the formulation of the Group's sustainable development strategy.

The Group conducted a materiality assessment in accordance with the following four steps, the results of which were approved and confirmed by the Board of Directors.

First Step: Identification of ESG issues

- The Group re-examined the pool of ESG issues. Through comparing and analyzing the focus of the same industry, and referring to the relevant report preparation guidelines, we decided to add 5 issues to the pool of ESG issues of 2019 to build the pool of ESG issues of 2020. The pool of ESG issues includes the environmental issues “mitigation and adaptation to climate change”, “material usage” and “biodiversity”, and the social issues “emergency preparedness”, and “fight against the pandemic and resumption of production and work”.



Second Step: Ranking of the ESG issues

- The Group invited internal and external stakeholders to rank the materiality of the screened ESG issues in the form of an online survey. A total of 437 valid questionnaires were received.



Third Step: Results analysis

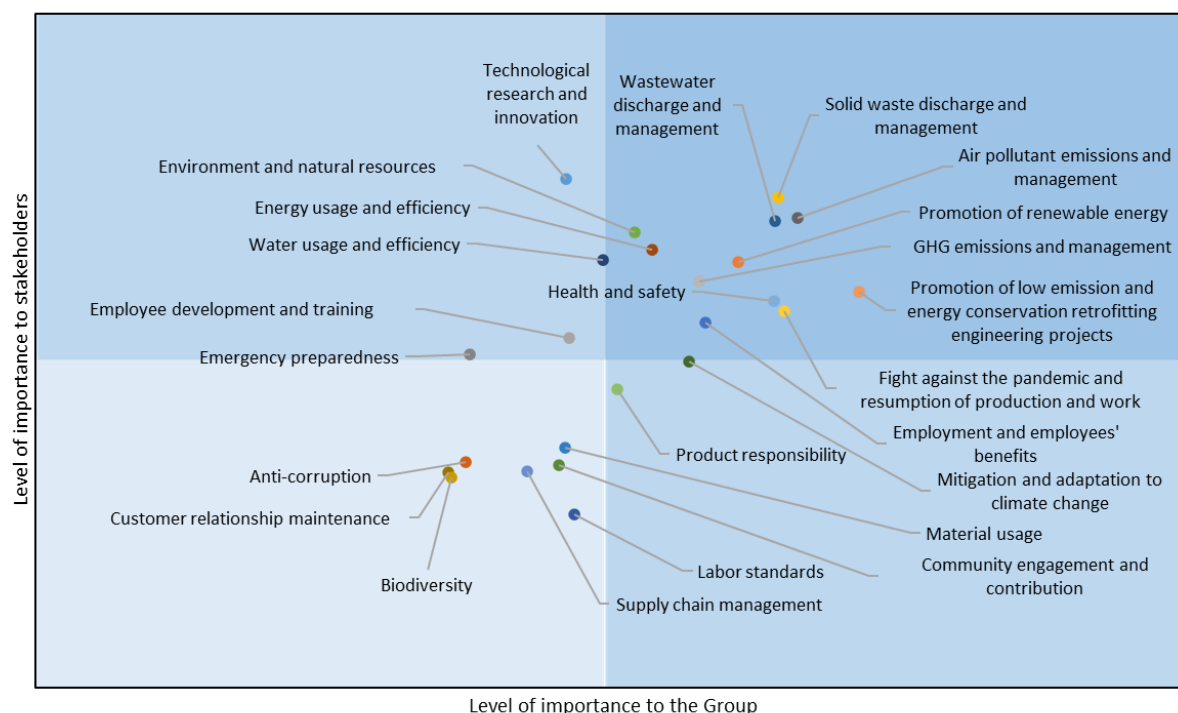
- The Group reviewed the ESG issues of shared concern to the Group and stakeholders based on the two dimensions of “Level of importance to Datang Environment” and “Level of importance to stakeholders”. As a result, 11 issues were found to be of high materiality.



Fourth Step: Results validation

- The Board of Directors reviewed and validated the issues of high materiality and disclosed the progress of relevant work in the Report in a focused manner. It also continues to pay attention to issues of high materiality in the Group’s long-term operations, formulate and improve policies, as well as set corresponding targets.

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



Datang Environment Materiality Matrix

The Report highlights the 11 issues of high materiality, while also addressing the less important ESG issues in accordance with the disclosure obligations in the ESG Reporting Guide, to provide stakeholders with a full picture of all aspects of our sustainability work. We have outlined the Group's responses to the issues of high materiality in the Report and the corresponding chapters are set out in the table below.

Aspects	Issues of High Materiality	Corresponding Chapters
Environmental	Solid waste discharge and management	6 & 11.1
	Air emissions and management	6 & 11.1
	Wastewater discharge and management	6 & 11.1
	Promotion of renewable energy	6 & 11.1
	GHG emissions and management	6 & 11.1
	Promotion of low emission and energy conservation retrofitting engineering projects	6
	Energy usage and efficiency	6 & 11.1
	Environment and natural resources	6
Social	Health and safety	8.2 & 11.2
	Fight against the pandemic and resumption of production and work	9.2
	Employment and employees' benefits	8.1

4.4 Strengthening Supplier Management

The Group firmly believes that developing high-quality products and services depends on the maintenance of good and stable supplier partnerships. During the Reporting Period, we continued to strengthen cooperation and communication with our suppliers. The Group strictly complies with the laws and regulations, such as the *Bidding Law of the People's Republic of China*, the *Regulation on the Implementation of the Bidding Law of the People's Republic of China*, and the *Contract Law of the People's Republic of China*, and etc. The Group followed the "three principles" of "openness, fairness and impartiality" and the working principles of "honesty and trustworthiness, unified management, graded implementation, dynamic evaluation and supporting the good and eliminating the bad" in the management of suppliers. We have developed and continuously improved our internal systems such as the *Supplier Management Regulations* and the *Corporate Standards--Supplier Management* to regulate supplier management.

The Group implements a categorized and tiered approach to the management of all suppliers, requiring all suppliers who wish to provide products and services to the Group to register on the Group's supplier management platform and become registered suppliers only after passing the examination. We have implemented an admission system for suppliers of key procurement items and have categorized them into Tier 1 and Tier 2 suppliers according to the level of authority over the procurement. Among the accredited suppliers, we select strategic suppliers based on their business performance, service quality, response speed and user evaluation, and establish strategic partnerships with them. The Group regularly organizes relevant organizations to conduct dynamic and comprehensive evaluation of suppliers' compliance with contracts, and each organization with procurement demand regularly conducts comprehensive evaluation of suppliers by combining procurement participation and contract performance. After the weighted calculation, summarization and review of the scores, the comprehensive evaluation levels of suppliers are finally obtained. The evaluation results can provide necessary reference for subsequent procurement and contract terms.

We pay attention to the environmental and social impacts from the supply chain and have established regulations and systems such as the *Environmental Management Control Procedures* to systematically evaluate the environmental management performance of suppliers in order to eliminate related risks. When selecting suppliers, we set out appropriate requirements for the conformity of the tenderer's qualifications and the environmental management of the project, and explicitly require the tenderers to establish an environmental management system, pass the environmental management system certification, develop pollution prevention measures and compile the necessary environmental protection measures in technical documents to ensure that the suppliers achieve effective control over their own environmental impacts. In addition, we regularly carry out supervision and inspection of the environmental performance of our suppliers and form a document entitled *Environmental Supervision and Inspection Record*, requiring them to rectify, correct and prevent any problems found during the inspection in a timely manner. The *Supplier Management Regulations* that we regulated clearly require the relevant departments to strictly examine suppliers for integrity, quality, progress, service and other illegal breaches of contract, and to take measures such as notification, suspension of tender award and disqualification from participation in procurement activities under different circumstances, including "particularly serious malpractice", "serious malpractice" and "general malpractice", in order to eliminate social risks in the supply chain. In this way, we can protect the quality of our services and the legitimate rights of our customers.

【Case Study 1】 Concession operation branches incorporate environmental requirements in procurement contracts

In the technical agreements of the procurement contracts signed with suppliers, the concession operation branches clearly stipulate that suppliers should guarantee the provision of high-quality products that meet the requirements of the relevant national mandatory safety and environmental protection norms and the current common Chinese or international standards. Through the formulation of this clause, we encourage and promote suppliers to actively manage their environmental impacts and to jointly fulfil their environmental responsibility by choosing more sustainable green products.

5. Compliance Governance and Steady Operation

5.1 Compliance Operation

To meet the market demand, continuously standardize and improve the compliance management level, the Group has further improved and revised its original system documents of "Three Standards in One" on quality, environment and occupational health and safety, through complying with the three standards, namely the *Quality Management Systems Requirements (GB/T 19001-2016)*, the *Environmental Management Systems Requirements with Guidance for Use (GB/T 24001-2016)* and the *Requirements for Occupational Health and Safety Management System and Guidelines for Use (GB/T 45001-2020)* along with the existing laws and regulations, and incorporating its actual management experience, to form the new *Management Manual*.

The *Management Manual* systematically outlines the Group's management approach, management goals, organizational structure and management responsibilities. The *Management Manual* identifies and specifies all processes involved in the Group's production and service activities relating to quality, environmental and occupational health and safety and their mutual relations, and stipulates effective control measures for these processes. We also ensure the effective operation of the Group's "Three Standards in One" system, by monitoring, measuring and analyzing these processes and taking necessary improvement and preventive measures, guaranteeing that business activities meet the requirements of national standards and existing laws and regulations.

During the Reporting Period, the Group has set the following compliance management objectives. The Group provided the necessary resources, including workforce, capital, technologies, equipment, facilities and working environment, to meet the requirements of laws and regulations, customers, and other stakeholders, ensuring the effective operation and continuous improvement of the "Three Standards in One" system, as well as the successful achievement of the quality, environmental and occupational health and safety management objectives for 2020.

Quality Management Objectives

- The desulfurization and denitrification efficiency and emission indicators of the concession operation projects meet the requirements of local governments as well as owners and unconditional emission compliance, while there shall be no environmental incidents exposed by major media or circulated by the environmental protection department; no occurrence of unplanned host engine shutoff, caused by unplanned shutoff of the environmental protection facilities;
- The safety and quality of the equipment manufacturing industry is under control, with an on-time inspection passing rate of $\geq 98\%$, a customer complaint rate of $\leq 8\%$ and a customer satisfaction rate of $\geq 90\%$ in case of return visits;
- Projects strives to be a civilized model site of China Datang Corporation Ltd. ("**Group Company**"); the main technical and economic indicators reach their design values.

Environmental Management Objectives

- 100% of pollutants achieving the emission standards unconditionally;
- Zero environmental incidents circulated by the government or exposed by the media;
- 100% of hazardous waste under compliance control.

Occupational Health and Safety Management Objectives

- No personal injury or fatality of ordinary or higher grades;
- No equipment- or facilities-related accidents of ordinary or higher grades;
- No fire incidents of ordinary or above grades;
- No major traffic accidents of equal responsibility or higher grades;
- No environmental pollution incidents of ordinary or higher grades;
- No public health incidents or occupational disease accidents.



The Group obtained certificates for its quality management system, environmental management system and occupational health and safety management system

5.2 Anti-corruption and Integrity Advocacy

The Group promotes a corporate culture of honesty, integrity and law-abiding, guiding employees to work with integrity and resist corruption consciously. We strictly abide by Party discipline and national laws, such as the *Code of Integrity and Self-discipline of the Communist Party of China*, *Certain Regulations on the Integrity of Leading Personnel of State-owned Enterprises*, the *Criminal Law of the People's Republic of China*, etc. We have continuously improved our internal policy system on anti-corruption and integrity advocacy, formulated the *Rules for Registration and Handing Over of Gifts and Premiums Received by Practitioners in Business Transactions*, the *Implementation Rules for Supervision of Major Tender and Procurement Projects (Trial)*, the *Integrity Conversation System* and other systems to regulate the management mechanism of anti-corruption and integrity advocacy, adhered to the principle of addressing both the symptoms and root causes, comprehensive treatment, implementing both punishment and prevention, focusing on prevention, taking restriction and supervision of power operation as the core, strengthening education, supervision, prevention, system implementation and responsibility, while strengthening the innovation of anti-corruption mechanisms and systems in the spirit of reform, we consistently work against corruption while strengthening the construction of anti-corruption, providing a solid foundation for the healthy operation of the Group and the achievement of its strategic objectives. During the Reporting Period, we did not violate any laws and regulations relating to the prevention of bribery, extortion, fraud and money laundering that have a significant impact on the Group and no corruption proceedings have been instituted against the Group or our employees.

During the Reporting Period, we focused on the following measures to effectively implement the Party-style integrity construction and to carry out work in terms of anti-corruption and integrity advocacy.

Key Aspects	Job Description
Perseverance in building an anti-corruption work style	<ul style="list-style-type: none"> Insistently support the strict control of the Party spirit and promote good traditions and practices in Party branches Consistently implement the eight rules of the Central Government and the 24 rules of the Group to further improve our work style Carry out intensive campaigns to educate and practice the Party's mass line and establish and improve long-term mechanisms for improving style of work Strict the Party discipline to ensure the construction of anti-corruption style of work
Strong and resolute punishment for corruption	<ul style="list-style-type: none"> Party branches at all levels assume main accountability for Party style construction and anti-corruption work The Party Discipline Inspection Team and Discipline Inspection Committee play the role of a designated organization for internal supervision within the Party Strictly investigate corruption in terms of employment Focus on task implementation in a focused and step-by-step manner
Scientific and effective prevention of corruption	<ul style="list-style-type: none"> Deepen anti-corruption education and build a culture of integrity to establish a strong ideological and moral defense Take the regulation of power operation as the main task, integrating the requirements of anti-corruption and integrity advocacy into each corporate development system Require each employee to sign and commit to the <i>Letter of Upholding Integrity</i> Strengthen the control and supervision of power operation Deepen corporate reform and prevent corruption from the aspects of systems and mechanism

To strengthen the prevention and control of integrity risks, we have followed the *Integrity Risk Prevention and Control Management Manual*, established and improved the integrity risk collection mechanism covering all departments and positions, enhanced the monitoring, analysis and early warning of integrity risk information, and improved the integrity risk prevention and control system. At the same time, we have established the *Rules for Discipline Inspection and Supervision of Letters and Visits*, developed reporting channels such as letters, visits and phone calls to encourage reporting of discipline violations by our management team and employees at all levels, and standardized various handling procedures.

Complaints of non-compliance and disciplinary offences are handled by the Discipline Inspection and Supervision Department and the process is as follows:

Receive reporting-related letters, visits or calls, understand the reporting situation

According to the contents of the reporting, the relevant departments carry out investigation and evidence collection

Compile investigation reports and give handling advice

Upon approval of comment review, provide feedback to the reporter, and the handling decision reports to the department

【Case Study 1】 The Company held the Work Conference on Party Style and Integrity Construction and Anti-corruption

On 19 January 2020, the Company convened the Work Conference on Party Style and Integrity Construction and Anti-corruption, thoroughly summarizing the Company's work on Party Style and Integrity Construction and Anti-Corruption in 2019, while deploying associated priority tasks for 2020. Participants include the Directors, senior management, employees of various functional departments and subsidiaries of the Company, who signed the *Letter of Upholding of Integrity* for 2020. The conference strengthened participants' awareness of anti-corruption and deepened the construction of discipline and style of work, which achieved satisfactory results.



The Company held 2020 annual Work Conference on Party Style and Integrity Construction and Anti-corruption

【Case Study 2】 The Company's concession operation subsidiary launched a day event on the construction of Party style and integrity

On 15 May 2020, The Company's concession operation subsidiary launched a day event on the construction of Party style and integrity, with participants including leaders at all levels of the concession operation subsidiary, responsible personnel of various functional departments, responsible personnel of various projects and all Party members. The conference consisted of taking the Party lecture on "How to Strengthen the Construction of Party Style and Integrity in the New Era", comprehending the spirit of the Group's anti-corruption work conference and watching missionary films on Party Style and Integrity. The conference achieved satisfactory results, and the participants generally responded that they had strengthened their sense of integrity.



Concession operation subsidiary launched a day event on the construction of Party style and integrity

6. Energy Conservation, Emissions Reduction and Environmental Protection

As a leader and pioneer in the field of environmental protection and energy conservation in the power industry of China, the Group adheres to the green concepts of low carbon, environmental protection, energy conservation and emission reduction. We exert influence on our construction subcontractors in the engineering business, and exercise good practices of equipment management and operation and maintenance management in the concession operation business to achieve the control at construction sites and production sites of noise emissions, wastewater discharge, dust emissions, waste treatment and hazardous chemicals, and the rational use of resources and energy. Meanwhile, we strictly supervise the monitoring and management of environmental impacts generated in the office, and are committed to thoroughly integrating environmental targets into our own business development process to achieve continuous improvement of environmental performance.

6.1 Practicing Green Operation

The Group has formulated regulations and action plans such as the *Regulations on the Public Supervision and Management of Important Safety and Environmental Protection Issues*, the *Action Plan for Winning the Blue Sky Defense Battle (2019-2020)*, the *Headquarters Responsibility System for Ecological and Environmental Protection* to efficiently implement relevant requirements in terms of corporate emissions management, resource and energy use, ecological and environmental protection and climate change adaptation. During the Reporting Period, the Group continued to establish and improve the environmental management system, obtained the Environmental Management System (ISO 14001:2015) certification. We implemented relevant procedures in accordance with the *Environmental, Occupational Health and Safety Performance Monitoring Procedures*, the *Environmental Management System Operational Control Procedures*, and the *Control Procedures for the Identification and Assessment of Environmental Factors and Sources of Hazards* so as to effectively control and supervise the businesses to ensure their compliance with requirements for environmental policies, targets and indicators. We strictly supervise and control the operation process of environmental management, appoint offices or property management companies to regularly conducts spot checks on the compliance status of the office environment and construction environment, fills the *Environmental Supervision and Inspection Record* and promptly handle any non-conformity situations according to the *Incidents and Non-conformity Control Procedures* once discovered.

Emissions Management

The Group strictly abides by the laws and regulations related to emissions management. During the Reporting Period, there was no violations to any laws and regulations having a significant impact on the Group's operations in relation to air emissions, greenhouse gas emissions, discharges into water and land, generation of hazardous and non-hazardous waste, and noise pollution.

The emissions management targets set by the Group in 2020 are shown in the following table. We regularly review the progress of the targets and adopt stringent management measures for all types of emissions to ensure that emissions are reduced, up-to-standard, and compliant.

Emissions Management Targets for 2020	Status of Target Achievement
100% of emissions achieving emission standards unconditionally	√
Zero environmental incident circulated by the Government and exposed by media	
100% of hazardous waste under compliance control	

Air Pollutants

We identify the types of air emissions that may be generated during operations and formulate specific measures to reduce air emissions from various sources as much as possible. The management measures for air pollutants are shown in the following table.

Types of Air Emissions	Management Measures
Process air emissions	<ul style="list-style-type: none">• Establish the Environmental Protection Management Committee and formulate a position-based environmental protection responsibility system;• Compile the Operating Procedures for the Operation of Air Emission Pollution Control Facilities, and train the operators at relevant positions to operate according to the regulations;• Develop equipment maintenance plans, conduct regular maintenance and inspection of air emission treatment facilities to eliminate faults and reduce fugitive air emissions;• Develop a self-monitoring plan for environmental protection, and regularly conduct air emission monitoring to provide basis for meeting emission standards;• Prepare emergency plans for environmental emergencies, organize regular drills, and summarize experience;• Cooperate with the environmental protection administration departments of the government to implement emergency control measures for heavily polluted weather conditions.

Types of Air Emissions	Management Measures
Construction dusts	<ul style="list-style-type: none"> • The surface of construction sites should be hardened and cleaned through sprinkling, and the unhardened section should be treated with landscaping as much as possible if conditions allow; • Direct exposure and stacking of silty materials are prohibited, and measures such as surface coverage or sprinkling are implemented to reduce dust; • Clean up the construction sites in time to prevent dust suspension; • Earthwork construction is prohibited in case of strong winds of Beaufort force 6 or above.
Vehicle air emissions	<ul style="list-style-type: none"> • The office is responsible for the management of the Company's vehicles, promptly inspects and repairs abnormal vehicle conditions, and reasonably dispatches vehicles according to travel needs of employees to reduce vehicle air emissions.

Wastewater

The main types of wastewater involved in the Group's operations include industrial wastewater and domestic wastewater. The management measures formulated for industrial wastewater and domestic wastewater are shown in the table below.

Types of Wastewater	Management Measures
Industrial wastewater	<ul style="list-style-type: none">• Implement separate wastewater treatment by type: the treated wastewater generated by cooling circulation and purified water production, as well as the filtered water used for cleaning the workshop floors are delivered through dedicated pipelines to the dedicated discharge outlet for industrial wastewater; various types of chemical waste effluents used in the workshops and laboratories are collected by dedicated containers for treatment, and the waste effluents that cannot be disposed are given to qualified suppliers for treatment;• Promote the zero wastewater discharge policy: we adopt water-saving technologies and other measures to improve water efficiency and reduce the consumption of industrial water. Meanwhile, we strive to increase the reuse rate of wastewater as much as possible, to maximize water resource utilization; We adopt highly efficient wastewater treatment technologies to treat high-concentration organic wastewater and salt-containing wastewater which concentrate the unusable high-salinity wastewater into solids or concentrated liquids to avoid from being discharged to natural water bodies in the form of wastewater.

Types of Wastewater	Management Measures
Domestic wastewater	<ul style="list-style-type: none"> • Promote water conservation, reduce the generation of domestic wastewater and prevent waste of water; • After domestic wastewater is purified at the septic tank, and the canteen wastewater is purified by an oil separator and discharged into the dedicated discharge outlet for domestic wastewater; • It is required that any types of chemicals and oil pollutants should not be placed or dumped around the dedicated discharge outlet for domestic wastewater.

Waste

We strictly implement the measures of waste sorting for collection treatment, and have formulated the *Form of Information on the Pollution Prevention and Control Responsibility for Household and Office Solid Wastes*, the *Form of Information on the Pollution Prevention and Control Responsibility for the Company's Hazardous Wastes* and other systems to clearly specify the types, sources, generation of wastes and departments responsible for sorted waste collection, storage locations, hazardous waste codes, and treatment measures for various waste types. We are dedicated to reducing the amount of waste generated and realizing the treatment and utilization of wastes as resources. Our waste management measures are shown in the table below.

Type of Waste	Management Measures
Non-hazardous waste	<ul style="list-style-type: none">The construction wastes such as waste cement, concrete and mortar fragments are fully recycled and utilized, degraded use and used for surface hardening after which are crushed are encouraged, to minimize the amount of construction waste generated;Formulate the <i>Management Measures for Refurbishment of the Old Equipment and Utilization of Wastes</i>, explore the use value of old equipment and parts and repair and upgrade existing wastes to conserve raw materials and effectively reduce the amount of waste generated.
Hazardous waste	<ul style="list-style-type: none">Regenerate hazardous wastes such as waste denitrification catalysts. In September 2018, a denitrification catalysts powder regeneration project with an annual production volume of 5,000 tons was completed, realizing the recycling and reuse of finite resources while reducing the amount of hazardous waste generated.

【Case Study 1】 Achievements of Detoxification Treatment of Sludges from Wastewater Treatment

Water treatment business of the Group is mainly responsible for the development of projects in relation to water treatment islands in thermal power plants, urban sewage treatment and advanced treatment of reclaimed water. The BOO (Building-Ownning-Operation) project of Datang Leizhou Water Treatment Island which was invested and constructed by the water treatment business treats 400 tons of sludges every year, and have realized detoxification treatment of hazardous wastes by burning the sludges from wastewater treatment into brick-based products.

Noise

We strictly control the noise generated during our operations to avoid impacts on the surrounding environment. The noise management measures of the Group are shown in the table below.

Type of Noise	Management Measures
Industrial noise	<ul style="list-style-type: none">• Submit an application for noise emission to the local environmental protection department before the project starts, and only after approval can construction be carried out;• Maximum permissible noise levels for construction sites at the construction stage shall be regulated in accordance with the <i>Noise Limits for Construction Site</i>;• The construction processes generating high levels of noise are scheduled to be carried out between 6:00-22:00, striving to protect the residents from noise disturbance;• The Equipment Department adopts reasonable sound-insulating measures for facilities and equipment producing major noise sources, such as air compressors, steel mesh stretching machines, and fans, and strengthens lubrication and maintenance of the equipment to reduce the impacts of noise on the surrounding living environment;• According to the distribution of measurement points, the Safety Production Department commissions organizations with environmental monitoring qualifications to monitor and measure the noise within the plant boundary, and test result must meet the relevant standards.

Use of Resources and Energy

The Group strictly complies with laws and regulations in relation to the effective use of resources and energy. We give full consideration to resource conservation and pollution prevention in the business processes of engineering construction, as well as equipment operation and maintenance, and prioritize the adoption of technology and equipment with mature technologies and low energy and resources consumption. During the Reporting Period, the Group did not violate any laws and regulations that have a significant impact on the operations of the Group in relation to the use of resources and energy. We continuously improve the *Management Measures for Energy Conservation in Production* and other regulations and systems and optimize the Group's energy conservation management network to enhance the comprehensive utilization efficiency of energy and resources while reducing production costs and increasing economic benefits.

Use of Energy or Resources

The Group insists on the realization of targets and action plans in terms of green, environmental protection, energy conservation and consumption reduction. To ensure the successful achievement of energy efficiency goals, we have adopted the following energy and resource management measures.

Type of Energy	Management Measures
Electricity	<p>All departments should prioritize the selection of energy-saving lamps, and reasonably arrange the distribution of lamps, turn off the lamps immediately after use, and make clear regulations on the operating time of lighting systems during night to effectively save energy;</p> <p>The Project Department appoints dedicated personnel to establish a consumption account for the electricity usage in the office and living areas, and conduct a comprehensive analysis every year to reduce and avoid waste;</p> <p>Nanjing Environmental Protection updated and improved 340 metal halide lamps, saving 80,000 kWh of electricity.</p>
Gasoline and Diesel	<p>Improve the vehicle management system and regularly check the operation condition of vehicles to prevent loose parts and avoid oil leakage;</p> <p>Carry out regular generator inspection and maintenance to prevent oil leakage and keep a record of the generator's operation conditions.</p>
Natural gas	<p>Reduce the gap between products when delivered into the calcination furnace, and maximize the combustion efficiency of the calcination furnace;</p> <p>Reduce the numbers of startup and shutdown of the calcination furnace, and turn off the gas supply immediately after the calcination furnace is shut down.</p>

In order to ensure the successful achievement of resource efficiency goals, we have adopted the following resource management measures.

Type of Resources	Management Measures
Office consumables	<p>Limit the distribution and use of copying, printing and office paper;</p> <p>Encourage the double-sided use of discarded paper as much as possible to save natural resources.</p>
Water resources	<p>In the office area, water conservation signages are hung at water-using areas, and once the pipeline is found leaking or dripping, the dedicated personnel will be dispatched for immediate repair;</p> <p>The Project Department appoints the dedicated personnel to establish consumption accounts for water usage in the office and living areas, and conduct comprehensive analysis every year to reduce and avoid waste;</p> <p>Regularly supervise and inspect the water consumption at the construction sites, detect and solve any problems immediately to ensure effective water conservation;</p> <p>Make full use of purified water or reclaimed water to save water.</p>

During the Reporting Period, water used by the Group was mainly sourced from municipal water supply network, desalinated water and reclaimed wastewater, hence, there were no difficulties with water sourcing.

Protection of Ecological Environment

The Group highly values the protection of the environment and natural resources and strictly abides by the *Environmental Protection Law of the People's Republic of China* and other relevant laws and regulations. The environmental protection rules and regulations that have been formulated include the *Regulations on the Safety Management of Hazardous Chemicals* and the *Enterprise Standards-Identification and Evaluation Management of Environmental Factors*, etc.

When we carry out business activities such as procurement, design, production, transportation, maintenance, afforestation and power supply, we require relevant departments to use the *Environmental Factors Investigation Form* to select and determine the activities, products and services that cause environmental impacts, and submit the completed *Environmental Factors Investigation Form* to the Safety Production Department. Hence, we can comprehensively evaluate and manage the environmental impacts on the Company, surrounding residents and areas affected by the discharge of wastewater, air emissions, noise, and solid wastes, along with resource and energy consumption by the Group's activities, products, and services.

Type of Business	Management Measures
Office areas	The property management company appoints a dedicated person to be responsible for regular supervision and inspection of employees' environmental behaviors in the office areas of the Company, classified storage of solid wastes in the office areas, air emissions, and energy conservation conditions; any issues shall be rectified in time upon detection.
Engineering business	Scientifically manage the construction sites; Properly spray water on the surface of construction sites for dust removal, terminate the construction work when the wind speed is too high. Cover silty materials to reduce the amount of suspended dust; Promptly clean and transport construction waste; Prohibit construction operations producing high levels of noise during night.

Type of Business	Management Measures
Denitrification catalysts business	<p>Treat process air emissions after being collected by the collection system to ensure that the fugitive residual air emissions meet the standards;</p> <p>Ensure that the noise within the plant boundary meets the standards;</p> <p>Properly treat various types of solid wastes.</p>

October 22, 2020

- Nanjing Environmental Protection was selected as the first batch of environmental protection model enterprises and institutions in Nanjing in 2020.

December 26, 2020

- Nanjing Environmental Protection was awarded as the "Environmental Protection Representative Company" in Jiangsu Province.

December 28, 2020

- Nanjing Environmental Protection was granted the exemptions from the off-peak production and emergency control of Nanjing City during 2020-2021 autumn and winter.

Honors achieved by Nanjing Environmental Protection in the field of environmental protection

Mitigating and Adapting to Climate Change

In recent years, climate change has gradually become one of the most severe challenges on a global scale. In response to China's climate action initiative of "Achieving Carbon Emissions Peak by 2030 and Carbon Neutrality by 2060", we actively leverage the professional advantages of environmental protection companies and continue to play an important role in the issue of mitigating and adapting to climate change.

We have increased investment in renewable energy business segments such as the wind power and the solar energy, formulated environmental management goals of reducing our fossil fuel consumption and greenhouse gas emissions, and are committed to contributing to the transformation of energy structure in China and participating in the process of mitigating climate change. Meanwhile, we incorporate the considerations of climate change-related business and market transformation risks into the assessment process of the material ESG risks, so as to establish a foundation for formulating appropriate policies for adaptation to climate change in the future. The greenhouse gas emission management measures we have formulated are shown in the table below.

GHG Emissions

We have adopted the following management measures to minimize greenhouse gas emissions during our business and operations.

Type of GHGs	Management Measures
Carbon dioxide	Electricity consumption and boiler usage are the major sources of GHG emissions for the Group. We actively adopt energy conservation measures in our operations to reduce GHG emissions; The Group planted trees within the production plants to offset carbon dioxide emissions.

6.2 Empowering Green Production

With scientific management, advanced technologies, highly qualified talents, high-quality project execution and comprehensive services, the Group has rapidly grown into an important competitor in the domestic electricity and environmental protection sectors. As a trendsetter and leader of the environmental protection and energy conservation for China's electric power industry, the Group grasps the latest trends of technological development and closely follows the national policies of the industry and Group Company's development strategy to continuously strengthen and empower the Group and develop with high quality. The Group leverages its professional advantages in the construction and operation of environmental protection projects such as desulfurization, denitrification, dust removal, and wastewater treatment, the production of environmentally friendly products such as denitrification catalysts, and the construction of renewable energy projects such as the solar power and the wind power to empower our clients with green production, reduce the impacts of the clients' production and operations on the environment and natural resources, and contribute to China's environmental protection and energy conservation industry.

During the Reporting Period, the Group's environmental protection business developed steadily and our influence in the industry continued to increase. The following are our achievements in environmental governance.

Annual achievements of the desulfurization and denitrification concession operation projects

As of the end of the Reporting Period, the Group ranked first in China in terms of the cumulative installed capacity of desulfurization and denitrification facilities through concession operation. All of the Group's desulfurization and denitrification devices met emission standards, effectively reducing the emissions of air pollutants such as sulfur dioxide and nitrogen oxides.

Achievements of Projects	2020	2019	2018
Annual reduction in sulfur dioxides (ten thousand tons)	137.32	123.73	128.11
Annual reduction in nitrogen oxides (ten thousand tons)	16.04	14.01	14.48

Achievements of the manufacturing of denitrification catalysts

During the Reporting Period, Nanjing Environmental Protection (the denitrification catalyst manufacturing plant) was the world's largest manufacturer of plate-type denitrification catalysts, and its output of denitrification catalysts ranked first in China. In 2020, Nanjing Environmental Protection completed a total of 169 projects and produced 33,406.96 cubic meters of plate-type catalysts throughout the year, assisting clients from various types of industry to meet national or local standards for nitrogen oxide emission concentrations. In addition, the Group actively promoted the development concepts of circular economy and clean production, conducted the regeneration and integrated treatment of the waste catalysts, and realized the comprehensive utilization of 5,149.32 cubic meters of waste catalysts in the plant during the Reporting Period.

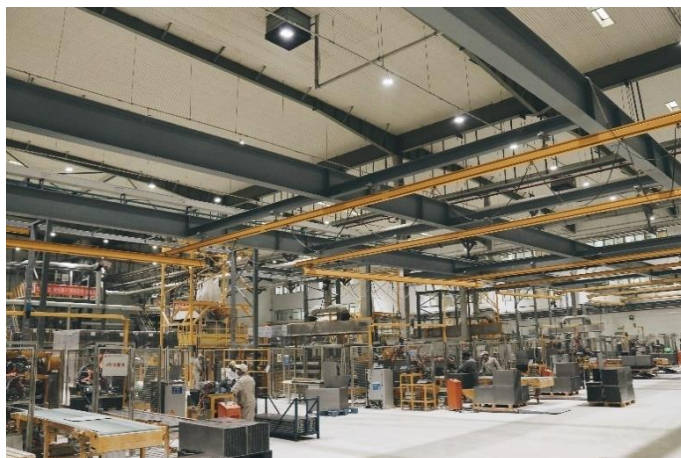


Plate-type denitrification catalysts

Achievements of renewable energy business

During the Reporting Period, the Group won the bid for the Ruian Nongguang project, which was the first general contracting photovoltaic project in the recent three years, building the foundation for further development of the renewable energy market; the Group invested in the production of 3 wind power projects, namely Datang Guyuan Shandian River 99MW Wind Farm Phase II Project, Ningxia Datang International Xinzhuang Jixiang (formerly Nanchuan) 150MW Wind Farm Expansion Project and Hebei Datang Shangyi Bulongwan 100MW Wind Farm Project, and all the wind turbines have passed the 240 hours of trial operation.



Datang Guyuan Shandian River 99MW Wind Farm Phase II Project

7. Customer First, Prioritizing Quality

As an integrated environmental management services enterprise, the Group adheres to the development directions of marketization, internationalization, legalization and informationization, continuing to provide professional products and services to our customers. We strictly comply with laws and regulations related to health and safety, advertisement, labeling and privacy matters of products and services that have a significant impact on the Group's business. We have strengthened our rights and interests in the use of trademarks by renewing the *Trademark License Agreement* with Group Company, under which Group Company grants the Group a license to use its registered trademarks during the provision of products and services.

7.1 Quality Assurance

Based on the principle of providing quality products, the Group has continuously improved its quality management system and passed the quality management system certification (ISO9001:2015). To ensure the identification and handling processes of unqualified products are standardized and regulated, the Group has formulated the *Control Procedures for Unqualified Products* to prevent the unintended use of unqualified products by effectively identifying and managing them. The specific control process includes unqualified product identification, evaluation, disposal and record of disposal status. When unqualified or suspected unqualified products are found, records should be made immediately, isolation or construction should be stopped, and they should be identified according to quality and environmental standards. After confirming a product is unqualified, relevant personnel are organized to determine the nature and severity of the unqualified products. The former can only be released for use after the owner or supervisor approves, while the latter will be returned or scrapped by the procurement staff. The former shall be subject to rectification and re-inspection, while the latter shall be handled in accordance with the Group's *Rules for Project Quality Management* and other systems. The disposal statuses shall be recorded, collected and compiled by subsidiaries.

In view of the operational characteristics of each business segment, the Group has formulated the following quality-related management systems with specificity and set quality management objectives to ensure the safety of the whole process of business operation and the efficiency of product quality control:

Business Segments	Systems	2020 Quality Management Targets	Status of Achievement
Concession operation business	<p>The <i>Operation Management Procedures for Desulfurization and Denitrification Facilities</i></p> <p>The <i>Professional Management Plan for Desulfurization and Denitrification Concession Operation</i></p> <p>The <i>Quality Management Measures for Technical Reform and Concession Operation Inspection as well as Repair Projects (Trial)</i></p> <p>The <i>Control Process for Unqualified Products</i></p> <p>The <i>Full-Cycle Quality Control Management Procedures, etc.</i></p>	<p>Project desulfurization, denitrification efficiency and emission targets meet the requirements of local governments and property owners</p> <p>No environmental incidents exposed by major media and/or reported by environmental departments</p> <p>No occurrence of unplanned environmental protection facility downtime resulting in unplanned host equipment downtime</p>	√

Business Segments	Systems	2020 Quality Management Targets	Status of Achievement
Denitrification catalysts business	<p>The <i>Project Inspection Control Plan</i></p> <p>The <i>Non-qualification and Non-conformance Control Management</i></p> <p>The <i>Improvement, Correction and Preventive Measures Management</i>, etc.</p>	<p>Product quality and safety are under control</p> <p>Product qualification rate after the 1st inspection $\geq 98\%$</p> <p>Customer complaint rate $\leq 8\%$</p> <p>Satisfaction rate of customer revisit $\geq 90\%$</p>	√
Environmental protection facility engineering business	<p>The <i>Quality Supervision and Management Measures in Environmental Protection Branch</i></p> <p>The <i>Quality Responsibility System</i></p> <p>The <i>Quality Reward and Punishment System</i></p> <p>The <i>Quality Inspection and Acceptance System during Construction</i>, etc.</p>	<p>Strive to create a civilized model site of Group Company; the main technical and economic indicators to reach the designed values</p>	√

Business Segments	Systems	2020 Quality Management Targets	Status of Achievement
Renewable energy engineering	The <i>Product Labelling and Traceability Management Measures</i>		
Thermal power engineering	The <i>Unqualified Products</i>	/	/
Other businesses	The <i>Engineering Quality Control Measures (Amendment)</i> , etc.		
Water treatment business	<p>The <i>Regulations on Quality Management of Water Treatment Projects</i></p> <p>The <i>Regulations on Management of Engineering Equipment and Materials of Water Treatment Business</i>, etc.</p>	<p>No major and above quality-related accidents</p> <p>The passing rate of construction and installation sub-projects to reach 100%, and the passing rate of primary acceptance will be $\geq 95\%$; the rate of high-quality projects: $>85\%$ for construction projects and $>90\%$ for installation projects</p> <p>Strive to create high-quality projects in the industry and above and strive to create quality projects of Group Company</p>	√

During the Reporting Period, the Group did not have any product recalls due to safety and health related matters.

7.2 Customer Service

We firmly believe that the provision of products and services to the satisfaction of our customers is a recognition of our own operation and management capabilities. To strengthen the level of marketing and customer services, the Group has formulated the *Marketing Management Regulations* and the *Service Management Standards*, which stipulate that each subsidiary shall take on the main responsibilities for marketing related tasks, as well as preparation of annual marketing plans and customer relationship maintenance management.

In addition, to better understand customer satisfaction conditions, follow up and correct dissatisfaction in time, the Group formulated the *Customer and Related Party Satisfaction Measurement Control Procedures*. Through the production and distribution of the *Customer Satisfaction Survey Form*, we conducted preliminary analysis and summary of the results. In case of customer dissatisfaction, the Group conducted investigation and rectification in accordance with the *Control Procedures for Corrective Measures* and the *Control Procedures for Preventive Measures*. At the same time, business-related complaints were handled by the Department of Procurement in accordance with the Group's *Procurement Business Complaint Handling Regulations*, and the handling process is as follows:

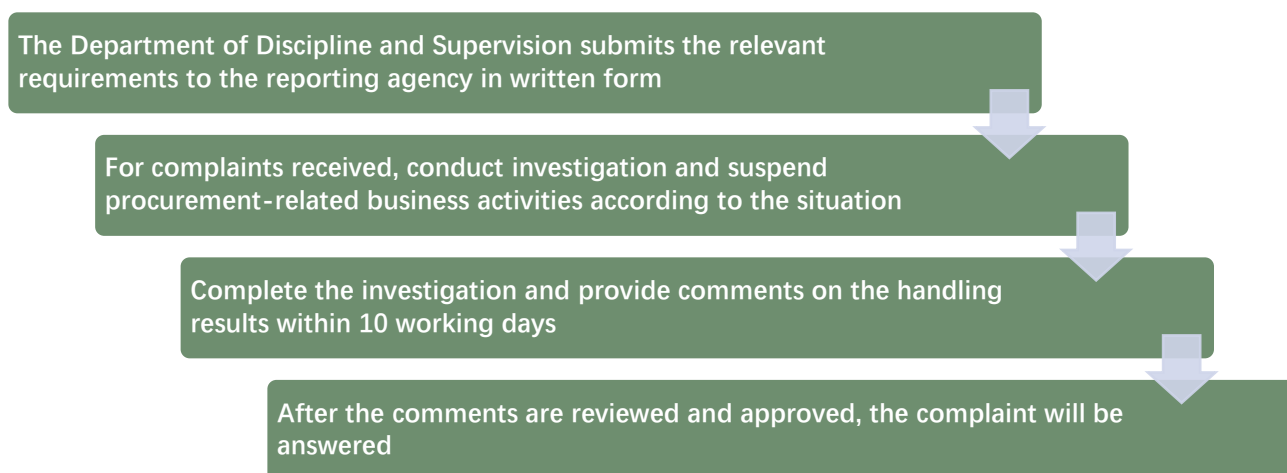
The decision on whether to accept the complaint will be made within 3 working days after registration

For complaints received, conduct investigation and suspend procurement-related business activities according to the situation

Complete the investigation and provide comments on the handling results within 10 working days

After the comments are reviewed and approved, the complaint will be answered

The Department of Discipline Inspection and Supervision is responsible for handling complaints of non-compliance and discipline, and the process is as follows:



In respect of customer information management and privacy protection, the Group requires its employees to strictly keep confidential information such as corporate trade secrets and customer privacy after joining the Company in their labor contracts and to sign the *Agreement on Prohibition of Competition and Preservation of Trade Secrets* with employees, so as to enhance their awareness of confidentiality of using the Group's technical and business secrets. The agreement sets out in detail the matters to be observed by employees in respect of the preservation of trade secrets after their appointment and termination of employment, including the prohibition of unauthorized use of technical and trade secrets that they have undertaken to keep confidential to third parties or belong to others, and the prohibition of unauthorized acts that may infringe upon the intellectual property rights of others. In case of non-compliance, the Group will impose penalties on the relevant personnel according to the severity of the situation, including compensation, prosecution of criminal liability, and have the Department of Intellectual Property Management involved for administrative proceedings.

During the Reporting Period, the Group did not experience any leakage of customer information, nor did it receive any complaints regarding the misuse of customer information that had a significant impact on the Group or other types of customer services.

7.3 Science and Technology Innovation

The Group insists on taking technological innovation and independent research as well as development as guidance, with engineering construction as the basis, to provide customers with a package of solutions consisting of high-quality and safe engineering, products, and services. In order to standardize the management of the Group's scientific and technological projects and enhance the quality and efficiency of the management of scientific and technological projects, we formulated the *Scientific and Technological Project Management Methodology* with reference to the relevant regulations of the PRC and Group Company, so as to provide strong support to the key areas, technologies and targets identified in the medium and long-term development plans of the Group. The method also regulates the attribution and application of intellectual property rights, as well as the confidentiality responsibilities of project participants with respect to confidential information such as unpublished information, proposals and research results. For the partners or project participants with bad credit records, the Group adopts the method of disqualifying them from the project undertaking organization or disqualifying them from applying for the project within 3 years, as appropriate. During the Reporting Period, the Group did not have any incidents related to infringement of intellectual property rights.

In accordance with the spirit of the *Notice of the State Council on Certain Measures to Optimize the Management of Scientific Research and Enhance the Performance of Scientific Research* and other documents, we have formulated the *Regulations on the Management of Research Funds of the National Key Research Program* to further ensure that the research funds are used in a proper and lawful manner. During the Reporting Period, the Group invested a total of RMB201.98 million in research funds.

During the Reporting Period, the Group received a total of 10 national, provincial, municipal and industry-level science and technology awards, of which the "Artificial Intelligence-based SCR Denitrification Optimization Operation Technology and Development Engineering Demonstration" won the First Prize of the National Energy-Chemical Geological System Excellent Occupational Technology Innovation Achievement Award, the "Flat Plate Medium-Low Temperature Denitrification Catalyst Complete Technology" won the honor of Nanjing City Occupational Top Ten Science and Technology Innovation Achievements, the "Research and Application of Key Technology of Denitrification Catalyst Whole Life Cycle Based on Big Data" won the First Prize of Big Data Application Achievement in the power industry, and the "Research and Engineering Demonstration of Key Technology of Functional Denitrification for Ultra-low Emission Thermal Power Units" won the Five Star Award of Innovative Achievement in Science and Technology Management of Power Enterprises.



First Prize for "Research and Application of Key Technology of Denitrification Catalysts Whole Life Cycle Based on Big Data" for Big Data Application in Power Industry



Five Star Award for "Key Technology Research and Engineering Demonstration on Functional Denitrification of Ultra-low Emission Thermal Power Units" Power Enterprise Technology Management Innovation Achievement

During the Reporting Period, the Group was granted 163 utility model patents and 18 invention patents. As of December 31, 2020, the Group had obtained a total of 1,382 patent licenses, including 143 invention patents. At the same time, as of 31 December 2020, the Group had 35 technical standards under preparation, with 6 industry standards and group standards on lead, and in total participated in the preparation of 36 international, national and industry standards.

8. People-oriented, Caring for Employees

The Group strives to create a fair hiring environment and adopts the principle of "open recruitment, comprehensive assessment and selection on the basis of merit" to conduct comprehensive assessments in terms of knowledge, moral character, ability, experience and job requirements. At the same time, we pay attention to the needs of our employees and the protection of their legal rights and interests, and provide them with a reasonable salary structure, recruitment process, promotion mechanism, benefits and remuneration to create an equal and diversified working environment that is conducive to their extensive development.

8.1 Regulated Employment Management

In accordance with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Regulations on the Implementation of the Labor Contract Law of the People's Republic of China* and relevant laws and regulations, the Group has formulated the *Regulations on the Administration of Labor Contracts* to provide detailed instructions on the contents and main terms of labor contracts, as well as the signing, renewal, modification and termination of contracts to protect the legal rights and interests of employees. In addition, the Group strictly prohibits any employment of child labor and forced labor. At the same time, we strictly comply with the requirements stipulated in the *Law of the People's Republic of China on the Protection of Minors* and the *Labor Contract Management Regulations* that, before an employee is hired by the Group, the Human Resources Department will examine and confirm his or her personal information and proof of qualifications in accordance with the law, and if any false information is provided, the labor relationship with the employee will be terminated accordingly. During the Reporting Period, the Group did not find any cases of child labor or forced labor.

To further improve various employee rights and welfare management systems, the Group has formulated the *Wage Management Regulations*, the *Attendance and Leave Management Regulations* and other systems to strengthen various incentive and restraint mechanisms to fully motivate the employees. To enable employees to fully understand the labor contract, attendance and leave, wage and benefit systems, the Group has formulated and issued the *Employee Handbook*, providing detailed information on the types of leave and treatment, wage structure, social insurance, annual medical examination and other medical benefits, corporate annuity, housing provident fund, work meals and other rights and benefits enjoyed by employees.

In terms of staff promotion management, the Group has continued to deepen the reform of the talent development mechanism and strictly implemented the *Staff Rank Promotion Management Regulations*, the *Performance Appraisal Management Regulations* and the *Cadre Selection and Appointment Management Regulations*, etc., so as to meet employees' personal career development planning and development needs, stimulate work initiative and creativity, and provide protection for further improvement of the talent cultivation and motivation mechanism.

【Case Study 1】 Colorful recreational activities

To enrich the cultural and recreational life for employees, the Company undertook the "Datang Cup" bridge tournament and duplicate bridge tournament for the Beijing companies within the energy, chemical and geological systems, vigorously carrying out leisure activities that were full of characteristics and interesting to the employees.



Duplicate bridge tournament

【Case Study 2】 Dragon boat racing traditional festival activities

To celebrate the arrival of the Dragon Boat Festival, our employees formed a dragon boat team and participated in the dragon boat race "Blue dawn at the tip of the cloud, Kunyu's fragrance of wormwood flows" which was held by the Shuguang Street in 2020. This activity strongly demonstrated the spirit of collectivism and solidarity in the hearts of our employees.



Dragon boat competition

8.2 Valuing Health and Safety

Protecting the health and safety of our employees is the fundamental responsibility of the Group and is particularly important to our long-term development and compliance with our commitment to sustainable development. We strictly comply with the laws and regulations on production safety and occupational health and safety as well as Group Company's system, formulate and implement relevant internal management systems in conjunction with the Group's actual situation, and regularly evaluate the implementation of the systems.

Safety Production Management

The Group complies with and formulates the *Safety Production Responsibility Management System* within the scope of the Group in accordance with the *Safety Production Law of the People's Republic of China* and other laws and regulations as well as the *Safety Production Responsibility Management System* of Group Company. The Company, its subsidiaries and business units, and various project teams have jointly established a three-level safety responsibility management structure to form a comprehensive occupational health and safety management system, which has been certified with the Occupational Health and Safety Management System (GB/T45001-2020/ISO45001:2018). At the same time, the Group strictly enforces the *Work Safety Regulations* and focuses on ensuring the production safety objectives of the Group as well as each business segment, ensuring the health and safety of employees in the production process to the maximum extent through the implementation of the production safety responsibility system.

To carry out safety management in a more systematic manner, the Group regularly sets annual safety targets. We issue the *Safety Production Document No. 1* on 1 January every year to clarify our safety objectives and vision for work, and hold a safety production meeting at the beginning of the year to further clarify our safety objectives and key requirements. Each subsidiary of the Group signs the *Safety and Environmental Protection Target Responsibility Letter* and decomposes the overall target and key requirements in conjunction with the actual situation to form the *No. 1 Action Plan*. In the event of safety and environmental protection accidents occurring during the Reporting Period, assessment will be conducted in accordance with the Group's *Safety Production Reward and Punishment Management Regulations*. At the end of the Reporting Period, each subsidiary of the Group conducted performance appraisal of safety targets in accordance with the target appraisal method.

In consideration of the various potential safety risks that employees may encounter in the course of work, the Group has formulated corresponding management regulations for different work-related safety risks to ensure protection of employee safety covers all aspects. In terms of vehicle traffic safety, we have formulated the *Regulations on Supervision and Management of Vehicle Traffic Safety* in accordance with the *Road Traffic Safety Law of the People's Republic of China* and other laws and regulations. With regard to the management of hazardous chemicals, we have formulated the *Safety Management Regulations for Hazardous Chemicals* based on the *Law of the People's Republic of China on Safety Production* and other laws and regulations, requiring the procurement, transportation, storage, use and disposal of chemicals listed in the national *Hazardous Chemical Catalogue* to be operated in compliance with the requirements of the management regulations.

2020 Occupational Health and Safety Management Targets	Status of Target Achievement
No general and above personal injury and death accidents	√
No general and above equipment and facility accidents	
No general and above fire accidents	
No major traffic accidents of equal responsibility or above	
No general and above environmental pollution incidents	
No public health incidents and occupational disease hazards	

Safety Production Trainings

At the beginning of the Reporting Period, each subsidiary of the Group formulated a safety education and training plan and made use of activities such as safety month, safety day, lecture for all and safety lecture to enhance the quality and skills of key production personnel in a targeted manner. Through a combination of online and offline activities, we organized a variety of safety education activities to enhance safety awareness. During the Reporting Period, the Group organized 63 safety training sessions for 3,011 participants.



Safety presentation and training activities

Emergency plans and drills

In accordance with the *Emergency Regulations for Public Health Emergencies* and other laws and regulations, the Group has formulated the *Safety Production Crisis Event Management Regulations*, which aims to prevent the occurrence of safety hazard events, mitigate the hazards of crisis events and ensure personal and equipment safety. These regulations regulate the emergency planning system for crisis events, including comprehensive planning, special planning and on-site planning. After the occurrence of a crisis event, each subsidiary must notify the Company in a timely manner according to the time limit and process required by the *Notice on Further Standardization and Strengthening of Information Reporting Requirements* of the Group Company. During the Reporting Period, the Group conducted various emergency drills around different safety-related topics.



Emergency drill activities

The Group highly values the avoidance of work-related accidents to the maximum extent possible and the assurance of having an effective mechanism in place for accident handling. Through the implementation of the *Incident and Non-conformity Control Procedures*, the Group would immediately implement the *Emergency Preparedness and Response Control Procedures* for occupational health and safety incidents based on their severity, while managing to reassure affected employees during the handling process, enhancing education for operators and eliminating the psychological impact of the incidents on people. After being handled, corrective and preventive measures shall be formulated and implemented according to the actual situation such as the incident itself, the severity of non-conformity and the frequency of occurrence.

During the Reporting Period, the number of working days lost due to work-related injuries of the Group was 0, while no work-related fatalities occurred.

Occupational Health Management

To mitigate the impact of the pandemic on the psychological well-being of employees, guide employees to understand and cope with the pandemic correctly, and actively promote the resumption of work and production, the Group's labor union issued the *Notice on the Launch of Mental Health Services for Employees during the Period of Pandemic Prevention and Control*. At the same time, the Group coordinated with Beijing Youth Stress Management Service Center and other social forces to provide free online group psychological counseling and individual psychological assistance to 89 employees of the Group, taking multiple measures to help employees relieve their anxiety.



Conducting mental health seminars and knowledge sharing activities for employees

8.3 Focusing on Training Development

The Group regards its employees as the most valuable corporate resources and insists on the talent concept of "Grand Stage at Datang, Talents with Conscientious Attitude", striving to create personal development opportunities and create personalized development space for employees so that employees in different positions and functions can have a sustainable career path. We strive to continuously improve the overall quality and ability of our employees through the joint growth of employees and the Group, and to provide sufficient talents for the Group to implement a comprehensive strategy on the technology industry.

Through the formulation and implementation of the *Education and Training Management Regulations*, the Group has gradually realized the institutionalization, standardization and standardization of education and training management. Based on the principles of "complying with the development strategy and serving the development goal", "highlighting advantages, taking into account the basic, and perform refinement and optimization" together with "centralized management, plan approval, and cost control", the education and training work is managed at three levels: The Company, its subsidiaries and the grassroots-level companies. The types of training mainly include pre-service training, position training, on-the-job academic education, vocational qualification training, etc., which are geared towards specific job knowledge and skill needs. At the same time, the Group has formulated systems such as the *Guidance on Performance Incentives and Assessment Measures for Market Development Outside the System* and the *Guidance on Employee Rank Promotion and Assessment Measures* to establish a better incentive and assurance mechanism for talent cultivation.

The Group issued the *2020 Training Program Plan* at the beginning of the Reporting Period, identifying a total of 52 training programs, including 28 programs for scientific research and key technical specialties. In accordance with the training plan, the Group conducted dynamic monitoring and annual assessment of the implementation, and successfully achieved the overall target of 98% training rate of talents. Meanwhile, to cope with the normalization of pandemic prevention and control, the Group extensively launched innovative activities such as online video training and courseware learning to ensure that work suspension would not affect learning. During the Reporting Period, the Group organized 216 online training programs for 6,376 employees, with a total of 67,318 hours of learning.

【Case Study 1】 The Company launched a designated training for the selection and appointment of cadres

To improve the comprehensive understanding of the staff of the relevant functional departments of the Company on the selection of cadres, the Company organized a designated training on the selection and appointment of cadres. The manager and supervisor of Human Resources Department explained the *Management Measures for Selection and Appointment of Cadres* of the Company to the trained employees, systematically introduced the forms, processes and points to note for the selection and appointment of cadres, and explained the relevant approval and examination processes, so as to provide comprehensive guidance to the selection and appointment of cadres at subsidiaries.



The Company launched a designated training for the selection and appointment of cadres

【Case Study 2】 Induction training for 2020 fresh graduates

According to the training plan of the Company for fresh graduates, to accelerate graduates understanding of the Group's development history, industry status and future development strategies as well as plans, the Company provided a five-day induction training to the fresh graduates of 2020. The training course consisted of two sections, namely, induction and main business, which were presented by leaders of each business department in turn. The final assessment of graduates grasp of the training content was conducted in the form of a safety knowledge examination to ensure the quality of the training.



Induction training for 2020 fresh graduates

9. Public Welfare with Enthusiasm, Keeping Community in Heart

While striving to achieve its own strategic development and ensuring expected returns for investors, the Group is committed to giving back to the community and helping groups in need through helping employees in difficulty and participating in public welfare activities. During the Reporting Period, the Group actively played its role as the main force of central enterprises, actively responded to the pandemic prevention and control, supported the fight against the pandemic, and promoted the resumption of work and production to ensure the restoration of stable social order as soon as possible.

In order to further regulate the operation mechanism of the Group's volunteer services, in accordance with the *Regulations on the Administration of Registered Volunteers in China* and other laws and regulations, the Group formulated the *Regulations on the Administration of Volunteer Activities*, which clearly listed volunteer service activities such as helping the poor, helping the elderly and disabled, cultural construction, western region development and overseas services, and encouraged employees to actively participate in them.

During the Reporting Period, the Group invested a total of RMB15,000 in community investment, with 100 volunteer service hours and 28 volunteers. In terms of supporting the fight against pandemic, the Group donated a total of RMB88,000.

9.1 Contribution to Community

【Case Study 1】 "The Good Samaritan" walk for public welfare

The Company has been actively involved in public welfare and participated in the event of Beijing Good Walker Charity Walk for five consecutive years. In this event, the Company's running team sent 8 staff representatives to join the 80-member team and raised a total of RMB180,000 to build a "Datang Environment" love kitchen for schools in remote areas.



The 2020 Beijing Good Walker Charity Walk

【Case Study 2】 Targeted cultural poverty alleviation at Beijing Shijingshan Hua'ao School

Since 2017, the Company has been carrying out targeted cultural poverty alleviation work for Beijing Shijingshan Hua'ao School. Through improving the school's infrastructure and carrying out various cultural assistance work, we received unanimous praises from both teachers and students. During the Reporting Period, the Group's volunteers conducted a corporate culture open day at the school with the theme of "Poverty Alleviation and Strengthening the Power of Datang". Through the form of "online live broadcast + offline 'Qi Ming Xing' class", the Group comprehensively demonstrated the results of its work in poverty alleviation and cultural assistance to students.



The Targeted Cultural Poverty Alleviation Work at Beijing Shijingshan Hua'ao School

9.2 Battle against the Pandemic

In the face of the severe situation of the pandemic, the Group initiated a proactive response mode to ensure the health and safety of all employees during the pandemic by providing them with sufficient personal anti-pandemic supplies and paying continuous attention to their physical and mental health. At the same time, the Group's employees exercised the Datang spirit and were united to provide a strong guarantee for the resumption of work and production.

【Case Study 1】 The Company donated anti-pandemic supplies to the local police station

When the employees of our overseas business department learned that there was a serious shortage of disinfection materials at Shuguang Police Station during the period of pandemic prevention, they purchased 200 pounds of 75% alcohol disinfection solution through multiple contacts and donated all of them to Shuguang Police Station, which greatly relieved the shortage of supplies in Shuguang Police Station and provided safety protection for the police officers who were engaged in the front line of pandemic prevention.



Police and enterprises join hands to overcome the difficulties together

【Case Study 2】 The Nanjing Environmental Protection team set up an excellent youth commando team to fight the pandemic and ensure power supply

In order to manage pandemic prevention and control, Nanjing Environmental Protection complied with the requirements of the Group's pandemic prevention and control leader team and the Youth Committee, quickly setting up a youth commando team to fight against the pandemic, the members of which mainly came from the General Department, the Safety Department and the Party Department; establishing a notification mechanism, building an efficient leadership mechanism, taking the initiative to set up a system for employee entry and preparation, levels for emergency treatment as well as information reporting, which were strictly implemented, while gathering statistics on returned employees and placed them reasonably. We strived to achieve pandemic prevention as well as control and resumption of work as well as production at the same time.



Outstanding Youth Commando Team

10. Working Hand in Hand, Creating the Future

The year of 2021 is the opening year of the "14th Five-Year Plan". The Group will seize the development opportunities brought by "carbon peaking" and "carbon neutrality", focus on the industries of green and environmental protection, be market-oriented, take promotion of high-quality development as the theme, adopt technological innovation and deepening reform as the driving force, strive to cultivate new development momentum and embark on a new journey of "second venture". The Group will comprehensively promote lean management, improve the level of market development, adhere to technology-led development, strive to achieve management, business and technological breakthroughs, and strive to improve business performance, while creating more value for shareholders. Meanwhile, the Group will actively undertake corporate social responsibilities, strengthen communication with stakeholders, insist on creating shared value, continue to improve the level of sustainable development, and move forward on the path of building a world-class comprehensive enterprise providing energy and environmental management services.

11. Environmental and Social Performance Data

11.1 Environmental Performance Data

		2020	2019	2018
Total revenue	RMB '000	6,821,071	6,414,621	8,588,070
Production volume of denitrification catalysts	m ³	34,448	36,074	37,400
Emissions of pollutants				
Emissions of air pollutants²				
Types	Units	Total emissions	Total emissions	Total emissions
Sulfur dioxide emissions from production	Tons	0.75	0.94	0.79
Nitrogen oxides emissions from production	Tons	4.11	5.47	4.67
Compliant sulfur dioxide emissions from concession operations	Tons	12,591.62	11,006.70	11,927.21
Compliant nitrogen oxides emissions from concession operations	Tons	18,243.10	17,601.16	16,807.97

² The data collection scope of the Group's air pollutants emissions from production includes boilers and forklifts used in the manufacturing of products, as well as cooking and the use of vehicles in daily operations. The calculation methods and emission factors were referenced from the *Discharge Coefficients of Industrial Pollutants in the First National General Survey of Pollution Sources*, the *Discharge Coefficients of Urban Pollutants in the First National General Survey of Pollution Sources*, 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 PRC. The compliant air pollutant emissions from the Group's concession operation business 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 are monitoring data.

		2020	2019	2018
GHG emissions				
Types	Units	Total emissions	Total emissions	Total emissions
Total GHG emissions ³	Tons CO ₂ e	1,638,254.65	1,628,019.56	1,663,213.82
Total GHG emissions intensity	Tons CO ₂ e/ RMB '000	0.24	0.25	0.19
Scope 1: Direct emissions (excluding emission reductions due to planted trees) ⁴	Tons CO ₂ e	4,397.07	5,468.07	4,754.28
Scope 1 emissions intensity	Tons CO ₂ e/ RMB'000	6.45x 10 ⁻⁴	8.52 x 10 ⁻⁴	5.54 x 10 ⁻⁴
Scope 2: Indirect emissions ⁵	Tons CO ₂ e	1,633,869.77	1,622,563.44	1,658,471.03
Scope 2 emissions intensity	Tons CO ₂ e/ RMB'000	0.24	0.25	0.19
Scope 1: GHG emission reductions due to planted trees ⁶	Tons CO ₂ e	12.19	11.96	11.50

3 The calculation scope of the total GHG emissions includes the sum of the Group's direct GHG emissions (Scope 1) and indirect GHG emissions (Scope 2), excluding tree planting GHG emission reductions (Scope 1).

4 The calculation scope of direct GHG emissions (Scope 1) includes boilers and forklifts used in the manufacturing of products, as well as cooking and the use of vehicles in daily operations. The calculation methods and emission factors were referenced from the *Reporting Guidance on GHG Emissions for Other Industrial Enterprises (Trial)* and the *Guidelines for Calculation Method and Reporting Guidance on GHG Emissions for On-road Transportation Enterprises (Trial)* issued by the National Development and Reform Commission of the PRC.

5 The calculation scope of indirect GHG emissions (Scope 2) includes the indirect GHG emissions from the use of electricity from every subsidiary. The calculation methods and emission factors were referenced from the *2011- 2012 Average CO₂ Emission Factors of China's Sub-national Grids* issued by the National Development and Reform Commission of the PRC.

6 The calculation methods and relevant emission factors of GHG emission reductions for tree planting were referenced from the *Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong* issued by the Electrical and Mechanical Services Department and the Environmental Protection Department of Hong Kong.

		2020	2019	2018
Hazardous waste⁷				
Types	Units	Total waste generation	Total waste generation	Total waste generation
Spent catalysts	m ³	11,333.42	10,672.10	6,851.20
Spent lubricating oil	Tons	5.88	7.77	4.28
Sludges from wastewater treatment	Tons	41,903.25	36,979.57	36,782.33
Dust that contains hazardous waste	Tons	640.53	500.37	114.20
Spent desulfurization gypsum ⁸	Tons	4,440,449.26	3,532,927.80	3,500,000.00
Intensity of total amount of spent catalysts generated	m ³ / RMB'000	1.66 × 10 ⁻³	1.66 × 10 ⁻³	7.98 × 10 ⁻⁴
Total amount of hazardous waste generated excluding spent catalysts ⁹	Tons	4,482,998.92	3,570,415.52	3,536,900.81
Intensity of total amount of hazardous waste generated excluding spent catalysts	Tons/ RMB'000	0.66	0.56	0.41

7 As the Group's hazardous waste mainly came from the Group's concession operations and Nanjing Environmental Protection, the amount of hazardous waste included for calculation and disclosure was from the concession operations and Nanjing Environmental Protection.

8 During the Reporting Period, the concession operation business comprehensively reused all spent desulfurization gypsum.

9 As the spent catalysts data was collected in cubic meters, and was difficult to convert into tons, therefore, the calculation of the total amount of hazardous waste did not take into account the generation of spent catalysts, and only included the generation of spent lubricating oil, sludges from wastewater treatment, dust that contains hazardous waste and spent desulfurization gypsum.

		2020	2019	2018
Non-hazardous waste				
Types	Units	Total waste generation	Total waste generation	Total waste generation
Domestic waste	Tons	148.50	140.50	134.36
Paper	Tons	1.60	13.10	21.96
Other non-hazardous waste ¹⁰	Tons	2,899.80	2,468.69	881.80
Total amount of non-hazardous waste generated	Tons	3,049.90	2,622.29	1,038.12
Intensity of total amount of non-hazardous waste generated	Tons/ RMB'000	4.47×10^{-4}	4.09×10^{-4}	1.21×10^{-4}
Wastewater discharge				
Types	Units	Total generation	Total generation	Total generation
Amount of wastewater discharged ¹¹	m ³	96,996.00	96,323.00	97,954.00

10 The scope of data includes Nanjing Environmental Protection. Other non-hazardous waste includes solid waste such as scrap metal, plastic waste, etc. produced during the production process. The increase in the generation of other non-hazardous waste was due to the official project commencement of the production of the regenerated catalysts of Nanjing Environmental Protection during the Reporting Period.

11 The scope of data 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.

		2020	2019	2018
Use of Resources				
Types	Units	Amount	Amount	Amount
Water consumption	Ten thousand m ³	2,900.68	2,779.32	2,842.60
Intensity of water consumption	Ten thousand m ³ /RMB'000	4.25×10^{-4}	4.33×10^{-4}	3.31×10^{-4}
Electricity consumption	MWh	2,678,036.02	2,397,637.17	2,543,599.96
Intensity of electricity consumption	MWh/RMB'000	0.39	0.37	0.30
Natural gas consumption	Ten thousand m ³	186.23	234.18	196.87
Intensity of natural gas consumption	Ten thousand m ³ /RMB'000	2.73×10^{-5}	3.65×10^{-5}	2.29×10^{-5}
Gasoline consumption	Tons	113.73	117.71	157.48
Intensity of gasoline consumption	Tons/RMB'000	1.67×10^{-5}	1.84×10^{-5}	1.83×10^{-5}
Diesel consumption	Tons	4.20	12.41	16.13
Intensity of diesel consumption	Tons/RMB'000	6.16×10^{-7}	1.93×10^{-6}	1.88×10^{-6}

		2020	2019	2018
Use of packaging materials¹²				
Types	Units	Amount	Amount	Amount
Packaging film consumption	Tons	43.76	42.18	/
Packaging film used per cubic meter of denitrification catalysts manufactured	Tons/m ³	1.27×10^{-3}	1.17×10^{-3}	/
Module frame consumption	Pieces	16,555.00	17,757.00	/
Module frame used per cubic meter of denitrification catalysts manufactured	Pieces/m ³	0.48	0.49	/

¹² The packaging materials consumed by the Group were used to package the denitrification catalysts manufactured by Nanjing Environmental Protection.

11.2 Social Performance Data

Total Workforce ¹³					
Items			Units	No.	Percentage
No. and percentage of employees	Total		Persons	1,074	100.00%
	By gender	Male	Persons	784	73.00%
		Female	Persons	290	27.00%
	By employment type	Concession operation management personnel	Persons	320	29.80%
		Engineering and technical personnel	Persons	206	19.18%
		Sales personnel	Persons	75	6.98%
		Research and development personnel	Persons	351	32.68%
		Administrative and management personnel	Persons	86	8.01%
		Manufacture personnel	Persons	23	2.14%
		Others	Persons	13	1.21%
	By age group	Age below 30	Persons	201	18.72%
		Age 30-39	Persons	398	37.06%
		Age 40-49	Persons	300	27.93%
		Age 50 and above	Persons	175	16.29%
	By geographical region	China	Persons	1,074	100.00%

¹³ The figures are statistics as of 31 December 2020.

Employee Turnover					
Items			Units	No.	Turnover rate
No. and rate of employee turnover	Total		Persons	75	6.53%
	By gender	Male	Persons	48	5.77%
		Female	Persons	27	8.52%
	By age group	Age below 30	Persons	19	7.39%
		Age 30-39	Persons	27	6.44%
		Age 40-49	Persons	17	5.40%
		Age 50 and above	Persons	12	7.59%
	By geographical region	China	Persons	75	6.53%

Development and Training					
Items			Units	No.	Percentage of employees trained
No. and percentage of employees trained	Total		Persons	1,074	100.00%
	By gender	Male	Persons	784	100.00%
		Female	Persons	290	100.00%
	By employment type	Concession operation management personnel	Persons	320	100.00%
		Engineering and technical personnel	Persons	206	100.00%
		Sales personnel	Persons	75	100.00%

Development and Training					
Items			Units	No.	Percentage of employees trained
No. and percentage of employees trained	By employment type	Research and development personnel	Persons	351	100.00%
		Administrative and management personnel	Persons	86	100.00%
		Manufacture personnel	Persons	23	100.00%
		Others	Persons	13	100.00%
Average training hours per employee	Average		Hours	73.44	/
	By gender	Male	Hours	73.28	/
		Female	Hours	73.90	/
	By employment type	Concession operation management personnel	Hours	68.91	/
		Engineering and technical personnel	Hours	66.35	/
		Sales personnel	Hours	88.57	/
		Research and development personnel	Hours	73.79	/
		Administrative and management personnel	Hours	87.91	/
		Manufacture personnel	Hours	98.00	/
		Others	Hours	61.85	/

Occupational Health and Safety			
Items	Units	No.	Percentage
No. and rate of work-related fatalities in 2020	Persons	0	0.00%
No. and rate of work-related fatalities in 2019	Persons	0	0.00%
No. and rate of work-related fatalities in 2018	Persons	0	0.00%
No. and rate of work injury in 2020	Persons	0	0.00%
No. and rate of work injury in 2019	Persons	0	0.00%
No. and rate of work injury in 2018	Persons	0	0.00%
No. of lost days due to work injury in 2020	Days	0	/
No. of lost days due to work injury in 2019	Days	0	/
No. of lost days due to work injury in 2018	Days	0	/

Supply Chain Management					
Items			Units	No.	Percentage
No. and percentage of suppliers	Total		No.	502	100.00%
	By geographical region	Beijing	No.	88	17.53%
		Tianjin	No.	10	1.99%
		Shanghai	No.	25	4.98%
		Chongqing	No.	1	0.20%
		Hebei Province	No.	46	9.16%
		Shanxi Province	No.	4	0.80%
		Liaoning Province	No.	28	5.58%
		Jilin Province	No.	4	0.80%
		Heilongjiang Province	No.	8	1.59%
		Jiangsu Province	No.	89	17.73%
		Zhejiang Province	No.	11	2.19%
		Anhui Province	No.	23	4.58%
		Fujian Province	No.	7	1.39%

Supply Chain Management					
Items			Units	No.	Percentage
No. and percentage of suppliers	By geographical region	Jiangxi Province	No.	3	0.60%
		Shandong Province	No.	49	9.76%
		Henan Province	No.	48	9.56%
		Hubei Province	No.	7	1.39%
		Hunan Province	No.	7	1.39%
		Guangdong Province	No.	9	1.79%
		Sichuan Province	No.	3	0.60%
		Guizhou Province	No.	1	0.20%
		Yunnan Province	No.	1	0.20%
		Shaanxi Province	No.	9	1.79%
		Gansu Province	No.	1	0.20%
		Inner Mongolia Autonomous Region	No.	10	1.99%
		Ningxia Hui Autonomous Region	No.	2	0.40%
		Xinjiang Uygur Autonomous Region	No.	7	1.39%
		India	No.	1	0.20%

Product Responsibility				
Items		Units	No.	Percentage
Total number of catalysts sold or shipped that need to be recalled for safety and health reasons	No. of catalysts sold or shipped	m ³	30,625	/
	No. and percentage of catalysts recalled for safety and health reasons	m ³	0	0.00%
Complaints received concerning products or services	No. of complaints received	Cases	0	/

Anti-corruption		
Items	Units	No.
No. of concluded legal cases regarding corrupt practices brought against the Company or our employees	Cases	0

Community Investment		
Items	Units	No.
Donation amount	RMB	103,000
Employees' volunteering hours	Hours	6,250

12. Appendix 1: List of Laws and Regulations during the Reporting Period

The following table lists out the laws and regulations that have a significant impact on the Group's business operations in China, and the Group's compliance situation with relevant laws and regulations during the Reporting Period.

ESG aspects	Laws and Regulations	Compliance Situation
Environment	<p><i>Environmental Protection Law of the People's Republic of China</i></p> <p><i>Law of the People's Republic of China on Environmental Impact Assessment</i></p> <p><i>Cleaner Production Promotion Law of the People's Republic of China</i></p> <p><i>Atmospheric Pollution Prevention and Control Law of the People's Republic of China</i></p> <p><i>Water Pollution Prevention and Control Law of the People's Republic of China</i></p> <p><i>Water and Soil Conservation Law of the People's Republic of China</i></p> <p><i>Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes</i></p> <p><i>Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise</i></p> <p><i>Energy Conservation Law of the People's Republic of China</i></p>	<p>During the Reporting Period, the Group did not violate any laws and regulations that have a significant impact on the Group's operations in relation to waste gas and GHG emissions, discharges into water and land, generation of hazardous and non-hazardous waste, and noise pollution.</p>

ESG aspects	Laws and Regulations	Compliance Situation
Employment	<p><i>Labor Law of the People's Republic of China</i></p> <p><i>Labor Contract Law of the People's Republic of China</i></p> <p><i>Social Insurance Law of the People's Republic of China</i></p> <p><i>Law of the People's Republic of China on the Protection of Disabled Persons</i></p> <p><i>Special Rules on the Labor Protection of Female Employees</i></p>	<p>During the Reporting Period, the Group did not violate any laws and regulations that have a significant impact on the Group's operations in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p>
Labor practice	<p><i>Labor Law of the People's Republic of China</i></p> <p><i>Law of the People's Republic of China on the Protection of Minors</i></p> <p><i>Provisions on the Prohibition of Using Child Labor</i></p>	<p>During the Reporting Period, the Group did not violate any laws and regulations that have a significant impact on the Group's operations in relation to preventing child and forced labor.</p>
Occupational health and safety	<p><i>Law of the People's Republic of China on the Prevention and Control of Occupational Diseases</i></p> <p><i>Work Safety Law of the People's Republic of China</i></p> <p><i>Fire Protection Law of the People's Republic of China</i></p> <p><i>Emergency Response Law of the People's Republic of China</i></p>	<p>During the Reporting Period, the Group did not violate any laws and regulations that have a significant impact on the Group's operations in relation to providing a safe working environment and protecting employees from occupational hazards.</p>

ESG aspects	Laws and Regulations	Compliance Situation
Occupational health and safety	<i>The Administrative Regulations on the Work Safety of Construction Projects</i> <i>Regulation on Emergency Responses to Work Safety Accidents</i> <i>National Environmental Emergency Response Plan</i>	During the Reporting Period, the Group did not violate any laws and regulations that have a significant impact on the Group's operations in relation to providing a safe working environment and protecting employees from occupational hazards.
Product responsibility	<i>Product Quality Law of the People's Republic of China</i> <i>Patent Law of the People's Republic of China</i> <i>Trademark Law of the People's Republic of China</i> <i>Law of the People's Republic of China on the Protection of Consumer Rights and Interests</i> <i>Copyright Law of the People's Republic of China</i>	During the Reporting Period, the Group did not violate any laws and regulations that have a significant impact on the Group's operations in relation to health and safety, labelling and privacy matters relating to products and services provided and methods of redress.
Anti-corruption	<i>Criminal Law of the People's Republic of China</i> <i>Company Law of the People's Republic of China</i> <i>Anti-Money Laundering Law of the People's Republic of China</i> <i>Anti-Unfair Competition Law of the People's Republic of China</i>	During the Reporting Period, the Group did not violate any laws and regulations that have a significant impact on the Group's operations in relation to bribery, extortion, fraud and money laundering.

13. Appendix 2: The Stock Exchange of Hong Kong's ESG Reporting Guide Index

General Disclosures and Key Performance Indicators (KPIs)	Descriptions	Relevant Sections in the Report
Environmental		
Aspect A1: Emissions		
General Disclosure	(a) Policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	6.1, 6.2 & 12
KPI A1.1	The types of emissions and respective emissions data.	11.1
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	11.1
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	11.1
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	11.1
KPI A1.5	Description of measures to mitigate emissions and results achieved.	6.1 & 6.2
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	6.1
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	6.1
KPI A2.1	Direct and /or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	11.1
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	11.1
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	6.1
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	6.1
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	11.1
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	6.1
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6.1 & 6.2

General Disclosures and Key Performance Indicators (KPIs)	Descriptions	Relevant Sections in the Report
Social		
Aspect B1: Employment		
General Disclosure	(a) Policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	8.1 & 12
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	11.2
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	11.2
Aspect B2: Health and Safety		
General Disclosure	(a) Policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	8.2 & 12
KPI B2.1	Number and rate of work-related fatalities.	11.2
KPI B2.2	Lost days due to work injury.	11.2
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	8.2
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	8.3
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	11.2
KPI B3.2	The average training hours completed per employee by gender and employee category.	11.2
Aspect B4: Labor Standards		
General Disclosure	(a) Policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor	8.1 & 12
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	8.1
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	8.1

General Disclosures and Key Performance Indicators (KPIs)	Descriptions	Relevant Sections in the Report
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	4.4
KPI B5.1	Number of suppliers by geographical region.	11.2
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	4.4
Aspect B6: Product Responsibility		
General Disclosure	(a) Policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	7.1, 7.2 & 12
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	11.2
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	3.3 & 7.2
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	7.3
KPI B6.4	Description of quality assurance process and recall procedures.	7.1
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	7.2
Aspect B7: Anti-Corruption		
General Disclosure	(a) Policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	5.2 & 12
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	11.2
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	5.2
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	9
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	9.1 & 9.2
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	11.2