



Environmental, Social & Governance Report 2021



Tianjin Capital Environmental Protection Group Company Limited
天津創業環保集團股份有限公司

2021 Environmental, Social & Governance Report

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ABOUT US

Our vision: returning clean water to the world, delivering fresh air to the earth

Our mission: purify the ecological environment, enhance living quality

Our core values: provide professional and effective environmental services, establish a harmonious environment for staff development, and maximize value for shareholders

Tianjin Capital Environmental Protection Group Company Limited (the “Company”, together with its subsidiaries, the “Group”) is the first large state-controlled water enterprise in China listed in both Shanghai and Hong Kong, with its main business being sewage treatment. Since its establishment in 2001, the Company has continued to consolidate its core business of sewage treatment while actively expanding into potential business segments such as solid waste treatment, new energy, environmental protection technology and photovoltaic power generation, with projects covering 15 provinces, municipalities and autonomous regions across China.

As of 31 December 2021, the Company had total assets of RMB21.065 billion, net assets of RMB7.120 billion, 8 functional management centres, 3 party departments and 52 direct or indirect holding subsidiaries, achieving operating revenue of RMB4.536 billion and net profit of RMB693 million. Facing the future, the Group will continue to bring into play its technical system and continuous R&D capability with core competitive advantages, emphasise business linkage on the basis of the existing business to form a synergy, continue to grow stronger, refine and deepen its main business, and make precise efforts with a professional attitude to create a new image of “professional and systematic environmental service provider”. We also meet the needs of society, enterprises and customers with flexible and diverse cooperation methods to achieve a win-win situation for all parties.

BASIC BUSINESS

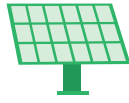


Including municipal sewage treatment, water supply and water recycling

The total capacity of the equity-type water utilities business amounted to approximately **5,604,600 m³** per day

The pipe network length was **1,190 km**

STRATEGIC NEW BUSINESS



Including new energy heating and cooling, solid waste treatment, sludge treatment, photovoltaic power generation, transformation of achievements in technology research

The service areas of new energy cooling and heating supply business amounted to **3.11 million m²**

The planned annual electricity generation of the distributed photovoltaic power generation project is **2.9216 million kWh**

The total capacity on sludge treatment was **2,970 tonnes/day**

For hazardous waste business, the company has four projects with the disposal capacity of **128,000 tonnes/year**, a storage and transfer project with a scale of **20,000 tonnes/year**, and a waste landfill project with the aggregate storage of **314,600 tonnes** with the comprehensive waste utilisation capacity of **73,000 tons/year**

ABOUT THE REPORT

This report is the sixth Environmental, Social and Governance Report (the “Report”) published by the Company to enhance stakeholders’ understanding of the Group’s sustainability strategy and environmental and social performance.

Reporting Guide

The Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) as set out in Appendix 27 of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (“HKEx”), and with reference to the Global Reporting Initiative (“GRI”) Standards. It endeavours to meet the reporting principles including materiality, quantitative, balance and consistency.

- **Materiality:** We identify material sustainability issues through stakeholder engagement and regularly reference peer, local and regional sustainability standards in the process.
- **Quantitative:** We regularly record and review environmental data such as electricity, water and emissions, and social data such employees, suppliers, customers and communities. Such quantitative information is presented in the Report whenever feasible.
- **Balance:** Both our achievements and challenges have been recognised and demonstrated.
- **Consistency:** Unless otherwise stated, consistency of methodologies, key performance indicators or other relevant statistical factors is maintained, so that stakeholders can make meaningful comparisons with the Group’s past reporting.

Detailed content index of the HKEx ESG Reporting Guide and the GRI Standards is included at the end of the Report.

Reporting Scope

The Report covers the Group's main operations¹ in sewage treatment, water recycling, heating and cooling and water supply in the Beijing-Tianjin-Hebei, Northern and Southern regions, which have a significant financial and operational impact on the Group, for the period from 1 January to 31 December 2021. Environmental and social key performance indicators ("KPIs") and other quantitative information have been covered for the Group's directly operated water plants and energy stations in these regions. Information relating to corporate governance are detailed in the Chapter 4 "Corporate Governance" of the Company's Annual Report 2021.

Our data collection systems are continually being improved. We will continue to evaluate and expand the scope of our disclosures on a materiality basis as appropriate.

FEEDBACK

If you have any questions or suggestions about the Report, please feel free to contact us.

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¹ For more details on our main operations, please refer to Chapter 3 of the Company's Annual Report 2021.

**LOOKING TO THE FUTURE:
become a “professional and systematic environmental service provider”**



This COVID-19 pandemic poses a threat to human lives, while further increasing the vision of “a community with a shared future for mankind” and the desire to preserve the common good. The pandemic is only the tip of the iceberg of issues affecting human life and the common good. Population growth, climate change, environmental pollution, resource scarcity and political gamesmanship are all challenges to human survival and development. The pursuit of “Sustainable Development” and taking concrete actions to this end have become a social consensus, which is extremely important for solving current global problems.

Succeeding the development philosophy of the 13th Five-Year Plan, China continues to emphasise “innovation”, “coordination”, “green”, “opening up” and “sharing” in the 14th Five-Year Plan and promote the sustainable development in fields such as environmental protection and science and technology. Being in the environmental industry, the Group consolidates its existing core strengths and plans its future development strategies in terms of technological innovation, business plan and organisational structure under its new positioning as a “professional and system environmental service provider”, striving to become an important force in the construction of ecological civilisation and to make a more active contribution to the achievement of global sustainable development goals through practical actions.

Innovation: accelerating digital and intelligent transformation



Presently, information technology represented by 5G, big data, cloud computing and the Internet of Things is accelerating systemic technological breakthroughs and industrial changes. Under this development trend, with the goal to achieve sustainable and high-quality development in operation and management, the Group has promoted the establishment of smart water utilities management system, which uses information technology to record and intelligently analyse business and production data of the Operation Management Centre and each subsidiary in real time to provide support for scientific management and rational scheduling. The construction of the plant-level management system introduces modern management functions in process and equipment monitoring, water quality monitoring, equipment maintenance and management, digital office management, asset management, energy consumption management, etc. to achieve cost reduction and efficiency improvement.

In May 2021, leveraging upon big data, cloud computing and other technologies, the Group started the big data operation platform project. At present, the main systems of the Operation Management Centre platform and four plant-level platforms, including platform system configuration, framework construction, system login authentication, water quality warning module, technical quality management module, bidding and procurement management module, public opinion management module and energy consumption management module, have been initially completed, and other modules have been partially developed. Visualisation system has also entered the development stage. In addition, the integrated wiring construction and server and other equipment installation in the control rooms of the four water plants has been completed, entering the equipment commissioning stage. Mobile APP-related functions are also being developed in parallel with the main system of the platform.

Coordination: optimising organisational structure and improving overall operational efficiency

With the constant expansion of the Group's business and market, how to coordinate and optimise the operation and management of each region has become a concern for us to achieve long-term control and scientific development. To this end, the Group has integrated the subsidiaries in Tianjin and other cities and established three regional companies in Beijing-Tianjin-Hebei, Southern and Northern regions. The positioning, responsibilities and authority, organisational structure and staffing plan of each regional company were formed and released for implementation after approval by the General Manager's Meeting, Communist Party Committee and the Board of Directors. This organisational restructuring will further optimise our market footprint and realise regional integrated development.



Besides, as the slowdown in the growth on scale of the municipal water utilities industry and shrinking on space of business expansion, the leading enterprises in the industry are starting to layout the elevation from heavy asset expansion to combined light-and-heavy asset service model. Taking into account the national Beijing-Tianjin-Hebei Integration Plan, the Group is planning to promote the optimisation of the management structure of the Beijing-Tianjin-Hebei regional company and set up operation branches to carry the function of asset-light business development along with the principle of "combining light and heavy assets".

Green: continued expansion of new business and technology for environmental protection

Along with the global focus on green development and China's goal to improve its ecological environment, green, low-carbon, water, air, soil and waste-free cities have become key words to drive sustainable consumption and production transformation. In order to better apply years of experience in water utilities to more environmental protection fields, the Group has been expanding business such as waste treatment and photovoltaic energy, and promoting the acquisition of target companies to form a manufacturing business strategy downstream of the industrial chain. Meanwhile, in response to the national climate change mitigation policy and carbon emission target, we will also focus on pollution reduction, energy saving, emission reduction and quality improvement, and invest in R&D of "carbon peaking and carbon neutrality", cutting-edge technologies, practical technologies and products to lead business development and environmental contribution.



Opening up: attracting quality capital to promote business development

Capital is the key driving force for enterprise development. The Group hopes to give full play to the functions and roles of listed company, actively explore various financing channels and styles by combining the features and demands of various business services, business types and business modes to realise the combination of capital operation and industrial operation. For example, we will continue to promote private placement to achieve a breakthrough in equity financing.



Sharing: contributing to an inclusive and happy life

Currently, as the level of economic development continues to rise, the problem of unbalanced and insufficient development is still prevalent. While enterprises obtain social resources to carry out business activities, they should also share benefits and grow together with society, assuming their social responsibilities. The Group will continue to drive regional economic development and environmental improvement through business operations, while assisting in emergency construction tasks, handling public emergencies and solving municipal and livelihood issues when needed by the government. We will also increase community involvement and investment activities, support the national policy of precise poverty alleviation and promote coordinated regional development.



STABLE OPERATIONAL MANAGEMENT

Sound corporate management is not focused solely on economic performance, but should strike a balance between the pursuit of economic prosperity and addressing social and environmental issues. The Group continues to strengthen effective governance in sustainability, maintain communication with stakeholders, and leverage core competencies such as our workforce, operational capabilities and corporate reputation to achieve our healthy and sustainable growth.

Sustainability Management

Scientific, reasonable and feasible strategies guide the Group to continuously adapt to changes in the internal and external environment and achieve long-term stable development. We have formulated the Strategic Planning Management System to regulate the strategy formulation process involving all parties, including the General Meeting, the Board of Directors, the Communist Party Committee, the Strategy Committee, the General Manager's Meeting and the Company's strategic management-related departments. We also adjust the strategic direction in a timely manner according to the risk categories listed in the Strategic Risk Contingency Management Guidelines.

With the increasing frequency and impact of sustainability-related issues among the key strategic risks we may face in terms of industry policies and laws, competitors and technological innovation, the Board of Directors strives to raise awareness and understanding of the environmental, social and governance topics, and is ultimately responsible for assessing related risks and opportunities, as well as setting long-term business objectives. During the year, questionnaires were used to understand the ESG issues that have a significant impact on internal and external stakeholders. These important issues, validated by the Board of Directors, will guide the Group's future corporate strategy alignment to assist us in advancing our sustainability journey.

Additionally, in order to enhance management effectiveness, the Group is discussing the establishment of a systematic sustainability governance structure that will clarify the departments and personnel responsible for different levels of oversight, decision-making and execution.

Stakeholder Engagement

The Group understands that balancing the expectations and needs of different stakeholders is key to the continued development of business. Daily internal and external engagement with stakeholders helps to enhance their understanding and confidence in the Group's business development, and their input in turn drives our business in the right direction.

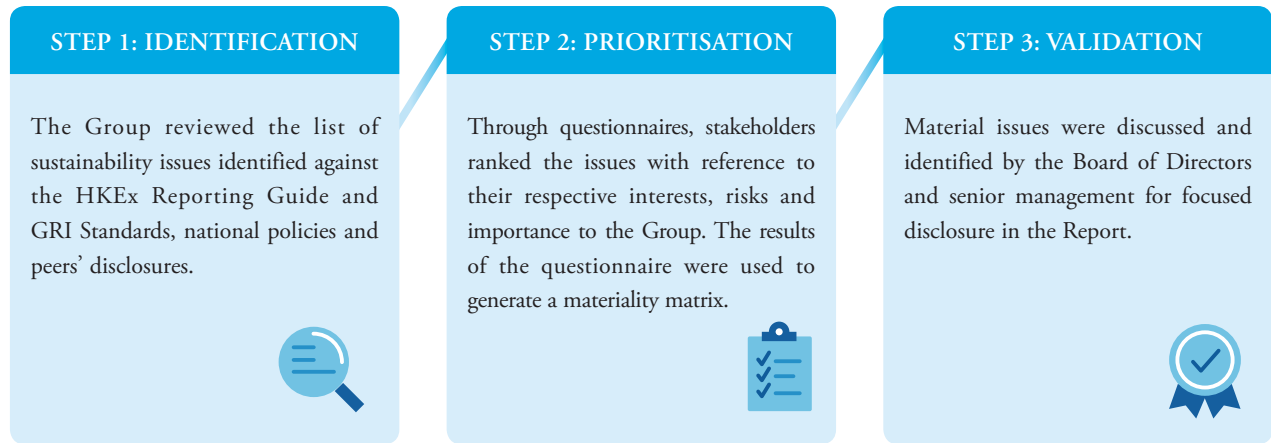
Our six main stakeholder groups are governments, investors, employees, industry peers, general public and value chain partners. The Group strives to understand their views and expectations through various key communication channels as follows.

Main Stakeholder Group	Importance	Key Communication Channel	Issue of Concern
Governments	The governments' guidance, support and supervision are the guidelines and starting point for all our business activities. At the same time, some local governments are our clients and service targets.	<ul style="list-style-type: none"> Local Projects Correspondence 	<ul style="list-style-type: none"> Compliance Environmental Protection Supply Chain Management Product Quality
Investors	Investors are the driving force for our development. The responsibility to provide them with long-term returns is embedded in our core values.	<ul style="list-style-type: none"> Shareholders' Meetings Annual Reports and Announcements Investors Communication Platform Company Website 	<ul style="list-style-type: none"> Corporate Governance Compliance Anti-Corruption Economic Performance

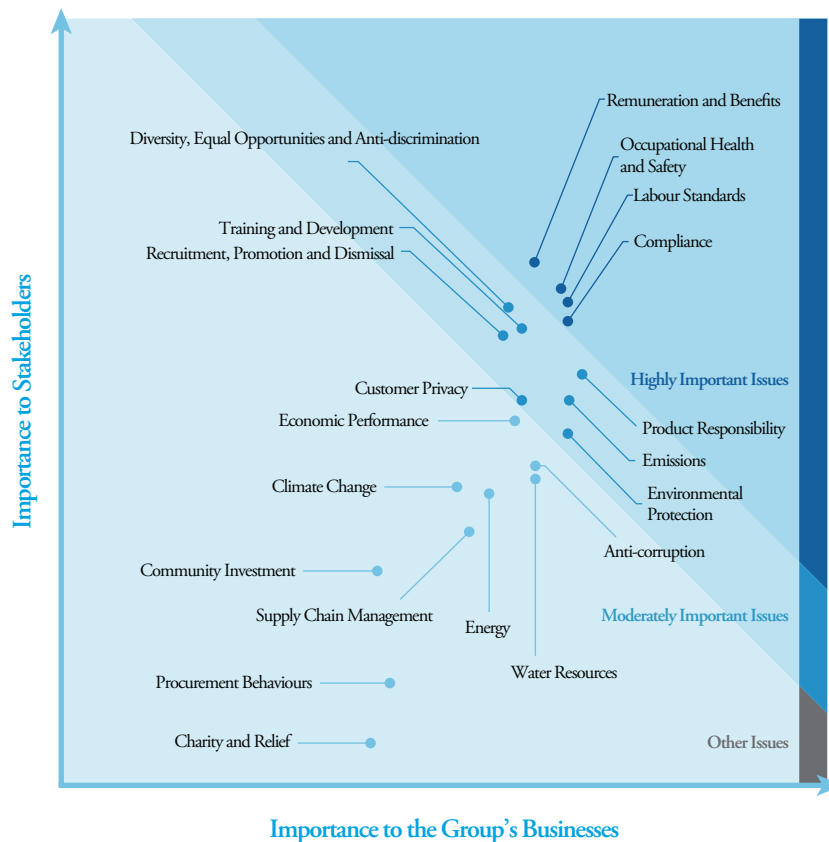
Main Stakeholder Group	Importance	Key Communication Channel	Issue of Concern
Employees	Employees are the creators of the Group's worth and at the same time, they are the beneficiaries of our development.	<ul style="list-style-type: none"> Grievance channels Employee Congress Performance Evaluation Meeting 	<ul style="list-style-type: none"> Employee Benefits Economic Performance Development and Trainings Health and Safety
Industry Peers	The healthy and orderly competitions between us and our peers promote the growth of the environmental industry and improve our professionalism and competence.	<ul style="list-style-type: none"> Industry Forums Alliance Meetings 	<ul style="list-style-type: none"> Compliance Procurement Behaviours
General Public	The general public is the ultimate beneficiary of our services, who also oversees our work and shares the fruits thereof.	<ul style="list-style-type: none"> Community Activities User Seminars Water Safety Visits and Investigation 	<ul style="list-style-type: none"> Environmental Protection Community Investment
Value Chain Partners	Our value chain partners include manufacturers involved in the provision of products and services in the whole supply chain (both upstream and downstream processes), banks and intermediaries in the capital markets, etc. Sincere cooperation can achieve the goal of a win-win situation for everyone.	<ul style="list-style-type: none"> Meetings Cooperation Agreement Negotiation 	<ul style="list-style-type: none"> Business Ethics Supply Chain Management Product Quality

Materiality Assessment

During the preparation of the Report, we went through a three-step process that included inviting key stakeholders to participate in a questionnaire to determine the scope and extent of the impact of different issues on them. This is the basis for our efforts to improve the management of the Group's environmental, social and governance issues.



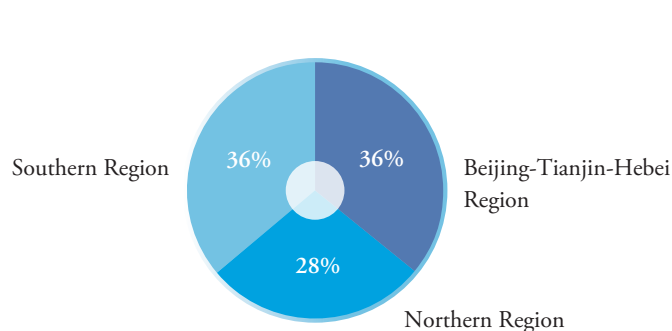
Following is a matrix of materiality analysis of issues based on “importance to the Group’s business” and “importance to stakeholders”. The “Highly Important” and “Moderately Important” issues together constitute the material issues identified in this assessment and are the focus of the Report and future strategy development.



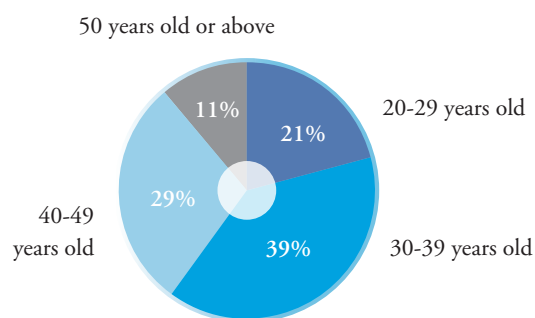
A Team of Diverse Talents

The manpower is the driving force of the Group's sound operations. As of 31 December 2021, the Group had 2,300 employees, with a 69:31 ratio of men to women, specialising in various fields such as environmental engineering, water supply and drainage, electrical engineering, mechanical equipment, economics, and management. Through the gathering of diversified talents, we have formed a professional, responsible, cooperative and innovative workforce to create more value for our customers.

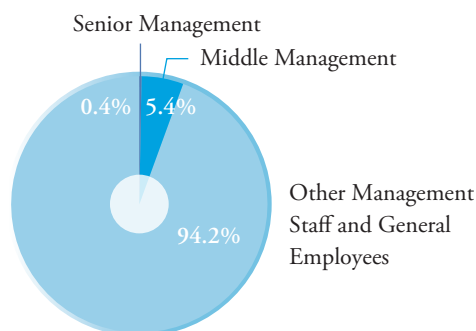
BY GEOGRAPHICAL REGIONS



BY AGE GROUP



BY EMPLOYMENT TYPE



We highly value the rights of our employees. In the areas of compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare, we have implemented a series of systems such as “Employee Recruitment Management System”, “Employee Compensation Management System”, “Employment Management Requirements” and “Attendance, Leave and Overtime Management System” to ensure that our human resources management complies with relevant national labour laws and regulations, including but not limited to the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and the Law of the People's Republic of China on the Protection of Women's Rights and Interests.

The Group has a fair talent recruitment mechanism to recruit and retain outstanding talents, and a comprehensive compensation and welfare system to reward employees and guarantee welfare benefits. In addition to the basic monthly salary, we also provide performance pay according to the “Employee Performance Management System”, which provides targeted assessment of employee performance. Employees are also protected by social insurance such as medical, unemployment, work injury, maternity and housing provident fund. Meanwhile, to ensure that employees can maintain a reasonable standard of living after retirement, the Group has a comprehensive post-employment benefit plan, with monthly pension and corporate annuity contributions for employees.

With respect to labour standards, the Group complies with the Law of the People’s Republic of China on the Protection of Minors and the Regulations on the Prohibition of Child Labour, upholding a zero-tolerance attitude toward the use of child labour or forced labour. We strictly verify the identity documents of job applicants during recruitment to prohibit the employment of child labour. The “Attendance, Leave and Overtime Management System” has clearly defined the working hours of employees to prevent forced or illegal use of labour.

Sustaining an equal and non-discriminatory work environment is also one of the Group’s priorities. We provide equal opportunities for employees of different genders, religions, races, disabilities, sexual orientations, ages and nationalities, and have zero tolerance for all forms of discrimination. Employees who discover incidents of discrimination can report them to the Human Resources and Administration Department through the Group’s complaint hotline or suggestion box. The relevant departments will investigate and deal with the incidents.

PROGRESS DURING THE YEAR

We revised seven systems during the year, including the “Work Management System for Employees Assigned to Other Cities”, “Employee Recruitment Management System”, “Employee Annual Leave Guidelines”, “Employee Compensation Management System”, “Serial Rank and Salary Management System”, “Guidelines for Professional and Technical Employee to Declare Professional and Technical Titles”, and “Guidelines for Job Setting and Staffing”, to further standardise the management and internal control related to human resources, and from the system level to ensure an equal working and fair competition environment for employees.

Safe and Efficient Operation

Safety Management

The safety of the work environment depends on the appropriate development of management policies and safety culture. Internal systems such as the “Safety Management System” and the “Hazardous Chemicals Management System” regulate the work environment at each work site and ensure the occupational safety of employees. The Safety and Quality Department is responsible for managing the above internal policies on providing a safe work environment and protecting employees from occupational hazards, as well as the enforcement of relevant laws and regulations.

VENUE AND EQUIPMENT SAFETY

The Group takes the following major preventive measures to create a safe working environment in order to safeguard the safety of our employees



- Potential production safety risks are inspected to identify and correct problems in a timely manner.
- Each department complies with the “Control Procedures of Security and Warning Signs” and conducts routine inspections and maintenance of fire protection facilities and equipment.
- Procedures for purchasing, storing, receiving, using and handling hazardous chemicals are clarified.
- Labour protective equipment are provided for each employee.

EMERGENCY MANAGEMENT

For effective control of emergencies and minimising potential injuries, the Group has formulated the “Working Guidelines for Emergency Plan Management System” in accordance with the Law of the People’s Republic of China on Safety Production to deal with various potential emergencies such as fire, poisoning, explosion, electric shock, heat stroke, fall from height, mechanical injury and leakage of dangerous chemicals. For all kinds of emergencies, the Group stipulates the signs of accidents, responsible organisation, handling methods and special preventive measures to minimise injuries in emergency events.



SAFETY TRAINING

The Group attaches importance to cultivating employees’ occupational safety awareness and formulates safety education and training plans according to employees’ job responsibilities.



In addition to regular training such as fire safety training, hazardous chemical training, environmental and occupational health and safety training, we also stipulate that new employees must receive appropriate safety education before starting work. Other employees must acquire sufficient knowledge and skills before coming into contact with new technologies, equipment and materials.

OCCUPATIONAL HEALTH

Each year, the Group organises occupational health checkups for employees to ensure their health. If occupational disease patients are found, each entity will report to the Safety Committee in a timely manner and provide medical treatment and rehabilitation protection for employees as required. The Safety Committee will also regularly study the effectiveness of occupational disease prevention and control.



With regard to female employees, the Group takes their physiological characteristics into account when arranging work and avoids work that is particularly strenuous or harmful to their physiological functions.

Quality Management

The Group has continuously established and improved the internal quality management system under the guidance of the ISO9001 Quality Management System, and has implemented strict quality and safety control standards. Under the guidance of internal policies such as “Operation Quality Management System” and “Project Quality Management System”, the Group requires each project to formulate quality-related work plans and targets each year, and assess its performance through monthly summaries and analyses of its operation work to continuously identify gaps and improve quality management.

The nature of our business determines that our services affect a wide range of areas. In order to ensure that safety and quality standards are met, the Group’s Safety and Quality Department adopts the principle of “hierarchical management and divisional responsibility” for quality inspection. Quality management departments at all levels conduct education and training and assessment work for management personnel, while the heads of each entity supervise and inspect the management of facilities, processes, plant construction, work environment and industry information. Each business function department shares out the work, adjusts the inspection frequency according to the actual operation, and monitors the business operation process in all aspects to ensure the quality of service.

In this year, all the water we treated was tested in strict accordance with national and regional standards for nitrogen, phosphorus, sulfide, chemical oxygen demand, suspended solids and dissolved oxygen. All treated effluent met First Grade A or First Grade B under the “Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant” (GB18918-2002) and was fully within the safe emission level.

PROGRESS DURING THE YEAR

In line with the actual operation situation, during the year, the Group formulated an implementation plan for production safety standardisation, refined the tasks and targets of the “2021-2023” three-year action implementation plan, and clarified the responsible persons and schedule to ensure the effective implementation of relevant work. In addition, we have improved the emergency response system to optimise the whole process resource management and strengthen risk warning and emergency preparedness.

Together with the digital transformation strategy, the Group has also introduced digital management by using “digital technology + management innovation” to analyse and optimise safety and quality control processes. This has effectively improved the Group’s ability to predict, warn and prevent safety risks.

Corporate Principle of Compliance and Integrity

Compliance is the bottom line of business and the foundation of healthy operation. The Group requires all projects and entities to conduct business activities in accordance with the laws and regulations, and integrate corporate ethics, social norms and integrity self-discipline into corporate management. The “Compliance Management System” developed in 2020 further improves our internal compliance management. We strictly comply with all business-related laws and regulations, including but not limited to the Law of the People’s Republic of China on Environmental Protection, the Law of the People’s Republic of China on Labor Contracts, the Law of the People’s Republic of China on Work Safety, the Civil Law of the People’s Republic of China and the Company Law of the People’s Republic of China, among other laws and regulations. During the year, the Group was not aware of any cases of violation of laws and regulations relating to environmental, social and governance matters.

Corruption has a significant impact on corporate governance and compliance. The Group has a zero tolerance policy for any form of corruption, including bribery, extortion, fraud and money laundering, and is committed to running business with integrity, ethics and discipline. In order to strengthen anti-corruption efforts and regulate the professional conduct of management and employees, the Group has defined the definition and forms of fraud, anti-fraud investigation and handling procedures in the “Anti-fraud Management System”.

Employees at all levels can report the actual or suspected illegal and disciplinary information of the department or individual to the Company's Disciplinary Committee through phone, email and letter in accordance with the "Internal Reporting System". The Supervision Office is responsible for following up and investigating. If verified to be true, the Group will hand over the relevant cases to the judicial authorities for treatment according to law.

The Group has also strengthened employees' awareness of corruption prevention through training to prevent them from participating in any corrupt practices. During the year, all directors and employees received 12 hours of anti-corruption related training.

PROGRESS DURING THE YEAR

Paying attention to prevention, the Group strengthens disciplinary warnings and education, and provides training on integrity to cadres above the middle level of the grassroots entities and financial management staff through "door-to-door education" and "integrity classroom" to remind them of the risks around their daily work. At the Group's warning and education conference this year, all employees watched an educational video summarising the Group's disciplinary and illegal cases to understand the reasons behind the cases and learn from them to be strict in cultivating moral character and self-discipline.

SUSTAINABLE ENVIRONMENTAL OPTIMISATION

Our general society has reached an agreement to advance towards green development. The Group believes there is a growing development prospect within the ecological and environmental industry, and the Group would stay ahead of the current market trends with experiences and creativity, to further improve quality of the environment and lessen the negative environmental impacts and bring harmony to us and the nature.

Continuous Business and Technology Innovation

As an environmental protection enterprise, the Group exhibits environmental responsibility directly in its development. We have always targeted in becoming a “professional and systematic environmental service provider”. Through promoting industrial upgrade based on innovative scientific research, we have fulfilled our mission of urban pollution control, as well as to promote new energy in replacement traditional energy.

To maintain harmony between urban development and nature, departments and plants of the Group have continued to increase the use of technology and strengthened operation management during the year, through the environmental protection business of sewage treatment and wastewater recycling, on the basis of up-to-standard production. The technologies adopted focus on “stable operations of sewage treatment plants”, “sludge treatment and disposal”, “new products from sewage treatment”, “new process development” and “energy conservation and emission reduction”. Extensive studies have been carried out on energy saving in sewage treatment plants, industrial wastewater treatment and sewage treatment process improvement. The studies have advanced recovery and comprehensive utilization of residual sludge, establishment of assessment system and organic matter components analysis in the Municipal Wastewater Treatment Plant, energy saving system reformation of water resource and air-conditioning station of Jingu Sewage Treatment Plant, and other research projects, hence accelerated the process of transformation of achievement for technical reserve for future development

During the year, the Group obtained 6 software copyrights and 16 patents with the independent research and development. As of the end of 2021, the Group had a total of 131 granted patents, including 28 invention patents, 98 utility model patents and 5 patents of designs. “System Integrating Sewage Treatment with Sludge Concentration Based on TRIZ Theory”, “Development and Application of Sewage Disposal Process Facility” and “Application of TRIZ Innovation Theory in Research and Development of AHCR-A20 Sewage Treatment Process” won a grade-two prize and 2 grade-three prizes in China Innovation Methods Competition 2021. In addition, our contracted project “Technical Service Platform for the Application of Bio-enhanced Bacterial Agents for Wastewater treatment” for the Municipal Science and Technology Bureau, has been awarded with a grade-two prize in “Tianjin Intellectual Property Entrepreneurial and Innovative Invention and Design Competition 2021”.

PROGRESS DURING THE YEAR

The Group was responsible for the national “13th Five-Year Plan” water specialised project on “Biosystem Effective Improvement and Demonstration on Construction and Operation” (2017ZX07106005-02), the “National Key Research and Development Program of China for International Science & Innovation Cooperation Major Project between Governments” project “Safety reclaimed water supply system and key technologies” (2016YFE0118800-05) and the municipal project “Sewage Wastewater Treatment Bio-enhanced Bacteria Application Technology Service Platform” (16PTGCCX00110) have successfully passed the inspection organised by senior departments. In the meantime, the newly applied project “Research and Demonstration of Co-processing and Resource Utilization Technology of Urban Kitchen Waste and Municipal Sludge” (2020-Z-001) under the Ministry of Housing and Urban-Rural Development and the municipal project “Research on typical PPCP emerging pollutant treatment technology for urban sewage treatment plants” (19YFZCSF00840) are currently being implemented as planned.

Green Daily Operation

The Group adheres to the guiding principle of sustainable development in the daily operation and is committed to implementing effective energy saving and emission reduction measures, in order to reduce the environmental impacts of the business and achieve harmony between human and nature. We comply with the environment-related laws, regulations and standards of the places where we operate, as well as the internal management systems and guidance, such as the “Environmental Protection Work Responsibility System” and “Guidelines for the Classification of Domestic Waste”, to achieve low carbon from business management to operation. The Group has obtained the ISO 14000 standard certification and formulated the overall environmental management system accordingly.

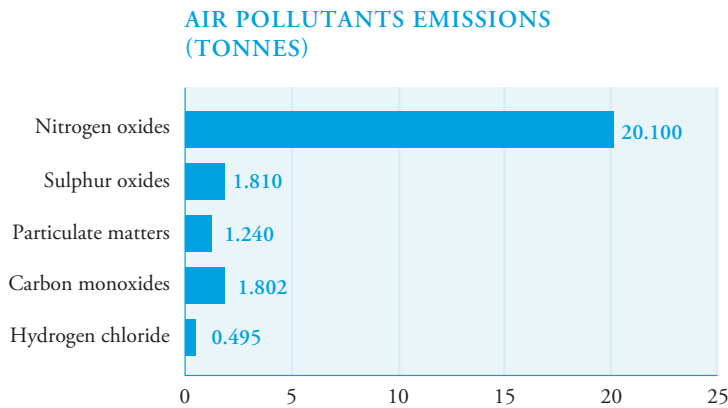
Energy Consumption and Emissions

To improve energy efficiency in the Group’s daily operations and reduce unnecessary emissions, we have formulated working plans for energy conservation and emission reduction annually based on the “Energy Management System”. The technical and administrative departments of the sewage treatment plants implement the approved plans, develop the energy consumption schemes according to the plans and implement in the work of all employees. Specific measures have been adopted, including arranging localised lighting and using LED lighting system; switching off night illumination in the public areas; maintain indoor temperature at 25 to 26 degree Celsius; adjust equipment state to reduce energy consumption, replace energy-consuming equipment by more energy-saving facilities, while fulfilling the sewage processing quality and environmental and safety requirement.

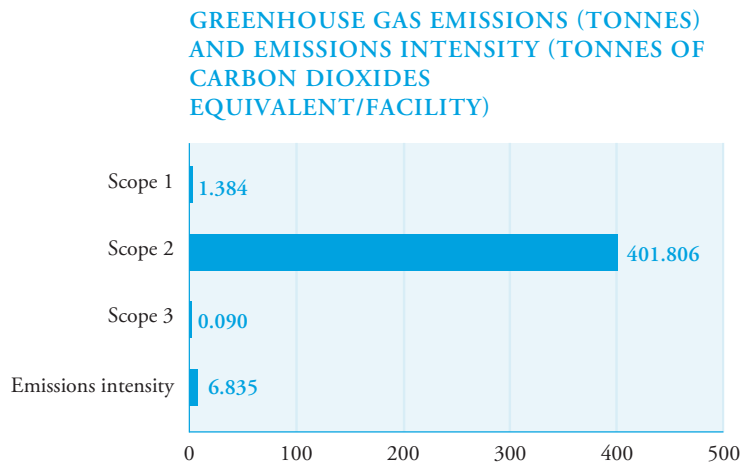
Furthermore, we formulated corresponding energy management work guidelines to improve the energy management level of the Group’s office building. Through promotion and education, strengthened management, rational consumption, innovative mechanisms, we extensively carry out energy saving and consumption reduction activities, as well as to strengthen employees’ awareness of energy conservation and emissions reduction. Also, the annual efficiency benchmarking plan allows us to fully master the energy consumption of the premises, as to set targets to save energy and reduce costs.

Since the Group is a key energy-consuming unit in Tianjin, the District Development and Reform Commission set a goal of “double control” of energy consumption in 2021 for the Group, in accordance with the requirements on integrated energy consumption control and energy saving control in Tianjin. The goal is to control the Group’s integrated energy consumption within 32,355 tonnes coal equivalent, and achieve energy saving above 50 tonnes coal equivalent. With establishment of stringent energy-saving and consumption-reducing measures by all energy-consuming units, and their close monitoring on relevant implementations, we have achieved 31,119.21 tonnes coal equivalent of integrated energy consumption and saved 51.2 tonnes coal equivalent of energy, which have reached the goal of “double control”.

The major air pollutants emitted during the Group's operations included nitrogen oxides, sulphur oxides and particulate matters, carbon monoxides and hydrogen chloride generated from the combustion process of municipal solid wastes and the use of fossil fuels for stationery facilities and vehicles. We formulated air pollution control plan to monitor air pollutants generated in the process of sewage treatment, with a regular inspection mechanism executed by the Technical Management Department once a week.



In terms of greenhouse gas emissions, the Group's emissions were mainly from direct emissions from the combustion of fossil fuels (Scope 1) and indirect energy emissions from the purchased electricity and heat (Scope 2). In addition, we counted the greenhouse gas emissions from the wastepaper disposed of in landfills and business travels via flights of employees, which were included in Scope 3.



Resources Consumption and Handling

As an enterprise whose core business is sewage treatment and wastewater recycling, the Group upholds strict and high standards for water resources and waste management. Even without facing any problems or difficulties in sourcing water, we desire to improve water efficiency with a series of resource consumption management measures. Besides, we adopted replacement, reduction, reuse, recycling and recycling from the 5R principles, and implemented recycling reusable materials policy to extend the life cycle of materials, as well as avoided waste of the recyclable and reusable resources.

Sludge is the major solid wastes generated from the process of sewage treatment. The Group has established a number of treatment methods, while relevant scientific research work aimed to perfecting sludge handling techniques to minimise the environmental impacts. During the year, the generated non-hazardous waste was 1,009,046.51 tonnes which was mainly composed of sludge. After detoxification, the sludge is safe to be discharged to the natural environment. The generation of hazardous waste was 59,509.12 tonnes, under the formulated waste management measures in response to their categories, and implemented, reviewed and supervised by different departments on encouraging recycling.

Waste generation (tonnes)

Hazardous waste	59,509
Non-hazardous waste ²	1,009,047

Apart from striving excellence in operations, we assisted the industry to implement more stringent water resource standards. During the year, the Group assisted in the revision of National Standard “The reuse of urban recycling water — Water quality standard for industrial uses” (GBT19923), and has been working on 4 group standards, namely “Technical specification for operation, maintenance and safety of reclaimed water delivery system”, “Technical order for comprehensive treatment of landscape water environment”, “Regulations for the preparation of comprehensive plans for landscape rivers”, “Technical specifications for survey and evaluation of landscape rivers”. Our performance enabled us to be awarded the title of “Top Ten Influential Enterprises of Chinese Water Industry” by China Water Network for 16 consecutive years. Our subsidiaries have also won many honors, such as 3 technical achievements of Caring Company were selected into the “Blue Book of Ecological Environmental Protection Technology Development in Tianjin (2021)”, and the Jinnan Sludge Treatment Project (Circular Economy Demonstration Project) was selected as an excellent case of sludge treatment and disposal in China by the E20 Environmental Platform.

Impacts on Environment and Natural Resources

We understand during our operation process, there are certain impacts on the surrounding environment, including dust, noise, sludge, etc.. We have minimised both tangible and intangible environmental impacts in the processing procedures through the implementation of environmental assessment procedures and effective monitoring measures. We strictly abided the established environmental protection measures and corresponding environmental protection requirements in the early stage and during the construction of the projects, in order to effectively reduce the environmental impacts of the project. In addition, we conducted inspections and monitoring after completion of project to ensure it complied with relevant laws, formulated risk contingency plans of projects, to ensure timely risk response were given and avoid irreversible environmental damage.

² Mainly are dewatered sludge.

To deal with odour and noise generated in the operation process, our studies focused on controlling odour, noise reduction, deodourisation, sludge treatment and greening at the operation sites, to further lessen the burdens of operation on the environment. In addition, the increasing impacts of climate change on society has induced strengthening of national environmental protection guidelines and policies. In response to the change in environmental protection requirements, we will formulate corresponding policies and internal control systems to identify the impacts of climate change on the Group's operations and formulate corresponding measures to stabilise the operation and mitigate climate-related risks.

PROGRESS DURING THE YEAR

In 2021, the Group won in an open bid for franchising project of Tianjin Houtai Park 1# Energy Station, achieved a breakthrough in expanding of new energy business throughout the year. Since the establishment in 2011, the Company has successively obtained franchise of Tianjin Cultuel Center Energy Station, Heiniucheng Road 1#2# Energy Station, Houtai Scenic Area 2# Energy Station, Binhai Cultural Center Energy Station, with the concession service area of new energy cooling and heating supply business reaching 3.11 million square metres. The awarded franchising project of Houtai Park 1# Energy Station has fully demonstrated the Group's advantages on operating distributed energy stations. The project has not only met the requirements of our 14th Five-Year Strategic Development Plan and strategic goals, but continued to comprehensively further our development and use of clean energy, as well as expanded our influence within our region. At the same time, it has contributed to carbon peaking and carbon neutrality, accelerated the adjustment of the national energy structure, reduced the total coal consumption and fostered socio-economic development of the city.

COLLABORATIVE SOCIAL DEVELOPMENT

The cooperate development is rooted in development of society and environment on a dual track. We are always committed to growing together with employees, partners, communities and other stakeholders to create shared value, when we are developing our businesses and responding to social issues.

Growth of Employees

The Group provides employees with a systematic career growth pathway, broadens the promotion channels, and strives to make the best use of their talents. We continued to improve the “Training Management System” and carried out different training courses for employees at different levels, facilitating their self-enhancement and demonstration of personal strengths during their work.

Under the guidance of the “Training Management System”, the Group mainly conducted four types of trainings, which were quality improvement, compulsory, self-improvement and corporate leaders. They were provided to all management levels, business leading departments and entry-level every year. We also undertook training and exchange courses for employees to understand the business of other departments and learn from their strengthens with internal staff teaching. For new employees, the Group arranged three-level educational training that helped them to gradually understand our development process and strategy, administrative office and human resources management systems, and knowledge on safe production. They were required to pass the post-training test before setting to work.

QUALITY IMPROVEMENT TRAINING

Study and investigate international and domestic macro policies, industry environment, corporate strategy and culture, etc., aiming to broaden employees' horizons and improve competitiveness.



- Enhancing corporate governance and improving the ability of outside directors and supervisors to perform their duties
- Criminal Law Amendment (11) Legal Education for Safe Production
- Non-statutory bidding related systems and processes
- Innovative learning approach exchange training
- Lean management of production operations
- Party conduct and governance education
- New employees' training

MANDATORY TRAINING

Provide training to ensure that employees have the competencies required for their positions. For example, employees in specific technical positions need to receive vocational training and pass the test to be qualified for work.



- Safety regulatory requirements and testing standards
- Analysis of relevant amendments to the Work Safety Law
- Updating management learning programme on hazards, environmental factors, and target indicators
- Equipment and hazardous chemicals management
- High voltage electric work, hoisting machinery operation, special equipment safety management, limited space management and operation
- Operation of environmental protection facilities
- Innovative modern equipment management and AI maintenance training
- Annual inspection of financial accounting personnel qualifications
- File management post qualification training

SELF-ENHANCEMENT TRAINING

Arrange training according to the conditions of each business department and company, aiming to continually strengthen employees' knowledge and skills to improve the work quality and efficiency.



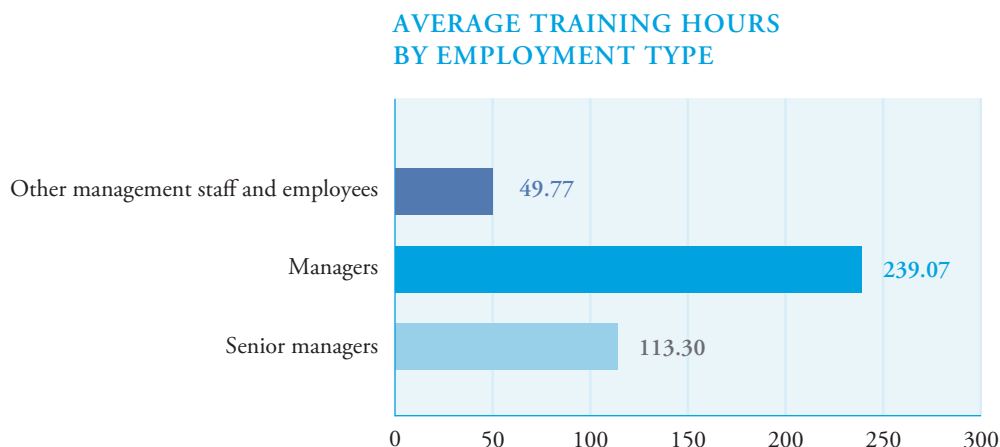
- Quality management and emergency management

CORPORATE LEADERS TRAINING

Arrange for company managers to strengthen their leadership skills.



- Strategic leadership building in the "Benchmarking World-Class Management Improvement Actions" training series
- Public continuing educational courses for professional technical and management personnel in Tianjin
- Safety qualification of general production and operation units (corporate manager)
- Continuous education for accountants



Win-win Value Chain

Sustainable development can never be achieved by a single organisation. We advocated the synergies with business partners and strengthened our communications and collaboration, motivated the upstream and downstream enterprises to jointly improve their sustainable development capabilities. We always value the supply chain management in our work. The consistent development principles and standards allow us to guarantee the quality of our products and services, thereby benefit the general public.

During the year, the Group had over 13,000 suppliers in Mainland China, covering materials such as sewage treatment chemicals, flocculants, equipment and accessories, laboratory supplies and containers, office and daily necessities, as well as services provided in equipment repair, facility maintenance, sludge disposal and transportation, property, security, cleaning, catering, investigation, testing, design, legal, etc.. The Construction Management Centre is responsible for the environmental and social risk management of the supply chain, and has perfected the procurement and selection system in accordance with the internal quality control system established based on the ISO9000 standard.

In order to standardise the selection of suppliers with fairness and impartiality, the Group has formulated and implemented “Procurement Management System for Non-statutory Bidding Project” for the selection of corresponding procurement methods with different contract amount, such as internal procurement, multi-party comparison, competitive negotiation and public tenders. We have also established a tender evaluation committee to adopt a “comprehensive, meticulous, and systematic” selection approach for screening tenders. For information technology external services and special institutions, such as financing and financial auditing intermediaries, our targeted selection and management system helped guiding the compliance of relevant work.

Every year, each unit or department has assessed our list of qualified suppliers according to evaluation standards listed in “Guidelines for the Evaluation and Management of Service Units” and filled in the evaluation form. After the approval of the procurement committee, it has been reported to the general manager’s office for approval as the final step. Qualified suppliers have been included or retained in the supplier directory. Qualified suppliers will be included or retained in the list of suppliers.

In order to ensure the confidentiality of data while cooperating with all parties, the Group has formulated the “Confidentiality System”, which specifies the management requirements for confidential documents, personnel, facilities and information transmission. In addition, each department has been responsible for implementing relevant management measures for different types of information, and the leading group for confidentiality work of the Group has regularly inspected the data protection work carried out by each department.

To manage, protect and make use of intellectual property rights, we have formulated and published systems on patents application and maintenance in accordance with the “Patent Law of the People’s Republic of China” and the “Rules for the Implementation of Patent Law of the People’s Republic of China” and in light of the actual situation of the Group. The system specified whole process of managing patent proposal, evaluation, application and maintenance. In addition, we also have respected the intellectual property rights of third parties. As indicated in the “Guidelines for the Management of IT Service Outsourcing”, it was required that the service agreement must clearly stipulate that intellectual property rights must not be infringed.

PROGRESS DURING THE YEAR

The Group endeavours to strengthen the leading role of the environmental industry in ecological civilization, by assisting in the formulation of industry standards. During the year, the draft of the industrial standard prepared by the Group – “Technical specification for operation, maintenance and safety of municipal wastewater treatment plants” (CJJ60), has been openly solicited opinions and suggestions from all parties on the website of the Ministry of Housing and Urban-Rural Development, and hence to complete the relevant evaluation; the national standard — “The reuse of urban recycling water — Water quality standard for industrial uses” (GBT19923) has been submitted for review and will be released after experts review and approval. At the same time, the Group undertakes a local standard – “TECHNICAL REGULATIONS FOR REGIONAL COMPREHENSIVE ENERGY STATIONS” and 5 group standards — “Technical specification for operation, maintenance and safety of reclaimed water delivery system”, “TECHNICAL SPECIFICATIONS FOR RURAL SEWAGE RECYCLING AND UTILIZATION”, “GUIDELINES FOR COMPILING TECHNICAL PLANS FOR ECOLOGICAL RESTORATION OF RIVER BASINS INTO THE SEA”, “TECHNICAL REGULATIONS FOR ENERGY RECOVERY AND UTILIZATION OF URBAN SEWAGE” and “Carbon source for sewage (wastewater) treatment” (T/CSTE0001-2021), of which one was officially released and implemented, two manuscripts have passed the evaluation, and the other three are proceeding as planned.

Social Welfare

The Group actively engaged in public welfare donations and volunteer activities within its capabilities, to develop our business together with our community. Especially as a state-owned enterprise, we are committed to shouldering our due social responsibilities, supporting the development of the regions where we operate, and proactively alleviate poverty of targeted groups in response to national policies. Relevant policies and activities are managed by the Party-masses Department of the Company to ensure business activities are in line with the interests of the community.

Invest in the community and promote environmental protection

We always take serving local economic development and improving the environment as our own responsibility. In addition to serving the public with our own operations, we pay attention to the trend of community construction and actively exert our strengths.

The Group promoted the environmental protection awareness and ability of the community through environmental education and voluntary works, thereby promoted the sustainable development of the community. We have strived to cooperate with the nation in promoting ecological civilisation, as well as the normalisation and standardisation of the environmental protection public activities, to constantly expand the participation channels of all sectors of society. During the year, Jingu Sewage Treatment Plant, Xianyang Road plant, Linxia Company, Fuyang Company, Yingshang Company, Xi'an Company, Dalian Chunliuhe Company, Jieshou Company, Qujing Company, etc., of the Group carried out several opening-up activities. Among them, Jingu Sewage Treatment Plant, as the first batch of pilot units open to the outside world in Tianjin, has continuously improved efforts to promote the opening of environmental protection facilities to the public since 2018, in order to play its role in publicity and education, and to ensure the public's rights to know, supervise and participate, and hence further urge enterprises to continuously improve their environmental management levels under the supervision of the public. During the year, Jingu Sewage Treatment Plant received a total of 21 visits from environmental protection departments, universities, colleges and public, with a total of 1,127 visitors.

In addition to the opening activities of environmental protection facilities, the Group is committed to investing resources in environmental protection and public education, and expanding communication channels. Caring Company organised activities to explain environmental protection knowledge to the community, invited employees to explain the knowledge of sewage, sludge or kitchen treatment to residents, and assisted them to master daily environmental protection skills. Jieshou Company established the "Environmental Protection Publicity Volunteer Service Team" to explain environmental protection knowledge to the public on the "6/5 World Environment Day". Besides, it also launched environmental protection education publicity activities to more than 180 teachers and students in Dongcheng Central School in Jieshou City for the environmental protection and green life concept.

Contribute to poverty alleviation and care for vulnerable groups

The Group is committed to delivering care and respect to the community. We regularly cooperated with charities and self-organised voluntary works, to express care to the needs of vulnerable groups. During the year, a number of subsidiaries of the Group participated in charitable donation activities to promote the Chinese traditional virtues in alleviating the poverty. Employees of three companies donated a total of RMB16,700 to help the needy in their respective business locations with different activities. Baoying Company participated in the “5.19 Charity Day Donation” activity in Baoying Province, Wendeng Company participated in the charity month activity of “Joining Hands for Charity and Creating Harmony”, and Bayannur Company participated in the “One Day Donation for Fraternity” activity.

Apart from contributed in donations, all party members of Bayannur Company further visited children in special schools and elderly people in nursing homes in-person, to comprehend their difficulties and deliver the daily necessities.

In the future, the Group will make good use of professional skills and resources, continue to understand the needs of the community, and contribute to society through donations and activities.

KEY PERFORMANCE INDICATORS OVERVIEW

Environmental Key Performance Indicators

Air pollutants emissions³

Nitrogen oxides (tonnes)	20.100
Sulphur oxides (tonnes)	1.810
Respiratory suspended particles (tonnes)	1.240
Carbon monoxide (tonnes)	1.802
Hydrogen chloride (tonnes)	0.495

Greenhouse gas emissions⁴

Scope 1 (tonnes of carbon dioxide equivalent)	1.384
Scope 2 (tonnes of carbon dioxide equivalent)	401.806 ⁵
Scope 3 (tonnes of carbon dioxide equivalent)	0.090
Total greenhouse gas emissions (tonnes of carbon dioxides equivalent)	403.280
Greenhouse gas intensity (tonnes of carbon dioxide equivalent/facility)	6.835

Waste

Total non-hazardous waste (tonnes)	1,009,047
Non-hazardous intensity (tonnes/facility)	17,102
Total hazardous waste (tonnes)	59,509
Hazardous waste intensity (tonnes/facility)	1,009

³ Includes emissions from solid waste combustion projects, as well as emissions from other stationary equipment and vehicles running on fossil fuels. The emissions of solid waste combustion projects are calculated based on the records of the pollutant monitoring system; for other emissions, refer to the emissions factors in HKEx's "How to Prepare Environmental, Social and Governance Reports – Appendix 2: Reporting Guidance on Environmental KPIs", Ministry of Ecology and Environment of the People's Republic of China "Technical Guidelines on Preparation of Emission Inventory of Air Pollutants from Road Vehicles" and "Manual of Pollutant Emission Coefficients from Domestic Pollution Sources".

⁴ Calculation method refers to HKEx's "How to Prepare Environmental, Social and Governance Reports – Appendix 2: Reporting Guidance on Environmental KPIs" and "2006 IPCC Guidelines for National Greenhouse Gas Inventories".

⁵ Electricity emission adopts the national average electric power emission factor issued by the Ministry of Ecology and Environment in 2021; thermal emission factor adopts 0.11 tons of carbon dioxide/GJ.

Environmental Key Performance Indicators***Energy consumption***

Natural gas (MWh)	3,336
Gasoline (MWh) ⁶	2,162
Diesel (MWh) ⁷	583
Purchased electricity (MWh)	676,864
Purchased heat (MWh)	16,643
Total energy consumption (MWh)	699,588
Energy intensity (MWh/facility)	11,857

Water consumption

Total water consumption (cubic metres)	1,603,503
Water consumption intensity (cubic metres/facility)	27,178

⁶ Gasoline consumption by vehicles is estimated by RMB7 per litre.

⁷ Only includes diesel consumed by vehicles. It is estimated by RMB7 per litre.

Social Key Performance Indicators

Number of employees⁸

Gender	Male	1,588
	Female	712
Age	19 years old or below	0
	20-29 years old	489
	30-39 years old	890
	40-49 years old	658
	50 years old or above	263
Geographical region	Beijing-Tianjin-Hebei region	837
	Northern region	648
	Southern region	815
Total		2,300
 <i>Employee's turnover rate</i>		
Gender	Male	7.2%
	Female	4.9%
Age	19 years old or below	0%
	20-29 years old	9.0%
	30-39 years old	7.2%
	40-49 years old	4.3%
	50 years old or above	5.3%
Geographical region	Beijing-Tianjin-Hebei region	2.2%
	Northern region	10.3%
	Southern region	8.0%
Total		6.5%

⁸ As at 31 December 2021, all employees in the Group's reporting boundary were full-time employees.

Social Key Performance Indicators

Percentage of trained employees

<i>Gender</i>	Male	98.8%
	Female	96.9%
<i>Employment type</i>	Other management staff and employees	86.6%
	Managers	100%
	Senior managers	100%
Total		98.2%

Average training hours of employees (hours)

<i>Gender</i>	Male	57
	Female	70
<i>Employment type</i>	Other management staff and employees	56
	Managers	85
	Senior managers	113
Total		58

Anti-corruption training

<i>Average training hours (hours)</i>	Employee	12
	The Board	12

HKEX ESG REPORTING GUIDE AND GRI STANDARDS CONTENT INDEX

HKEx General Disclosure and Key Performance Indicators			
GRI Standard	Indicators	Content	Page Index/ Remarks
A. Environmental			
<i>A1 Emissions</i>			
GRI 305 GRI 306	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	18, 22
GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4 GRI 305-7	A1.1	The types of emissions and respective emissions data.	23, 32
GRI 305-5	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.	23, 32
GRI 306-2	A1.3	Total hazardous waste produced and intensity.	24, 32
GRI 306-2	A1.4	Total non-hazardous waste produced and intensity.	24, 32
–	A1.5	Description of emission target(s) set and steps taken to achieve them.	22
GRI 306-2	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	23-24

HKEx General Disclosure and Key Performance Indicators				Page Index/Remarks
GRI Standard	Indicators	Content		
<i>A2 Use of Resources</i>				
GRI 301 GRI 302 GRI 303	General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.		22
GRI 302-1 GRI 302-3	A2.1	Direct and/or indirect energy consumption by type in total and intensity.		33
GRI 303-5	A2.2	Water consumption in total and intensity.		33
–	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.		22
–	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.		23
GRI 301-1	A2.5	Total packaging material used for finished products and per unit produced.	It is not relevant to the Group's business.	

HKEx General Disclosure and Key Performance Indicators			Page Index/Remarks
GRI Standard	Indicators	Content	
<i>A3 Environment and Natural Resources</i>			
–	General disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	22
–	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	24-25
<i>A4 Climate Change</i>			
–	General disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	25
–	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	25

HKEx General Disclosure and Key Performance Indicators			
GRI Standard	Indicators	Content	Page Index/ Remarks
B. Social			
B1 Employment			
GRI 401	General disclosure	Information on:	14-15, 18
GRI 405		(a) the policies; and	
GRI 406		(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.	
GRI 102-7	B1.1	Total workforce by gender, employment type, age group and geographical region.	14, 34
GRI 102-8			
GRI 405-1			
GRI 401-1	B1.2	Employee turnover rate by gender, age group and geographical region.	34

HKEx General Disclosure and Key Performance Indicators			
GRI Standard	Indicators	Content	Page Index/ Remarks
<i>B2 Health and Safety</i>			
GRI 403	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	16-18
GRI 403-9	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	No work related fatalities occurred.
GRI 403-9	B2.2	Lost days due to work injury.	No work-related injuries.
–	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	16
<i>B3 Development and Training</i>			
GRI 404	General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	26-27
–	B3.1	The percentage of employees trained by gender and employee category.	35
GRI 404-1	B3.2	The average training hours completed per employee by gender and employee category.	28-35

HKEx General Disclosure and Key Performance			
GRI Standard	Indicators	Content	Page Index/ Remarks
<i>B4 Labour Standards</i>			
GRI 408 GRI 409	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	15-18
GRI 408-1	B4.1	Description of measures to review employment practices to avoid child and forced labour.	15
GRI 409-1	B4.2	Description of steps taken to eliminate such practices when discovered.	15
<i>B5 Supply Chain Management</i>			
GRI 308 GRI 414	General disclosure	Policies on managing environmental and social risks of the supply chain.	28
—	B5.1	Number of suppliers by geographical region.	28
—	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	28
—	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	28
—	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	28

HKEx General Disclosure and Key Performance Indicators				Page Index/Remarks
GRI Standard	Indicators	Content		
<i>B6 Product Responsibility</i>				
GRI 206	General disclosure	Information on:		16-18, 29
GRI 416		(a) the policies; and		
GRI 418		(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		
–	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	It is not relevant to the Group's business.	
–	B6.2	Number of products and service-related complaints received and how they are dealt with.	No complaints was received by the Group.	
–	B6.3	Description of practices relating to observing and protecting intellectual property rights.		29
–	B6.4	Description of quality assurance process and recall procedures.		17-18
–	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.		29

HKEx General Disclosure and Key Performance Indicators			
GRI Standard	Indicators	Content	Page Index/ Remarks
<i>B7 Anti-corruption</i>			
GRI 205	General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	18-19
GRI 205-3 GRI 102-17	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the year and the outcomes of the cases.	There were no corruption-related legal cases.
—	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	18-19
GRI 205-2	B7.3	Description of anti-corruption training provided to directors and staff.	19, 35
<i>B8 Community Investment</i>			
GRI 203 GRI 413	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.	30
GRI 203-1	B8.1	Focus areas of contribution.	30-31
—	B8.2	Resources contributed to the focus area.	30-31