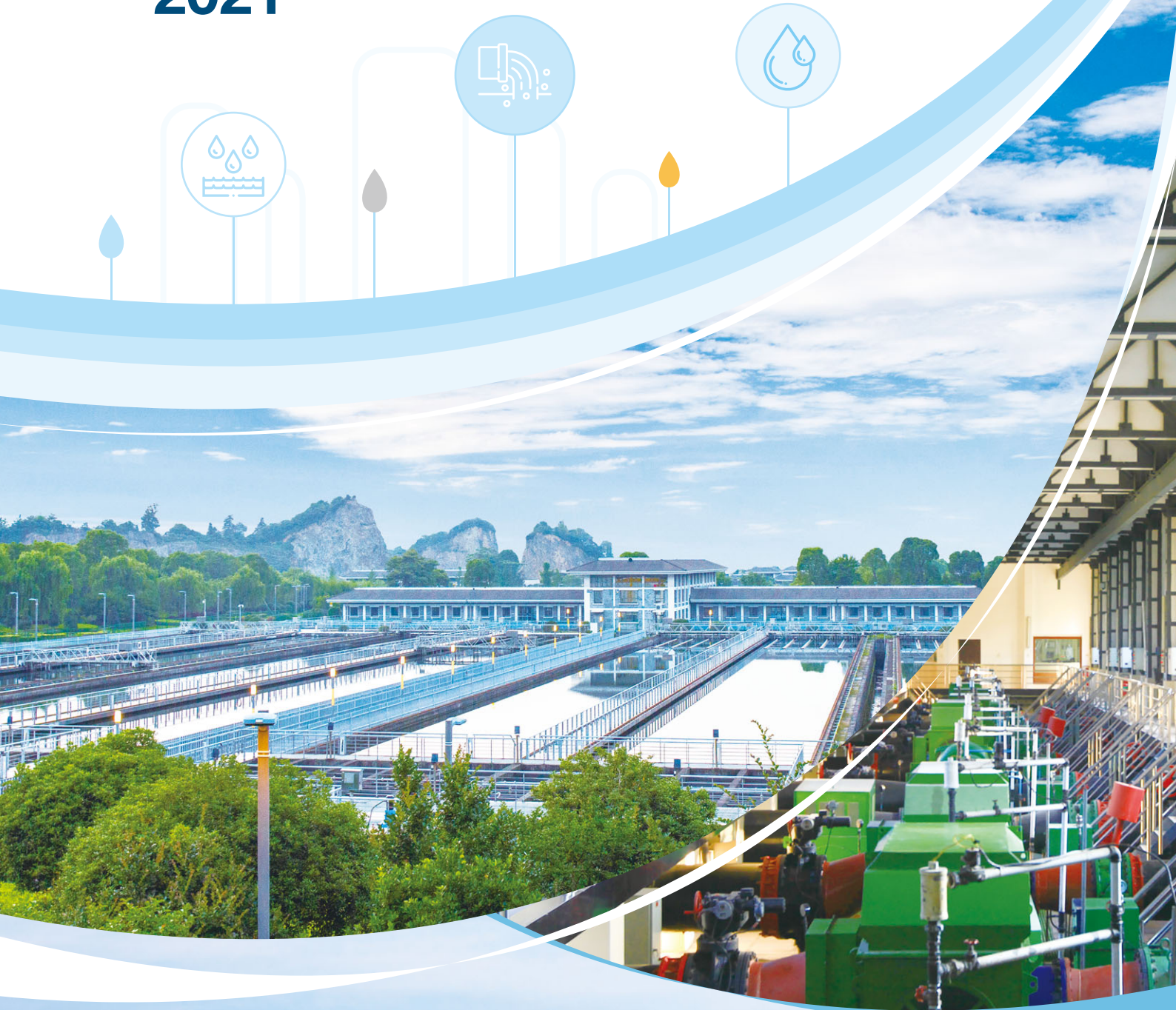




台州市水務集團股份有限公司 Taizhou Water Group Co., Ltd.*

(a joint stock company incorporated in the People's Republic of China with limited liability)
Stock code : 1542

Environmental, Social and Governance Report **2021**



** for identification purposes only*

CONTENTS

2	ABOUT THIS REPORT	22	CARING FOR EMPLOYEES
4	ABOUT THE GROUP	22	Overview of Employees
5	Major Project Construction Milestones	23	Attracting and Retaining Talent
6	AWARDS AND HONOURS	26	Occupational Health and Safety
7	SUSTAINABILITY GOVERNANCE GUIDELINES OF TAIZHOU WATER	28	Development and Training
7	Sustainability Governance	29	Prevention of Child Labour and Forced Labour
9	The United Nations Sustainable Development Goals	30	Anti-corruption
10	STAKEHOLDER ENGAGEMENT	32	ENVIRONMENTAL PROTECTION
10	Major Types of Stakeholders and Communication Channels	33	Response to Climate Change
11	Materiality Assessment	35	Environmental Protection Measures Adopted for Construction Projects
14	FIGHTING COVID-19 TOGETHER	36	Energy Management
14	Stringent and Comprehensive Pandemic Prevention Measures	37	Waste Management
15	STABLE WATER SUPPLY	37	Use of Resources
15	Quality of Water Supply	38	Water Saving
16	Project Quality	39	Overview of Environmental Performance Data
19	Customer Privacy Protection	41	CARING FOR COMMUNITIES
20	Customer Satisfaction	43	HKEX ESG REPORTING GUIDE INDEX
20	Intellectual Property Protection		
20	Supply Chain Management		



ABOUT THIS REPORT

PURPOSE OF REPORT

Taizhou Water Group Co., Ltd. (“Taizhou Water” or the “Company”, together with its subsidiaries, collectively the “Group” or “we”) is pleased to announce our third environmental, social and governance report (the “Report”) after the listing of our H Shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Report presents our sustainability plan and strategy as well as the sustainability performance of our core businesses to our stakeholders who can therefore obtain a better understanding of our commitment and determination in sustainability. The year 2021 is the first year of the China’s 14th Five-year Plan and its new march towards socialist modernization. While painstakingly adapting to the “new normal”, we continued to focus on the four pillars in our sustainability strategy, i.e. “stable water supply, environmental protection, connecting with community and caring for employees”, aiming to strengthen our position as the leading water supplier in Taizhou as we continue to move forward in our journey of sustainability. For the part related to corporate governance, please refer to the section headed “Corporate Governance Report” in the 2021 annual report of the Group.

REPORTING STANDARDS

In preparing the Report, we followed the mandatory and the “Comply or Explain” disclosure requirements in the “Environmental, Social and Governance Reporting Guide” (the “Reporting Guide”) as set out in Appendix 27 to the latest Rules Governing the Listing of Securities (the “Listing Rules”) issued by the Stock Exchange.

REPORTING PRINCIPLES

When preparing the Report, we adopted the reporting principles as summarized in the Reporting Guide, including materiality, quantitative, balance and consistency.

For our responses to these reporting principles, please refer to the table below:

Reporting Principles	Responses from the Group
Materiality	We have reviewed and determined the reporting scope based on its importance over our principal activities. At the same time, we have conducted a materiality assessment through stakeholder engagement to identify sustainability issues which are material to the Group and its key stakeholders, which have been disclosed in this Report. For details of the materiality assessment process, please refer to the section headed “Materiality Assessment”.
Quantitative	We disclose our sustainability performance in a quantitative manner and historical key performance indicators as well as other data for comparison purpose, where practicable and applicable.
Balance	We disclose our sustainability performance, including our achievements, the challenges and opportunities we face, in our principal business, in a fair and transparent manner in this Report.
Consistency	We disclose in this Report current and previous years’ key performance indicators and other data. We adopt the methodology same as last year’s in collection and analysis of those data, so as to make a meaningful comparison year-over-year.



ABOUT THIS REPORT

REPORTING SCOPE

The Report covers the sustainability performance of the Group for period from 1 January 2021 to 31 December 2021 (the “Reporting Period”), and some disclosures may exceed the abovementioned timeframe due to illustration needs. Unless otherwise specified, the Report covers the Group’s raw water supply project, municipal water supply project, tap water supply project, installation services and projects under construction of Taizhou Water Supply System (Phase III) and Taizhou Water Supply System (Phase IV), all of which are located in Taizhou in China.

REPORTING LANGUAGE

This Report is published in both Traditional Chinese and English. In case of discrepancy, the Traditional Chinese version shall prevail.

EXPLANATION ON FIGURES

Unless otherwise specified, the currency amounts stated in the Report are denominated in Renminbi.

FEEDBACK

We value your opinions. Whether you are customers, business partners, the public, media or non-governmental organisations, your advice and suggestions are helpful for determining and strengthening the Group’s future sustainability strategies. Please contact us through email at ir@zjtzwater.com.



ABOUT THE GROUP

Upholding the concept of “Ensuring the safety of drinking water for everyone to provide quality services”, the Group is a leading water supplier in Taizhou, principally engaged in supply of raw water, municipal water and tap water, and ranks first in Taizhou in terms of raw water and municipal water supply. In addition, the Group is also engaged in distribution of tap water to end-users and installation of the relevant water supply pipelines. We supply raw water, municipal water and tap water in Taizhou through the Taizhou Water Supply System (Phase I) and the Taizhou Water Supply System (Phase II). The Taizhou Water Supply System (Phase I) offers raw water, while the Taizhou Water Supply System (Phase II) offers raw water, municipal water and tap water. We also sell tap water directly to end-users including commercial users, government authorities, industrial users and residential households.





ABOUT THE GROUP

MAJOR PROJECT CONSTRUCTION MILESTONES

The Group had two key projects during the Reporting Period including Taizhou Water Diversion Project (i.e. the Taizhou Water Supply System (Phase III)) and Taizhou South Bay Water Diversion Project (i.e. the Taizhou Water Supply System (Phase IV)), which were undertaken to alleviate the growing demand in the Taizhou Bay Economic Zone and the Taizhou South Bay. Despite the impact of the COVID-19 pandemic, the Group practiced its commitment to these livelihood improving projects and made all-out efforts to drive their progress to the final stage while maintaining effective control over COVID-19 and project quality and safety. The Group targeted to complete these two projects in the first half of 2022. By then, a water-supply pattern with “three vertical and three horizontal lines” and water reserve system in southern and northern area will be developed in the South Area of Taizhou, which will be able to significantly satisfy the water demand for the construction and development of Taizhou Bay Area, greatly improve the water shortage problem in Wenling and Yuhuan, and establish a reliable and safe water supply system for the South Area of Taizhou.

In order to achieve those targets, the Group will focus on completion of the remaining projects, through setting up proper internal policies and overcoming different difficulties, and manage the testing over the water supply system, equipment and cross-system commissioning to ensure achievement of the phased milestones. We will also go through inspection and acceptance of the completed construction work, land reclamation, soil and water conservation and environmental protection and other specific work.

Taizhou South Bay Water Diversion Project – Baijiangyan Tunnel eventually drilled through



Taizhou Water Diversion Project – Pipe jacking operation for raw water transmission successfully completed





AWARDS AND HONOURS

Issuer	Honor
Taizhou City Committee of the Communist Party of China, People's Government of Taizhou City	Advanced Collective in Construction of Provincial Open and High-capacity Central City and Socialist Modernized City 2021
Taizhou City Committee of the Communist Party of China, People's Government of Taizhou City	Outstanding Performer in Assessment of Responsibility for Safety Production Target Management of Taizhou City 2021
Taizhou City Committee of the Communist Party of China, People's Government of Taizhou City	Outstanding Performer in Assessment of Responsibility for Work Target Management of Taizhou City 2020
Taizhou Safety Production Committee	Outstanding Performer in Assessment of Responsibility for Safety Production Target Management of Taizhou City 2020
Taizhou Public Security Bureau	Taizhou City Water Co., Ltd., a subsidiary of the Group, was made a "Model of Safety and Intelligent Security of Taizhou City".
Office of the CPC History Learning and Education Leading Group of Taizhou City	The Group's integrated water services project was made an example with the best practice in Taizhou City in the "Three For" Campaign
Taizhou Double-Strives Activities Leading Group	The operation team of the Group's Raw Water Operation Department was dubbed a "Model of Youth and Civilization 2021"
Party Working Committee of Taizhou State-owned Assets Supervision and Administration Commission	The Group's Party Committee was dubbed a "Model Party Building Brand"
Party Working Committee of Taizhou State-owned Assets Supervision and Administration Commission	The Party Branch of the Group's Raw Water Production Department was dubbed a "Model Party Branch"
Taizhou Municipal Committee of the Communist Party of China	Taizhou City Water Co., Ltd., a subsidiary of the Group, was dubbed an "Advanced Primary-level Party Organization of Taizhou City"



SUSTAINABILITY GOVERNANCE GUIDELINES OF TAIZHOU WATER

The Group's development concept of "focusing on environmental protection and energy saving, ensuring high-quality water supply and servicing everyone" makes a solid foundation for our sustainable development. Driven by the 14th Five-year Plan and the Group's vision in sustainability, we made relentless efforts to fulfil our social responsibilities and obligations while formulating sustainability policies and measures and put it into our business operations. We are confident that this will not only facilitate our business development, but also enhance our performance in the four key pillars of "stable water supply, environmental protection, connecting with community and caring for employees", and maintain our leading position as a reliable and quality water supplier in China while achieving our business objective of "safe, efficient and orderly" water supply.

SUSTAINABILITY GOVERNANCE

The board (the "Board") of directors (the "Director(s)") oversees the Group's sustainability strategy, management approach and performance, with a focus on sustainability and industry positioning. We have also established a sustainability governance framework and refined the composition of the ESG Working Group during the Reporting Period. The ESG Working Group is delegated by the strategy committee of the Board to oversee and manage ESG-related issues and to provide regular recommendations to the Board. The ESG Working Group is composed of representatives from the Group's main business segments and various ESG-related operating divisions, and is chaired by the chairman of the Board (the "Chairman") of the Group.

In order to ensure that we can effectively address the ESG-related risks and opportunities arising from the Group's operations, the Board, together with the Group also conducted ESG-related risk assessments during the Reporting Period. We first identified the ESG-related risks that are significant to the Group's business, including climate risk and ESG-related risks in the supply chain, based on our understanding over routine operation, stakeholders' views and ESG trends, and prioritized them by assessing the degree of impact of each ESG-related risk on the Group. For higher-level ESG-related risks, the ESG Working Group will formulate relevant countermeasures and regularly review the effectiveness of such measures and report to the Board, and make proposals on improvement to the Board when necessary. For details of the corporate governance and risk management approach, please refer to the section of "Corporate Governance Report" in the Group's 2021 Annual Report.



SUSTAINABILITY GOVERNANCE GUIDELINES OF TAIZHOU WATER

Board of Directors (Strategy Committee)

- Oversees the Group's sustainability strategy, management approach and performance
- Regularly discusses and reviews the Group's ESG-related risks and opportunities, performance and progress

**ESG Working Group**

- Assists in the development and review of the Group's sustainability strategies, priorities, targets and goals
- Identifies, reviews and manages significant ESG-related risks and opportunities (including but not limited to climate and supply chain related ESG risks)
- Reviews and monitors the implementation of ESG-related policies and practices
- Regularly monitors and reviews progress and performance in achieving ESG objectives and targets
- Supervises the main business and relevant operating departments to promote the relevant ESG work status
- Spearheads the sustainability efforts in the daily operation of the Group
- Reports to the Board on the ESG performance

**Main Business and ESG-related Operating Divisions**










- Facilitates the implementation of ESG-related day-to-day management, strategies and work plans
- Identifies ESG-related risks and opportunities from day-to-day operations
- Reports regularly to the ESG Working Group on the progress of implementation of ESG work plans
- Assists in the collection of ESG information and data



SUSTAINABILITY GOVERNANCE GUIDELINES OF TAIZHOU WATER

THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

As a listed company, we are committed to contributing to the United Nations Sustainable Development Goals (“UNSDGs”) by aligning our focus areas and approach to sustainability with this global initiative. The United Nations has set 17 sustainable development goals in the 2030 Agenda for Sustainable Development, which aim to eradicate poverty, protect the planet and ensure peace and prosperity for all by 2030. In order to sustain a long-term positive impact on the environment and society, the Group has also selected the following nine UNSDGs that are most relevant to us and to which we can contribute. We have integrated the identified the UNSDGs into our focus areas, and by setting corresponding objectives and corporate goals, we are better positioned to drive the sustainability of the Group. Details of our contribution to the UNSDGs can be found in the relevant sections of this report.

Focus Areas	Strategies and Targets	Related UNSDGs
Stable Water Supply	<p>Strategy: Operate the water supply system in Taizhou in a safe, efficient and orderly manner.</p> <p>Target: Improve the stability and safety of water supply through optimization of aging equipment, testing water quality regularly and closely monitoring project quality.</p>	 
Caring for Employees	<p>Strategy: Care for people, and appreciate their contributions.</p> <p>Target: Create a fair and equal working environment for our employees, care for their health and safety and provide them with equal opportunities.</p>	  
Environmental Protection	<p>Strategy: Fulfill our environmental responsibility and reduce our impact on the environment during operation and construction.</p> <p>Target: Reduce the environmental footprint of our operations by reducing greenhouse gas emissions, waste production, energy use and water consumption.</p>	  
Connecting with Community	<p>Strategy: Serve people with passion and create a harmonious community.</p> <p>Target: Listen to their needs and identify appropriate focus areas for investment in cooperation with charitable organizations, and increase investment in the community to benefit more people.</p>	



STAKEHOLDER ENGAGEMENT

The Group regards stakeholder engagement as a key part of its efforts to improve its sustainable strategies and policies. The main stakeholders of the Group include its employees, customers, suppliers, business partners, shareholders and investors, government and regulatory authorities, media and the broader community. We are committed to maintaining active communication and agreeable relations with our stakeholders, so as to fully understand their requirements and expectations of the Group.

MAJOR TYPES OF STAKEHOLDERS AND COMMUNICATION CHANNELS

Major Stakeholders	Communication Channels and Frequency
Employees	<ul style="list-style-type: none"> • Regular internal meetings • Training and seminar for business needs • Festive care and welfare activities • Annual performance appraisal • Annual employee satisfaction survey
Customers	<ul style="list-style-type: none"> • Conduct business meetings and interviews with clients as required • WeChat public posts • Respond to customers' telephone inquiries regarding water supply issues • Reading meters on a regular basis
Suppliers and Other Business Partners	<ul style="list-style-type: none"> • Conduct business meetings and calls with suppliers as required • Assess the suppliers on a regular basis • Conduct site visits as scheduled • Seeking deeper cooperation opportunities through exchange-oriented secondment
Shareholders and Investors	<ul style="list-style-type: none"> • Annual general meeting or extraordinary general meeting • Interim reports and annual reports • Corporate circulars and announcements • Website and WeChat public account of the Group
Governmental and Regulatory Authorities	<ul style="list-style-type: none"> • Compliance reports and water quality reports on a case-by-case basis • Attending meetings and cooperation project negotiations with government departments on related projects • Organising party building activities of the Communist Party of China ("Party")
Media and the Broader Community	<ul style="list-style-type: none"> • Website and WeChat public account of the Group • Corporate circulars and announcements • Collaborate with external agencies to organize community and volunteer activities



STAKEHOLDER ENGAGEMENT

MATERIALITY ASSESSMENT

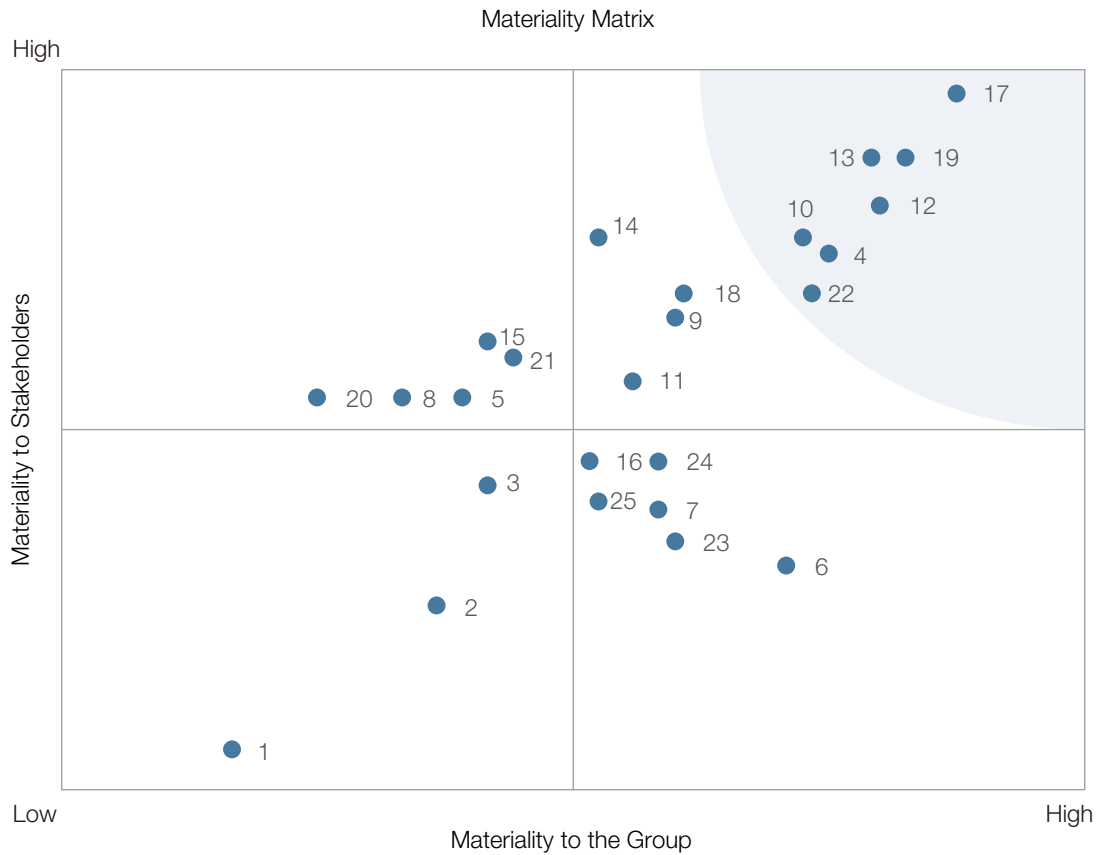
The materiality assessment helped us to identify significant ESG-related issues with particular importance to the Group and our stakeholders.

Step	Action
Step 1 Identify Related Issues	25 ESG-related issues were identified by reference to HKEX ESG Reporting Guide, industry trends and communications with former and existing stakeholders.
Step 2 Collect Stakeholders' Feedback	Management and key stakeholders were invited to provide input over sustainability of Taizhou Water.
Step 3 Prioritize Issues	Based on the importance ratings given to these issues by the management and our key stakeholders, a statistical analysis was conducted to rank the issues in order to develop a materiality matrix, thereby identifying the most important ESG-issues for the Group and stakeholders.
Step 4 Verify Issues	The key ESG-related issues identified were reviewed by the Board and the ESG Working Group to determine issues with priority and reporting focus.

During the Reporting Period, with the assistance of an independent third-party consultant, we invited our internal and external stakeholders to rate 25 ESG-related issues through an online survey. Based on the composite score derived from the survey, we have prioritized the 25 ESG-related issues, to present their impact on the Group's business and overall importance to our stakeholders.



STAKEHOLDER ENGAGEMENT



LIST OF ESG ISSUES:

1. Emissions	6. Climate Change Risk	11. Equal Opportunity, Diversity and Anti-discrimination	16. Social Risks in the Supply Chain	21. Intellectual Property Research and Development
2. Waste	7. Green Procurement	12. Occupational Health and Safety	17. Water Quality Safety	22. Anti-corruption
3. Carbon Emissions and Energy	8. Supply Chain Environmental Risks	13. Prevention and Control of COVID-19 Outbreak	18. Customer Service	23. Investment in Community
4. Water Resources	9. Employment Relationship	14. Staff Development and Training	19. Data Protection and Network Security	24. Economic Performance
5. Wastewater Treatment	10. Employee Welfare	15. Employment Compliance	20. Technology Development	25. Business Growth

STAKEHOLDER ENGAGEMENT

The vertical axis of the Materiality Matrix represents “Materiality to Stakeholders”; the horizontal axis represents “Materiality to the Group”, the shaded area in the upper right quadrant represents issues deemed as most important. Based on the above analysis, we have identified 7 ESG-related issues that are most important to both the stakeholders and the Group, including:

IMPORTANT ESG-RELATED ISSUES

No.	Issue	Related Section	Page
4	Water Resources	Environmental Protection – Water Saving	38
10	Employee Welfare	Caring for Employees – Attracting and Retaining Talent	23
12	Occupational Health and Safety	Caring for Employees – Occupational Health and Safety	26
13	Prevention and Control of COVID-19	Fighting COVID-19 Together	14
17	Water Quality Safety	Stable Water Supply – Quality of Water Supply	15
19	Data Protection and Network Safety	Stable Water Supply – Customer Privacy Protection	19
22	Anti-corruption	Caring for Employees – Anti-corruption	30



FIGHTING COVID-19 TOGETHER

The COVID-19 continued to rage across the world. Nevertheless, Taizhou Water adhered to its development concept of “focusing on environmental protection and energy saving, ensuring high-quality water supply and servicing everyone” during such a challenging period while doing all it could to maintain stable water supply service and facilitate the construction of its two major water supply systems, aiming to see it complete at an earlier time. Since the outbreak of COVID-19 in early 2020, Taizhou Water has been following the instructions of the national leaders and taking active steps to fight against the COVID-19 pandemic in accordance with the instructions and decisions of the governments at all levels, for which we were dubbed an “Outstanding Fighter against COVID-19 in Taizhou City” by Taizhou City Committee of the Communist Party of China and People’s Government of Taizhou City, in recognition of our pandemic-controlling efforts, which has motivated us to continue to develop our business and protect our employees.

STRINGENT AND COMPREHENSIVE PANDEMIC PREVENTION MEASURES

The Group actively responded to the call of the country to make good preparation for the prevention and control of the COVID-19 pandemic and protect the safety of our employees. During the Reporting Period, we have adopted pandemic prevention measures including but not limited to the following:

- Carry out basic pandemic prevention measures, including personnel registration, comprehensive disinfection, compulsory wearing of masks and temperature screening;
- Strengthen the cleaning and disinfection of places that gather crowds, such as canteen and dormitories at the construction site;
- Strictly examine the traces of out-of-province travelers, and keep track of the health and vaccination records of our employees;
- Prepare pandemic prevention materials such as masks and disinfectants in advance;
- Strengthen the prevention and control of the COVID-19 pandemic in accordance with the “Notice on Strictly Preventing and Controlling the COVID-19 Pandemic” from the Commanding Office for Prevention and Control of COVID-19 Pandemic in Taizhou City;
- Regularly disseminate pandemic prevention information to our employees.



As for water supply, we conducted every task with organised and perfect arrangement. The Raw Water Production Department of the Group adopted a three-shifts system to regularly inspect the operation of the water supply facilities and carefully record the operation data, constantly check the movement of water pressure and water volume, and conduct temperature screening when employees of different shifts perform job handover.



STABLE WATER SUPPLY

UNSDGs



STRATEGY

Operate the water supply system in Taizhou City in a safe, efficient and orderly manner.

TARGET

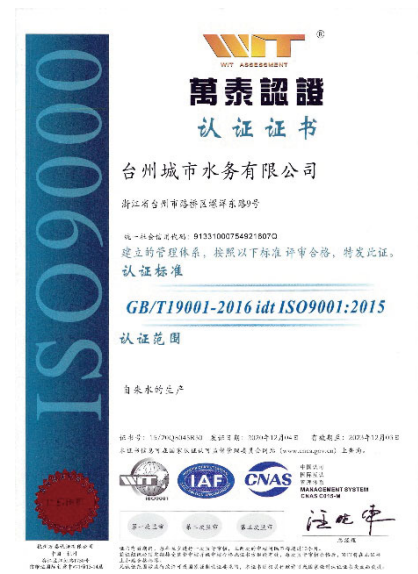
Improve the stability and safety of water supply through optimization of aging equipment, testing water quality regularly and closely monitoring project quality.

QUALITY OF WATER SUPPLY

The “safe, efficient and orderly” water supply operation guideline continues to guide the Group in operating the Taizhou Water Supply System (Phase I) and Taizhou Water Supply System (Phase II) in a stable manner. The Group strictly complies with the laws and regulations applicable to our business operations, including but not limited to the Water Law of the People’s Republic of China (《中華人民共和國水法》), the Regulations on Sanitary Supervision and Administration of Domestic Drinking Water (《生活飲用水衛生監督管理辦法》), the Regulations on the Administration of Water Extraction Permits and Water Resources Charges (《取水許可和水資源費徵收管理條例》), the Regulations on the Administration of Water Extraction Permits (《取水許可管理辦法》), the Sanitary Standard for Domestic Drinking Water (《生活飲用水衛生標準》) (GB5749-2006) and the Regulations on the Administration of Urban Water Supply Quality (《城市供水水質管理規定》). We have also established a strict management system for product and service quality, for which our subsidiary Taizhou City Water Co., Ltd. has been certified by the international ISO 9001:2015 product and service quality management system standard and has formulated a corresponding quality management system in accordance with that system.

The raw water supply market is in the upstream of the industry value chain. Raw water can be sourced from surface water, ground water and other sources. Surface water constitutes the largest water supply volume in China according to the Water Resource Bulletin of China. Most of the municipal water factories sourced raw water as raw material for production by ways of water storage, water diversion and water lifting. The municipal water supply locates in the midstream of the industry value chain. In the typical process of municipal water production, raw water is pumped into the treatment plant and goes through pre-treatment, sedimentation, filtration and disinfection, and then is stored in a clean water tank before distribution to end-users.

We have obtained the health permit in respect of products involving drinking water safety in accordance with the Measures for the Administration on the Health Supervision of Domestic Drinking Water (《生活飲用水衛生監督管理辦法》). We have also obtained the water intake permit pursuant to the Water Law of the People’s Republic of China (《中華人民共和國水法》), the Regulations on Administration of Water Intake Permit and Levy of Water Resources Charges (《取水許可和水資源費徵收管理條例》) and the Measures on Administration of Water Intake Permit (《取水許可管理辦法》), and acquired water according to the approved annual water intake plan.





STABLE WATER SUPPLY

We ensure that the quality of drinking water supplied by the Group complies with the Standards for Drinking Water Quality (《生活飲用水衛生標準》) (GB5749-2006), and are responsible for the quality of water supplied according to the Provisions of Water Quality Management for Urban Water Supply (《城市供水水質管理規定》). We regularly test the quality of raw water, treated water and pipe network water in accordance with testing items, frequencies and relevant standards stipulated and truthfully report water testing data to competent departments of local urban water supply.



As early as 2015, the Water Quality Testing Center of Taizhou City Water Co., Ltd.* (台州城市水務有限公司水質檢測中心) was accredited by China National Accreditation Service for Conformity Assessment as qualified for ISO/IEC 17025:2005 General Requirements for the Competence of Testing and Calibration Laboratories.

PROJECT QUALITY

Despite the continued rage of the COVID-19 pandemic, the Group's Taizhou Water Supply System (Phase III) and Taizhou Water Supply System (Phase IV) which are under construction have been able to make satisfactory progress while maintaining good quality and ensuring absolute safety, and entered the final stage towards completion at the end of the Reporting Period. In order to ensure the quality of our projects, we strictly comply with the Construction Law of the People's Republic of China (《中華人民共和國建築法》), the Regulations on Quality Management of Construction Works (《建築工程質量管理條例》) and such other relevant laws and regulations, while formulating our own Measures on Quality Management of Construction Works (《工程質量管理辦法》). The Group follows the basic construction policy known as "in a task so important for generations to come, good quality must be ensured" and strengthens the quality control in the process of each project to ensure that quality is maintained at a high level, so as to achieve the standard of quality, safety and civilization as a whole. Under the four-pronged quality management assurance system featuring "self-inspections of the construction unit, inspections of the supervision unit, inspections of the owner, and regulation of the government", the Group's projects are delivered with high quality with the strict implementation of comprehensive quality management by all the parties involved, stringent self-inspection, a random inspection system and process handover and acceptance system.

STABLE WATER SUPPLY

On-Site Inspection and Supervision of Project Quality

The project inspection team of the Group conducted several on-site inspections and supervised the construction quality in person, and visited the construction sites to assist the construction staff in solving the difficulties and problems of the project. During the Reporting Period, the Chairman of the Group led the project inspection team to inspect the construction sites of the water intake, the Maotan Tunnel (茅坦隧洞) and the connecting section of the cavern and the rock pipe jacking in the splitting mountain section of Haimen Village (海門村) of the Water Diversion Project in Taizhou, during which the project inspection team investigated the progress of the current project construction in detail, especially the progress of the major works, and requested the construction unit to adopt scientific management to further accelerate the progress of the project construction and strive for the early completion and water availability under the premise of ensuring quality and personnel safety.





STABLE WATER SUPPLY

Organizing Pipeline Safety Inspection and Maintenance Projects

The quality and safety of our water supply pipelines are crucial to the sound operation of our business. During the Reporting Period, the Group held a walking pipeline inspection campaign called “Pipeline Inspection in Imitation of the Long March (模擬長征路管線大巡查)” to raise and enhance the awareness of our staff towards the safety and quality of our pipelines. We organized a number of special safety inspections and maintenance projects, such as quarterly safety inspections and other special inspections, with a view to identifying safety threats and taking targeted rectification measures.





STABLE WATER SUPPLY

CUSTOMER PRIVACY PROTECTION

We will collect customers' personal information for business operation needs during operation. In order to protect customers' personal information, the Group strictly complies with applicable laws and regulations such as the Regulations of the People's Republic of China on Security Protection of Computer Information Systems (《中華人民共和國計算機信息系統安全保護條例》), Network Security Law of the People's Republic of China (《中華人民共和國網絡安全法》) and Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》), and we also guarantee that we only collect customer information as and when necessary, and will not utilise customer information for purposes other than the Group's business. Besides, the Group continuously enhances the awareness of our employees on the protection of customer privacy, for example, we promote the importance of data confidentiality among our employees with the labour contract and employee handbook specifying that employees are obliged to keep the Group's business secret and the customer information confidential. We require all employees to handle and use customer information carefully to ensure that customer privacy is safeguarded.

Raising Network Security Awareness among Employees

With the increasing network security threats, during the Reporting Period, we actively responded to the 8th National Network Security Promotion Week by inviting experienced network security consultants to provide network security education seminars to our staff, explaining software licensing and other network security laws and regulations, as well as sharing advice on how to enhance daily network security and avoid network attacks. We also launched the "Taizhou Water Network Security Promotion Month". In addition to distributing network security knowledge manuals and software licensing promotional brochures to employees and producing network security posters, we also held an online network security knowledge contest to educate employees about network security in a lively and interesting way. Through the above activities, the Group has practically strengthened the network security awareness among the employees to safeguard the Group's network security more effectively.





STABLE WATER SUPPLY

CUSTOMER SATISFACTION

We attach importance to customer feedback. The Group has established a number of communication channels, such as customer service hotline, social websites and customer service emails, to collect customers' opinions and understand their demands. We handle customer complaints carefully and keep written records for all complaints. The responsible department of the Group will analyse and investigate the matters related to the complaints and provide advice on how to handle such complaints. Then, such department will provide complainants with feedback and track the complainants' satisfaction about the solutions. During the Reporting Period, we received a total of 69 complaints about products and services, all of which have been properly handled.

INTELLECTUAL PROPERTY PROTECTION

The Group protects intellectual property rights in strict compliance with applicable laws and regulations such as the Patent Law of the People's Republic of China (《中華人民共和國專利法》), the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), Regulation on the Protection of the Right to Communicate Works to the Public Over Information Networks (《信息網絡傳播權保護條例》) and Measures for the Administrative Protection of Internet Copyright (《互聯網著作權行政保護辦法》). The Group also established the Intellectual Property and Patent Management System (《知識產權及專利管理制度》) to standardise the Group's intellectual property and patent management, define responsibilities and duties, protect the Group's intellectual property and patent from infringement and fight against illegal infringements. We have set up the Technical Patent Management System (《技術專利管理制度》) that covers the technical patent project establishment, research and development and acceptance, registration/application, filing, confidentiality, infringement/anti-infringement, maintenance procedures and archives management to protect various projects and R&D from infringement and to safeguard the Group's R&D achievements.

During the Reporting Period, the Group did not experience any material violation of laws and regulations in respect of the health and safety, intellectual property and privacy matters of products and services.

SUPPLY CHAIN MANAGEMENT

The Group is committed to working closely and building equitable and trusting relationships with its suppliers. The raw materials, power and parts and components and equipment used for our water supply and the installation of tap water pipeline networks business are mainly raw water, electricity, construction materials, pipelines, spare parts for daily repair and maintenance, and chemicals used for water treatment, such as sodium hypochlorite and hydrated lime.

We have established a comprehensive internal control system in respect of supply chain management by strictly formulating internal management systems such as the Materials Management System (《物資管理制度》) with reference to applicable laws and regulations such as the Government Procurement Law of the People's Republic of China (《中華人民共和國政府採購法》), to regulate the Group's procurement methods, principles and procedures. When selecting potential suppliers, our procurement team will purchase through open tendering, selected bidding, request for quotation, competitive negotiation, market comparison and selection, business relationship continuation, etc. We strictly require our procurement staff to review suppliers based on their credibility, price, quality and take into account their ESG performance to select qualified suppliers for inclusion in our approved supplier list. At the same time, the Group clearly states the procurement method, elements constituting the prices of procured items, the standards of determining the conclusion of transactions and other relevant matters to suppliers. Subsequently, we will follow up and evaluate our suppliers and terminate the relationship with them immediately if a breach of contract and/or a serious violation is found until the situation improves. During the Reporting Period, the Group implemented such engagement practices on all its suppliers.



STABLE WATER SUPPLY

In addition, the Group promotes sustainable procurement in its business operations. Our Environmental, Social and Governance Policy and Procedures Manual clearly sets out the environmental and social risk policies on green procurement and supply chain management, striving to cooperate with suppliers concerned with environmental protection, social responsibility and ethical behavior. We give priority to environmental-friendly and energy-efficient products, including high energy-efficient and water-efficient products etc., in selecting potential suppliers, and require suppliers to reduce packaging materials to minimize the burden of the procurement process on the environment and natural resources. Meanwhile, we prioritize the selection of local suppliers to reduce carbon emissions in the transportation process and encourage suppliers to improve resource utilization and fulfill their social and corporate responsibility.

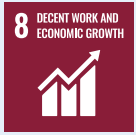
We have conducted an ESG-related risk assessment on the Group's supply chain to identify potential ESG-related risks associated with the Group's supply chain during the Reporting Period. Based on our assessment, we did not identify any ESG-related risks associated with the supply chain that were rated as "high risk". The Board will closely monitor the ESG-related risks in the supply chain and regularly review the effectiveness of internal control measures and explore improvement potential to further optimize our supplier management practices.

As of 31 December 2021, the number of our major suppliers was 95 and all of them were from China. All suppliers need to pass our established evaluation process prior to the initiation of formal purchases.



CARING FOR EMPLOYEES

UNSDGs



STRATEGY

Care for employees, and appreciate their contributions.

TARGET

Create a fair and equal working environment for our employees, care for their health and safety and provide them with equal opportunities.

OVERVIEW OF EMPLOYEES

As at 31 December 2021, we had 206 employees in total. All of them were full-time employees and located in China.

Indicators (Employee Number)	2021	2020
By Gender		
Male	137	133
Female	69	61
By Age Group		
30 or Below	19	17
31-40	62	64
41-50	96	88
51 or Above	29	25
By Employment Type		
Senior Management	8	8
Middle Management	34	23
General and Technical Staff	164	163

Note: Included the Group's overall employee data.

CARING FOR EMPLOYEES

During the Reporting Period, the Group had one employee from China resigned (one employee from China resigned in 2020).

Indicators (Employee Turnover Rate)	2021	2020
By Gender		
Male	0%	0%
Female	1%	2%
By Age Group		
30 or Below	0%	0%
31-40	0%	2%
41-50	1%	0%
51 or Above	0%	0%

ATTRACTING AND RETAINING TALENT

Under the “people-oriented” policy, we care and value our employees. The Group strictly complies with the relevant employment laws and regulations applicable to our business operations, including but not limited to the Labour Law of the People’s Republic of China (《中華人民共和國勞動法》) and the Labour Contract Law of the People’s Republic of China (《中華人民共和國勞動合同法》), signs labour contracts with employees by the principles of equality and negotiation, and establishes the work safety and health system. The Group strictly follows the work safety and health regulations and standards issued by the local government and offers employees education on work safety and health to prevent accidents and minimise occupational hazards during work.

Remuneration	We provide employees with competitive remuneration and benefits based on job requirements and personal job performance. We review the overall employee remuneration and benefits on the annual basis to ensure that we are competitive in the local market, particularly when compared with related industries and similar institutions. Every year, our KPIs offer direction and guidance to employees’ personal work plans. We also appraise and award employees based on their achievements and contribution.
Termination of Employment	We ensure that all employees are subject to employment security in compliance with local regulations. When an employee resigns voluntarily or being laid off, the human resources department shall have an exit interview with such employee to understand the reason for the resignation. We will issue employment verification document to the dismissed employee. When the Group terminates an employee’s employment contract, the dismissed employee shall be given due notice or wages in lieu of notice, and the paid annual leave and maternity leave are not counted in the notice period. We do not dismiss an employee because of being pregnant, or having paid sick leaves, or participating in labour unions or labour union activities, or having provided evidence or information in legal proceedings related to the enforcement of labour laws, industrial accidents or breach of work safety regulations. We do not dismiss an employee who is injured on duty before a work related injury compensation agreement has yet been reached or the relevant injury assessment certificate has yet been issued.
Recruitment and Promotion	In recruitment, the Group adheres to the principle of “openness, fairness and justice”, pursues bidirectional choosing and hires on the basis of merit, so as to avoid any discriminatory behavior. We have established a scientific and normative system for the selection and appointment of middle-level management staff, under which every staff has the opportunity to be promoted. As a result, it would facilitate exceptional talent with both moral integrity and ability and outstanding performance to differentiate them.



CARING FOR EMPLOYEES

Working Hours	In accordance with the Labour Law of the People’s Republic of China (《中華人民共和國勞動法》), in general, the average working hours per day should not exceed 8 hours, and the average working hours per week should not exceed 44 hours.
Holidays	In accordance with the Labour Law of the People’s Republic of China (《中華人民共和國勞動法》), employees enjoy holidays to which they are entitled.
Equal Opportunity, Diversity, Anti-discrimination	We offer equal opportunity in recruitment, training, promotion, job relocation, remuneration, benefits, termination of contract and other matters. Such opportunities are not affected by age, gender, marital status, family status, race, skin colour, nationality, religion and other factors.
Other Benefits and Welfare	In a bid to retain talent, we offer employees various benefits and welfare, including health check, supplementary medical insurance, annuity, various hobby groups such as Ba Duan Jin (Eight-Section Brocade) group, basketball group, volleyball group, swimming group, yoga group, flower arrangement group, tea art group, reading and movie sharing group etc., fun activities such as sports games, shooting competition, spring and autumn outings, health lectures, visiting employees who are hospitalized, retired employees activities, holiday sympathy and gift distribution, birthday celebration, group building activities, and employee recuperation activities, etc.

During the Reporting Period, we were not aware of the Group’s involvement in any non-compliance or violation in respect of remuneration and termination of employment, recruitment and promotion, working hours, holidays, equal opportunity, diversity, anti-discrimination and other benefits and welfare.

Chinese New Year Greetings to the Staff Staying in Taizhou

Many people who came from elsewhere to work in Taizhou decided to stay in Taizhou during the Spring Festival in response to the municipal Party committee and municipal government’s policy on pandemic prevention and control, and were unable to return home to celebrate the festival with their families. The Chairman of the Group led a number of management staff to personally deliver Spring Festival greetings, Chinese New Year gifts and love packages to the project staff staying in Taizhou during the New Year, expressing gratitude and sympathy to our staff and reminding them to pay attention to pandemic prevention and control from time to time during the holidays to ensure a safe and joyful New Year.





CARING FOR EMPLOYEES

Delivering Coolness in Summer, Caring for People's Feelings

During the Reporting Period, the Group organized several sympathy activities to deliver coolness to the project sites of the Taizhou Diversion Project, and provided the frontline staff who worked hard under the heat with summer beverages, watermelons and other heat protection materials, and also reminded the frontline staff to pay attention to their own safety protection and make reasonable arrangements for work, rest and diet, etc., to personally thank them for their perseverance under the high temperature.





CARING FOR EMPLOYEES

OCCUPATIONAL HEALTH AND SAFETY

The occupational safety and health of our employees is always our primary consideration. Sticking to the work safety principle of “staying people oriented, insisting on safe development, prioritizing work safety, staying prevention oriented and adopting comprehensive management”, we set the annual work safety objective and the implementation plan every year in accordance with the Law of People’s Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》), the Work Safety Law of the People’s Republic of China (《中華人民共和國安全生產法》) and other applicable laws and regulations and with reference to the international standards of Occupational Health and Safety Management System ISO45001:2018.

We consider work safety to be one of the Group’s key priorities. We have therefore established a comprehensive work safety risk management mechanism, which includes the establishment of a hierarchical risk management checklist, whereby risk sources are regularly checked by dedicated departments, and the establishment of a list of significant hazard sources, so that the awareness of relevant departments can be enhanced so as to avoid significant hazard incidents. We carefully analyse the safety conditions on a quarterly basis to identify potential safety risks and develop countermeasures. The Group has released the Work Safety Incident Response Plan, and has conducted work safety incident risk assessment and investigated in work safety incident response resources.

The Group is aware of the importance of continuously promoting safety standardization. In this regard, we are committed to the standardization of work safety, to achieve the standardization of positions, professions and enterprises, so that safety management can be followed by rules and guidelines, and to strengthen occupational health and safety management in workplaces, with a view to achieving the work safety goal of establishing a long-term mechanism for enterprise safety standardization.

During the Reporting Period, the Bureau of Emergency Management of Taizhou officially approved the evaluation of a number of safe production standardization level 3 enterprises and released an announcement, and Taizhou Water and its subsidiary Taizhou City Water Co., Ltd. (台州城市水務有限公司) were listed among them, further consolidating the achievements of work safety standardization construction. Our subsidiary, Wenling Zeguo Water Supply Co., Ltd. (溫嶺市澤國自來水有限公司) also successfully passed the “look-back (回頭看)” inspection of safety standardization enterprises conducted by the Bureau of Emergency Management of the province during the Reporting Period, in recognition of our solid safety protection work in ordinary operation.

During the Reporting Period, the Group did not have any work days lost due to work-related injuries neither any work-related fatality. In addition, the Group had no work-related fatalities in the past three years and was not aware of any non-compliance with the laws and regulations relating to the provision of a safe working environment and the protection of employees from occupational hazards.





CARING FOR EMPLOYEES

Work Safety Achievements

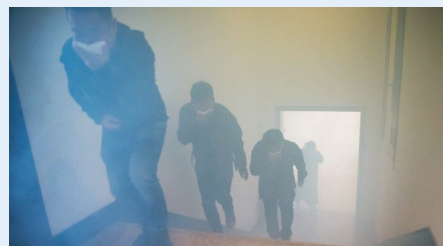
Under the operational guidelines of Taizhou Municipal Party Committee, Municipal Government, Municipal Safety Commission, Bureau of Emergency Management and Municipal State-owned Assets Supervision and Administration Commission, the Group has been guided by the important statements on work safety made by the national leaders and has practically put the concept of safety development into the daily operation of the Group, insisting on treating both symptoms and root causes and systemic management to support the Group's high quality development with high quality safety management. Taizhou Water also won the excellent unit in the assessment of Taizhou City Work Safety Target Management Responsibility System in 2021. In the future, the Group will continue to improve work safety.

Actively Promoting Safety Themed Activities such as “ Work Safety Month” and “ Firefighting Promotion Month”

During the Reporting Period, Group conducted the 4th “Work Safety Month”. Through a series of innovative and diversified activities of work safety advocacy, education, training, inspection and rectification, we have been able to promote the theme of “Implementing Safety Responsibility and Promoting Safety Development” to further enhance employees' awareness of work safety responsibilities and prevention. We also conducted safety threat inspections to ensure that all identified safety threats were rectified in a timely manner to ensure the work safety of the Group. During the “Firefighting Promotion Month”, we prepared promotional panels, hung slogans and broadcasted fire safety advertisements to educate our staff on firefighting knowledge, firefighting skills, fire escape methods and fire safety laws and regulations. We also organized fire training and escape drills for all staff to raise fire safety awareness and help improve the Group's safety management standards.

The Group also continued to strengthen the safety culture construction during the Reporting Period by actively launching various promotional activities such as publicity on safety laws and regulations, comprehensive interpretation of the new Work Safety Law (《安全生產法》) on video, etc. in innovative forms of publicity, education and training to enable employees to grasp relevant professional knowledge in a timely manner. We also encouraged our employees to participate in the “Safety Training for Millions of Employees (百萬員工安全大培訓)” organised by the Bureau of Emergency Management of Taizhou, in which 30 of them participated and successfully passed the online safety knowledge examination.

We are exploring the establishment of an emergency response mechanism for water supply emergencies to enhance the capability of our staff in responding to major emergencies. During the Reporting Period, the Group conducted 15 emergency drills on fire safety, flood prevention and abnormal water quality.





CARING FOR EMPLOYEES

DEVELOPMENT AND TRAINING

The Group not only cares about the occupational health and safety of its employees, but also emphasizes the importance of employee development and training opportunities. Every year, we prepare the annual training schedule based on the learning requirements of the employees of each department of the Group. The actual training work of the Group will be adjusted with reference to the annual plan and in accordance with the actual conditions, aiming at offering appropriate training activities for employees. In addition, we also strongly encourage our employees to attend external training activities. When such needs arise, applicants can apply with and be approved by the relevant management by completing the Employee Training Application Form (《員工學習培訓申請表》) or the Application Form for Safety Managers of Business Units to Attend Ongoing Training (《企業單位安全管理人員複訓申請表》). Employees are generally required to share or summarise the learning experience after the completion of external training activities.

	2021	2020	Unit
Employee Training			
Total Training Hours	6,453.20	2,786.20	Hour
Average Training Hours	31.17	14.36	Hour/person
Percentage of Employees Trained by Gender			
Male	65.83	68.48	%
Female	34.17	31.52	%
Percentage of Employees Trained by Employment Category			
Senior Management	4.52	4.35	%
Middle Management	16.58	12.50	%
General and Technical Staff	78.90	83.15	%
Average Training Hours Completed per Employee by Gender			
Male	33.34	14.44	Hour/person
Female	26.95	14.19	Hour/person
Average Training Hours Completed per Employee by Employment Category			
Senior Management	99.78	45.19	Hour/person
Middle Management	34.90	20.38	Hour/person
General and Technical Staff	26.64	12.00	Hour/person

Note: Training data included relevant training data of resigned employees during the Reporting Period to reflect the amount of resources invested by the Group in training and the application extent of the same.



CARING FOR EMPLOYEES

Nurturing Young Talents

In addition to network security training and work safety training, the Group also provided various training courses to its employees during the Reporting Period. In particular, we offered innovative capability workshops to young employees to encourage them to enrich themselves during weekends. The workshop adopted a variety of interesting teaching modes, such as sharing sessions, business skills training and on-site visits, to create a development platform for young employees to grow, thereby injecting new energy into the Group's future development.

Moreover, during the Reporting Period, we also sent more than 10 young employees to different positions for internship and to Shanghai state-owned enterprises for job attachment and training to enhance experience exchange.



PREVENTION OF CHILD LABOUR AND FORCED LABOUR

The Group firmly adopts the zero-tolerance policy on child labour and forced labour, and strictly forbids the use of child labour or forced labour in operation which is prohibited by international standards and relevant domestic regulations including the Law of the People's Republic of China on the Protection of Minors (《中華人民共和國未成年人保護法》), the Regulations on Labour Security Supervision (《勞動保障監察條例》) and the Provisions on the Prohibition of Using Child Labour (《禁止使用童工規定》). The human resources department of Taizhou Water, as a gatekeeper, has established a systematic internal control procedure in its recruitment process to avoid the occurrence of recruiting child labour, including obtaining the identity documents of new employees and conducting inspection and verification procedures. In addition, the working time of the employees are also clearly specified in the labour contracts signed with the employees. The human resources department of Taizhou Water would continuously supervise and review such recruitment practices. In the case of any violation of laws and regulations, the Group will take measures immediately and order such employees to stop working. During the Reporting Period, the Group did not involve in any non-compliance or violation in respect of child labour or forced labour.



CARING FOR EMPLOYEES

ANTI-CORRUPTION

Ethics and integrity are the cornerstones of the Group's long term development. The Group adopts the "zero-tolerance" attitude toward bribery, extortion, fraud and money laundering. All directors, management members and employees must comply with relevant laws and regulations issued by the country and local governments in respect of preventing bribery, extortion, fraud and money laundering, including the Criminal Law of the People's Republic of China (《中華人民共和國刑法》) and the Law of the People's Republic of China Against Unfair Competition (《中華人民共和國反不正當競爭法》) in their daily work.

To build and maintain a good and clean organisational environment, we have formulated the Manual for Integrity Risk Control (《廉潔風險防控手冊》), which clearly states our core values to "anti-corruption" and the Group's works to control integrity risk in all aspects, thereby enabling us to standardise the management and improve the procedures. We develop the Schedule of Division of Responsibilities in Clean Party Construction and Anti-corruption (《黨風廉政建設和反貪腐敗工作責任分工表》) every year to clarify the responsibility of each department in anti-corruption work. In the meantime, the Discipline Inspection and Supervision Office of the Group (the "Discipline and Supervision Office") is the core department in such management, which is responsible for deploying the anti-corruption work and organising the formulation and implementation of discipline inspection and supervision work plan. The Discipline Inspection and Supervision Office also takes charge of accepting the whistleblowing and appeal from Party members and the public. In accordance with the Measures of Taizhou Municipal Discipline Inspection Commission and Taizhou Municipal Supervision Commission on the Management of Whistleblowing Box for Discipline Inspection and Supervision (Trial) (《台州市紀委市監委紀檢監察舉報箱管理辦法(試行)》), we set up the whistleblowing box at an appropriate place that makes it convenient for the public to report and also protects the interest of whistle-blower. The reports will be received by the Discipline Inspection and Supervision Division appointed by the Municipal Finance Bureau of Taizhou Municipal Discipline Inspection Commission and Taizhou Municipal Supervision Commission (台州市紀委監委派駐市財政局紀檢監察組) periodically, thus effectively protecting the whistle-blower and the materials we have received and keep them confidential.

We also released the Notice on Complying with Discipline Rules in Holidays and Festivals (有關節日期間紀律規定的通知) in main holidays and festivals to our employees to regulate the discipline issues in holidays and festivals and eradicate any non-compliance. We also developed and implemented the Measures on the Interview Related to Clean Party Construction Issues (《黨風廉政建設約談辦法》), to talk to employees on key positions to get information of the implementation and construction of clean Party accountability mechanism. With regard to anti-money laundering work, we have established the Anti-money Laundering Management System (《反洗錢管理制度》) to promote and strengthen the Group's efforts to combat money laundering and prevent the Group from becoming a money laundering tool of criminals. During the Reporting Period, the Group was not aware of any concluded legal cases regarding corruption brought against the Group or its employees.



CARING FOR EMPLOYEES

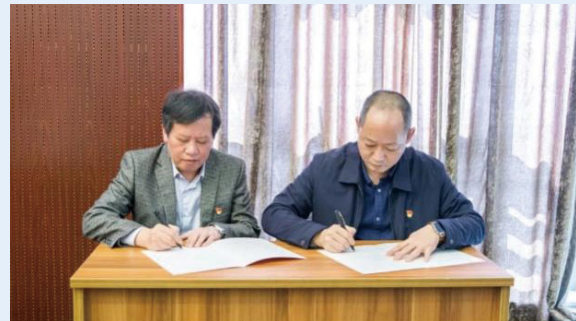
Promoting Integrity and Enhancing Employee Awareness of Anti-Corruption

The Group has been actively promoting the “two laws and one regulation” in response to the government, including organizing employees to watch the short video of the relevant lectures and utilizing the social media and publicity exhibition boards to promote the corporate culture of integrity and to build up employees’ knowledge and awareness of integrity and self-discipline, thereby facilitating the Group’s effort in building integrity in waterworks.

Convening the Party Building and Clean Party Construction Work Conference

On March 2021, the Group convened the 2021 Party building and clean Party construction work conference, through which the Group thoroughly implemented the new requirements and new deployments of the Central, Provincial and Municipal Party Committees on Party building work, clean Party construction and ideological work, so as to lead the Group’s sustainability with high quality Party building, and strive to achieve the “second urbanization” for Taizhou.

The Group’s middle management and above, including the Directors and all staff of the functional departments of the headquarters, attended the conference to learn the lessons of historical anti-corruption experience and to enhance their anti-corruption knowledge. The Chairman of the Group also signed the “Clean Party Construction Responsibility Letter” (《黨風廉政建設責任書》) at the conference to demonstrate the Group’s determination to fight corruption and promote integrity in person.



Organizing to Watch Warning and Educational Videos on Anti-Corruption

In order to further enhance the integrity awareness of our employees, during the Reporting Period, the Group organized the Group’s leadership, including Directors, middle management and staff to watch anti-corruption promotional and educational videos to enhance their understanding and knowledge of anti-corruption and to ensure the compliance of daily business with the regulations.





ENVIRONMENTAL PROTECTION

UNSDGs



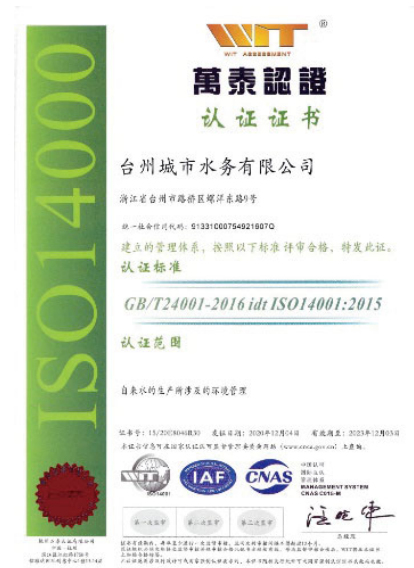
STRATEGY

Fulfill our environmental responsibility and reduce our impact on the environment during operation and construction.

TARGET

Reduce the environmental footprint of our operations by reducing greenhouse gas emissions, waste production, energy usage and water consumption.

The Group actively implements the concept of sustainability and fulfills its environmental responsibilities. In strict compliance with the applicable environmental laws and regulations, including the Law of the People's Republic of China on Environmental Protection (《中華人民共和國環境保護法》), the Law of the People's Republic of China on Environmental Impact Assessment (《中華人民共和國環境影響評價法》), the Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution (《中華人民共和國固體廢物污染環境防治法》), the Law of the People's Republic of China on Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》), the Regulations on Environmental Protection Management of Construction Projects (《建設項目環境保護管理條例》) and the Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》), the Group has reduced the impact on the environment in the course of operation and construction. The Group has set up a strict environmental management system, and in particular, Taizhou City Water Co., Ltd., a subsidiary of the Group, has established the environmental management system in accordance with the standards of ISO14001:2015 Environmental Management System and has obtained the relevant standard certification.



2021 is the first year for implementing the “14th Five-Year Plan”. The Group seized such opportunities, closely followed the environmental protection policies of the State, Zhejiang Province and Taizhou city, and was determined to strengthen ecological environment protection and the prevention and control of pollution. Focusing on the core positioning of “Being a Comprehensive Developer and Operator of Water and Environmental Protection Resources”, we sought breakthroughs in the field of environmental protection.

During the Reporting Period, the Group did not have any violations or illegal cases regarding the emissions of air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, which had been brought forward and concluded.



ENVIRONMENTAL PROTECTION

RESPONSE TO CLIMATE CHANGE

The impact of climate change, including rising ocean levels, rising temperatures and more frequent extreme weather events, is one of the major challenges we face on Earth today. With this in mind, we strive to reduce greenhouse gas emissions and the environmental footprint of our operations by improving energy efficiency and exploring new energy-saving technologies. In the construction of the smart water project in 2021, we enhanced the Group's capabilities in data-based management and decision-making and integrated comprehensive management and control by establishing the "1+3+5" work system, so as to reduce unit energy consumption and carbon emissions in production.

The Group conducted a ESG-related risk assessment during the Reporting Period, so as to identify potential climate risks which would pose a threat to our business. The Group's resilience to extreme weather and climate conditions has been further strengthened by regularly evaluating the effectiveness of existing response measures and exploring space for improvement. We will continuously review the latest developments in the laws, regulations and regulatory requirements related to climate change, so as to prepare for mitigating the impact of climate change.

Extreme weather incidents may also have a serious negative impact on the health and safety of our employees and the continuity of our businesses. Therefore, we closely monitor local weather conditions, including typhoons, mudslides and other climate risks, etc., and hold meetings in advance to deploy disaster prevention actions before the advent of extreme weather. Taking the safety of employees as the main premise, we will dismantle overhead cranes, strengthen temporary structures, inspect power systems and enhance drainage systems in accordance with emergency plans against typhoon and flood. In addition, we will take corresponding antifreeze measures to prevent damage to water supply facilities in severe cold weather.

Preparedness for Extreme Weather Emergency

Strong Cold Wave

At the beginning of the year, a strong cold wave struck Taizhou City, bringing strong winds, strong cooling and low-temperature freezing weather to it. The Group carefully took various measures to deal with low temperature weather, such as strengthening the anti-freeze and thermal protection of outdoor bridge and pipe facilities and outdoor facilities, reinforcing the temporary work sheds, protective nets and other facilities at construction sites, implementing anti-skid measures for construction vehicles on construction roads in advance, suspending outdoor work, etc., thereby effectively avoiding damages to the greatest extent. We made available the necessary materials, emergency teams and service persons for emergency repairs in advance, prepared to respond to various emergencies at any time, and strengthened water quality monitoring to ensure the safety of water supply. We also used social media, phone calls and text messages to remind users to protect their own water supply facilities from cold weather in case of severe cold waves.





ENVIRONMENTAL PROTECTION

Strong Typhoon

During the Reporting Period, the strong Typhoon No. 6 “Fireworks” made landfall along the coast of Putuo District, Zhoushan City, Zhejiang Province. The Group made arrangements in advance and held a special work meeting to deal with the strong typhoon “Fireworks”. The Group actively implemented various measures to deal with flood and typhoon and made available emergency materials, such as surrounding the workplace with sandbags, reinforcing the construction frames of outer walls, and installing flood prevention equipment.



The Group’s pipeline inspection team also reminded nearby residents to take correct defensive measures when conducting emergency safety inspections across the entire pipelines. In accordance with the typhoon and flood response plan, we had all staff on alert and prepared emergency safety teams and vehicles to ensure that any critical accidents could be handled quickly. At the same time, we strengthened water quality monitoring, and monitored the changes in water quality during typhoons, so as to comprehensively ensure the safety of persons, projects and water supply.





ENVIRONMENTAL PROTECTION

ENVIRONMENTAL PROTECTION MEASURES ADOPTED FOR CONSTRUCTION PROJECTS

According to the Law of the People's Republic of China on Environmental Impact Assessment (《中華人民共和國環境影響評價法》), the Regulations on the Administration of Construction Project Environmental Protection (《建設項目環境保護管理條例》), and other applicable laws and regulations, the Group conducts environmental impact assessment before commencement of construction projects. Based on the characteristics of construction projects and the features of local environment, the major environmental impacts identified include: the impact of waste water, domestic sewage, construction noise and air emissions produced in the course of construction on the water, sound and atmospheric environment; the impact of land acquisition and occupation, earthwork and excavation, waste keeping and disposal during construction on the soil and water conservation and the ecological environment; and the impact of projects on regional water resources. Some of the environmental measures adopted for construction projects are set out below:

- | | |
|-------------------------------|---|
| Prevention of Air Pollution | <ul style="list-style-type: none"> • Set up dust proof cover for the mixer and other machinery, and conduct fully-enclosed construction or semi-enclosed construction • Prohibit the use of concrete mixing system, cement loading and unloading and other operation in windy days • Harden the roads inside and outside the site, strengthen the road maintenance and keep the road clean • Equip main construction roads with watering cars, and spray water to prevent dust • Prevent vehicles from overloading and adopt vehicles with closed compartment for transportation • For construction sites with areas producing dust, adopt manual control to spray water on the regular basis; cover the temporary stockyard with colour strips |
| Prevention of Water Pollution | <ul style="list-style-type: none"> • Store the waste oil produced by the oil separating tank in the designated area, ensure safety in the designated area, engage qualified service providers to treat the waste oil in time, and prohibit careless treatment • Add flocculant to the waste water produced in the tunnel construction after adjusting the pH value, and discharge the waste water into nearby waterways after meeting the first-grade standard of Integrated Wastewater Discharge Standard (《污水綜合排放標準》) (GB8978-1996) through oil separation and sedimentation • For domestic sewage in the course of construction, construction workers try to lease the existing buildings from villages and towns in the region and make use of the existing domestic sewage treatment facilities |
| Waste Management | <ul style="list-style-type: none"> • Set up dustbins in the living quarters of construction sites, collect domestic waste produced by construction workers in a centralised manner, pick up the waste in a timely manner for centralised treatment, and incorporate such areas into the waste collection system of Taizhou • Mud produced by waste water treatment and domestic waste are subject to the centralised treatment of local sanitation departments |



ENVIRONMENTAL PROTECTION

- | | |
|--|--|
| Prevention of Construction Noise Pollution | <ul style="list-style-type: none">• Only machinery and transportation vehicles which comply with relevant national standards can be used, and high-quality equipment and processes with low-noise impact are used as much as possible• Install the concrete mixer and other high-noise equipment in the construction camp, and conduct fully-enclosed construction or semi-enclosed construction• Adopt vibration insulation cushion, muffler and other supporting facilities when installing the equipment, strengthen the maintenance and management of construction machinery, thus maintaining the machinery and equipment in good conditions with low noise and high efficiency |
| Prevention of Soil and Water Loss | <ul style="list-style-type: none">• Reduce the harm to vegetation, and make full use of the soil and stones produced in excavation |
| Protection of Ecological Environment | <ul style="list-style-type: none">• Strictly prohibit construction workers from cutting surrounding trees and hunting animals during construction; ensure the security of wild plants, animals and fishes living near the construction areas; protect the species diversity• Enhance the protection of trees and forests near the construction site; reduce the harm to the vegetation near the operation area; prohibit cutting trees outside the construction site; do not destroy the soil and vegetation outside the construction site; preserve the trees inside the land occupied as much as possible• Prohibit the construction project which causes heavy light pollution in the night, so as not to affect the rest and egg-laying of birds |

ENERGY MANAGEMENT

The major source of the Group's carbon emissions is from the greenhouse gas emissions produced by electricity consumption and use of vehicles in our daily production and operation. We are committed to reducing greenhouse gas emissions and energy consumption by implementing the following various energy conservation and energy efficiency improvement measures at our production sites and office locations. We understand and monitor the impact of our daily operation on the environment through continuously monitoring and disclosing the Group's carbon footprint. We will continue to improve the Group's energy management:

- Actively promote energy conservation new technologies, new process, new equipment and new materials; and
- Employees must turn off the light and unnecessary energy consuming devices when leaving, so as to reduce energy consumption and avoid unnecessary energy waste.



ENVIRONMENTAL PROTECTION

WASTE MANAGEMENT

We minimize waste from operations by adopting the responsible waste management policy, which includes avoiding the production of waste, reducing waste at source, reusing, recycling and properly treating waste, and preparing appropriate amount of food on demand, so as to reduce the burden of landfills. Offices should post notices and remarks everywhere to encourage employees to reduce the production of waste. We promote the following measures for sorting wastes at source:

Recyclable Waste	Non-recyclable Waste	Hazardous Waste
<ul style="list-style-type: none"> Waste paper, metal, glass, plastic, etc. 	<ul style="list-style-type: none"> Mud, kitchen waste, dust, etc. 	<ul style="list-style-type: none"> Empty bottles and waste liquid produced in laboratories, waste bulbs, waste fabric produced in machinery maintenance, waste batteries, waste toner cartridges, etc.

In order to control waste generation, we follow the following measures:

- Control and reduce the production of waste in the process;
- Sort the waste produced by recyclable waste or non-recyclable waste and hazardous waste;
- Sale of the recyclable waste to the qualified collector;
- Reduce the mud produced and transform the mud into other resources;
- Collect other non-recyclable waste into the dustbins every day for transportation to the urban waste collection point; and
- Store the hazardous waste to a certain quantity, and engage qualified service providers to handle such waste.

USE OF RESOURCES

We have developed the following measures to reduce paper consumption:

- Set up recycling boxes for waste paper, posters, letters and document envelopes, and collect paper products that cannot be reused;
- Put single-sided paper and waste paper recycling boxes beside printers, and sort the paper for reuse;
- Adopt two-sided copying and printing, and write on both side of paper;
- Encourage employees to bring their own cups, and avoids the use of paper cups; and
- Reuse folders, envelopes and other stationery supplies.



ENVIRONMENTAL PROTECTION

WATER SAVING

As a leading water enterprise, we are committed to reasonably developing and effectively protecting water resources, actively promote water saving, and improve water efficiency. During the Reporting Period, the Group did not have any issue in sourcing water that is fit for purpose. We have developed the following measures to save water:

- Effectively control the water leakage rate, and reduce pipeline leakage and depreciation;
- Improve water production process, and reduce the loss in the course of water production;
- Adopt production methods and equipment that help effectively save water; and
- Check the water consumption frequently.

Strengthening Environmental Awareness

During the Reporting Period, we conducted an environmental protection activity with the theme of “Preserving and Cherishing Water”, in which our employees participated by playing interesting and educational games, encouraging them to preserve water in their daily lives in greeting the 29th “World Water Day” and the 34th “China Water Week”.



ENVIRONMENTAL PROTECTION

OVERVIEW OF ENVIRONMENTAL PERFORMANCE DATA

Key Environmental Indicators ¹	2021	2020	Unit
Greenhouse gas			
Total emission (Scope 1 and 2)	26,466.72	34,548.06	tCO ₂ e
Direct emission (Scope 1)	210.66	200.33	tCO ₂ e
Indirect emission (Scope 2)	26,331.68	34,431.77 ²	tCO ₂ e
Total greenhouse gas reduced by planting trees	75.62	84.04	tCO ₂ e
Intensity of total GHG emissions (Scope 1 and 2)	61.70	84.15	tCO ₂ e (per million tonne water supply)
Air emissions³			
Nitrogen oxides (NOx)	98.84	83.80	kg
Sulfur oxide (SOx)	4.16	1.02	kg
Particulate matter (PM)	7.09	6.49	kg
Energy⁴			
Total consumption	43,965.75	43,521.08	kWh
– Electricity	43,159.61	42,793.65	kWh
– Diesel	25.78	21.47	kWh
– Liquefied petroleum gas	78.75	82.92	kWh
– Natural gas	84.32	69.31	kWh
– Unleaded gasoline	617.29	553.73	kWh
Intensity of total energy consumption	102.49	106.00	kWh (per million tonne water supply)
Water consumption⁵			
Total water consumption	10,975.00	7,257.00	m ³
Intensity of total water consumption	25.59	17.68	m ³ (per million tonne water supply)
Waste⁶			
Total non-hazardous waste	14,232.95	17,606.28	tonne
Intensity of total non-hazardous waste	33.18	42.88	tonne (per million tonne water supply)



ENVIRONMENTAL PROTECTION

- ¹ Our disclosures on air and greenhouse gases (GHG) emissions have been prepared based on the requirements in Appendix 2 to “How to prepare an ESG report” published by the Stock Exchange and “GHG Protocol Corporate Accounting and Reporting Standard (revised edition)” published by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). GHG emissions data is presented in terms of carbon dioxide equivalent. The data of direct emissions (Scope 1) includes operations that are direct controlled or managed by the Group. The data of indirect emissions (Scope 2) takes into consideration the indirect electricity, heat, refrigerants and steam consumed by the Group (purchased or sourced from external parties).
- ² The data for indirect emissions (Scope 2) in 2020 have been restated using the China National Emission Factors (中國國家排放系數) released by the Ecological Environment Bureau of the People’s Republic of China (2019) (《中華人民共和國生態環境局(2019)》). This restatement affects total GHG emissions (Scopes 1 and 2) reported in 2020 and their intensity.
- ³ As consistent emission factors were used for the 2020 and 2021 fuels, the data on some air emissions needs to be restated to allow for meaningful comparisons.
- ⁴ The date of total consumption includes the use of purchased electricity and fuel (renewable and non-renewable). The relevant conversion factors were calculated with reference to the CDP Technical Note: Conversion of fuel data to MWh published by CDP.
- ⁵ As a water supply enterprise, most subsidiaries of the Group produce water for the daily use of their own, and it is difficult to separately measure the water produced for own use. Therefore, the data of water consumption only include measurable data of the Group, and does not include all the data of water consumption.
- ⁶ Non-hazardous waste of the Group mainly includes sludge cake, domestic waste and office paper produced in the course of production activities and hazardous waste is involved in the production activities of the Group. Considering the materiality principle, data of non-hazardous waste only includes that of the major but not all non-hazardous waste of the Group, while data of the hazardous waste is not disclosed due to the materiality principle as only limited hazardous waste is produced during laboratory testing works. We will continue to measure on such aspect and make relevant disclosures in the report when significant hazardous waste is involved.



CARING FOR COMMUNITIES

UNSDGs



STRATEGY

Serve people with passion and create a harmonious community.

TARGET

Listen to their needs and identify appropriate focus areas for investment in cooperation with charitable organizations, and increase investment in the community to benefit more people.

The Group is committed to fulfilling its corporate social responsibility to communities. Over the years, we have actively invested in community construction, enthusiastically served the public, communicated and cooperated sincerely with community citizens, and promoted the development of community economy and ecological environment, which helped achieve harmonious development of communities and reduce the impact of project development on communities. During the Reporting Period, we focused on community health and other aspects, and donated a total of RMB280,000. We visited different villages and distributed condolences and gift packs to the villagers. We also donated assistance funds to the villages to help farmers in need to improve their quality of life and solve the problem of poverty.

Visit Condolence-paired Villages and Care for Impoverished Farmers and Left-behind Children

We continued to develop Taizhou Water's caring culture for communities during the Reporting Period. Led by the Chairman of the Group, we visited the villages and households to meet impoverished farmers and left-behind children in Jinlang Village, Yutou Town, Huangyan District, a condolence-paired village supported by us, learned in person the living conditions of impoverished farmers and the implementation of specific assistance policies and measures, enquired about the difficulties and problems that the left-behind children in the village encountered in their studies and life, and sent them condolences and New Year wishes. Afterwards, the Chairman of the Group held a symposium in the office building of Jinlang Village, and communicated with local town and village cadres on how to carry out pairing assistance, so as to enable impoverished farmers and left-behind children to express their opinions and improve the environment and quality of their future lives.





CARING FOR COMMUNITIES

A New Year Greeting Activity to Write and Send Spring Festival Couplets in a Condolence-paired Village

In order to reflect the Group's caring culture for communities, before the Lunar New Year during the Reporting Period, we joined hands with Taizhou Calligraphy Association to visit Xianshi Village, Shangzheng Town, Huangyan District, a condolence-paired village supported by us, and sent Spring Festival couplets and festive blessings to the farmers. Calligraphers spread paper and made ink to write more than 200 Spring Festival couplets for the farmers with good New Year wishes, adding a strong festive atmosphere for them.

In addition, the Chairman of the Group led a group of employees to visit the villages and households to meet the impoverished farmers in Xianshi Village, learned more about the living conditions of impoverished farmers, and sent them condolences and New Year wishes. By interacting with communities, the Group consolidated the good situation in which local people support the construction of projects, and promoted the integration of communities.





HKEX ESG REPORTING GUIDE INDEX

Subject Areas, Aspects, General Disclosures and KPIs		Section/Statement	Page
A. Environmental			
Aspect A1: Emissions			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		Environmental Protection	32-40
KPI A1.1	The types of emissions and respective emissions data.	Environmental Protection – Overview of Environmental Performance Data	39-40
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and, where appropriate, intensity.	Environmental Protection – Overview of Environmental Performance Data	39-40
KPI A1.3	Total hazardous waste produced and intensity.	As required in laboratory testing work, limited hazardous waste is involved in the production activities of the Group. Considering the materiality principle, relevant data is not disclosed. We will continue to measure on such aspect and make relevant disclosures in the report when significant hazardous waste is involved.	Not applicable
KPI A1.4	Total non-hazardous waste produced and intensity.	Environmental Protection – Overview of Environmental Performance Data	39-40
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Environmental Protection – Energy Management	36
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Protection – Waste Management	37



HKEX ESG REPORTING GUIDE INDEX

Subject Areas, Aspects, General Disclosures and KPIs		Section/Statement	Page
Aspect A2: Use of Resources			
General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.		Environmental Protection	32-40
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Environmental Protection – Overview of Environmental Performance Data	39-40
KPI A2.2	Water consumption in total and intensity.	Environmental Protection – Overview of Environmental Performance Data	39-40
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Protection – Energy Management	36
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental Protection – Water Saving	38
KPI A2.5	Total packaging material used for finished products and with reference to per unit produced.	The Group's businesses do not involve packaging materials.	Not applicable
Aspect A3: The Environment and Natural Resources			
General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.		Environmental Protection	32-40
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Protection – Use of Resources	37
Aspect A4: Climate Change			
General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.		Environmental Protection – Response to Climate Change	33-34
KPI A4.1	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Environmental Protection – Response to Climate Change	33-34

HKEX ESG REPORTING GUIDE INDEX

Subject Areas, Aspects, General Disclosures and KPIs		Section/Statement	Page
B. Social			
Employment and Labour Practices			
Aspect B1: Employment			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		Caring for Employees	22-31
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Caring for Employees – Overview of Employees	22
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Caring for Employees – Overview of Employees	22
Aspect B2: Health and Safety			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		Caring for Employees – Occupational Health and Safety	26-27
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Caring for Employees – Occupational Health and Safety	26-27
KPI B2.2	Lost days due to work injury.	Caring for Employees – Occupational Health and Safety	26-27
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Caring for Employees – Occupational Health and Safety	26-27

HKEX ESG REPORTING GUIDE INDEX

Subject Areas, Aspects, General Disclosures and KPIs		Section/Statement	Page
Aspect B3: Development and Training			
General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		Caring for Employees – Occupational Health and Safety and Development and Training	26-27, 28-29
KPI B3.1	The percentage of employees trained by gender and employee category.	Caring for Employees – Development and Training	28-29
KPI B3.2	The average training hours completed per employee by gender and employee category.	Caring for Employees – Development and Training	28-29
Aspect B4: Labour Standards			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.		Caring for Employees – Prevention of Child Labour and Forced Labour	29
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Caring for Employees – Prevention of Child Labour and Forced Labour	29
KPI B4.2	Description of steps taken to eliminate such practices when discover.	Caring for Employees – Prevention of Child Labour and Forced Labour	29
Aspect B5: Supply Chain Management			
General Disclosure Policies on managing environmental and social risks of the supply chain.		Stable Water Supply – Supply Chain Management	20-21
KPI B5.1	Number of suppliers by geographical region.	Stable Water Supply – Supply Chain Management	20-21
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Stable Water Supply – Supply Chain Management	20-21
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Stable Water Supply – Supply Chain Management	20-21
KPI B5.4	Description of practices used to promote environmentally preferable products and service when selecting suppliers, and how they are implemented and monitored	Stable Water Supply – Supply Chain Management	20-21

HKEX ESG REPORTING GUIDE INDEX

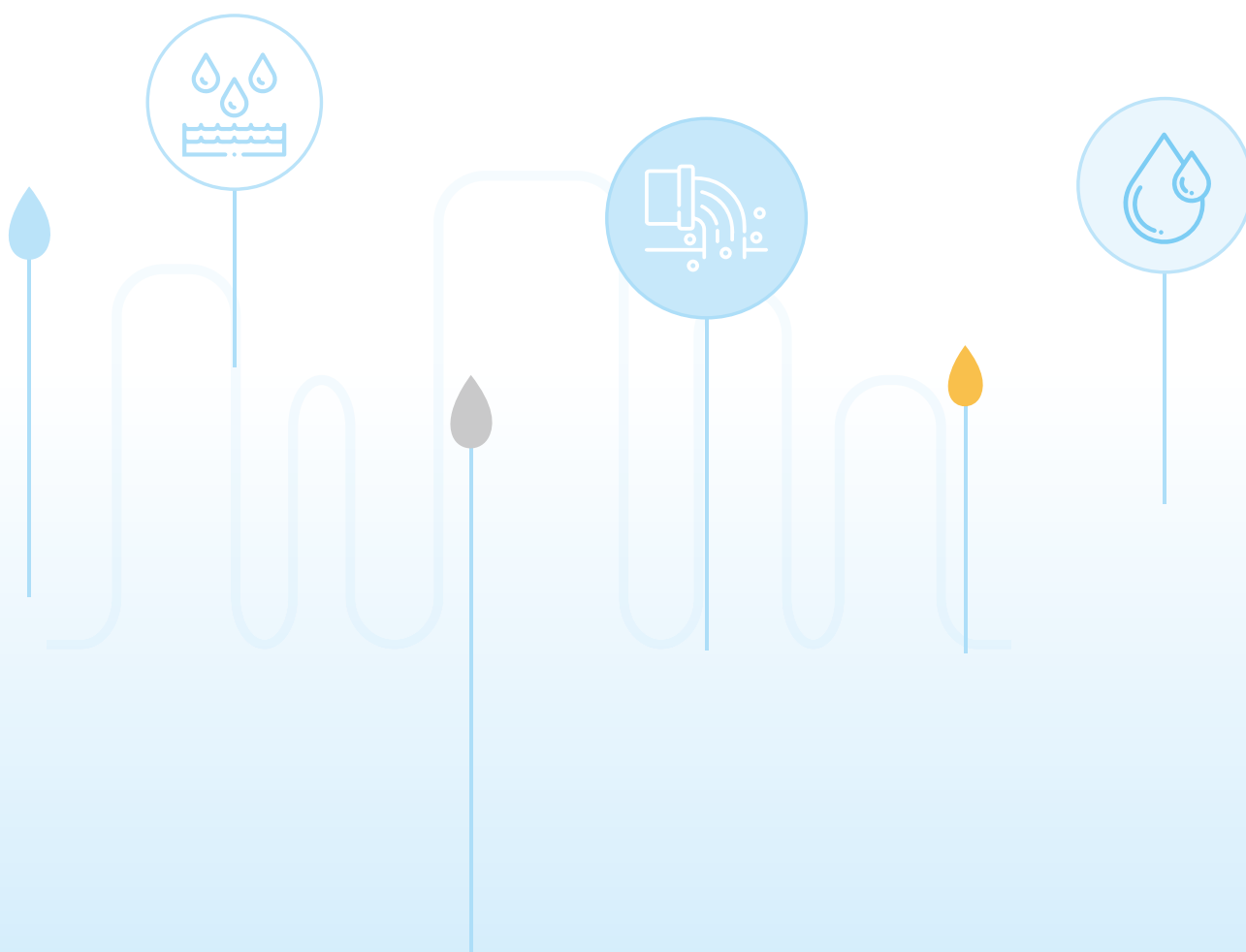
Subject Areas, Aspects, General Disclosures and KPIs		Section/Statement	Page
Aspect B6: Product Responsibility			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.		Stable Water Supply The Group's businesses do not involve advertising and labelling.	15-21
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group's businesses do not involve product recalls.	Not applicable
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Stable Water Supply – Customer Satisfaction	20
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Stable Water Supply – Intellectual Property Protection	20
KPI B6.4	Description of quality assurance process and recall procedures.	Stable Water Supply – Quality of Water Supply and Project Quality The Group's businesses do not involve product recalls.	15-18
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Stable Water Supply – Customer Privacy Protection	19
Aspect B7: Anti-corruption			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		Caring for Employees – Anti-corruption	30-31
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.	Caring for Employees – Anti-corruption	30-31
KPI B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	Caring for Employees – Anti-corruption	30-31
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Caring for Employees – Anti-corruption	30-31



HKEX ESG REPORTING GUIDE INDEX

Subject Areas, Aspects, General Disclosures and KPIs		Section/Statement	Page
Community			
Aspect B8: Community Investment			
General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		Caring for Communities	41-42
KPI B8.1	Focus areas of contribution.	Caring for Communities	41-42
KPI B8.2	Resources contributed to the focus area.	Caring for Communities	41-42

台州市水務集團股份有限公司
Taizhou Water Group Co., Ltd.*



* for identification purposes only