



大唐環境產業集團股份有限公司

Datang Environment Industry Group Co., Ltd.*

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

Stock Code: 1272

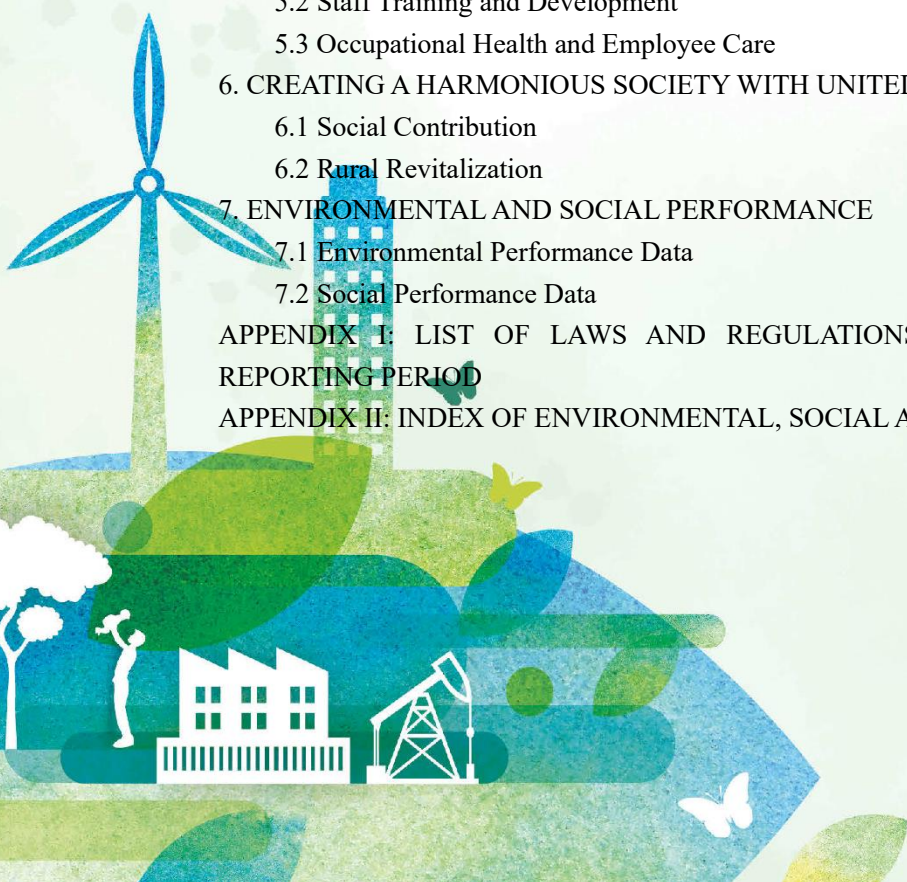


2021

**ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT**

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ABOUT THIS REPORT

This Report is the sixth Environmental, Social and Governance (“ESG”) Report (the “Report”) published by Datang Environment Industry Group Co., Ltd (the “Company”) and its primary subsidiaries (collectively referred to the “Group”, “Datang Environment” or “we”). The purpose of the Report is to disclose the sustainable development achievements of Datang Environment in 2021, responding the concerns and expectations of various stakeholders of the Group.

Reporting Scope

Time scope: This Report covers the period from 1 January, 2021 to 31 December, 2021 (the “Reporting Period” or “Year”), which is consistent with the 2021 annual report of the Company.

Organizational scope¹: Unless otherwise stated, the organizational scope of this Report covers the Company and its primary subsidiaries, and the specific list of companies included is shown in the table below.

Company Name	Abbreviation
Datang Environment Industry Group Co., Ltd.	“the Company”
China Datang Technologies & Engineering Co., Ltd.	“Technologies & Engineering Company”
Datang (Beijing) Water Engineering & Technology Co., Ltd.	“Water Engineering & Technology”
Datang Nanjing Environmental Protection Technology Co., Ltd.	“Nanjing Environmental Protection”
Datang (Beijing) Energy Saving & Technology Co., Ltd.	“Energy Saving & Technology”
Zhejiang Datang Tiandi Environmental Technology Co., Ltd.	“Tiandi Environment” ²
Datang Linzhou Renewable Power Co., Ltd.	“JV Company”

¹Due to the adjustment of the Group’s business during the Year, Beijing Datang Hengtong Science & Technology Co., Ltd., Datang (Beijing) Energy Management Co., Ltd. and Jiangsu Nanjing Thermal Electricity Engineering Design Institute Co., Ltd. have been deregistered, therefore they are not included in the reporting scope of this Report.

²Tiandi Environment and the franchise business segment of the Company are collectively referred to as the “Concession operation”.

Reporting Standards

This Report is prepared in accordance with the *Environmental, Social and Governance Reporting Guide* (the “ESG Reporting Guide”) as Appendix 27 of the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (the “Listing Rules”) issued by The Stock Exchange of Hong Kong Limited (the “Stock Exchange of Hong Kong”) and strictly complies with the disclosure obligations of mandatory disclosure requirements and “comply or explain” provisions. The Report adheres to the following reporting principles:

- **Materiality:** The Report focuses on the response and disclosure of high materiality issues that are highly concerned by the internal and external stakeholders with the support of the assessment results of online questionnaire in 2020, combined with the Company’s ESG work of the Year and changing trends.
- **Quantitative:** While continuing the practice of quantitative indicators disclosure in previous years, the Report also covers specific quantitative targets to reduce negative environmental and social impacts, demonstrating our confidence and determination to improve sustainable development.
- **Balance:** The Report reflects objective facts and discloses both positive and negative indicators. The Report has been reviewed by the board of directors of the Company (the “Board”) with no material omissions or selective descriptions.
- **Consistency:** The Report adopts the disclosing and data statistical methods consistent with the previous ESG reports, and provides the historical data to allow for meaningful comparison for readers.

Information Explanation

The Board comprehensively oversees the preparation and publication of the ESG Report, and the Report has been reviewed and approved in May 2022. The Board undertakes that the information disclosed in the Report is authentic, reliable, comprehensive and effective, and there is no major material information omission or misleading description. Unless otherwise stated, all amounts disclosed in the Report are denominated in RMB.

Feedback and Contact

The electronic version of this Report is published in Traditional Chinese and English on the official website of the Company (website: www.dteg.com.cn) and the HKEX News website of Hong Kong Exchanges and Clearing Limited (website: www.hkexnews.hk). If there is any discrepancy between the information delivered in different language versions, the Traditional Chinese version shall prevail. The Company sincerely looks forward to listening to your valuable opinions and suggestions to continuously improve our ESG capabilities. Please contact us through Email: ir@dteg.com.cn.



CHAIRMAN'S STATEMENT

In the year of initiation of the “the 14th Five Year” plan, the Group actively responds to the calls of nation and China Datang Corporation Ltd. (the “Group Company”) and firmly establishes new development concepts. We continuously to promote the optimization and expansion of the environmental protection industry while taking the green and low-carbon development as the primary focus, safe supply as the bottom line, and scientific and technological innovation as the driving force.

In 2021, in the face of an extremely complex situation, the whole Group had cultivated opportunities in the crisis, strived to seeking the new way out while maintaining a stable business growth with safe production and steady operation. During the Year, the Group was successively awarded the honorary titles of “Model Worker of Capital Civilized Organizations”, “2021 Golden Bee Corporate Social Responsibility China List-Ecological Civilized Enterprise”, “2021 Golden Key Action-Excellence Award” and “Top 50 Environmental Enterprises in China”. It is also worth mentioning that the Group won the “Best ESG Award” of the 2021 China Financial Market Awards for its outstanding performance in environmental, social and corporate governance, which demonstrated the recognition from the capital market towards the practical implementation of the ESG concept by Datang Environment and its attribution to the sustainable development, delivering a recognized, complimented and satisfied result of its remarkable performance.

In 2021, facing the multiple responsibilities and pressures of safe production, energy supply and epidemic prevention, the Group paid close attention to the closed-loop management, strengthened safety protection, consolidated the recognition of fundamentals and functionalities of safe production, and ensured the constant stability of safety and environmental protection under the normalized epidemic prevention and control. In addition, the Company achieved outstanding results in “Three Improvements, Two Reductions and One Governance³”, steadily promoted the transformation of the business operation and achieved satisfactory results in management.

In 2021, the Group adhered to innovation-driven development, strengthened technological innovation and application, and actively promoted the optimization of denitrification and ammonia spraying and desulfurization wastewater and other progressive projects; the construction of digital environmental protection was accelerated, and the construction plan of licensed “intelligent environmental protection” solutions, digital water islands and intelligent water services were compiled. The Group's self-developed second generation of turbulence pipe grid desulfurization and efficiency improvement technology has increased the desulfurization efficiency to 99%, which can save operating expenses by millions of RMB each year, promoting the quality and efficiency of production management.

³ “Three Improvements” refer to the improvement in power generation revenue, assets quality and production efficiency; “Two Reductions” refer to the reduction of fuel and financial costs; “One Governance” refer to the governance on remaining affairs.

In 2021, the Group optimized its talent management, with a focus on “creating excellency, talent, innovation, and performance”, profoundly implemented the project of enhancing the enterprise with talents, thus acquiring superior talents all around; developed the career development plan for young employees, and encourage them to continuously improve their general capacity with an explicit career path, to inject more vitality into the development of the Company.

In 2021, the Group actively gave back to the society, implemented the national rural revitalization strategy; solidly carried out the activity of “I do practical things for the public” upon the “Harmonious Datang” strategy; assisted the groups in need with practical actions; participated in the “joint construction” of the community, demonstrating the responsibility of Datang.

Looking forward, Datang Environment will focus on green and low-carbon development, firmly grasp the future trends in scientific and technological progress. Aligning with the national industrial policies and corporate ESG development strategies, we will follow the three development directions of “In-depth environmental governance, resource recycling and integrated smart energy”, continuously improve the quality and efficiency of development, create more value for stakeholders, and make more significant contributions to the development of green and environmental protection industry.

Chairman of the Board
Wang Yanwen



ABOUT US

Company Profile

As a comprehensive environmental governance service provider integrating operation services, technological research and development, product manufacturing, engineering construction and project investment, Datang Environment regards high-quality development as an essential starting point for reformation, management improvement and business breakthrough. It is continuous to focus on the entire industry chain of environmental protection, energy conservation and the green, clean and efficient utilization of energy. The Company closely aligned the strategic deployment of “green and low-carbon, multi-energy complementation, efficient coordination and digital intelligence”, and took the “dual-carbon goals⁴” as the starting point to give full play to its own advantages, strengthened in-depth governance in environmental, social and corporate governance, accelerating the industrial placement.

During the Year, we further promoted three primary business segments including environmental governance, resource recycling and integrated smart energy, and achieved remarkable results in acquiring cutting-edge core technologies and products; Significant progress has been made in flue gas treatment, water treatment and renewable energy development; In the process of exploring new schemes of energy cooperation, the Company actively planned for new business expansion in the field like port electricity, ecological restoration of mining areas, centralized photovoltaic, energy storage and hydrogen energy, taking a critical step towards the transformation into a green and low-carbon energy enterprise. During the Year, we obtained the approval to extend the business scope of renewable energy, energy storage and other businesses. These achievements result from Datang Environment’s in-depth planning in continuous market expansion; and more of an interpretation of the progressive outcomes in promoting energy conservation and emission reduction and green development. We are actively building a green industrial pattern with multi-location control to promote the coordinated development of various businesses derived from environmental governance; focus on developing high-quality industrial and commercial distributed photovoltaic power; strengthen the construction of integrated smart low-carbon parks, and create a multi-energy complementary demonstration base. The Company will continue to proactively invest in high-quality renewable energy projects, and strive to promote the transformation and development of the Company towards the path of quality and efficiency, green and low-carbon, intelligent and efficient.

⁴ Dual-carbon goals: the abbreviation of “carbon neutrality” and “carbon peak”, aiming to achieve the goal of carbon peak by 2030 and carbon neutrality by 2060 in China.

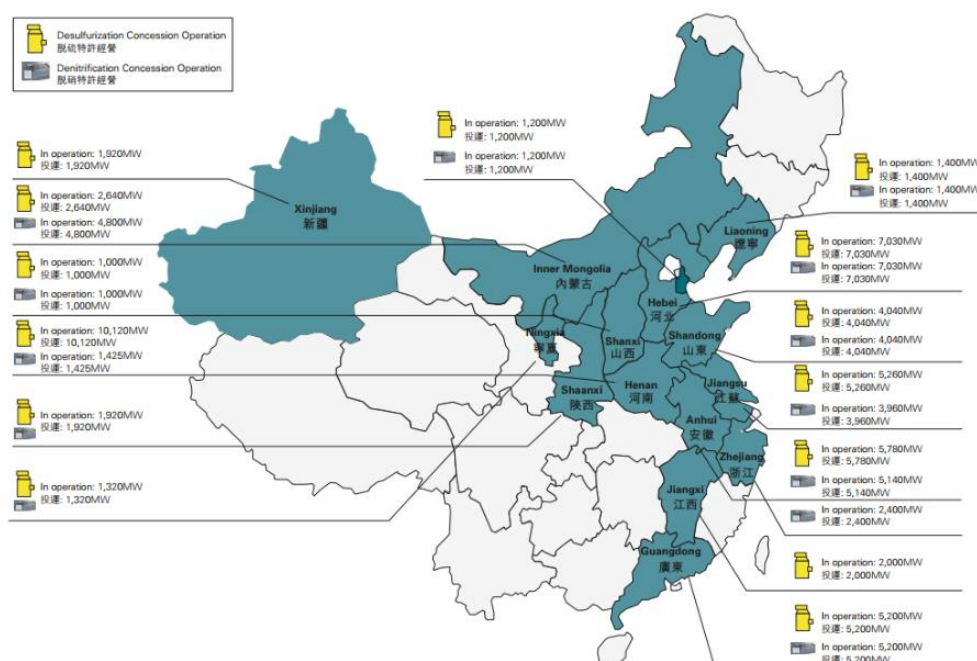
Business Scope

The main business line of Datang Environment includes the industrial leading desulfurization and denitrification concession operation, integrating of environmental protection facility engineering and franchising and catalyst selling, covering the entire environmental protection industry chain of dust removal, ash and slag handling, dust management, water treatment and energy conservation. We have the world's largest production base for denitrification catalysts with the scale of desulfurization and franchising operation ranking at the top of the world. Meanwhile, we also provide world-leading energy conservation and environmental protection engineering solutions and domestic-leading professional energy management services.

Main Business Scope:



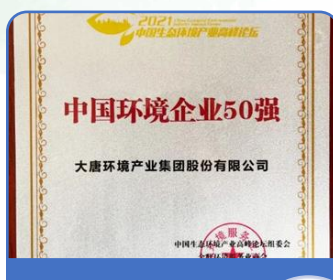
During the Reporting Period, all business segments of the Group were operated steadily, and the installed capacity of desulfurization and denitrification concession operation of the Company maintained its leading position in the industry. As the world's largest manufacturer of plate-type DeNOx catalysts, the Group ranked at the top in terms of the total production volume of catalysts during the Reporting Period. We fully leverage our advantages in technology and qualification to explore new business markets, and further improve the professional management level and sustainable development capability of our concession operation business. As at the end of the Reporting Period, the cumulative installed capacity in operation of desulfurization concession operations of the Group was 50,210 MW; the cumulative installed capacity in operation of denitrification concession operations was 41,240 MW; and the installed capacity of desulfurization entrusted operation projects was 1,960 MW. The geographic distribution and cumulative capacity of our concession operations are illustrated in the diagram below.



2021 Achievements at a Glance



"Best ESG Award" of the 2021 China Financial Market Awards



"Top 50 Environmental Enterprises in China"



"2021 Golden Bee Corporate Social Responsibility China List-Ecological Civilized Enterprise"



ENVIRONMENTAL

1,763,000 tons

of sulfur dioxide emissions reduced by the concession operation business

204,400 tons

of nitrogen oxides emissions reduced by the concession operation business

26,400 m³

cumulative production of denitrification catalysts

SOCIAL

RMB 175,160,000

invested in technological research and development

3

technological achievements reached internationally leading or advanced levels

6

achievements won provincial, city-level and industrial awards

137

Patents obtained

23

technical standards being compiled

ISO International Standard Evaluation Method for the Treatment and Reuse Technology of Industrial Wastewater (ISO 23043)

Led the compile

101,931 hours	0	95.8% (Environmental protection facilities engineering, water treatment business and energy saving business)
of total employee training hours	Work-related injury	
		95.7% (Environmental protection facilities concession operation)
		100% (Denitrification catalysts)
		100% (Renewable energy engineering, thermal power engineering and other businesses)
		of customer satisfaction
325	1,328 hours	RMB 51,200
suppliers	of employee volunteer hours	of charitable donations and community investments

Case: “2021 Golden Key - China Action for SDG”

In October 2021, the “2021 Golden Key - China Action for the SDG” was hosted as a roadshow in Beijing by the *China Suitability Tribune*, which is under the supervision of the Ministry of Commerce of China. After the fierce on-site display, Q&A and expert voting, the Company’s “China-Thailand PTG Biomass Power Generation Project in the Background of Promoting Green and Low-Carbon Development-Global Carbon Neutrality” was promoted to the top three and won the prize. This PTG project effectively resolved the problem of biomass waste treatment in Thailand and significantly alleviated the current situation of electricity shortage in southern Thailand. It is a successful practice of “turning waste into treasure”, fully demonstrating the efforts made by Datang Environment’s overseas general contracting project in low-carbon and sustainable development. This promotion represents the full recognition and commendation of the Company’s persistence in integrating the concept of green development into overseas project development for years and its participation in the national “Belt and Road” sustainable development construction.



“2021 Golden Key - China Action for SDG” Award Ceremony



1. CONSOLIDATING GOVERNANCE TO ACHIEVE WIN-WIN COOPERATION

1.1 ESG Governance and Statement of the Board

To effectively improve the level of corporate governance and promote the sustainable development of the Group, the Company established a three-level ESG governance structure consisting of the Board, the ESG Work Leading Taskforce and ESG Functional Office to fully optimize the ESG management mechanism of Datang Environment in 2021.

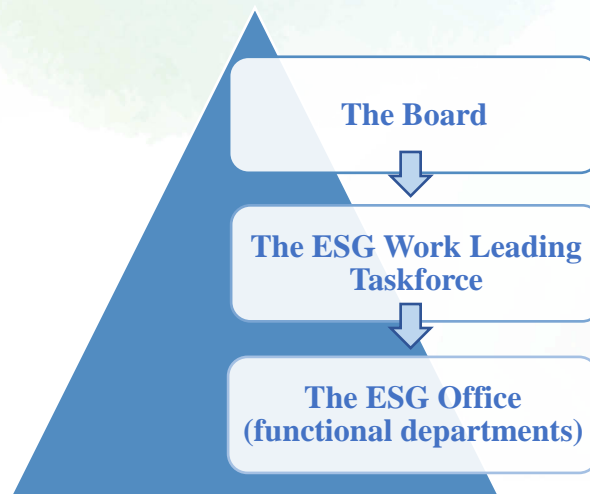
As the highest decision-making department of the Company, the Board comprehensively supervises and manages the Company's ESG-related matters. Its specific responsibilities include evaluating ESG issues of materiality and related business risks; setting ESG-related goals and reviewing their progress and performance; participating in the identification and analysis of major ESG-related risks; reviewing ESG reports and related performance, and supervising the formulation and implementation of sustainability strategies.

As the core management department of the Company's ESG management, the team leaders of the ESG Work Leading Taskforce are the Chairman of the Board and the secretary of the Party Committee. The responsibilities of the ESG Work Leading Taskforce include:

- Assisting the Board in managing the Group's ESG issues; coordinating the implementation and execution of ESG-related work by various functional departments and subsidiaries of the Group;
- Assisting the Board in formulating ESG management policies and strategies, including assessing, prioritizing and managing material ESG issues and related business risks;
- Assisting the Board and the Risk Management Committee in identifying and assessing ESG risks related to the Group, and ensure that the Group has established appropriate and effective ESG risk management and internal control systems;
- Assisting the Board in setting ESG related goals, reviewing the progress of achieving the goals for timely updates;
- Communicating with stakeholders (including but not limited to the Board, the management, employees, shareholders and investors, government and regulatory authorities, customers, suppliers, business partners and the public) on ESG issues, and providing relevant feedback to the Board, the management, relevant departments or subsidiaries when necessary;
- Coordinating with relevant departments and subsidiaries of the Group to prepare annual ESG reports and submit them to the Board for approval;
- Executing the requested ESG-related tasks assigned by the Board.

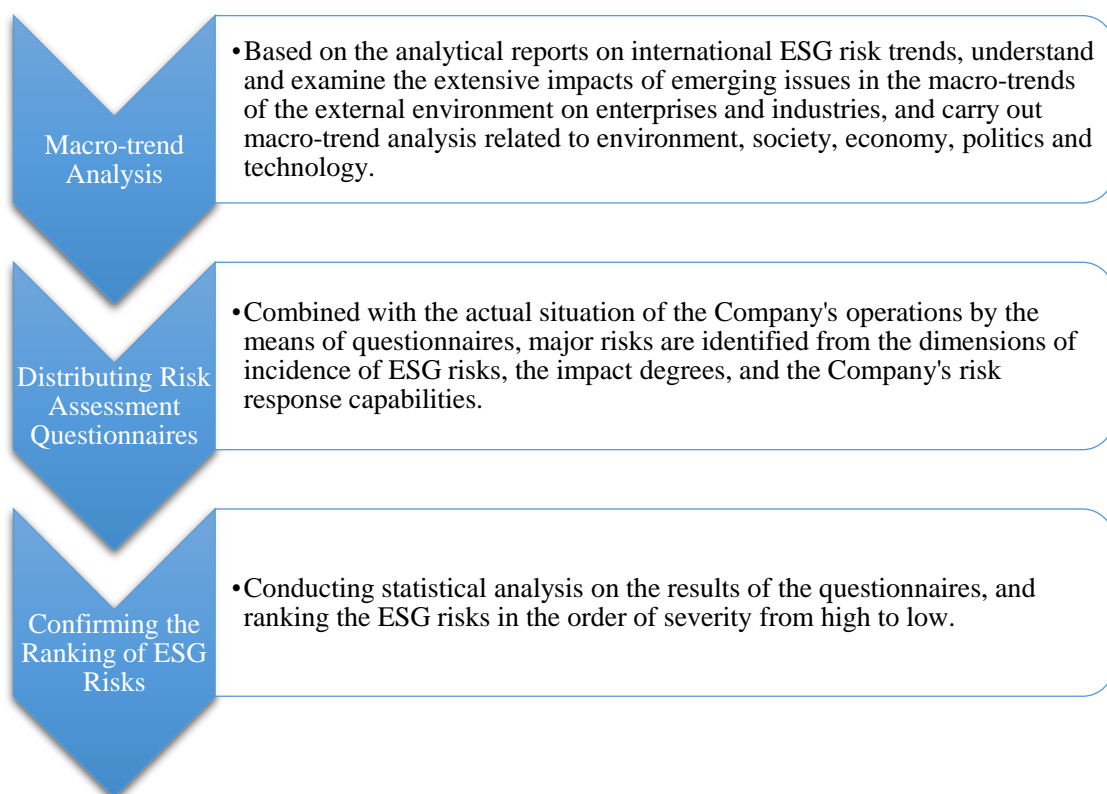
At the executive level, the ESG Office sets up ESG in each subsidiary and business segment of the Company who are responsible for promoting and implementing ESG risk management and internal control of the Company, reporting on ESG work and preparing ESG reports.

ESG Governance Structure of Datang Environment:



1.2 ESG Risk Management

To effectively identify sustainability-related risks and thus better manage relevant ESG issues, the Group conducted an ESG risk assessment in 2021. The main process includes Macro-trend analysis, risk questionnaire and risk prioritization.



After analyzing and summarizing the general trends in the five major aspects of environment, society, economy, politics and technology, we have identified a list of risks that are of high materiality, including environmental compliance risks and climate change with extreme weather. For the identified ESG risks, the Company has comprehensively and deeply analyzed their associated impact with the Company's business based on macro and micro factors, and formulate targeted response measures to prevent risks from happening.

1.3 Stakeholder Engagement

In the process of sustainability development, we attach great importance to communicate with stakeholders; actively listen to their voices to understand their concerns and expectations; collect feedback in a timely manner, and take corresponding countermeasures to meet the reasonable expectations and demands of stakeholders. The Group's business involves various stakeholder groups, including shareholders and investors, government and regulatory departments, employees, customers, suppliers and business partners, and the public.

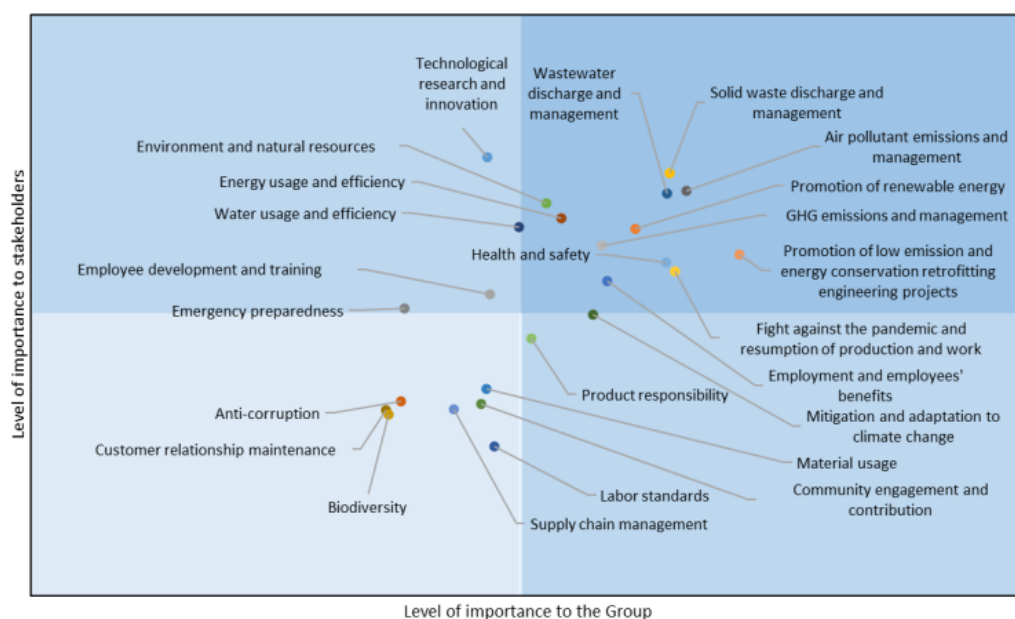
Stakeholder Groups	Communication Channels	Frequencies
Shareholders and investors	<ul style="list-style-type: none"> Corporate reports and announcements General meetings Official website, email and hotline 	<ul style="list-style-type: none"> Biannually/According to operational needs Annually/Based on operational needs Recurring/Based on operational needs
Government and regulatory departments	<ul style="list-style-type: none"> Corporate reports and announcements Supervision and assessments Seminars 	<ul style="list-style-type: none"> Biannually/According to operational needs Regularly/According to operational needs From time to time

Stakeholder Groups	Communication Channels	Frequencies
Employees	<ul style="list-style-type: none"> Employee performance appraisals Meetings and trainings Email and notice boards Team building and festival activities 	<ul style="list-style-type: none"> At least once a year Recurring/According to employees and operational needs Recurring/According to employees' and operational needs Regularly
Customers	<ul style="list-style-type: none"> Customer satisfaction surveys Interviews, site visits, email and hotlines 	<ul style="list-style-type: none"> Annually/Upon completion of each customer's the terms of service According to customers' needs
Suppliers and business partners	<ul style="list-style-type: none"> Public tendering Meetings, site visits, email and hotlines 	<ul style="list-style-type: none"> According to procurement needs According to procurement and business development needs
Community and the public	<ul style="list-style-type: none"> Charity events Donations Official website, email and hotlines 	<ul style="list-style-type: none"> From time to time From time to time According to community and general public's needs



1.4 Assessment of Materiality Issues

During the Year, we followed the Materiality reporting principle in the latest version of the *Environmental, Social and Governance Reporting Guide* issued by the Stock Exchange of Hong Kong. Based on the results of the 2020 stakeholder's questionnaire survey, combined with Datang Environment's latest development strategies, key business layout and social responsibility concepts, benchmarking with the domestic and international leading ESG practices, we have discussed and confirmed the updated material issues of the Year. The assessment results have been reviewed and confirmed by the Board. The results of the materiality assessment are shown in the following materiality matrix:



Materiality Matrix of Datang Environment

Among 24 material issues, 11 issues of high materiality have been identified, the Report will elaborate on these issues. The specific response chapters are shown in the following diagram:

Aspects	Issues of High Materiality	Corresponding Chapters
ENVIRONMENTAL	Solid Waste Discharge and Management	FULFILLING LOW-CARBON OPERATION WITH ENERGY CONSERVATION AND EMISSION REDUCTION
	Air Emissions and Management	FULFILLING LOW-CARBON OPERATION WITH ENERGY CONSERVATION AND EMISSION REDUCTION
	Wastewater Discharge and Management	FULFILLING LOW-CARBON OPERATION WITH ENERGY CONSERVATION AND EMISSION REDUCTION
	Promotion of Renewable Energy	FULFILLING LOW-CARBON OPERATION WITH ENERGY CONSERVATION AND EMISSION REDUCTION
	GHG Emissions and Management	FULFILLING LOW-CARBON OPERATION WITH ENERGY CONSERVATION AND EMISSION REDUCTION
	Promoting Low-emission and Energy-conservation Retrofitting Engineering Projects	FULFILLING LOW-CARBON OPERATION WITH ENERGY CONSERVATION AND EMISSION REDUCTION
	Energy Usage and Efficiency	FULFILLING LOW-CARBON OPERATION WITH ENERGY CONSERVATION AND EMISSION REDUCTION



Aspects	Issues of High Materiality	Corresponding Chapters
	Environment and Natural Resources	FULFILLING LOW-CARBON OPERATION WITH ENERGY CONSERVATION AND EMISSION REDUCTION
SOCIAL	Health and Safety	BUILDING A FIRST-CLASS ENTERPRISE WITH EQUAL EMPLOYEMENT
	Employment and Employee's Benefits	BUILDING A FIRST-CLASS ENTERPRISE WITH EQUAL EMPLOYEMENT
GOVERNANCE	Compliance Operation	STANDARDIZING OPERATION TO BUILD A RESPONSIBLE ENTITY

2. STANDARDIZING OPERATION TO BUILD A RESPONSIBLE ENTITY

2.1 Operation with Integrity

The Group advocates a corporate culture of integrity and law-abiding, guides employees to practice integrity and consciously resist corruption. We strictly abide by the *Code of Integrity and Self-discipline of the Communist Party of China*, the *Certain Regulations on the Integrity of Leading Personnel of State-owned Enterprises*, the *Criminal Law of the People's Republic of China* and other Party regulations and laws, continue to improve the internal policy system related to anti-corruption, and formulate the *Rules for Registration and Handing Over of Gifts and Premiums Received by Practitioners in Business Transactions*, the *Implementation Rules for Supervision of Major Tender and Procurement Projects (Trial)*, the *Integrity Conversation System* and other systems to standardize the anti-corruption management mechanism. We require employees to strengthen theoretical learning and warning education, carry out self-inspection and self-correction to ensure the rectification and integrity construction work.

During the Reporting Period, the Group did not have any cases of violations of laws and regulations relating to bribery, extortion, fraud and money laundering, and there were no corruption proceedings have been instituted against the Group or its employees.

To strengthen the prevention and control of integrity risks, we require Party members and personnel in critical positions to sign the *Letter of Upholding Integrity*, so that they understand their integrity responsibilities and integrity risks, and unswervingly practice the fundamental mission of integrity, and establish a comprehensive integrity risk control mechanism to strengthen the monitoring, analysis and early warning of integrity risk information. Meanwhile, we standardized the acceptance of complaints and reports by all subsidiaries of the Group in accordance with the *Rules for Discipline Inspection and Supervision of Letters and Visit*, so that the reporting channels such as letters, visits and telephone are unimpeded, various handling procedures are optimized. We encourage the violation reporting regarding the management and general staff of the Group.



Reporting flow chart

Case: 2021 Work Conference on Party Style and Integrity Construction and Anti-corruption

In February 2021, the Company held the 2021 Work Conference on Integrity Construction and Anti-corruption for the Board and employees, which emphasized the importance of strengthening the discipline and improving the supervision system, and made specific arrangements for the work of integrity construction and anti-corruption in 2021:

- Required to integrate the construction of integrity into daily work, regularly organize training for discipline inspection and auditing personnel, and oversees key phases;
- Organized and carried out warning case education in a unified manner;
- Regularly published announcements on promoting integrity and continuously creating an atmosphere of integrity.

At the end of the Work Conference, all participants signed the 2021 *Letter of Upholding Integrity* to demonstrate their determination to build a positive culture.



The Company held the 2021 Work Conference on Integrity Construction and Anti-corruption

2.2 Safety Production and Quality Management

Safety Production

In 2021, the Group focused on the establishment of an intrinsically safe enterprise and the implementation of safety standardization, established the concept of “High Security”, focused on deepening the “five prominent rectifications”, and took the dual prevention mechanism of “risk precaution and hidden danger investigation” to achieve the goal of building an intrinsically safe enterprise, and carried out a series of corrective actions to consolidate the responsibilities at all levels; strengthened the closed-loop management of problems and hidden dangers, and comprehensively improved the ability to prevent accidents. We resolutely prevented personal injuries and fatalities and environmental incidents, and continuously consolidated the basic safety management to ensure the safety and environmental protection.

During the Reporting Period, Datang Environment held a work safety meeting at the beginning of the year and issued the *2021 Notice on Optimizing Safety and Environmental Protection* to further clarify the safety objectives, work ideas and key requirements. All subsidiaries were required to decompose targets and key tasks according to actual conditions, and formulate corresponding work safety action plans. At the end of the Year, a safety target performance evaluation was conducted in accordance with target assessment methods. During the Reporting Period, we organized the preparation and completion of the *Management Manual for Standardized Maintenance*; revised the *Work Safety Regulations*, the *Management Measures for Assessment of Production Indicators* and the *Operation Management Measures*; and updated the *Rules of the Work Safety Committee* to effectively improve the level of safety management and deepen operation management.

To further identify potential safety risks, Datang Environment has formulated a series of management measures, including work specifications, reward and punishment regulations, and relevant work regulations of the committee for work safety, to ensure the work safety of employees in a more comprehensive way. During the Reporting Period, the Group did not violate any laws and regulations related to health and safety, which significantly impacted the Group. In the past three years, including 2021, the Group did not have any work-related fatalities, and the number of lost days due to work injury was zero.



Safety Training

Enhancing the safety awareness of production personnel and their safety qualities and skills have always been the top priorities of Datang Environment's safety education and training. Leveraging the opportunities arising from the Safety Production Month, Spring inspection and Autumn inspection, we carried out targeted safety training, continuously improved the training efficiency, enabled employees to further master relevant safety knowledge and precautions, improved the production personnel's responsiveness to safety issues, and strengthened the Group's concept of "safety first, life first", laying a solid foundation for the safe and stable operation of the system.

During the Reporting Period, the Group organized a total of 45 safety production training with a total of 2,641 participants.

Case: Datang Environment Safety Production Month

In June 2021, Datang Environment set up a leading group for the "Safety Production Month" activity to visit and experience the production site and construction site, further strengthen on-site governance and eliminate equipment defects. In the face of difficult safety production situation, we required all levels of units to enhance the implementation of power generation unit safety and power protection measures, strengthened the operation monitoring of environmental protection facilities and the control of power generation unit emission parameters, and organized and carried out hidden danger investigation activities, and strived to improve the power supply and heating safety guarantee ability of power generation units; strengthened the management of external appointed teams, and focused on the management of key nodes such as safety education and training for external personnel before the operation, risk analysis, technical disclosure and on-site supervision. For the major problems and risks or hidden dangers identified in the activities of "six inspections and six strictness", "three-year special rectification and centralized tackling" and "large-scale elimination of hidden dangers", the Company carried out centralized tackling to ensure the root elimination of hidden dangers and improve the safety level.



Safety inspection site

Case: Fire training and drills of Nanjing Environmental Protection

To strengthen employees' fire safety education and improve their ability to respond to emergencies, in June 2021, Nanjing Environmental Protection carried out fire training and drills. Through the fire knowledge training and drills, employees were able to understand the importance of safety and establish the concept of "preventing problems before they occur", which further improved the Company's fire prevention and control and fire emergency rescue capabilities, helped to build a safety firewall to guarantee the Company's production safety.



Fire drills

Quality Management

Based on the principle of providing high-quality products, Datang Environment continues to improve its quality management system, strictly complies with the *Product Quality Law of the People's Republic of China*, and has passed the Quality Management System Certification (ISO9001: 2015). The Group has established a comprehensive and refined quality management system to ensure the quality of project construction meets the standard; starting from the construction of the system, clarifying the management level and improving operational efficiency. The management team shall be responsible for leading and supervising key issues and coordinating with the functional departments to guide the process and check the results. We implement high-quality, traceable quality control management, implement whole-process monitoring of product quality, cover the inspection of raw materials, semi-finished products and finished products, and conduct sampling inspections and inspections to ensure that product quality is maintained at a high standard. During the Reporting Period, the Group did not have any recall incidents due to safety and health issues.



2.3 Supply Chain Management

Datang Environment is committed to building a high-quality, efficient and sustainable green supply chain, developing a stable and harmonious partnership and achieving mutual benefits and win-win cooperation by strengthening cooperation and communication with suppliers. The Group strictly abides by the *Bidding Law of the People's Republic of China*, the *Regulation on the Implementation of the Bidding Law of the People's Republic of China*, the *Contract Law of the People's Republic of China* and other laws and regulations. It successively formulates relevant internal systems such as bidding and procurement, supplier inspection and access, evaluation and management. We have implemented a unified management system of supplier classification and grading for all suppliers, the bidders are required to register on the supplier management platform of the Group. Besides, we consider the selection of qualified suppliers among the business performance, service quality, user evaluation and other essential factors of the bidders through strict reviewing and approving process to establish the partnership.

The Group has incorporated environmental and social risks into the social responsibility performance of suppliers by standardizing the procurement management process and enterprise standard system. We strengthen bidding management and strictly regulate procurement to ensure procurement quality and avoid possible risks. In the bidding process, the suppliers are required to have a strict environmental management and material supply system, which is in line with the concept of sustainable development. During the access review process, if there were unqualifies, we would exclude them from the list and develop new suppliers. In addition, during the regular assessment of existing suppliers, if any supplier's misconduct were identified, they would be classified and listed as non-performing suppliers. We also actively communicate and cooperate with suppliers with green attributes, and take green construction and green procurement as important considerations for establishing cooperative relationships.

3. FULFILLING LOW-CARBON OPERATION WITH ENERGY CONSERVATION AND EMISSION REDUCTION

3.1 Environmental Governance

Datang Environment has always been committed to implementing the green concept of low-carbon environmental protection, energy conservation, and emission reduction to fulfill its responsibility as a leader in environmental protection and energy conservation in the Chinese power industry. The Group complies with laws and regulations on environmental protection, emissions management, use of resources and climate change, and has formulated a series of internal rules and regulations to ensure the efficient and compliant operations.

The Group continues to pay attention to the protection of natural resources and the environment, strictly abides by the *Environmental Protection Law of the People's Republic of China* and other relevant laws and regulations, and has formulated internal rules and regulations such as the *Responsibility System for Ecological and Environmental Protection* to further standardize and systemize the Group's environmental management. We continue to optimize and improve the environmental management system, actively take the responsibility of ecological environmental protection supervision and management, integrating into the whole process of production and operation, and fully fulfilling the responsibility of ecological environmental protection while developing our business. All subsidiaries have clearly defined the division of labor and carried out various management work in an orderly manner based on the actual situation of environmental protection work to effectively implement the responsibility of ecological and environmental protection:

Group Level	Environmental Management Responsibilities
Headquarter of the Group	<ul style="list-style-type: none">Improving relevant system measures of the Group and establishing an adequate energy-saving management system;Responsible for decomposing and implementing the production quota assigned by the Group, and implementing supervision and assessment;Organizing training and assessment on production operation and energy conservation management;Organizing energy-saving work analysis meetings, analyzing and evaluating the implementation of energy-saving work of the management organization, and formulate annual goals and measures for energy-saving management.



Group Level	Environmental Management Responsibilities
Secretaries of Party Committees and General Managers of Branches	<ul style="list-style-type: none"> • The secretaries of the Party Committees are fully responsible for the environmental protection work of the branches; the general managers, as the first responsible person for environmental protection, are responsible for the environmental protection work of the branches; • Conscientiously implementing the laws and regulations on environmental protection and the guidance of superiors, including environmental protection in the important agenda of branch management, and macro-control of the development direction of environmental protection of the branches; • Responsible for the formulation of environmental protection system and environmental protection objectives (including pollutant emission reduction targets); • Organizing the formulation and implementation of emergency plans for environmental emergencies of branches.
Deputy General Managers of Environmental Management of Branches	<ul style="list-style-type: none"> • As the direct responsible person for environmental protection of the branches, responsible for leading the environmental protection work; • Understanding the operation and discharge of pollutants of branches, support and guide environmental protection departments to carry out environmental protection work; • Organizing the formulation and revision of environmental protection rules and regulations, and decomposing environmental protection goals; • Organizing environmental protection technology exchanges, promoting the implementation of advanced environmental protection technologies and experience, and coordinating the work of branches and government environmental protection departments; • Achieving environmental compliance when undertaking new construction, expansion, reconstruction and

Group Level	Environmental Management Responsibilities
	technological transformation projects.
Other Leaders of Branches	<ul style="list-style-type: none"> • Responsible for environmental protection within the functional departments and business scope; • Reviewing and assessing the environmental protection work within the scope of responsibility; • Publicity of environmental protection laws and regulations and related knowledge to improve environmental protection awareness of branches' employees.
Department Heads of Branches	<ul style="list-style-type: none"> • The head of each department is the first responsible person for the environmental protection work of the department and is fully accountable for the environmental protection work within the business scope of the department; • Organizing the formulation and implementation of environmental management systems and operating procedures for environmental protection equipment and facilities within its management scope, and be responsible for solving problems and potential environmental hazards in environmental protection within its management scope; • Responsible for the daily maintenance of environmental protection equipment and facilities within its management scope, ensuring regular operation, and establishing environmental protection equipment and facilities operation ledgers and records; • Responsible for the management of pollutants within the management scope, preventing environmental pollution accidents, establishing pollutant storage and transferring ledger and keeping records.



Environmental Protection Branch	Technologies & Engineering Company	Nanjing Environmental Protection
<ul style="list-style-type: none"> • Establish an Ecological and Environmental Protection Committee to implement various environmental protection requirements, formulate environmental protection production goals for branches, and review assurance measures. • Review and evaluate the completion of each department's projects. 	<ul style="list-style-type: none"> • Develop environmental factor identification and assessment control procedures to comprehensively identify and assess controllable environmental factors in the Company's activities, products and services. • Identify essential environmental factors to provide a basis for setting environmental goals. 	<ul style="list-style-type: none"> • Formulate the <i>Environmental Factors Identification and Evaluation Management</i>. • Identify, evaluate and manage environmental factors in the Company's activities, products and services.

3.2 Emissions Management

The Group strictly abides by the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes* and other relevant laws and regulations, and has formulated internal rules and regulations such as the *Assessment Measures for Environmental Protection and Production Quota* to strictly control emission reduction in the Group's operation process and optimize utilization efficiency in the research and development (R&D) process, effectively reducing various emissions. During the Reporting Period, we set a series of energy conservation and emission reduction targets, with the operational ratio of desulfurization reaching 100%, the operational efficiency of desulfurization exceeding 99%, the operational ratio of denitrification exceeding 99.90%, the efficiency of denitrification exceeding 85%, the emission reduction of sulfur dioxide exceeding 1,350,000 tons and the emission reduction of nitrogen oxides exceeding 160,000 tons. In 2021, the emission reduction of sulphur dioxide in concession operation decreased by 1,763,000 tons, representing a year-on-year increased reduction of 389,800 tons; the emission reduction of nitrogen oxides decreased by 204,400 tons, representing a year-on-year increased reduction of 44,000 tons. In addition, we have set the long-term goal of gradually reduce greenhouse gas emissions and waste intensity at our operating sites.

Air Pollutants

In terms of air pollutant prevention and control, the Group has formulated comprehensive emission reduction management measures for the process air emissions, construction dusts and vehicle air emissions generated during the operation process:

Process Air Emissions	Construction Dusts	Vehicle Air Emissions
<ul style="list-style-type: none">• Establish the Environment Protection Management Committee and formulate a position-based environmental protection responsibility system ;• Compile the Operating Procedures for the Operation of Air Emission Pollution Control Facilities, and train the operators at relevant positions to operate according to the regulations ;• Conduct regular maintenance and inspection of air emission treatment facilities and reduce fugitive air emissions ;• Regularly organize various drills and summarize drill experience to improve emergency plans.	<ul style="list-style-type: none">• The surface of construction sites should be hardened and properly greened ;• Direct exposure and stacking of silty materials are prohibited, and measures such as surface coverage or sprinkling are implemented to reduce dust ;• Clean up the construction sites in time to prevent dust.	<ul style="list-style-type: none">• The office is responsible for the unified management of the Company's vehicles, dispatching vehicles according to employees' travel needs, encouraging employees to walk or take public transportation for commuting, and reduce vehicle exhaust emissions from the source.

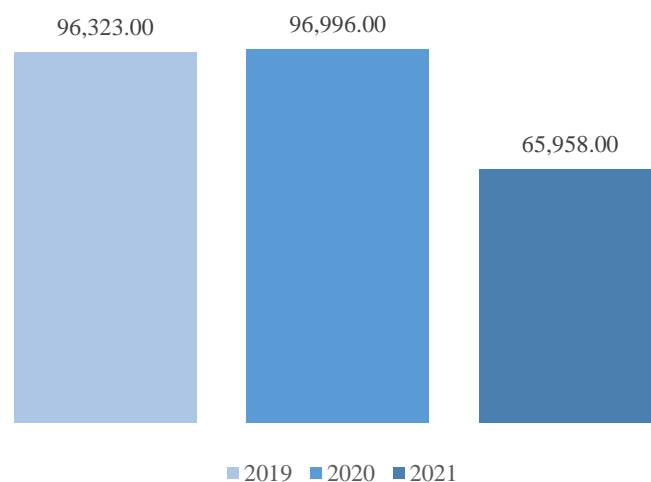


Wastewater

In terms of wastewater treatment, the Group has standardized the treatment of industrial wastewater and domestic wastewater mainly generated during the operation process.

Types of Wastewater	Management Measures
Industrial Wastewater	<ul style="list-style-type: none"> According to the <i>Guidance Manual for the Optimization and Operation of Desulfurization System</i>, the desulfurization wastewater treatment system is optimized: monitor the concentration of dispensing to prevent excessive concentration, resulting in an increase in water consumption; adjust the operating conditions of wastewater equipment in a timely manner to reduce wastewater dosage and sludge disposal. Pilot the zero-wastewater discharge policy: adopt measures to improve water efficiency to increase water reuse rate to achieve the goal of reducing water consumption; use efficient water treatment technology to concentrate high-concentration organic wastewater and salt-containing wastewater into solid or concentrated liquid, change the nature of its pollution, and reduce the impact on the environment.
Domestic Wastewater	<ul style="list-style-type: none"> Advocate employees to save water and reduce unnecessary waste; Domestic wastewater is purified by septic tanks and canteen wastewater is purified by grease traps before being discharged into the special sewage outfall of the domestic wastewater. The placement and dumping of various chemicals and oil pollutants are prohibited.

Wastewater Discharge (tons)



Waste

In terms of waste discharge, the Group strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes* and other relevant laws and regulations. It has formulated the *Regulations on the Management of Disposal of Solid Waste and Hazardous Waste* based on the actual production situation of the Group to regulate the disposal and management of solid waste and hazardous waste generated from the Group's production and operation. The Group identifies the types of wastes, implements the responsibilities of disposal of various wastes to different departments, improves the waste management measures, and sets up the management objectives of repairing old wastes and reusing wastes to save raw materials, reduce production costs, realize the standardized and rational disposal of waste generation sources such as waste flue gas denitrification catalysts, and ensure the stability of production order.

Types of Waste	Management Measures
Non-hazardous Waste	<ul style="list-style-type: none">Classify wastes, of which non-recyclable wastes are collected by the cleaning staff of the administrative department and stored at the domestic waste storage point, and are regularly transported and disposed of by companies with qualifications to handle domestic waste, and the number of handovers shall be recorded;Recyclable wastes are collected and stored at designated locations; The materials department is responsible for the production of wastepaper and wastepaper boards, and regularly delivers them to waste recycling companies for recycling; the materials department is also responsible for collecting and transporting scrap metals on a regular basis.
Hazardous Waste	<ul style="list-style-type: none">Formulated the <i>Administrative Measures for Denitrification Catalysts for Coal-fired Power Plants (Trial)</i> to standardize the catalyst design, testing, operation and maintenance, regeneration and scrapping management of the flue gas denitrification system of the Group's coal-fired power plants, so as to ensure the long-term, efficient and safe operation of the denitrification system and reduce the generation of hazardous waste.



Noise

In terms of noise pollution control, the Group strictly controls and monitors industrial noise generated during the operation. To avoid the impact on the surrounding environment, we have adopted a series of management measures.

Types of Pollutants	Management Measures
Noise	<ul style="list-style-type: none">• Adopt noise reduction and sound insulation measures for various production equipment. Noise at the factory boundary can meet the relevant standards through building sound insulation and noise reduction due to natural transmission;• Install sound insulation with independent base in the desulfurized oxidation fan, and its fully enclosed design can effectively prevent the noise from spreading from the bottom, thereby reducing the overall noise;• A special damping device is installed on the exhaust pipe of the fan, which can effectively reduce the pressure volatility of the exhaust pipe.

3.3 Use of Resources

Datang Environment complies with the *Energy Conservation Law of the People's Republic of China* and various laws and regulations related to the use of resources and energy, and continuously improves internal rules and regulations such as the *Management Measures for Production Energy Conservation in Production* and the *Management Measures for Bulk Materials* to accelerate the research and development of energy conservation and emission reduction technology, demonstration and promotion of energy conservation and emission reduction technology industrialization, establish an energy conservation and emission reduction technology service system as soon as possible, and promote the healthy development of the environmental protection industry.

We strengthened the dispatch of energy-saving and environmental-friendly electricity, cultivated energy-saving technology and service system, implemented contracted energy management, and promoted the industrial development of energy-saving services. During the Reporting Period, the Group did not violate any laws and regulations related to the use of resources and energy that have a significant impact on the Group's operations. In addition, we have adopted effective management measures for the use of major resources and energy to ensure the achievement of resource efficiency objectives:

Type of Resources	Management Measures
Electricity	<ul style="list-style-type: none"> Improving the post responsibility system: The construction party shall designate a person to be responsible for meter reading and measurement of the electricity used at each construction site, and carefully fill in the operation records; the power distribution room in each electricity premise must have professional personnel; Office buildings, conference rooms and other power loads should be controlled by separate switches; The person in charge of power consumption in the above places shall check the power saving when leaving the machine and the lights are turned off; When upgrading equipment, all departments of the management office should consider eliminating high energy-consuming electromechanical equipment, strive to replace and use renewable energy-saving technology products, and select reliable low consumption energy-saving products when purchasing electrical appliances.
Gasoline and Diesel	<ul style="list-style-type: none"> Strengthen the management of the use of official vehicles and implement the vehicles in accordance with the Company's <i>Management Measures for Business Vehicles</i>; Drivers strengthen the daily maintenance and repair of vehicles, repair in a timely manner when problems are found, eliminate the phenomenon of "dripping and leaking" of fuel, and reduce vehicle fuel consumption and repair costs; The Company is equipped with charging facilities to encourage employees to purchase renewable energy vehicles and reduce fuel consumption.
Natural Gas	<ul style="list-style-type: none"> Reduce the product gap when calcining into the furnace to maximize the combustion efficiency of the calciner; Reduce the number of start-stop of calciners and turn off the gas supply in time after the shutdown.



Type of Resources	Management Measures
Office Consumables	<ul style="list-style-type: none"> • Save paper, reasonably print paper files and documents, use paper on both sides as much as possible, and advocate paper-free office; • Office supplies are promoted to be old-for-new, and office supplies are provided at discretion according to local conditions. Office supplies are required to be filled in the receipt form.
Water Resources	<ul style="list-style-type: none"> • The office formulates the water use plan according to the water quota assigned by the relevant department office; • For water used at construction sites, part-time personnel are responsible for inspecting and repairing pipelines to reduce the waste of running, spraying, dripping and leaking; • Regularly inspect, examine and replace aging water supply pipelines and equipment, strictly prohibit leakage and long flowing water, and ensure that the water pipe network and water supply equipment is intact; • Use rainwater and recycled water that meets the requirements of the person in greening as much as possible, and make reasonable arrangements for irrigation time.



During the Reporting Period, we mainly obtained suitable water sources through the municipal pipe network, desalinated water, reclaimed wastewater, etc. There were no difficulties with water sourcing. The Group improves the utilization rate of water resources and reduces the waste of water resources in operation through various systems optimization operations and process improvement. During the Reporting Period, the concession operation branches optimized the function of the process water pump electric current and the defogging device flushing water system, resulting in the water consumption for desulfurization and discharge reduction of 19.61kg/kg, representing a year-on-year decrease of 1.41kg/kg and a decrease of approximately RMB 4,580,000 in water costs. At the same time, the Group is exploring water-saving measures suitable for itself based on the actual situation, and specific water use efficiency targets will be gradually established with the implementation of the measures.

Case: Energy saving and consumption reduction achievements of Technologies & Engineering Company

Technologies & Engineering Company set up the *Building Comprehensive Smart Energy System Integration Demonstration Project* to achieve an average of approximately 150,000 kWh per year for the photovoltaic power generation segment. Compared with the thermal power plant of the same power generation, it is equivalent to saving 45.91 tons of standard coal per year (calculated based on the average standard coal consumption of 305g/kWh), and correspondingly reducing the emission of various air pollutants per year, including reducing carbon dioxide emissions by approximately 122.54 tons, sulfur dioxide emissions by approximately 0.93 tons, nitrogen oxides emissions by 0.32 tons, smoke and dust emissions by 0.54 tons, and saving a large amount of freshwater resources.



3.4 Respond to Climate Change

In the context of carbon peak and carbon neutrality, Datang Environment has held in-depth discussions about the impact of climate change on the Company's operations at all levels, deeply analyzed the existing problems, and actively responded to them, and took reference to the four core elements of the Task Force on Climate-related Financial Disclosures (TCFD) framework: governance, strategy, risk management, and indicators and goals to gradually formulate and implement climate change countermeasures to ensure the normal operation of the Group.

Governance

The Board regards climate change issues as the top priority of ESG improvement. Under the unified decision-making and supervision of the Board, the ESG Work Leading Taskforce is fully responsible for climate change risk assessment and response, and earnestly implements practical work.

Strategies

In response to the trend and impact of climate change, we actively maintain close communication with stakeholders and actively establish cooperation and exchange relationships with external experts and scholars. In the face of the opportunities and challenges brought by the "14th Five-Year" plan, we will actively promote the implementation of new production capacity, new products, new markets and new mechanisms, focus on production capacity breakthroughs, focus on lean production, comprehensively improve the Company's new momentum for high-quality development, and move towards the new peak of the environmental protection product business.

Risk Management

During the Reporting Period, we have identified physical risks that may have an impact on the Group's business operations and have formulated corresponding emergency plans and response measures:

Types of Disaster	Response Measures
Extreme Cold Weather	<ul style="list-style-type: none">• Under the extreme cold weather, outdoor high-risk operations are strictly prohibited to prevent the occurrence of unsafe incidents such as falling, electric shock and frost;• Conduct full coverage inspection on key areas in advance, and immediately organize and eliminate the cold and anti-freezing defects found in the inspection to ensure that the defects are handled completely;

	<ul style="list-style-type: none"> • Pay close attention to weather information in a timely manner and improve emergency response plans for extreme cold weather in advance, such as timely installation of anti-slip chains and control of vehicle travel speed to ensure traffic safety; • Strengthen the connection with network operators, especially the inspection and maintenance of data centers, pay close attention to the environment and network operation of data centers, and ensure the communication and network security operation in extremely cold weather.
Flood	<ul style="list-style-type: none"> • Approve and issue the <i>Work Plan for Flood Prevention and Disaster Reduction</i> on the eve of each flood season and supervise the implementation; • Before the flood, we carefully organize flood prevention and disaster prevention drills to fulfill our responsibilities; • Conduct a comprehensive inspection of the equipment under its management and the critical areas of flood control, and formulate plans to rectify the problems identified during the inspection that affect the flood control within a prescribed time limit; • During the emergency and flood control period, all members of the flood control commando shall report to their posts and perform their respective duties.

Indicators and Targets

During the Reporting Period, we formulated various targets to control pollutant emissions, improve energy and water use efficiency, and continue to monitor the performance of indicators and the achievement of targets.



Case: Datang Environment emergency drills

Based on the regional distribution and climate conditions of the projects, the Company has clarified the geographic location, climate and production and construction characteristics of key flood control projects such as wind power engineering projects in mountainous areas (flood prevention, landslide prevention and traffic accident prevention), coastal projects (thunder prevention and typhoon prevention), riverside and southern multi-raining area projects (flood prevention, thunderstorm prevention and flood prevention plant parks), improved the *Emergency Plan for Typhoon Prevention and Flood Prevention* and the drill scripts, and refined specific measures such as wind prevention, typhoon prevention, thunderstorm prevention, flood prevention, strong convection weather and landslide prevention in a targeted manner.



All branches organized flood control drills

4. LEADING SERVICE INNOVATION BY TREATING CUSTOMER FIRST

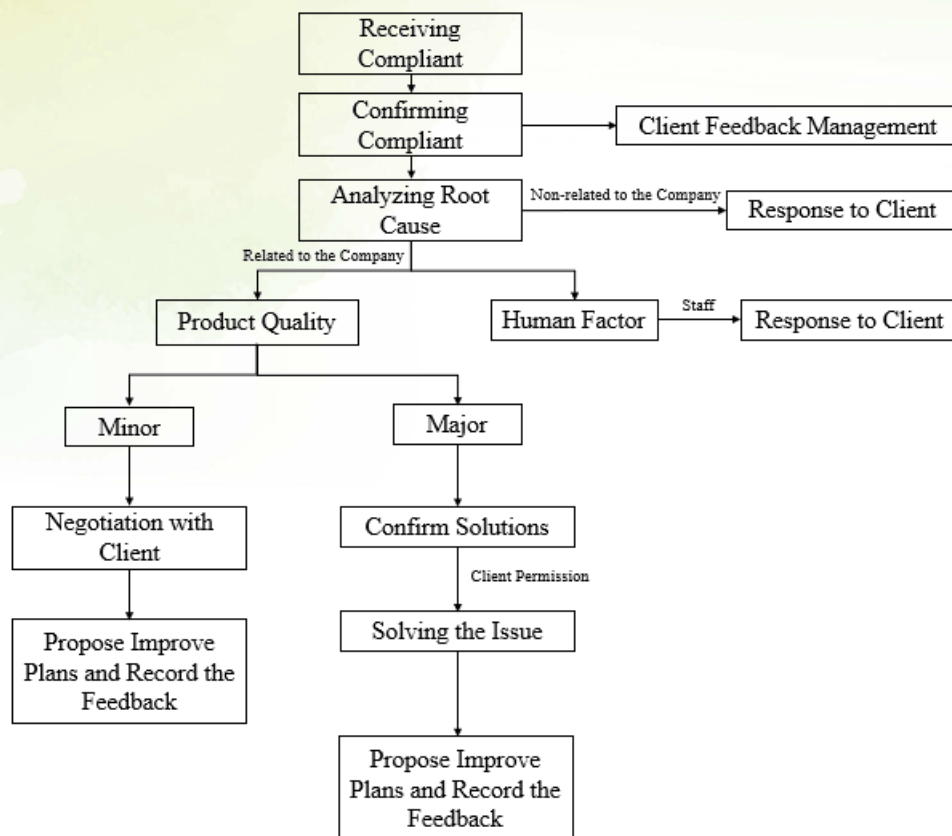
4.1 Customer Service and Privacy Protection

As an integrated environmental management services provider, the Group adheres to the development directions of marketization, internationalization, legalization and informalization, continuing to provide professional products and services to our customers. In the process of development and operation, we adhere to the “customer-oriented” principle and always aim to provide customers with satisfactory products and services. We attach great importance to the rights and interests of customers and the quality of products and services, strictly implement the *Law of the People’s Republic of China on the Protection of Consumer Rights and Interests* and other relevant laws and regulations, undertake product quality responsibility, regularly callback to the customers and hear their voices.

To consolidate the performance of customer services, the Group has developed the *Marketing Management Regulations*, *Service Management Standards*, *Customer and Related Party Satisfaction Measurement and Control Procedures*, and *Project Quality Return Visit Procedures*, mandating after-sales personnel to actively carry out after-sales services, callback to key users at least once a year, and analyze the collected user information by carefully listening to their opinions.

At the same time, the Company conducts investigation and rectification in accordance with the *Corrective Measures Control Procedures and the Preventive Measures Control Procedures* to handle customer complaints, maintain its reputation and retentions, as well as to promote quality improvement. We give feedback to customers on the complaint resolution process in a timely manner, and keep following up the updates throughout the process. During the Reporting Period, many of the project services received 95/100 scores given by clients, and all customer complaints were responded. Meanwhile, we formulate improvement approaches by The Production, Quality and Technology Department to avoid the recurrence of similar problems. According to the *Measures for Handling Complaints in Procurement Business*, all business complaints are handled by the following process:





Additionally, in terms of information security and privacy protection, the Group's strictly abides by the *Cybersecurity Law of the People's Republic of China* and stipulates the detailed management for handling privacy information in the internal *Employee Handbook* and *Confidentiality Regulations*, as well as the methods and guidelines for the collection, use, preservation, transfer and access of personal information. We require employees to sign the *Agreement on Non-competition and Confidentiality of Trade Secrets*, to enhance employees' awareness of confidentiality of the Group's technical and business confidentiality, and avoid the risk of data leakage or misuse. During the Reporting Period, the Group did not experience any leakage of customer information, nor did it receive any complaints regarding the misuse of customer information that had a significant impact on the Group.

4.2 Technology Innovation and Intellectual Property Rights

Innovation is the primary driving force for development, quality and efficiency enhancement. The Group attaches great importance to scientific and technological innovation, gives full play to the leading role of talent innovation, regularly makes inquiries, provides decision-making support, and improves the capability of scientific and technological innovation. The Group insists on taking scientific and technological innovation, independent research and development as the lead, engineering construction as the basis, to provide customers with a package of safe and superior engineering projects, products, services and other solutions. To standardize the management of the Group's scientific and technological projects and improve the quality and efficiency of scientific and technological project management. In regards to the relevant regulations of the nation and the Group Company, we have formulated the *Management Regulations on Application and Assessment of Patents and Science and Technology Papers* and the *Scientific and Technological Project Management Methodology* to provide strong support for the key areas, technologies and goals that are aligned with the Group's development plan. During the Reporting Period, the Group invested a total of RMB 175,160,000 in the research and development.

Focusing on green transformation and development and the national dual-carbon goals, the Group has set up a number of research groups to develop new desulfurization and environmental protection technologies, solve the problem of production, operation and development, and form a series of core technologies with independent intellectual property rights. Among them, the sub-subjects of key national plans passed the acceptance review. The invented second-generation turbulence pipe grid desulfurization and efficiency improvement technology increased the desulfurization efficiency to 99%, which can save operating expenses of millions of RMB per year.

During the Reporting Period, the Group received several national, provincial, municipal and industry-level science and technology awards:



Application research and engineering demonstration of intelligent control technology on the desulfurization system of coal-fired power plants

- The "Application research and engineering demonstration of intelligent control technology on the desulfurization system of coal-fired power plants" project declared by the concession operation won the first prize in the "First (2021) Power Team Innovation and Efficiency Award" selection event organized by the National Committee of the China Energy and Chemical Trade Union.

Application of integrated technology for collaborative denitration and demercuration catalysts

- The "Application of integrated technology for collaborative denitration and demercuration catalysts" and the "R&D and industrialization of key technologies for flat-plate medium-to-low temperature denitration catalysts" introduced by Nanjing Environmental Protection has been awarded by the China Energy Research Association, the China Petroleum and Chemical Industry Federation and the Nanjing Municipal Bureau of Ecology and Environment respectively.

The Group always attaches great importance to the protection of intellectual property rights and compliant to the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China* and other laws and regulations, regulate the management process of scientific and technological innovation, protecting relevant intellectual property rights. During the Reporting Period, the Group obtained a total of 137 utility model patents and 24 invention patents, and there was no violation of laws and regulations related to intellectual property rights.

Case: "Emission Control Technology of Organic Pollutants in Coal-fired Process" Project

In September 2021, the "Emission Control Technology of Organic Pollutants in Coal-fired Process", a national key research and development project supported by the Company has successfully passed the project performance evaluation and acceptance. On 10 December, the Group's three national key R&D projects, namely "Control Technology of Heavy Metal such as arsenic, selenium, and lead in Coal-fired Process", "Control Technology of Organic Pollutants Emission in Coal-fired Process" and "Research and Application of Key Technology for Efficient and Low-Cost Recovery and Treatment of Water in Coal-fired Power Generating Units", all passed the acceptance inspection of the Ministry of Science and Technology of China. This project has made a demonstration effect for the completion of the overall target of the project and the promotion and application of project results, and also provided a reference for the realization of ultra-clean emissions by coal-fired industrial boilers, construction materials, metallurgy, chemicals, and other industries.

Case: Innovation Team of the Company – the Meng Lei, Zhao Yuntao and Yan Huanhuan Innovation Studios

During the Reporting Period, a total of 3 studios were awarded the honorary title in the assessment of the Innovation Studio.



The Meng Lei Innovation Studio currently has 12 members, most of whom are doctoral degree and master's degree holders. It is a team with solid strength and a pioneering spirit. Focusing on the main business of the Company, the team has undertaken two national projects and more than ten critical projects of the Group, of which six projects have been identified beyond the intertational level, and five projects have been promoted and applied in the system and industry, creating economic benefits of billions of RMB.



Zhao Yuntao Innovation Studio, with the participation of all employees from the process design room, is an innovation and efficiency team that has sophisticated innovation capability. It provides a platform for the staff of the research institute to discuss the technical problems of the project and carry out innovation and efficiency work such as optimization and design. The main work includes desulfurization, denitrification, water treatment design, ultra-low emission transformation design, etc., with three-dimensional software design and flows field and structure numerical simulation capabilities. It was awarded the honorary titles of "Advanced Unit in Labor Competition" and "Youth Civilization" of Datang Environment.



Yan Huanhuan Innovation Studio is a team of members honored by the National May 1st Labor Medal, the Group Pacesetter, the Company's advanced and front-line production technology backbone. The working group carried out several innovative works regarding desulfurization optimization operation, energy conservation and consumption reduction, and equipment management. With the purpose of "cost reduction and efficiency enhancement," the working group took advantage of the favorable production conditions of the project department to carry out five small quality assurance activities. At the same time, it actively promoted the successful transformation of the Company's scientific and technological achievements, increased patent mining, writing papers, and participating in the compilation of national and industry standards.



5. BUILDING A FIRST-CLASS ENTERPRISE WITH EQUAL EMPLOYEMENT

5.1 Employment Protection

Management Policies

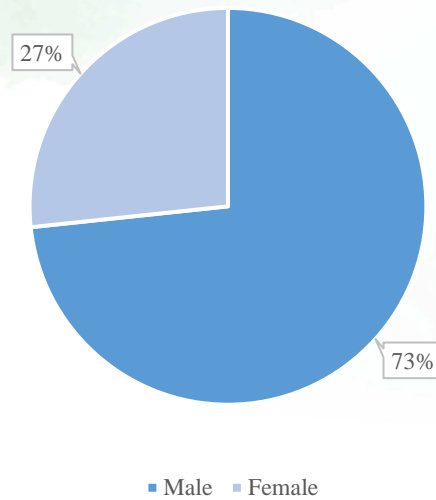
Datang Environment firmly believes that employees are the key to corporate development, and it is crucial to create an equally employment environment. During the Reporting Period, the Group strictly complied with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Implementation Regulations of the Labor Contract Law of the People's Republic of China*, and relevant laws and regulations. To further implement and comply with applicable regulations to protect the rights and interests of employees, we have made detailed explanations of the content and labor contract, and formulated the *Administrative Measures for Labor Relations*, the *Management Standards for Employee Recruitment and Dismissal* and the internal management policies on equal employment. We attach great importance to providing employees with a reasonable remuneration structure, recruitment process, promotion mechanism, benefits and treatment, and pay full attention to the needs of employees and the protection of their legitimate rights and interests, establishing a healthy working environment that integrates equality, diversity, and promotive development of employees.

To effectively prevent the employment of child labor and forced labor, the Group conducts legal verification and confirmation of personal information-related materials according the relevant provisions of the *Measures for the Administration of Labor Contracts* before the on-boarding. We adopt a “zero tolerance” attitude towards any false information and illegal acts. In case of illegal operation, we will terminate the contract with the employee by law and perform investigation to prevent the recurrence of such incidents. During the Reporting Period, the Group did not have any violations regarding child labor or forced labor.

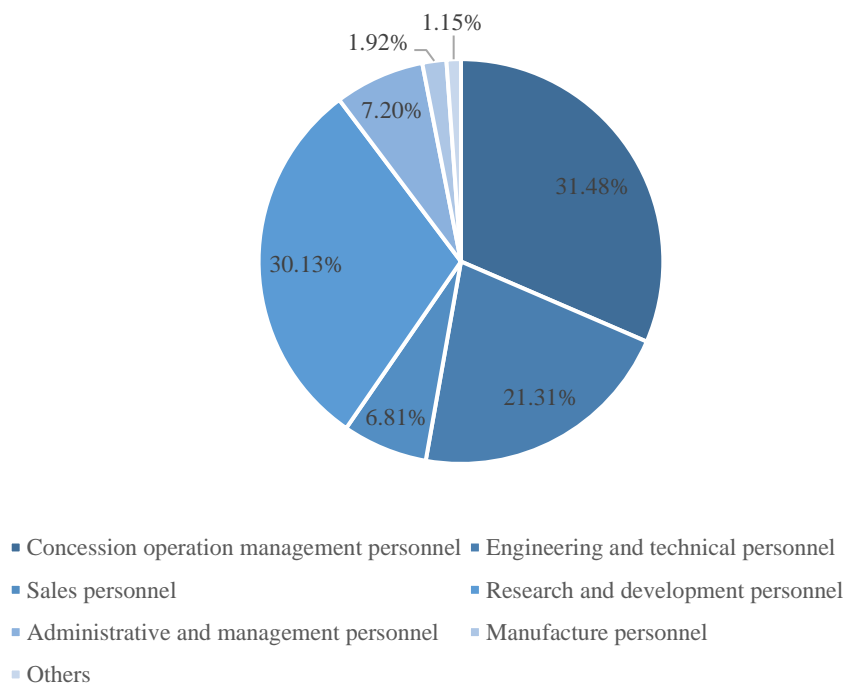
Employee Rights and Benefits

The Group has formulated the *Administrative Measures for Employee Remuneration*, the *Administrative Measures for Employee Benefits* and the *Administrative Measures for Labor Attendance* to provide employees with competitive remuneration and benefits; continued to improve the management system of employee rights and benefits, such as providing supplementary medical care, overtime allowance and other fringe benefits; strengthened various incentive and restraint mechanisms to maximize the enthusiasm of employees. Furthermore, we have formulated and issued the *Employee Handbook*, which provides detailed information regarding the salary structure, social insurance, annual physical examination, enterprise annuity, housing provident fund, working meals and other rights and benefits of employees.

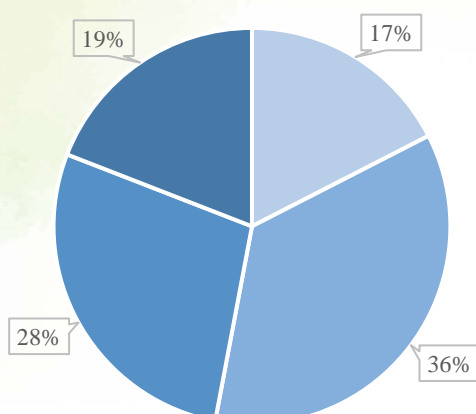
Percentage of Employees by Gender



Percentage of Employees by Employment Type

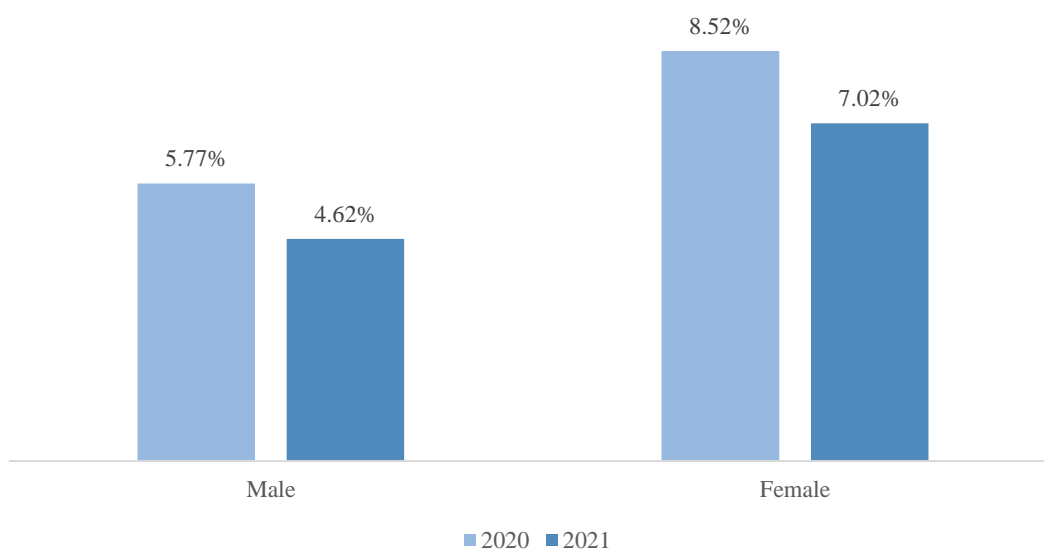


Percentage of Employees by Age Group

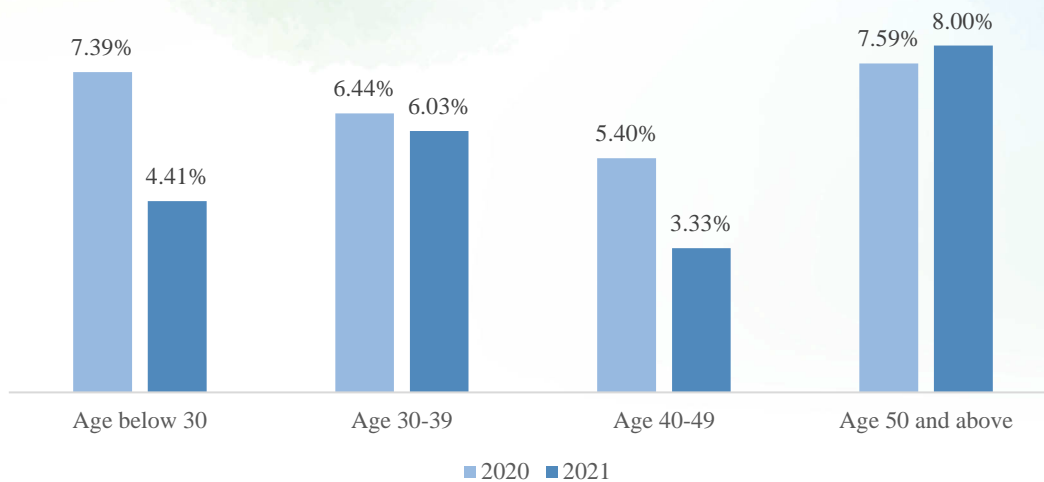


■ Age below 30 ■ Age 30-39 ■ Age 40-49 ■ Age 50 and above

Turnover Rate of Employees by Gender



Turnover Rate of Employees by Age Group



5.2 Staff Training and Development

Staff Training

We regard employees as the most valuable asset of the Group; tailor career development plans for young employees; encourage them to continuously improve their general capacity and thrive a clear career development path. In terms of employee capacity building, the Group provides a sophisticated employee education, training and talent evaluation mechanism, set up a scientific and systematic training system and diversified training courses by different levels, focus on foresight and case analysis training, with a focus on the capacity building, to form a classified multi-level, multi-form, effective and dynamic training pattern that adapted for employees, and help achieve the well combination and mutual promotion of the development between employee and the enterprise.

At the beginning of 2021, the Group formulated and published the *2021 Training Project Plan of Datang Environment Industry Group Co., Ltd.* adhering to the principle of “realistic, innovative, and interconnecting,” and divided the innovation training into three segments, which are “green and low-carbon transformation, “red empowerment project” and “digital tools.”

In terms of development and promotion, the Group has internally formulated and implemented the *Administrative Measures for Employee Promotion*, built a diversified career development channel; implemented a promotion mechanism covering all positions; continued to deepen the reformation of the talent development system; helped the transformation of talent acquisitions, and helped employees better realize their values in all kinds of field as a satisfactory achievement in the career development while we retain qualified talents to create a better future.



Case: The Group held the “Environmental Lecture” activity

During the Reporting Period, we invited experts and scholars in the industry to carry out the “Environmental Lecture” activities throughout the year on a quarterly basis to implement the Group Company’s “1244” vision and “2456” approach. The annual training plan includes four themed training activities, namely “Carbon Peak, Carbon Neutrality”, “China Water Industry Technology Development Direction from Domestic and Foreign Development History”, “Application of Microbial Technology in Environmental Governance”, and “Development Outlook of Energy Storage Industry under Carbon Neutrality Vision”, aiming to build a learning-oriented, pragmatic and innovative team of employees; create a good learning atmosphere and shape an excellent corporate culture; accelerate the improvement of core competitiveness, and enhance the centripetal force and cohesion of the enterprise, contributing to the transformation and upgrading of the Group’s second venture and high-quality development.



Environmental Lecture training

Case: Datang Reading Club

In October 2021, Datang Reading Club was officially launched. The activity aimed to promote the construction of a learning-oriented organization, create a learning culture of reading in the Group, guide employees to read more books through multiple channels, encourage them to cultivate an ability of thinking and exploring, improve its ideological literacy and perspective. Through the combination of reading and on-site practice, the Reading Club organized activities such as book promotion, classic recitation, expert lectures, case studies, and cultural salons to collect valuable thoughts that would benefit the development of the enterprise. Upon that, distinguished staff will be selected as a role model of reading and learning.



Datang Reading Club

5.3 Occupational Health and Employee Care

The Group always attaches great importance to the physical, mental and occupational health of employees, and strictly complies with national and local laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and the *Provisions on the Supervision and Administration of Occupational Health at Work Sites*. The Group has formulated an adequate occupational disease prevention and management system and standard hazardous emergency treatment plans, as we regularly inspect and evaluate the implementation from the departments to ensure the health of employees. We provide three systematic occupational disease examination to employees in high-risk positions of occupational diseases during the entire In-and-Out process of the operation; provide comprehensive personal protection supplies and emergency facilities to spot and resolve health and safety hazards in a timely manner.



We carried out a mental health consultation service activity of “caring for employees' health and promoting harmonious development” to implement the action of “I do practical things for the public” that aligning with the construction of “Harmonious Datang” to help employees to improve their psychological capacity and guide them to properly respond to the pressures. This will further create a healthy and positive working environment for employees and realize the progressive development of employees and the Group. At the same time, we actively organize caring measures such as physical examinations and health lectures for employees to monitor the changes in their physical and mental health; regular communicate with employees by carrying out a dynamic investigation through questionnaires, centralized seminars, individual interviews and other means; offer condolence subsidies for employees in difficulty and Party members in difficulties. Besides, we organize “Exercise the Fitness of Employees with Vitality” and “Guess Lantern Riddle” online to enrich the life of employees, striving to build a spiritual home.

Case: CPR First Aid Training

In January 2021, Datang Environment invited senior lecturers from Beijing Red Cross to carry out public welfare training on cardiopulmonary resuscitation first aid skills for employees, to consolidated the construction of “Harmonious Datang” and care for the physical and mental health of employees. The training popularized the knowledge of cardiopulmonary resuscitation, and strengthened the emergency rescue capabilities of employees. The content of this training was practical, which effectively improved the safety awareness of rescue; mastered standardized first-aid skills; improved the first-aid response capability of production personnel that would clearing out the psychological and technical barriers. In the future, employees will be more comfortable facing emergencies in their work and life in an effort to protect the life, health and safety of themselves and their families, lay a solid foundation for the safe and stable operation of the system, effectively enhance the sense of achievement, happiness and security of employees.



Training site

Case: Datang Environment Employee Mental Health Station

To further promote the practice of “I do practical things for the public”, strengthen the construction of “Harmonious Datang”, achieving the goal of popularize mental health knowledge and relieve the work pressure of employees. In September 2021, the labor union of the Group held the opening ceremony of “Datang Environment Employee Mental Health Station” and the employee psychological care group training activity of “building a positive mentality and effectively responding to pressure”. The whole exercise was carried out in the form of on-site lectures and online live broadcasts, combined with the current focus, difficulties of the operations. Based on the actual needs of employees, senior psychological experts from the All-China Federation of Trade Unions were invited to give lectures and share ideas. The employees actively participated in and devoted themselves to the guidance and explanation of experts along with the practice, interaction and analysis to strengthen their awareness of psychological care, comprehend effective methods to alleviate emotional pressure, and enhance their positive mentality in a relaxed and pleasant atmosphere.



Psychological care training activities



6. CREATING A HARMONIOUS SOCIETY WITH UNITED EFFORTS

6.1 Social Contribution

The Group always adheres to corporate social responsibility, carries out public welfare undertakings, participates in poverty alleviation activities, and revitalizes rural constructions; formulates the *Management Measures of Volunteer Activity* in accordance with the *Management Measures of China Registered Volunteers* to carry out relevant work. While achieving our strategic development and ensuring the expected return to investors, we continue to support the development of local and overseas communities, demonstrate our corporate responsibility with practical actions, and contribute to the realization of a sustainable society.

Case: Datang Environment donated to Beijing Hua'ao School

In 2021, the Group continued to consolidate the targeted cultural poverty alleviation work of Beijing Shijingshan Hua'ao School. During the Reporting Period, we renovated the art training room, purchased glasses, handle rods, audios and other training facilities; donated “the Red Reading Room”; set up “the Datang-Hua'ao Master” reading corner for 23 classes of the school, and donated more than RMB 120,000 worth of goods such as books, cultural sports products, and book exhibition stands to build a more pleasant learning and living environment for students.



Donation site

Case: Overseas Business Department carried out volunteer service activities to help the vaccination work of Shuguang community

In November 2021, the Youth League Committee of the Overseas Business Department organized a volunteer team to go to the vaccination office of Shuguang Street to carry out the second volunteer service activity of “learning from Lei Feng, taking the lead in scientific vaccination”. At the vaccination site, the young employees of the business department assisted the staff in guiding the people, maintaining order, measuring blood pressure for elderlies, and improving the efficiency of the vaccination work. This volunteer service activity fully demonstrated the dedicated spirit of young employees to actively participate in community construction and be willing to take on social responsibilities.



Overseas Business Department supporting vaccination service sites



Case: The Environment Protection Branch carried out the volunteer activity of “Removing weeds for the public”

To further beautify the urban environment and promote the community contribution. In May 2021, the Environment Protection Branch organized its employees to carry out the volunteer service activity of “doing practical things for the public to remove weeds for the people” at the Four Season Shuguang Park. At the event, there were more than 10 volunteers cleaning up the weeds, branches and sanitizing green space in the park with local workers. Through this volunteer activity, it not only purified the environmental sanitation of the park, but also enhanced the awareness of employees regarding social responsibility, volunteer service, and environmental protection, effectively implemented the action call of “I do practical things for the public”.



Urban greening activity of the Environmental Protection Branch

6.2 Rural Revitalization

Actively responding to the government's rural revitalization strategy has always been the Group's mission to devote itself to social construction. As a central enterprise, the Group takes the practical actions for the interests of public as its responsibility, and supports the local development of rural areas in various ways. All subsidiaries consolidate the assistance work, creating more values to the local communities.

Case: Xuchang Project Department helps the local crop work

In June 2021, the Xuchang Project Department of Datang Environment actively communicated with the person in charge of the local village committee, to better carry out the assistance activities as a central enterprise. Due to the fact of workforce shortage of crop harvesting in Maizi, Xizhuzhuang Village, the project department immediately organized the "Harvesting" activity, with the active supports from the colleagues and staffs. More than 15 volunteers assigned to the Xizhuzhuang Village in Yuzhou City, to help harvest wheat and demonstrate the responsibility of a central enterprise with practical actions.



Agricultural assistance



7. ENVIRONMENTAL AND SOCIAL PERFORMANCE

7.1 Environmental Performance Data

Indicators	Units	2021	2020	2019
Total revenue	RMB '000	5,288,416	6,821,071	6,414,621
Production volume of denitrification catalysts	m ³	26,406	34,448	36,074
Emissions of Air Pollutants				
Indicators	Units	2021	2020	2019
Sulfur dioxide emissions from production	Tons	0.76	0.75	0.94
Nitrogen oxides emissions from production	Tons	2.34	4.11	5.47
Compliant sulfur dioxide emissions from concession operations	Tons	15,022.67	12,591.62	11,006.70
Compliant nitrogen oxides emissions from concession operations	Tons	22,394.10	18,243.10	17,601.16
GHG Emissions				
Indicators	Unit	2021	2020	2019
Total GHG emissions ⁵	Tons CO ₂ e	1,851,816.71	1,638,254.65	1,628,019.56
Total GHG emissions intensity	Tons CO ₂ e /RMB '000	0.35	0.24	0.25
Scope 1: Direct emissions (excluding emission reductions due to planted	Tons CO ₂ e	4,394.63	4,397.07	5,468.07

⁵The calculation scope of total greenhouse gas emissions includes the sum of the Group's direct greenhouse gas emissions (Scope 1) and indirect greenhouse gas emissions (Scope 2), excluding GHG emission reductions due to planted trees.

trees) ⁶				
Scope 1 emission intensity	Tons CO ₂ e /RMB '000	8.31 x 10 ⁻⁴	6.45 x 10 ⁻⁴	8.52 x 10 ⁻⁴
Scope 2 Indirect emissions ⁷	Tons CO ₂ e	1,847,434.32	1,633,869.77	1,622,563.44
Scope 2 emission intensity	Tons CO ₂ e /RMB '000	0.35	0.24	0.25
Scope 1: GHG emission reductions due to planted tree ⁸	Tons CO ₂ e	12.24	12.19	11.96
Hazardous Waste				
Indicators	Units	2021	2020	2019
Spent catalysts	m ³	5,743.31	11,333.42	10,672.10
Spent lubricating oil	Tons	2.78	5.88	7.77
Sludge from wastewater treatment	Tons	34,783.59	41,903.25	36,979.57
Dust containing hazardous waste	Tons	291	640.53	500.37
Spent desulfurization gypsum ⁹	Tons	5,567,463.39	4,440,449.26	3,532,927.80
Intensity of total amount of spent catalysts generated	m ³ /RMB '000	1.09 x 10 ⁻³	1.66 x 10 ⁻³	1.66 x 10 ⁻³
Total amount of hazardous waste	Tons	5,602,540.76	4,482,998.92	3,570,415.52

⁶The calculation scope of direct GHG emissions (Scope 1) includes the use of boilers and forklifts in the production of products, as well as the use of cooking and automobiles in daily operations. The calculation methods and relevant emission factors are based on the *Guidelines for Accounting and Reporting Greenhouse Gas Emissions from Other Industrial Enterprises (Trial)* and the *Guidelines for Accounting and Reporting Greenhouse Gas Emissions from Road Transport Enterprises (Trial)* issued by the National Development and Reform Commission of the PRC.

⁷The calculation scope of indirect GHG emissions (Scope 2) includes the indirect GHG emissions caused by the use of electricity by each subsidiary. The calculation methods and relevant emission factors are formulated with reference to the *Notice on the Key Tasks of Corporate Greenhouse Gas Emissions Reporting and Management in 2022* issued by the Ministry of Ecology and Environment.

⁸The calculation method and relevant emission factors of GHG emission reduction from planting tree are referred to the *Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes)* in Hong Kong jointly issued by the Electrical and Mechanical Services Department and the Environmental Protection Department of Hong Kong.

⁹During the Reporting Period, the concession operation business comprehensively utilized all waste desulfurization gypsum.



generated excluding spent catalysts ¹⁰				
Intensity of total hazardous waste generated excluding spent catalysts	Tons/RMB '000	1.06	0.66	0.56
Non-hazardous Waste				
Indicators	Units	2021	2020	2019
Domestic waste	Tons	145.00	148.50	140.50
Paper	Tons	3.02	1.60	13.10
Other non-hazardous waste ¹¹	Tons	2,666.00	2,899.80	2,468.69
Total amount of non-hazardous waste generated	Tons	2,814.02	3,049.90	2,622.29
Intensity of total amount of non-hazardous waste generated	Tons/RMB '000	5.32×10^{-4}	4.47×10^{-4}	4.09×10^{-4}
Wastewater Discharge				
Indicators	Unit	2021	2020	2019
Amount of wastewater discharged ¹²	m ³	65,958.00	96,996.00	96,323.00

Use of Resources				
Indicators	Units	2021	2020	2019
Water Consumption	Ten thousand m ³	3,437.96	2,900.68	2,779.32

¹⁰ As the spent catalysts data was collected in cubic meters, and was difficult to convert to tons. Therefore, the total amount of hazardous waste does not consider the generation of spent catalysts, and only includes the generation of spent lubricating oil, sludge from wastewater treatment, dust containing hazardous waste and waste desulfurization gypsum.

¹¹ The scope of data includes Nanjing Environmental Protection. Other non-hazardous wastes include solid wastes such as scrap steel and plastic materials generated during the production process.

¹² The scope of data includes Nanjing Environmental Protection. Wastewater generated from the operation of the desulfurization and denitrification system of the concession operation business has achieved zero discharge of wastewater, and all treated wastewater will be reused in the power plant.

Intensity of water consumption	Ten thousand m ³ /RMB '000	6.50 x 10 ⁻⁴	4.25 x 10 ⁻⁴	4.33 x 10 ⁻⁴
Electricity consumption	MWh	3,179,749.26	2,678,036.02	2,397,637.17
Intensity of electricity consumption	MWh/RMB '000	0.60	0.39	0.37
Natural gas consumption	Ten thousand m ³	186.28	186.23	234.18
Intensity of natural gas consumption	Ten thousand m ³ /RMB '000	3.52 x 10 ⁻⁵	2.73 x 10 ⁻⁵	3.65 x 10 ⁻⁵
Gasoline consumption	Tons	135.88	113.73	117.71
Intensity of gasoline consumption	Tons/ RMB '000	2.57x 10 ⁻⁵	1.67 x 10 ⁻⁵	1.84 x 10 ⁻⁵
Diesel consumption	Tons	3.90	4.20	12.41
Intensity of diesel consumption	Tons/ RMB '000	7.37 x 10 ⁻⁷	6.16 x 10 ⁻⁷	1.93 x 10 ⁻⁶
Use of Packaging Materials				
Types	Units	2021	2020	2019
Packaging film consumption	Tons	35.38	43.76	42.18
Packaging film used per cubic meter of denitrification catalysts manufactured	Tons/m ³	1.34 x 10 ⁻³	1.27 x 10 ⁻³	1.17 x 10 ⁻³
Module frame consumption	Pieces	12,861.00	16,555.00	17,757.00
Module frame used per cubic meter of denitrification catalysts manufactured	Piece/m ³	0.49	0.48	0.49



7.2 Social Performance Data

Total Workforce					
Indicators			Units	2021	Percentage
Number and percentage of employees	Total		Persons	1,042	100.00%
	By gender	Male	Persons	764	73.32%
		Female	Persons	278	26.68%
	By employment category	Full-time	Persons	1,042	100.00%
		Part-time	Persons	0	0%
	By positions	Concession operation management personnel	Persons	328	31.48%
		Engineering and technical personnel	Persons	222	21.31%
		Sales personnel	Persons	71	6.81%
		Research and development personnel	Persons	314	30.13%
		Administrative and management personnel	Persons	75	7.20%
		Manufacture personnel	Persons	20	1.92%
		Others	Persons	12	1.15%
	By age group	Age below 30	Persons	182	17.47%

		Age 30-39	Persons	370	35.51%
		Age 40-49	Persons	291	27.93%
		Age 50 and above	Persons	199	19.10%
	By geographical region	China	Persons	1,042	100.00%
Employee turnover					
Indicators			Units	2021	Turnover rate
Number and rate of employee turnover	Total		Persons	58	5.27%
	By gender	Male	Persons	37	4.62%
		Female	Persons	21	7.02%
	By age group	Age below 30	Persons	10	4.41%
		Age 30-39	Persons	24	6.03%
		Age 40-49	Persons	10	3.33%
		Age 50 and above	Persons	14	8.00%
	By geographical region	China	Persons	58	5.27%



Development and Training					
Indicators			Units	2021	Percentage of employees trained
Number and percentage of employees trained	Total		Persons	1,042	100%
	By gender	Male	Persons	764	100%
		Female	Persons	278	100%
	By positions	Concession operation management personnel	Persons	328	100%
		Engineering and technical personnel	Persons	222	100%
		Sales personnel	Persons	71	100%
		Research and development personnel	Persons	314	100%
		Administrative and management personnel	Persons	75	100%
		Manufacture personnel	Persons	20	100%
		Others	Persons	12	100%
Average training hours per employee	Average		Hours	97.82	/
	By gender	Male	Hours	97.17	/
		Female	Hours	99.62	/
	By positions	Concession operation management personnel	Hours	89.18	/

		Sales personnel	Hours	119.01	/
		Research and development personnel	Hours	84.65	/
		Administrative and management personnel	Hours	164.00	/
		Manufacture personnel	Hours	326.25	/
		Others	Hours	105.17	/

Occupational Health and Safety				
Indicators	Units	2021	2020	2019
Number of work-related injuries and fatalities	Person	0	0	0
Rate of work-related injuries and fatalities	%	0	0	0
Lost days due to work-related injury	Day	0	0	0



Supply Chain Management					
Indicators			Units	2021	Percent age
Number and percentage of suppliers	Total		Number	325	100%
	By geographical region	Beijing	Number	76	23.38%
		Tianjin	Number	7	2.15%
		Shanghai	Number	19	5.85%
		Hebei Province	Number	29	8.92%
		Shanxi Province	Number	5	1.54%
		Liaoning Province	Number	11	3.38%
		Jilin Province	Number	2	0.62%
		Heilongjiang Province	Number	2	0.62%
		Jiangsu Province	Number	36	11.08%
		Zhejiang Province	Number	4	1.23%
		Anhui Province	Number	15	4.62%
		Fujian Province	Number	2	0.62%
		Shandong Province	Number	34	10.46%
		Henan Province	Number	37	11.38%
		Hubei Province	Number	8	2.46%

		Guangdong Province	Number	8	2.46%
		Sichuan Province	Number	1	0.31%
		Shaanxi Province	Number	6	1.85%
		Gansu Province	Number	2	0.62%
		Taiwan Province	Number	1	0.31%
		Inner Mongolia Autonomous Region	Number	5	1.54%
		Ningxia Hui Autonomous Region	Number	1	0.31%
		Xinjiang Uygur Autonomous Region	Number	5	1.54%
		Hong Kong Special Administration Region	Number	1	0.31%
		India	Number	2	0.62%



Product Responsibility			
Indicators		Units	2021
Total number of catalysts sold or shipped subject to recalls for safety and health reasons	Number of catalysts sold or shipped	m ³	35,065
	Number and percentage of catalysts recalled for safety and health reasons	%	0
Complaints received concerning products services	Number of complaints received	Cases	0

Anti-corruption		
Indicators	Unit	2021
Number of concluded legal cases regarding corrupt practices brought against the Company or our employees	Cases	0

Community Investment		
Indicators	Unit	2021
Donation amount	RMB	51,200
Employee volunteering hours	Hours	1,328

APPENDIX I: LIST OF LAWS AND REGULATIONS COMPLIANCE DURING THE REPORTING PERIOD

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

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



	<p><i>Environmental and Hygiene Standards for Construction Sites</i></p> <p><i>Integrated Emission Standard of Air Pollutants</i></p> <p><i>Emission Standard for Industrial Enterprises Noise at Boundary</i></p> <p><i>National Hazardous Waste List</i></p> <p><i>Regulations on the Safety Management of Hazardous Chemicals</i></p> <p><i>Identification Standards for Major Hazard Sources of Hazardous Chemicals</i></p>	
Employment	<p><i>Labor Law of the People's Republic of China</i></p> <p><i>Labor Contract Law of the People's Republic of China</i></p> <p><i>Social Insurance Law of the People's Republic of China</i></p> <p><i>Law of the People's Republic of China on the Protection of Disabled Persons</i></p> <p><i>Special Provisions on the Labor Protection of Female Employees</i></p> <p><i>Contract Law of the People's Republic of China</i></p>	<p>During the Reporting Period, the Group did not violate any laws and regulations that have a significant impact on the Group's operations in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p>

Labor practices	<p><i>Labor Law of the People's Republic of China</i></p> <p><i>Law of the People's Republic of China on the Protection of Minors</i></p> <p><i>Provisions on the Prohibition of Using Child labor</i></p>	<p>During the Reporting Period, the Group did not violate any laws and regulations that have a significant impact on the Group's operations in relation to preventing child and forced labor.</p>
Occupational Health and Safety	<p><i>Law of the People's Republic of China on the Prevention and Control of Occupational Diseases</i></p> <p><i>Production Safety Law of the People's Republic of China</i></p> <p><i>Fire Protection Law of the People's Republic of China</i></p> <p><i>Emergency Response Law of the People's Republic of China</i></p> <p><i>Regulations on Work Safety of Construction Projects</i></p> <p><i>Regulations on Emergency Response to Production Safety Accidents</i></p> <p><i>National Emergency Plan for Environmental Emergencies</i></p>	<p>During the Reporting Period, the Group did not violate any laws and regulations that have a significant impact on the Group's operations in relation to providing a safe working environment and protecting employees from occupational hazards.</p>



Product Responsibility	<p><i>Product Quality Law of the People's Republic of China</i></p> <p><i>Patent Law of the People's Republic of China</i></p> <p><i>Trademark Law of the People's Republic of China</i></p> <p><i>Law of the People's Republic of China on the Protection of Consumer Rights and Interests</i></p> <p><i>Copyright Law of the People's Republic of China</i></p> <p><i>Tort Law of the People's Republic of China</i></p>	<p>During the Reporting Period, the Group did not violate any laws and regulations that have a significant impact on the Group's operations in relation to health and safety, labelling and privacy matters relating to products and services provided and methods of redress.</p>
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Anti-Corruption	<p><i>Criminal Law of the People's Republic of China</i></p> <p><i>Company Law of the People's Republic of China</i></p> <p><i>Anti-Money Laundering Law of the People's Republic of China</i></p> <p><i>Anti-Unfair Competition Law of the People's Republic of China</i></p> <p><i>Code of Integrity and Self-discipline of the Communist Party of China</i></p> <p><i>Certain Regulations on the Integrity of Leading Personnel of State-owned Enterprises</i></p>	<p>During the Reporting Period, the Group did not violate any laws and regulations that have a significant impact on the Group's operations in relation to bribery, extortion, fraud and money laundering.</p>
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APPENDIX II: INDEX OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. ENVIRONMENTAL			
Subject Areas, Aspects, General Disclosures and KPIs			Section
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.	FULFILLING LOW-CARBON OPERATION WITH ENERGY CONSERVATION AND EMISSION REDUCTION: Emissions Management
Key Performance Indicators	A1.1	Types of emissions and respective emissions data.	Environmental Performance Data
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance Data
	A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance Data
	A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance Data
	A1.5	Description of emission target (s) set and steps taken to achieve them.	FULFILLING LOW-CARBON OPERATION WITH ENERGY CONSERVATION AND EMISSION REDUCTION: Emissions Management
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction	FULFILLING LOW-CARBON OPERATION

		target(s) set and steps taken to achieve them.	WITH ENERGY CONSERVATION AND EMISSION REDUCTION: Emissions Management
Aspect A2: Use of Resources			
General Disclosure		Policies on the efficient use of resources, including energy, water and other raw materials.	FULFILLING LOW-CARBON OPERATION WITH ENERGY CONSERVATION AND EMISSION REDUCTION: Use of Resources
Key Performance Indicators	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Performance Data
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Performance Data
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	FULFILLING LOW-CARBON OPERATION WITH ENERGY CONSERVATION AND EMISSION REDUCTION: Use of Resources
	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.	FULFILLING LOW-CARBON OPERATION WITH ENERGY CONSERVATION AND EMISSION REDUCTION: Use of Resources
	A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	Environmental Performance Data



Aspect A3: The Environment and Natural Resources			
General Disclosure		Policies on minimising the issuer's significant impact on the environment and natural resources.	FULFILLING LOW-CARBON OPERATION WITH ENERGY CONSERVATION AND EMISSION REDUCTION: Environmental Governance
Key Performance Indicators	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	FULFILLING LOW-CARBON OPERATION WITH ENERGY CONSERVATION AND EMISSION REDUCTION: Environmental Governance
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.	FULFILLING LOW-CARBON OPERATION WITH ENERGY CONSERVATION AND EMISSION REDUCTION: Respond to Climate Change
Key Performance Indicators	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	FULFILLING LOW-CARBON OPERATION WITH ENERGY CONSERVATION AND EMISSION REDUCTION: Respond to Climate Change
B. SOCIAL			

Subject Areas, Aspects, General Disclosures and KPIs			Section
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.	BUILDING A FIRST-CLASS ENTERPRISE WITH EQUAL EMPLOYEMENT: Employment Protection
Key Performance Indicators	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Social Performance Data
	B1.2	Employee turnover rate by gender, age group and geographical region.	Social Performance Data
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	BUILDING A FIRST-CLASS ENTERPRISE WITH EQUAL EMPLOYEMENT: Occupational Health and Employee Care



		occupational hazards.	
Key Performance Indicators	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Social Performance Data
	B2.2	Lost days due to work injury.	Social Performance Data
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	BUILDING A FIRST-CLASS ENTERPRISE WITH EQUAL EMPLOYEMENT: Occupational Health and Employee Care
Aspect B3: Development and Training			
General Disclosure		Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	BUILDING A FIRST-CLASS ENTERPRISE WITH EQUAL EMPLOYEMENT: Staff Training and Development
Key Performance Indicators	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Social Performance Data
	B3.2	The average training hours completed per employee by gender and employee category.	Social Performance Data
Aspect B4: Labor Standards			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on	BUILDING A FIRST-CLASS ENTERPRISE WITH EQUAL EMPLOYEMENT: Employment Protection

		the issuer relating to preventing child and forced labour.	
Key Performance Indicators	B4.1	Description of measures to review employment practices to avoid child and forced labour.	BUILDING A FIRST-CLASS ENTERPRISE WITH EQUAL EMPLOYEMENT: Employment Protection
	B4.2	Description of steps taken to eliminate such practices when discovered.	BUILDING A FIRST-CLASS ENTERPRISE WITH EQUAL EMPLOYEMENT: Employment Protection
Aspect B5: Supply Chain Management			
General Disclosure		Policies on managing environmental and social risks of the supply chain.	STANDARDIZING OPERATION TO BUILD A RESPONSIBLE ENTITY: Supply Chain Management
Key Performance Indicators	B5.1	Number of suppliers by geographical region.	Social Performance Data
	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.	STANDARDIZING OPERATION TO BUILD A RESPONSIBLE ENTITY: Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	STANDARDIZING OPERATION TO BUILD A RESPONSIBLE ENTITY: Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting	STANDARDIZING OPERATION TO BUILD A RESPONSIBLE ENTITY: Supply Chain Management

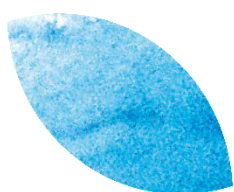


		suppliers, and how they are implemented and monitored.	
Aspect B6: Product Responsibility			
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	STANDARDIZING OPERATION TO BUILD A RESPONSIBLE ENTITY: Safety Production and Quality Management
Key Performance Indicators	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Social Performance Data
	B6.2	Number of products and service related complaints received and how they are dealt with.	LEADING SERVICE INNOVATION BY TREATING CUSTOMER FIRST: Customer Service and Privacy Protection; Social Performance Data
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	LEADING SERVICE INNOVATION BY TREATING CUSTOMER FIRST: Technology Innovation and Intellectual Property Rights
	B6.4	Description of quality assurance process and recall procedures.	STANDARDIZING OPERATION TO BUILD A RESPONSIBLE ENTITY: Safety Production and Quality Management

	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	LEADING SERVICE INNOVATION BY TREATING CUSTOMER FIRST: Customer Service and Privacy Protection.
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.	STANDARDIZING OPERATION TO BUILD A RESPONSIBLE ENTITY: Operation with Integrity
Key Performance Indicators	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.	STANDARDIZING OPERATION TO BUILD A RESPONSIBLE ENTITY: Operation with Integrity
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	STANDARDIZING OPERATION TO BUILD A RESPONSIBLE ENTITY: Operation with Integrity
	B7.3	Description of anti-corruption training provided to directors and staff.	STANDARDIZING OPERATION TO BUILD A RESPONSIBLE ENTITY: Operation with Integrity
Aspect B8: Community Investment			
General Disclosure		Policies on community engagement to understand the needs of the communities where the issuer operates and	CREATING A HARMONIOUS SOCIETY WITH UNITED EFFORTS



		to ensure its activities take into consideration the communities' interests.	
Key Performance Indicators	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	CREATING A HARMONIOUS SOCIETY WITH UNITED EFFORTS
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Social Performance Data



大唐環境產業集團股份有限公司
Datang Environment Industry Group Co., Ltd.*

