



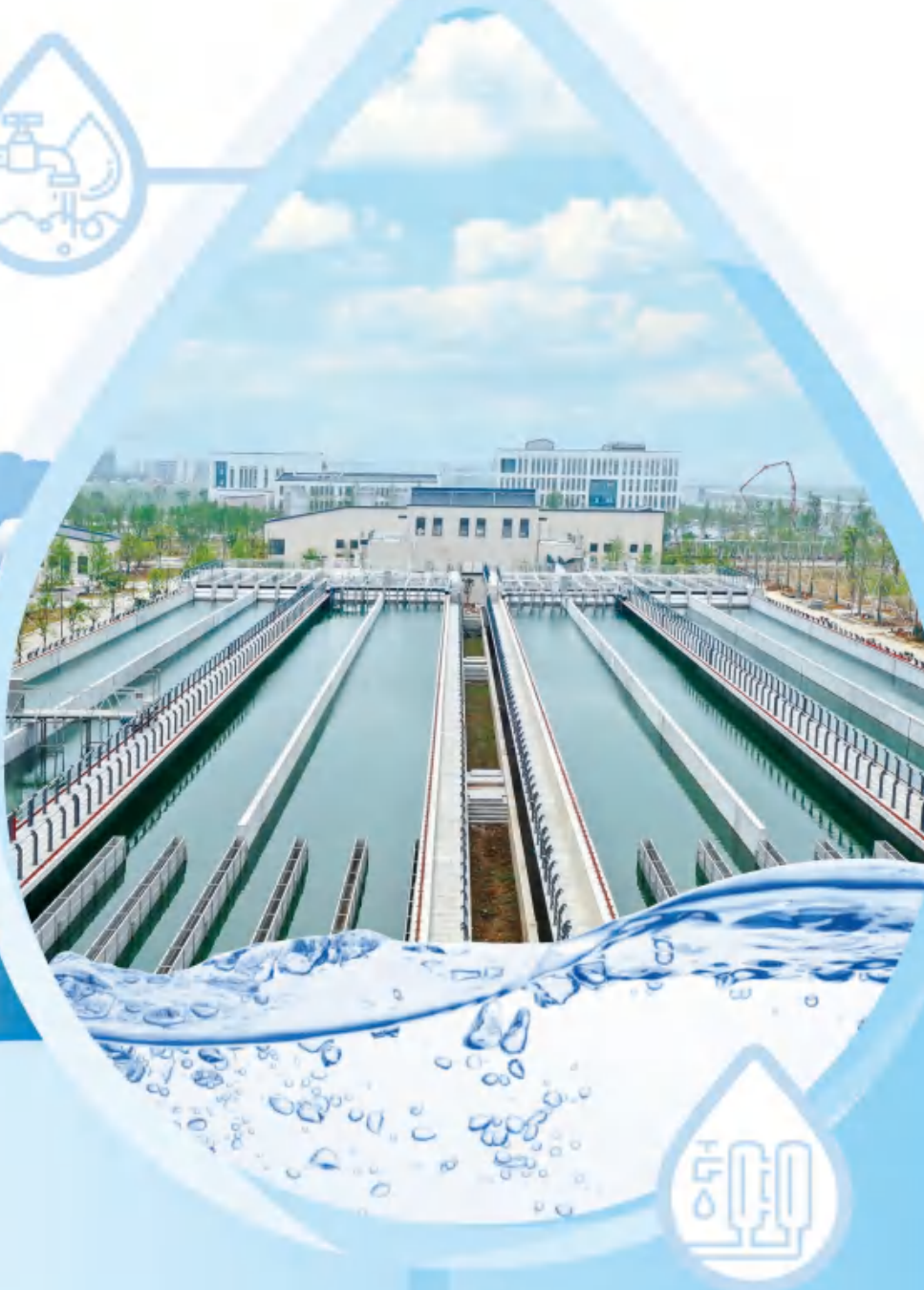
台州市水務集團股份有限公司 Taizhou Water Group Co., Ltd.*

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

Stock code : 1542

2022

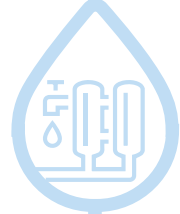
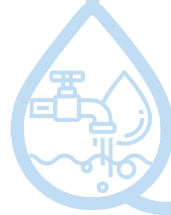
Environment, Social
and Governance Report



* for identification purposes only

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ABOUT THE REPORT

PURPOSE OF THE REPORT

Taizhou Water Group Co., Ltd. (“Taizhou Water” or the “Company”, together with its subsidiaries, collectively the “Group” or “we”) is pleased to announce our fourth Environmental, Social and Governance (“ESG”) Report (the “Report”). Guided by the sustainability strategy, the Report discloses and highlights our sustainability management approach and strategy and the sustainability performance of our principal businesses, with the aim of enabling our key stakeholders to have a understanding of our commitment and determination to sustainability.

REPORTING SCOPE

The Report covers the sustainability performance of the Group for period from 1 January 2022 to 31 December 2022 (the “Reporting Period”). Unless otherwise specified, the Report covers the Group’s raw water supply project, municipal water supply project, tap water supply project, installation services and projects under construction of Taizhou Water Supply System (Phase III) and Taizhou Water Supply System (Phase IV), all of which are located in Taizhou, China, which is consistent with the reporting scope of the Group’s annual report. The reporting scope is determined based on the importance of each entity to our business and operations and the impact on sustainability.

REPORTING STANDARDS

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

REPORTING PRINCIPLES

When preparing the Report, we have followed the reporting principles as summarized in the Reporting Guide, including materiality, quantitative, balance and consistency. For the detailed responses to these reporting principles, please refer to the table below:

Reporting Principles	Responses from the Group
Materiality	We have carefully reviewed and determined the scope of the Report based on the importance of our principal businesses. At the same time, we have invited various key stakeholders to participate in the materiality assessment to identify sustainability issues which are material to the Group and its key stakeholders. All material sustainability issues have been reviewed and confirmed by the Board and are disclosed in the Report. For details of the materiality assessment process, please refer to the section headed “Materiality Assessment”.
Quantitative	We disclose our sustainability performance in a quantitative manner and historical key performance indicators (“KPIs”) as well as other data for comparison purpose, where practicable and applicable. Besides, we set and disclose sustainability targets to help assess and verify the effectiveness of our ESG policies and management systems.
Balance	We will disclose the sustainability performance in the Report, including achievements, challenges and opportunities in our principal businesses, in an unbiased manner so as to avoid the possibility of inappropriately influencing readers’ decisions or judgmental choices.
Consistency	In the Report, we disclose KPIs and other data for each of the sustainability areas for the current and previous years. Unless otherwise stated, we have used a consistent methodology to compile and disclose data from previous years to enable meaningful historical comparisons of ESG data in the Report.

ABOUT THE REPORT

REPORTING LANGUAGE

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

EXPLANATION ON FIGURES

Unless otherwise specified, the currency amounts stated in the Report are denominated in Renminbi (“RMB”).

FEEDBACK

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

ABOUT THE GROUP

Upholding the concept of “focusing on protecting the environment and energy saving, ensuring high-quality water supply and servicing everyone”, the Group is a leading water supplier in Taizhou, principally engaged in supply of raw water, municipal water and tap water, and ranks first in Taizhou in terms of raw water and municipal water supply. In addition, the Group is also engaged in distribution of tap water to end-users and installation of the relevant water supply pipelines.

The Group has been actively responding to the “14th Five-Year” Plan implemented by the PRC government and closely following the direction of water policies, and by integrating internal and external resources, the Group has developed a core positioning of “comprehensive development operator of water and protecting the environment resources” to develop a “water and protecting the environment segment” industrial segment layout, and build a “water and protecting the environment engineering investment, financing, construction, management and operation platform” and a “water and protecting the environment resources integrated development and utilization platform”, committing to becoming an excellent water service provider and comprehensive development operator of water and protecting the environment resources in the Yangtze River Delta region.

With a continued focus on achieving sustainability, the Group is committed to strengthening its position as a leading water supply service provider in Taizhou, guided by four key pillars of ensuring stable and reliable water supply, protecting the environment, caring for employees and caring for the community. During the Reporting Period, by focusing on its main responsibilities and business, the Group has concentrated on the second part of the integration of water supply, with two key projects, the Taizhou Water Diversion Project and the Taizhou South Bay Water Diversion Project, having been completed and put into operation, enhancing the scale of the Group’s water supply. The Group has also taken greater responsibility for sustainability as it moves forward.



ABOUT THE GROUP

MAJOR PROJECT CONSTRUCTION MILESTONES OF THE YEAR

After five years of construction, the Taizhou Water Diversion Project and the Taizhou South Bay Water Diversion Project were simultaneously commissioned for trial operation on 14 July 2022, marking the basic formation of a new water supply pattern of “three vertical and three horizontal” in the southern part of Taizhou. The operation of the two major water diversion projects has significantly improved the safety and reliability of water supply, effectively alleviated the tension between regional engineering and resource-based water shortages, and met the medium to long-term water demand for the development of the southern part of Taizhou.

Taizhou Water Diversion Project

The Taizhou Water Diversion Project is one of the eight major water diversion projects in Zhejiang Province, using the Changtan Reservoir and the Zhuxi Reservoir under construction as the source of water, with a current diversion scale of 330,000 tonnes of water per day. The project introduces water to Taizhou Bay New Area and Wenling through a 62.7km raw water pipeline, and interconnects with the Phase I and Phase II water supply pipelines. The new water treatment plant in the East Zone with a supply capacity of 200,000 tonnes per day has been built in Taizhou Bay New Area, and 14.5 km of fresh water pipelines have been laid to transfer water to Binhai Pumping Station in Wenling.



Taizhou South Bay Water Diversion Project

The Taizhou South Bay Water Diversion Project is a key project at the provincial level, mainly addressing the problems of scarce water sources, small scale and inadequate water supply in Wenling and Yuhuan cities. The project is connected to the main pipeline of the Taizhou Water Diversion Project, and draws water from Zhantang Village in Huangyan Yuanqiao. The current scale of diversion is 150,000 tonnes per day, which could be expanded to 300,000 tonnes per day in the future.



HONOURS AND AWARDS

Organizers	Awards and Honours
Taizhou Safety Production Committee	Outstanding Performer in Assessment of Responsibility for Safety Production Target Management of Taizhou City 2021
State-owned Assets Supervision and Management Committee of Taizhou Municipal People's Government of the Communist Party of China	Demonstration and Cultivation Site for the Construction of Clean State-owned Enterprises of the City
Zhejiang Committee of the Chinese Communist Youth League	May 4th Red Flag Youth League Branch of Zhejiang Province
Luqiao Branch, Taizhou Public Security Bureau	Model of Safety and Intelligent Security 2021
Taizhou Ecological Environment Bureau	Waste-free Cell of the City 2022
Party Working Committee of Taizhou State-owned Assets Supervision and Administration Commission	The Committee of Party Branch of the Group's Raw Water Production Department was dubbed "The First Batch of Model Party Branch"
State-owned Assets Supervision and Administration Commission of Taizhou Municipal People's Government and Office of the Leading Group of Taizhou Municipal Committee of the Communist Party of China for the Construction of Safe Taizhou	"Safe Enterprise" of the "Series of Advanced Work Units in Safe Construction"

OUR SUSTAINABILITY MANAGEMENT APPROACH

The Group upholds the concept of “focusing on protecting the environment and energy saving, ensuring high-quality water supply and servicing everyone”, and considers sustainability to be an important task in strengthening the foundation of the enterprise. Driven by policies such as carbon neutrality and the “14th Five-year” Plan, we are committed to integrating sustainability into our business. We believe that this will not only facilitate our business development, but also enhance our performance in the four key pillars of ensuring stable and reliable water supply, protecting the environment, caring for employees and caring for community, while ensuring that we maintain our leading position as a quality and reliable water supply service provider in China and achieving our business objective of “safe, efficient and orderly” water supply.

SUSTAINABILITY GOVERNANCE

The Board has overall responsibility for our sustainability strategy and reporting. With the delegation of the Strategy Committee under the Board, the ESG Working Group is responsible for overseeing and managing ESG-related issues and providing regular recommendations to the Board. The Working Group is composed of representatives from the Group’s main business segments and various ESG-related operating divisions, and is chaired by the chairman of the Board of the Group so as to ensure that the Board has ultimate responsibility for comprehensively overseeing the Group’s sustainability strategy, management approach and performance, while focusing on the Group’s sustainability and industry positioning.

Roles and Responsibilities

Board of Directors (Strategy Committee)

- Full responsibility for the Group’s sustainability strategy and reporting
- Comprehensively oversee the Group’s sustainability strategy, management approach and performance
- Regularly discusses and reviews the Group’s sustainability risks and opportunities, performance and progress



ESG Working Group

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



Main Business and ESG-related Operating Divisions

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

OUR SUSTAINABILITY MANAGEMENT APPROACH

SUSTAINABILITY RISK MANAGEMENT

With the assistance of an independent third-party sustainability consultant, the Group conducted comprehensive ESG-related risk assessments to ensure that we can effectively manage operational risks. We adopted a systematic approach based on our understanding over routine operation, stakeholder feedback, and emerging ESG trends to identify significant ESG-related risks (including climate related risks and ESG-related risks along the supply chain). By rigorously evaluating the potential impact of each ESG-related risk, we prioritized them based on their significance and likelihood, and paid more attention to and manage the higher-level risks. The ESG Working Group formulated relevant countermeasures and regularly reviewed the effectiveness of such measures and report to the Board, and will make proposals on improvement to the Board when necessary. For details of the corporate governance and risk management approach, please refer to the section of “Corporate Governance Report” in the Group’s 2022 Annual Report.

SUSTAINABILITY STRATEGY

The Group’s sustainability strategy include four key pillars, namely ensuring stable and reliable water supply, caring for employees, protecting the environment, and caring for the community, as our sustainability directions. In order to align with global sustainability initiatives, we selected 10 United Nations Sustainable Development Goals (“UNSDGs”) that are most relevant to us and can contribute to us, and integrated them into our sustainability strategy. We set corresponding goals and targets to drive the sustainability in a more targeted manner. For details of our contribution to achieving the UNSDGs, please refer to relevant sections of the Report.

Ensuring Stable and Reliable Water Supply

Direction: Operate the water supply system in Taizhou in a safe, efficient and orderly manner

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



Caring for Employees

Direction: Care for people, and appreciate their contributions.

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



Protecting the Environment

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

Target*: Reduce the environmental footprint of our operations by reducing greenhouse gas emissions, waste production, energy use and water consumption



Caring for the Community

Direction: Serve people with passion and create a harmonious community

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



* For details of our green targets, please refer to the “Protecting the Environment” section of the Report.

STAKEHOLDER ENGAGEMENT

The Group is committed to addressing the views and expectations of our stakeholders. We continue to maintain close communication and good relationships with various types of stakeholders. The following are the Group's key types of stakeholders and our communication channels with each type of stakeholder.

MAJOR TYPES OF STAKEHOLDERS AND COMMUNICATION CHANNELS:

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

STAKEHOLDER ENGAGEMENT

MATERIALITY ASSESSMENT

We conduct materiality assessment on an ongoing basis to identify sustainability issues relevant to the Group's business and stakeholders.

1

Issue Identification

28 ESG-related issues were identified by reference to HKEX Reporting Guide, industry trends and communications with former and existing stakeholders.

2

Collection of Stakeholders' Feedback

Management and key stakeholders were invited to provide input over our sustainability.

3

Issue Prioritization

Based on the importance ratings given to these issues by the management and our key stakeholders, we conducted a statistical analysis to rank the issues and develop materiality matrix, and determined the priority of the issues.

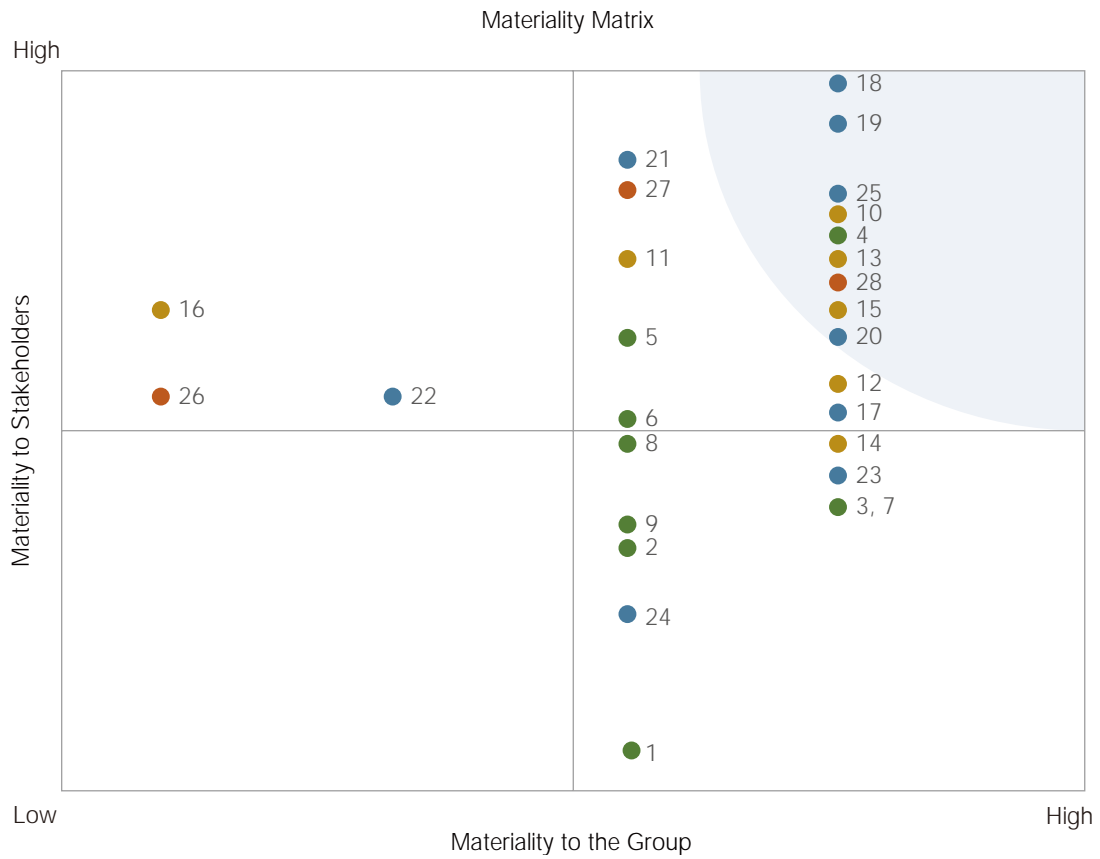
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Issue Validation

The 9 material ESG-related issues identified were submitted to the the Board and the ESG Working Group for review to determine issues with priority and reporting focus.

STAKEHOLDER ENGAGEMENT

With the assistance of an independent third-party sustainability consultant, we invited our internal and external stakeholders to rate 28 ESG-related issues through an online survey. Based on the composite score derived from the survey, we have prioritized the 28 ESG-related issues, to present their impact on the Group's business and overall importance to our stakeholders.



STAKEHOLDER ENGAGEMENT

LIST OF ESG ISSUES:

Environment	Employees	Operation	The Community
1. Air Emissions	10. Employment Relationship	17. Social Risks in the Supply Chain	26. Supporting Community Development
2. Waste Disposal and Recycling	11. Employee Welfare	18. Water Quality and Water Safety	27. Promoting Water Conservation Education
3. Carbon Reduction and Energy Efficiency	12. Equal Opportunity, Diversity and Anti-discrimination	19. Water Supply Pressure and Stability	28. Collaboration for Sustainable Development of the Industry
4. Water Efficiency and Conservation	13. Occupational Health and Safety	20. Customer Service	
5. Sewage Treatment	14. Prevention and Control of COVID-19 Outbreak	21. Data Protection and Network Security	
6. Ecological Conservation	15. Staff Development and Training	22. Technology Development	
7. Climate Change Risk	16. Employment Compliance	23. Intellectual Property Protection	
8. Green Procurement		24. Marketing and Advertising	
9. Environmental Risks in the Supply Chain		25. Anti-corruption	

The vertical axis of the Materiality Matrix represents “Materiality to Stakeholders”; the horizontal axis represents “Materiality to the Group”, the shaded area in the upper right quadrant represents issues deemed as material. Based on the above assessment, we have identified 9 material issues, including:

MATERIAL ISSUES:

No.	Issue	Related Section
4	Water Efficiency and Conservation	Protecting the Environment – Water Saving
10	Employment Relationship	Caring for Employees
13	Occupational Health and Safety	Caring for Employees – Occupational Health and Safety
15	Staff Development and Training	Caring for Employees – Development and Training
18	Water Quality and Water Safety	Ensuring Stable and Reliable Water Supply – Water Quality and Safety
19	Water Supply Pressure and Stability	Ensuring Stable and Reliable Water Supply – Sufficient and Stable Water Supply
20	Customer Service	Ensuring Stable and Reliable Water Supply – Customer Satisfaction
25	Anti-corruption	Caring for Employees – Anti-corruption
28	Collaboration for Sustainable Development of the Industry	Caring for the Community

ENSURING STABLE AND RELIABLE WATER SUPPLY

UNSDGs



DIRECTION

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

TARGET

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

WATER QUALITY AND SAFETY

Upholding the principle of “safe, efficient and orderly” water supply, the Group is committed to meeting public demand for high quality water for production and domestic use. We strictly complies with the relevant laws and regulations¹, and have also established a strict management system for product and service quality, for which Taizhou City Water Co., Ltd., a subsidiary of the Group has been certified by the international ISO 9001:2015 product and service quality management system standard. During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations.

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

We have obtained the health permit in respect of products involving drinking water safety in accordance with applicable laws and regulations². We also obtained the water intake permit, and acquired water according to the approved annual water intake plan.

¹ For details of laws and regulations relating to the health and safety of products and services, please refer to “List of Key Laws and Regulations” section of the Report.

² For details of laws and regulations relating to the health and safety of products and services, please refer to “List of Key Laws and Regulations” section of the Report.

ENSURING STABLE AND RELIABLE WATER SUPPLY

In order to ensure the quality and safety of drinking water, we ensure that the supplied drinking water complies with relevant laws, regulations and standards³. We are responsible for testing the water quality of raw water, treated water and pipe network water, and truthfully reporting water testing data to competent departments of local urban water supply.

Water Quality Testing Center of Taizhou City Water Co., Ltd.* (台州城市水務有限公司水質檢測中心)

We focus on the quality and safety of water use. Water Quality Testing Center of Taizhou City Water Co., Ltd. is equipped with high-end instruments such as gas chromatograph room, atomic absorption spectrometer room, physical and chemical analysis room, microbial testing room, etc., and its professional team monitors each link of water supply every day, including chemical reagent configuration, sample collection, sample preparation, sample analysis, quality control, data statistical analysis, etc.

The Water Quality Testing Center carried out the test of pressure filtration water treatment process in 2021, and advanced treatment of pressure filtration tail water was carried out by using ozone advanced oxidation process, micro bubble air flotation technology, Electrocoagulation technology, activated carbon adsorption technology, membrane treatment technology and other technological means, so that it can basically reach the Class III water quality standard for surface water and achieve the recycling of high-quality renewable water resources.

As early as 2015, the Water Quality Testing Center was accredited by China National Accreditation Service for Conformity Assessment (the "CNAS") as qualified for ISO/IEC 17025:2005 General Requirements for the Competence of Testing and Calibration Laboratories. During the Reporting Period, Water Quality Testing Center has passed the laboratory accreditation reevaluation, change and expansion review of the CNAS again. The testing report issued by Water Quality Testing Center can use CNAS and international mutual recognition marks, and is recognized by more than 100 countries and regions worldwide.



³ For details of laws and regulations relating to the health and safety of products and services, please refer to "List of Key Laws and Regulations" section of the Report.

ENSURING STABLE AND RELIABLE WATER SUPPLY

SUFFICIENT AND STABLE WATER SUPPLY

In order to ensure the provision of stable and reliable water resources to the public, our Group is committed to implementing multiple construction projects to improve the performance of water supply, water supply stability, water efficiency, and scheduling capabilities.

Taizhou Water Diversion Project and Taizhou South Bay Water Diversion Project

In order to effectively alleviate the contradiction between regional engineering and resource water scarcity, and meet the medium to long-term water demand for the development of the South Area of Taizhou, our Group has successfully put into operation the Taizhou Water Diversion Project and the Taizhou South Bay Water Diversion Project, further improving the stability and reliability of water supply and ensuring the safety of water supply. On this basis, the Group will take the operation of these two projects as a new starting point, actively promote the construction of water supply infrastructure projects such as emergency backup of north-south water sources, expansion and improvement of Taizhou Water Plant, and urban water network connectivity, and further strengthen management integration and water supply scheduling to provide stable and reliable water resource supply to the public.

Taizhou Water Plant Expansion Project

During the Reporting Period, the main project of the Taizhou Water Plant Expansion Project has been successfully completed and is planned to be completed and put into operation next year. After completion, the total water supply capacity of Taizhou Water Plant can reach 650,000 tonne per day, with an additional 200,000 tonne per day of water supply capacity, which can significantly alleviate the contradiction in water supply demand during peak hours in the main district of Taizhou and improve the safety and reliability of water supply in the South Area of Taizhou.



ENSURING STABLE AND RELIABLE WATER SUPPLY

Zhuxi Reservoir Water Transmission System Project

The Zhuxi Reservoir Project is a large-scale reservoir that integrates comprehensive utilization functions such as water supply, flood prevention, irrigation, and power generation. During the Reporting Period, the water conveyance tunnel of Zhuxi Reservoir was fully connected. After the project was completed, the average annual water diversion capacity was 90.72 million m³ to the South Area of Taizhou, and 8.73 million m³ to urban district in the Zhuxi Basin, while significantly improving the flood control capacity of the downstream of Zhuxi.

**Emergency Water Supply Project in the Western Area of Jiaojiang**

During the Reporting Period, the Group successfully completed the emergency water supply project in the Western Area of Jiaojiang, significantly improving the water supply capacity, quality, and water scarcity of the region. This project fully guaranteed the water supply in the area, ensuring stable and reliable water supply, benefiting approximately 140,000 local residents. At the same time, the project significantly improved water pressure and alleviated the problem of low water pressure, providing local residents with a more convenient and high-quality experience of domestic water use.

ENSURING STABLE AND RELIABLE WATER SUPPLY

SMART WATER SERVICES

The Group has long been committed to improving the quality and efficiency of our water supply services. To this end, we have continued to upgrade our information system and establish a smart water service system for the Group and our water plants over the past decade. We have invested plenty of resources in the construction of information systems such as the water service big data center, geographic information system (GIS), pipeline water quality monitoring, online water quality monitoring meters, point inspection and production management, and have continued to explore new models of smart water service to improve monitoring efficiency.

Smart Monitoring and Scheduling

At the water treatment plant in the East Zone, we have established nearly 5,000 monitoring points through the smart water service system to scientifically and carefully control the whole process of automatic water balance, water quality control, safety control, green energy saving, etc., and to monitor the entire process of water production from intake to discharge at water treatment plant in the East Zone. Once abnormalities are found, the staff will start the targeted water treatment at the first time to ensure the high standard and quality of water. At the same time, we use building information modeling (BIM) and simulation technology to integrate all-round data of the water plant, and through the methods of mechanism model analysis and big data analysis, we present and predict the past, present and future status of the water plant visually, and provide decision support for operation and management, so as to equip the water plant with a “smart brain”.

During the Reporting Period, we further enhanced the coordination and dispatching capacity of Taizhou’s southern water supply, relying on the “smart brain” to closely monitor the operation status of water supply during peak water consumption periods in combination with the water consumption characteristics of urban and rural residents, and precisely regulate the water supply in time slots according to the real-time pressure dynamics of the pipeline network, as well as coordinating water dispatching through upstream and downstream linkages. At the same time, we gave full play to the storage capacity of the clear water ponds of the downstream water divisions to relieve the pressure of water supply during peak periods and ensure sufficient water quantity and stable water pressure.

In order to better ensure safe water supply, the Group has introduced the district metering (DMA) system in recent years to monitor the operation of the water supply pipeline network in real time. Through the smart water service application, we can quickly deal with water quality and pressure events within 24 hours, detect leaks at the first time and reduce the leakage rate of the pipeline network.

The application of these smart water service technologies has provided us with a more stable and adequate water supply, making it more convenient and secure for the public to use water. In order to continuously improve our water management capabilities, the Group will continue to integrate various smart water service technologies and promote the construction of smart water services, so as to contribute to ensuring safe water supply, improving the efficiency of water resources utilization and serving the lives of the public.

Smart Services

In the construction of the smart water service platform, the Group is committed to solving the most important issues of water saving and revenue generation for residents. Through the use of advanced technologies such as big data, cloud computing and the internet of things, we are committed to improving the efficiency and standard of our business. By upgrading the water division’s marketing and installation system platform, we have streamlined and optimised the installation process and compressed business processing time.

To further enhance urban water production, management and services, we will continue to build water data centers and improve application platforms to support internal information integration and unified information system architecture, and continue to improve system standardization of information. These efforts will provide a data base and data support for production and operation, management, and internal and external services, making water use by the public more convenient and secure.

ENSURING STABLE AND RELIABLE WATER SUPPLY

PROJECT QUALITY

Despite the impact of the COVID-19 pandemic, we are still doing our best to complete the construction work to provide sufficient, reliable and safe water to the public and to enhance the welfare of the community. In order to ensure the quality of our projects, we strictly comply with the relevant laws and regulations⁴ relating to the project construction, while formulating our own Measures on Quality Management of Construction Works (《工程質量管理辦法》). The Group follows the basic construction policy known as “in a task so important for generations to come, good quality must be ensured” and strengthens the quality control in the process of each project to ensure that quality is maintained at a high level, so as to achieve the standard of quality, safety and civilization as a whole. Under the four-pronged quality management assurance system featuring “self-inspections of the construction unit, inspections of the supervision unit, inspections of the owner, and regulation of the government”, the Group’s projects are delivered with high quality with the strict implementation of comprehensive quality management by all the parties involved, stringent self-inspection, a random inspection system and process handover and acceptance system.

All-round Protection of Project Quality to Ensure the Safety and Smooth Implementation of the Project



The project inspection team of the Group is committed to ensuring the quality of our projects through regular on-site inspections and personal supervision. At the same time, we actively provide assistance to our construction staff to help them overcome the difficulties encountered during the construction process. In addition, during the Reporting Period, we carried out several engineering supervision on numbers of key projects, including the Taizhou Water Treatment Plant Expansion Project, the Taizhou Water Diversion Project and the Taizhou South Bay Water Diversion Project, to ensure that all aspects of the projects met production safety, engineering quality and project progress requirements.

⁴

For details of laws and regulations relating to project construction, please refer to “List of Key Laws and Regulations” section of the Report.

ENSURING STABLE AND RELIABLE WATER SUPPLY

CUSTOMER PRIVACY AND DATA SECURITY

The Group will collect customers' personal information when providing water services to them. In order to protect customers' personal information, the Group strictly complies with applicable laws and regulations⁵ relating to data protection and privacy, and we also guarantee that we only collect customer information as and when necessary, and will not utilise customer information for purposes other than the Group's business. Besides, the Group continuously enhances the awareness of our employees on the protection of customer privacy, for example, we promote the importance of data confidentiality among our employees with the labour contract and employee handbook specifying that employees are obliged to keep the Group's business secret and the customer information confidential. We also require employees to handle customer information carefully.

In order to raise staff awareness of network and data security, we also provide network security related training and seminars to our staff from time to time.

CUSTOMER SATISFACTION

In order to understand and meet customers' expectations, the Group collects customers' opinions and understands their demands through channels such as customer service hotline, social websites and customer service emails. During the Reporting Period, we also conducted customer satisfaction surveys to understand our customers' opinions and expectations. We handle customer complaints carefully and keep written records for all complaints. The responsible department of the Group will analyse and investigate the matters related to the complaints and provide advice on how to handle such complaints. Then, such department will provide complainants with feedback and track the complainants' satisfaction about the solutions. During the Reporting Period, we did not receive any material complaints⁶ about products and services (2021: 0⁷).

At the same time, in order to improve customer satisfaction and well-being, the Group continued to promote the "one account, one water meter" transformation, optimize the water supply structure of townships, upgrade rural pipe network facilities, and solve the water consumption problem for rural residents. We also demonstrated to residents the operation process of issuing electronic ordinary VAT invoices and paying water fees with WeChat, Alipay, cloud flash payment, etc., and provided 24-hour customer service hotline to provide users with the most convenient and timely consultation and reminder services.

INTELLECTUAL PROPERTY PROTECTION

The Group attaches great importance to intellectual property rights and is committed to protecting the R&D achievements, patents and other intellectual property rights of the Group and other parties. We strictly comply with the applicable laws and regulations⁸ relating to intellectual property rights. The Group also established the Intellectual Property and Patent Management System (《知識產權及專利管理制度》) to standardise the Group's intellectual property and patent management, define responsibilities and duties, protect the Group's intellectual property and patent from infringement and fight against illegal infringements. We have set up the Technical Patent Management System (《技術專利管理制度》) that covers the technical patent project establishment, research and development and acceptance, registration/application, filing, confidentiality, infringement/anti-infringement, maintenance procedures and archives management to protect various projects and R&D from infringement and to safeguard the Group's R&D achievements.

During the Reporting Period, the Group was not aware of any material violation of laws and regulations in respect of the health and safety, intellectual property and privacy matters relating to products and services provided.

⁵ For details of laws and regulations relating to data protection and privacy, please refer to "List of Key Laws and Regulations" section of the Report.

⁶ Material complaints refer to complaints that have a significant long-term impact on our customers or are related to the failure to deliver the agreed service requirements.

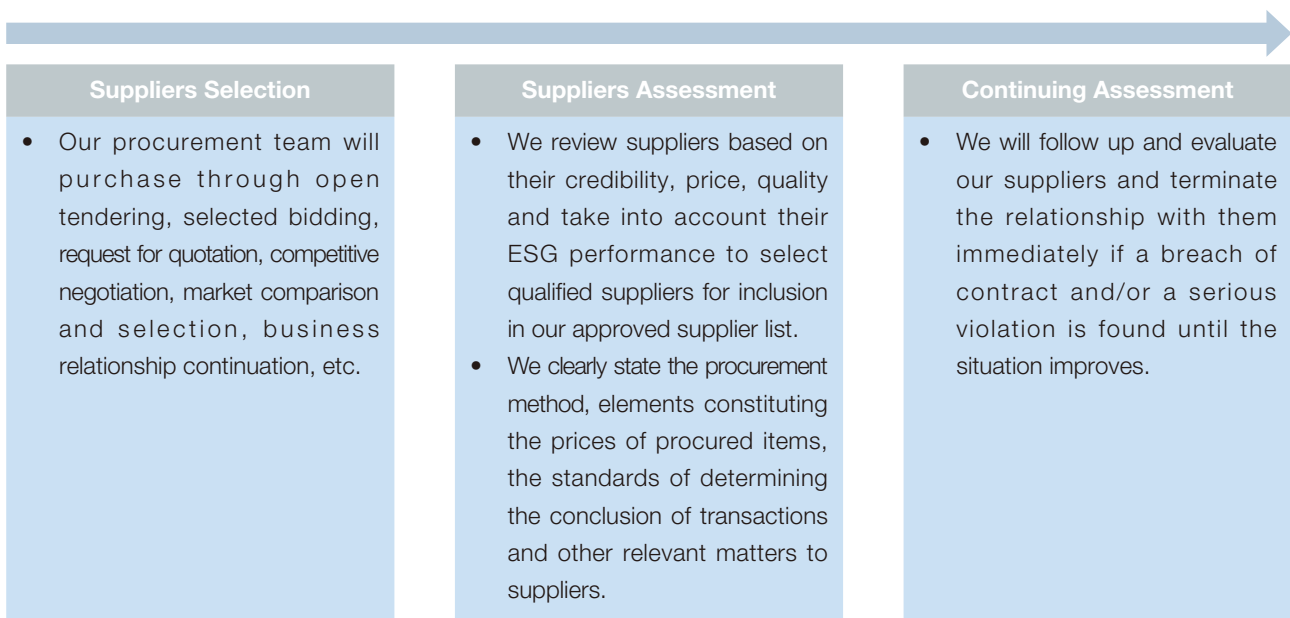
⁷ The 2021 data has been adjusted to ensure its comparability.

⁸ For details of laws and regulations relating to intellectual property rights, please refer to "List of Key Laws and Regulations" section of the Report.

ENSURING STABLE AND RELIABLE WATER SUPPLY

SUPPLY CHAIN MANAGEMENT

The raw materials, power and parts and components and equipment used for the Group's water supply and the installation of tap water pipeline networks business are mainly raw water, electricity, construction materials, pipelines, spare parts for daily repair and maintenance, and chemicals used for water treatment, such as sodium hypochlorite and hydrated lime. In order to ensure the quality of raw materials, we have established a comprehensive internal control system in respect of supply chain management by formulating internal management systems such as the Materials Management System (《物资管理制度》) with reference to laws and regulations⁹, to regulate the Group's procurement methods, principles and procedures.



The Group has conducted a comprehensive ESG-related risk assessment with the assistance of an independent third party sustainability consultant, which included the identification and management of potential environmental and social risks associated with the Group's supply chain. Based on our assessment, we did not identify any environmental and social risks associated with the supply chain that were rated as "high risk". The Board and the ESG Working Group will continue to monitor the environmental and social risks along the supply chain and regularly review the effectiveness of countermeasures and explore improvement potential to further optimize our supplier management practices.

As of 31 December 2022, the number of our major suppliers was 121 (we had 95 major Chinese suppliers in 2021) and all of them were from China. All major suppliers were required to implement practices relating to engaging suppliers and pass our established evaluation process prior to the initiation of formal purchases.

⁹ For details of laws and regulations relating to supply chain management, please refer to "List of Key Laws and Regulations" section of the Report.

CARING FOR EMPLOYEES

UNSDGs



DIRECTION

People-oriented, care for and value our employees.

TARGET

Create a fair and equal work environment for our employees by caring for their health and safety and providing them with equal opportunities.

OVERVIEW OF EMPLOYEES

As at 31 December 2022, we had 237 (2021: 206) full-time employees in total. All of them were located in China.

Employee Composition ¹⁰	2022	2021
By Gender		
Male	157	137
Female	80	69
By Age Group		
30 or Below	46	19
31-40	68	62
41-50	96	96
51 or Above	27	29
By Employment Type		
Senior Management	7	8
Middle Management	30	34
General and Technical Staff	200	164

¹⁰ Included the Group's overall employee data.

CARING FOR EMPLOYEES

During the Reporting Period, the Group had 8 turnovers from China (1 turnover from China in 2021).

Employee Turnover Rate ¹¹	2022	2021
By Gender		
Male	3%	0%
Female	4%	1%
By Age Group		
30 or Below	0%	0%
31-40	0%	0%
41-50	0%	1%
51 or Above	11%	0%

ATTRACTING AND RETAINING TALENT

The Group adheres to “people-oriented” human resources management approach and is committed to providing good welfare benefits and creating a healthy and safe working environment for employees. The Group strictly complies with the laws and regulations¹² relating to the employment, and signs labour contracts with employees by the principles of equality and negotiation.

¹¹ Included the Group's overall employee data.

¹² For details of laws and regulations relating to employment, please refer to “List of Key Laws and Regulations” section of the Report.

CARING FOR EMPLOYEES

Compensation	<ul style="list-style-type: none"> • Provide employees with competitive remuneration and benefits based on job requirements and personal job performance. • Regularly review the overall employee remuneration and benefits on the annual basis to ensure that we are competitive in the local market, particularly when compared with related industries and similar institutions. • Provide direction and guidance to employees' personal work plans to achieve KPIs. We also appraise and award employees based on their achievements and contribution.
Dismissal	<ul style="list-style-type: none"> • Ensure that all employees are subject to labor security in compliance with local regulations. • When an employee resigns voluntarily or being laid off, the human resources department shall have an exit interview with such employee to understand the reason for the resignation and will issue employment verification document to the dismissed employee. • When the Group terminates an employee's employment contract, the dismissed employee shall be given due notice or wages in lieu of notice, and the paid annual leave and maternity leave are not counted in the notice period. • We do not dismiss an employee because of being pregnant, or having paid sick leaves, or participating in labour union activities, or having provided evidence or information in legal proceedings related to the enforcement of labour laws, industrial accidents or breach of work safety regulations. We do not dismiss an employee who is injured on duty before a work related injury compensation agreement has yet been reached or the relevant injury assessment certificate has yet been issued.
Recruitment and Promotion	<ul style="list-style-type: none"> • In recruitment, the Group adheres to the principle of "openness, fairness and justice", pursues bidirectional choosing and hires on the basis of ability, so as to avoid any discriminatory behavior. • We have established a scientific and normative system for the selection and appointment of middle-level management staff, under which all staff have the opportunity to be promoted. As a result, it would facilitate exceptional talent with both moral integrity and ability and outstanding performance to differentiate them.
Working Hours	<ul style="list-style-type: none"> • In accordance with the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), we strictly observe that the working hours per day should not exceed 8 hours, and the working hours per week should not exceed 44 hours.
Rest Periods	<ul style="list-style-type: none"> • In accordance with the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), employees enjoy holidays to which they are entitled.

CARING FOR EMPLOYEES

Equal Opportunity, Diversity, Anti-discrimination

- Offer equal opportunity in recruitment, training, promotion, job relocation, remuneration, benefits, termination of contract and other matters, which is not affected by age, gender, marital status, family status, race, skin colour, nationality, religion, sexual orientation and other factors.
- We uphold the values of fairness, justice and openness, and comply with relevant laws and regulations to ensure that all employees enjoy equal opportunities in work.
- The Group has established Board Diversity Policy. When selecting Board members, we will promote diversity by taking full account of candidates' diverse backgrounds and experience based on objective criteria.

Other Benefits and Welfare

- Offer employees various benefits and welfare, including but not limited to health check, supplementary medical insurance, annuity, hobby groups such as Ba Duan Jin (Eight-Section Brocade) group, basketball group, volleyball group, swimming group, yoga group, flower arrangement group, tea art group, reading and movie sharing group etc., fun activities such as sports games, shooting competition, spring and autumn outings, health lectures, visiting employees who are hospitalized, retired employees activities, holiday sympathy and gift distribution, birthday celebration, group building activities, and employee recuperation activities, etc., to take care of the physical and mental health and well-being of our employees.

Spring Festival Greetings to Frontline Staff during Pandemic

During the Reporting Period, many people who came from elsewhere to work in Taizhou decided to stay in Taizhou during the Spring Festival in response to Taizhou Municipal Party Committee and Municipal Government's policy on pandemic prevention and control. Leaders of the Party Committee of the Group delivered Spring Festival greetings and wishes, Chinese New Year gifts and supplies to frontline employees in project sites of the two major water diversion projects personally, and reminded them to pay attention to pandemic prevention and control and safety to ensure a safe and joyful holiday.



CARING FOR EMPLOYEES

Delivering Coolness and Sympathy, Caring for Staff who Work under the Heat

During the Reporting Period, the Group was committed to caring for employees, and organized several sympathy activities to deliver coolness to staff who worked hard at construction sites, especially in hot summer. We delivered heat protection supplies including heatstroke medicine, summer beverages, sunlight shielding umbrellas and towels to staff who work under the heat and also reminded them to do their best to prevent heat stroke, make reasonable arrangements for work, rest etc., and avoid operation during high temperature hours.



During the Reporting Period, we were not aware of the Group's involvement in any material non-compliance or violation in respect of compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

CARING FOR EMPLOYEES

OCCUPATIONAL HEALTH AND SAFETY

We are committed to providing a safe and healthy working environment for our employees by adhering to the work safety principle of “staying people oriented, insisting on safe development, prioritizing work safety, staying prevention oriented and adopting comprehensive management”. We set the annual work safety objective and the implementation plan every year in accordance with the relevant laws and regulations¹³ relating to health and safety and with reference to the international standards of Occupational Health and Safety Management System ISO45001:2018. The Group’s subsidiary, Wenling Zeguo Water Supply Co., Ltd. (溫嶺市澤國自來水有限公司), has also been awarded the Safety Production Standardisation Level-3 Enterprise (安全生產標準化三級企業證書), and its safety standards have been recognized.

Maintaining safety during the production and construction phases is our top priority. We have therefore established a comprehensive work safety risk management mechanism, which includes the establishment of a hierarchical risk management checklist, whereby risk sources are regularly checked by dedicated departments, and the establishment of a list of significant hazard sources, so that the awareness of relevant departments can be enhanced so as to avoid significant hazard incidents. In addition, we carefully analyse the safety conditions on a quarterly basis to identify potential safety risks and develop countermeasures. Meanwhile, the Group has released the Work Safety Incident Response Plan, and has conducted work safety incident risk assessment and investigated in work safety incident response resources. We continue to promote the standardization of work safety, to achieve the standardization of positions, professions and enterprises, so that safety management can be followed by rules and guidelines, and to strengthen occupational health and safety management in workplaces, with a view to achieving the work safety goal of establishing a long-term mechanism for enterprise safety standardization.

Work Safety Achievements

Under the operational guidelines of Taizhou Municipal Party Committee, Municipal Government, Municipal Safety Commission, Bureau of Emergency Management and Municipal State-owned Assets Supervision and Administration Commission, the Group has been guided by the important statements on work safety made by the national leaders and has practically put the concept of safety development into the daily operation of the Group, insisting on treating both symptoms and root causes and systemic management to support the Group’s high quality development with high quality safety management. We also won the excellent unit in the assessment of Taizhou City Work Safety Target Management Responsibility System in 2022. The Group will continue to enhance production safety and make the well-being of its employees a top priority.

During the Reporting Period, the Group did not have any lost days due to work injury (2021: nil) and did not have any work-related fatalities (2021: nil). In addition, the Group has had no work-related fatalities in each of the past three years including the Reporting Period. We were not aware of any material non-compliance with laws and regulations relating to providing a safe working environment and the protecting employees from occupational hazards during the Reporting Period.



¹³ For details of laws and regulations relating to health and safety, please refer to “List of Key Laws and Regulations” section of the Report.

CARING FOR EMPLOYEES

Activities for Enhancing Employee's Awareness of Work Safety: Launch of Firefighting Promotion Month and Work Safety Month

To further enhance the employee's awareness and attention of fire safety, ensure the works thereof being widely spreading among our employees, during the Reporting Period, the Group took advantage of the "119" Firefighting Promotion Month to carry out a series of activities of fire safety advocacy with the theme of "Strive for Fire Safety to Ensure the High-quality Development", aiming to enhance employee's awareness of and coping ability to the fire safety through various of forms and methods, such as organizing fire drills, offering lectures on fire protection and distributing the relevant promotional materials. In leverage of these promotional activities, the Group raised fire safety awareness of employees, facilitated the effective promotion of fire safety works, and provided a safeguard to the occupational safety and health of our employees.

Staff Fire Training

The staff fire training involves the selection and use of the firefighting equipment, self-rescue methods for fire events and other general knowledge of fire safety, aiming to enhance the employee's firefighting skills and safety awareness, strengthen their self-prevention and self-rescue capabilities as well as their ability to identify and cope with the fire hazardous, and thereby, to ensure the employee's safety during the production and their daily life.

**Staff Experiential Activity at Professional Firefighting Center**

It is a professional event specially arranged for our staff, emphasizing on raising fire safety awareness of employees, gaining professional knowledge regarding firefighting signs, firefighting simulation practices, escape drills and firefighting equipment through visiting the safety experience center.

**Fire Escape Exercise and Safety Evacuation**

We conducted the fire escape exercise to provide employees training on escaping out of the offices in an orderly and smooth way.

**Fire Safety Inspection by Provincial Fire Protection Experts**

We specially invited provincial fire protection experts to conduct a comprehensive and in-depth inspection on our construction and daily management of fire safety system.

**Promoting Corporate Safety Culture with Work Safety Month**

During the Reporting Period, we organized the Work Safety Month, which covers a series of activities such as safety threat inspections, emergency rescue exercises and safety management trainings, to enhance the employee's knowledge and awareness of work safety, and further promote the construction and development of safety culture of the Company.

CARING FOR EMPLOYEES

Fighting the Pandemic Together

Under the COVID-19 pandemic, the Group insisted on the regular prevention and control of the pandemic and strictly supervised the various prevention and control measures to ensure the effective implementation of pandemic prevention and production health and safety measures, thereby eliminating safety risks as much as possible. The Group has been making every effort to protect the health of its staff and safeguard water supply.

Rigorous and comprehensive pandemic prevention measures

We responded positively to the national call to take a number of preventive measures to protect the health and safety of our staff during the Reporting Period, including:

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

Pandemic Prevention and Control Inspections: An Important Measure to Protect Staff Health and Safety

Pandemic prevention and control inspections were an important part of our work during the Reporting Period to ensure that we had effectively implemented the appropriate control measures. We have established pandemic prevention and control organizations, formulated pandemic prevention and control work plan and contingency plan, and fully equipped with pandemic prevention and control materials to protect the health and safety of our staff to the greatest extent possible.



CARING FOR EMPLOYEES

DEVELOPMENT AND TRAINING

In addition to focusing on business development, the Group is also committed to growing with its employees. We provide ample training and development opportunities and prepare an annual learning and training schedule based on the learning needs of our staff in each department to provide the most suitable training activities for our employees. In addition, we encourage our employees to participate in external training activities and provide application and approval processes to facilitate their personal and professional development. Employees are required to share or summarise the learning experience after the completion of external training activities to enhance knowledge consolidation and sharing.

Training and Development ¹⁴	2022	2021	Unit
Employee Training			
Total Training Hours	5,988.80	6,453.20	Hour
Average Training Hours	24.44	31.17	Hour
Percentage of Employees Trained by Gender			
Male	68.95	65.83	%
Female	31.05	34.17	%
Percentage of Employees Trained by Employment Category			
Senior Management	6.39	4.52	%
Middle Management	17.35	16.58	%
General and Technical Staff	76.26	78.90	%
Average Training Hours Completed per Employee by Gender			
Male	27.81	33.34	Hour
Female	17.87	26.95	Hour
Average Training Hours Completed per Employee by Employment Category			
Senior Management	239.25	99.78	Hour
Middle Management	34.96	34.90	Hour
General and Technical Staff	14.62	26.64	Hour

¹⁴ Training data included relevant training data of resigned employees during the Reporting Period to reflect the amount of resources invested by the Group in training and the application extent of the same.

CARING FOR EMPLOYEES

Nurturing Young Talents

During the Reporting Period, we conducted a series of business training for the newly established water treatment plant in the East Zone with 60% new staff to enhance its operational capability and efficiency. During the training, we invited our veteran staff to give hands-on instruction to the young staff on the operation of the equipment at the water factory and procedures as well as the do's and don'ts. In addition, we invited external experts to conduct training for the staff of the production and technical sections of the water treatment plant in the East Zone, covering areas such as the use of pumps and safety maintenance. Through the training, we expect to enable the staff of the new water treatment plant to quickly acquire the relevant skills and knowledge and bring their youthful energy into play to contribute to the efficient operation of the water treatment plant.

**Water Seminar: Network Leakage and Marketing Management**

During the Reporting Period, the Group organised a seminar on the theme of network leakage and marketing management, inviting senior experts in the water industry in China to share their experience and practices in water leakage control. Through the sharing by the experts, we hope to enhance the level of network leakage control and business management, and further improve our service quality and professional standards.



CARING FOR EMPLOYEES

PREVENTION OF CHILD LABOUR AND FORCED LABOUR

The Group takes human rights very seriously, especially relating to child labour or forced labour. We strictly comply with the relevant laws and regulations on labour standards¹⁵ and do not employ child or forced labour. As the important gatekeeper, our human resources department has established a series of internal control procedures to ensure the transparency and legality of the recruitment process, including checking the identity documents of new employees and avoiding the employment of child and illegal labour. In addition, we expressly stipulated the working hours, rest periods, overtime arrangements, holidays and other labour arrangements in the labour contracts of our employees to ensure that they enjoy sufficient rest days and to avoid overwork or forced labour. These procedures will be monitored and inspected on an ongoing basis and if any irregularities are found, the Group will take immediate steps to stop the relevant work and report to the regulatory authorities.

During the Reporting Period, the Group did not involve in any non-compliance or violation involving child labour or forced labour and was not aware of any material non-compliance relating to the prevention of child labour or forced labour.

ANTI-CORRUPTION

The Group attaches great importance to anti-corruption and strictly complies with the applicable laws and regulations¹⁶ relating to the anti-corruption and prohibits bribery, extortion, fraud and money laundering. In this regard, we have established the Manual for Integrity Risk Control (《廉潔風險防控手冊》) to clarify the core values of “anti-corruption” and have standardised and optimised the process of integrity risk prevention and control in all aspects. We develop the Schedule of Division of Responsibilities in Clean Party Construction and Anti-corruption (《黨風廉政建設和反貪腐敗工作責任分工表》) every year to clarify the responsibility of each department in anti-corruption work. In the meantime, the Discipline Inspection and Supervision Office of the Group is the core department in such management, which is responsible for organising the formulation and implementation of discipline inspection and supervision work plan according to the requirements of the Group’s Party Committee on anti-corruption work. The Discipline Inspection and Supervision Office also takes charge of accepting the whistleblowing and appeal from Party members and the public. In accordance with the Measures of Taizhou Municipal Discipline Inspection Commission and Taizhou Municipal Supervision Commission on the Management of Whistleblowing Box for Discipline Inspection and Supervision (Trial) (《台州市紀委市監委紀檢監察舉報箱管理辦法(試行)》), we set up the whistleblowing box at an appropriate place, thus effectively protecting the whistle-blower and the materials we have received and keep them confidential.

In order to further strengthen discipline management, we released the Notice on Complying with Discipline Rules in Holidays and Festivals (有關節日期間紀律規定的通知) in main holidays and festivals to our employees and developed and implemented the Measures on the Interview Related to Clean Party Construction Issues (《黨風廉政建設約談辦法》), to talk to employees on key positions to get information of the implementation and construction of clean Party accountability mechanism. At the same time, we also attach great importance to anti-money laundering work. We have established the Anti-money Laundering Management System (《反洗錢管理制度》) to promote and strengthen efforts to combat money laundering and prevent the Group from becoming a money laundering tool of criminals.

During the Reporting Period, the Group was neither aware of any concluded legal cases regarding corrupt practices brought against the Group or its employees, nor any material irregularities relating to the prevention of bribery, extortion, fraud and money laundering.

¹⁵ For details of laws and regulations relating to employment, please refer to “List of Key Laws and Regulations” section of the Report.

¹⁶ For details of laws and regulations relating to anti-corruption, please refer to “List of Key Laws and Regulations” section of the Report.

CARING FOR EMPLOYEES

Carrying out Anti-corruption Trainings to Consolidate Employees' Integrity and Self-discipline

With the support of the government and driven by “two laws and one regulation”, we upheld our core value of “anti-corruption”. During the Reporting Period, we provided anti-corruption trainings to directors and staff, and promoted the knowledge and awareness of anti-corruption in depth through various forms such as watching short video of the relevant lectures, utilizing the social media and publicity exhibition boards, so as to improve their integrity and self-discipline quality, and strive to build a corporate image of integrity.

Convening the 2022 Party Building and Clean Party Construction Work Conference to Strengthen the Efforts in Building Integrity in Waterworks

In March 2022, the Group convened the Party building and clean Party construction work conference of the year to deepen the building of integrity in waterworks. The directors of the Group were invited to the meeting, with the presence of the leadership team of the Group's Party Committee, heads of various affiliated enterprises, middle-level management personnel and all staff members of various functional departments, so as to ensure that the directors and staff understand the importance of anti-corruption and are equipped with the corresponding knowledge and skills.

**Convening the Special Action Promotion Meeting on “Full Coverage, No Blind Areas and Zero Tolerance” for Anti-corruption**

In August 2022, the Group convened a special action promotion meeting on “full coverage, no blind areas and zero tolerance” for anti-corruption and a deployment meeting for the special governance of prominent issues in key areas of water related units, aimed at deepening the awareness of directors and staff on anti-corruption. In addition to the participation of leaders in charge, relevant functional departments and heads of affiliated (managed) enterprises' water related units, a deployment for the special governance of prominent issues in key areas was also made during the meeting.



PROTECTING THE ENVIRONMENT

UNSDGs



DIRECTION

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

TARGET

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

The Group has always adhered to the principle of protecting the environment, and always upheld the development concept of “focusing on protecting the environment and energy saving, ensuring high-quality water supply and servicing everyone” regardless of the production, construction, operation and other stages. In order to improve environmental performance and cope with climate change, we not only strictly abide by the laws and regulations¹⁷ relating to the environment, but also has established a sound environmental management system, for which our subsidiary Taizhou City Water Co., Ltd. has been certified by the international ISO 14001:2015 product and service quality management system standard and has formulated a corresponding quality management system in accordance with that system.

With the full launch of the “14th Five-Year Plan”, the Group will closely follow the water and protecting the environment policies, strengthen ecological environment protection and the prevention and control of pollution. Focusing on the core positioning of “Being a Comprehensive Developer and Operator of Water and protecting the environment Resources” and the construction of two major platforms, being the “Investment, Financing, Construction, Management and Operation Platform for Water and protecting the environment Engineering” and the “Comprehensive Development and Utilization Platform for Water and protecting the environment Resources”, we sought breakthroughs in the field of protecting the environment.





The Group has formulated green targets to promote protecting the environment work, including reducing greenhouse gas (“GHG”) emissions, effectively managing waste, improving energy use efficiency and water use efficiency, etc. The Group will continue to monitor the progress of the realization of its green targets and timely update as needed to ensure the effective promotion of protecting the environment.



¹⁷

For details of laws and regulations relating to the environment, please refer to “List of Key Laws and Regulations” section of the Report.

PROTECTING THE ENVIRONMENT

Aspects	Green Targets
 GHG Emissions	Reduce GHG emissions by implementing energy efficiency measures and exploring clean energy use.
 Energy Use Efficiency	Improve the efficiency of energy use through digital energy management.
 Water Use Efficiency	Improve the efficiency of water use by reducing the consumption rate of the pipe network and adopting water conservation measures.
 Waste Management	Continue to reduce waste generation through process improvement, and recycle and reuse as much waste as possible.

During the Reporting Period, the Group was not aware of any material violation of relevant environmental laws and regulations.

RESPONSE TO CLIMATE CHANGE

The Group attaches importance to the impact of climate change on the environment and its business, and therefore implements the national “Double Carbon” policy and achieves energy saving and emission reduction through digital transformation. We have established the “1+3+5” work system to enhance data-based management decision-making and integrated control capabilities, and are actively exploring the application of clean new energy.

To enhance the Group’s ability to cope with climate change, we have conducted a ESG-related risk assessment with the assistance of an independent third-party sustainability consultant and identified potential climate-related risks to further strengthen the Group’s resilience to extreme weather and climate conditions.

PROTECTING THE ENVIRONMENT

Climate-related Risks	Our Response	
Physical risk (Acute)	<ul style="list-style-type: none"> • More frequent extreme weather incidents may have an impact on the health and safety of our employees and our water service. 	<ul style="list-style-type: none"> • Closely monitor weather conditions, including typhoons, mudslides and other climate risks, etc. • Preventive work related to extreme weather incidents was deployed in advance to ensure the safety of employees, including dismantling overhead cranes, strengthening temporary structures, inspecting power systems and enhancing drainage systems in accordance with emergency plans against typhoon and flood, etc. • Take antifreeze measures to prevent damage to water supply facilities in severe cold weather. • Implement electricity saving measures to reduce carbon emissions.
Physical risk (Chronic)	<ul style="list-style-type: none"> • Climate change brings persistent high temperatures, which may increase employee health risks and increase human resource costs. 	<ul style="list-style-type: none"> • Provide heat protection materials to support frontline employees who work in high temperature environment. • Adjust the rest time schedule for employees, especially for those who need to work outdoors.
Transition risk (Policy and legal risk)	<ul style="list-style-type: none"> • Changes in climate related policies and regulatory requirements are expected to increase our operating costs. 	<ul style="list-style-type: none"> • Stay up to date on the latest developments in climate change-related regulations and regulatory requirements.
Transition risk (Technology risk)	<ul style="list-style-type: none"> • The development and application of low-carbon technologies may add additional costs. 	<ul style="list-style-type: none"> • Regularly analyse market trends to stay competitive. • Communicate closely with stakeholders to understand their concerns and expectations. • Actively explore and promote the development of low-carbon technologies to meet market demands and future development trends.

PROTECTING THE ENVIRONMENT

Preparedness for Extreme Weather Emergency

Strong Cold Wave

In response to the strong cold wave, the Group continued to take measures to cope with the impact of low temperature weather on the urban water supply system, reduce the damage to the water supply system caused by low temperature freezing during the cold wave. Our measures include:

- Inspect the water supply system, find leaks in time and carry out emergency repairs
- Strengthen the protection of outdoor bridge and pipe facilities and open-air facilities against freezing and warming
- Reinforce temporary scaffolding and protective nets and other facilities at construction sites
- Implement anti-skid measures for construction vehicles on construction roads in advance
- Prepare necessary repair materials, emergency teams and service personnel in advance
- Remind customers to prepare their own water supply facilities for the cold through social media and phone messages

Severe Typhoon

During the Reporting Period, the Group attached importance to typhoon and flood prevention and conducted desktop exercises to improve the emergency coordination and command mechanism to ensure the scientific, efficient and orderly nature of the emergency response to typhoon and flood prevention. We simulated the situation of typhoon and activated the corresponding emergency response for typhoon and flood prevention to ensure the effectiveness of the response.

During the Reporting Period, the Group adopted various measures to prepare for the typhoon and flood prevention before the typhoon, including preparing flood prevention materials, reinforcing temporary works, investigating and installing additional power lines and drainage systems, strengthening the investigation of hidden dangers in key areas such as water production process workshops, pump rooms and power distribution equipment, and strengthening water quality monitoring. When the typhoon hit, we made every effort to repair the pipeline network to ensure adequate water supply to the public.





PROTECTING THE ENVIRONMENT

PROTECTING THE ENVIRONMENT MEASURES FOR CONSTRUCTION PROJECTS





In order to minimize the impact of construction projects on the environment and natural resources, we conduct environmental impact assessments in accordance with the relevant applicable laws and regulations¹⁸ prior to construction. Based on the characteristics of construction projects and the features of local environment, the major environmental impacts identified include: the impact of waste water, domestic sewage, construction noise and air emissions produced in the course of construction on the water, sound and atmospheric environment; the impact of land acquisition and occupation, earthwork and excavation, waste keeping and disposal during construction on the soil and water conservation and the ecological environment; and the impact of projects on regional water resources.

In order to control these impacts, the following environmental control measures have been implemented in the construction projects:

<p>Prevention of Air Pollution</p> 	<ul style="list-style-type: none"> • Set up dust proof cover for the mixer and other machinery, and conduct fully enclosed construction or semi-enclosed construction to reduce dust generation during the construction process. • Prohibit the use of concrete mixing system, cement loading and unloading and other operation in windy days to avoid dust from spreading to the surrounding environment. • Harden the roads inside and outside the site, strengthen the road maintenance and keep the road clean to reduce the spread of dust and pollutants. • Equip main construction roads with watering cars, and spray water to prevent dust to reduce dust concentration. • Prevent vehicles from overloading and adopt vehicles with closed compartment for transportation to reduce the production of debris and dust on the road. • For construction sites with areas producing dust, adopt manual control to spray water on the regular basis and cover the temporary stockyard with colour strips.
<p>Prevention of Water Pollution</p> 	<ul style="list-style-type: none"> • Store the waste oil produced by the oil separating tank in the designated area, ensure safety in the designated area, engage qualified service providers to treat the waste oil in time, and prohibit careless treatment. • Add flocculant to the waste water produced in the tunnel construction after adjusting the pH value, and discharge the waste water into nearby waterways after meeting the first-grade standard of Integrated Wastewater Discharge Standard (《污水綜合排放標準》) (GB8978-1996) through oil separation and sedimentation. • For domestic sewage in the course of construction, construction workers try to lease the existing buildings from villages and towns in the region and make use of the existing domestic sewage treatment facilities to reduce the impact on the surrounding environment.

¹⁸ For details of the laws and regulations, please refer to the "List of Key Laws and Regulations" section of the Report.

PROTECTING THE ENVIRONMENT

<p>Waste Management</p> 	<ul style="list-style-type: none"> • Set up dustbins in the living quarters of construction sites, collect domestic waste produced by construction workers in a centralised manner, pick up the waste in a timely manner for centralised treatment, and incorporate such areas into the waste collection system of Taizhou. • Mud produced by waste water treatment and domestic waste are subject to the centralised treatment of local sanitation departments.
<p>Prevention of Construction Noise Pollution</p> 	<ul style="list-style-type: none"> • Only machinery and transportation vehicles which comply with relevant national standards can be used, and high-quality equipment and processes with low-noise impact are used as much as possible. • Install the concrete mixer and other high-noise equipment in the construction camp, and conduct fully-enclosed construction or semi-enclosed construction. • Adopt vibration insulation cushion, muffler and other supporting facilities when installing the equipment, strengthen the maintenance and management of construction machinery, thus maintaining the machinery and equipment in good conditions with low noise and high efficiency.
<p>Prevention of Soil and Water Loss</p> 	<ul style="list-style-type: none"> • Minimize the damage to vegetation and reduce the impact on the ecological environment. • Make full use of soil and stones produced in excavation to minimize damage to and waste of land.
<p>Protection of Ecological Environment</p> 	<ul style="list-style-type: none"> • Strictly prohibit construction workers from cutting surrounding trees and hunting animals during construction; ensure the security of wild plants, animals and fishes living near the construction areas; protect the species diversity. • Enhance the protection of trees and forests near the construction site; reduce the harm to the vegetation near the operation area; prohibit cutting trees outside the construction site; do not destroy the soil and vegetation outside the construction site; preserve the trees inside the land occupied as much as possible. • Prohibit the construction project which causes heavy light pollution in the night, so as not to affect the rest and egg-laying of birds.

PROTECTING THE ENVIRONMENT

ENERGY MANAGEMENT

As the primary sources of energy consumed in our daily operations are electricity and fuel, we are committed to implementing energy conservation and energy efficiency improvement measures to promote responsible energy management. These measures include, but not limited to:

- Actively promote energy conservation new technologies, new process, new equipment and new materials
- Encourage employees to turn off lights and unnecessary energy consuming devices to reduce energy consumption
- Reducing electricity use through digital empowerment

WASTE AND WATER MANAGEMENT

The Group implements a waste management policy that includes reducing waste at source, reusing, recycling and properly treating waste to reduce waste generated in the course of operations. We provide relevant notices and reminders in our offices and production sites to encourage our employees to actively participate in waste reduction. The categories of our waste at source are as follows:

Recyclable Waste	Non-recyclable Waste	Hazardous Waste
Waste paper, metal, glass, plastic, etc.	Mud, kitchen waste, dust, etc.	Empty bottles and waste liquid produced in laboratories, waste bulbs, waste fabric produced in machinery maintenance, waste batteries, waste toner cartridges, etc.

We implement a variety of waste management practices in our manufacturing process, including but not limited to:

- Monitor and control the generation of waste, and reduce it as much as possible
- Sort the waste generated by recyclable, non-recyclable and hazardous waste
- Sell the recyclable waste to collectors
- Treat the mud produced by reducing and transforming into resources
- Collect other non-recyclable wastes into the dustbins every day and transported to urban waste collection points for proper disposal
- Store the hazardous waste to a certain quantity, and engage qualified service providers to handle such waste

PROTECTING THE ENVIRONMENT

In order to reduce the total amount of water discharge, we have adopted the technology transformation of “water treatment in the sludge discharge layer and water reuse in the supernatant”. In recent years, we have introduced the fully automatic deep treatment process of “pre-ozonation – primary air flotation – secondary air flotation – sand filtration – carbon filtration” for filtered water, which has successfully achieved the goal of “waste-free plant”. These measures help to reduce water discharge and improve our protecting the environment level.

Green Recycling and Efficient Development: The Successful Practice of “Waste-free Plant”

During the Reporting Period, we committed to green and efficient development and successfully established a municipal “waste-free plant”, which utilizes clean production, resource utilization and harmless treatment to achieve energy saving and emission reduction targets.

Through continuous testing and research, we have successfully developed a mature and stable “pre-ozonation - primary air flotation - secondary air flotation - sand filtration - carbon filtration” filter pressing water automatic advanced treatment process, which solves the filter pressing water treatment problem and can steadily handle about 300 tons of filter pressing water per day. At the same time, we have also renovated the process of producing and dosing of sodium hypochlorite solution to eliminate the use of liquid chlorine at source and significantly reduce the generation of hazardous waste.

For general solid waste generation parts, through the improvement of the operation of the dehydrator, adjust the dosage of pharmaceutical injection, improve the operation frequency of the dehydrator and other measures to effectively reduce solid waste production.



PROTECTING THE ENVIRONMENT

USE OF RESOURCES

We are committed to the principles of a green office by reducing the use of paper through the following measures:

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

WATER SAVING

As a responsible water resource provider, the Group understands the importance of making good use of water resources and raising public awareness of water conservation. In this regard, we have taken the following measures to reduce water consumption and enhance the effective use of water resources:

- Effectively control the water leakage rate, reduce pipeline leakage and depreciation, and ensure that water resources are not wasted and depleted
- Improve water production processes, reduce the loss in the course of water production, and improve the effective and quality use of water
- Adopt production methods and equipment that help effectively save water, such as recycling and reuse, to minimize water consumption
- Check the water consumption frequently, grasp the water consumption situation, and timely adjust water consumption and usage methods to ensure the effective use of water resources

PROTECTING THE ENVIRONMENT

Promotion of Water Conservation

As a responsible water supplier, the Group actively promoted water conservation awareness and launched a series of promotional activities during the Reporting Period. We organized activities under the theme of “Protect Water Sources, Cherish Water Resources” in response to “World Water Day” and “China Water Week”. We raised the awareness of the public to protect water sources and care for the water environment through publicity panels, information and promotional materials.

At the same time, we launched the water conservation campaign under the theme of “We Are Taking Action Against Drought” in Jiaojiang, Huangyan and Luqiao, calling on the public to conserve water and protect water resources together.



During the Reporting Period, the Group did not encounter any issue in sourcing water that is fit for purpose.

PROTECTING THE ENVIRONMENT

OVERVIEW OF ENVIRONMENTAL PERFORMANCE DATA

KPIs ¹⁹	2022	2021	Unit
GHG²⁰			
Total GHG emission (Scope 1 and 2)	25,694.12	26,469.94	tCO ₂ e
– Direct emission (Scope 1)	216.92	213.88	tCO ₂ e
– Indirect emission (Scope 2)	25,623.09	26,331.68	tCO ₂ e
– Total GHG reduced by planting trees	145.89	75.62	tCO ₂ e
Intensity of total GHG emissions (Scope 1 and 2)	54.85	61.71	tCO ₂ e/million tonne water supply
Air emissions²⁰			
Nitrogen oxides (NO _x)	165.22	149.86	kg
Sulfur oxide (SO _x)	5.65	4.69	kg
Particulate matter (PM)	12.54	11.70	kg
Energy^{20, 21}			
Total energy consumption	42,829.51	43,984.35	kWh
– Electricity	41,998.18	43,159.61	kWh
– Diesel	79.74	69.59	kWh
– Liquefied petroleum gas	42.31	79.30	kWh
– Natural gas	131.28	98.32	kWh
– Unleaded petrol	578.00	577.53	kWh
Intensity of total energy consumption	91.42	102.54	kWh/million tonne water supply
Water consumption²²			
Total water consumption	13,289.00	10,975.00	m ³
Intensity of total water consumption	28.37	25.59	m ³ /million tonne water supply
Waste^{20, 23}			
Total non-hazardous waste	6,883.54	14,213.39	tonne
Intensity of total non-hazardous waste	14.69	33.13	tonne/million tonne water supply

¹⁹ Our disclosures GHG emissions have been prepared based on the requirements in Appendix 2 to “How to Prepare an ESG Report” published by the Stock Exchange and “GHG Protocol Corporate Accounting and Reporting Standard (revised edition)” published by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). GHG emissions data is presented in terms of carbon dioxide equivalent. The data of direct emissions (Scope 1) includes operations that are direct controlled or managed by the Group. The data of indirect emissions (Scope 2) takes into consideration the indirect electricity, heat, refrigerants and steam consumed by the Group (purchased or sourced from external parties).

²⁰ The 2021 data has been adjusted to reflect the actual situation more accurately.

²¹ The data of total consumption includes the use of purchased electricity and fuel (renewable and non-renewable). The relevant conversion factors were calculated with reference to the CDP Technical Note: Conversion of fuel data to MWh published by CDP.

²² As a water supply enterprise, most subsidiaries of the Group produce water for the daily use of their own. It is difficult to separately measure the water produced for own use, therefore, the data of water consumption only include measurable data of the Group, and does not include all the data of water consumption.

²³ Non-hazardous waste of the Group mainly includes sludge cake, domestic waste and office paper produced in the course of production activities. Hazardous waste data is not disclosed due to the materiality principle, but we will continue to compile statistics and will make relevant disclosures for significant hazardous waste.

CARING FOR THE COMMUNITY

UNSDGs



DIRECTION

Serve people with passion and create a harmonious community.

TARGET

Through listening to community's needs and developing appropriate community investment areas, we work with charitable organizations to enhance community investment resources and promote community inclusion.

The Group is committed to fulfilling its corporate social responsibility by actively participating in public welfare activities and caring for the well-being of local communities and people. During the Reporting Period, we focused on contributing focus areas such as supporting public health and helping the poor, donating over RMB100,000 (2021: RMB300,000). We visited different villages to distribute condolences and gift packs to the needy villagers to improve their quality of life and solve the problem of poverty.

Supporting Public Health: Taizhou Water Volunteers Go to Schools to Ensure Water Safety for Teachers and Students

As a public utility, we have always been very concerned about public health and have taken up our corporate social responsibility. During the Reporting Period, we paid special attention to supporting public health. In addition to maintaining water supply safety, we organized volunteer service teams to visit more than 100 primary and secondary schools and kindergartens, focusing on checking the water safety hazards of taps and pipelines in schools. We also conducted detailed and comprehensive water quality tests, and took samples to the laboratory to test more than 10 important water quality indicators, such as turbidity, free residual chlorine, total bacterial colonies and total coliform bacteria, etc. The water quality of all schools complied with the national drinking water sanitation standards, with a 100% water quality pass rate. This fully demonstrates the Group's concern and contribution to public health.



CARING FOR THE COMMUNITY

Helping the Poor: Taizhou Water Cares for Villagers in Xianshi

During the Reporting Period, the Group upholds its corporate social responsibility to care for the underprivileged in society. We cooperated with the Taizhou Calligraphy Association in Xianshi Village, Shangzheng Town, Huangyan District, to send warmth to the poor there. Calligraphers delivered more than 200 Spring Festival couplets to the villagers, while our leaders also went into the village to understand the difficulties of the poor and presented them with condolences and New Year wishes, bringing practical help to the local needy people.



LIST OF KEY LAWS AND REGULATIONS

Areas	HKEX reporting Guider	Key Laws and Regulations
Environmental	A. Environmental	<ul style="list-style-type: none"> • Law of the People's Republic of China on Protecting the Environment (《中華人民共和國環境保護法》) • Law of the People's Republic of China on Environmental Impact Assessment (《中華人民共和國環境影響評價法》) • Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution (《中華人民共和國固體廢物污染環境防治法》) • Regulations on Protecting the Environment Management of Construction Projects (《建設項目環境保護管理條例》) • Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》)
Employment	B1. Employment B4. Labour Standards	<ul style="list-style-type: none"> • Labour Law of the People's Republic of China (《中華人民共和國勞動法》) • Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) • Law of the People's Republic of China on the Protection of Minors (《中華人民共和國未成年人保護法》) • Regulations on Labour Security Supervision (《勞動保障監察條例》) • Provisions on the Prohibition of Using Child Labour (《禁止使用童工規定》)
Health and Safety	B2. Health and Safety	<ul style="list-style-type: none"> • Fire Safety Law of the People's Republic of China (《中華人民共和國消防法》) • Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》) • Law of People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》)
Supply Chain Management	B5. Supply Chain Management	<ul style="list-style-type: none"> • Government Procurement Law of the People's Republic of China (《中華人民共和國政府採購法》)

LIST OF KEY LAWS AND REGULATIONS

Areas	HKEX reporting Guider	Key Laws and Regulations
Health and Safety of Product and Services	B6.Product Responsibility	<ul style="list-style-type: none"> • Water Law of the People's Republic of China (《中華人民共和國水法》) • Regulations on Sanitary Supervision and Administration of Domestic Drinking Water (《生活飲用水衛生監督管理辦法》) • Regulations on the Administration of Water Extraction Permits and Water Resources Charges(《取水許可和水資源費徵收管理條例》) • Regulations on the Administration of Water Extraction Permits (《取水許可管理辦法》) • Sanitary Standard for Domestic Drinking Water (《生活飲用水衛生標準》) (GB5749-2006) • Quality Standard for Surface Water Environment (GB3838-02) (《地面水環境質量標準(GB3838-02)》) • Regulations on the Administration of Urban Water Supply Quality (《城市供水水質管理規定》)
Project Construction		<ul style="list-style-type: none"> • Construction Law of the People's Republic of China (《中華人民共和國建築法》) • Regulations on Quality Management of Construction Works (《建築工程質量管理條例》)
Intellectual Property Rights		<ul style="list-style-type: none"> • Patent Law of the People's Republic of China (《中華人民共和國專利法》) • Copyright Law of the People's Republic of China (《中華人民共和國著作權法》) • Trademark Law of the People's Republic of China (《中華人民共和國商標法》) • Regulation on the Protection of the Right to Communicate Works to the Public Over Information Networks (《信息網絡傳播權保護條例》) • Measures for the Administrative Protection of Internet Copyright (《互聯網著作權行政保護辦法》)
Data Protection and Privacy		<ul style="list-style-type: none"> • Regulations of the People's Republic of China on Security Protection of Computer Information Systems (《中華人民共和國計算機信息系統安全保護條例》) • Network Security Law of the People's Republic of China (《中華人民共和國網絡安全法》) • Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》) • Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》)
Anti-corruption	B7.Anti-corruption	<ul style="list-style-type: none"> • Criminal Law of the People's Republic of China (《中華人民共和國刑法》) • Law of the People's Republic of China Against Unfair Competition (《中華人民共和國反不正當競爭法》)

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(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.			
KPI A1.1	The types of emissions and respective emissions data.	Protecting the Environment – Overview of Environmental Performance Data	43
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and, where appropriate, intensity.	Protecting the Environment – Overview of Environmental Performance Data	43
KPI A1.3	Total hazardous waste produced and intensity.	The Group generates a small amount of hazardous waste in the course of laboratory work and data is not disclosed due to the materiality principle. We will continue to compile statistics and will make relevant disclosures when significant hazardous waste is involved.	Not applicable
KPI A1.4	Total non-hazardous waste produced and intensity.	Protecting the Environment – Overview of Environmental Performance Data	43
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Protecting the Environment Protecting the Environment – Waste and Water Management	33-42 39-40
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Protecting the Environment Protecting the Environment – Waste and Water Management	33-42 39-40

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KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Protecting the Environment – Overview of Environmental Performance Data	43
KPI A2.2	Water consumption in total and intensity.	Protecting the Environment – Overview of Environmental Performance Data	43
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Protecting the Environment Protecting the Environment – Energy Management	33-42 39
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Protecting the Environment Protecting the Environment – Water Saving	33-42 41-42
KPI A2.5	Total packaging material used for finished products and with reference to per unit produced.	The Group's business does not involve packaging materials.	Not applicable
Aspect A3: The Environment and Natural Resources			
General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.		Protecting the Environment	33-42
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Protecting the Environment	33-42
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.		Protecting the Environment – Response to Climate Change	34-36
KPI A4.1	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Protecting the Environment – Response to Climate Change	34-36

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General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		Caring for Employees List of Key Laws and Regulations	21-32 46-47
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Caring for Employees – Overview of Employees	21-22
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Caring for Employees – Overview of Employees	21-22
Aspect B2: Health and Safety			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		Caring for Employees – Occupational Health and Safety List of Key Laws and Regulations	26-28 46-47
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Caring for Employees – Occupational Health and Safety	26-28
KPI B2.2	Lost days due to work injury.	Caring for Employees – Occupational Health and Safety	26-28
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Caring for Employees – Occupational Health and Safety	26-28

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Aspect B4: Labour Standards			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.		Caring for Employees – Prevention of Child Labour and Forced Labour List of Key Laws and Regulations	31 46-47
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Caring for Employees – Prevention of Child Labour and Forced Labour	31
KPI B4.2	Description of steps taken to eliminate such practices when discover.	Caring for Employees – Prevention of Child Labour and Forced Labour	31
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KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Ensuring Stable and Reliable Water Supply – Supply Chain Management	20
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Ensuring Stable and Reliable Water Supply – Supply Chain Management	20
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General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.		Ensuring Stable and Reliable Water Supply List of Key Laws and Regulations The Group's business does not involve advertising and labelling.	13-20 46-47
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group's business does not involve product recalls.	Not applicable
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Ensuring Stable and Reliable Water Supply – Customer Satisfaction	19
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Ensuring Stable and Reliable Water Supply – Intellectual Property Protection	19
KPI B6.4	Description of quality assurance process and recall procedures.	Ensuring Stable and Reliable Water Supply The Group's business does not involve product recalls.	13-20
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Ensuring Stable and Reliable Water Supply – Customer Privacy and Data Security	19
Aspect B7: Anti-corruption			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		Caring for Employees – Anti-Corruption List of Key Laws and Regulations	31-32 46-47
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General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		Caring for the Community	44-45
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台州市水務集團股份有限公司
Taizhou Water Group Co., Ltd.*

* for identification purposes only

A stylized illustration of a city skyline with various buildings and mountains in the background, rendered in shades of blue and white, located at the bottom of the page.