上海大眾公用事業(集團)股份有限公司

Shanghai Dazhong Public Utilities (Group) Co., Ltd. *

(Stock Code: 1635)

Environmental, Social and Governance (ESG) Report

March 30, 2021

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Notes on the compilation of the report

This report is the Environmental, Social and Governance (ESG) Report of 2020 issued by Shanghai Dazhong Public Utilities (Group) Co., Ltd. (hereinafter referred to as "the Company" or "Dazhong Public Utilities"), which describes the philosophy, practice and progress of ESG of Dazhong Public Utilities. This report is issued after being deliberated and approved by the Board of Directors of the Company. The Board and all Directors guarantee that the report does not contain any false records, misleading statements or major omissions, and shall bear individual and joint liabilities for the truthfulness, accuracy and completeness of its contents.

- **Scope of report**

  Range: this report is based in Shanghai Dazhong Public Utilities (Group) Co., Ltd., and covers the headquarters of the Company as well as some major subsidiaries and branches etc.

  Term: from January 1, 2020 to December 31, 2020, and some internal policies and management measures may exceed this term.

  Period: annual report.

- **Basis of report**

  This report is compiled in accordance with the ESG Guide published by the Stock Exchange of Hong Kong Ltd.

- **Notes on data**

  All data comes from the official documents and statistics reports of Shanghai Dazhong Public Utilities (Group) Co., Ltd. The currency in this report is denominated in RMB, except as otherwise stated.

- **Form of report**

  This report is published in PDF. You may obtain the electronic version of this report on the official websites of Shanghai Dazhong Public Utilities (Group) Co., Ltd. and the Stock Exchange of Hong Kong Ltd.

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- **Company summary**

Company name	上海大眾公用事業(集團)股份有限公司
English name	SHANGHAI DAZHONG PUBLIC UTILITIES (GROUP) CO., LTD.
HQ location	Shanghai, China
Establishment date	December 24, 1991
C3.4,,an	Yang Guoping
Listed on	Shanghai Stock Exchange/Hong Kong Stock Exchange
Stock code	SH.600635/HK.1635
Stock abbreviation	DZUG

- **Key perfo,,ance results**

Economic results:

	2020	2019
Total assets (RMB100 million)	**232.63**	225.65
Operating revenue (RMB100 million)	**49.53**	54.60
Net profit attributable to listed company's shareholders (RMB100 million)	**5.15**	5.26
Basic EPS (RMB yuan)	**0.17**	0.18

Environmental results:

	2020	2019
Energy consumption (tons)	**748,292.21**	3,990,000
CO_2 emission (tons)	**2,144,966.06**	6,135,843.81
Water usage (tons)	**6,945,500**	7,283,655.79
Waste gas volume (tons)	**1,520.79**	899.37
Waste material volume (tons)	**56,207.42**	61,778.93

Social results:

	2020	2019
No. of employees	**2,962**	3,055
Employee training (person-time)	**3,234**	/
Man-wo,an proportion of employees	**79.3%**	81.64%
Education background proportion of employees	**20.7%**	18.36%

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1 Corporate Profile



1.1 About Us

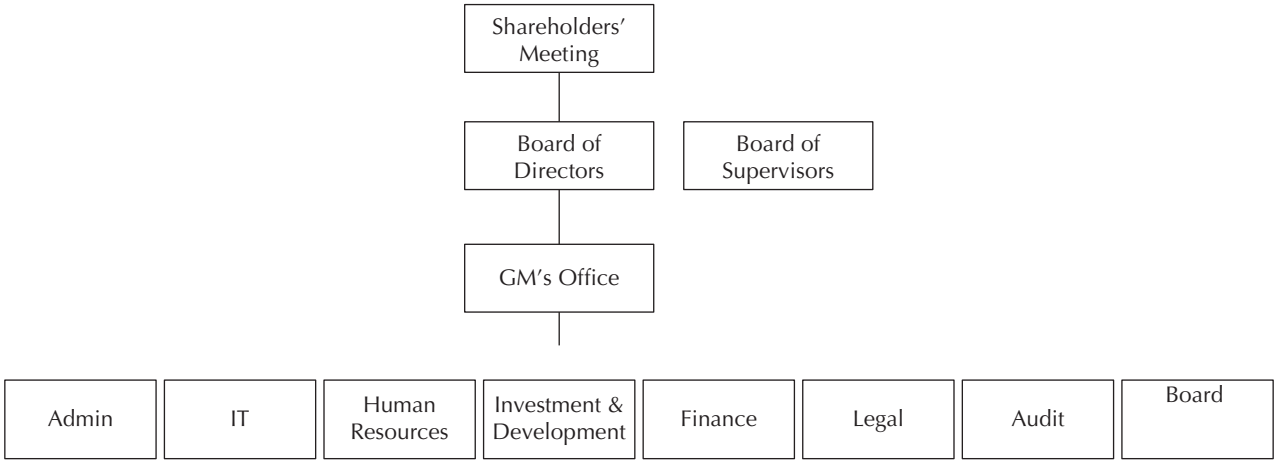
Shanghai Dazhong Public Utilities (Group) Co., Ltd. was established on December 24, 1991, formerly known as Shanghai Pudong Dazhong Taxi Co., Ltd. (上海浦東大眾出租汽車股份有限公司), the first joint stock company in the taxi industry of China. The Company's shares were listed on the Shanghai Stock Exchange on March 4, 1993 (stock short name: 大眾公用; stock code: 600635.SH) and the Main Board of the Hong Kong Stock Exchange on December 5, 2016 (stock short name: DZUG; stock code: 1635.HK). As of December 31, 2020, the outstanding shares of the Company amounted to 2,952,434,675 shares, among which there were 2,418,791,675 A shares, accounting for 81.93% and 533,643,000 H shares, accounting for 18.07%. As of December 31, 2020, the total assets of the Company amounted to RMB23.622 billion and net assets amounted to RMB8.643 billion.

Over the past 20-plus years, after continuous "innovation-driven transformation and development", the Company has transitioned from "Pudong Dazhong" to "Dazhong Scientific and Innovation", and then to "Dazhong Public Utilities". The Company adheres to steady operation and development, realising leap-forward development time after time, and has developed into an investment holding enterprise with simultaneous development of public utilities and financial investment, including city gas, sewage treatment management, urban transportation, infrastructure investment and operation, logistics and transport, and financial investment which includes financial services and venture capital business.



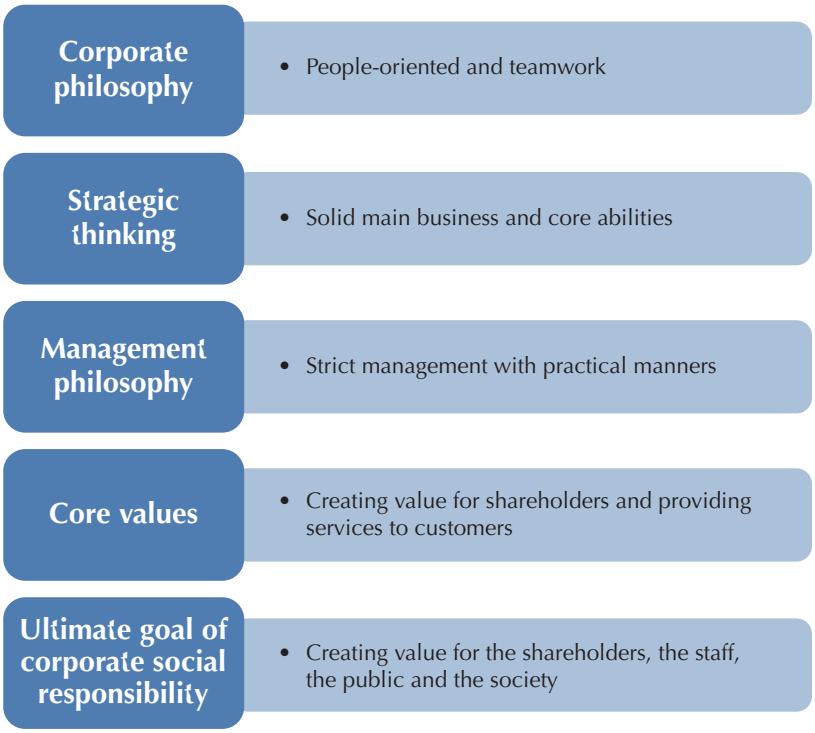


1.2 Organisational Structure



1.4 Responsibility Management

The steady growth of the Company's operating performance has a positive impact on the Company's reputation, the society and environment, which has been widely recognised by the society, and has laid a solid foundation for the Company's diversified operation and rapid development. The Company sticks to disclosing the environmental, economic and social indicators of its operation and management to all stakeholders. Focusing on the core values of "dedication and responsibility, cooperation and innovation", the Company has made continuous efforts in economic development and building green projects and building harmonious communities, achieving positive results. The Company pays close attention to the communication with all stakeholders, and adopts various methods to actively respond to the appeals of all stakeholders on ESG.



– *Management of stakeholders*

Stakeholder	Needs and expectations	Communication and response
Government	• Law-abiding and compliant • Job-creating, tax-paying • Supporting national strategic development • Supporting SMEs development • Promoting industry development	• Maintaining compliance management, improving external information disclosure • Paying taxes in full and in time, creating jobs • Providing services to SMEs • Answering to major national policies
Shareholders and investors	• Corporate governance and operation strategies • Information disclosure and risk control • Stable profitability and investment returns	• Optimising corporate governance, establishing communication mechanism with shareholders and investors • Disclosing financial and performance reports in time
Customers	• Service value or quality • Customer interest protection	• Customer research and study • Ensuring product or service quality • Improving customer service procedures • Improving customer complaint handling mechanism • Improving customer communication mechanism
Employees	• Basic interest protection • Reasonable salaries and benefits • Training and promotion channels • Sound working environment • Physical and mental health and protection • Family care	• Complying to employment-related laws, improving employment rules • Formulating competitive remuneration system • Spurring transparent promotion channels • Organising professionalism training • Organising employee-care activities

Stakeholder	Needs and expectations	Communication and response
Industry organisations/ partners	• Commercial ethics and credit • Maintaining sound industry development • Win-win for partners	• Pushing forward the win-win with industry partners • Conducting strategic cooperation negotiations and cross-interviews • Maintaining good interaction and mutual trust with major suppliers
Media	• Good interaction with media • Information disclosure	• Improving media communication channels • Information disclosure via multi-channels
Communities	• Targeted poverty relief • Supporting community development • Spending on community-based public welfare	• Supporting poverty relief via various manners • Conducting public welfare, voluntary service activities • Good interaction with non-governmental organisations
Environment	• Green development • Environment protection and energy saving	• Green working • Priority in environmental & energy-saving equipment • Developing green environmental-related businesses

– ***Analysis of significant topics***

The Company attaches great importance to communication with internal and external stakeholders, constantly expands communication channels, improves communication frequency and efficiency, enriches communication contents, and enables stakeholders to timely and comprehensively understand the practice and performance of the Company's social responsibilities. According to the business development strategy, industry characteristics and other factors, the Company systematically and comprehensively evaluates the sustainable development elements of the Company, and actively carries out communication with stakeholders. By means of external consultation and industry research, this report systematically sorts and analyses the important issues for the Company and stakeholders, and eventually determines the importance matrix of 20 relevant topics, and clarifies the key contents of ESG report disclosure.

Degree	No.	Significant topics	Scope
Highly-important	1	Compliance management	Governance
	2	Risk management	Governance
	3	Public welfare activities	Society
	4	Resource saving	Environment
	5	Product services	Governance
	6	Anti-co83No.ernance	

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2 Corporate Governance



2.1 ESG Management

The Company implements the ESG philosophy from all organisational levels, integrates social responsibilities into all aspects of daily operation, establishes organisational structure and management system of social responsibility management, continuously promotes the close integration of social responsibility philosophy and business development, and implements social responsibility work.

The Company attaches great importance to the ESG work, the Board of Directors participates in the whole process of ESG management, establishes the framework and contents of ESG work, authorises the management to organise and carry out ESG-related work and role positioning, supervises the implementation of ESG work, and regularly reviews the implementation of ESG work.

Board	The Board of Directors of the Company is the decision-making institution for ESG management, responsible for the overall policy & rules formulation and significant event decision-making.
Management	The management of the Company is responsible for coordinating the implementation of the Board's major instructions on ESG corporate governance, implementing all policies and rules, and managing the implementation of ESG work by relevant departments and subsidiaries.
Office of secretary to Board	Responsible for the formulation of the Company's annual ESG report and daily management.
Execution institutions	The Company's departments, subsidiaries and branches are the specific execution institutions of ESG work, in cooperation with the tasks assigned by the Board and management.

2.2 Standardised Governance

The Company strictly follows the Company Law, the Securities Law, the Codes on Listed Companies' Governance, the appendix 14 Corporate Governance Codes of Hong Kong listing rules etc., which were issued by CSRC, SSE, HKEX and the Articles of Association of the Company, establishes a corporate governance structure with clear rights and responsibilities, checks and balances and an effective internal control system, and operates in strict accordance with the law, clarifying the establishment, staffing, responsibilities and working procedures of the Board of Directors, Supervisors, management and all levels of the Company. The Company continues to improve the corporate governance structure and the level of the Company's operation, by establishing and perfecting internal control system, and promote the standardised management to enhance the level of corporate governance.

2.3 Information Disclosure

In accordance with the requirements of the "Administrative Measures for the Disclosure of Information of Listed Companies" and the "Management Rules for Information Disclosure", the secretary of the Board and the Board secretary office of the Company are responsible for the disclosure of information and management of investor relations. The Company strictly complies with the requirements of relevant laws and regulations at both listing places to fulfil the responsibilities of disclosure in a truthful, precise and complete manner, so as to ensure the timeliness and consistency of disclosure at both listing places.

In 2020, the Company continued to improve the level and quality of information disclosure, protected the legitimate rights and interests of the Company, shareholders, customers, creditors and other stakeholders. According to relevant national laws and regulations, regulatory requirements of listed companies and the Articles of Association, the Company had defined the basic principles of information disclosure, and established a management process of information disclosure with clear rights and responsibilities and detailed process. The Company had been trying to pass on its real operation information to the market and investors in various ways, so as to achieve "warm" information disclosure and help investors understand the Company. The Company disclosed its operating financial data to all investors and stakeholders in the form of regular reports, and fully disclosed the information of the General Meeting of shareholders, including the report of the Board of Directors, the report of the Board of Supervisors, the report of financial budget and final accounts, the performance report of independent Directors, the performance report of the Audit Committee, and other relevant information related to the performance of the Board of Directors, corporate governance, financial status etc. In the form of "Social Responsibility Report" and "ESG Report", the Company actively disclosed the environmental, economic and social indicators of the Company's operation and management to domestic and foreign investors and stakeholders,

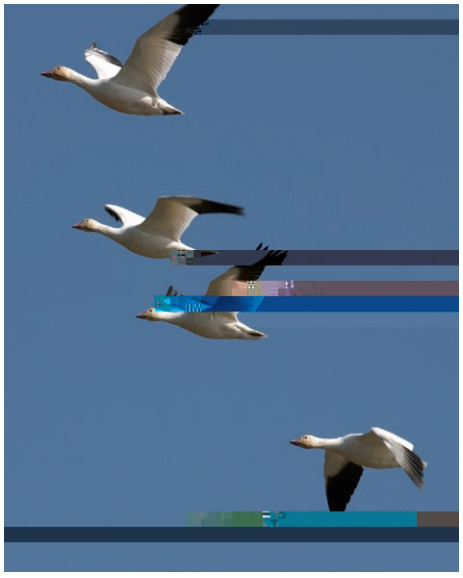
2.4 Investor Relations

The Company emphasises the management of the investor relations, and passes the corporate information to investors via various channels. Through investor hotlines, SSE's "E-interaction" platform, investor emails and teleconferences, reception of visits, performance meetings, investor meetings etc., it directly conveys the Company's confidence in the future sustainable development

3 Environmental Performance

3.1 Overview of Relevant Environmental Policies in Key Business Areas

Policies and Regulations	Date of issuance and Issuer	Main contents
Directory of Classified Licences on Fixed Pollution Sources (2019 Version)	December 20, 2019, Ministry of Ecology and Environment	It is stipulated that 107 industries and 4 general working procedures are included in the pollutant discharging licence management. Meanwhile, other than those industries, if determined by the environmental authorities as key pollutant discharging entities, or the discharging volume has reached a certain amount, the licence management will also apply.
Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution (Amended in 2018)	October 26, 2018, the Standing Committee of the National People's Congress	Protecting and improving the environment, preventing from and controlling air pollution, safeguarding public health, promoting the construction of ecological civilisation, and promoting sustainable economic and social development.



Policies and Regulations	Date of issuance and Issuer	Main contents
Law of the People's Republic of China on Prevention and Control of Soil Pollution	August 31,2018, the Standing Committee of National People's Congress	It is suggested that we should establish relevant legal systems and systems, strengthen environmental supervision of industrial and mining enterprises, cut off pollution sources and curb the expansion trend. We will implement graded and classified management of contaminated land, establish a technical system, and gradually promote risk control.
Three-year Action Plan for Winning the Blue Sky Defense War	June 27, 2018, the State Council	It is proposed that after three years of efforts, the total emission of major atmospheric pollutants should be greatly reduced, and greenhouse gas emissions should be reduced in a coordinated way, PM2.5 concentration should be further significantly reduced, days of heavy pollution should be significantly reduced, environmental air quality should be significantly improved, and people's happiness of blue sky should be significantly enhanced.
Shanghai 2018-2020 Environmental Protection and Development Three-year Action Plan	March 29, 2018, Shanghai Municipal Government	In 2020, the ecological quality, ecological space and resource usage rate of Shanghai shall be significantly improved, the environmental risks shall be controlled, green production and living shall be enhanced, and the ecological governance and treatment capabilities shall be significantly improved.
National Plan on Environmental Improvements for The 13th Five-year Plan	April 10, 2017, Ministry of Ecology and Environment	The plan will promote about 900 environmental protection standards to be revised and release about 800 environmental standards, including about 100 quality standards and pollutant discharge (control) standards, about 400 environmental monitoring standard classes, basic environmental standards and about 300 regulation standards.

Dazhong Public Utilities causes direct and indirect emission of greenhouse gases due to the consumption of fossil fuels and the use of electricity. In 2020, Dazhong Public Utilities emitted about 2.145 million tons of carbon dioxide equivalent in total, and the emission density is 43,300 tons of carbon dioxide equivalent/RMB100 million. Among them, the direct greenhouse gas emissions caused by the burning of fossil fuels were about 161,800 tons of carbon dioxide equivalent, and the indirect greenhouse gas emissions caused by the use of electricity were about 1.9831 million tons of carbon dioxide equivalent.

Regarding the discharging of hazardous and non-hazardous waste, Dazhong Public Utilities follows the relevant laws and regulations, including the Law of PRC on Prevention and Control of Environmental Pollution by Solid Waste, Implementation Plan on Household Waste Classification etc. In 2020, the Company discharged a total amount of 19,330 cubic metres of waste water with a discharge density of 390.27 cubic metres/RMB100 million, a total amount of 56,201.11 tons of non-hazardous solid waste with a disposal density of 0.0113 tons/thousand RMB, a total amount of 6,304.9 kg of hazardous solid waste with a disposal density of 127.29 kg/RMB100 million.

All liquid and solid wastes listed above had been properly disposed in accordance with relevant national environmental protection policies and regulations. The sludge generated by Jiangsu Dazhong was sent to farms, building materials factories and power plants designated by the government as raw materials for making fertilizer, bricks and power generation, so as to realise the secondary recycling of sludge with reduced waste productions.

The Company has achieved remarkable results in implementing measures to reduce exhaust gas and greenhouse gas emissions. The urban transportation sector has further increased the proportion of new energy vehicles. The restrictions on the number of gasoline vehicles in the transportation sector and the launch of new energy vehicles are crucial to the Company's emission reduction. In 2020, Dazhong Transportation actively promoted the operation of new energy taxis in accordance with the requirements of national and local government's new energy vehicle renewal policies. As of the end of 2020, the Company had put 243 pure electric new energy taxis into operation, so as to achieve the goal of reducing greenhouse

3.3 Resources Usage

3.3.1 Resources Consumption

On the energy consumption perspective, Dazhong Public Utilities strives to follow the environmental protection-related policies to improve its energy usage efficiency. Through the development of annual energy consumption targets, the Company promotes the improvement of energy efficiency. The Company obtains applicable water sources according to the relevant national environmental protection policies and regulations, which results in no problems. In 2020, the Company consumed about 66 million litres of gasoline, 6.492 million litres of diesel and 80 million cubic metres of liquefied gas. Meanwhile, all businesses consumed a total amount of about 2.819 billion kilowatt-hours of electricity and 6.9455 million tons of water, with water-consumption density of 1.40 tons/thousand RMB.

In 2020, the energy consumption of the Company was equivalent to about 748,300 tons of standard coal, of which about 54.19% came from the urban transportation sector, about 43.79% from the infrastructure investment and operation sector, and the rest of the energy consumption came from the wastewater treatment, logistics and transport, city gas, and financial sectors.

The main businesses of Dazhong Public Utilities are city gas, wastewater treatment, urban transportation, infrastructure investment and operation, logistics and transport, and financial investment, which do not include the production of finished products or involve packaging materials. Therefore, the "total packaging material used for finished products with reference to per unit produced" is not applicable to Dazhong Public Utilities.

3.4 Environment and Natural Resources

Based on the relevant national environmental protection policies and emission requirements, Dazhong Public Utilities carries out business operation, and strictly deals with the emissions and pollutants. All emissions and pollutants are through detailed testing and records, which meet the requirements of relevant national environmental protection regulations and emission regulations, and have no significant impact on the environment and natural resources.

3.5 Environmental Indicators

Indicator	Unit	Data in 2020	Data in 2019
Emissions			
Total greenhouse gas emission (scope I and II)	ton	**2,144,966.06**	6,180,677.32
Greenhouse gas emission per capita	ton/person	**1,016.34**	2,027.12
Direct greenhouse gas emission (scope I)	ton	**161,841.91**	5,215,084.20
Indirect greenhouse gas emission (scope II)	ton	**1,983,124.15**	965,593.12
Total reduced greenhouse gas emission (scope I and II)	ton	**3,170,280.92**	/
Solid waste	ton	**13.517**	0.32
Wastewater	ton	**19,330**	2,550.50
Household garbage	ton	**17.883**	/
Kitchen garbage	ton	**35.218**	/
Office garbage	ton	**10.750**	/
Waste oil	ton	**0.504**	0.5
Waste fluorescent tube	ton	**0.142**	0.12
Wastewater treatment volume	10 thousand tons	**14,323.23**	13,968.22
Daily average treatment volume	10 thousand tons	**39.15**	17.68
Reduced COD discharge	ton	**27,741.17**	37,458.09
Reduced BOD discharge	ton	**15,187.17**	17,954.89
Reduced NH_3 discharge	ton	**3,659.15**	4,300.72
Reduced TN discharge	ton	**3,289.51**	4,012.85
Reduced TP discharge	ton	**398.06**	557.97
Total sludge discharge	ton	**55,782.01**	61,778.49
Exhaust gas	ton	**1,520.79** ***(Note)***	899.37
Resources usage			
Natural gas	10 thousand cubic metres	**103.98**	97.13
Travel distance of corporate vehicles	10 thousand kilometres	**58,225.79**	101,112.26
Gasoline	10 thousand litres	**6,553.46**	1,132.33
Diesel	10 thousand litres	**649.2**	330.62
Electricity usage	10 thousand kilowatt-hour	**281,893.98**	122,792.14
Electricity usage per capita	10 thousand kilowatt-hour/person	**95.17**	40.27
Daily water usage	10 thousand tons	**694.55**	728.37
Daily water usage per capital	10 thousand tons/ person	**0.23**	0.24
Total water usage saved	tons	**33.82**	/
Other items			
Proportion of electric vehicles	%	**3**	1
Proportion of LPG hybrid vehicles	%	**15**	28

The exhaust gas emissions in 2020 included carbon monoxide (CO), hydrocarbons (HC), nitrogen oxides (NO_x) and particulate matters (PM), of which the NO_x emission was 130.92 tons. The statistical data of exhaust gas emissions in 2019 did not contain CO and HC, and the NO_x emission was 819.14 tons

4 Social Responsibilities





4.1 Employment and Labour

4.1.1 Employment and Labour Standards

Dazhong Public Utilities and its subsidiaries are strictly in compliance with the various relevant national personnel laws and regulations, e.g. Labour Law and Labour Contract Law etc., and provide all employees with benefits they should enjoy when conducting recruitment. The Company has developed sound employment rules and regulations, and make clear provisions of the rights and obligations imposed on the employees in the employee handbook.

The employee handbook stipulates that the working hour of employees per day is eight hours and the average working time per week is 40 hours. According to the relevant national regulations, the Company shall timely pay the social insurance expenses such as housing funds, endowment insurance funds, medical insurance funds, unemployment insurance funds and other social insurance expenses for employees in full. Meanwhile, the employees are entitled to any lawful benefit, remuneration and leave. During the recruitment, the

4.1.2 Employees' Health and Safety Assurance

Dazhong Public Utilities pays close attention to the health and safety of its employees, and strictly follows the Law of PRC on Occupational Disease Prevention, Rules of Workplace Hygiene Supervision, the Industrial and Commercial Insurance Ordinances etc., to create a safe, healthy working environment with affinity.

In order to ensure safe production, the Company has issued the Notice on Strengthening the Safe Production of the Group and its Subsidiaries (《關於加強集團公司及下屬各公司安全生產工作的通知》) and other relevant documents to require all business segments to take practical measures to ensure safe production, especially the safe production during New Year's Day, Chinese New Year and other holidays, which prevented the occurrence of safety accidents effectively. It also actively holds safety work meetings to point out the respective focus of safety management of all major business segments. The Company and its operating subsidiaries sign the letter of responsibility for safety production of the year to establish a comprehensive safe production accountability mechanism. Such letter of responsibility provides the responsibilities and annual working target of safe production of all operating subsidiaries and specified the safe production duties to ensure a fully controllable safe production system of the Company.

The Company considers the person in charge of each major business segment as the primarily responsible person of safe production who shall be fully responsible for the safe production of the respective entity in accordance with the safe production principles of "the person in charge shall be responsible" and "production management shall encompass safety management". In addition to being compliant with the Safe Production Law, Fire Control Law, Labour Law and other regulations as well as promoting the implementation of regulations, systems and standards of the PRC, the Company and respective entity on safe production inspect and supervise the performance of safety duties of the management and staff of relevant entities and conducted regular safety inspection so as to make timely

4.1.3 Employees' Development and Training

In order to help employees' personal growth, various business sectors of the Company provide employees with multiple forms of on-the-job training or off-the-job training. The Company also provides various forms of vocational training for employees, such as initial

4.2 Operation Management

4.2.1 Supply Chain Management

The Company and its subsidiaries have formed clear requirements on the selection and management of suppliers, actively responded to the Corporate Internal Control and its implementation guidelines issued by five ministries and commissions of the PRC central government as well as the focus points of the management, ensured the compliant management and appropriate selection of suppliers, and ensured the effective control of operational risks resulting from the inappropriate selection, unreasonable approach, malpractice or fraud of the suppliers. In addition, the standards of acceptance inspection for suppliers must be specific to ensure the compliant acceptance inspection procedures and elimination of abnormality in the acceptance inspection. For any abnormality identified in the acceptance inspection, the staff of general manager's office shall find out the reasons as soon as possible and handle the problems in a timely manner.

The Company has established a database of suppliers (including the suppliers with terminated cooperation). The name, address, contact information, scope of operation, length of cooperation with the Company and other relevant information of the suppliers are recorded in the database, and the Company sorts out the database regularly to ensure timely update of the information.

4.2.2 Anti-corruption Measures

Dazhong Public Utilities has been in strict compliance with relevant laws, regulations and policies, e.g. the Criminal Law of PRC, the Anti-money Laundering Law of PRC etc., to standardise the operating and procurement behaviours, and strive to prevent bribery, blackmailing, fraud, AML etc. The Company implements rotation mechanism for procurement posts for management on a regular or irregular basis. Procurement personnel shall sign the letter of commitment for integrity (or similar guarantees) to undertake to refuse any rebates or benefits from the suppliers during the procurement process, avoid actions in conflict with the interests of the Company and report to the Company for any

The whistle-blowing procedures: (1) classification and registration of issue clues; (2) collective study and judgment; (3) communication or preliminary verification; (4) settlement.

During the Reporting Period, there were no corruption lawsuits involving the Company.

4.2.3 Product Liabilities

The Company strictly abides by the national Regulations on Taxi Operation and Service Management, the Regulations of Shanghai Municipality on Taxi Management, the Regulations on Road Transportation Management, the Regulations on City Gas Safety Management and other relevant regulations and industry norms to ensure the quality and safety of the services provided by the Company.

The main business of Dazhong Public Utilities does not produce finished products. Therefore, the contents of "percentage of total products sold or shipped subject to recalls for safety and health reasons" and "description of observing and protecting practices" are not applicable to Dazhong Public Utilities.

4.3 Community Investment

The labour unions of Dazhong Public Utilities and its subsidiaries actively participated in a number of social activities such as supporting the education of students in poverty, caring for lone elderly, providing public convenience services, nurturing employees' social service awareness etc., boosting the Company's reputation in communities.

On March 6, 2020, the secretaries of the Party organisations of the two listed companies, Dazhong Transportation and Dazhong Public Utilities, went to the Tianlin street of Xuhui District of Shanghai together to give the donations of the Dazhong Party members and the employees to the Party Working Committee of Tianlin street and the Tianlin community foundation respectively. In response to the call of the Central Committee of the Party, which is centered on Comrade Xi Jinping, the Party members and the staff of Dazhong actively contributed to the COVID-19 prevention and control work. X8 just one week, Party organisations had received donations from Party members and the employees worth more than RMB250,000. The donations would be given to Party members at higher ranks, and used to comfort the medical workers, grassroots cadres and masses, public security police and community workers fighting the battle against the pandemic, as well as the people living with difficulties due to the pandemic. The public donations were remitted to the Tianlin community foundation to support and comfort the hard-working community workers working in the front line of disease prevention and control, and convey the deep feelings of Dazhong and the Tianlin community.



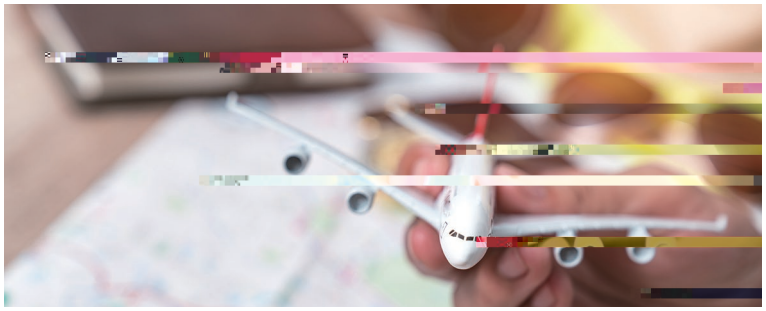


4.4 Community Indicators

Indicator	Unit	Data in 2020	Data in 2019
Employment			
Total employees	person	**2,962**	3,055
Divided by gender			
Male	person	**2,350**	2,494
Female	person	**612**	561
Divided by education background			
Undergraduates or above	person	**683**	588
Junior college graduates	person	**581**	535
Technical school graduates	person	**362**	843
High school graduates	person	**374**	354
Junior school graduates	person	**962**	735
Divided by age			
Below 25	person	**226**	188
26-30	person	**308**	341
31-35	person	**403**	429
36-40	person	**338**	445
41-45	person	**411**	402
46-50	person	**460**	514
51-55	person	**465**	397
Above 56	person	**351**	339
Divided by level			
Senior management	person	**10**	10
Medium management	person	**31**	34
Grassroots employees	person	**19**	25
Female management	person	**25**	26
Employees of ethnic minorities	person	**1**	1
New employees	person	**2**	2
Dispatched employees	person	**0**	0
Employee turnover rate			
Total employees lost	person	**192**	467
Employee turnover rate	%	**6.5**	13.26
Below 25	%	**0.1**	/
26-30	%	**0.16**	/
31-35	%	**0.3**	/
36-40	%		

Indicator	Unit	Data in 2020	Data in 2019
Employee benefits			
Employees taking physical examinations	person	**2,072**	/
Physical examination ratio	%	**70**	/
Satisfaction degree	%	**100**	100
Employment type			
Full-time	person	**2,962**	3,055
Part-time	person	**0**	0
Health and safety			
Death toll due to work	person	**0**	0
Death toll due to work ratio	%	**0**	0
Working days lost due to work-related injuries	day	**132**	/
Social insurance coverage	%	**100**	100
Supply chain management			
Domestic suppliers	No.	**215**	131
Hong Kong and overseas suppliers	No.	**0**	0
Training and development			
Various safety training	time	**22**	/
Existing video courses	No.	**12**	0
Total length of video courses	hour	**30**	0
Various offline training	time	**83**	/
Employees participating in various safety training	person	**3,289**	/
Money invested for employee training	RMB10 thousand	**203.96**	/
Organisation of training activities	time	**85**	/
Employees participating in training	person	**3,234**	/
Length of employee training per capita	hour	**186.63**	/
Employees participating in AML tests	person	**32**	32

5 Future Planning



5.1 Risks and Opportunities of ESG

Natural resources available for use by the enterprises will decrease in the future, which brings both challenges and opportunities for our corporate development. In recent years and in the foreseeable future, we have been thinking about how to create more economic and social benefits with limited resources. We continuously explore the use of new energy (especially green energy) in our business operation and how to optimise, integrate and use the resources in a highly efficient manner with the support of the latest information science and technology, thereby achieving sustainable development.

The awareness of environmental protection and sustainable development among the consumers will enhance continuously in the future, which means that the consumers will gradually expect the companies to assume their social responsibilities and make contributions to sustainable

5.2 Strategic and Organisational Framework

5.2.1 Spurring Sustainable Development Methods

The transportation business under Dazhong Public Utilities is one of the most important taxi operators in Shanghai, which possesses tens of thousands of various vehicles. In the future development, the Company will continuously explore the use of clean energy in taxi operation, further optimise the energy structure, reduce the use of traditional fossil energy and achieve low-carbon economy. In addition, we will continue to provide driving training in relation to energy saving and emission reduction to drivers in order to further reduce the carbon footprint. We believe that the continuous efforts of public transportation business in energy saving and emission reduction will bring positive effects to the sustainable development of vehicle leasing industry. With the launch of Dazhong Chuxing platform and its promotion in various cities, we believe that data and information technology has led the public transportation business into a new stage in energy saving, emission

5.2.2 Development Strategy and Operation Plan

(1)

The reserve and expansion of public utility projects are the first priority in the Company's operation, the long-term and strategic tasks of Dazhong Public Utilities in investment and operation of public utility sector, and also the driving factors for maintaining and improving the Company's core competitiveness and achieving sustainable development. Dazhong Public Utilities will actively seek the opportunities of merger, acquisition and development of domestic and foreign quality projects in gas supply and environment industries, emphasis on increasing the Company's investment proportion in public utility business, and continuously improve the overall profitability of the Company's principal businesses. Meanwhile, it will also explore and facilitate the interaction between the Company's financial business and investment business to form a model of "investment and loan interaction", integrate and adopt various financing models to create new competitive strength, and promote the strategic innovation in the transformation and development of the Company's financial investment business.

( )

Human resources are important for improving corporate competitiveness and gaining competitive strength. As the opening of the "14th Five-year Plan", Dazhong Public Utilities is entering the new phase of corporate development. With the gradual expansion of business and continuous enhancement of requirements for management and control, based on the three-year human resources plan of the Company, the Company will accelerate the recruitment and reserve of talents in operation, finance, investment and profession technology sectors needed by the Company to ensure that the demand for human resources will be satisfied in quantity and quality when and where needed. Meanwhile, the Company will further study and optimise the employee performance assessment and incentive mechanism, stimulate the initiative and creativity of employees, and continuously improve the overall competitiveness of the employees, departments and the Company in the market.

( )

The Company will continue to improve the dual mechanisms of safety risk classification and flaw identification governance, detail the control and management plans, formulate precise control measures, ensure every risk point is under control, and prevent the production accidents. Meanwhile, the Company will continue to enhance the emergency management work, improve the capabilities to handle all types of events, timely revise the emergency plans, develop emergency handling teams, reinforce the management of emergency supplies, to ensure the emergency management work is correctly implemented. In addition, the Company will continue to strictly follow the construction quality standards and management rules, take all safety measures, and conduct various safety knowledge publicity activities, to continuously push forward the development of safety culture, and strengthen the safety knowledge and self-prevention capabilities of all employees.

( )

The Company will fully utilise the function of information-aided management, establish and optimise the information-based and centralised management platform for capital management and control, business management, human resources and support to decision making, continuously improve the Company's level of information-based and centralised management and control, and facilitate the achievement of transition from improving management efficiency to strengthening management effectiveness. The Company will also continuously strengthen its efforts in supervision of internal control and management, continuously optimise the Company's internal management system and procedures, and enhance the management effectiveness of the Company's OA platform.

6 Appendix



6.1 Terms and Abbreviations

CSRC	China Securities Regulatory Commission
SSE	Shanghai Stock Exchange
HKEX	The Stock Exchange of Hong Kong Limited
Dazhong Public Utilities, the Company, we	Shanghai Dazhong Public Utilities (Group) Co., Ltd.
Reporting Period/ The Annual 2020	Accounting Period from January 1, 2020 to December 31, 2020
Board	The Board of Directors of the Company
Supervisory Board	The Supervisory Board of the Company
General Meeting	The General Shareholders' Meeting of the Company
Articles of Association	The Article of Association of the Company
Shanghai Dazhong Gas	Shanghai Dazhong Gas Co., Ltd.
Dazhong Transportation	Dazhong Transportation (Group) Co., Ltd.
Jiangsu Dazhong	Jiangsu Dazhong Water Group Co., Ltd.
SEIS	Shanghai Electronic Intelligence System Co., Ltd.
Dazhong Financial Leasing	Shanghai Dazhong Financial Leasing Co., Ltd.



6.2 Index

HKEX's index of Environmental, Social and Governance Reporting Guide

Aspects	Key Performance Indicators	Requirements	Disclosure Places
A. Environmental			
Aspect A1: Emissions			
General disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse		

Aspects	Key Performance Indicators	Requirements	Disclosure Places
Aspect A3: Environment and Natural Resources			
General Disclosure			

6.3 Awards Winning

No.	Unit	Award	Award-presenting institution
1	Dazhong Public Utilities	2020 "Gold Medal's Annual Listed Company's Excellent Board" Award	Shanghai United Media Group
2	Dazhong Public Utilities	"Sullivan 2020 China New Infrastructure Enterprise List" Smart City Category included	Frost & Sullivan
3	Dazhong Public Utilities	Ranked 54th in the "2020 Top-100 Shanghai Private Enterprises"	Shanghai Enterprises Confederation
4	Dazhong Public Utilities	2019 Financial Market Classic Cases	Shanghai Association of International Services Trade
5	Dazhong Public Utilities	2020 Most Socially-responsible Award	Gelonghui
6	Dazhong Financial Leasing	2019 Shanghai Financial Innovation Award	Shanghai People's Government
7	SEIS	Third-class Prize of Science & Technology Award	China Intelligent Transportation Systems Association
8	SEIS	First-class Prize of Science & Technology Award	Shanghai Highway & Transportation Society
9	SEIS	2018 Shanghai Transportation Construction Quality Project	Shanghai Engineering Construction Quality Management Association
10	SEIS	2019 Shanghai Transportation Construction Quality Project	Shanghai Engineering Construction Quality Management Association
11	SEIS	2018-2019 Shanghai Municipal Engineering Golden Award	Shanghai Municipal Highway Industry Association



6.4 Opinion Feedback

Thank you for reading the Environmental, Social and Governance Report of Dazhong Public Utilities for 2020. In order to better meet your needs, provide you with more valuable information, promote the Company's ESG performance, and improve the ability to fulfill social responsibilities, we sincerely hope that you can put forward valuable opinions on our report and feed back to us through the following ways:

Tel: Fax:

Email:

Mail address:

Post code:

1. Your overall comment of the report:

   ☐Very good ☐ good ☐ not impressed

2. Your comment on Dazhong Public Utilities' resources consumption:

   ☐Very good ☐ good ☐ not impressed

3. Your comment on Dazhong Public Utilities' environmental protection:

   ☐Very good ☐ good ☐ not impressed

4. Your comment on Dazhong Public Utilities' employee development supporting:

   ☐Very good ☐ good ☐ not impressed

5. Your comment on Dazhong Public Utilities' corporate governance improvement:

   ☐Very good ☐ good ☐ not impressed

6. Your opinions and suggestions to Dazhong Public Utilities' ESG report and ESG-related work?

   _____

Sincere appreciation for your support and help to the Company.