

上市公司

环境信息披露观察

多家企业对百万处罚讳莫如深

公众环境研究中心 (IPE) 绿色江南 (PECC)

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Introduction

The environmental information disclosure of listed companies is an important measure to build a green financial system. In 2016, the "Guiding Opinions on Building a Green Financial System" jointly issued by six ministries and commissions including the People's Bank of China proposed to gradually establish and improve a mandatory environmental information disclosure system for listed companies and bond-issuing companies.

Under the current situation, the environmental disclosure of listed companies has been paid more and more attention, the requirements have become increasingly strict, and the mandatory has become increasingly prominent. Lvse Jiangnan (PECC) and the Institute of Public & Environmental Affairs (IPE), which have focused on corporate performance and information disclosure of listed companies for a long time, use the authoritative corporate environmental data collected by the big data platform of the blue map to compare and analyze the 2020 annual reports, corporate social responsibility reports, and environmental responsibility reports of A-share listed companies to write a research report.

Since 2019, we have communicated and discussed with listed companies on the status of environmental disclosure. Many listed companies thought that significant administrative penalties need to be disclosed in reports regularly, quantification of industry amounts is usually recognized as one specific penalty amount of 1 million CNY or above. In this report, by observing the environmental disclosure status of listed companies with a single environmental administrative penalty of more than 1 million yuan in 2020, focusing on the analysis of the environmental disclosure status quo of listed companies, combined with the research results obtained after the communication between Lvse Jiangnan and related-listed companies, and to discuss the progress and shortcomings of environmental disclosure of listed companies in China.

During the survey, we found that out of a total of 10 listed companies with a single fine of 1 million CNY or above in 2020, 5 of the companies stated in their 2020 annual reports that "there are no significant penalties and in need rectifications" or "no environmental violations". Suspected of misrepresentation; One company did not disclose any environmental violations of its own or affiliated companies such as molecular control in the 2020 annual report; In accordance with the requirements of the China Securities Regulatory Commission According to the requirements of the China Securities Regulatory Commission, one company disclosed basic information on administrative penalties of pollutants required by "key polluting entities", but did not disclose the specific amount of the penalty. Correspondingly, three listed companies have made relatively complete environmental disclosures in their annual reports.

Disclosure requirements and our research scope

The mandatory environmental information disclosure of listed companies is showing a new trend. From the perspective of significant environmental violations.

Currently, there is no clear quantitative regulation. Through our previous communication with listed companies, we found that most of the listed companies will disclose environmental violations in accordance with the provisions of "Shanghai Stock Exchange Stock Listing Rules" "11.12.5 and 9.2", namely the relevant net profit of the transaction target (such as equity) in the most recent fiscal year accounts for more than 10% of the audited net profit of the listed company in the most recent fiscal year, and the absolute amount exceeds 1 million CNY."

Therefore, in this report, we select listed companies with a single environmental administrative penalty of more than 1 million CNY in 2020 as our research object.

6 listed companies are secretive of multi penalties

According to statistics, a total of 10 listed companies will exceed 1 million CNY in a single environmental administrative penalty in 2020. We choose these 10 companies as our research objects. After analyzing the environmental disclosure part of their annual reports and corporate social responsibility reports (CSR) of these 10 A-share listed companies, we found that 6 of them had significant problems in their relevant disclosure.

Xinke Copper, WKW Group, Beijing Origin Water, Yankuang Energy Group, GCL System Integration Technology, Reported "there are no significant penalties and in need rectifications" or "no environmental violations" in their annual report.

Zhongjin Gold made "not applicable" statement in its 2020 annual report.

Case 1, Xinke Copper (Stock Code: 600255)

key polluting entities

Xinke Materials belongs to the non-ferrous metal smelting and rolling processing industry, and was listed on the Shanghai Stock Exchange in November 2000. Mainly engaged in the development, production and sales of copper-based composite materials, rare and precious metal materials (excluding gold and silver and products), powder metallurgy and special materials, special cables, electrical materials, and other new materials. In August 2020, Anhui Xinke Copper Industry Co., Ltd., a key polluting company of Xinke Materials, was accused of illegally discharging water pollutants due to excessive discharge of total copper and total zinc of water pollutants and using methods of tampering and falsifying monitoring data to evade supervision. The Wuhu Municipal Ecological Environment Bureau imposed an administrative penalty of 1.09 million CNY. Xinke Materials disclosed in the "Excessive Emissions" column of the 2020 annual report as "No Excessive Emissions".

Case 2, Beijing Origin Water (Stock Code: 300070)

Beijing Origin Water is an enterprise engaged in ecological protection and environmental management. It was listed on the Shenzhen Stock Exchange in April 2010. Its main business is the development and application of sewage treatment and sewage recycling technologies. Many subsidiaries of Beijing Origin Water were punished for environmental violations. The most prominent case was Honghu Bishuiyuan Environmental Technology Co., Ltd. for multiple violations: construction of water pollution prevention facilities without approval, abnormal operation of water pollution prevention facilities, and evasion of supervision to discharge air pollutants, Was administratively fined 1.527 million yuan.

In the 2020 annual report of Beijing Origin Water, it stated that there were no penalties and rectifications during the reporting period. At the same time, according to its internal control self-evaluation disclosure, the number of its important defects is 0, which is inconsistent with the actual situation, and Beijing Origin Water has been suspected of false disclosure.

Case 3, KWK Group (Stock Code:002662)

KWK Group supplies for Tesla. It is engaged in automobile manufacturing and was listed in Shenzhen Stock Exchange in 2012. Its main business is comprehensive manufacturing and comprehensive services for passenger car interior and exterior trim systems. It mainly provides interior and exterior trim systems for mid-to-high-end passenger vehicles and also provide supporting R&D with related services.

Qinhuangdao Biya Auto Parts Co., LTD., a subsidiary of *KWK Group*, For the reasons of did not start emergency plan in time, information on toxic and harmful water pollutants was not disclosed, failed to install online monitoring facilities and to set a general valve at the outlet of rain discharge and sewage discharge in the factory, has been fined in a total of 1.18 million CNY.

In December 2020, Qinhuangdao Weikawei Faurecia Automotive Interior Co., Ltd. was punished by Qinhuangdao Ecological Environment Bureau for several violations, such as failure to check and connect the online monitoring equipment of wastewater, failure to conduct comparative monitoring every quarter as required, and failure to manually monitor COD, ammonia nitrogen and total phosphorus discharged from the total wastewater outlet.

KWK Group disclosed in the 2020 annual report that "there is no punishment or rectification in the reporting period of the company." This may not correspond with the reality.

On July 27, 2021, we received a response from KWK Group, stating that Qinhuangdao Biya Auto Parts Co., Ltd. and Qinhuangdao Wekawei Faurecia Automotive Interiors Co., Ltd. reflected in the letter are joint ventures. It is stipulated that the company will only disclose to its subsidiaries, so the administrative penalties incurred by these two companies have not been disclosed.

Case 4, Yankuang Energy Group (Stock Code: 600188)

Yankuang Energy Group was engaged in mining and washing industry, listed in the Shanghai Stock Exchange in 1998, main business is coal, coal chemical, mechanical and electrical equipment manufacturing, power and heat.

Several subsidiaries of Yankuang Energy Group, received multiple environmental violation penalties in 2020, and was fined for 1,134,800 CNY for construction without secure administrative approval.

However, in the 2020 annual report, Yankuang Energy Group did not disclose these information, claiming that: all have achieved discharge standards, all have pollution treatment facilities built in accordance with environmental approval requirements, and no significant penalties have been imposed for violations of environmental protection laws and regulation. These descriptions may involve false disclosures.

Case 5, Zhongjin Gold (Stock Code: 600489)

Zhongjin Metal's non-ferrous metal mining and dressing industry was listed on the Shanghai Stock Exchange in 2003. The main business is the geological prospecting, mining and smelting of non-ferrous metals such as gold.

Many subsidiaries of Zhongjin Gold have been given administrative penalties by the local government for multiple environmental violations. In particular, Zhongjin Song County Songyuan Gold Smelting Co., Ltd. was administratively fined 1.03 million yuan due to the discharge of wastewater from the cement pipe outlet below the seepage interception dam of the tailings reservoir of the slag field and the seepage of the seepage interception dam body. These problems are not the first time that these problems have occurred. According to media reports, a pungent tailing leachate is flowing in a culvert below the tailings pond where waste residues are piled at the Zhongjin Songyuan Gold Smelter.

However, in the 2020 annual report of Zhongjin Gold, details of penalties and subsequent improvement measures were not disclosed.

Case 6, GCL System Integration (Stock Code: 002506)

GCL Integration is engaged in the manufacturing of computers, Telecommunication and other electronic equipment industry, and was listed in the Shenzhen Stock Exchange in 2010. Main business is t R&D, design, production, sales, and one-stop service of high-efficiency batteries, differentiated high-efficiency components, energy engineering, energy storage system integration and other related products.

A subsidiary of GCL Integration was punished by an administrative penalty of 1,738,972,200 CNY for built before approval.

However, GCL disclosed in it's 2020 annual report that there is no punishment or rectification in the reporting period, and this may not correspond with reality.

One listed company did not disclose the amount of the penalty

In our research, we found that Sanyuan Foods only disclosed the existence of penalty in 2020 annual report, but did not disclose the specific amount of penalties. Sanyuan Foods

belongs engaged in manufacturing industry and was listed on the Shanghai Stock Exchange in September 2003. Its main business is the production and sales of milk and dairy products.

In 2020, a key polluting entities affiliated with Sanyuan Foods. privately mixed and diluted pure water with treated wastewater and discharged it into the main wastewater outlet through the online monitoring system to evade supervision.

Discharged water pollutants in a manner that was fined RMB 1 million by the Tianjin Jinghai District Eco-Environment Bureau.

Sanyuan Foods disclosed this administrative penalty in its 2020 annual report, but did not disclose the exact amount.

Three listed companies have made relatively complete and effective disclosures

In our research, we found that 3 listed companies received at least one administrative penalty of 1 million CNY or more have made a relatively complete and effective disclosure of major environmental penalty information of themselves and their affiliated enterprises through annual reports and other channels.

Case 1, Chengming Paper (Stock Code: 000488)

Chenming Paper received a total of 1.4 million CNY in administrative penalties in 2020. In the 2020 annual report, Chengmin disclosed the administrative penalties and rectification for environmental protection problems. But in the column of excessive emissions, Chenming company disclosed as none, which is slightly inappropriate.

Case 2, Shanxi Coking Coal Group (Stock Code: 000983)

Two subsidiaries of Shanxi Coking Coal Group were fined RMB 1.71 million for environmental protection related issues. In the 2020 annual report, Shanxi Coking Coal Group disclosed the administrative penalties and rectifications of the two subsidiaries due to environmental protection issues.

Case 3, Heilongjiang InterChina Water Treatment (Stock Code: 600187)

A subsidiary of Heilongjiang InterChina Water Treatment was fined 4.14 million CNY for environmental protection related issues in 2020, the company disclosed in its 2020 annual report the administrative punishment and rectification it received.

Feedback from relevant companies

Lvse Jiangnan (PECC) and IPE have sent mails to each of the seven listed companies involved at least one administrative penalty of 1 million CNY or more for Failing to make environmental disclosure in annual report or being suspected of making false statements. Up to now, KWK Group has made a respond.

We would like to remind Xinke Copper, Beijing Origin Water, Yankuang Energy Group, GCL System Integration Technology and Sanyuan Foods and any other listed companies which didn't obligation, confront to their problems and make supplementary disclosures as soon as possible through temporary announcements, social responsibility reports or other forms.

In order to promote the development of the trading market and identify environmental risks, we invite regulatory authorities, exchanges, financial institutions, industry associations, and market investors to pay attention to the quality of environment information disclosure of listed companies.

We appreciate and affirm that listed companies made complete and effectively environmental-related administrative penalty disclosures like chenming paper, Heilongjiang InterChina Water Treatment, Shanxi Coking Coal Group, etc.

By using the blue map to query, we can see that some listed companies still have records of environmental violations and punishments in 2021. We recommend that these listed companies, while doing a good job in annual environmental information disclosure, also focus on the lack of capabilities and management loopholes exposed by administrative penalties. Use public platforms such as Blue Map (www.ipe.org.cn) to more promptly disclose the causes of problems, rectification measures or plans, follow-up monitoring and testing data, and the determination of rectification results by regulatory authorities and other documents in a more timely manner. Ensure environmental compliance and improve environmental performance.

It is recommended to use Internet environment big data tools such as Blue Map to learn from the innovative management model formed by green supply chain and green finance, and to empower listed companies through digital solutions to achieve dynamic supervision of the environmental performance of themselves, their affiliates, and target companies. Realize the synchronization of information from multiple parties including the producer, and then combine the classification and grading of records to form a standardized disclosure process to disclose information to interested parties in a timely manner.

In addition, tackling climate change has become the world's most concerned issue and the most urgent challenge facing human society in the 21st century. The development of green finance and the promotion of climate investment and financing have become important means for the global response to climate change. Most of the key pollutant emission units of A-share listed companies are molecular-controlled enterprises, and most of them are also large energy and carbon emitters. It is necessary to perform calculations and disclosures, and set emission reduction targets on this basis, as well as the time for carbon peak and even carbon neutrality surface. For this reason, we suggest that the regulatory agencies follow the "30/60" carbon target as the guide, and incorporate carbon information disclosure into the regular report disclosure system of listed companies.

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