

# Green Insurance (13)

## Observation report on environmental liability insurance disclosure of A-share listed hazardous waste disposal enterprises



PECC

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## **Abstract**

The Ministry of Ecology and Environment, the National Development and Reform Commission, and the Ministry of Public Security have jointly issued the *National Hazardous Waste List (2021 Edition)*, in which solid wastes (including liquid wastes) that have the following two circumstances are included in the list of hazardous wastes: (a) they have one or several hazardous characteristics, such as toxicity, corrosiveness, flammability, reactivity (a) having one or more hazardous characteristics such as toxicity, corrosiveness, flammability, reactivity or infectivity; (b) not excluding hazardous characteristics, which may cause harmful effects to the ecological environment or human health, and need to be managed in accordance with hazardous waste. The list categorizes China's hazardous wastes into 50 major categories and 467 types, including industrial hazardous wastes, medical wastes and other hazardous wastes of social origin.

Hazardous waste comes from a wide range of sources, mainly including the chemical industry, metal industry, oil refining industry, pharmaceutical industry, etc. Since the hazardous characteristics of hazardous waste generated by various industries have their own characteristics and complex composition, the applicable disposal methods are different. With the development of China's industry and the acceleration of industrialization, the amount of hazardous waste generated in China has increased from 65.813 million tons in 2017 to 86.536 million tons in 2021. The number of hazardous waste disposal enterprises is also climbing year by year, and the number of centralized hazardous waste treatment plants in the country in 2021 is 1,528, compared with 2017, an increase of 27%.

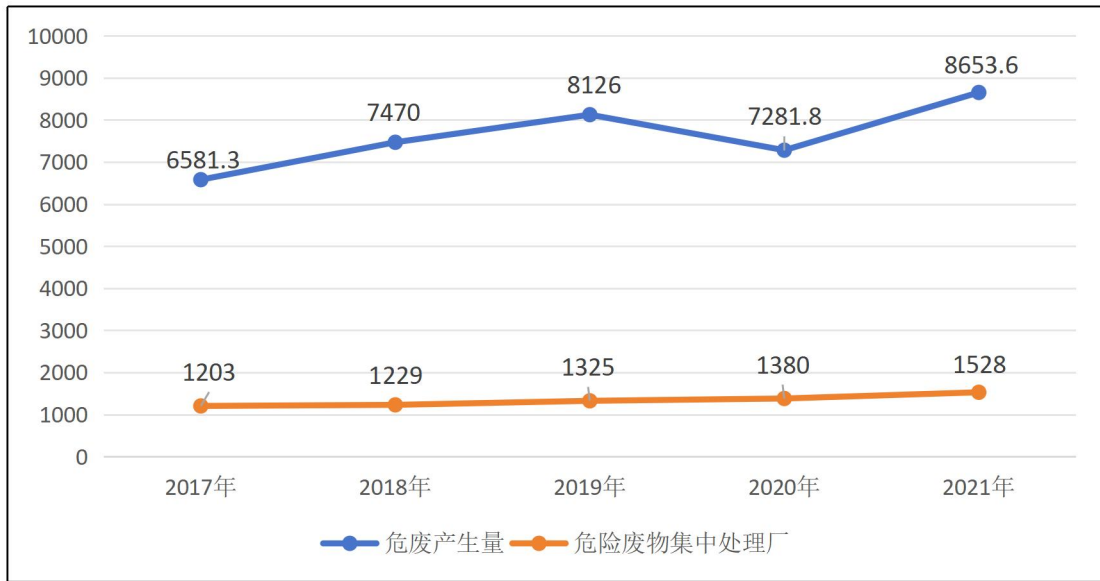


图 1 National generation of industrial hazardous waste (in tons) and national number of centralized hazardous waste treatment plants (in units), 2017-2021

In order to make hazardous waste disposal enterprises pay more attention to their own environmental responsibility and to strengthen multi-party supervision, the State vigorously promotes hazardous waste disposal enterprises to take out environmental pollution liability insurance (hereinafter referred to as "environmental liability insurance"). The so-called environmental liability insurance is an insurance policy that covers the liability of the enterprise for the damage caused by the pollution accident to the third party. International experience shows that the implementation of environmental pollution liability insurance is an effective means to safeguard the legitimate rights and interests of pollution victims and improve the prevention of environmental risks.

The "Guiding Opinions on Enhancing Hazardous Waste Environmental Supervision Capabilities, Utilization and Disposal Capabilities and Environmental Risk Prevention Capabilities," Circumsolid (2019) No. 92, which was released on October 16, 2019, states that "hazardous waste generating units and hazardous waste operating units are included in the scope of

mandatory liability insurance coverage for environmental pollution in accordance with the law. " The newly revised Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, which came into effect on September 1, 2020, stipulates that "Units collecting, storing, transporting, utilizing, and disposing of hazardous wastes shall, in accordance with the relevant provisions of the state, take out environmental pollution liability insurance", which is the first time that mandatory liability insurance for environmental pollution has been included in the law.

Hazardous waste disposal listed companies, as leaders in the hazardous waste disposal industry and cornerstones of the capital market, should play a leading role in insuring environmental liability insurance. *The Administrative Measures for the Legal Disclosure of Environmental Information of Enterprises* (hereinafter referred to as "*Administrative Measures*") require that listed companies that comply with the relevant regulations should disclose the information on environmental liability insurance in their annual environmental information.

In order to understand the current situation of environmental liability insurance and disclosure of A-share listed hazardous waste disposal companies and their affiliates, SIP Lvse Jiangnan Public Environment Concerned Centre(hereinafter referred to as "Lvse Jiangnan") has conducted an observation and research on the 2022 annual reports, social responsibility reports, ESG reports, etc. of the A-share listed hazardous waste disposal companies disclosed in Juchao Information, as well as the annual environmental information reports published by their affiliates (with 50% or more of equity ratio) in the enterprise information disclosure systems of various provinces and cities according to the law. Lvse Jiangnan Center for Public Environmental Concern ("Green Jiangnan") has observed and studied the

annual environmental information reports of A-share listed hazardous waste disposal enterprises disclosed in Juchao Information, social responsibility reports, ESG reports, etc., as well as the annual environmental information reports of their affiliates (with an equity share of 50% or more) in the legal disclosure system of enterprises in various provinces and municipalities in the hope of promoting the listed companies of hazardous wastes to pay attention to the important role of environmental liability insurance in environmental management, proactively take out the insurance, and disclose in a timely, effective, and comprehensive manner in accordance with the state regulations, so as to promote the sound development of the insurance.

## **1. Reference legislation**

***Article 99 of the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes***, referred to in the preamble, stipulates that "Units collecting, storing, transporting, utilizing or disposing of hazardous wastes shall, in accordance with the relevant provisions of the State, take out environmental pollution liability insurance."

***Article 2 (Basic Requirements) of the Administrative Measures for Environmental Pollution Liability Insurance of Hazardous Wastes (Exposure Draft)*** issued by the Ministry of Ecology and Environment (MEE) on November 18, 2021 "Units that collect, store, transport, utilize, or dispose of hazardous wastes (collectively referred to as the policyholder and the insured) shall take out an environmental pollution liability insurance policy with an insurance company. "

***Article 7 of the Administrative Measures for the Legal Disclosure of***

***Enterprise Environmental Information***, which came into effect on February 8, 2022, states that "the following enterprises shall disclose environmental information in accordance with the provisions of these Measures: (1) key pollutant discharging units; (2) enterprises that implement mandatory cleaner production audits; (3) listed companies and subsidiaries at all levels within the scope of consolidated statements (hereinafter referred to as listed companies) that meet the provisions of Article 8 of these Measures; (and 4) issue corporate bonds and corporate bonds in accordance with the provisions of Article 8 of these Measures. Enterprises that are not financial enterprises with debt financing instruments (hereinafter referred to as bond issuers) ;(5) other enterprises that are required to disclose environmental information as stipulated by laws and regulations. "

**Article 8** " Listed companies and bond-issuing enterprises that had one of the following circumstances in the previous year shall disclose environmental information in accordance with the provisions of these Measures: (a) being held criminally liable for ecological and environmental violations; (b) being fined more than 100,000 yuan for ecological and environmental violations in accordance with the law; (c) being punished consecutively on a daily basis in accordance with the law for ecological and environmental violations; (d) Being subject to production restriction or suspension of production and remediation due to ecological and environmental violations as required by law; (e) Being subject to revocation of ecological and environmental related licenses as required by law due to ecological and environmental violations; (f) Being subject to administrative detention as required by law due to ecological and environmental violations of the legal representative, the principal person in charge, the supervisor directly in charge, or other personnel directly responsible for such violations."

**Article 12** " An enterprise's annual environmental information disclosure report

in accordance with the law shall include the following: (a) basic information on the enterprise, including basic information on the enterprise's production and ecological environmental protection, etc.; (b) information on the enterprise's environmental management, including ecological and environmental administrative licenses, environmental protection taxes, environmental pollution liability insurance, and environmental protection credit evaluations, etc. .... "

In December 2021, the Ministry of Ecology and Environment issued ***the Format Guidelines for Disclosure of Environmental Information of Enterprises in accordance with the Law*** (hereinafter referred to as ***the Format Guidelines***), **Article 10** "Enterprises shall disclose information on the environmental pollution liability insurance they have taken out in accordance with the law."

## **2. Research Target**

Through websites such as Flush AskCash.com and Prospect Industry Research Institute, Lvse Jiangnan has screened out 29 listed companies that operate hazardous waste disposal. According to the disclosure requirements of the environmental liability insurance in the "Management Measures", Lvse Jiangnan based on the Azure Map Environmental Database ([www.ipe.org.cn](http://www.ipe.org.cn)) established by the Public Environmental Research Center (IPE), an authoritative environmental data public welfare platform in China, on whether the listed companies and affiliates with an equity share of 50% or more belong to the key sewage disposal units/compulsory clean production enterprises in 2022, as well as the environmental penalties in 2022. Audit enterprises, and environmental penalties in 2022, and finalized a total of 63 observation targets for this report, involving 22 A-share listed hazardous waste disposal

enterprises.

Table 1 Number of listed companies and affiliates involved in the current report  
(including parent companies of listed companies)

No.	listed company	Number of affiliated companies	No.	listed company	Number of affiliated companies
1	ST Golden Circle	5	12	Grandblue	5
2	Baan Water	1	13	Huaxin Environment	4
3	Bosscoco	2	14	Huicheng Environmental	2
4	Chaoyue Technology	1	15	Longking Environment	4
5	venture capital	4	16	TUS-EST	4
6	Tsung Lin Technology	7	17	Qingxin Environment	1
7	Dadihaiyang	1	18	rainbowco	8
8	Tuna Corporation	2	19	SH.Environment	1
9	Orientscape	3	20	waterbd	1
10	Dongjiang	18	21	yonker	2
11	high-energy environment	4	22	Zhefu	3
total		63			

Among them, Chaoyue technology, Dadihaiyang involved only the parent



company of the listed company, Bossco, Tuna Corporation and Huicheng environmental, including both the parent company of the listed company, including the equity ratio of 50% and above and operating hazardous waste disposal of related enterprises, the rest of the listed company's research object is only 50% and above and operating hazardous waste disposal of related enterprises (except in Beijing, Xinjiang region).

## 2.1 Basic information about the parent company of the listed company

Among the 22 listed companies involved in this report, only 5 of them involve the parent companies of listed companies. By searching the list of key emission units and mandatory clean production audit enterprises in 2022 published by the ecological environment department (bureau) of the province/municipality/autonomous region where the five listed companies are located, Lvse Jiangnan found that Chaoyue Technology, Dadihaiyang, Tuna Corporation and Huicheng Environmental belong to the key emission units, and Tuna Corporation and Huicheng Environmental Protection belong to the mandatory clean production audit enterprises.

In addition, by searching the database of Azure Map, Lvse Jiangnan found that the regulatory record of environmental penalties in line with the provisions of Article 8 of the "Management Measures" of the listed companies is only 1, for Guangxi Bossco Environmental Protection Science and Technology Company Limited (referred to as Bossco), the regulatory record as shown in Table 2.

Table 2 Bosco Regulatory Records

<b>listed company</b>	<b>Penalty code</b>	<b>Regulatory record content</b>	<b>Amount of fine</b>	<b>Links to regulatory records</b>
Bosco	LeCity	Excessive total	201,200	<a href="https://www.ipe.org.cn/In">https://www.ipe.org.cn/In</a>

	Environmental Protection (2022) 5	phosphorus and suspended solids in river outfalls of sewage treatment plants operated and maintained		industryRecord/regulatory-record.aspx?companyId=11721765&dataType=0&isyh=0&showtype=0
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## 2.2 Basic information on affiliated companies

In terms of whether they are key emission units or mandatory cleaner production auditing enterprises, of the 58 affiliates involved in this report, only 7 belong to both key emission units and mandatory cleaner production auditing enterprises, and 51 belong to key emission units only.

In terms of whether the regulatory record of environmental penalties complies with the provisions of Article 8 in the *Management Measures*, only two of the 58 affiliates have environmental penalties of more than 100,000 yuan, and no other types of penalties stipulated in Article 8 are involved.

Table 3 Regulatory records of 2 affiliated companies

listed company	Affiliated Company Name	Penalty code	Regulatory record content	Amount of fine	Links to regulatory records
Tuna Corporation	Zhejiang Feile Environmental Protection Technology Co.	Shao City Environmental Penalty ( 2022 ) 76 (Ke)	Fly ash landfill project site failed to provide relevant environmental protection facilities acceptan	46	<a href="http://www.ipe.org.cn/IndustryRecord/regulatory-record.aspx?companyId=13766657&amp;dataType=0&amp;isyh=0&amp;showtype=0">http://www.ipe.org.cn/IndustryRecord/regulatory-record.aspx?companyId=13766657&amp;dataType=0&amp;isyh=0&amp;showtype=0</a>

			ce materials		
high-energy environment	Leshan high-energy Environmental Technology Co.	NeiHuanFaZi (2022) No. 02	Hazardous waste from a company in Neijiang was collected without a hazardous waste operating license	87.5	<a href="http://www.ipe.org.cn/IndustryRecord/regulatory-record.aspx?companyId=13992244&amp;dataType=0&amp;isyh=0&amp;showtype=0">http://www.ipe.org.cn/IndustryRecord/regulatory-record.aspx?companyId=13992244&amp;dataType=0&amp;isyh=0&amp;showtype=0</a>

### 3. Status of disclosure of environmental liability insurance

#### 3.1 Disclosure of environmental liability insurance for parent companies of listed companies

##### 3.1.1 3 listed companies are required by statute to disclose

Dadihaiyang, Tuna Corporation and Huicheng Environmental Protection have all disclosed the status of their environmental liability insurance coverage through their local corporate environmental disclosure systems in accordance with the requirements of the *Administrative Measures*.

环境污染责任保险	
保险公司: 中国人民财产保险股份有限公司绍兴市分公司	保险期: 365
投保人: 浙江德创环保科技股份有限公司	承保范围: 环境污染
保险赔偿金额: 500000	文件发布日期: 2020-08-18
发文机构: 绍兴市生态环境越城分局	文件名称: 绍市环越 (2020) 6号

Figure 2 Disclosure of Environmental Liability Insurance of Tuna Corporation

##### 3.1.2 2 listed companies should have disclosed but did not

BosscO 2022 was fined 201,200 yuan for environmental violations, beyond the science and technology belongs to the Chuzhou City key sewage disposal units, are in accordance with the regulations need to disclose the environmental liability insurance information of hazardous waste disposal enterprises. But unfortunately, through the search of the enterprise environmental legal information disclosure system in Guangxi province, Lvse Jiangnan did not find bosscO's annual environmental information report, and bosScO released 2022 annual report did not mention the environmental pollution liability insurance related information. And beyond the science and technology in Anhui province enterprise environment according to the information disclosure system disclosure of the annual environmental information report, did not involve the environmental liability insurance related insurance information, in Juchao information released in the 2022 annual report also did not mention the relevant information.

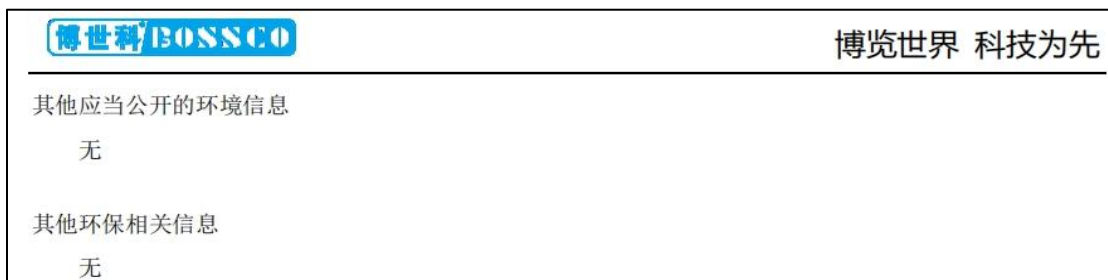


Figure 3 BosscO's annual report disclosure



Figure 4 Retrieval of information disclosure system for enterprises in Guangxi Province in

accordance with the law on the environment

在报告期内为减少其碳排放所采取的措施及效果  
适用 不适用  
 报告期内因环境问题受到行政处罚的情况

公司或子公司名称	处罚原因	违规情形	处罚结果	对上市公司生产经营的影响	公司的整改措施
无	无	无	无	无	无

其他应当公开的环境信息  
 无  
 其他环保相关信息  
 无

Figure 5 Chaoyue Technology Annual Report Disclosure

环境污染物类型 *	计划排放量 *	实际排放量 *	减排措施及情况 *
大气污染物	29060 吨	29060 吨	0
化学需氧量	160	160	0
固体废物	42	42	0

环境评价单位: 安徽国脉环保科技有限公司  
 环境评价年份: 2021  
 环境评价标准: 国家标准  
 环境评价结论: 2021年良好企业, 在2021年达到信用等级

Figure 6 Chaoyue Technology Annual Environmental Information Disclosure

### 3.2 Disclosure of Environmental Liability Insurance for Affiliated Enterprises

#### 3.2.1 44 affiliates disclosed as required

In this report, a total of 58 affiliates are supposed to disclose the insurance information of environmental liability insurance in accordance with the requirements of the *Administrative Measures*. And according to the observation, Lvse Jiangnan found that 44 affiliated enterprises disclosed the information of environmental liability insurance in the annual environmental information report, with a disclosure rate of 76%.

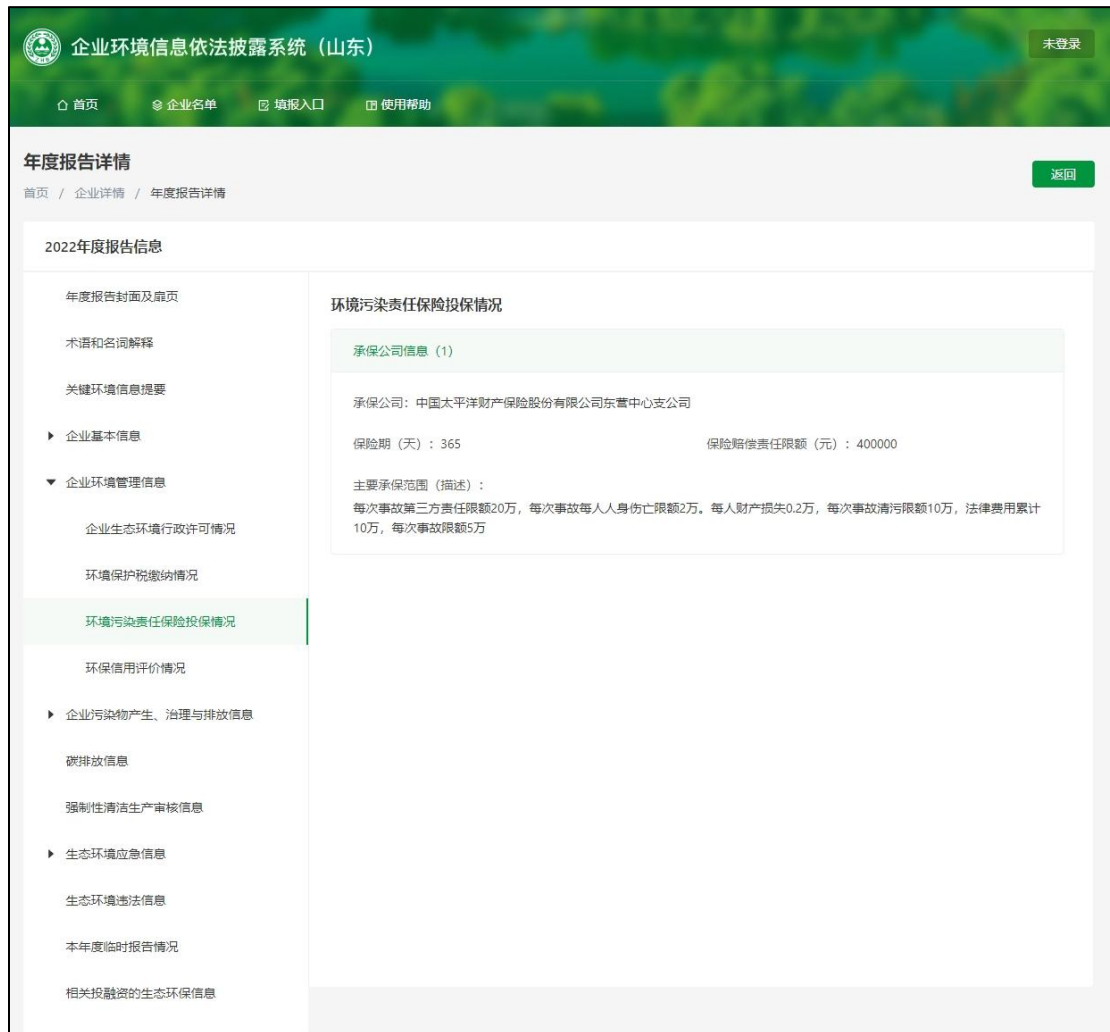


Figure 7 Disclosure of environmental liability insurance (taking Dongying Tuna Environmental Protection Technology Co., Ltd. as an example)

### 3.2.2 1 annual environmental information report cannot be viewed

When checking the annual environmental information reports disclosed by affiliated enterprises, Lvse Jiangnan found that the 2022 annual report on corporate environmental information as well as the relevant interim reports filed by Huizhou Dongjiang Environmental Protection Technology Co., Ltd. in the Environmental Information Disclosure System for Enterprises in Guangdong Province in accordance with the law were not available to be downloaded and viewed, and therefore it was not possible to determine whether the company had disclosed the information relating to the

environmental liability insurance.

### 3.2.3 13 affiliates should have disclosed but didn't

Of the 58 affiliated enterprises that should disclose environmental liability insurance according to the requirements of the regulations, 13 (belonging to key emission units only) affiliated enterprises did not disclose the insurance information of environmental liability insurance, among which Zhejiang Feile Environmental Protection Technology Co., Ltd. and Shandong Xiyuan Environmental Protection Science and Technology Co., Ltd. did not retrieve any information in the legal disclosure system of the environmental information of the enterprises in their respective locations.

Table 4 Undisclosed affiliates that should be disclosed

No.	Listed company	Affiliated Companies	No.	Listed company	Affiliated Companies
1	ST Golden Circle	Jiangxi Huiying Environmental Protection Jiangxi Huiying Environmental Protection Co.	8	high-energy environment	Guilin High-Energy Environmental Service Co.
2		Kulunqi Jinyuan Dongmeng Environmental Protection Technology Co.	9	Huaxin Environment	Huaxin Green Source (Inner Mongolia) Environmental Protection Industry Development Co.
3	Bossco	Guangxi Keqing Environmental Services Co.	10	Longking Environment	Jiangsu Hongde Environmental Protection Co.
4	Tuna Corporation	Zhejiang Feile Environmental	11	Qingxin Environment	Xuancheng Fuwang Metal

		Protection Technology Co.			Material Co.
5	Orientscape	Shandong Xiyuan Environmental Protection Technology Co.	12	Yonker Environment	Gansu Wo Xi Environmental Protection Technology Co.
6	Dongjiang Environment	Foshan Fulong Environmental Protection Technology Co.	13	Zhefu Holdings	Anhui Hangfu Solid Waste Co.
7		Jieyang Dongjiang Guoye Environmental Protection Technology Co.	/	/	/

Among them, beyond the science and technology, the earth ocean involved only the parent company of the listed company, Bossco, Tuna Corporation and Huicheng environmental protection, including both the parent company of the listed company, including the equity ratio of 50% and above and operating hazardous waste disposal of related enterprises, the rest of the listed company's research object is only 50% and above and operating hazardous waste disposal of related enterprises (except in Beijing, Xinjiang region).





Figure 8 Annual environmental information report retrieval of Zhejiang Feile Environmental Protection Technology Co.

In addition, Guangxi Keqing Environmental Service Co., Ltd. and Guilin High Energy Times Environmental Service Co., Ltd. have written in their annual environmental reports that they "have not taken out environmental liability insurance in 2022". Ltd. and Huaxin Green Source (Inner Mongolia) Environmental Protection Industry Development Co., Ltd. in the Inner Mongolia enterprise environmental information disclosure system in accordance with the law, are not disclosed in the "Management Measures" stipulated in Article 12 of the enterprise annual environmental information disclosure report in accordance with the law should be disclosed, including the enterprise's basic information, enterprise environmental management information, pollutant generation, management and emission information.



Figure 9 Disclosure of Guangxi Keqing Environmental Services Co.



Figure 10 Disclosure of Kulunqi Jinyuan Dongmeng Environmental Technology Co.

## 4. Communication and Feedback

In this report, Lse Jiangnan found that 2 listed companies and 13 affiliates failed to disclose the insurance information of environmental liability insurance in the relevant reports, and another 2 listed companies failed to disclose the environmental penalties during the year (both fines exceeded 100,000 RMB) in the 2022 annual report, and the annual environmental information report uploaded by an affiliate could not be downloaded and viewed.

In response to Huizhou Dongjiang Environmental Protection Technology Co., Ltd. disclosure of the annual environmental information report and interim report can not be downloaded to view the situation, Lvse Jiangnan before and after 2 times to the system construction and maintenance unit to call the consultation. At present, the enterprise can not download the interim report of the problem has been successfully resolved, but the annual report can not be downloaded.

In addition, Zhejiang Feilo Environmental Protection Technology Co., Ltd. and Shandong Xiyuan Environmental Protection Technology Co., Ltd., which are key pollutant discharging units, cannot retrieve any information in the legal disclosure system of enterprise environmental information in Zhejiang Province/Shandong Province. By checking the 2022 list of environmental information disclosure according to law released by the Zhejiang Province/Shandong Provincial Department of Ecology and Environment, Lvse Jiangnan found that these two companies were not included in the list. Accordingly, Lvse Jiangnan also called the relevant departments of the two provinces respectively.

It is understood that Shandong Xiyuan Environmental Protection Science and Technology Co., Ltd. was completed in January 2022, but has not been put into production, did not produce any pollution, so the relevant departments in the preparation of environmental information disclosure list according to law did not include the enterprise in the list. Ltd. was not included in the 2022 environmental information disclosure list according to law, the staff could not be determined, therefore, Lvse Jiangnan decided to send a letter to the enterprise to understand the situation.

Based on the above, Green River South has sent letters to 4 listed companies

and 13 affiliated companies, and sent emails to relevant staff of the parent companies of listed companies. See Table 5 for the list of letters sent.

Table 5 List of companies to which letters have been sent

No.	Company Name	Subject matter of the letter	No.	Company Name	Subject matter of the letter
1	Zhejiang Dechuang Environmental Protection Technology Co.	Lack of disclosure of environmental penalties	10	Foshan Fulong Environmental Protection Technology Co.	Lack of disclosure of environmental liability insurance
2	Hanlan Environmental Co.	Lack of disclosure of environmental penalties	11	Jieyang Dongjiang Guoye Environmental Protection Technology Co.	Lack of disclosure of environmental liability insurance
3	Guangxi Bossco Environmental Protection Technology Co.	Lack of disclosure of environmental liability insurance	12	Guilin Gao Neng Times Environmental Service Co.	Lack of disclosure of environmental liability insurance
4	Anhui Beyond Environmental Protection Technology Co.	Lack of disclosure of environmental liability insurance	13	Huaxin Green Source (Inner Mongolia) Environmental Protection Industry Development Co.	Lack of disclosure of environmental liability insurance
5	Zhejiang Feile Environmental Protection Technology Co.	Failure to include in the list of disclosures required by law	14	Jiangsu Hongde Environmental Protection Technology Co., Ltd	Lack of disclosure of environmental liability insurance
6	Huizhou Dongjiang Environmental	Annual report cannot be downloaded	15	Xuancheng Fuwang Metal Material Co.	Lack of disclosure of environmental

	Protection Technology Co., Ltd				liability insurance
7	Jiangxi Huiying Environmental Protection Technology Co.	Lack of disclosure of environmental liability insurance	16	Gansu HeXi Environmental Protection Technology Co.	Lack of disclosure of environmental liability insurance
8	Kulunqi Jinyuan Dongmeng Environmental Protection Technology Co.	Lack of disclosure of environmental liability insurance	17	Anhui Hangfu Solid Waste Environmental Protection Co.	Lack of disclosure of environmental liability insurance
9	Guangxi Keqing Environmental Services Co.	Lack of disclosure of environmental liability insurance	/	/	/

As of the release of the report, PECC has communicated with a total of 3 companies. Among them, Jiangsu Hongde Environmental Protection Technology Co., Ltd. said that when filling in the annual environmental information report, the insurance information of environmental liability insurance could not be filled in time due to omissions, and after receiving the Lvse Jiangnan reminder letter, it has supplemented the information of environmental liability insurance in the "Enterprise Environmental Information Legal Disclosure System (Jiangsu)".



企业环境信息依法披露系统 (江苏)			
江苏瀚蓝环保科技有限公司			
<b>依法披露</b>	<b>环境污染防治保险</b>		
年度报告封面及扉页	承保公司	中国人民财产保险股份有限公司徐州市分公司	保险期
专业名词及技术解释	主要承保范围、同被保人等备注	保障项目: 江苏省分公司环境污染责任, 赔偿金额1000000元, 法律费用累计责任限额: 50000元, 累计责任限额: 1000000元, 每次事故赔偿限额: 500000元, 每次事故每人每次医疗费用限额: 100000元, 每次事故每人每次责任限额: 200000元, 每次事故责任限额: 1000000元, 每次事故医疗费用责任限额: 300000元。	1000000.00 (万元)
关键环境信息摘要	<b>环保信用评价情况</b>		
企业基本信息	评价单位	徐州市丰县生态环境局	评价年度
企业基本运营	评价等级	一般守信	等级变化
生产工艺和产品信息	无		
企业环境管理信息	企业污染物产生、治理与排放信息		
企业生态环境行政许可	污染防治设施		
环境保护			
环境污染防治保险			

Figure 11 Comparison of disclosure before and after letter from Jiangsu Hongde Environmental Protection Technology Co.

Kulunqi Jinyuan Dongmeng Environmental Protection Technology Co., Ltd. said that it was not clear why the company did not report the environmental liability insurance information, and it was not clear which department was responsible.

In addition, Hanlan Environmental Co., Ltd. on belonging to the key emissions unit of the subsidiary environmental information disclosure of the missing issue of the e-mail reply, the reply said the e-mail mentioned Harbin Tianren Ruihe Biomass Energy Co., Ltd. net profit accounted for the low proportion of the net profit of Hanlan, in accordance with the relevant provisions of the company does not belong to the Hanlan's main subsidiaries, so there is no need to disclose its environmental penalties in the annual report separately. At the same time, said Hanlan to the company's environmental penalties attach great importance to, has urged the rectification in place.

苏州工业园区绿色江南公众环境关注中心:

非常感谢贵中心对瀚蓝业务的关注。作为一家环保行业上市企业,瀚蓝一直遵守中国证监会、上海证券交易所等监管机构的法律法规,合法合规运作,依法依规做好信息披露工作。

哈尔滨天人瑞合生物质能源有限公司(以下简称“天人瑞合公司”)为瀚蓝于2016年收购的子公司,天人瑞合公司净利润占瀚蓝净利润比例低,按照相关规定,天人瑞合公司不属于瀚蓝的主要子公司,按照《公开发行证券的公司信息披露内容与格式准则第2号—年度报告的内容与格式》的规定,天人瑞合公司的相关环境信息无需在年报中单独披露。本次行政处罚的相关信息已在当地政府网站公开,也在天人瑞合公司的年度环境信息披露报告进行披露。对于本次行政处罚暴露的问题,瀚蓝高度重视,并督促天人瑞合公司进行整改。天人瑞合公司已及时按照行政处罚通知相关要求全部整改完毕。

今后,瀚蓝将加强管理,在符合上市公司信息披露监管要求的前提下,加强与公众的沟通,继续依法依规做好环境保护信息的信息披露工作。

再次感谢贵中心的理解和支持!

图 12 E-mail response from Hanlan Environment

## **5. Recommendation**

Hazardous waste disposal industry, as a recognized environmental high-risk industry, as early as before the national legislation mandatory insurance of environmental liability insurance, many regions have been hazardous waste disposal industry into the environmental liability insurance insurance pilot industry. For example, Zhejiang Province in 2020 issued the "opinions on accelerating the implementation of environmental pollution liability insurance system (draft)", Hunan Province in 2021 issued the "Hunan Province, the implementation of the pilot work of compulsory liability insurance for environmental pollution, and other policies on the provisions of the "collection, storage, transportation, utilization, disposal of hazardous wastes should be insured for environmental pollution liability insurance units ". Therefore, hazardous waste disposal enterprises to take out environmental liability insurance not only helps enterprises to improve environmental management capabilities, but also in line with national laws and regulations and local policy requirements. The active disclosure of information on environmental liability insurance is not only the need of the enterprise itself, but also the need of the public, the government and the environmental protection field, which is of great practical significance and long-term value.

### **5.1 Listed companies should actively take out environmental liability insurance and disclose it in a timely manner**

Listed companies, as an important carrier of China's economy and the core of the capital market, representing the largest group and the highest level of China's industrial and economic development, should set an example by actively taking out environmental liability insurance. In addition, they should also disclose the environmental information mandated by regulations,

including environmental liability insurance, and take the initiative to disclose other environmental information in a responsible manner to shareholders and their society.

A good disclosure of environmental information by listed companies not only broadens the channels for building their own integrity system and establishes a good corporate image, but also effectively avoids the risk of unanticipated penalties due to failure to disclose in a timely manner. According to Article 197 of the *Securities Law of the People's Republic of China (Revised in 2019)*, "If the report or disclosure of information reported by an information disclosure obligor contains false records, misleading statements or material omissions, the obligor shall be ordered to make corrections, be given a warning, and be subject to a fine of not less than one million yuan and not more than ten million yuan." Article 28 of the Administrative Measures stipulates that " If an enterprise violates the provisions of these Measures by failing to disclose environmental information, or if the disclosed environmental information is untrue or inaccurate, the competent department of ecology and environment at or above the municipal level of the district concerned shall order rectification, notify and criticize it, and may impose a fine of 10,000 yuan or more than 100,000 yuan."

## **5.2 Listed companies should formulate information disclosure policies and establish internal control mechanisms**

In addition to its parent company, a listed company may have hundreds of affiliated enterprises (including subsidiaries, joint ventures, associates, etc.). Therefore, listed companies should formulate an environmental information disclosure policy to clarify the requirements and standards for environmental information disclosure, including environmental liability insurance, to ensure the timeliness, completeness and accuracy of the information, and at the same



time comply with the requirements of relevant laws and regulations.

In addition, listed companies should also establish an internal monitoring mechanism to regularly evaluate the company's environmental information disclosure to ensure the strict implementation of environmental information disclosure policies and to facilitate the timely detection and correction of problems in the process of environmental information disclosure.

### **5.3 Government strengthens regulation and urges enterprises to disclose all that should be disclosed**

Among the listed companies observed in this report, 2 listed companies and 11 affiliates did not disclose the information of environmental liability insurance coverage in the relevant reports.

According to the communication, Lvse Jiangnan found that some enterprises have actually taken out environmental liability insurance, but neglected this item in their annual environmental information reports. Therefore, in addition to the enterprises should pay attention to the disclosure of environmental liability insurance, government departments should also give full play to their supervisory functions, and when reviewing the annual reports of enterprises, they should review them one by one in accordance with the relevant requirements in the *Administrative Measures* and the *Format Guidelines*, so as to timely identify problems in the disclosure of the enterprises and guide the enterprises to make corrections, so as to ensure the truthfulness, accuracy, objectivity and completeness of the information of the enterprises. It is recommended that enterprises that repeatedly fail to comply with the law or make numerous disclosure omissions should be penalized, which is also conducive to urging enterprises to disclose as much information as possible.

#### **5.4 Enhancing public participation in monitoring the environmental disclosure performance of enterprises**

Public participation in supervision is an important part of the supervisory mechanism, and in a certain sense, the strength of the supervisory mechanism depends mainly on the degree of public support and participation in supervision. In the field of environmental protection, public participation is particularly important. For this reason, in July 2015, the Ministry of Ecology and Environment issued the first departmental regulation on public participation in environmental protection - *Measures for Public Participation in Environmental Protection*, which supports and encourages the public to carry out public opinion supervision and social supervision on public affairs of environmental protection.

The more thorough the disclosure of environmental information of listed companies, the more conducive it is for the public to actively participate in environmental protection, which not only protects the public's right to know and participate, but also allows the public to play a supervisory role, reflects the value of public supervision, and expands the breadth and depth of public participation. At the same time, it also urges enterprises to prevent problems before they occur, so as to promote the sustainable development of enterprises.

In the context of carbon peaking and carbon neutrality, environmental protection and emission reduction have become important tasks faced by all countries around the world, and environmental liability insurance is an important means for enterprises to reduce environmental risks and protect the environment. Strengthening the disclosure of environmental liability insurance information will help improve the transparency and credibility of corporate environmental liability insurance information, and also help promote

enterprises to actively fulfill their environmental responsibilities and protect the environment, and promote the realization of the dual carbon goals.

Therefore, the state will continue to improve the laws and regulations on environmental liability insurance information disclosure, improve relevant reward and punishment measures, and the government will gradually increase the supervision and law enforcement of enterprise environmental liability insurance information disclosure, so that enterprises can realize the importance of environmental liability insurance information disclosure. Therefore, while improving the awareness of environmental protection, enterprises need to take the initiative to disclose relevant information about environmental liability insurance, increase the transparency of corporate environmental information, promote corporate environmental protection behavior, and achieve sustainable development of enterprises.