

Environment and Social Compliance Audit Report

Project Number: 54401-001
Asset-Level Report - Yongcheng No. 4
April 2021

People's Republic of China: Asia Cube Wastewater Treatment Upgrade Project

Prepared by Stantec Environmental Engineering (Shanghai) Co., Ltd. ("Stantec") for the China Cube Water Company (the "Client") and the Asian Development Bank.

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ASSET-LEVEL E&S AUDIT REPORT – YONGCHENG NO.4

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CURRENCY EQUIVALENTS

(as of 20 April 2021)

Currency unit	–	yuan (CNY)
CNY1.00	=	\$0.1539
\$1.00	=	CNY6.4964

ABBREVIATIONS

AAOV	Average Annual Output Value
ACMs	Asbestos Containing Materials
ADB	Asian Development Bank
ADB's SPS	ADB Safeguard Policy Statement
AESR	Applicable E&S Requirements
AO	Anoxic Oxidation
BOD	Biochemical oxygen demand
BOLAR	Bureau of Land and Resources
BOT	Build-Operate-Transfer
CAI	Completion Acceptance Inspection
CAP	Corrective Action Plan
Capex	Capital Expenditure
CCW	China Cube Water
COD	Chemical oxygen demand
COVID-19	Coronavirus disease-19
ECAI	Environment Completion Acceptance Inspection
E&S	Environmental and Social
EEB	Ecology and Environment Bureau
EIA	Environmental Impact Assessment
EIF	Environmental Impact Form
EIR	Environmental Impact Registration
EMP	Environmental Management Plan
ERP	Emergency Response Plan
ESMS	Environmental and Social Management System
EHS	Environmental, Health and Safety
EHSS	Environmental, Health, Safety and Social
FCAI	Fire-fighting Completion Acceptance Inspection
FSR	Feasibility Study Report
GIIP	Good International Industry Practice
GRM	Grievance Redress Mechanism
HR	Human Resource
HW	Hazardous wastes
IFC	International Finance Centre
IH	Industrial Hygiene
IR	Involuntary Resettlement
IP	Indigenous Peoples
ISQ	I Squared Capital



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MEE	Ministry of Ecology and Environment
MEP	Ministry of Environmental Protection
MSDS	Material Safety Data Sheet
NGO	Non-Governmental Organizations
ODH	Occupational Disease health
ODSs	Ozone Depleting Substances
Opex	Operating Expenses
PAHs	Project Affected Households
PCB	Polychlorinated Biphenyls
PDP	Pollutant Discharge Permit
PPE	Personal Protective Equipment
PRC	People's Republic of China
SEP	Stakeholder Engagement Plan
SOP	Standard Operating Procedure
SPS	Safeguard Policy Statement
SS	Suspended Solids
WWTP	Wastewater Treatment Plant

WEIGHTS AND MEASURES

m	meter	mg/m ³	milligram per cubic meter
km	kilometre	ha	hectare
km ²	square kilometre	t/a	tons per annum
m ²	square meter	h	hour
m ³	cubic meter	t	metric ton
mg/kg	milligram per kilogram	°C	degree centigrade
µg/m ³	microgram per cubic meter	dB	decibel



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Executive Summary

The Asian Development Bank (ADB) is considering provision of financing to the I Squared Capital (ISQ), an independent fund which 100% owns China Cube Water Limited (CCW or the Company). CCW focuses on wastewater treatment projects alongside major rivers in China, and operates nine wastewater treatment plants (WWTPs) with a total capacity of 222,500 tons/day, serving over 2 million population in Henan Province (6 WWTPs), Shaanxi Province (1 WWTP), Heilongjiang Province (1 WWTP) and Guangdong Province (1 WWTP), People's Republic of China (PRC).

ADB engaged Stantec Environmental Engineering (Shanghai) Co., Ltd. ("Stantec") to conduct an Environmental and Social (E&S) audit at CCW in support of the proposed loan. On 30 January 2021, Stantec conducted the E&S audit at Yongcheng No.4 WWTP (the Site). This E&S audit was conducted based on Yongcheng No.4 WWTP's current E&S management performance against the Applicable E&S Requirements (AESRs) detailed as Section 1.2.

In March 2012, CCW reached a Build-Operate-Transfer (BOT) agreement with local government. The scope of the BOT agreement covers the operation of Yongcheng No. 4 WWTP for 30 years. No offsite auxiliary facilities such pipelines, valves or sludge treatment stations and disposal facilities are included in the BOT agreement. The pipelines and valves are part of the existing Yongcheng City wastewater treatment network. The wastewater collection pipelines are managed by the local authority including the portions within the site boundaries connecting to the onsite wastewater collection tank. The wastewater collection tank and other wastewater pipelines within the site boundaries are operated and maintained by the site. The sludge treatment stations and/or designated disposal site for dewatered sludge are appointed by the local government as per the concession agreement. These auxiliary facilities are operated and maintained by Yongcheng City and third parties. Yongcheng No.4 WWTP (the Site), located in the north of Ouya Road, Dongcheng District, Yongcheng City, Shangqiu City, Henan Province, PRC, was originally constructed in July 2011 and operated in May 2012. Yongcheng No.4 WWTP was designed to be developed into two phases, with a total wastewater treatment capacity of 35,000 tons per day (t/d), including 20,000 t/d for the Phase I development and 15,000 t/d for the Phase II development. In addition, the underground pipelines of Yongcheng No.1, No.3, No.4 and No.5 WWTPs are connected and the valves are controlled by local authority. The treatment capacities among these WWTPs can be deployed by the local authority based on the actual demand or when one of the WWTPs is under overhaul.

At the time of the site visit, the Phase I development was in operation. Site management reported that there is no expansion demand proposed by the local government, nor specific plan or schedule proposed by CCW for the Phase II development.

The Yongcheng Regional Office was established in 2011 and located in the compound of Yongcheng No.5 WWTP, which takes the responsibility of overall management of the five WWTPs in Yongcheng city, i.e. No. 1-5 WWTPs. There is a total of 12 staff in Yongcheng Regional Office, including one general manager, one deputy general manager, one facility supervisor, one financial staff, one administrative staff, one human resource staff and six laboratory technicians. The labour contracts and personnel file information of the 12 staff in Yongcheng Regional Office are distributed in the five WWTPs. It should be noted that the financial, administrative, human resource and laboratory department of Yongcheng Regional Office are shared by the five WWTPs and no such departments are set up in each of the WWTPs.

During the audit, no Red Flag or High Risk (as defined in **Table 2-3**) issues were identified at the Site, whilst lack of a formalized E&S Management System (ESMS) was identified as a High Risk issue. Overall, the Site inherits the EHS procedures from the CCW corporate via the Yongcheng Regional Office, which has also developed safety and health oriented procedures including equipment operational procedure, work safety management (e.g. fire and electricity), and safety inspection



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procedure for the five WWTPs. It is in consistent with CCW corporate EHS procedures. However, no dedicated EHS officer leading its implementation, and a formal E&S Management System (ESMS) was not in place for at either the Yongcheng Regional Office or the Site. During the Audit, the Site representatives and management expressed knowledge and experience for E&S management (mainly health and safety oriented), as well as willingness for improvement and positive attitude for the risks identified. For the gaps identified and the corresponding recommendations, please refer to Section 4.



INTRODUCTION

1. INTRODUCTION

1.1 PROJECT BACKGROUND

The Asian Development Bank (ADB) is considering provision of financing to the I Squared Capital (ISQ), an independent fund focusing on infrastructure investment around the globe. In Asia, ISQ owns and manages infrastructure projects including co-generation of heat and power, renewable energy (solar and wind), telecom, data centre, highway, wastewater treatment via multiple platform companies.

Established in 2006, Jiangsu Jiaqing Water Development Co., Ltd. (Jiangsu Jiaqing) headquarters in Nanjing, Jiangsu province, focuses on municipal and industrial wastewater treatment. Jiangsu Jiaqing introduced ISQ as its strategic investor. By the end of 2018, ISQ acquired 100% share of Jiangsu Jiaqing, making Jiangsu Jiaqing its wholly owned flagship platform company in the field of environmental protection industry. In May 2019, Jiangsu Jiaqing changed the company name to China Cube Water Limited (CCW or the Company).

CCW focuses on wastewater treatment projects alongside major rivers in China, such as the Yellow River and Huai River. As of January 2021, CCW operates nine wastewater treatment plants (WWTPs) with a total capacity of 222,500 tons/day, serving over 2 million population in Henan Province (6 WWTPs), Shaanxi Province (1 WWTP), Heilongjiang Province (1 WWTP) and Guangdong Province (1 WWTP), People's Republic of China (PRC).

Yongcheng No.4 WWTP (the Site) was established in May 2012, Yongcheng No.4 WWTP was designed to be developed into two phases, with a total wastewater treatment capacity of 35,000 tons per day (t/d), including 20,000 t/d for the Phase I development and 15,000 t/d for the Phase II development. At the time of the site visit, the Phase I development was in operation. Site management reported that there is no expansion demand proposed by the local government, nor specific plan or schedule proposed by CCW for the Phase II development. **The following descriptions and E&S management discussions focuses on the Phase I development.**

ADB engaged Stantec Environmental Engineering (Shanghai) Co., Ltd. ("Stantec") to conduct an Environmental and Social (E&S) audit at CCW in support of the proposed loan. On 30 January 2021, Stantec conducted the E&S audit at Yongcheng No.4 WWTP. This report presents the findings of the E&S audit and provides a gap analysis of Yongcheng No.4 WWTP's current E&S management performance against the Applicable E&S Requirements (AESRs) detailed as Section 1.2.

1.2 OBJECTIVE OF THE ASSET-LEVEL E&S Audit

The objective of the E&S audit was to (1) determine the Site's E&S performance; (2) identify potential risks during the construction and operation of the Site, and (3) verify the compliance status of the Site with the following AESRs:

- ADB Safeguard Policy Statement (SPS) (including SPS SR1, SR2, SR3 & SR4), June 2009;
- ADB's Social Protection Strategy, 2001;
- ADB Gender and Development Policy, May 1998;
- ADB Access to Information Policy, 2018;
- World Bank Group's General Environmental, Health and Safety Guidelines, 2007;
- World Bank Group's EHS Guidelines for Water and Sanitation, 2007; and



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- Applicable national, provincial and local laws and regulations pertaining to E&S (including land acquisition and resettlement), health and safety and labour in the RPC.

In particular, the scope of the Asset-level E&S audit is to:

- Provide a description of the Site, including types of wastewater treated, water treatment technology; amount and quality of influent and effluent; methane generation and use, if relevant; electricity consumption, any resource conservation technology currently used and/or to be used in the future.
- Review past, current and potential environmental, involuntary resettlement (IR) and indigenous peoples (IP) impacts from construction and operation of the Site and confirm categorization based on ADB's SPS.
- Determine where the Site, including ancillary facilities such as sludge disposal site and pipelines, may cause or are causing environment, occupational and community health and safety (EHS) impacts and risks and opine on the suitability of the existing ESMS or EMP of the Site, including management of COVID-19 risks, monitoring and reporting and related organizational structure and capacity.
- Review any impacts from extreme weather events due to climate change such as floods, and recommended commensurate adaptation measures, as necessary.
- Review related documents, such as the domestic Environmental Impact Assessment (EIA) documents submitted to or approved by the local environmental authorities, Feasibility Study Reports (FSRs), conditions and requirements in the in the EIA approval documents, permits/clearances/certificates, external/internal monitoring results, and any associated reporting requirements to authorities, and opine on the Site's EHS and social aspects and determine if the Site is in compliance with the AESRs.
- Review the suitability and implementation status of any Corrective Action Plans (CAPs) prepared, if any.
- Review any prior land acquisitions done by the local government for the Site and determine if these were undertaken in compliance with PRC's national laws and ADB's requirements.
- Determine if the Site's operation has any impacts on ethnic minorities and assess whether these have been addressed in accordance with PRC's national laws and ADB's SPS.
- Review the Site's stakeholder engagement activities and information disclosure procedures.
- Review the Site's internal and external grievance redress mechanisms, identify past and ongoing complaints issues or feedbacks and review the current status or resolution.

1.3 REPORT STURCTURE

The remainder sections of this report are structured as follows:

- Section 2: Application Standards and Methodology;
- Section 3: Site Assessment;
- Section 4: Corrective Action Plan.

This report is supported by the following annexures:

Annex A: List of Documents Reviewed

Annex B: Stakeholders Engaged during the E&S Audit

Annex C: Photo Log



INTRODUCTION

1.4 LIMITATIONS

The report was prepared in accordance with a scope of work agreed by ADB. The results of the Site are based on conditions at the time of site visit and documents provided by Yongcheng No.4 WWTP. A change in any of these conditions may alter the findings, observations and report content presented herein by Stantec. A site walkthrough, by nature, is limited in its ability to fully assess potential Environmental, Health, Safety and Social (EHSS) liabilities or concerns associated with a property or operation. Further investigations would be required to identify the presence or absence of potential EHSS liabilities but are beyond detection by performance of the scope of this project. Laws and regulations, if referenced in this report, are provided for information purposes only and should not be construed as legal opinion or recommendation.

The limitations encountered during the site visit include the following:

- 1) The site visit was conducted during winter, and limited odour from the WWTP was noticed during the site visit.
- 2) Due to time constraints, the document review (e.g. labour contracts, inspection records) was conducted by random sampling. The sampling process was not designed to be a comprehensive document review, but rather to verify the current status by sampling for risk screening purpose.
- 3) Only the payroll records in September 2020 were provided for review, whilst the attendance records and payroll records in other months were not provided for review.
- 4) The land acquisition was undertaken by the local government in 2011. CCW management is not aware of the detailed information about the history of the land and no interview was conducted with representatives from corresponding stakeholders such as affected person and the local authority.



2. APPLICATION STANDARDS AND METHODOLOGY

2.1 APPLICABLE STANDARDS

This E&S audit was undertaken in accordance with the following AESRs:

- ADB Safeguard Policy Statement (SPS) (including SPS SR1, SR2, SR3 & SR4), June 2009;
- ADB's Social Protection Strategy, 2001;
- ADB Gender and Development Policy, May 1998;
- ADB Access to Information Policy, 2018;
- World Bank Group's General Environmental, Health and Safety Guidelines, 2007;
- World Bank Group's EHS Guidelines for Water and Sanitation, 2007; and
- Applicable national, provincial and local laws and regulations pertaining to E&S (including land acquisition and resettlement), health and safety and labour in the RPC.

In the PRC, wastewater treatment projects are governed by the following key applicable Chinese E&S regulations listed in *Error! Not a valid bookmark self-reference..*

Table 2-1: Related E&S Laws and Regulations

Title	General Description
Environment	
<i>Law on Environment Protection (2015)</i>	The law is an umbrella under which relevant laws on air, noise and wastewater emissions, as well as waste management and disposal are integrated. The Law authorizes environmental authorities to establish two types of standards: environmental quality (ambient) standards and discharge/emission standards. Ambient standards are the maximum allowable concentrations of pollutants in water, air or soil. Discharge / emission standards are the maximum allowable concentrations of pollutants' emissions or discharges. The standards provide a basis for the inspection activities of the environmental authorities. The Law on Environmental Protection allocates responsibility for the implementation of environmental protection policies and environmental monitoring to relevant government organizations. Specific details, permits and procedures are stipulated under the relevant State laws for air, water, noise, waste management etc.
<i>Law on Environmental Impact Assessment (2018)</i>	<p>All construction projects are required to comply with a series of environmental protection procedures and policies, principally the following:</p> <ul style="list-style-type: none"> • Environmental Impact Assessment (EIA) Policy; • "Three Synchronies" Policy; and • Pollutant Discharge Permitting. <p>There are three categories of EIA in the PRC, including (a) Full EIA report for projects with significant environmental impacts, (b) Environmental Impact Form (EIF) for project with moderate environmental impacts, and (c) Environmental Impact Registration (EIR) for projects with limited environmental impacts.</p>
<i>Management Regulations for Environmental Protection for Construction Projects (2017)</i>	
<i>Catalogue for Management of Environmental Impact</i>	



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APPLICATION STANDARDS AND METHODOLOGY

Title	General Description
<i>Assessment of Construction Projects (2021)</i>	between 500 tons and 100,000 tons, and the EIR is applicable for the rest WWTP with the daily treatment capacity below 500 tons.
<i>Measures on Environmental Impact Post-Assessment of Construction Project (2016)</i>	The measure stipulates the legal requirements of Environmental Impact Post-Assessment for required construction projects, and the post-assessment registration requirement.
<i>Catalogue for management of Pollutant Discharge Permit (2019)</i>	According to the amount of pollutants generated and discharged by the enterprises, public institutions or other business operators and the degree of environmental hazards, three types of pollutant discharge permits (key regulatory, simplified regulatory and registration management) shall be implemented.
<i>Law on the Prevention and Control of Atmospheric Pollution (2018)</i>	The Law on the Prevention and Control of Atmospheric Pollution (2018) provides the basis for air quality protection in China. The Integrated Emission Standard of Air Pollutants (1996) specifies the discharge standards for air emissions.
<i>Integrated Emission Standard of Air Pollutants (1996)</i>	Standard for Odour Pollutants Emission (1993) indicates the odour emission standards for enterprises.
<i>Standard for Odour Pollutants Emission (1993)</i>	
<i>Law on the Prevention and Control of Water (2017)</i>	The Law on the Prevention and Control of Water (2017) is the key law for water pollution control. It applies to the pollution prevention and control of groundwater and all surface water bodies excluding the sea. It contains water pollution prevention and control standards; monitoring requirements and the management guidelines for water pollution prevention and control; measures for water pollution prevention and control; the pollution prevention and control measures for special water bodies including drinking water sources; the treatment of water pollution events; and legal liabilities. For industrial projects, a Water Pollutant Discharge Permit is required from the Ecology and Environment Bureau (EEB) prior to operational discharges to surface water.
<i>Discharge Standard of Pollutants for Municipal Wastewater Plant (2002)</i>	
<i>Environmental Quality Standards for Surface Water (2002)</i>	
<i>Integrated Wastewater Discharge Standard (1996)</i>	
<i>Law on the Prevention and Control of Environmental Noise Pollution (2018)</i>	Noise is regulated by the Law on the Prevention and Control of Environmental Noise Pollution (2018). This Law sets out the general requirements for noise control including noise from industrial sites, construction sites and transportation.
<i>Emission Standard of Environmental Noise for Boundary of Construction Site (2011)</i>	The Emission Standard of Environmental Noise for Boundary of Construction Site (2011) and the Emission Standard for Industrial Enterprises Noise at Boundary (2008) are applicable for construction and operational activities, respectively.
<i>Emission Standard for Industrial Enterprises Noise at Boundary (2008)</i>	



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Title	General Description
<i>Law on the Prevention and Control of Solid Waste Pollution (2020)</i>	Law on the Prevention and Control of Solid Waste Pollution (2020) stipulates the requirements for general industrial waste, domestic waste, and hazardous waste management including collection, storage, transportation, treatment, recycling and disposal. The on-site storage and disposal of industrial solid waste is subject to the Standard for Pollution Control on Industrial Solid Waste Storage and Landfill (2020). The Management Regulation for Hazardous Waste Transfer Manifests (1999) stipulates the documentation and tracking procedures for hazardous waste generators, transporters and disposal operators.
<i>Management Regulation for Hazardous Waste Transfer Manifests (1999)</i>	
<i>Standard for Pollution Control on Industrial Solid Waste Storage and Landfill (2020)</i>	
<i>Law on Energy Conservation (2018)</i>	The Law on Energy Conservation (2018) and Law on Cleaner Production Promotion (2012) stipulates the legal requirements on energy saving during both construction and operation of a development project.
<i>Law on Cleaner Production Promotion (2012)</i>	
<i>Law on the Prevention and Control of Soil Pollution (2019)</i>	The Environmental Quality Standards for Construction Soil Pollution Risk Control (Trial) (2018), Environmental Quality Standards for Agriculture Soil Pollution Risk Control (Trial) (2018), Law on the Prevention and Control of Soil Pollution (2019) and the Quality Standard for Ground Water (2017) define the quality standards applicable for soil and groundwater depending on the different uses.
<i>Environmental Quality Standards for Construction Soil Pollution Risk Control (Trial) (2018)</i>	
<i>Environmental Quality Standards for Agriculture Soil Pollution Risk Control (Trial) (2018)</i>	
<i>Environmental Quality Standard for Ground Water (2017)</i>	
<i>Methods for Public Participation in Environmental Impact Assessment (2019)</i>	The Methods for Public Participation in Environmental Impact Assessment (2019) prescribes the requirements for public consultation during the process of EIA for a development project. And it requires that public consultation should be conducted while preparing full EIA Report, whilst there is no specific legal requirement regarding consultation with communities for EIF and EIR.
Health & Safety	
<i>Law on Work Safety (2014)</i>	These laws stipulate principles on work safety, occupational health and fire protection issues, including work safety and occupational hazards assessment, facility design and construction, completion acceptance inspection, training, monitoring and medical check-up, facility inspection and maintenance, etc.
<i>Law on Occupational Diseases Prevention (2018)</i>	
<i>Law on Fire Protection (2019)</i>	



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APPLICATION STANDARDS AND METHODOLOGY

Title	General Description
Biodiversity	
Law for Wildlife Protection (2018)	Law for Wildlife Protection (2018) and Regulation on Wild Plant Protection (2017) stipulates the requirements for protecting and saving wildlife or wild plant, defines the wildlife or wild plant habitat, and establishes disciplinary measures.
Regulation on Wild Plant Protection (2017)	
Land Acquisition and Resettlement	
Law on Land Administration (2020)	The Land Administration Law stipulates that where land acquisition is necessary ¹ , compensation shall be made in accordance with the original usage of the acquired land, which shall include a land compensation fee, a resettlement subsidy (if applicable) and a compensation fee for land “attachments“ (e.g. various trees and houses) and standing crops. The land compensation fee for cultivated land is six to10 times the average annual output value (AAOV) of the land in the three years preceding the land acquisition. The relevant compensation standards for land “attachments” and standing crops are to be determined by the local government.
Regulations on Implementation of Land Administration Law (2014)	
Labour	
Labour Law (2018)	Labour law (2018) stipulates the rights and corresponding obligations of workers, states that “employees enjoy the rights of equal employment and choice of occupation, the right to receive labour remuneration, the right to rest and vacation, the right to obtain labour safety and health protection, the right to receive vocational skill training, the right to enjoy social insurance and welfare, the right to apply for settlement of labour disputes and other labour rights stipulated by law” and “laborers should complete their labour tasks, improve their professional skills, implement labour safety and health regulations, and abide by labour discipline and professional ethics”.
Labour Contract Law (2012)	
Cultural Heritage	
Cultural Relics Protection Law (2017)	It stipulates project proponents to undertake baseline archaeological surveys to determine the presence and condition of cultural relics where construction works have the potentiality to damage them.
Implementation Regulations of the Law on Cultural Relics Protection (2017)	
Public Consultation and Information Disclosure	
Methods for Public Participation in Environmental Impact Assessment (2019)	It stipulates that construction projects that may have significant effects on the environment should incorporate public comments into the EIA report. Either the Site proponent (or the EIA agency on behalf of the Site proponent) should provide project information to the public and to the local EEB during the process of environmental impact assessment. A summary EIA report shall be provided for public review in hard copy format at a designated location or in electronic format on a public website.
Gender	

¹ The Site Affected Households (PAHs) can reject the land acquisition as long as it is not for the public good projects. The land law applies to all land acquisition activities, as long as it is ‘land acquisition/ expropriation’.



APPLICATION STANDARDS AND METHODOLOGY

Title	General Description
<i>Law on the Protection of Women's Rights and Interests (2018)</i>	It stipulates women's rights in social and economic life, including political rights, cultural and educational rights and interests, labour and social security rights and interests, property rights, personal rights, marriage and family rights and interests.
Ethnic Minorities	
<i>Law on Regional National Autonomy (2001)</i>	It stipulates that regional ethnic autonomy is a basic political system in China. Article 10 emphasizes that the organs of self-government in national autonomous areas shall guarantee the freedom of all ethnic groups in the region to use and develop their own languages and characters, and the freedom to maintain or reform their own customs and habits.

In addition, in regard to flood risk control, as per the Code of Design of Outdoor Wastewater Engineering (GB 50014-2006 amended in 2014), the site selection should not be impacted by flooding, and the flood control standard of the site should be as least meeting the local city flood control standard (as per the Standard for Flood Control (GB 50201-2014), mainly taking the population and economic of the city into consideration) with good drainage condition. In both the FSR and EIA documents, a simple description of the local meteorological condition is included, stating the status quo of temperature, precipitation, wind direction, etc. in the local area, however, it is not an extreme weather impact assessment covering historic and future situations, nor mentioning the historical events as only the historical max precipitation data is included.

2.2 E&S PERMITTING REQUIREMENTS

In general, for a wastewater treatment project, the following key topical assessments and applications are required (**Table 2-2**).

Table 2-2: E&S Permitting Requirements

E&S Permit	Applicable Standard Type	Description
Site selection application	National Standard	An approval issued by the local authorities on whether the project comply with local planning requirement.
Feasibility Study Report (FSR)	National Standard	A comprehensive analysing report based on economic, technological, production, supply and marketing, social, environmental and legal factors, to determine the feasibility of the project.
Land Use documents	National Standard	Land users are required to obtain Construction Land Use Certificate. The land certificate is issued by the local government. It is a written document certifying that the holder has the ownership or right to use a certain area of land.
Environmental Impact Assessment (EIA) documents	National Standard	Based on Catalogue for Management of Environmental Impact Assessment of Construction Projects (2021), the EIF report is applicable for the Site as the WWTP with the daily treatment capacity between 500 tons and 100,000 tons. The EIF report is generally consisting of applicable standards, project description, pollution control analysis, ecological impacts, extreme weather analysis (including climate, flooding, earthquake, etc.).



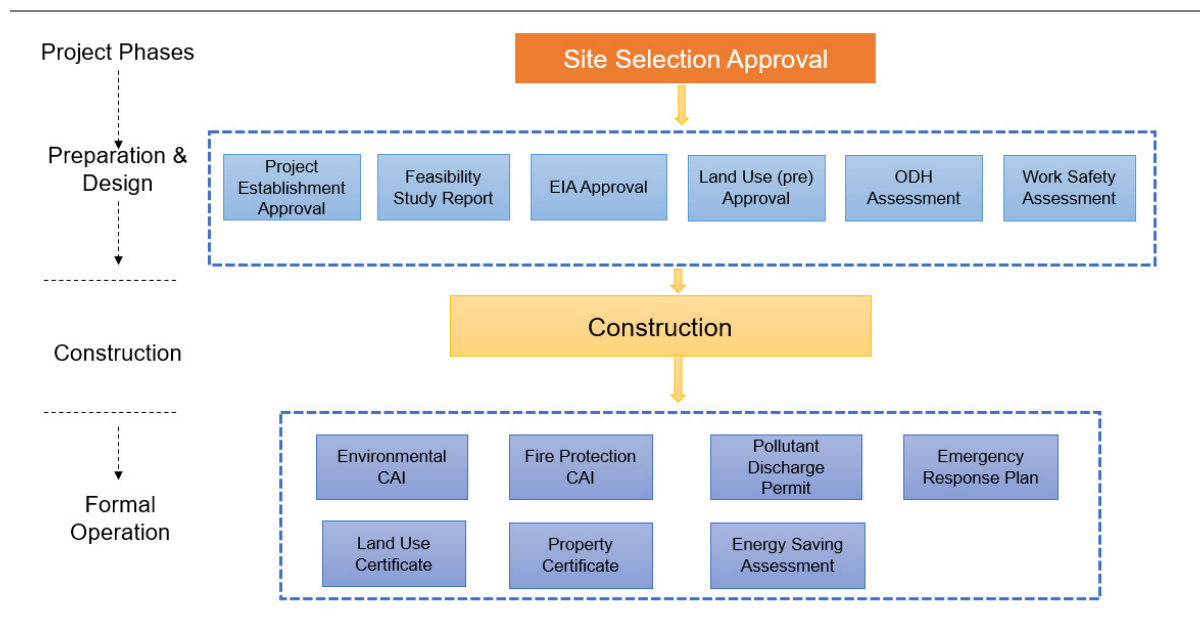
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APPLICATION STANDARDS AND METHODOLOGY

Environmental Completion Acceptance Inspection (ECAI)	National Standard	<p>Since November 2017, China government has been implementing self-conducting ECAI procedures (meaning the corresponding monitoring and acceptance are conducted by the project owner) for environmental protection by phases.</p> <p>In November 2017, the air emission self-conducting ECAI has been commenced;</p> <p>In January 2018, the wastewater discharge self-conducting ECAI has been commenced;</p> <p>In December 2018, the boundary noise self-conducting ECAI has been commenced;</p> <p>In September 2020, the solid waste self-conducting ECAI has been commenced.</p>
Pollutant Discharge Permit (PDP)	National Standard	For wastewater and air emission discharge companies, the PDP was required from local EEB, which illustrate the pollutant discharge capacity, discharge points, and monitoring programme.
Fire Protection CAI	National Standard	An approval issued by the local authorities on whether the project comply with fire protection design and implementation requirement.
Work Safety Assessment	National Standard	The report identifies and analysis of project's production and business operation activities of potential danger and harmful factors, and safety standards, to predict the likelihood of accidents and its severity, and then puts forward feasible safety control measures.
Occupational Disease Hazards (ODH) Assessment	National Standard	The report identifies and analysis of potential occupation health hazards within the project's production processes and compare with local standards to predict the likelihood of occupational health hazard and its severity, and then puts forward feasible safety control measures.
Emergency Response Plan (ERP)	National Standard	<p>The ERP includes sudden environment and safety ERPs.</p> <p>The sudden environment ERP consists of applicable standard, environmental risk analysis (including chemical storage and spills, water pollution, soil pollution, ecological conditions, etc.), and emergency response methods.</p> <p>The safety ERP consists of applicable standard, safety risk analysis (including fire, explosion, equipment hazards etc.), and emergency response methods.</p>
Energy Saving Assessment	National Standard	The Energy Saving Assessment consists of applicable standard, energy supply and consumption conditions, and applicable energy saving measures.

Error! Reference source not found. below presents the general permitting process that a project will need to maintain compliance over the full life cycle with applicable E&S regulations.



Figure 2-1: Indicative Project Permitting Flowchart by Project Phases

Please note that the above flowchart is indicative only under the current regulatory regime, which has been and continues to evolve rapidly. Meanwhile, local implementation of the national level laws and regulations often varies, which may lead to variations to the permitting flowchart presented in this report.

2.3 METHODOLOGY

2.3.1 Approach

An integrated approach with three steps was proposed by Stantec for subproject level E&S audit as stated below. This approach was subsequently agreed by the ADB.

Step 1: Document Request and Desktop-based Review:

Stantec requested documents from Yongcheng No.4 WWTP including (i) CCW and Yongcheng No.4 WWTP ESMS or policies and official commitments related to environmental, health, safety and social safeguards, policies and procedures that would typically be covered by an ESMS; (ii) Information about the system for project planning to manage environmental and social risks; (iii) Information about Yongcheng No.4 WWTP's training records for staff regarding environmental and social safeguards; (iv) Human Resource (HR) management and procurement policies and procedures, gender disaggregated information, labour contract, attendance sheet and salary records in Yongcheng No.4 WWTP; (v) Information about Yongcheng No.4 WWTP's main stakeholder groups, activities through which they are engaged and consulted, and any grievance redress system and its results log; and (vi) Information about the environmental, health, safety and social monitoring records, pollutant prevention and reporting system.

Stantec conducted a review of documentation of Yongcheng No.4 WWTP through intermediaries and onsite review. Annex A lists the key documents provided by Yongcheng No.4 WWTP and reviewed by Stantec during this E&S audit.



Step 2: Site Visit

Stantec conducted an onsite visit at Yongcheng No.4 WWTP on 30 January 2021. During the onsite visit, Stantec's E&S team:

- Reviewed documentation available at the Site (listed in Annex A);
- Conducted selected interviews with site representatives and representative from the local environmental authority (listed in Annex B);
- Conducted a limited visual observation of the Site (WWTP sections/areas observed with photos are in Annex C); and
- Reviewed the implementation and compliance status of the E&S mitigation and management measures.

Step 3: Gap Analysis and Reporting

Based on the information obtained during Steps 1 and 2, gaps against the AESRs were identified at the Site (refer to Section 3). A CAP setting out the steps that would be required to close the identified gap(s) is outlined in Section 4.

2.3.2 Risk Categorization

Risk levels were adopted in evaluating identified E&S risks and issues against the Applicable Standards: "High", "Medium" and "Low" risks as defined in **Table 2-3**

Table 2-3: Definition for Risk Categorization

Risk Level	Definition
Red Flag	Trigger of ADB SPS Prohibited Activities or issue with potential severe consequences and limited opportunities of mitigating, leading to operation shut down (e.g. catastrophic or multiple-casualty accidents; large community or NGO protest(s); reputational damage/possibilities of significant reputational risks arising in the future; impacts to sensitive environmental and social receptors including critical habitats and Indigenous Peoples/Ethnic Minorities/Tribes and criminal proceedings).
High	Significant non-conformance with the AESRs, which may result in operation /construction interruption; and/or affect sensitive receptors, and/or induce community opposition that may damage Owner's/Investor's reputation.
Medium	Non-conformance with the AESRs, which may result in rectification cost or fine, and is unlikely to result in the short-term business discontinuity in current regulatory enforcement context.
Low	Minor regulatory or safeguard non-compliance, which may result in limited cost or only require management time to address the issue.
Best Practice	Best practice; approach is considered prudent but does not pose a compliance issue.



3. SITE ASSESSMENT

3.1 BASIC INFORMATION

The Site is located in the north of Ouya Road, Dongcheng District, Yongcheng City, Shangqiu City, Henan Province, PRC. The location of the Site is shown in *Error! Reference source not found.*

The Site history is mainly obtained through interview with CCW's senior management and onsite management, and is summarized as below:

- Prior to 2011: Farmland of Hulou Village;
- 2011: Land acquisition and resettlement was conducted by the local government, i.e. Yongcheng Bureau of nature and resources;
- July 2011: Construction of the Phase I development conducted by CCW was commenced;
- March 2012: CCW reached a Build-Operate-Transfer (BOT) agreement with local government;
- May 2012: Construction was completed. Operation was commenced;
- 2017: One atomization tank and one sedimentation tank were added.

The scope of the BOT agreement covers the operation of Yongcheng No. 4 WWTP for 30 years. No offsite auxiliary facilities such as pipelines, valves or sludge treatment stations are included in the BOT agreement. The wastewater collection pipelines are managed by the local authority including the portions within the site boundaries connecting to the onsite wastewater collection tank. The wastewater collection tank and other wastewater pipelines within the site boundaries are operated and maintained by the site. The Site receives domestic wastewater from the area of 8.9 square kilometres (km²), and is servicing a population of about 85,000. The designed wastewater treatment capacity of the Phase I development is 20,000 tons per day (t/d), and the actual treatment scale is about 18,000 t/d. In addition, the wastewater of Yongcheng No. 1, 4 and 5 WWTPs can be transferred to Yongcheng No. 3 WWTP through existing municipal wastewater pipeline network. The treatment capacities of Yongcheng No. 3 WWTP can be further deployed by the local authority based on the actual demand of the local areas where are serviced by Yongcheng No. 1, 4 and 5, for instance, when one of these WWTPs is under overhaul. The Site runs in a two-shifts working system for 365 days a year, with 14 staffs.

The Site covered a total land area of 27,212 m². According to the Site EIF dated 2011, the buffer zone area is determined as a 100 m radius of the production area. The Adjacent facilities and properties of the Site were identified as follows:

- West boundary: Slaughterhouse.
- East boundary: Jiaotong Road and residential buildings (Guanhu No.1 Community) under construction, which is about 10 m away from the site boundary.
- North boundary: Mazhuanglou Village, which is about 80 m away from the site boundary.
- South boundary: Hulou Village, which is about 30 m away from the site boundary.

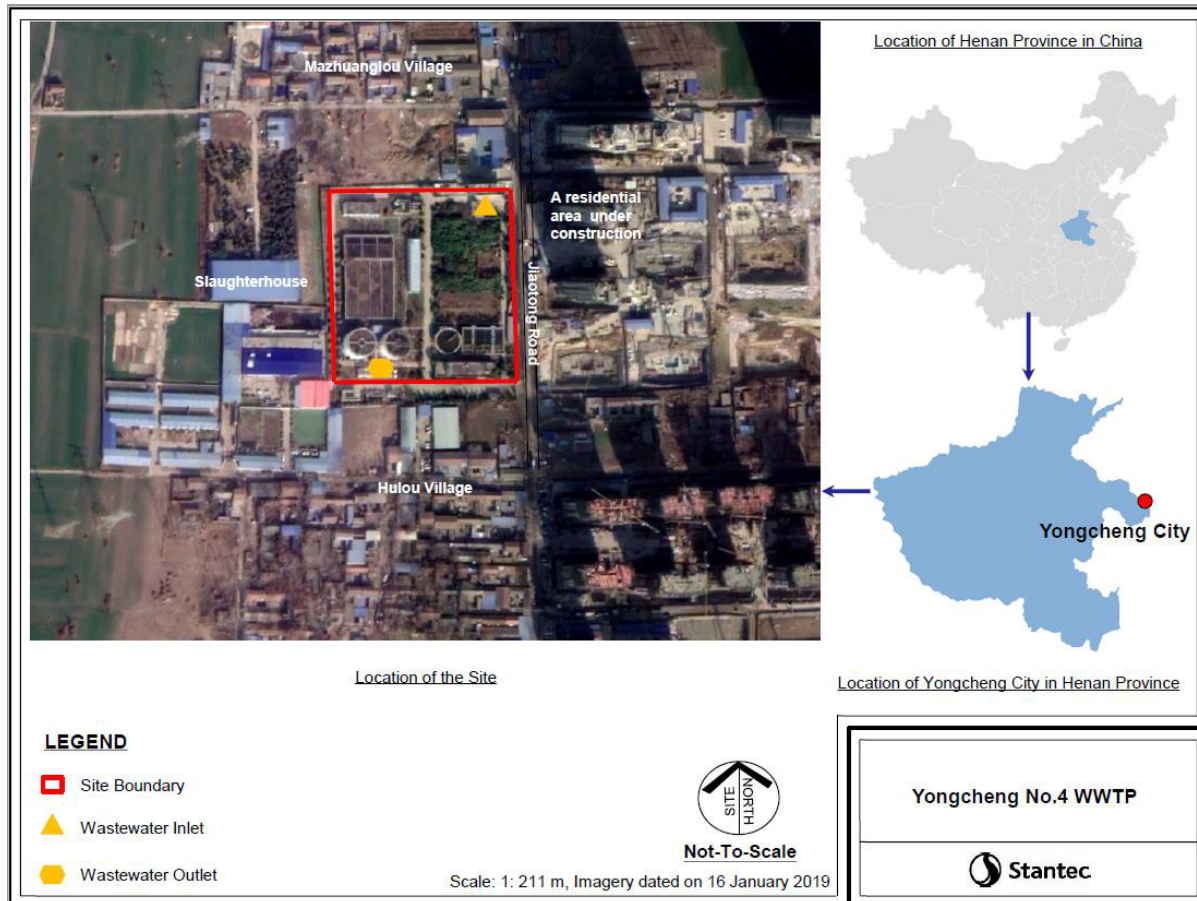
The Site is classified as a construction land and is not within area of the ecological red line (which in China refers to the strictly controlled boundary demarcated in accordance with law in key ecological function zones, sensitive and fragile areas of the ecological environment). There are no natural reserves, drinking water protection zone, scenic spot, national key protected animals and plants, seed fields, cultural relics and historic sites located in the 1 km area around the Site. The Site meets the requirements of the overall planning of Yongcheng City. Based on onsite observation, the nearest sensitive receptor of the Site is residential buildings under construction which is located approximately 10 m to the east of the Site. A residential area located approximately 80 m to the north of the Site, a residential area located approximately 30 m to the south of the Site. The locations of the residential



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buildings under construction and the residential area located south of the Site are breaches of the buffering zone.

Figure 3-1: Site Location



Source: Google Earth Pro

3.2 SITE DESCRIPTION

The main structures of the Site cover wastewater treatment facilities, environmental protection facilities, and office building. Pumps houses, switching room, and ventilation room were built, operated and maintained by the Site. In addition, the outlet monitoring room was built by the Site, operated and maintained by the local EEB. The layout of the Site is presented in **Figure 3-2**.



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Figure 3-2: Site Layout



Yongcheng No.4 WWTP processes consists of three stages: pre-treatment, biological treatment (or secondary treatment), and tertiary treatment. The main treatment processes are Wastewater Feeding, Coarse Screen and Fine Screen, Primary Sedimentation Tank, Anaerobic Tank, Anoxic Tank, Oxidation Tank, MBR System, Secondary Sedimentation Tank, Atomization Tank and Final Discharge. Chemicals used for wastewater treatment including carbon source, and polymeric ferric sulphate, and polyacrylamide. These chemicals are in bulk storage and the corresponding storage condition is described in Section 3.3.4.

The Site adopts Anaerobic-Anoxic-Oxic and Deep Treatment Technologies which are commonly adopted for WWTPs for industrial and domestic wastewater treatment in PRC. Based on review of the available document and interview with site management, no violation with regard to wastewater discharge has been taken place at the Site.

The sludge is dehydrated onsite to around 80% and is transferred by the sludge truck owned and operated by the subproject company to Yongcheng Sludge Drying Plant for incineration. Yongcheng Sludge Drying Plant is the sludge treatment party appointed by the local government as per the signed BOT agreement.

The treated wastewater shall comply with the Class I Level A Discharge Standard of Pollutants for Municipal Wastewater Plant (2002) and then discharged to the Yongge River which is located 600 m to the south of Yongcheng No.4 WWTP.

3.3 EHS ASSESSMENT

3.3.1 Regional Office Management

The Yongcheng Regional Office was established in 2011 and is located in the compound of Yongcheng No.5 WWTP. The Yongcheng Regional Office takes the responsibility of overall management of the five WWTPs in Yongcheng city, i.e. No. 1-5 WWTPs. There is a total of 12 staff in Yongcheng Regional



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Office, including one general manager, one deputy general manager, one facility supervisor, one financial staff, one administrative staff, one human resource staff and six laboratory technicians. The labour contracts and personnel file information of the 12 staff in Yongcheng Regional Office are distributed in the five WWTPs, and their headcounts are calculated in the WWTPs in the corresponding WWTP reports:

- The administrative staff and one of the laboratory staff are from Yongcheng No.1 WWTP;
- The facility supervisor, the human resource staff and one of the laboratory staff are from Yongcheng No.2 WWTP;
- The deputy general manager and one of the laboratory staff come from Yongcheng No.3 WWTP;
- One of the laboratory staff is come from Yongcheng No.4 WWTP;
- The general manager, the financial staff and two of the laboratory staff are from Yongcheng No.5 WWTP.

It should be noted that the financial, administrative, human resource and laboratory department of Yongcheng Regional Office are shared by the five WWTPs and no such departments are set up in each of the WWTPs.

Yongcheng Regional Office is responsible for:

- Coordinating with the CCW corporate to implement operational and EHS (mostly safety oriented) related policies, programs, guidelines and other legal requirements;
- Evaluating operational work plan and supervision of the implementation at five WWTPs;
- Arranging operational and EHS (mostly safety oriented) training every month, and organizing weekly meeting with managers of the five WWTPs;
- Arranging third-party environmental monitoring, solid waste, sludge and hazardous waste management for the five WWTPs;
- Organizing internal audits for the five WWTPs on a regular basis and tracking correction action progress;
- Coordinating negotiate and evaluate with local authorities for project operation, upgrade, investment or expansion affairs;
- Giving the five WWTPs' performance feedback to the Production Technology Department of CCW corporate in a regular basis;
- Collecting and managing the EHSS permits and labour related documents for the five WWTPs;
- Performing the pollutant monitoring tests for inlet and outlet wastewater for the five WWTPs in the laboratory;
- Collecting the capital expenditure (Capex) and operating expenses (Opex) for the five WWTPs and submitting to the Production Technology Department of CCW corporate every year.

3.3.2 EHS Management Overview

Yongcheng No.4 WWTP is certified to ISO 9001, valid from 6 November 2020 to 13 October 2023. The EHS issues arising from the Site are under the jurisdiction of Yongcheng EEB, Yongcheng Health Bureau, Yongcheng Emergency Management Bureau and Fire Brigade of Yongcheng Public Security Department. Mr. Li Yang (General Manager of the Site) and Mr. Feng Jingliang (Technician) are responsible for the general on-site environmental and safety management. The day-to-day EHS status are reported to the Yongcheng Regional Office via weekly meeting, and reported to the Production Technology Department of CCW corporate via monthly, quarterly and annual reports.

The Site inherits the EHS procedures from the CCW corporate via the Yongcheng Regional Office, which has also developed safety and health oriented procedures including equipment operational procedure, work safety management (e.g. fire and electricity), and safety inspection procedure for the five WWTPs. A formal EHS and social management system has not been developed by the Yongcheng Regional Office or the Site.



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According to the management interview, at Yongcheng No.4 WWTP, the safety inspections were conducted as follows:

- Subsidiary-level safety overall inspection conducted by the manager of the Yongcheng Regional Office on a randomly basis. The inspection reports and corresponding mitigation measures are submitted for the Production Technology Department of corporate for review.
- Subproject-level daily safety and operational inspection is conducted by the Manager of Yongcheng No.4 WWTP.

Based on the management interview and document review, the E&S related Capex and Opex application for the subproject is prepared by the subproject manager in October every year, and then collected by the Yongcheng Regional Office and submitted to General Manager Office of CCW corporate for review and approval. The Capex (including items such as safety correction, COVID-19 prevention material, etc.) and Opex (including items such as environmental monitoring, sludge monitoring, equipment maintenance, laboratory material, routine check-ups, PPE, etc.) for Yongcheng No.4 WWTP in 2021 was provided for review, with a total of RMB 748,600.

Key EHS related findings and issues were summarized as follow:

- A formal environmental and social management system has not been developed and implemented by Yongcheng No.4 WWTP or the Yongcheng Regional Office.

3.3.3 EHS Permit

The permit compliance status of the Site is summarized as follows in the **Table 3-1**.

Table 3-1: Permit Compliance Status

Permit	Review
Site Selection Application	The site selection approval issued by Yongcheng Urban and Rural Planning Bureau on 15 November 2010
FSR and its approval	FSR approval for the Phase I development issued by Yongcheng City Development and Reform Commission on 11 April 2011
Land Permit	<ul style="list-style-type: none">• Land use review opinions issued by Yongcheng City Bureau of Land and Resources on 24 January 2011• Construction land planning permit issued by Yongcheng Urban and Rural Planning Management Bureau on 18 May 2011• Construction Land Use Certificate for Yongcheng Urban construction service center issued by the local Land and Resources Bureau on 18 December 2012
EIA, ECAI and the approvals	<ul style="list-style-type: none">• EIF approval for the Phase I development issued by Shangqiu EEB on 11 March 2011• ECAI approval for the Phase I development issued by Yongcheng City EEB on 20 August 2012
PDP	PDP issued by Yongcheng City EEB, valid from 28 June 2019 to 27 June 2022
Water Abstraction Permit	Water Abstraction Permit issued by Yongcheng Water Resource Bureau valid from 29 March 2019 to 28 March 2024
Fire Protection CAI	Not available
Work Safety CAI	Not available
Occupational Disease Hazards Assessment	Not available
Sudden Environmental Emergency	Sudden Environmental Emergency plan and its registration record issued by local EEB dated on December 2020



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Permit	Review
Response plan (ERP) and its registration record	
Safety Production ERP and its registration record	Not available
Energy Saving Assessment	This document was not required by the local authorities at the time of the Site establishment

The EIF prepared for this project during the permitting phase identified air emission/odour and solid waste/sludge as the key environmental impacts during construction and operation and the project was required implementing corresponding dust control measures such as sprinkler for construction vehicles, proper treatment of construction waste, etc. during construction and regular boundary odour monitoring and ensuring sludge is treated by the third party appointed by the local government during operation. Compared to an environmental assessment required by ADB's SPS the public consultation and alternative analysis are not included.

During construction, there are typical EHS requirements in PRC, including the dust control, solid waste management, Personal Protective Equipment (PPE), regular monitoring, etc. No findings were identified.

The project started operation in 2011 and obtained the ECAI in 2012 which confirmed the that the WWTP complied with the standards of boundary odour, wastewater discharge, boundary noise and solid waste treatment.

Key EHS related findings and issues were summarized as follow:

- Fire-fighting design registration or fire-fighting CAI approval is required, but have not been obtained.
- ODH assessment is required, but have not been conducted.
- No Work Safety Assessment is required, but has been conducted.
- Safety Production ERP and the corresponding registration record is required, but have not been prepared/obtained.
- Compared to an environmental assessment required by ADB's SPS the public consultation and alternative analysis are not included in the existing project EIF.

3.3.4 EHS Performance

Water Supply and Wastewater Discharge

Water used for sanitary purpose is from the municipal tap; water for drinking purpose is purchased bottled water; water for production purposes (wastewater treatment) is the treated wastewater from the onsite facility. Separate wastewater and stormwater drainage systems were established for the Site. The domestic wastewater generated onsite is collected and discharged to the onsite facility for further treatment. Stormwater generated onsite is collected and discharged via the same treated wastewater outlet, which is ultimately discharged to the Yongge River.

Wastewater and Sludge from the Wastewater Treatment Process

Yongge River is located 600 m to the south of Yongcheng No.4 WWTP. According to the Site's EIA documents, the Yongge River is a Type IV water body as defined in the Environmental Quality Standards for Surface Water (2002), which refers to surface water mainly used for industrial area and



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recreational water area. Site management reported that the treated wastewater discharge from the Yongcheng WWTP is strictly monitored as the following:

- Yongcheng EEB installed the real-time influent and effluent wastewater online monitoring system at the wastewater discharge point to conduct pollutant tests on a two-hour basis. This is confirmed with local EEB representative;
- Yongcheng EEB conducts treated wastewater sampling test on monthly basis;
- Yongcheng No.4 WWTP engages a licensed third party to conduct wastewater test on a monthly basis;
- The laboratory of the Yongcheng Regional Office conducts the influent and effluent wastewater test once a day.

The five pollutants including chemical oxygen demand (COD), suspend solids (SS), total nitrogen, total phosphorus and ammonia nitrogen monitored by both onsite laboratory and online monitoring system every day, thus, they are not covered in the third-party monitoring reports. Based on internal monitoring data (in average of 2020) and the latest sampled monitoring reports conducted by a licensed third party dated December 2020 provided for review (refer to **Table 3-2**), the results met the Class I Level A Discharge Standard of Pollutants for Municipal Wastewater Plant (2002). As there is no ADB or IFC standards for the wastewater discharge, the national regulatory standard is the applicable standard.

Table 3-2: Wastewater Monitoring Results

Monitoring Type	Elements	Unit	Monitoring Results of wastewater discharge point	Local Standard	Compliance Statue
Internal Monitoring (in average of 2020)	COD	mg/L	22.53	40	Meet the standards
	SS	mg/L	/	10	Meet the standards
	Total nitrogen	mg/L	10.91	15	Meet the standards
	Total phosphorus	mg/L	0.20	0.5	Meet the standards
	Ammonia nitrogen	mg/L	1.13	5	Meet the standards
Third Party Monitoring (dated December 2020)	pH	—	7.12	6-9	Meet the standards
	SS	mg/L	7	10	Meet the standards
	BOD ₅	mg/L	9.0	10	Meet the standards
	Petro	mg/L	0.08	1	Meet the standards
	Oil and grease	mg/L	0.18	1	Meet the standards
	Chroma	Times	2	30	Meet the standards
	Hexavalent chromium	mg/L	ND	0.05	Meet the standards
	Anionic surfactant	mg/L	ND	0.5	Meet the standards
	Total coliform bacteria	MPN/L	<20	1×10 ³	Meet the standards



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Monitoring Type	Elements		Unit	Monitoring Results of wastewater discharge point	Local Standard	Compliance Statue
	Total lead		mg/L	ND	0.1	Meet the standards
	Total cadmium		mg/L	ND	0.01	Meet the standards
	Total chromium		mg/L	ND	0.1	Meet the standards
	Total mercury		mg/L	ND	0.001	Meet the standards
	Total arsenic		mg/L	0.0006	0.1	Meet the standards
	Alkyl mercury	Methylmercury	µg/L	ND	Not Allowed	Meet the standards
		Ethyl mercury	µg/L	ND	Not Allowed	Meet the standards

*Note:

1. The monitoring is conducted by Henan Bo Sheng Inspection Technology Co., Ltd.

2. Local Standard refers to Class I Level A Discharge Standard of Pollutants for Municipal Wastewater Plant (2002)

3. ND means Not Detected

In China, the annual pollutant mass loading quotas are allocated to WWTP projects during the EIA stage based on (1) designed wastewater treatment capacity; (2) pollutant removal efficiency and discharge limits; (3) local environmental capacity. The mass loading quotas for wastewater pollutants COD, ammonia nitrogen, total nitrogen and total phosphorus are 365 t, 36.5 t, 109.5 t and 3.65 t, respectively. Given the current actual wastewater treatment is below the designed wastewater treatment capacity (18,000 t/d versus 20,000 t/d), and the treated wastewater meet the local standards, Yongcheng No.4 WWTP is well below the allocated pollutant mass loading quotas.

Air Emission

The main sources of air emission in this Site is fugitive odour emission from the uncovered wastewater treatment tanks. Yongcheng No.4 WWTP engages a licensed third party to conduct fugitive air emission monitoring on a half year basis around the Site boundary following the methodology by Analysis Methods for air and gas emission monitoring (2003). Based on the latest sampled monitoring reports conducted by a licensed third party dated November 2020 provided for review (**Table 3-3**), the results met the Discharge Standard of Pollutants for Municipal Wastewater Plant (2002). As there is no ADB or IFC standards for the fugitive air emission pollutants, the national regulatory standard is the applicable standard.

Table 3-3: Fugitive Air Emission Monitoring Results

Monitoring date	Location	Pollutant	Unit	Monitoring Results	Local Standard	Compliance Statue
5 November 2020 (9:00-10:00)	Boundary	Odour	—	16	20	Meet the standards
		NH ₃	mg/m ³	0.111	1.5	Meet the standards
		H ₂ S	mg/m ³	0.005	0.06	Meet the standards
		CH ₄	%	0.00025	1	Meet the standards



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Monitoring date	Location	Pollutant	Unit	Monitoring Results	Local Standard	Compliance Statue
5 November 2020 (10:10-11:10)	Boundary	Odour	—	17	20	Meet the standards
		NH ₃	mg/m ³	0.085	1.5	Meet the standards
		H ₂ S	mg/m ³	0.004	0.06	Meet the standards
		CH ₄	%	0.00026	1	Meet the standards
5 November 2020 (11:20-12:20)	Boundary	Odour	—	18	20	Meet the standards
		NH ₃	mg/m ³	0.114	1.5	Meet the standards
		H ₂ S	mg/m ³	0.007	0.06	Meet the standards
		CH ₄	%	0.00026	1	Meet the standards

*Note:

1. The monitoring is conducted by Henan Bo Sheng Inspection Technology Co., Ltd.
2. Local Standard refers to Discharge Standard of Pollutants for Municipal Wastewater Plant (2002)

Noise Emission

The main sources of noise are the onsite production facilities such as pumps and fans. The Site boundary noise is subject to Class II of Emission standard for industrial enterprises noise at boundary (2008), which requires the maximum 60 dB(A) during the daytime (6:00 AM – 10:00 PM) and 50 dB(A) at night (10:00 PM – 6:00 AM). The nearest sensitive receptor of the Site is residential buildings under construction which is located approximately 10 m to the east of the Site. Yongcheng No.4 WWTP engages a licensed third party to conduct boundary noise emission monitoring in November 2020. The results were shown in **Table 3-4**. The results indicate the Site met the local standards and the IFC standards.

Table 3-4: Boundary Noise Monitoring Results

Location	Monitoring Date	Results Leq[dB(A)]	Local Standard Leq[dB(A)]	IFC Standard Leq[dB(A)] (Residential)	Compliance Statue
East boundary	5 November 2020 Daytime	55.7	60	70	Meet the standards
South boundary		53.4			Meet the standards
West boundary		53.8			Meet the standards
North boundary		54.6			Meet the standards
East boundary	5 November 2020 Night time	43.5	50	70	Meet the standards
South boundary		43.3			Meet the standards
West boundary		43.8			Meet the standards
North boundary		42.4			Meet the standards

*Note:

1. The monitoring is conducted by Henan Bo Sheng Inspection Technology Co., Ltd.
2. The IFC standard is refer to Environmental, Health, and Safety (EHS) Guidelines: General EHS Guidelines (2007)
3. Local Standard refers to Class II of Emission standard for industrial enterprises noise at boundary (2008)

Chemical Management and Solid Wastes

Chemicals consumed by the Site are mainly categorized in two groups described as follows:



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- Polymeric ferric sulphate is used in secondary sedimentation tank to remove total phosphorus and guarantee the effluent total phosphorus is within the discharge limit. The polymeric ferric sulphate are stored in two aboveground storage tanks. However, one damage was identified for the polymeric ferric sulphate secondary containment.
- Polyacrylamide is used in sludge dewatering equipment to improve the sludge dewatering efficiency. Polymeric ferric sulphate is stored in 20kg bags in sludge treatment room.
- Carbon source is used in biological system to optimize Carbon/Nitrogen ratio in the wastewater and improve total nitrogen removal efficiency. The carbon source is stored in two aboveground storage tanks (ASTs).
- Sodium hypochlorite is used for disinfection and is stored in one AST.
- Limited amount lubricant/machine oil and empty chemical containers were stored in the designated HW warehouse (about 10 m²) with secondary containments, weather-proof, warning sign, SOP, MSDS and safety guidelines equipped in the area.

Hazardous wastes (HW) such as empty chemical containers, waste lubricant oil and waste laboratory liquid are treated by a licensed hazardous waste vendor (Zhonghuanxin Environmental Protection Co., Ltd.). The HW contract was provided for review. Due to limited amount of HW were generated since the contract signed, the first batch of hazardous waste has not been transferred.

Domestic Solid Waste Management

The solid wastes disposal methods are summarized below:

- Domestic wastes including domestic waste generated onsite and the solid waste from the coarse and fine screens, and waste packaging materials are collected and transported by the local sanitation station to local municipal domestic waste treatment facilities for landfill or incineration three times per week.
- Based on the EIF, sludge is not categorized as hazardous waste as per Chinese regulation. Sludge is dehydrated onsite to around 80% and is transferred by the sludge truck owned and operated by the subproject company to Yongcheng Sludge Drying Plant for incineration. The corresponding contract and sludge transfer manifests were provided for review. SOP and safety guidelines were posted in the area.

Emergency Preparedness and Training

No Safety Production ERP and the corresponding registration record were provided for review. The current Sudden Environmental Production ERP covers chemical spills, incidental discharge, transportation hazard, and natural disaster analysis. However, the flooding ERP is not in place and no corresponding drills have been conducted. Based on the management interview and document review, the EHS training and inspection records covering fire drill, equipment operational guidance, working safety and PPE management, and daily onsite equipment safety inspection records and equipment maintenance records were provided for review.

Firefighting equipment installed in site include fire extinguishers, fire pool, emergency lights and evacuation signs. The latest fire drill was conducted on 9 November 2020. However, no regular inspection was conducted for all onsite fire-fighting equipment.

Occupational Health and Safety

Based on document review and onsite observations, key occupational disease hazards identified at the Site include chemical exposure and noise. Noticeable noise was identified in the power generator room and ventilator room. The patrol inspection is carried out every two hours (lasts about 30 minutes per inspection). Proper PPE (including helmets, gloves, safety shoes, and masks), hazard warning signs,



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machine guards, insulation tools and production area monitoring cameras are provided at the site. Routine medical check-ups are provided to all employees every year, while no occupation disease hazard assessment was conducted and no occupation health check-ups were provided to staff who are exposed to occupation disease hazards.

According to the Site representatives, two incidents were occurred in recent years:

- April 2020, a staff fell down from the onsite stairs which led to bone fracture. The corresponding medical cost was covered by the medical insurance. Subsequently, the Site created an accident investigation report, strengthened staff safety training and corrected the potential safety risks.
- July 2020, a traffic accident occurred when a staff was on the way home and led to minor injury to the staff. The corresponding medical cost was covered by commercial insurance. Subsequently, the Site created an accident investigation report and strengthened staff safety training.

Reportedly, the two cases were solved according to local regulations and CCW accident management procedure. The corresponding accident investigation reports and mitigation measures were provided for review. No outstanding claims were reported.

Specially, the COVID-19 prevention methods and procedure were established according to CCW corporate and local authorities' requirements. The COVID-19 prevention equipment, including masks, clinic thermometer, hand washing liquid and disinfection agent are provided onsite. In addition, management measures such as travel restriction, quarantine requirements, access registration, body temperature measuring as per the local authorities are also implemented by the Site.

According to the Site representatives and document review, the one operator involved in live-line work has obtained the Electrician Certificate for High-voltage electrical operation. No special equipment was reportedly used or observed onsite during the site visit.

One 3-meter height ladder was found to be used for chemical feeding purpose, however, no handrail was equipped for the ladder.

Community Occupational Health and Safety

Given no construction activities were conducted onsite, no population influx was caused at the time of the audit. The health and safety risks exposed to surrounding communities mainly includes noise and odour during operation period, emergency accidents, traffic congestion and accident, and surface or underground water contamination. Mitigation measures were adopted as follows:

- The noise and odour hazards are monitored regularly to ensure the compliance status;
- The wastewater treatment and anti-seepage measures are strictly complied with national regulations;
- Vehicle speed is controlled and the truck used for sludge transportation is equipped with cover to prevent leakage of the sludge along the transportation route.

Electricity Supply

Based on the electricity fee provided by the Site, the 2020 electricity consumption (from January to October, as the data for November and December 2020 was not ready at the time of preparation of this report) for Yongcheng No.4 WWTP is 2,673,140 kwh. The total electricity fee is RMB 1,819,871. There are no energy efficiency measures planned or in place.



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Restricted Substances

No onsite sources of Asbestos Containing Materials (ACMs), Polychlorinated Biphenyls (PCB), Ozone Depleting Substances (ODSs) or radioactive materials were reported by Site management and none was observed at the Site by Stantec during the visit.

Notices of Violation

Based on desktop research, and interview with the Site management and Director of Inspection Team of local EEB, no nuisance or complaints regarding the site's noise and vibration, dust or other environmental aspects were identified.

Ecosystem

Given the treated wastewater can meet the Class I Level A Discharge Standard of Pollutants for Municipal Wastewater Plant (2002), the treated wastewater discharge will not impact the aquatic ecosystem of the Yongge River. The design and construction of the WWTP has taken soil and groundwater impact into consideration. Concrete with impermeable layers have been applied to the construction of the WWTP. However, at the time of the site visit, the backflow pipeline was leaking and the wastewater upflowed and formed a small pond onsite. Site management reported that the Site will be overhauled in mid of 2021, after operation of the Phase II development of Yongcheng No.3 WWTP is commenced.

The site area was a modified habitat prior to the construction of the Site, hence, biodiversity impact of the Site is considered limited. No protected fauna and flora were identified in the local area. Given the type of operation of the Site, the potential impact is considered limited.

Staff Capacity and Training

The Site provides two-level training to its new employees, namely plant-level and position-level, covering the SOPs, general plant rules and EHS aspects such as chemical handling (if needed), PPE, etc. In addition, the EHS training and inspection records covering fire drill, equipment operational guidance, working safety and PPE management, and daily onsite equipment safety inspection records and equipment maintenance records were provided for review. The latest fire drill was conducted on 9 November 2020.

Key EHS related findings and issues (apart from which mentioned in Section 3.3.2 and 3.3.3) were summarized as follow:

- One damage place was identified on the secondary containment for polymeric ferric sulphate, and no secondary containment was provided to the sodium hypochlorite AST, which are required by Good International Industry Practice (GIIP).
- No regular inspection was conducted for all onsite fire-fighting equipment.
- No occupation health check-ups have been provided to staff who are exposed to occupation disease hazards.
- One 3-meter height ladder was found to be used for chemical feeding purpose, however, no handrail was equipped for the ladder.
- The backflow pipeline was leaking and the wastewater upflowed and formed a small pond onsite. Site management reported that the Site will be overhauled in mid of 2021.
- The safety and flooding ERP are not in place and no corresponding drills have been conducted.



3.4 SOCIAL ASSESSMENT

3.4.1 LAND ACQUISITION AND RESETTLEMENT

In March 2012, Jiangsu Jiaqing reached a BOT agreement for Yongcheng No.4 WWTP with local government. The scope of the BOT agreement covers the operation of Yongcheng No. 4 WWTP for 30 years. No offsite auxiliary facilities such as pipelines, valves or sludge treatment stations are included in the BOT agreement.

Yongcheng No.4 WWTP (the Site) is located in the north of Ouya Road, Dongcheng District, Yongcheng City, occupying a total land area of 27,212m² (40.80 mu²). The Site was originally constructed in July 2011 and started to operation in May 2012. Land acquisition and resettlement was conducted by the local government. The Site management was not aware of the history of land acquisition and resettlement for the Site land. According to interview with several villagers randomly onsite learned that the land acquisition was occurred in 2010 to 2011, and land acquisition impacted Hulou Village and mainly impacted farmland, as well as some standing crop and land attachments. There was no physical displacement in this process. The randomly interviewed villagers reported that the compensation for land acquisition was paid in one lump sum and affected persons had participated in activities related to land acquisition and resettlement such as villagers' congress.

Yongcheng Urban Construction Service Centre allocated the land with 27,212 m² for the use of Yongcheng No.4 WWTP and transferred the land to CCW in 2011. On 18 December 2012, the Construction Land-use Certificate of the site area was issued, entitling Yongcheng Urban and Rural Construction Service Centre. There is no detailed impact data such as land acquisition impact rosters, compensation agreement, compensation payment voucher, etc. for review. The Site management also added that since CCW take over in 2011, Yongcheng No.4 WWTP has not received any complaints related to land acquisition and resettlement.

Key Findings and Issues on Resettlement:

- No documents (such as asset inventory, compensation agreement, etc.) regarding project land use for the Site are held by Yongcheng No.4 WWTP. There is no in-place procedure to document land acquisition activities, as well as monitor and evaluate the payment status, which is a non-conformance against ADB SR2.

3.4.2 INDIGENOUS PEOPLE

The Site is located in Dongcheng District of Yongcheng City. The ethnic Han is predominant in PRC as well as in the local area, and there are no ethnic minority residential areas affected. Therefore, ADB SR3 is not triggered for the Site.

3.4.3 STAKEHOLDER ENGAGEMENT AND CONSULTATION

It is identified no stakeholder analysis has been conducted for Yongcheng No.4 WWTP and no document records regarding stakeholder engagement were available for review.

According to interview with CCW's corporate, Stantec's onsite consultation, as well as similar project experience, three major stakeholder groups are identified for this type of project, including (a) government authorities, such as Yongcheng City EEB and Emergency Management Bureau; (b) local community (wastewater discharge unit / individual), such as Mazhuanglou Village, the residential

² Mu is the Chinese land area unit, and one mu is approximately equal to 666 square meters.



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buildings under construction and the residential area located south of the Site, which are breaches of the buffering zone; (c) local residents affected by land acquisition, i.e. Village. The Yongcheng Regional Office is responsible for liaison with local government.

The Site is following PRC's laws and regulations. In China, consultation with the local communities is a regulatory requirement during the process of EIA as well as land acquisition and resettlement. A certain number of local residents were consulted through questionnaire survey while preparing the EIA Report. Among the interviewees, most expressed support to the Site, while small part of people expressed not concerned. No interviewees expressed objection.

Key Issues and Findings on Stakeholder Engagement:

- There is no formalized stakeholder engagement procedure established for Yongcheng No.4 WWTP to manage stakeholder identification, analysis, engagement especially for dealing with those concerns related with land acquisition and resettlement, and other community affairs.

3.4.4 GRIEVANCE REDRESS

It was identified there are no grievance procedures or designated personal for managing the grievances of employees and local communities and other stakeholders. No records of grievances are available for review.

For the workers grievances, the site management reported that the workers usually may file a grievance to the HR of the Yongcheng Regional Office directly, if the HR cannot address the grievance, it will be reported to the CCW headquarters HR department. Usually, employees' complaints can be properly resolved at the regional office HR level, and according to Ms. Zhao from HR department of the Regional Office, there are no grievances reported to date.

For the community grievances, the management reported that they have not received any grievances directly so far, the grievances (if any) raised by the local communities would normally be received by the local government. The subproject company would be informed by the local government in case grievances received. The representative from the Environmental Inspection Team of local EEB also stated that no complaints from the local community has been received since the operation of Yongcheng No.4 WWTP. No grievance has been received to date reportedly.

Key EHS related findings and issues were summarized as follow:

- There is no system in place to record and track the complaints raised by the local community, employees and construction workers during construction and operation phases. Thus, no record of previous grievances was available for review, which is a non-conformance against ADB safeguards.

3.4.5 LABOUR AND SOCIAL PROTECTION

At the time of onsite visit, there were 14 employees in total employed by the Site, including one factory manager, one technician, six operational staff, two maintenance staff, one laboratory staff, one sludge staff, one chef and one cleaner, which the laboratory belong to the Yongcheng Regional Office. All the 14 employees are formal contract workers and no temporary, dispatching and outsourcing workers were identified at the Site. All the 14 employees are Han Chinese, 4 out of the employees are female and the rest 10 employees are male.

Reportedly, the workers except for the operating workers are typically working five with 40 hours in one shift (8:00~12:00 and 14:00~16:00) between Monday and Friday. The six operating workers were divided into three groups with two shifts (8:00~20:00 and 20:00~8:00 respectively). Each shift had two responsible staffs. The Site adopts the comprehensive working hour system for operating workers, however, no approval from the Labour Bureau were provided for review. Wages are paid on the next



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10th of each month. The Site provided the payroll records in September 2020 for all 14 employees for review. The payroll record includes working hours and overtime, normal wage, overtime wage and social insurance. The normal wages for workers were above the minimum wage requirement.

No underage or juvenile workers were identified onsite. No sexual harassment or discrimination was identified during onsite interview.

Key EHS related findings and issues were summarized as follow:

- The WWTP adopts the comprehensive working hour system for operating workers, however, no approval from the labour bureau were provided for review. This is a non-compliance against PRC regulations.

3.4.6 GENDER AND DEVELOPMENT

Although there is no specific procedure regarding gender and development identified in any of the Site's existing policies and procedures, no indication of gender inequality or discrimination is identified from document review and interview.

To date, 4 out of the 14 workers at the Site companies are females, including one operation staff, one laboratory staff, one chef and one cleaner.

The males are skilled workers primarily focusing on engineering, whilst most females on non-engineering positions such as administration and logistics. The consulted female employees are treated equally in payment, training and promotion. All the female employees at the Site are entitled to the same specific benefits (98 days of maternity leave, women's toilets, more comprehensive health check and shopping card on Women's Day) as other females in the Company. According to Ms. Zhao from HR department of the Regional Office, the WWTP provides all workers with a free physical examination once a year, among which the physical examination items for female are more comprehensive. The cost of the physical examination for female employees is RMB 420 per capita, which is higher than that for male employees (RMB 270 per capita). Stantec's interview with randomly selected operators did not identify any concern over gender composition of the positions.

No noncompliance regarding gender and development was identified against either the PRC regulations or ADB SPS for the Site. In addition, according to consultation with both site management and the randomly selected workers, no disproportionate impacts were caused by the Site on women.



4. CORRECTIVE ACTION PLAN

Table 4-1 summarises the E&S issues identified at Yongcheng No.4 WWTP. As implementing the actions described below might signify economic costs to different degrees, estimations were not made.

Table 4-1: Yongcheng No.4 WWTP - Findings and Recommended CAP

No.	Applicable E&S Standards	Theme	Description of Issue(s)	Suggested Corrective Action(s)	Risk Level	Suggested Time Frame	Completion Indicator(s)
1	ADB SPS 1	EHS Management	At the time of the site visit, a formal Environmental and Social Management System (ESMS) not developed and implemented by Yongcheng No.4 WWTP or the Yongcheng Regional Office.	Upon completion of development of the corporate ESMS, the Site should seek for assistance from the CCW corporate and Yongcheng Regional Office and developed subproject level ESMS covering EHS, HR and Social aspects. The subproject level ESMS should be implemented by qualified and trained onsite personnel.	High	1 month after adoption of corporate level ESMS [6 months after ESMS adoption]	Development and adoption of Subsidiary level ESMS ESMS implementation and training record Updates in the annual E&S performance report to ADB on the effectiveness of ESMS implementation
2	ADB SPS 1	EHS Permit	Fire-fighting design registration or fire-fighting CAI approval has not been obtained.	The Site should consult with the local housing and construction authority in this regard and take action accordingly.	Medium	Prior to disbursement	Communication records of consultation with the local housing and construction authority on next steps



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No.	Applicable E&S Standards	Theme	Description of Issue(s)	Suggested Corrective Action(s)	Risk Level	Suggested Time Frame	Completion Indicator(s)
						6 months after disbursement	Fire-fighting design registration and fire-fighting CAI approvals
3	ADB SPS 1	EHS Permit	A Work Safety Assessment has not been conducted	The Site should consult with the local Emergency Management Bureau in this regard and take action accordingly.	Low	Prior to disbursement 3 months after disbursement	Communication records of consultation with the Emergency management Bureau on next steps. Work Safety Assessment
4	ADB SPS 1	Health and Safety	Occupational disease hazard assessment or industrial hygiene monitoring has not been conducted, and occupational health check-ups have not been provided to staffs who are exposed to occupational disease hazards.	The Site should engage licensed third parties to prepare occupational disease hazard assessment and provide occupational health check-ups to staffs who are exposed to occupational disease hazards.	Medium	Prior to disbursement [same time as ESMS] 3 months after disbursement	Contract/agreement with a licensed third party Occupational disease hazard assessment or industrial hygiene monitoring procedure included in the Subsidiary level ESMS Occupational disease hazard assessment, industrial hygiene monitoring and occupational health check-up reports
5	ADB SPS 1	Emergency Response	Safety Production ERP and the corresponding registration record have not been conducted/obtained. In addition,	The Site should consult with the local Emergency Management Bureau in this regard and take action accordingly. As a minimum,	Medium	Prior to disbursement	Communication records of consultation with the Emergency



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CORRECTIVE ACTION PLAN

No.	Applicable E&S Standards	Theme	Description of Issue(s)	Suggested Corrective Action(s)	Risk Level	Suggested Time Frame	Completion Indicator(s)
			flooding ERP is not in place and no corresponding drills have been conducted.	supplementary ERP covering flooding should be prepared and corresponding drills should be conducted.		[same time as ESMS] 6 months after disbursement	management Bureau on next steps ERP and the Supplementary ERP included in the Subsidiary level ESMS ERP registration record and drill records
6	ADB SPS 1	Public Consultation	Compared to an environmental assessment required by ADB's SPS the public consultation and alternative analysis are not included in the project EIF.	The Site should ensure its ESMS covers gap analysis requirements of existing domestic EIA documents against the ADB's SPS, for instance, procedures for public consultation and alternative analysis.	Medium	[same time as ESMS]	Gap analysis requirements in the Subsidiary level ESMS
7	ADB SPS 1	Chemical Management	One damage place was identified on the secondary containment for polymeric ferric sulphate, and no secondary containment was provided to the sodium hypochlorite AST	It is recommended that the Site should ensure valid secondary containments are provided to the onsite liquid chemicals.	Medium	Prior to disbursement	Onsite photos and corresponding records
8	ADB SPS 1	Health and Safety	No regular inspection was conducted for all onsite fire-fighting equipment.	The Site should strengthen fire-fighting equipment inspection in regular basis.	Low	[same time as ESMS] 3 months after disbursement	Procedure and schedule of inspection as part of the subsidiary level ESMS Inspection records



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No.	Applicable E&S Standards	Theme	Description of Issue(s)	Suggested Corrective Action(s)	Risk Level	Suggested Time Frame	Completion Indicator(s)
9	ADB SPS 1	Health and Safety	One 3-meter height ladder was found to be used for chemical feeding purpose, however, no handrail was equipped for the ladder.	It is recommended that the Site should use the ladder with handrail to prevent falling risk.	Low	Prior to disbursement	Onsite photos and corresponding records
10	ADB SPS 1	Soil and Groundwater Impact	The backflow pipeline was leaking and the wastewater upflowed and formed a small pond onsite. Site management reported that the Site will be overhauled in mid of 2021.	It is recommended that the Site should repair the leakage of backflow pipeline in a timely manner and consider conduct a soil and groundwater investigation to document the baseline condition and any potential impact of the local soil and groundwater.	Low	Prior to disbursement 3 months	Backflow pipeline repair/upgrading plan/schedule Onsite photos and corresponding records/reports
11	ADB SPS 2	Involuntary Resettlement	No documents (such as asset inventory, compensation agreement, etc.) regarding Yongcheng No.4 WWTP land use for the Site were provided for review.	Upon development and implementation of the corporate ESMS, the Site should follow the corporate Resettlement Policy Framework to document the compensation payment and evaluate its status.	Medium	9 months after disbursement	Relevant documents
12	ADB SPS 2	Stakeholder Engagement	There is no system/ procedure in place to guide the Site to identify stakeholders, make analysis, and conduct engagement.	Upon development and implementation of the corporate ESMS, the Site should develop a procedure as part of E&S for the purpose of managing stakeholder engagement process.	Low	[same time as ESMS]	A stakeholder engagement plan (SEP)
13	ADB SPS 2	Grievance Redress	There is no system in place to record and track the complaints raised by the local community, employees and construction workers during construction and operation phases. Thus, no record	Upon development and implementation of the corporate ESMS, the Site should develop a site-specific grievance redress procedure to collect and document any complaints and grievances	Low	[same time as ESMS]	Site specific grievance mechanism (including the employees and the local community) and grievance records



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CORRECTIVE ACTION PLAN

No.	Applicable E&S Standards	Theme	Description of Issue(s)	Suggested Corrective Action(s)	Risk Level	Suggested Time Frame	Completion Indicator(s)
			of previous grievances was available for review.	raised by the employees and the broader local community.			
14	Social Protection	Labour and Social Protection	The Site adopts the comprehensive working hour system for operating workers, however, no approval from the Labour Bureau were provided for review.	The Site should consult with the local Labour Bureau and apply for the approval of Comprehensive Working Hour as appropriate.	Low	6 months after disbursement	Communication records and/or approval of Comprehensive Working Hour



ASSET-LEVEL E&S AUDIT REPORT – YONGCHENG NO.4

Annex A: LIST OF DOCUMENT REVIEWED

Annex A: LIST OF DOCUMENT REVIEWED

No.	Name
1	The site selection approval issued by Yongcheng Urban and Rural Planning Bureau on 15 November 2010
2	FSR approval for the Phase I development issued by Yongcheng City Development and Reform Commission on 11 April 2011
3	EIF approval for the Phase I development issued by Shangqiu EEB on 11 March 2011
4	ECAL approval for the Phase I development issued by Yongcheng City EEB on 20 August 2012
5	PDP issued by Yongcheng City EEB, valid from 28 June 2019 to 27 June 2022
6	Water Abstraction Permit issued by Yongcheng Water Resource Bureau valid from 29 March 2019 to 28 March 2024.
7	Sudden Environmental Emergency plan and its approval issued by local EEB dated on December 2020
8	Hazardous Waste Disposal Contract for waste machine oil, waste liquid from the laboratory, waste rags with chemicals and empty chemical containers, valid from 1 September 2020 to 31 August 2021
9	Sludge Disposal Contract signed with Yongcheng Ecology Technology Co., Ltd. dated on 1 January 2020
10	Sampled sludge transfer manifests
11	Sample environmental monitoring reports (regarding treated wastewater, fugitive air, boundary noise and sludge) dated 2020
12	One valid Electrician Certificate for High-voltage electrical operation
13	Sampled routine checkup reports for staffs
14	EHS procedures and safety training record
15	ISO 9001 certification, valid from 6 November 2020 to 13 October 2023
16	Land use review opinions issued by Yongcheng City Bureau of Land and Resources on 24 January 2011
17	Construction land planning permit issued by Yongcheng Urban and Rural Planning Management Bureau on 18 May 2011
18	Construction Land Use Certificate for Yongcheng Urban construction service center issued by the local Land and Resources Bureau on 18 December 2012.
19	One labour contract sample
20	One physical examination report sample
21	Payroll records in September 2020

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Annex B: STAKEHOLDERS ENGAGED DURING THE E&S AUDIT

Annex B: STAKEHOLDERS ENGAGED DURING THE E&S AUDIT

Name	Category	Department	Title
Mr. Feng Jianqiang	Internal	Yongcheng Regional Office	Regional Manager
Mr. Xie Junwei	Internal	Yongcheng Regional Office	Deputy Regional Manager
Mr. Li Yang	Internal	Management Team	General Manager
Ms. Zhao Yixuan	Internal	Yongcheng Regional Office	Human Resource Manager
Mr. Wang	External	Environmental Inspection Team of local EEB	Director

Annex C: PHOTO LOG

Photo Log – Yongcheng No.4 WWTP



Photo 1 Entrance of the Site



Photo 2 Wastewater Inlet



Photo 3 Biological Tank

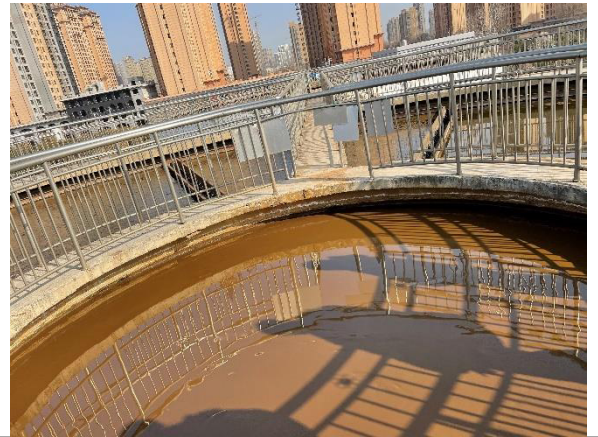


Photo 4 Secondary Sedimentation Tank



Photo 5 Sludge Treatment Room



Photo 6 Aboveground Storage Tank

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ANNEX C: PHOTO LOG

Photo Log – Yongcheng No.4 WWTP



Photo 7 Aboveground Storage Tank



Photo 8 HW warehouse



Photo 9 HW warehouse



Photo 10 Wastewater Outlet

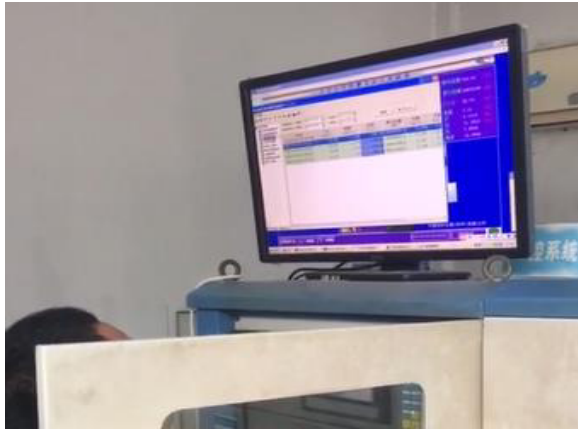


Photo 11 Online Treated Wastewater Monitoring Device



Photo 12 Online Treated Wastewater Monitoring Room

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ANNEX C: PHOTO LOG

Photo Log – Yongcheng No.4 WWTP



Photo 13 Mazhuanglou Village is located immediately to the north of the Site



Photo 14 Hulou Village is located to the south of the Site



Photo 15 Slaughterhouse is located to the west of the Site



Photo 16 Commercial housing under construction is located to the east of the Site