



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

(a joint stock company incorporated in the People's Republic of China with limited liability)  
Stock code : 1542

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

# 2023



\* for identification purposes only



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## ABOUT THE REPORT

### PURPOSE OF THE REPORT

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

### REPORTING SCOPE

The Report covers the sustainability performance of the Group for period from 1 January 2023 to 31 December 2023 (the “Reporting Period”). Unless otherwise specified, the Report covers the Group’s raw water supply project, municipal water supply project, tap water supply project, installation services, projects under construction of Taizhou Water Supply System (Phase III) and Taizhou Water Supply System (Phase IV), pipeline potable water project and packaged drinking water project, all of which are located in Taizhou, China, which is consistent with the reporting scope of the Group’s annual report. The reporting scope is determined based on the importance of each entity to our business and operations and the impact on sustainability.

### REPORTING STANDARDS

In preparing the Report, we followed the mandatory disclosure requirements and the “Comply or Explain” provisions in the “Environmental, Social and Governance Reporting Guide” (the “Reporting Guide”) as set out in Appendix C2 to the latest Rules Governing the Listing of Securities (the “Listing Rules”) issued by The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

### REPORTING PRINCIPLES

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

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

## ABOUT THE REPORT

### REPORTING LANGUAGE

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

### EXPLANATION ON FIGURES

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

### FEEDBACK

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

## ABOUT THE GROUP

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

The year 2023 is the third year of the “14th Five-Year” Plan implemented by the PRC government. We closely following the direction of water policies, and by integrating internal and external resources, we have formed a “water and protecting the environment segment” industrial segment layout by focusing on the core positioning of “comprehensive development operator of water and protecting the environment resources” and the construction of “water and protecting the environment engineering investment, financing, construction, management and operation platform” and “water and protecting the environment resources integrated development and utilization platform”, committing to becoming an excellent water service provider and comprehensive development operator of water and protecting the environment resources in the Yangtze River Delta region.

We have continued to focus on the four key pillars of our sustainability strategy, stable and reliable water supply, protecting the environment, caring for employees and caring for the community, to strengthen the Group’s position as a leading water supply service provider in Taizhou. During the Reporting Period, the Group made a breakthrough in construction and commenced operation of the pipeline potable water project. In the future, the Group will continue to promote sustainable development in its business operations and move towards a sustainable future.



## ABOUT THE GROUP

## SUSTAINABILITY HIGHLIGHT OF THE YEAR

**Implementation of Energy Management System Project**

During the Reporting Period, we established and implemented an energy management system to facilitate the implementation of energy-saving transformation programs in an effort to promote green production development.

**Promoting the Use of Renewable Energy**

We carried out the construction of a large-scale grid-connected photovoltaic power plant at the East Zone of Taizhou Binhai Water Co., Ltd.\* (台州市濱海水務有限公司) during the Reporting Period to reduce greenhouse gas, waste gas and pollutant emissions caused by coal combustion.

**Implementation of Pipeline Potable Water Project**

The Group's pipeline potable water project at Taizhou Vocational College of Science & Technology commenced operation during the Reporting Period, which helps to reduce pollution and carbon emissions caused by the disposal of bottled water, while providing customers with safe and high quality drinking water.



## ABOUT THE GROUP

## MAJOR PROJECT CONSTRUCTION MILESTONES OF THE YEAR

**Taizhou Water Treatment Plant Expansion Project Entered Into the Joint Commissioning Stage**

During the Reporting Period, the Taizhou Water Treatment Plant Expansion Project was successfully commissioned. Upon completion of the second phase of the expansion, the water supply capacity will reach 650,000 tons per day, which will enable the Taizhou Water Treatment Plant to move away from the unfavorable situation of having a single line of access to the raw water supply, and the two channels will be used interchangeably, which will help to ensure water supply capacity and stability.

**Zhuxi Reservoir in Taizhou was Officially Closed for Water Storage**

The construction of the Zhuxi Reservoir project in Taizhou officially commenced in July 2017. During the Reporting Period, the Zhuxi Reservoir in Taizhou was officially closed to store water in preparation for the water supply program in the following year. Once operational, the Zhuxi Reservoir in Taizhou will be able to provide reliable water for domestic and production use for the residents in the southern part of Taizhou, and at the same time greatly improve the flood prevention capacity of the downstream banks of Zhuxi.

**Taizhou South Water Resources Optimization Project Commenced Construction**

The Taizhou South Water Resources Optimization Project (Luqiao-Jiaojiang Water Supply Pipeline-Luqiao Section) entered the initiation phase during the Reporting Period. Upon completion, the project will further satisfy the water demand for the development of Jiaojiang and Luqiao, and at the same time, it will be able to interconnect with the existing water supply system and improve the emergency water supply security capacity.



## HONOURS AND AWARDS

Organizers	Awards and Honours	Awarded Organization/Employee
Taizhou Safety Production Committee	Outstanding Performer in Assessment of Responsibility for Safety Production Target of Taizhou City 2023	The Group
Taizhou State-owned Assets Supervision and Administration Commission	2023 State-owned Enterprises Reform Project “The Open Competition Mechanism to Select The Best Candidates” Excellent Cases	
Party Working Committee of Taizhou State-owned Assets Supervision and Administration Commission	Demonstration Site for the Clean State-owned Enterprises of the City 2023	
Office of the Provincial Committee	Excellent Unit in Integrity Building	
Taizhou Public Security Bureau	Model of Safety 2022	
Taizhou “Waste-Free City” Construction Special Office	Waste-free Factory of Taizhou	Taizhou City Water Co., Ltd. * (台州城市水務有限公司)
Taizhou Domestic Waste Classification Leadership Group Office	Municipal Demonstration Unit for Waste Classification	
Taizhou Public Security Bureau	Model of Safety 2022	Wenling Zeguo Water Supply Co., Ltd.* (溫嶺市澤國自來水有限公司)
Taizhou Water Resources Bureau	2023 Standardized Management Municipal Excellence Project List	
The Organization Department of Zhejiang Provincial Committee of the Communist Party of China, and the Leadership Group Office for the Studying and Implementing Xi Jinping’s Thought on Socialism with Chinese Characteristics for a New Era Theme Education of the Zhejiang Provincial Committee of the Communist Party of China	Serve as a Good Secretary in Zhejiang	Xu Junwei (徐軍偉) – Taizhou Binhai Water Co., Ltd.* (台州市濱海水務有限公司)
Taizhou Domestic Waste Classification Leadership Group Office and Government Offices Administration of Taizhou	2023 Taizhou Municipal Domestic Waste Classification Benchmark Unit	Taizhou Binhai Water Co., Ltd. * (台州市濱海水務有限公司)

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## OUR SUSTAINABILITY MANAGEMENT APPROACH

The Group regards sustainability as the foundation of our business development. In response to policies such as carbon neutrality and the “14th Five-Year” Plan, as well as to realize the concept of “focusing on protecting the environment and energy saving, ensuring high-quality water supply and servicing everyone”, we are committed to integrating sustainability into our business by focusing on the four key pillars of ensuring stable and reliable water supply, protecting the environment, caring for employees and caring for community, while ensuring that we maintain our leading position as a quality and reliable water supply service provider in China and achieving our business objective of “safe, efficient and orderly” water supply.

### SUSTAINABILITY GOVERNANCE

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

#### Roles and Responsibilities

##### Board of Directors (Strategy Committee)

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



##### ESG Working Group

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



##### Main Business and ESG-related Operating Divisions

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

## OUR SUSTAINABILITY MANAGEMENT APPROACH

### SUSTAINABILITY RISK MANAGEMENT

With the assistance of an independent third-party sustainability consultant, the Group conducted comprehensive ESG related risk assessments to ensure that we can effectively manage operational risks:

<b>1. Identification</b>	We identify ESG-related risks (including but not limited to climate related risks and supply chain environmental and social risks) that are relevant to the Group's business through our understanding over routine operation, stakeholder feedback, and emerging ESG trends.
<b>2. Evaluation</b>	We evaluate the potential impact and probability of each identified ESG-related risk.
<b>3. Prioritization</b>	We identify significant risks through the results of our risk evaluation and prioritize their level of risk.
<b>4. Management</b>	The ESG Working Group formulated relevant countermeasures and regularly reviewed the effectiveness of such measures and report to the Board, and will make proposals on improvement to the Board when necessary.

For details of the corporate governance and risk management approach, please refer to the section of "Corporate Governance Report" in the Group's 2023 Annual Report.

## OUR SUSTAINABILITY MANAGEMENT APPROACH

## SUSTAINABILITY STRATEGY

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

### Ensuring Stable and Reliable Water Supply

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

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



### Caring for Employees

**Direction:** People-oriented, care for and value our employees

**Target:** Create a fair and equal working environment for our employees by caring for their health and safety and providing them with equal opportunities



### Protecting the Environment

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

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



### Caring for the Community

**Direction:** Serve people with passion and create a harmonious community

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



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

## STAKEHOLDER ENGAGEMENT

The opinions of the Group's stakeholders are critical to our business and sustainability. In order to understand and meet the expectations of our stakeholders, the Group maintains various channels of communication with its key stakeholders.

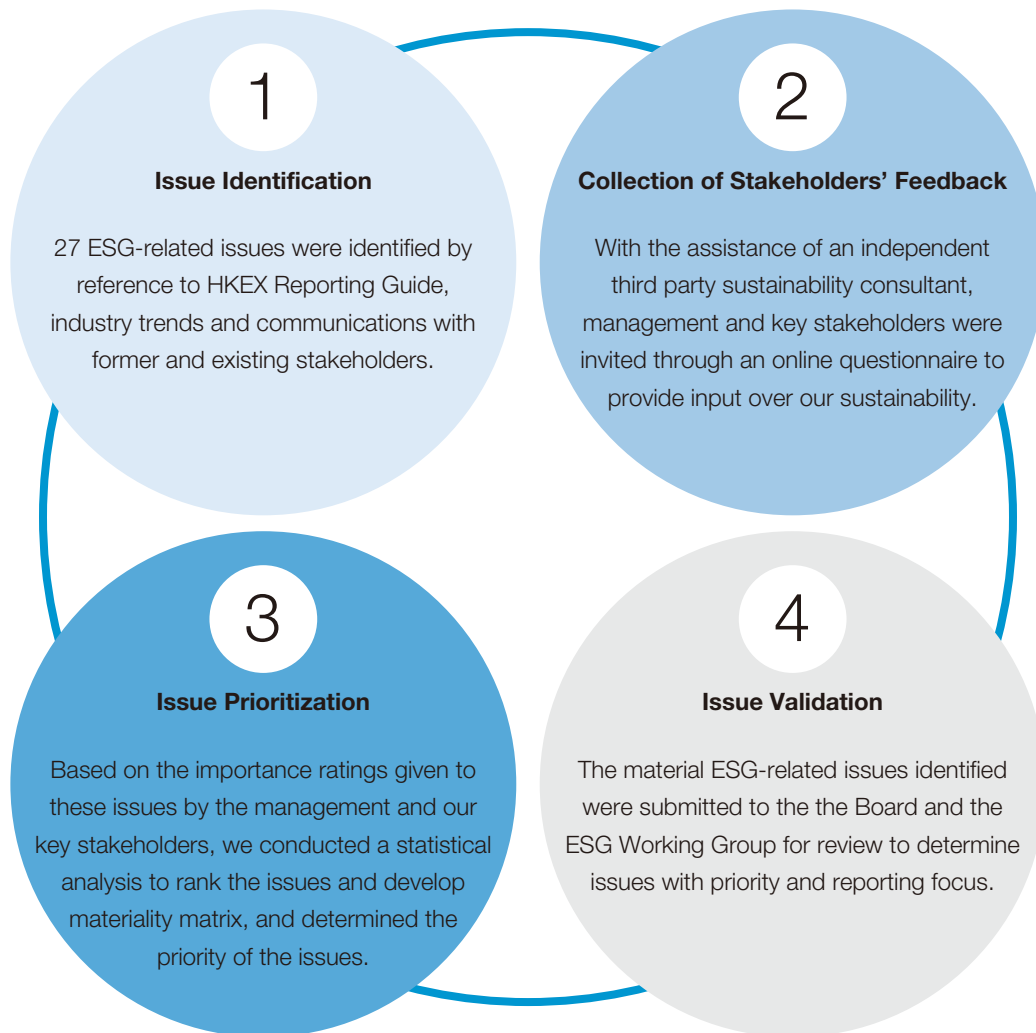
### MAJOR TYPES OF STAKEHOLDERS AND COMMUNICATION CHANNELS:

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

## STAKEHOLDER ENGAGEMENT

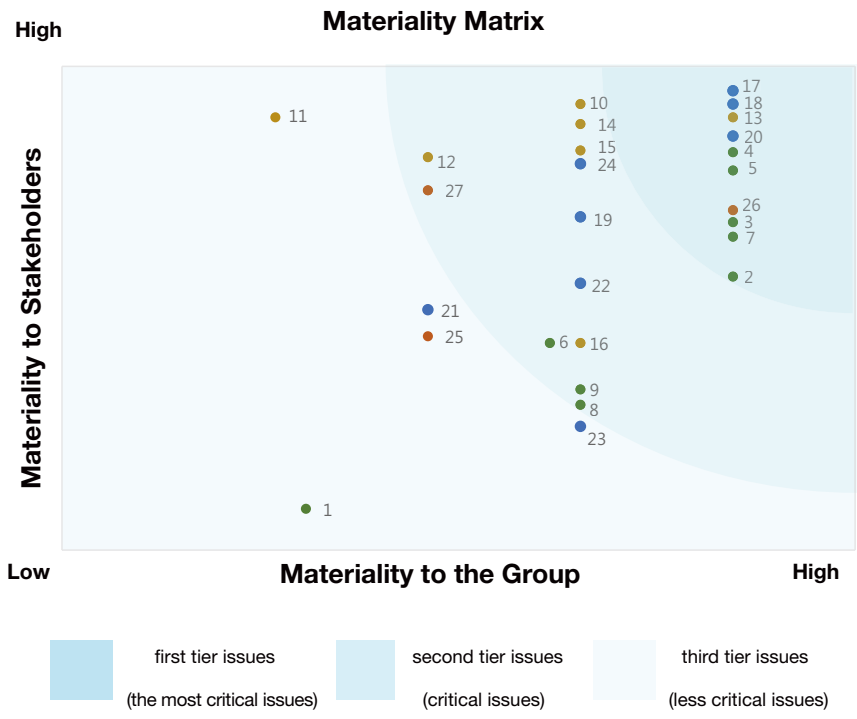
## MATERIALITY ASSESSMENT

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



STAKEHOLDER ENGAGEMENT

The materiality matrix below shows the relative significance of the 27 sustainability issues to stakeholders (y-axis) and the Group (x-axis). The most critical issues are placed at the first tier of the matrix, while less critical issues are listed at the third tier, and those at the second tier represent emerging issues of increasing importance. The 10 issues at the first tier of the matrix are the most significant topics for the year. The performance and progress of the most significant issues identified will be highlighted in subsequent sections of the Report, with a focus on these important issues in the longer term and the development of a sustainability strategy accordingly.



## STAKEHOLDER ENGAGEMENT

## LIST OF ESG ISSUES:

Environment	Employees	Operation	The Community
1. Air Emissions	10. Employment Relationship	16. Social Risks in the Supply Chain	25. Supporting Community Development
2. Waste Disposal and Recycling	11. Employee Welfare	17. Water Quality and Water Safety	26. Promoting Water Conservation Education
3. Carbon Reduction and Energy Efficiency	12. Equal Opportunity, Diversity and Anti-discrimination	18. Water Supply Pressure and Stability	27. Collaboration for Sustainable Development of the Industry
4. Water Efficiency and Conservation	13. Occupational Health and Safety	29. Customer Service	
5. Sewage Treatment	14. Staff Development and Training	20. Data Protection and Network Security	
6. Biodiversity	15. Employment Compliance	21. Technology Development	
7. Climate Resilience and Responsiveness		22. Intellectual Property Protection	
8. Green Procurement		23. Marketing and Advertising	
9. Environmental Risks in the Supply Chain		24. Anti-corruption	

## THE MOST MATERIAL ISSUES:

No.	Issue	Related Section
2	Waste Disposal and Recycling	Waste and Water Management
3	Carbon Reduction and Energy Efficiency	Energy and GHG Emissions Management
4	Water Efficiency and Conservation	Water Saving
5	Sewage Treatment	Waste and Water Management
7	Climate Resilience and Responsiveness	Response to Climate Change
13	Occupational Health and Safety	Occupational Health and Safety
17	Water Quality and Water Safety	Water Quality and Safety
18	Water Supply Pressure and Stability	Sufficient and Stable Water Supply
20	Data Protection and Network Security	Customer Privacy and Data Security
26	Promoting Water Conservation Education	Caring for the Community

## ENSURING STABLE AND RELIABLE WATER SUPPLY

### UNSDGs



### DIRECTION

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

### TARGET

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

### THE MOST MATERIAL ISSUES COVERED IN THIS CHAPTER:

- Water Quality and Water Safety
- Sufficient and Stable Water Supply
- Customer Privacy and Data Security

## WATER QUALITY AND SAFETY

As a supplier of drinking water, we uphold the principle of “safe, efficient and orderly” water supply, with the protection of water quality and safety as our top priority. We strictly complies with the relevant laws and regulations<sup>1</sup> and have also established a strict management system for product and service quality, for which Taizhou City Water Co., Ltd., a subsidiary of the Group has been certified by the ISO 9001:2015 product and service quality management system standard.

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

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



## ENSURING STABLE AND RELIABLE WATER SUPPLY

We have obtained the health permit in respect of products involving drinking water safety in accordance with applicable laws and regulations<sup>2</sup>. We also obtained the water intake permit, and acquired water according to the approved annual water intake plan.

In order to protect the health of users, we ensure that the supplied drinking water complies with relevant laws, regulations and standards<sup>3</sup>. We are responsible for testing the water quality of raw water, treated water and pipe network water, and truthfully reporting water testing data to competent departments of local urban water supply.

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

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

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

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



In addition, the Group's packaged drinking water project was officially launched during the Reporting Period. To ensure the quality and safety of the mineral water, stringent surveys and inspections were carried out prior to the water intake stage, so as to provide quality drinking water to our customers.

<sup>2</sup> For details of laws and regulations relating to the health and safety of products and services, please refer to "List of Key Laws and Regulations" section of the Report.

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

## ENSURING STABLE AND RELIABLE WATER SUPPLY

### SUFFICIENT AND STABLE WATER SUPPLY

The Group is committed to providing sufficient and stable water supply to its users. During the Reporting Period, we implemented multiple construction projects to improve the performance of water supply volume, water supply stability, water efficiency, and scheduling capabilities.

#### Taizhou Water Treatment Plant Expansion Project Entered Into the Joint Commissioning Stage

During the Reporting Period, the Taizhou Water Treatment Plant Expansion Project was successfully commissioned. Upon completion of the second phase of the expansion, the water supply capacity will reach 650,000 tons per day, which will enable the Taizhou Water Treatment Plant to move away from the unfavorable situation of having a single line of access to the raw water supply, and the two channels will be used interchangeably, which will help to ensure water supply capacity and stability.



## ENSURING STABLE AND RELIABLE WATER SUPPLY

**Zhuxi Reservoir in Taizhou was Officially Closed for Water Storage**

During the Reporting Period, the Zhuxi Reservoir in Taizhou was officially closed to store water, marking the official transition of the Zhuxi Reservoir project from the construction stage to the operation stage. Zhuxi Reservoir is a large-scale reservoir mainly designed for water supply, combined with flood prevention, irrigation, power generation and other comprehensive utilization, which can increase the water supply capacity of the southern part of Taizhou by 100 million cubic meters, ensuring the domestic and production water needs of 3.5 million residents in the area.

**Taizhou South Water Resources Optimization Project**

The construction of the Taizhou South Water Resources Optimization Project (Luqiao-Jiaojiang Water Supply Pipeline-Luqiao Section) commenced in October 2023. The project starts from Taizhou Water Treatment Plant and ends at the junction of Luqiao District and Jiaojiang District, with a total pipeline length of approximately 10.10km and a total project investment of more than RMB250 million. After the completion of the project, it will further satisfy the water demand for the development of Jiaojiang and Luqiao, and at the same time, it will be able to interconnect with the existing water supply system, enhancing the emergency water supply security capabilities, and better serve the socio-economic development of the southern part of Taizhou.



## ENSURING STABLE AND RELIABLE WATER SUPPLY

### SMART WATER SERVICES

In order to provide the best water supply service to our customers, we have continued to upgrade our information system and establish a smart water service system for the Group and our water plants. We have invested plenty of resources in the construction of information systems such as the water service big data center, geographic information system (GIS), pipeline water quality monitoring, online water quality monitoring meters, point inspection and production management, and have continued to explore new models of smart water service to improve monitoring efficiency.

#### Smart Monitoring and Scheduling

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

In addition, through close monitoring of the operation status of water supply, we can precisely regulate the water supply in time slots according to the real-time pressure dynamics of the pipeline network, as well as coordinate water dispatching through upstream and downstream linkages. At the same time, we gave full play to the storage capacity of the clear water ponds of the downstream water divisions to relieve the pressure of water supply during peak periods and ensure sufficient water quantity and stable water pressure.

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

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

#### Smart Services

We are committed to improving the efficiency and standard of our business through the use of advanced technologies such as big data, cloud computing and the internet of things. By upgrading the water division’s marketing and installation system platform, we have streamlined and optimised the installation process and compressed business processing time.

In order to further improve the pipeline leakage control system and reduce the production and sales margins, we initiated the upgrading of the district metering leakage control system platform during the Reporting Period, which enables leakage control through district metering, district pressure control, and district leakage pre-warning.

## ENSURING STABLE AND RELIABLE WATER SUPPLY

### PROJECT QUALITY

Ensuring the quality of projects will help us to implement water supply constructions and services. We strictly comply with the relevant laws and regulations<sup>4</sup> relating to the project construction and formulate our own Measures on Quality Management of Construction Works (《工程質量管理辦法》). The Group follows the basic construction policy known as “in a task so important for generations to come, good quality must be ensured” and strengthens the quality control in the process of each project to ensure that quality is maintained at a high level, so as to achieve the standard of quality, safety and civilization as a whole. Under the four-pronged quality management assurance system featuring “self-inspections of the construction unit, inspections of the supervision unit, inspections of the owner, and regulation of the government”, the Group’s projects are delivered with high quality with the strict implementation of comprehensive quality management by all the parties involved, stringent self-inspection, a random inspection system and process handover and acceptance system.

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

In order to ensure the quality and safety of construction projects, we carried out several project inspections and safety screening exercises during the Reporting Period, including inspections of safety hazards, project construction and emergency safeguard measures at construction sites such as water plant expansion projects and water supply renovation projects.



### CUSTOMER PRIVACY AND DATA SECURITY

The Group attaches great importance to the interests of its users and customers and is committed to protecting their privacy and information. The Group strictly complies with applicable laws and regulations<sup>5</sup> relating to data protection and privacy, and we also guarantee that we only collect customer information as and when necessary, and will not utilise customer information for purposes other than the Group’s business. Besides, the Group continuously enhances the awareness of our employees on the protection of customer privacy, for example, we promote the importance of data confidentiality among our employees with the labour contract and employee handbook specifying that employees are obliged to keep the Group’s business secret and the customer information confidential. We also require employees to handle customer information carefully.

<sup>4</sup> For details of laws and regulations relating to project construction, please refer to “List of Key Laws and Regulations” section of the Report.

<sup>5</sup> For details of laws and regulations relating to data protection and privacy, please refer to “List of Key Laws and Regulations” section of the Report.

## ENSURING STABLE AND RELIABLE WATER SUPPLY

### Carry out Cyber Security Publicity Activities

In order to raise staff's awareness of network data security and protection skills, we invited experienced lecturers to provide staff with relevant knowledge and case studies on network and information security laws, as well as data security management measures during the Reporting Period.



## CUSTOMER SATISFACTION

In order to understand customers' concerns and expectations, we collect customers' opinions and understand their demands through channels such as customer service hotline, social websites and customer service emails. During the Reporting Period, we also conducted customer satisfaction surveys to understand our customers' opinions and expectations. We handle customer complaints carefully and keep written records for all complaints. The responsible department of the Group will analyse and investigate the matters related to the complaints and provide advice on how to handle such complaints. Then, such department will provide complainants with feedback and track the complainants' satisfaction about the solutions. During the Reporting Period, we did not receive any material complaints<sup>6</sup> about products and services (2022: nil).

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

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

## ENSURING STABLE AND RELIABLE WATER SUPPLY

**Go Deep into the Grassroots and Provide Considerate Services to the People**

In order to provide the most considerate services to the public, during the Reporting Period, Wenling Zeguo Water Supply Co., Ltd. (溫嶺市澤國自來水有限公司) extended its offices to various communities to conduct on-site inspections of pipeline leakage, check the integrity of valve manhole covers, inspect fire protection facilities, drain and flush the ends of the pipe network, and answer questions on difficulties in the installation of “one account, one water meter”, endeavouring to provide customers with the best quality service.

**INTELLECTUAL PROPERTY PROTECTION**

The Group is committed to protecting our intellectual property rights and at the same time strictly prohibits infringement of the intellectual property rights of third parties. We strictly comply with the applicable laws and regulations<sup>7</sup> relating to intellectual property rights. The Group also established the Intellectual Property and Patent Management System (《知識產權及專利管理制度》) to standardise the Group’s intellectual property and patent management, define responsibilities and duties, protect the Group’s intellectual property and patent from infringement and fight against illegal infringements. We have set up the Technical Patent Management System (《技術專利管理制度》) that covers the technical patent project establishment, research and development and acceptance, registration/application, filing, confidentiality, infringement/anti-infringement, maintenance procedures and archives management to protect various projects and R&D from infringement and to safeguard the Group’s R&D achievements. At the same time, we prohibit our employees from making unauthorised use of third-party intellectual property rights, such as patents and trademarks.

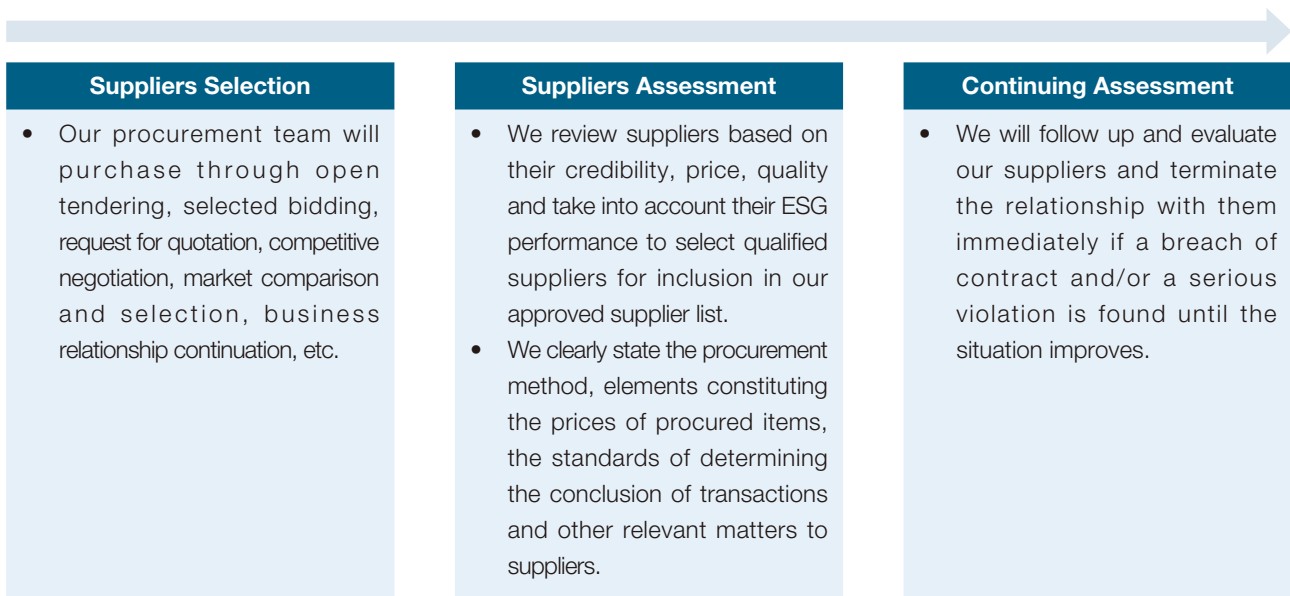
During the Reporting Period, the Group was not aware of any material violation of laws and regulations in respect of the health and safety, intellectual property and privacy matters relating to products and services provided.

<sup>7</sup> For details of laws and regulations relating to intellectual property rights, please refer to “List of Key Laws and Regulations” section of the Report.

## ENSURING STABLE AND RELIABLE WATER SUPPLY

## SUPPLY CHAIN MANAGEMENT

The raw materials, power and parts and components and equipment used for the Group's water supply and the installation of tap water pipeline networks business are mainly raw water, electricity, construction materials, pipelines, spare parts for daily repair and maintenance, and chemicals used for water treatment, such as sodium hypochlorite and hydrated lime. In order to ensure the quality of raw materials, we have established a comprehensive internal control system in respect of supply chain management by formulating internal management systems such as the Materials Management System (《物资管理制度》) with reference to laws and regulations<sup>8</sup>, to regulate the Group's procurement methods, principles and procedures.



In order to manage environmental and social risks in the supply chain, we require and encourage our suppliers to uphold the principles of sustainability in the supplier social responsibility and ethics commitment, including but not limited to:

- Comply with laws and regulations
- Refrain from any form of corruption, bribery and improper advantageous behaviour
- Protect intellectual property rights and customers' private information
- No child labour, no forced labour, and no discrimination of any kind against employees
- Protect employees' working hours, holidays and salary and benefit packages
- Provide a safe and healthy working environment for employees
- Minimise environmental pollution and waste gas emissions caused by production operations
- Actively implement public welfare

As of 31 December 2023, the number of our major suppliers was 215 (we had 121 major Chinese suppliers in 2022) and all of them were from China. All major suppliers were required to implement practices relating to engaging suppliers and pass our established evaluation process prior to the initiation of formal purchases.

<sup>8</sup> For details of laws and regulations relating to supply chain management, please refer to "List of Key Laws and Regulations" section of the Report.



## CARING FOR EMPLOYEES

### UNSDGs



### DIRECTION

People-oriented, care for and value our employees.

### TARGET

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

### THE MOST SIGNIFICANT ISSUES COVERED IN THIS SECTION:

- Occupational Health and Safety

## OVERVIEW OF EMPLOYEES

As at 31 December 2023, we had 251 (2022: 237) full-time employees in total. All of them were located in China.

Employee Composition <sup>9</sup>	2023	2022
<b>By Gender</b>		
Male	173	157
Female	78	80
<b>By Age Group</b>		
30 or Below	51	46
31-40	71	68
41-50	92	96
51 or Above	37	27
<b>By Employment Type</b>		
Senior Management	7	7
Middle Management	37	30
General and Technical Staff	207	200

<sup>9</sup> Included the Group's overall employee data.

## CARING FOR EMPLOYEES

During the Reporting Period, the Group had 4 turnovers from China (8 turnover from China in 2022).

Employee Turnover Rate <sup>10</sup>	2023	2022
<b>By Gender</b>		
Male	1%	3%
Female	3%	4%
<b>By Age Group</b>		
30 or Below	6%	0%
31-40	0%	0%
41-50	0%	0%
51 or Above	3%	11%

## ATTRACTING AND RETAINING TALENT

The Group adheres to “people-oriented” human resources management approach and is committed to attracting and retaining diversified talents, providing good welfare benefits and creating a healthy and safe working environment for employees. Therefore, the Group strictly complies with the laws and regulations<sup>11</sup> relating to the employment, and signs labour contracts with employees by the principles of equality and negotiation.

<sup>10</sup> Included the Group’s overall employee data.

<sup>11</sup> For details of laws and regulations relating to employment, please refer to “List of Key Laws and Regulations” section of the Report.

## CARING FOR EMPLOYEES

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

## CARING FOR EMPLOYEES

<b>Rest Periods</b>	<ul style="list-style-type: none"> <li>In accordance with the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), employees enjoy holidays to which they are entitled.</li> </ul>
<b>Equal Opportunity, Diversity, Anti-discrimination</b>	<ul style="list-style-type: none"> <li>Offer equal opportunity in recruitment, training, promotion, job relocation, remuneration, benefits, termination of contract and other matters, which is not affected by age, gender, marital status, family status, race, skin colour, nationality, religion, sexual orientation and other factors.</li> <li>We uphold the values of fairness, justice and openness, and comply with relevant laws and regulations to ensure that all employees enjoy equal opportunities in work.</li> <li>The Group has established Board Diversity Policy. When selecting Board members, we will promote diversity by taking full account of candidates' diverse backgrounds and experience based on objective criteria.</li> </ul>
<b>Other Benefits and Welfare</b>	<ul style="list-style-type: none"> <li>Offer employees various benefits and welfare, including but not limited to health check, supplementary medical insurance, annuity, hobby groups such as Ba Duan Jin (Eight-Section Brocade) group, basketball group, volleyball group, swimming group, yoga group, flower arrangement group, tea art group, reading and movie sharing group etc., fun activities such as sports games, shooting competition, spring and autumn outings, health lectures, visiting employees who are hospitalized, retired employees activities, holiday sympathy and gift distribution, birthday celebration, group building activities, and employee recuperation activities, etc., to take care of the physical and mental health and well-being of our employees.</li> </ul>

## CARING FOR EMPLOYEES

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

During the Reporting Period, we delivered heat protection supplies including heatstroke medicine, summer beverages and food to staff who work under the heat and also reminded them to pay attention to safety protection and health conditions, and to make reasonable arrangements for their work and rest time.

**Participate in Swimming Competitions to Encourage Staff to Exercise**

We encourage our staff to be physically fit through sports. During the Reporting Period, the 16-member Taizhou Water Swimming Team participated in the Taizhou State-owned Enterprises Swimming Competition and won the first place in medals and the first place in the team.



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

## CARING FOR EMPLOYEES

## OCCUPATIONAL HEALTH AND SAFETY

The Group is committed to safeguarding the occupational health and safety of its employees by adhering to the work safety principle of “staying people oriented, insisting on safe development, prioritizing work safety, staying prevention oriented and adopting comprehensive management”. We comply with the relevant laws and regulations<sup>12</sup> relating to health and safety, establish an occupational health and safety system with reference to the international standards of Occupational Health and Safety Management System ISO 45001:2018 and set the annual work safety objective and the implementation plan every year. The Group’s subsidiary, Wenling Zeguo Water Supply Co., Ltd. (溫嶺市澤國自來水有限公司), has also been awarded the Safety Production Standardisation Level-3 Enterprise (安全生產標準化三級企業證書), and its safety standards have been recognized.

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

## Work Safety Achievements

Under the operational guidelines of Taizhou Municipal Party Committee, Municipal Government, Municipal Safety Commission, Bureau of Emergency Management and Municipal State-owned Assets Supervision and Administration Commission, the Group has been guided by the important statements on work safety made by the national leaders and has practically put the concept of safety development into the daily operation of the Group, insisting on treating both symptoms and root causes and systemic management to support the Group’s high quality development with high quality safety management. We also won the excellent unit in the assessment of Taizhou City Work Safety Target Management Responsibility System in 2023. The Group will continue to enhance production safety and make the well-being of its employees a top priority.



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

## CARING FOR EMPLOYEES

**Specialised Training Session on Zhejiang Province Safety Production Regulations (《浙江省安全生產條例》)**

During the Reporting Period, the Group organised a specialised training session on the Zhejiang Province Safety Production Regulations to explain the key points of safety work under the newly amended Zhejiang Province Safety Production Regulations to the relevant staff of the Group's safety management, with a view to further reinforcing the concept of safety development.

**Work Safety Month**

To raise the safety awareness of our staff, we organised the "Work Safety Month" during the Reporting Period with a series of education activities on work safety, including participation in short video competitions on work safety, education on safety knowledge, training on safe practices and fire safety, and launching of hazard detection and drills to ensure that our staff have adequate work safety awareness and emergency response capabilities.

**Firefighting Promotion Month**

During the Reporting Period, the Group responded to the "Firefighting Promotion Month" with the theme of "staying prevention oriented and taking life priority" by adopting various forms of training, including fire equipment experience, teaching related to the use of fire-fighting equipment and fire escape, and teaching on the management of temporary use of electricity, etc., as well as conducting fire hazard inspections and fire drills.



During the Reporting Period, the Group did not have any lost days due to work injury (2022: nil) and did not have any work-related fatalities (2022: nil). In addition, the Group has had no work-related fatalities in each of the past three years including the Reporting Period. We were not aware of any material non-compliance with laws and regulations relating to providing a safe working environment and the protecting employees from occupational hazards during the Reporting Period.

## CARING FOR EMPLOYEES

## DEVELOPMENT AND TRAINING

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

<b>Training and Development<sup>13</sup></b>	<b>2023</b>	<b>2022</b>	<b>Unit</b>
<b>Employee Training</b>			
Total Training Hours	<b>10,309.50</b>	5,988.80	Hour
Average Training Hours	<b>40.43</b>	24.44	Hour
<b>Percentage of Employees Trained by Gender</b>			
Male	<b>68.67</b>	68.95	%
Female	<b>31.33</b>	31.05	%
<b>Percentage of Employees Trained by Employment Category</b>			
Senior Management	<b>2.81</b>	6.39	%
Middle Management	<b>14.86</b>	17.35	%
General and Technical Staff	<b>82.33</b>	76.26	%
<b>Average Training Hours Completed per Employee by Gender</b>			
Male	<b>37.95</b>	27.81	Hour
Female	<b>45.84</b>	17.87	Hour
<b>Average Training Hours Completed per Employee by Employment Category</b>			
Senior Management	<b>140.57</b>	239.25	Hour
Middle Management	<b>98.74</b>	34.96	Hour
General and Technical Staff	<b>26.88</b>	14.62	Hour

<sup>13</sup> Training data included relevant training data of resigned employees to reflect the amount of resources invested by the Group in training and the application extent of the same.



## CARING FOR EMPLOYEES

**Organize MIKE+Water Supply Software Training to Promote Digital Water Supply**

During the Reporting Period, the Group invited professional lecturers to teach more than 40 operational staff on the use of MIKE+ water supply power software for hydraulic simulation, water quality simulation, pipe network vulnerability analysis and water hammer simulation, etc. to ensure staff are familiar with the use of water supply software and to promote digital empowerment.

**Management Capability Enhancement Training for Middle and Senior Executives**

In order to further enhance the management capability of the Group's middle and senior executives, we organised a management capability enhancement training course for our middle and senior executives during the Reporting Period, which provided training on industrial policies, business capabilities and other related topics under the theme of "New Industry • New Technology • New Management".



## CARING FOR EMPLOYEES

### PREVENTION OF CHILD LABOUR AND FORCED LABOUR

We strictly prohibit any employment that violates human rights standards, strictly comply with the relevant laws and regulations on labour standards<sup>14</sup> and do not employ child or forced labour. As the important gate keeper, our human resources department has established a series of internal control procedures to ensure the transparency and legality of the recruitment process, including checking the identity documents of new employees and avoiding the employment of child and illegal labour. In addition, we expressly stipulated the working hours, rest periods, overtime arrangements, holidays and other labour arrangements in the labour contracts of our employees to ensure that they enjoy sufficient rest days and to avoid overwork or forced labour. These procedures will be monitored and inspected on an ongoing basis and if any irregularities are found, the Group will take immediate steps to stop the relevant work and report to the regulatory authorities.

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

### ANTI-CORRUPTION

We are committed to building a clean corporate culture and values and strictly comply with the applicable laws and regulations<sup>15</sup> relating to the anti-corruption and prohibit bribery, extortion, fraud and money laundering. In this regard, we have established the Manual for Integrity Risk Control (《廉潔風險防控手冊》) to clarify the core values of “anti-corruption” and have standardised and optimised the process of integrity risk prevention and control in all aspects. We develop the Schedule of Division of Responsibilities in Clean Party Construction and Anti-corruption (《黨風廉政建設和反貪腐敗工作責任分工表》) every year to clarify the responsibility of each department in anti-corruption work. In the meantime, the Discipline Inspection and Supervision Office of the Group is the core department in such management, which is responsible for researching and deploying anti-corruption and integrity promotion work, organising the formulation and implementation of discipline inspection and supervision work plan. The Discipline Inspection and Supervision Office also takes charge of accepting the whistleblowing and appeal from Party members and the public. In accordance with the Measures of Taizhou Municipal Discipline Inspection Commission and Taizhou Municipal Supervision Commission on the Management of Whistleblowing Box for Discipline Inspection and Supervision (Trial) (《台州市紀委市監委紀檢監察舉報箱管理辦法(試行)》), we set up the whistleblowing box at an appropriate place, thus effectively protecting the whistle-blower and the materials we have received and keep them confidential.

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

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

<sup>14</sup> For details of laws and regulations relating to employment, please refer to “List of Key Laws and Regulations” section of the Report.

<sup>15</sup> For details of laws and regulations relating to anti-corruption, please refer to “List of Key Laws and Regulations” section of the Report.

## CARING FOR EMPLOYEES

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

During the Reporting Period, we conducted a number of anti-corruption trainings for directors and employees to enhance their anti-corruption awareness and strengthen the efforts in building integrity in waterworks.

**Convening the 2023 Party Building and Clean Party Construction Work Conference**

The 2023 Party Building and Clean Party Construction Work Conference of the Group was held in April 2023, gathering the directors, the leadership team and members of the various party branches of the Group in order to raise awareness and knowledge related to anti-corruption.

**Launch of Integrity Promotion Month**

During the Reporting Period, we launched the Integrity Promotion Month, during which a meeting to promote integrity in waterworks and remind the anti-corruption and discipline of the Group was convened and integrity education activities for young staff were organised to raise their awareness and knowledge of anti-corruption.

**Recognised as a Unit with Outstanding Achievements in Integrity Building in the Province**

Focusing on the characteristics of the water supply industry, the Party Committee of the Group has continued to enrich the practice of "three no-corruptions" to safeguard the steady development of the enterprise. In 2023, we were recognised as a unit with outstanding achievements in integrity building in the province, and our level of integrity building was widely recognised.

# PROTECTING THE ENVIRONMENT

## UNSDGs



## DIRECTION

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

## TARGET

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

## THE MOST SIGNIFICANT ISSUES COVERED IN THIS SECTION:

- Energy and GHG Emissions Management
- Water Saving
- Waste and Water Management
- Response to Climate Change

As an important part of the corporate philosophy, the Group has always adhered to environmental principles in its production, construction and operations. We not only strictly abide by the laws and regulations<sup>16</sup> relating to the environment, but also has established a sound environmental management system, for which our subsidiary Taizhou City Water Co., Ltd. has been certified by the international ISO 14001:2015 environmental management system standard and has formulated a corresponding environmental management system in accordance with that system.





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

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



<sup>16</sup> For details of laws and regulations relating to the environment, please refer to “List of Key Laws and Regulations” section of the Report.

## PROTECTING THE ENVIRONMENT

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

During the Reporting Period, the Group was not aware of any material violation of laws and regulations regarding waste and greenhouse gas emissions, discharges to water and land, and the generation of hazardous and non-hazardous wastes.

## RESPONSE TO CLIMATE CHANGE

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

We continued to identify and manage climate-related matters in our business during the Reporting Period. The table below summarises climate-related risks and our response.

## PROTECTING THE ENVIRONMENT

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

## PROTECTING THE ENVIRONMENT

**Preparedness for Extreme Weather Emergency****Strong Cold Wave**

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

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

**Severe Typhoon**

During the Reporting Period, the Group conducted the 2023 joint emergency drill on flood and typhoon prevention, which covered various scenarios of flood and typhoon prevention, including simulated scenarios of joint draining of a pump house, joint rescue of an accident in a confined space and emergency repairs of a water cut-off incident, as well as training on first aid, etc., in order to ensure that staff members are able to take effective precautions in the event of an extreme weather condition.

Before the onset of the typhoon, we held a work deployment meeting to make comprehensive preparations for the typhoon. In addition, in order to prevent water conservancy projects from being threatened by flooding, we carried out flood and typhoon inspections on major water conservancy projects during the Reporting Period, including supervision of equipment operation and flood and typhoon prevention measures, as well as inspections of typhoon preventive measures and equipment of the water supplies department, to ensure normal and safe operation under typhoon.





## PROTECTING THE ENVIRONMENT

## ENVIRONMENTAL PROTECTION MEASURES FOR CONSTRUCTION PROJECTS

In order to minimize the impact of construction projects on the environment and natural resources, we conduct environmental impact assessments in accordance with the relevant applicable laws and regulations<sup>17</sup> prior to construction. Based on the characteristics of construction projects and the features of local environment, the major environmental impacts identified include: the impact of waste water, domestic sewage, construction noise and air emissions produced in the course of construction on the water, sound and atmospheric environment; the impact of land acquisition and occupation, earthwork and excavation, waste keeping and disposal during construction on the soil and water conservation and the ecological environment; and the impact of projects on regional water resources.

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





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

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



## PROTECTING THE ENVIRONMENT

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

## PROTECTING THE ENVIRONMENT

### Rehabilitation of Pipeline Surroundings

The Taizhou Water Diversion Project and the Taizhou South Bay Water Diversion Project are linear projects, which occupied a large amount of arable lands during the construction. For the purpose of protecting the ecological environment and natural resources, we had launched the reclamation works for the temporary lands involved in the aforementioned projects in Huangyan, Luqiao, Wenling, Yuhuan and other regions, to restore the environment and the quality of arable land.



## ENERGY AND GHG EMISSIONS MANAGEMENT

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

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

### Implementation Projects of Energy Management System

As the performance of water supply of Taizhou Water Plant continues to improve, we also continue to expand the scale of it, which will lead to a increase of energy consumption in the future. In order to enhance our energy management capabilities and improve the energy utilization efficiency, we established an energy management system during the Reporting Period to promote the implementation of energy-saving renovation plans, and continuously improve the effectiveness of the energy management system through energy-saving monitoring, energy audits, measurement and testing of energy consumption and other measures.

## PROTECTING THE ENVIRONMENT

**Reducing Carbon Emissions by Photovoltaic Power Generation**

To establish a clean, low-carbon, safe, and efficient energy system, we deployed the construction of a large-scale grid-connected photovoltaic power station at the East Zone of Taizhou Binhai Water Co., Ltd. during the Reporting Period. With an average annual ongrid power generation of over 2 million kilowatt-hours, the project is able to meet the daytime operation needs of the water plant, reducing the electricity costs of the plant by 30%, and at the same time, reducing the emissions of GHG, exhaust gas, dust and slag caused by coal combustion.

**Achieving Green and Low-carbon Water Supply with the Commissioning of Pipeline Potable Water Project**

During the Reporting Period, the pipeline potable water project of the Group at Taizhou Vocational and Technical College had been put into operation, becoming the first project of pipeline potable water in Taizhou City. The pipeline potable water project offers the advanced purification process for the existing tap water to meet the national standards for direct potable water, and then distributes the processed water to users through independent pipeline network, enabling the users to enjoy the clean water straight from their faucets. This project is conducive to reducing pollution and carbon emissions caused by the disposal of bottled and barreled water, and contributing to the goals of carbon peak and carbon neutrality.



## PROTECTING THE ENVIRONMENT

### WASTE AND WATER MANAGEMENT

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

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

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

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

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

## PROTECTING THE ENVIRONMENT

### USE OF RESOURCES

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

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

### WATER SAVING

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

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

## PROTECTING THE ENVIRONMENT

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

### GREEN PROCUREMENT

In order to promote the utilization of environmentally friendly products and services in the selection of suppliers, the Group adheres to the green procurement policy during the procurement, including:

- Prioritize the use of environmentally friendly paper with FSC® certification
- Prioritize the procurement of appliances with energy labels
- Prioritize the selection and use of products with less or environmentally friendly packaging materials
- Prioritize the engagement with suppliers in the vicinity of the area of our operation to reduce the carbon emissions from transportation

## PROTECTING THE ENVIRONMENT

## OVERVIEW OF ENVIRONMENTAL PERFORMANCE DATA

KPIs <sup>18 19</sup>	2023	2022	Unit
<b>GHG</b>			
Total GHG emission (Scope 1 and 2)	<b>27,115.62</b>	25,697.30	tCO <sub>2</sub> e
– Direct emission (Scope 1)	<b>216.56</b>	216.81	tCO <sub>2</sub> e
– Indirect emission (Scope 2)	<b>27,042.74</b>	25,623.09	tCO <sub>2</sub> e
– Total GHG reduced by planting trees	<b>143.68</b>	142.60	tCO <sub>2</sub> e
Intensity of total GHG emissions (Scope 1 and 2)	<b>49.07</b>	54.85	tCO <sub>2</sub> e/million tonne water supply
<b>Air emissions</b>			
Nitrogen oxides (NO <sub>x</sub> )	<b>166.49</b>	174.12	kg
Sulfur oxide (SO <sub>x</sub> )	<b>5.72</b>	5.65	kg
Particulate matter (PM)	<b>14.80</b>	13.40	kg
<b>Energy<sup>20</sup></b>			
Total energy consumption	<b>45,167.83</b>	42,829.51	'000 kWh
– Electricity	<b>44,325.09</b>	41,998.18	'000 kWh
– Diesel	<b>79.09</b>	79.74	'000 kWh
– Liquefied petroleum gas	<b>60.23</b>	42.31	'000 kWh
– Natural gas	<b>125.78</b>	131.28	'000 kWh
– Unleaded petrol	<b>577.64</b>	578.00	'000 kWh
Intensity of total energy consumption	<b>81.73</b>	91.42	'000 kWh/million tonne water supply
<b>Water consumption<sup>21</sup></b>			
Total water consumption	<b>13,049.48</b>	13,289.00	m <sup>3</sup>
Intensity of total water consumption	<b>23.61</b>	28.37	m <sup>3</sup> /million tonne water supply
<b>Waste<sup>22</sup></b>			
Total non-hazardous waste	<b>12,132.71</b>	6,883.54	tonne
Intensity of total non-hazardous waste	<b>21.95</b>	14.69	tonne/million tonne water supply

<sup>18</sup> Our disclosures air and GHG emissions have been prepared based on the requirements in Appendix 2 to “How to Prepare an ESG Report” published by the Stock Exchange and “GHG Protocol Corporate Accounting and Reporting Standard (revised edition)” published by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). GHG emissions data is presented in terms of carbon dioxide equivalent. The data of direct emissions (Scope 1) includes operations that are direct controlled or managed by the Group. The data of indirect emissions (Scope 2) takes into consideration the indirect electricity, heat, refrigerants and steam consumed by the Group (purchased or sourced from external parties).

<sup>19</sup> Certain 2022 figures have been adjusted to reflect actual situations.

<sup>20</sup> The data of total consumption includes the use of purchased electricity and fuel (renewable and non-renewable). The relevant conversion factors were calculated with reference to the CDP Technical Note: Conversion of fuel data to MWh published by CDP.

<sup>21</sup> As a water supply enterprise, most subsidiaries of the Group produce water for the daily use of their own. It is difficult to separately measure the water produced for own use, therefore, the data of water consumption only include measurable data of the Group, and does not include all the data of water consumption.

<sup>22</sup> Non-hazardous waste of the Group mainly includes sludge cake, domestic waste and office paper produced in the course of production activities. Hazardous waste data is not disclosed due to the materiality principle, but we will continue to compile statistics and will make relevant disclosures for significant hazardous waste.

## CARING FOR THE COMMUNITY

### UNSDGs



### DIRECTION

Serve people with passion and create a harmonious community.

### TARGET

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

### KEY ISSUES COVERED IN THIS CHAPTER:

- Promoting Water Conservation Education

As a responsible enterprise, the Group continuously devotes resources to making contributions to the community. During the Reporting Period, we focused on contributing focus areas such as helping the poor, environmental protection and promotion of water conservation, donating over RMB120,000 (2022: RMB100,000), and also visited and offered solace to villages to assist communities in need.

### Helping the Poor: Conducting Pairing Assistance in Xianshi Village, Shangzheng County, Huangyan District

During the Reporting Period, the Group conducted pairing assistance in Xianshi Village, Shangzheng County, Huangyan District to revitalise the development of the village. The senior management and employees of the Group visited the households in Xianshi Village to extend their condolences to the disadvantaged groups, deeply understanding the living conditions of these residents, and presenting them with condolences and New Year wishes. In addition, the Group made a donation of RMB90,000 to Xianshi Village, Shangzheng County, Huangyan District to support local development.





## CARING FOR THE COMMUNITY

**Contributing to Environmental Protection**

To enhance the public's awareness of ecology and environmental protection, and to contribute to environmental conservation, the Group participated in the 45th Arbor Day during the Reporting Period. Over 80 employees of the Group and their family members planted more than 100 saplings in the Pioneer Forest ( 先鋒林 ), Women's Forest ( 巾幗林 ), and Youth Forest ( 青年林 ) in the East Zone, promoting environmental protection and emission reduction efforts.

**Promotion of Water Conservation**

We launched a series of promotional activities during the Reporting Period, aiming to raise the awareness of the public to save water.

We set up booths in Zeguo Town to distribute water conservation pamphlets and organize quiz games relating to water conservation, attracting over 200 residents to participate.

To raise public awareness of water conservation, we set an open day at the water plant on the thirty-first World Water Day, inviting citizens to visit Taizhou Binhai Water Co., Ltd.



## LIST OF KEY LAWS AND REGULATIONS

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

## LIST OF KEY LAWS AND REGULATIONS

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

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KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group's business does not involve product recalls.	Not applicable
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Ensuring Stable and Reliable Water Supply – Customer Satisfaction	21
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		The Group's business does not involve product recalls.	
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(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		List of Key Laws and Regulations	
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