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2024

SUSTAINABILITY REPORT



About This Report

This Sustainability Report (“**Report**”) aims to disclose the environmental, social, and governance (“**ESG**”) performance of SIIC Environment Holdings Ltd. (“**SIIC Environment**”, or the “**Company**”, together with its subsidiaries, the “**Group**” or “**we**”) to its investors and related stakeholders.





■ Reporting Scope

Reporting Period: Unless otherwise specified, this Report covers the period from 1 January 2024 to 31 December 2024 (“**Reporting Period**”).

Business Scope: This Report covers the Company's headquarters and the projects operating during the Reporting Period at the Company's major business units (“**BU**”), including SIIC Environment Holdings (Wuhan) Co., Ltd. (“**Wuhan BU**”), Nanfang Water Co., Ltd. (“**Nanfang BU**”), SIIC Environmental Holdings (Weifang) Co., Ltd. (“**Shandong BU**”), Longjiang Environmental Protection Group Co., Ltd. (“**Longjiang BU**”), Shanghai Fudan Water Engineering and Technology Co., Ltd. (“**Fudan BU**”), Ranhill Water (Hong Kong) Ltd. (“**Ranhill BU**”) and the Waste Incineration project of Shanghai SIIC Baojin'gang Environmental Resources Technology Co., Ltd. (“**Baoshan Renewable Energy Utilization Center**”).

■ Reporting Guideline

This Report is prepared in accordance with the Mandatory Disclosure requirement, the “Comply or Explain” provisions, and the Materiality, Quantitative, Balance, and Consistency principles of the *Environmental, Social and Governance Reporting Guide* set out in Appendix C2 to the *Rules Governing the Listing of Securities* (the “**Hong Kong Listing Rules**”) of *The Stock Exchange of Hong Kong Limited* (“**SEHK**”).

 Materiality	The Company identifies material ESG issues by communicating with internal and external stakeholders and listening to their expectations and concerns. The Company responds to the most material ESG issues in this Report.
 Quantitative	The Company has established a data collection system for ESG key performance indicators ("KPIs"). This Report contains standards and procedures for accounting emissions, energy consumption, and other aspects.
 Balance	This Report provides objective facts and discloses both positive and negative indicators.
 Consistency	Unless otherwise noted, the statistical methodology used in this Report and the KPIs disclosed are consistent with previous years to ensure good comparability with historical data.

¹Among the solid waste projects, the Group owns 50% of the equity interests in the Shanghai Pucheng Solid Waste Power Generation Project and the Wenling Solid Waste Power Generation Project, but they are non-consolidated projects and are therefore not included in the scope of the report.

In addition, this Report is prepared in accordance with Rules 711A and 711B of the *Listing Manual of the Singapore Exchange Securities Trading Limited* (“**SGX**”) and by referencing the guidance under the *Sustainability Reporting Guide* -- set out as Practice Note 7.6 of the *Listing Manual of the SGX*, and the internationally recognized *Global Reporting Initiative (GRI) Standards*, which represents the global best practices for reporting on a range of economic, environmental, and social impacts. The climate-related disclosures in this Report are guided by the recommendations of the Task Force on Climate-related Financial Disclosures (“**TCFD**”).

We seek to adhere to the above reporting frameworks’ universal sustainability considerations, general principles and indicators and apply them to report our sustainability policies, practices, performance and targets. This Report has disclosed some indicators in the GRI standards and TCFD framework. The Group will continue to enhance sustainable development management and further improve the disclosure in line with relevant standards in the future. This Report should be read in conjunction with the *Corporate Governance Report* within the Company's Annual Report for the financial year ended 31 December 2024 to gain full knowledge of the Group's ESG performance.

■ Disclaimer of the Report

This Report presents the Group's sustainability philosophy, actions, and achievements during the Reporting Period. The Group's Board of Directors (“**The Board of Directors**”) is responsible for the reliability, truthfulness, objectivity, and completeness of this Report. The Board of Directors has reviewed the Report and confirmed that there were no false representations or misleading statements in any material respect.

The Group recorded the ESG data in an online ESG data collection system and audited the data internally before they were released. In 2024, we conducted an internal review of this Report based on our corporate governance structure and included the work in the annual audit plan, covering key aspects of this Report. The internal review was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* issued by the Institute of Internal Auditors (“**IIA**”).

This Report is published in both English and Traditional Chinese. Where there is any discrepancy between the two versions, the English version shall prevail.

■ Access and Feedback

This Report is available on the HKEx News website of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk), the website of the SGX-ST (<https://www.sgx.com>) and the official website of the Company (www.siicenv.com).

All stakeholders are welcome to give their valuable feedback in relation to this Report by contacting us at: info@siicenv.com.



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About SIIC Environment

Company Profile

SIIC Environment is one of the leading investors and operators in the environmental industry in the People's Republic of China ("PRC"). We are engaged in wastewater treatment, water supply, sludge treatment, solid waste incineration and other environmental related businesses across 20 provinces, municipalities and special administrative regions in China.

© In 2024



The group added

4 high-quality Wastewater
Treatment Plant ("WWTP") projects

With a total designed capacity of

13.43 million tonnes per day

Our operating revenue reached

RMB **7.596** billion

Business Overview

The year 2024 marks the 75th anniversary of the founding of the People's Republic of China and is a crucial year for the implementation of the 14th Five-Year Plan and the deepening and enhancement of state-owned enterprise reform in the environment sector. The Group will accelerate business expansion in an all-round way, actively respond to the country's major strategies such as "Yangtze River Economic Belt Development", "Yangtze River Delta Integration Construction" and "Yellow River Basin Ecological Protection", and accelerate the deepening of the strategic layout of the Yangtze River Delta and the Guangdong-Hong Kong-Macao Greater Bay Area.

The Group has further increased investment in scientific research for the digital transformation of water affairs, strengthened technology accumulation, and reduced cost and boosted efficiency while ensuring the discharge of water is stable and compliant. At the same time, we align closely with the national strategic goal of "Carbon-peaking" and "Carbon neutrality", continuously embedding ESG principles into our operations, fully integrate the United Nations Sustainable Development Goals (SDGs) into the Group's ESG policy and development framework, and always adhere to green carbon reduction in project operation and corporate management, and strictly control the total amount of carbon emissions.

In 2024, SIIC Environment's Hanxi WWTP Project 3rd Phase in Wuhan ("Hanxi 3rd Phase Project") significantly improved the pollutant removal efficiency through the optimization of sand filter technology, introduce green energy technologies such as "tailwater micro-head power generation" and "photovoltaic power generation" to achieve low-carbon recycling, and continue to promote the construction of digital platforms. Once the Hanxi 3rd Phase Project commences commercial operation, it is expected that the total designed capacity of the Hanxi WWTP Project will reach 800,000 tonnes per day, which will further alleviate the pressure on wastewater treatment in Wuhan.

© Renderings of the Hanxi WWTP
Project 3rd Phase



In addition, the Shanghai Qingpu Xicen Water Purification Plant Project ("Xicen Project") adopts the process of "air flotation + ozone catalytic oxidation + pressure ultrafiltration membrane" to enhance effluent reliability, reduce energy consumption and chemical consumption and has been put into commercial operation in January 2025. Subsequently, the Xicen project will also introduce technologies such as IIoT and intelligent robots to create a "digital twin" smart WWTP with comprehensive monitoring and scientific decision-making.

© Xicen Water Purification
Plant Project



The Group closely monitor national strategies and policy opportunities, increase the expansion of the Guangdong-Hong Kong-Macao Greater Bay Area and the Yangtze River Economic Belt, strengthen the virtuous cycle of scientific research and innovation and achievement transformation, give full play to its experience and resource advantages in green and low-carbon projects, and actively participate in the construction of a beautiful China.

In the future, SIIC Environment will continue to uphold innovation-driven development, optimize its layout, strive to cultivate new quality productivity, promote technological innovation, enhance the digitalization of waterworks, extend digital empowerment and strengthen corporate competitiveness. The Group will continue to realize the concept of "Lucid waters and lush mountains are invaluable assets" and follow the path of green development to make greater contributions to modernization with Chinese characteristics and the world.

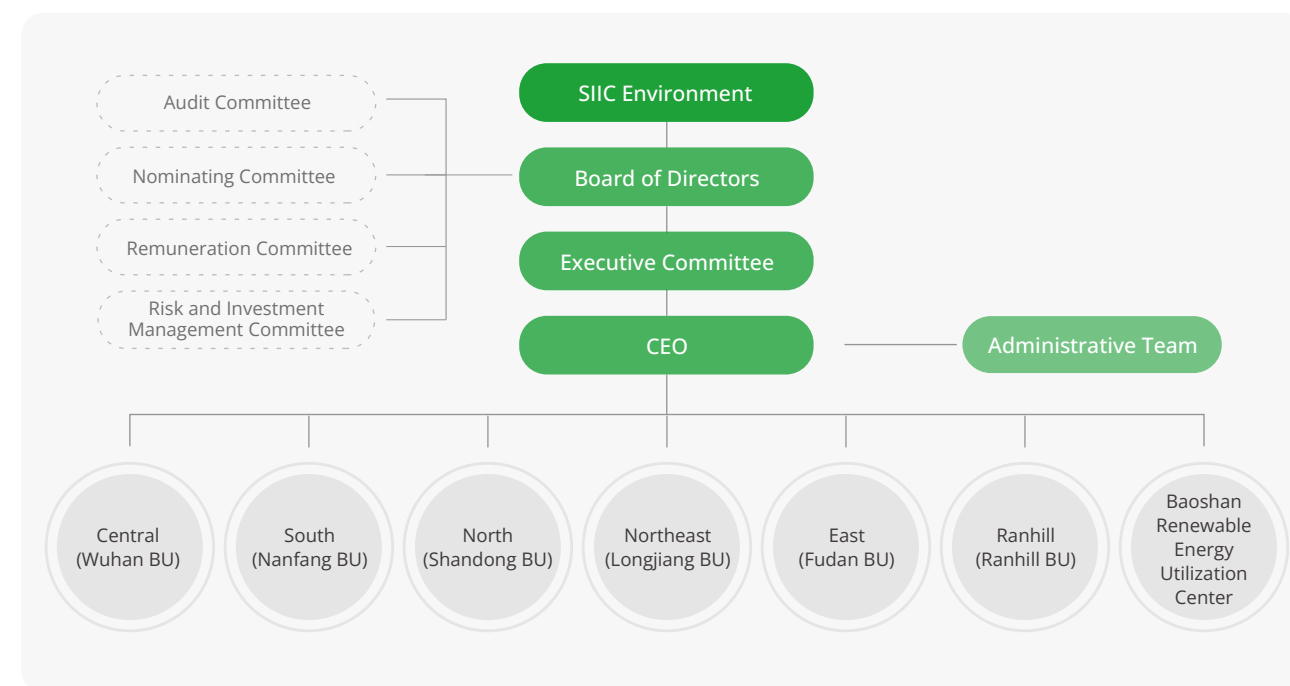


Corporate Governance

Governance Structure

SIIC Environment has continuously strengthened its corporate governance, ensuring the protection of shareholders' rights and interests and the continuous improvement of corporate performance. We are committed to establishing a comprehensive corporate governance system in line with principles and guidelines set out in the *Listed Company Manual and Code of Corporate Governance 2018* issued by the Monetary Authority of Singapore under Singapore's Ministry of Finance and the applicable provisions of the *Corporate Governance Code* as set out in *Appendix C1 to the Hong Kong Listing Rules*.

Our Board is responsible for overseeing the Company's overall policies, strategies and objectives, key operational initiatives, performance and measurement, internal controls and risk management, etc. The Company has also established the Audit Committee, the Nominating Committee, the Remuneration Committee, the Risk and Investment Management Committee ("RIMC") and the Executive Committee to assist the Board in fulfilling its responsibilities. Each of the board Committees, governed by clearly defined terms of reference, ensures the effective implementation of the Company's management system.



SIIC Environment organisation chart

Board Diversity

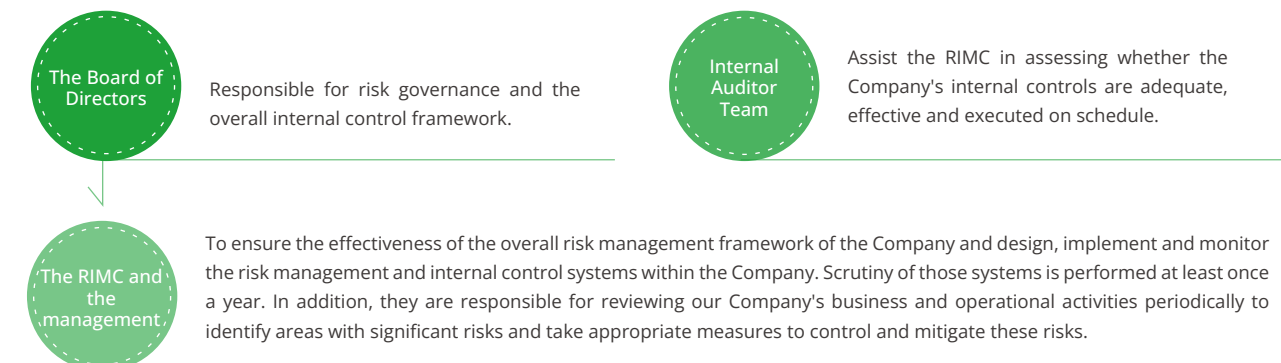
SIIC Environment has always placed board diversity at a strategic level, believing that diversity not only helps optimize management effectiveness but also serves as an important cornerstone in promoting the realization of the company's strategic vision and sustainable development goals. As at the end of the Reporting Period, the Board of Directors of the Company comprises 7 members, including 4 executive directors and 3 independent non-executive directors.

To promote the optimization of the Board structure, the Company has formulated a Board Diversity Policy and set clear goals. In selecting Board members, we consider multiple factors such as gender ratio, age profile, cultural background, industry experience, and knowledge structure to achieve an appropriate balance in the composition. During the Reporting Period, SIIC Environment appointed a female director as the Lead Independent Non-Executive Director, whose primary responsibility for providing independent advice on the operation and management of the Group.

Risk Management

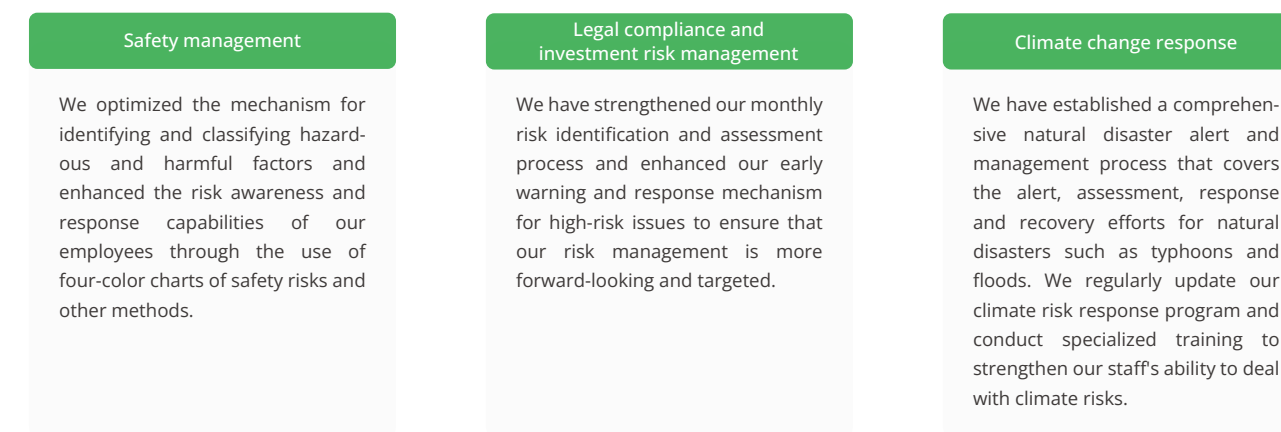
Headquarters level

The Company has established a risk management and internal control system covering the entire company and implementing risk management into all aspects of its operations.



BU level

Overall risk list of the Company, the Compliance Risk Control Department provides guidance to each business unit in identifying, assessing and managing risks in accordance with the Company's risk management framework based on our actual operations. For the major risks identified, corresponding risk prevention and control measures have been formulated to ensure effective risk control. During the Reporting Period, we further improved our mechanisms for risk identification, assessment and management to ensure effective monitoring of various risks. Each business unit took the actual situation into account and strengthened risk prevention and control measures in areas such as production safety, legal compliance, investment management and response to climate change, and advanced management optimization in various areas.



In 2024, the Company convened **5** meetings on risk management, conducted risk identification and investigation **20** times, and generated corresponding reports.



Internal Control and Risk Management Framework



Basic Procedures for Risk Assessment



02

"Reality" For the Future — SIIC Environment's Climate Initiatives

With the global challenge of climate change, China has consistently advanced carbon neutrality policies and green industrial transformation. The National Carbon Peak and Carbon Neutrality ("Dual Carbon") Strategy has provided clear guidance for SIIC Environment. The Group actively responds to the *Paris Agreement* and national directives, leveraging its expertise in water industry and waste incineration to continuously enhance technological innovation and climate risk management. We adhere to scientific innovation, continuously advancing our technological capabilities, effectively integrating climate risks in our operations through a series of sustainable development strategies, and strive to reduce GHG emissions. At the same time, the Company has established a multi-stakeholder collaboration framework, worked with the government and partners to promote low-carbon practices and fulfilling its social responsibilities.

During the Reporting Period, the Company systematically enhanced its awareness of climate governance and conducted a comprehensive assessment of climate risks and opportunities, with in-depth analysis based on the TCFD framework. We have also implemented a tiered management strategy, deploying proactive measures to enhance climate resilience and ensure the continuous creation of environmental value.



Highlights

7,918 tonnes CO₂e of GHG emissions (Scope 1 and 2) reduced in 2024 compared to 2023

102,581,170.67 kWh total renewable energy consumption in 2024, a year-on-year increase of **69.68** %

819.68 tonnes CO₂e offsetted by planting trees.

Highly Material Issues addressed in this Chapter

Addressing climate change



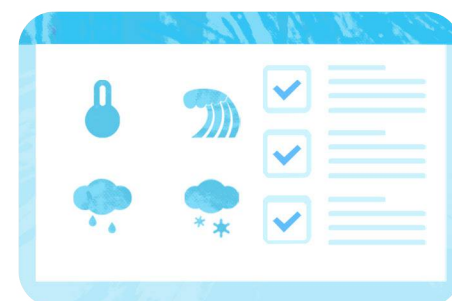
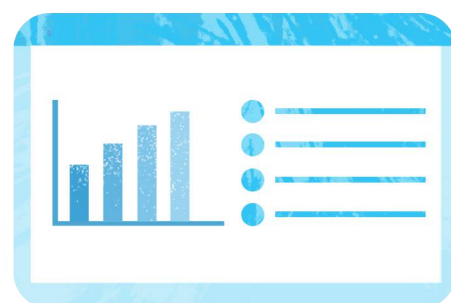


Climate Governance

The Company integrates its climate change response into its overall governance structure, and has established a three-level governance system comprising the Board of Directors, RMIC, and ESG Working Group. The Board of Directors act as the highest governing body for ESG efforts, responsible for reviewing and formulating climate strategies and overseeing the management of major climate-related issues. The RIMC undertakes significant responsibilities under the approval and guidance of the Board of Directors, is dedicated to building a risk controls system, conducting climate-related risks identification and assessment, and developing risk mitigation strategies. In addition, our ESG working group, acting as part of the executive team, takes specific measures to address climate change within the operational aspects of the business.

This organizational governance structure strengthens cross-level synergies and facilitates efficient communication between management and executives, reflecting our strong commitment to addressing climate change and systematically advancing the governance of climate issues.

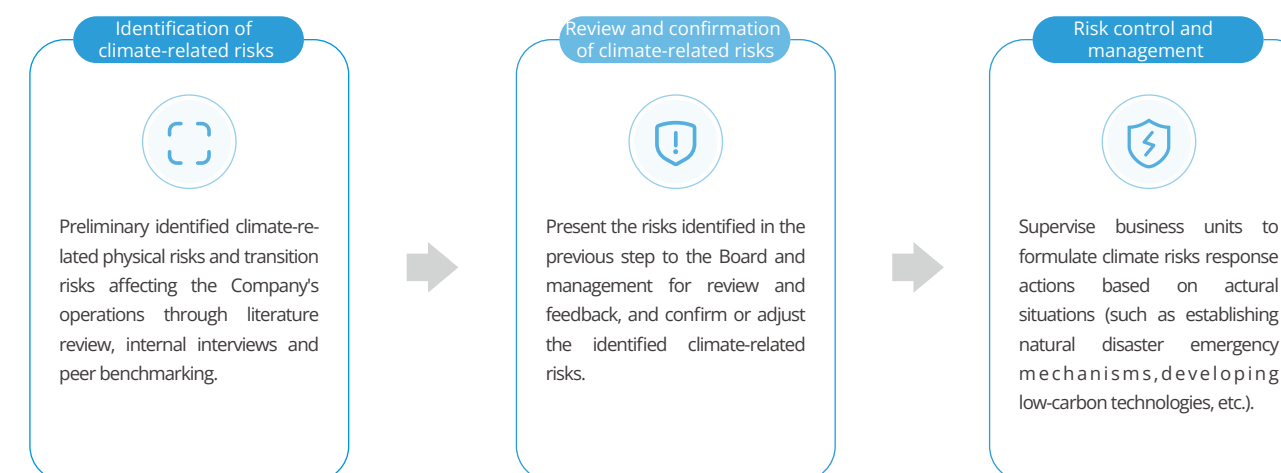
ESG



Climate Risk Management

The Company has established a sound risk management system. The RMIC and the management collaborate to design, practice and monitor the risk management and internal control systems, which are also scrutinized periodically to ensure their effectiveness. The management regularly reviews the Company's business and operations to identify high-risk areas and conclude corresponding procedures and risk mitigation strategies.

The Company manages climate issues in accordance with a structured process that includes the identification of climate-related risks, followed by risk review and confirmation, and ultimately, risk control and management.



Identification of Climate-Related Risks



Climate risk in business operations are identified through the risk identification of the Company's risk management and internal control management system, combined with environmental assessment results. These include infrastructure damage caused by extreme weather, as well as potential impacts of climate change on water supply and quality.

Review and Confirmation of Climate-Related Risks



Climate risk, one of the identified ESG risks, receives significant attention at the Company. The Board of Directors and the RIMC regularly review and confirm these risks to continuously adjust strategies to address the evolving environment. This ensures better integration of climate risk management into the Company's overall risk management process.

Risk Control and Management



Based on the risk identification result, multiple response and management measures are formulated to ensure that risks are controllable and manageable. These measures include investing in weather-resistant infrastructure, improving operational efficiency to reduce reliance on climate conditions, and reducing the impact of extreme weather through emergency response plans.


Climate Strategy

During the Reporting Period, we have assessed and analyzed the potential impacts of climate change on our operations or supply chain. We have also introduced countermeasures and strategies to address the identified risks.

Based on the TCFD framework, climate risks are divided into physical risks and transition risks. For physical risks, the Company assesses acute and chronic climate risks with reference to the *Sixth Assessment Report (AR6) on Climate Change* published by the IPCC and incorporating the *Shared Socioeconomic Pathways (SSP) and Representative Concentration Pathways (RCP)*. This assessment compares the physical risks under different climate scenarios based on the baseline conditions and the selected time horizon (2030, 2050).

Current Trend Scenario


The current trend scenario represents a world that aligns with the current trajectory of social and economic development (SSP2) and a medium level of greenhouse gas emissions (RCP4.5), leading to a global average surface temperature increase of approximately 2°C by the end of the 21st century.



Pessimistic Scenario


The pessimistic scenario represents a world characterized by uneven and unstable social and economic development (SSP3) and high greenhouse gas emission levels (RCP6.0/RCP7.0), resulting in a global average surface temperature increase of approximately 3.5–4°C by the end of the 21st century.

In terms of transition risks, the Company has adopted the 1.5°C scenario by referring to the climate change scenario outlined in the *International Energy Agency's World Energy Outlook 2023 Report* and the recommendations of the TCFD framework. This choice aligns with the latest scientific research from IPCC and reflects the international trend of many countries committing to achieve net-zero emissions by 2050.



Stated Policies Scenario

The *Stated Policies Scenario* ("STEPS") is an energy system projection that assesses the current direction of progress based on current policies and measures with assuming that the government will fully achieve their stated goals. It evaluates specific sectoral policies, industry actions and implementation measures adopted as of August 2023, including *Nationally Determined Contributions (NDCs)* under the *Paris Agreement*, and considers detailed sector-specific facots such as pricing policies, efficiency standards, electrification plans and infrastructure projects to determine their impact on energy targets.



Net Zero Emissions by 2050 Scenario

The *Net Zero Emissions by 2050 Scenario* ("NZE Scenario") is a normative scenario that outlines a pathway for the global energy sector to achieve net-zero emissions by 2050, with developed economies achieving net-zero emissions earlier than other economies. The scenario also supports key energy-related SDGs, in particular achieving universal access to energy and significant improvements in air quality by 2030. This scenario is aligned with the emissions reduction target assessed in the IPCC's AR6 to limit global temperature rise to 1.5°C (with at least a 50% probability).

Climate Risk

In terms of physical risks, the Company focuses on physical risks such as extreme weather, sea level rise due to increasing average temperatures, water scarcity, and pollution, and implements advanced water treatment technologies and recycling water systems to mitigate these risks. On the other hand, in addressing transition risks, SIIC Environment proactively adjusts business modes in response to the ongoing transition to a low-carbon economy. This involves reducing reliance on fossil fuels while simultaneously investing in renewable energy and energy-saving technologies.

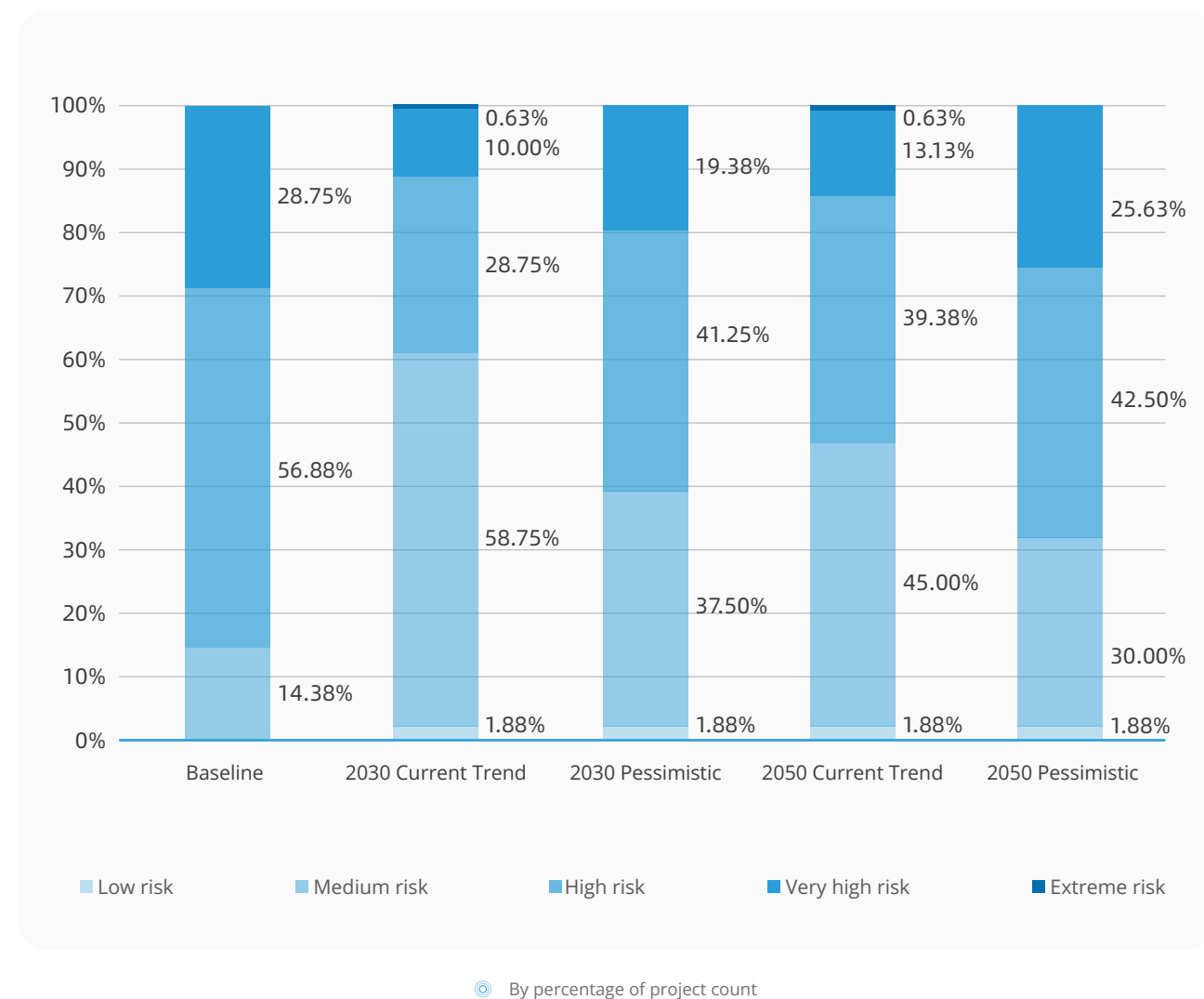
► During the assessment process, we categorize the impact periods based on business characteristics and the development plans as follows:

Short-term: up to 2030, medium and long-term: up to 2050

Climate-related Risks	Description	Potential Financial Impact	Impact Duration	Countermeasures
Physical Risk	Acute risk <ul style="list-style-type: none">Extreme weather such as typhoons, storms, and floods, may damage the Company's buildings and facilities, resulting in business interruption, increased risk of effluent discharge with an impact on water quality and quantity.Strong winds and freezing rain may cause damage to power supply facilities and disrupt operations.Extreme weather will cause increased health and safety risks for employees, and may lead to supply chain disruptions.	<ul style="list-style-type: none">Cause loss of assets and increased costs to operate and maintain the Company's business due to business interruption.Negatively impact operations, increase pressure and operating costs.Higher costs for human resource.	Short-term	<ul style="list-style-type: none">Consider climate hazards and other climate-related factors when selecting project locations and planning operations.Create contingency plans and conduct emergency drills in advance to ensure operational stability during extreme weather.Improve disaster preparedness of relevant personnel and provide them with necessary training.
	Chronic risk <ul style="list-style-type: none">Climate change-induced rising sea levels from climate change may cause facility damage and increase the energy consumption of drainage.Higher temperatures may exacerbate odor impacts from wastewater treatment plants, adding additional cooling equipment and treatment costs.Changes in groundwater level conditions caused by climate change may lead to differential settlement of infrastructure and structural damage.Exposure to extreme heat will cause chronic damage to employees' health.	<ul style="list-style-type: none">Facilities damage causes financial loss and increase infrastructure maintenance costs.Higher energy costs.Higher costs for odor treatment.Higher cost for human resource.	Medium and Long-term	<ul style="list-style-type: none">Take account of climate-related factors when selecting project locations and planning operations and insure relevant assets in advance.Regularly monitor water quality and odor and progressively improve digital monitoring platforms to enhance efficiency.Continuously improve the occupational health system, standardize the management of those who work in hot environments; and provide employees with personal protective equipment according to weather conditions.



SIIC Environment operates a large number of projects, and most of the projects are located along the coast or riverside according to the characteristics of the business. The Group focuses on comprehensive water environment management, and water resources are the foundation of the Group's business, and changes in supply will directly affect the Group's operations. The Group refers to the WWF RiskFilter Suite to conduct scientific scenario analysis. The tool integrates seven water stress indicators, including: Drought Index, Water Depletion, Baseline Water Stress, Blue Water Scarcity, Remaining Water Availability, Drought Probability, and Changes in Drought Frequency. This assessment covers the water stress risk levels of all projects in the Group's operations under the baseline scenario, the current trend scenario (2°C scenario) and the pessimistic scenario (3.5-4.0°C scenario) under 2030 and 2050, and is expressed as a percentage of the number of projects



According to the analysis, about 28.75% of the projects in SIIC Environment's environmental operations are subject to high or above-high the water stress levels under the baseline scenario, and this figure will rise to about 65% in 2030 and 2050 under the current trend scenario (2°C scenario) and pessimistic scenario (3.5-4°C scenario).

In terms of transition risks, SIIC Environment has actively adjusted its business model, reduced its dependence on fossil fuels, and invested in renewable energy and energy-saving technologies during the transition to a low-carbon economy.

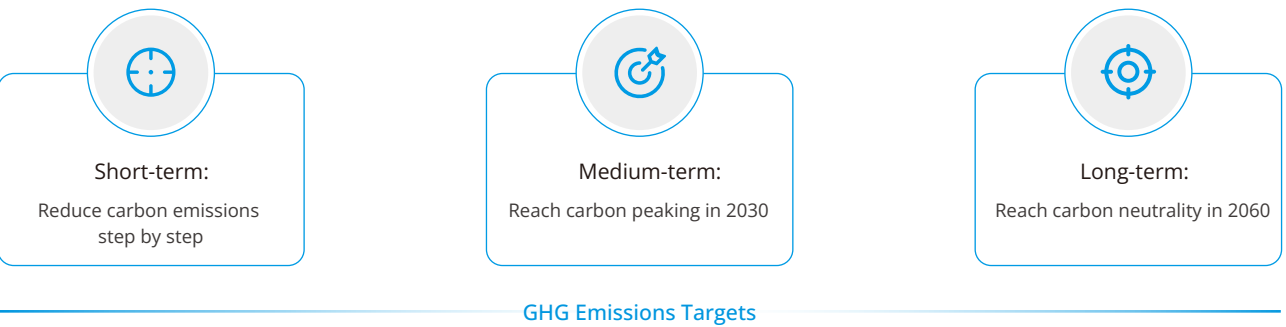
Climate-related Risks	Description	Stated Policies Scenario (STEPS)	Net Zero Emissions by 2050 Scenario	Countermeasures
Transition Risk	Policy and Legal Risks <ul style="list-style-type: none">The Company's wastewater treatment and waste incineration operations may be subject to regulatory restrictions on GHG emissions.Climate-related disclosure requirements will be stricter.Failure to meet stricter emissions compliance requirements and establish an effective internal response mechanism could expose you to potential litigation risks.	<ul style="list-style-type: none">Compliance with the climate reporting obligations of the Hong Kong Stock Exchange and the SGX, and the reporting requirements will be gradually expanded, with higher quality emissions data required, resulting in increased compliance costs.	<ul style="list-style-type: none">Projects need to be upgraded, resulting in additional investment or increased operating costs.	<ul style="list-style-type: none">Pay close attention to climate-related laws and regulations, and adjust the Company's strategic direction and development plan in a timely manner according to policy changes.Carry out research on GHG emission reduction and gradually explore the possibility of reducing carbon emissions in wastewater treatment and waste incineration.
	Pricing of GHG Emissions <ul style="list-style-type: none">The government has introduced a number of levies (e.g. carbon tax, carbon emission allowance, fuel tax, etc.).	<ul style="list-style-type: none">Additional costs arising from increased energy costs or offsetting through transactions.	<ul style="list-style-type: none">Supply chain costs (e.g., chemical production, equipment manufacturing) are likely to rise.Likely to face stricter market competition, driving the energy transition.	<ul style="list-style-type: none">Pay attention to relevant laws and regulations in a timely manner and dynamically adjust the Company's operations.Reduce energy consumption and carbon emissions through technological improvement and production process optimization.
	Technological Risk <ul style="list-style-type: none">Increasingly stringent GHG emissions requirements may necessitate increased investment in decarbonization technologies and more demand for research on related topics and may face increased technological challenges due to heightened competition.Production processes may need to be adjusted to adapt to new technologies, resulting in a short-term decrease in productivity.	<ul style="list-style-type: none">Increased investment in the research for addressing GHG emissions.Lower revenues due to lower production capacity.	<ul style="list-style-type: none">Facing growing stakeholders' expectations and requiring more stringent commitments.The energy-intensive nature of the business can lead to additional effort and costs on the part of the Company.	<ul style="list-style-type: none">Proactively research low-carbon technologies and topics to improve the industry's low-carbon competitiveness.Enhance internal management and operational processes to minimize transformation costs.Optimize production processes and supply chain management, improve resource utilization efficiency, and reduce costs.
	Market Risk <ul style="list-style-type: none">Stricter environmental policies could lead to a rise in the price of chemicals used in water treatment.Climate change may lead to fluctuations in raw material and fuel prices.	<ul style="list-style-type: none">Potential increase in operating costs due to rising chemical and fuel prices.	<ul style="list-style-type: none">Promoting episodic energy throughout the supply chain may result in increased operating costs.	<ul style="list-style-type: none">Raise standards for supplier evaluation, gradually move toward green procurement and integrate suppliers' environmental performance into the selection process.Improve inventory management and reduce the risk of under- or overstocking.

Climate Opportunities

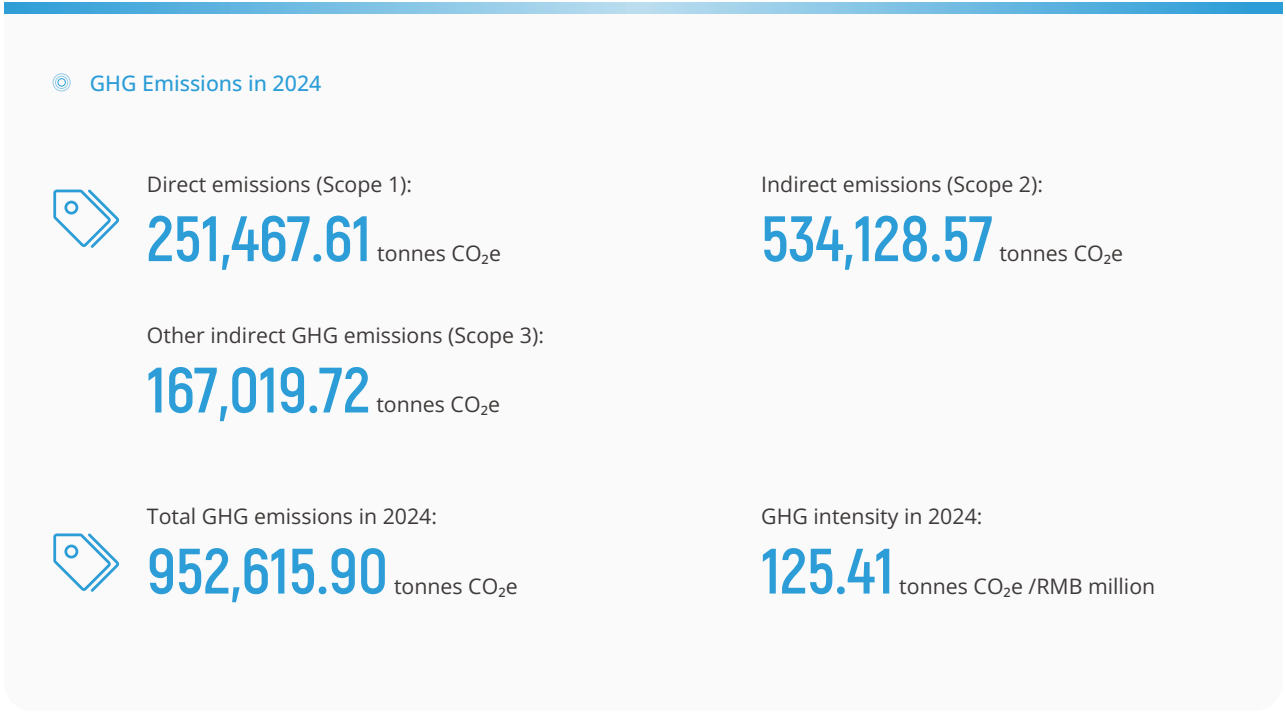
Climate-related Opportunities		Description
Energy Efficiency	Development and application of energy-efficient technologies and equipment	Improve the energy efficiency of business operations, reduce operating costs and GHG emissions by replacing low-energy or renewable energy equipment and developing energy-saving process technologies.
	Development of digital platforms	Develop digital platforms to help the Company fully monitor and control the use of electricity and chemicals in each business unit, thereby improving operational efficiency and saving costs.
Energy Sources	Renewable energy	Actively promote the development and use of renewable energy, such as solar power, at project sites to further reduce emissions and lower energy costs, and in line with the national energy industry transformation policy, to obtain favorable policy support.
Products and Services	Environmental business	Waste incineration produces fewer carbon emissions than its coal-fired counterpart, thus helping reduce pressure on municipal waste disposal. Waste incineration projects eligible for carbon emissions trading can receive additional benefits. In addition, wastewater treatment generates environmental benefits, which are in line with the policy objectives of energy conservation and environmental protection.

Climate Metrics and Targets

Reducing carbon emissions is the key factor in addressing climate change. SIIC Environment has set GHG emission targets and is committed to taking active climate-related measures to control carbon emissions in business operations.



We collect and analyze GHG emission data on an annual basis and conduct regular assessments to continuously enhance energy saving and emission reduction measures. During the Reporting Period, the Company's direct (Scope 1) GHG emissions mainly came from direct energy consumption and waste incineration, while indirect (Scope 2) GHG emissions primarily resulted from purchased electricity. Other indirect (Scope 3) GHG emissions, which were disclosed for the first time in this Reporting Period, are mainly from purchased goods and services, capital goods, business travel and employee commuting.





Climate Change Action

To control GHG emissions, we have adopted a series of energy-saving and emission-reduction measures in our business operations, including energy substitution and efficiency improvement, utilizing information platforms to monitor and manage energy consumption, and the replacement of outdated equipment and processes with energy-efficient alternatives.

SIIC Environment places high importance to energy usage in its production operations. By setting clear energy management objectives and strictly implementing energy-saving programs, we take multiple measures to reduce energy consumption and enhance energy efficiency.

Energy Management Targets

Taking 2020 as the base year, reduce energy consumption intensity by 10% by 2030.

Short-term: reduce energy consumption through technological upgrades on existing projects.-

Medium-term: achieve energy savings through refined management, smart water management, and other means.

We have improved energy efficiency through enhanced management practices, equipment upgrades, and technological innovation. All business units and newly established project companies have actively responded by replacing green energy-saving products and phasing out outdated high-energy-consuming equipment to reduce power consumption. At the same time, the Group continues to explore the application of energy-saving technologies, advance refined production management, and reduce energy consumption in production and operation.

During the Reporting Period

Our energy consumption intensity was
150,162.48 kWh/ RMB million

Low-carbon Operation

Refined management to enhance energy efficiency

We continuously optimize the operation and management of wastewater treatment and water supply systems by adopting intelligent control technology and energy-efficient equipment to reduce energy consumption and improve the overall system efficiency. For example, through real-time monitoring and data analysis, we dynamically adjust the operating speed and duration of core equipment such as pumps and fans to reduce unnecessary power consumption. By utilizing variable frequency drive system, next-generation aerators and other high-efficiency energy-saving equipment, greatly reduce the overall power consumption.

In 2024, by optimizing the SBR/CASS cycle, reducing the power consumption of aeration, and implementing measures such as fan energy-saving retrofits, Ranhill BU achieved an annual electricity and medicine savings ratio of over 10%. Shandong BU Gaoxin Water Company constructed DN1200 pipeline to optimize pipe network pressure, the unit power consumption of 1000m³ water decreased by about 15 kWh YOY, with an annual electricity saving about 800,000 kWh. By improving energy efficiency and other measures, the Nanfang BU achieved an annual average power consumption reduction of 3.1%.

Promoting renewable energy to facilitate energy transformation

The Group's business units continue to promote the use of renewable energy sources, including waste incineration for power generation, solar energy, and biogas, to reduce reliance on traditional energy and lower carbon emissions. In response to the national "Water + Photovoltaic" strategy, we have installed distributed photovoltaic systems on rooftops, water surface and other suitable project sites to support green energy transformation. Some projects have explored the procurement of green electricity integrating Photovoltaic + Energy storage solutions to enhance renewable energy self-sufficiency. The waste incineration power generation project realizes the resource utilization of domestic waste while producing electricity. A portion of generated power supports daily operations, while surplus electricity is fed into the grid.

Case Study

Baoshan Renewable Energy Utilization Center has pioneered an innovatively biogas power generation process, integrating "wet waste pretreatment system → anaerobic fermentation system → biogas purification system → biogas power generation system" to replace purchased power. During wet waste pretreatment, large solid material are separated, processed, and redirected to the dry waste warehouse for incineration. The remaining slurry undergoes oil extraction, impurity removal and sand filtration before being transferred to anaerobic tank for fermentation. The resulting biogas is then purified and fed into biogas generators to produce electricity. In addition, Baoshan project maximizes energy recovery by utilizing tailwater to produce steam energy for off-site industrial production. Tailwater from the Shidongkou WWTP is first filtered through fiber membranes to meet industrial water standard, then further treated with ultrafiltration to reach the chemical raw water quality. The original chemical water treatment station in the production zoon processes this water into boiler feed water source. The steam generated is sold to industrial energy after temperature and pressure reduction adjustment, so as to realize energy utilization.



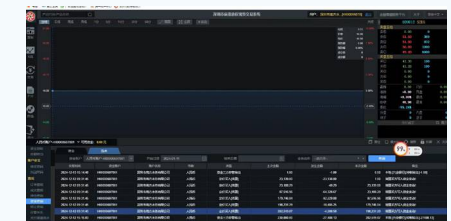
Green office

SIIC Environment encourages employees to adopt eco-friendly commuting, prioritizing low-carbon travel modes such as public transportation, walking or cycling. We also improved our official vehicle management system by conducting regular maintenance and inspection to prevent emissions and reduce fuel consumption. We implement a paperless office and leverage the office automation (OA) system, reducing office paper consumption by approximately 3.59 tons in 2024. In addition, we have upgraded our energy-saving lighting system, prioritized the procurement of country and industry- certified energy-efficient and environmentally friendly products, and strictly controls on office supply procurement to minimize waste. We advocate a green lifestyle by placing prominent energy-saving reminders in office areas, meeting rooms, canteens and restrooms to foster environmental awareness among employees.



Carbon Trading and Carbon Emission Reduction Mechanisms

We actively respond to the carbon emission reduction policy and exploring the carbon trading mechanism to support the low-carbon transformation. Nanfang BU has already participated in carbon market transactions, and realized the optimal allocation of carbon assets through the purchase of carbon emission rights, encouraging the company to make further efforts to reduce emissions.



Nanfang BU participates in the Shenzhen Carbon Emission Spot Trading System



Enhancing Climate Resilience

To further enhance adaptability and resilience under to climate change, the Group has continued to take practical actions in policy formulation and implementation. This includes developing emergency measures, participating in standard-setting, and exploring new technologies to effectively address climate change challenges.

Extreme weather like high heat, heavy rainfall, snowstorms, freezing rain and floods may affect the Group's normal operation. Our business units prepare emergency plans and measures based on actual operation situation and local climate characteristics, implementing measures such as strengthening the extreme weather early warning system, ventilation and cooling or cold insulation to ensure stable equipment operation. In addition, advance safety training is provided to personnel to prevent heat-related, cold-related, and slip accidents, along with the installation of anti-skid striping on roads to enhance safety awareness.

Case Study

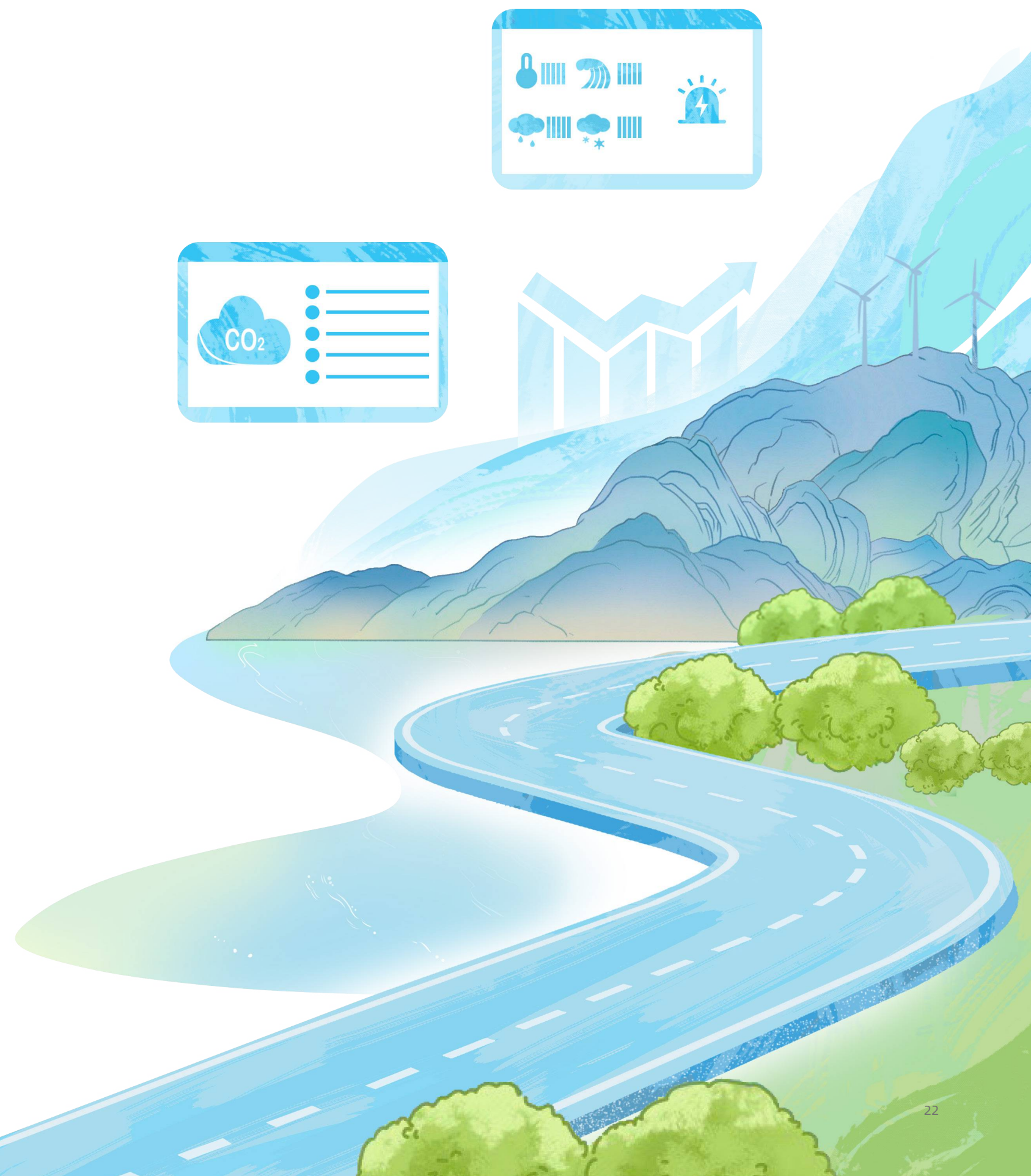
In August 2024, under the impact of Typhoon "Gemei", the Panshi Project of Longjiang BU experienced heavy rainfall and severe flooding. In respond to the emergency, the Project promptly activated the flood and typhoon emergency response plan based on its pre-established flood control deployment. Personnel from all positions were quickly mobilized according to their assigned responsibilities, ensuring full preparedness. Key flood control areas, including cable trench, transformer cabinet, and major equipment room underwent thorough inspections and reinforcement. For low-lying waterlogged areas, the team implemented emergency drainage, damming and sealing measures to mitigate risks. All flood control measures have been put in place to ensure the stable operation of the project.



Longjiang BU Panshi Project implements flood control measures

SIIC Environment also strives to drive low-carbon development in industry. Our business units leverage their experience in association with industry partners to advance research on low-carbon initiatives and help set industry standards for carbon emissions. In the future, we will continue to increase investment in green R&D, strengthen collaboration on low-carbon projects, and leverage synergies to contribute to the nation's achievement of its "Double Carbon" goals.

The "Research on Carbon Footprint Accounting and Low-carbon Collaborative Pollution Reduction Control Technology of Wastewater Treatment Industry" undertake by Longjiang BU successfully passed its acceptance and officially concluded in November 2022. This research established a life-cycle-based carbon emission accounting system for wastewater treatment, and formed the *Technical Guide for Carbon Emission and Reduction Accounting of Sewage Treatment Industry*. As the lead editor, the Longjiang BU collaborated with Harbin Institute of Technology to formulated the *Assessment Standard for Carbon Emission Reduction of Urban Wastewater Treatment Plants*, which came into effect on March 1, 2024. The carbon footprint quantification model of urban wastewater treatment developed by Longjiang BU systematically solves the problem of the lack of standardized carbon measurement methodology, filling a critical gap in China's environmental sector. This advancement provides essential technical support for establishing industry-wide carbon reduction standards, further strengthening China's capabilities in low-carbon wastewater management.





03

"Real" Strategies in Motion — SIIC Environment's Sustainable Governance

SIIC Environment has continuously strengthened its ESG governance system by enhancing its top-level design, thereby promoting sustainable development. The Group has gradually improved its ESG governance framework, formulated sustainable development management procedures and related policies, and integrated ESG into its strategic planning and operation management to achieve high-quality, sustainable development and value enhancement of the Group. Additionally, the Group regularly monitors and evaluates progress towards its medium- and long-term ESG goals, implementing targeted initiatives to boost its ESG data management capabilities and continuously improve overall performance. In the future, SIIC Environment will further deepen its ESG governance work, refine its goals to facilitate their achievement, and continue to enhance its core competitiveness.



² Employees on active duty.

Chapter Highlights



The ESG Working Group conducted **4** work reports



100 % of the Board, the management and the employees² received anti-corruption training



No corruption cases have occurred. Number of corruption cases concluded **0**

Highly Material Issues addressed in this Chapter

- Corporate Governance
- Compliance Management Operation
- Anti-Corruption



Board Statement

The Board of Directors, as the top-level governance body for the Company's sustainable development, bears overall responsibility for its ESG strategy and reporting. The Board attaches great importance to ESG governance and receives ESG updates at least twice per year. It has identified and assessed the Company's material ESG factors, including ESG risks, and continuously oversees the management of related issues. Every year, the Board reviews and confirms key ESG issues, integrating them into the company's sustainability plan and advancing them as strategic priorities.



The Board attaches great importance to ESG governance and receives ESG updates at least

2 per year

The Company has formulated short, medium and long-term targets according to its business strategies and material ESG issues. The Board has reviewed and confirmed the ESG target setting based on operational reality, thereby reinforcing its commitment to sustainable growth. Furthermore, it checks from time to time the implementation progress, so as to promote the continuous improvement of the Company's ESG performance with higher standards.

The Company also continues to build up the Board's sustainability capability through regular training projects. The Company has incorporated sustainability factors into its remuneration system, connecting the compensation of the Board and management with ESG issues.

Sustainable Development Policy

The Company has issued institutional documents such as the *SIIC Environment Sustainable Development Policy*, *SIIC Environment's ESG Work Management Measures*, and *SIIC Environment's ESG Indicator System Management Manual*. The Company continuously optimized the sustainable development policy system in response to external regulatory requirements and internal business development. Through this system, the Company has clarified the code of conduct and basic principles to be followed in our dealings with our various stakeholders, as well as the core values we consider when selecting our business partners. Looking ahead, we will regularly review and update our sustainable development policy framework, strengthen policy communication and implementation at the headquarters and business unit level, and promote the continuous improvement of sustainable management.

Sustainability Governance Structure

The Company has formulated a systematic sustainability governance structure and ESG-related responsibilities were integrated into the overall authorities of the Board and the RIMC.

The Board, serving as the top governance body for our sustainable sustainability work, has established a regular deliberative mechanism by delegates RIMC to supervise and monitor the ESG-related matters. The Company has established the ESG Working Group to implement ESG in business practices, consisting of senior management and employees from various departments who possess a good understanding of the Company's operations and relevant ESG matters. In 2024, the ESG Working Group reported ESG work to the Board and the management 4 times, as well as organized ESG training for the management and business unit.. With the help of the ESG Working Group, all functional departments and business units of the Company carry out closed-loop management of ESG practices and cooperate with data statistics and collection.

This year, an internal review of this Report has been conducted based on the Company's governance structure and buttressed by the effective internal control and risk management system. Compliant with the *International Standards for the Professional Practice of Internal Auditing* issued by the IIA, the identified processes relating to this Report have been incorporated into our annual internal audit plan.

◎ In 2024



the ESG Working Group reported ESG work to the Board and the management

4 times



Board of Directors

- ◎ Make decisions and supervise ESG strategies, initiatives and processes
- ◎ Identify material ESG issues (including ESG related risks)and continuously manage and supervise the issues
- ◎ Regularly review the Company's sustainability performance and its achievement of targets
- ◎ Review and approve the ESG Report



Risk and Investment
Management Committee

- ◎ Formulate and review ESG management approaches, targets and strategies
- ◎ Review and confirm the Company's priority of ESG issues
- ◎ Identify ESG-related risks and opportunities of the Company, and review its performance in coping with these risks
- ◎ Monitor and assess the Company's ESG work, and check the performance and progress made in achieving ESG-related targets
- ◎ Review the Company's compliance with ESG disclosure and report to the Board for review and approval



ESG Working Group

- ◎ Assist in the formulation of ESG management approaches, targets and strategies
- ◎ Establish and maintain communication with stakeholders
- ◎ Analyse and evaluate ESG risks and report to the RIMC on a regular basis
- ◎ Promote the implementation of ESG-related work
- ◎ Collect EsG indicators and participate in ESG reporting



Compliance and Anti-Corruption

Compliance System and Supervision Mechanism

Compliance and integrity are critical to the Company's efficient, healthy and sustainable development. SIIC Environment attaches great importance to corporate compliance management and adopts a zero-tolerance approach towards corruption, bribery, fraud and other violations of business ethics.

The Group strictly abides by the *Company Law of the People's Republic of China*, the *Supervision Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Singapore Companies Act*, the *Singapore Prevention of Corruption Act* and other relevant laws and regulations. More than that, the Company has formulated a comprehensive, internal control system (including financial, operational, compliance, information technology control and risk management). Our Board regularly reviews and evaluates how the internal control system works, while the Audit Committee and the RIMC assess, manage and supervise the risks arising from business operations. The risk assessment results will also be reported to the Board for overall review. Through these processes, our internal control system runs effectively, and business risks are properly managed.

To prevent corruption within the Company, we conduct internal audits and assessments of business ethics for our business units periodically, including but not limited to procurement and accounts payable, internal control on cash and bank management, and internal control on revenue and receivables. In response to the problems revealed in the audits, the Company has implemented timely rectification and improvement of the relevant system accordingly. In 2024, the Company conducted 9 internal audits, including internal control audits and exit audits of business units and project companies. The Company also hired professional agencies to conduct internal control tests on project companies under the business units and guide the business units to self-examine internal control weaknesses and rectification matters.

Our business units also developed and implemented internal anti-corruption policies based on actual operating conditions, such as the *Internal Audit System*, *Insider Information Management System*, the *Conflict of Interest Avoidance System*, and the *Conflict of Interest Management System*, and conducts internal audits regularly. During the Reporting Period, there was no reported non-compliance with laws and regulations related to bribery, extortion, fraud and money laundering.



The Company conducted
9 internal control audits

Number of corruption cases concluded:
0



Anti-Corruption

The Company has established an internal *Whistle-blowing Policy* to timely detect and prevent fraud. The policy specifies the actions constituting fraud, reporting procedures, complaint handling process, investigation responsibilities, and terms on confidentiality and whistle-blower protection. The *Whistle-blowing Policy* applies to all Directors, officers, employees, and external parties such as vendors and contractors.

Upon discovering or suspecting fraudulent activity, any employee has the right to report it to the Audit Committee, Executive Directors, or the management of the Company. The Company will investigate all allegations of fraud. If the investigation substantiates the fraudulent activities, the case will be immediately reported and if appropriate, to the Board through the Audit Committee. The Company also takes proper measures to protect whistle-blowers and prohibits harassment or retaliation against the whistle-blowers for raising concerns over alleged wrongful acts.

The Group firmly promotes anti-corruption and integrity construction and actively promotes relevant training. We continue to strengthen our integrity culture and extensively conduct educational activities related to anti-corruption. We also conduct self-examination and self-correction of potential problems and require leaders and cadres to comply with the standards of integrity and self-discipline.

We organize at least one anti-corruption training for the board and 100% employees annually, and at least 4 trainings on integrity. In 2024, the headquarters engaged a professional organization to provide anti-corruption training to the Board, management and employees, focusing on anti-corruption laws and regulations, corruption prevention responsibilities, risk identification, policy interpretation and case analysis, so as to enhance the anti-corruption awareness and compliance capabilities of all employees. Our business units also organized various training activities according to their needs, to continuously raise the integrity awareness of our employees and promote the integration of business ethics into our business practices.

- ◉ We organize at least one anti-corruption training for the board and **100**% employees annually
- ◉ And at least **4** training on integrity.

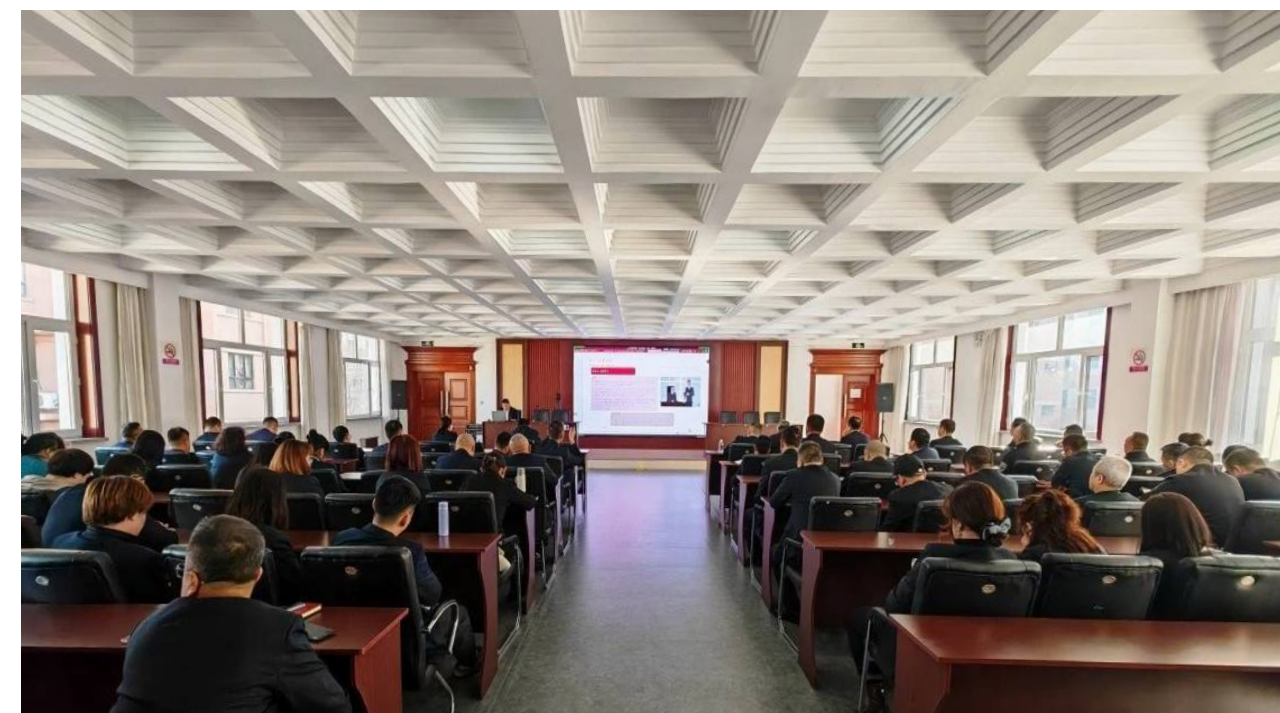


Number of participants in anti-corruption training:

6,252

Anti-corruption training rate:

100%




© SIIC Environment launched an anti-corruption training in November 2024

Stakeholder Communication and Materiality Assessment

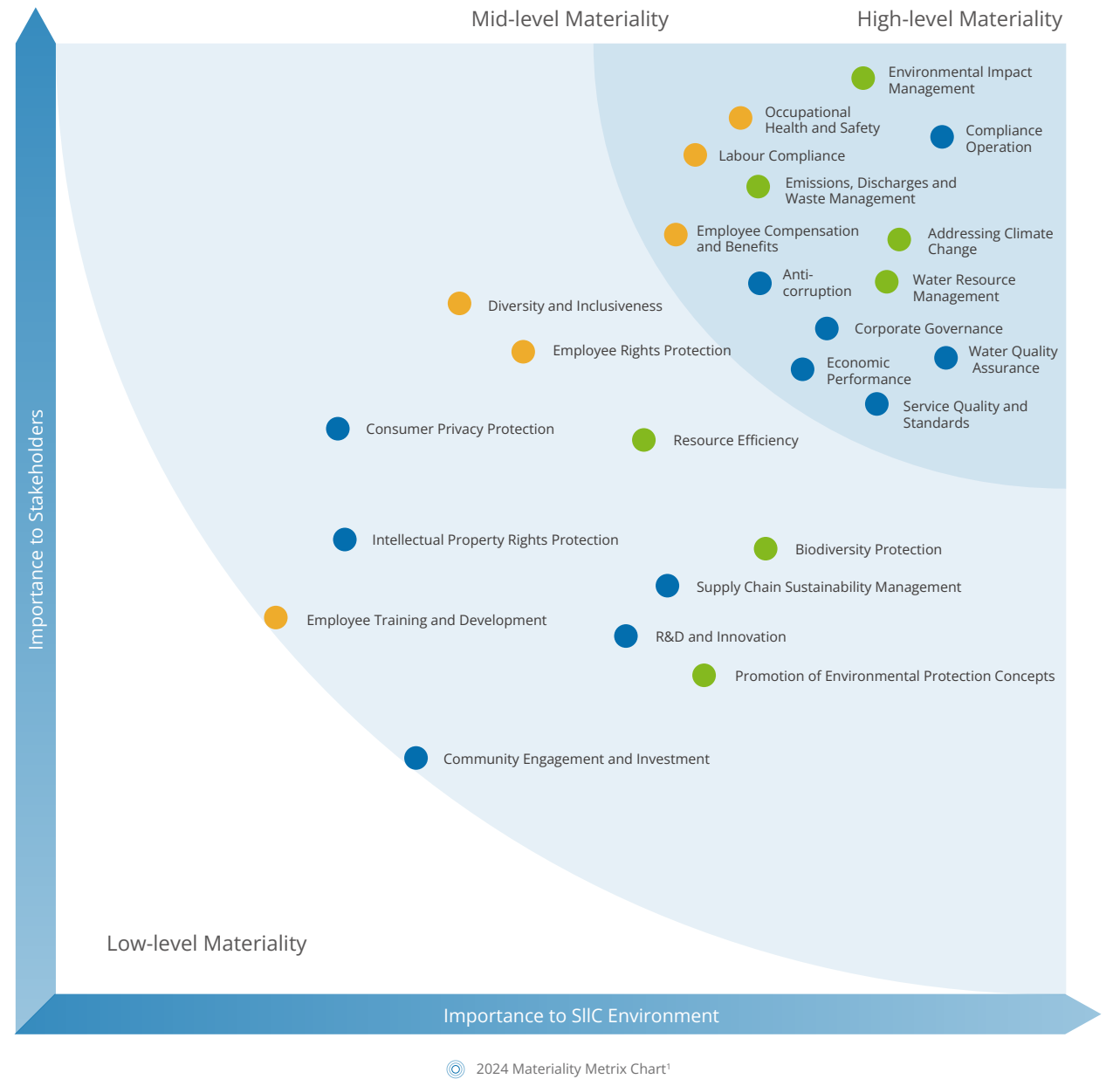
Stakeholder Communication

SIIC Environment engages with its key stakeholders regularly to understand their needs, concerns and expectations, ensuring that their feedback is incorporated to enhance the Group's ESG performance.

Stakeholders	Concerns and Expectations		Methods of Communication
 Shareholders and Investors	<ul style="list-style-type: none">Environmental impact managementWater resource managementOperational complianceAnti-corruption	<ul style="list-style-type: none">Resource efficiencyService quality and standardsEconomic performance	Annual reports, interim reports, quarterly results, public announcements, circulars, press releases, annual and extraordinary general meetings, non-deal roadshows, individual and group meetings
 Employees	<ul style="list-style-type: none">Occupational health and safetyEmployee compensation and benefits	<ul style="list-style-type: none">Water quality assurance	Company-wide meetings and departmental meetings, annual staff meetings, questionnaires, internal emails
 Customers	<ul style="list-style-type: none">Operational complianceCompliance employmentCustomer privacy	<ul style="list-style-type: none">Sustainable supply chain managementIntellectual property protection	Customer meetings, customer satisfaction surveys, on-site visits
 Business Partners and Suppliers	<ul style="list-style-type: none">Water quality assuranceEmissions, discharges, and waste management	<ul style="list-style-type: none">Service quality and standardsOccupational health and safety	Partner meetings, questionnaires, seminars, on-site visits
 Industry Associations and NGOs	<ul style="list-style-type: none">Water quality assuranceEmissions, discharges, and waste management	<ul style="list-style-type: none">Operational complianceAnti-corruption	Industry conferences, company website, official reports, online communication, offline surveys
 Local Communities and the Public	<ul style="list-style-type: none">Water quality assuranceOccupational health and safetyService quality and standards	<ul style="list-style-type: none">Environmental impact managementWater resource managementIndigenous rights	Volunteering activities, public hearings, open houses, on-site visits
 Media	<ul style="list-style-type: none">Promotion of environmental protection conceptsClimate change mitigation	<ul style="list-style-type: none">Environmental impact managementCommunity engagement and investment	Press releases, interviews, announcements
 Government and Regulators	<ul style="list-style-type: none">Consumer rights and privacy protectionEmissions, discharges, and waste management	<ul style="list-style-type: none">Water managementTackling climate change	Government meetings, supervision and assessments, questionnaires, on-site visits







Materiality Assessment Results

Under the condition that the business structure remains unchanged, the Company conducts a material assessment every three years. We invite internal and external stakeholders to participate in online surveys to identify ESG issues of high importance to the Company. In 2023, we conducted an online survey and analysis of internal and external stakeholders. In 2024, based on the previous year, we identified and assessed the Group's ESG materiality issues by aligning with international mainstream ESG rating trends and peer performance. We conducted in-depth interviews and discussions with senior executives, employees and external stakeholders, and integrated the opinions of all parties to identify and evaluate the materiality issues. The results are shown in the following chart:











Sustainable Development Goals and Practices

We have set short, medium and long-term¹ targets for highly material issues and have incorporated the United Nations Sustainable Development Goals ("SDGs") into our ESG targets and development plans to contribute to global environmental, social, and economic concerns of the utmost importance. Meanwhile, we have reviewed our progress toward our 2024 targets in light of our actual operations. We will continuously improve our action plans to strengthen the Company's overall ESG performance.

Subject Area	Highly material issues ²	Related SDGs	Short-Term Targets	Medium and Long-Term Targets	Progress in 2024	Overachievements/ Shortfalls	Corresponding Chapter
Environment	Emissions, discharges, and waste management		To prevent violations and non-compliance that may seriously impact the environment.	Actively explore new technologies, new methods and new models to minimize adverse environmental impacts.	While ensuring that 100% of the emission standards are met, each business unit has increased its investment in environmental protection, continuously optimized its treatment techniques, facilities and equipment, enhanced its treatment efficiency, and reduced the discharge of pollutants and waste.	Progress steadily towards the target.	"Real"Commitment to Green — SIIC Environment's Eco Pledge
	Addressing climate change	 	Pilot the thermal energy utilization of tail water and wastewater treatment; promote decentralized photovoltaic into the plant; deepen green development, green procurement and green office.	Plan to achieve carbon peak by 2030 and carbon neutrality by 2060	<p>Each business unit raised its awareness of climate risks and deepened its climate-related risk management, including making contingency plans for physical risks such as extreme weather, and adopting countermeasures for transformational risks such as policy and legal risks and market risks.</p> <p>Each business unit increased energy-saving and carbon reduction measures, including equipment energy-saving renovation, development of renewable energy, process optimization and upgrading, tree planting, and participation in carbon trading, etc., in response to China's strategic layout of "Water + Photovoltaic," to promote green energy transformation and upgrading, and to achieve low-carbon operation.</p> <p>In 2024, the amount of renewable energy (solar energy) used reached 9,408,276.5 kWh; the amount of carbon dioxide emissions offset by planting trees reached 819.7 tons.</p>	We actively promote the increased use of solar energy and other reusable energy sources, further study sludge reduction and resource utilization technologies, and continue to seek energy-neutral and carbon-neutral pathways for water projects, while seizing the opportunities brought about by climate change.	"Real" Actions for the Future — SIIC Environment's Climate Initiatives
	Environmental impact management		<p>To comply with applicable national laws and regulations and ensure the openness and transparency of environmental data.</p> <p>To expand the coverage of automated and intelligent methods such as precise gas aeration and precise dosing, and gradually realize intelligent operation.</p>	<p>To standardize the approach to environmental management, refine environmental management systems, implement environmental management strategy, accept external supervision, and ensure compliance with regulatory requirements.</p> <p>To contribute to solving water pollution, water shortage and water safety by recycling approach.</p>	<p>Each business unit has gradually established and certified ISO14001 environmental management system, carried out environmental monitoring, and publicly disclosed environmental management and related information.</p> <p>Each business unit gradually sets resource use targets and reduces the amount of additional carbon sources to reduce drug consumption through precise aeration and drug dosing.</p>	Progress steadily towards the target.	"Real" Commitment to Green — SIIC Environment's Eco Pledge
	Water resource management	 	Establish a water resources monitoring system to regularly assess water resources risks. Promote water-saving equipment and raise staff awareness of water conservation.	Formulate sustainable management strategies, establish smart water management systems, and leverage new technologies to achieve precision management. Engage in water resource protection and governance, strengthen international collaboration, and enhance management standards.	Each business unit further optimized water treatment process routes to enhance wastewater treatment efficiency; implemented measures such as pipeline network upgrades to reduce leakage rates and minimize water resource wastage; decreased external water procurement through water conservation advocacy and reclaimed water reuse promotion; and achieved ultra-low emissions in compliance with environmental protection authorities' requirements, thereby improving local water environments and protecting water resources.	Progress steadily towards the target.	"Real" Commitment to Green — SIIC Environment's Eco Pledge

¹ Short-term: 1~3 years; middle-, long-term: 3 years and above.
² Responses to economic performance issues can be found in the FY2024 Annual Report.



Subject Area	Highly material issues	Related SDGs	Short-Term Targets	Medium and Long-Term Targets	Progress in 2024	Overachievements/ Shortfalls	Corresponding Chapter
Labor	Occupational health and safety		Targets have been set for work-related injuries/deaths, injury rates, safety incidents, safety inspections, safety drills, safety training, occupational health check-ups and social insurance.	To provide Employees with a safe working environment, including appropriate protective clothing and equipment, safety education and training, and dedicated safety management personnel. To establish an Occupational Health and Safety Management System.	Each business unit refined occupational health and safety management systems, progressively establishing and obtaining certification for ISO 45001 Occupational Health and Safety Management Systems. Annual safety production goals — Zero Accidents, Zero Casualties — have been set and incorporated into annual performance evaluations. Employees are provided with safety education and training as well as personal protective equipment. In 2024, there were no production safety liability accidents or workplace fatalities, and 37,663.5 hours of training were provided to employees.	We have comprehensively implemented a responsibility system for safety production and fire prevention objectives to ensure employees' occupational health and safety, while strengthening safety management requirements for relevant stakeholders.	"Real" Benefits for Society — SIIC Environment's Social Contributions
	Labour compliance		To maintain 0 cases of child labour or forced labour.	To maintain a zero-tolerance policy toward forced labor and child labor, and safeguard employees' rights regarding employment and labor practices.	We rigorously adhere to employment-related laws and regulations to ensure the effective implementation of labor management systems.	The Company strictly complies with local laws and regulations. In 2024, there were zero incidents of forced labor, child labor, or other illegal practices, and there are no illegal incidents, such as forced labor or child labor in 2024.	"Real" Benefits for Society — SIIC Environment's Social Contributions
	Employee compensation and benefits		To improve the employee compensation and welfare management system.	To enhance assessment systems, improve incentive structures, and establish talent cultivation programs, to continuously elevate employee well-being and satisfaction.	In 2024, over half of our business units established robust compensation and benefits systems, refined talent selection mechanisms, and optimized comprehensive performance evaluation and development frameworks.	Progress steadily towards the target.	"Real" Benefits for Society — SIIC Environment's Social Contributions
Operation	Water quality assurance		To improve the water quality monitoring mechanism, ensure the safety and hygiene of the water supply, and achieve 100% qualification rate in water tests.	To meet the public's demand for high-quality water by implementing stricter treatment requirements.	Each business unit has ensured water safety through multiple measures, including signing safety target responsibility agreements, intensifying inspection frequency, enhancing personnel skills, and adopting technological solutions.	In 2024, except for certain water plants affected by raw water turbidity, all other water supply projects maintained a 100% compliance rate in water quality testing.	"Real" Performance in Practice — SIIC Environment's Operational Excellence
	Service quality and standards		To provide customers with quality service and address 100% of customer feedback.	To uphold exceptional product and service quality to fulfill our commitments to customers.	We guarantee safe, compliant discharges and premium water supply while continuously improving service quality. Customer complaints are promptly addressed with a 100% resolution rate. Select business units conducted customer satisfaction surveys, achieving overall positive evaluations.	Progress steadily towards the target.	"Real" Performance in Practice — SIIC Environment's Operational Excellence
	Anti-corruption		To provide annual anti-corruption training for the Board, management and staff. To update anti-corruption policies	To maintain zero incidents of corruption involving the company or its employees. To promote integrity and ethical culture among staff to strengthen anti-corruption awareness.	Updated anti-corruption policies were issued; anti-corruption training was conducted for the Board of Directors, management, and employees, with 100% Board participation. Select business units signed integrity responsibility agreements and established ethical conduct records. The number of concluded corruption litigation cases against the Group or employees in 2024 is zero.	We further refined institutional processes, strengthened internal audits, accelerated digitalization and IT infrastructure development, and continuously reinforced anti-corruption safeguards.	"Real" Strategies in Motion — SIIC Environment's Sustainable Governance
	Compliance operation		To conduct annual internal audits of business units to ensure that internal control measures and compliance inspection are consistent and effective.	To continuously refine our control system development, prioritize internal control management, enhance employee awareness, and organize regular training. To establish a supervision and evaluation mechanism to conduct periodic assessments, ensuring the effectiveness of compliance management.	Internal control systems have been updated to elevate compliance management standards. The oversight role of internal audits is fully leveraged to identify issues through audits, internal risk screenings, and evaluations, and to step up efforts to supervise the rectification of the divisions and project companies, so as to ensure business operations align with local laws, listing rules, and corporate governance codes. In 2024, internal audits and inspections were conducted for the business units in accordance with the plan.	We persistently strengthen the development of internal control management systems, enhance training for management and employees, progressively increase internal audit coverage, and supervise the completion of audit rectifications.	"Real" Strategies in Motion — SIIC Environment's Sustainable Governance
	Corporate governance		To strengthen the Board's management and oversight of ESG issues, build sustainability capability and engage Directors in sustainability training.	To continuously improve corporate governance system to elevate governance capabilities, integrating ESG factors into all aspects of governance, strategy, and risk management.	A three-tier governance structure has been established—comprising the Board of Directors, RIMC, and ESG Working Group—with clarified roles and responsibilities aligned with exchange requirements. In 2024, sustainability-related training was provided to directors, management, and employees.	We consistently advance corporate governance infrastructure, conduct regular sustainability training, and fully integrate ESG initiatives into business operations and development.	About SIIC Environment "Real" Strategies in Motion — SIIC Environment's Sustainable Governance



04

"Real" Performance in Practice — SIIC Environment's Operational Excellence

To achieve this, we prioritize scientific innovation and technological advancement enhancing operational governance and efficiency. In the water treatment project, we use the precision dosing system of chemicals combined with simulation research to ensure the efficient and accurate operation of the project from various aspects including technical expertise, energy efficiency, process accuracy, and safety compliance. Furthermore, we collaborate closely with supply chain partners to advance sustainable and eco-friendly industry practices, fostering shared value creation.



Highlights



Water qualification rate **99.9** %



RMB **20.61** million invested in R%D



Supplier management systems enforced on **3,670** suppliers

Highly Material Issues addressed in this Chapter

- Water quality assurance
- Compliance operation
- Service quality and standards

研发中心



Water Quality Assurance

SIIC Environment prioritizes customer-centricity, strictly adheres to product and service quality regulations, and continuously enhances its quality management framework and provides excellent services. Within its environmental operations, the Group complies with relevant regulations, including *Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002)*, *Sanitary Standard for Drinking Water (GB 5749 - 2022)* and *City Water Supply Quality Standard (CJ/T206-2005)*.

The Group has established a comprehensive project management system, continuously optimizing the operation process. Aligned with internal management system and standard operating practices, each business unit has formulated and implemented management measures such as the *Water Quality Management System*, the *Water Quality Assessment and Production Management Internal Control Manual*, and the *Production Operation Management Guidelines for wastewater Treatment Projects* , to ensure compliance and efficiency in operation. In addition, we monitor and assess the operational performance of our business units on a quarterly basis to effectively implement internal policies and management practices.

In quality management system, we constantly encourage business units to develop a quality management system based on ISO 9001. Several business units and projects have obtained certification for the ISO 9001 quality management system. The Group will continue to enhance quality governance and improve service quality to meet customer needs. Moving forward, we will increase investment in technology R&D, explore pioneer high-efficiency eco-friendly water treatment technologies , and adapt to evolving environmental regulations and customer expectations, strengthen cooperation with scientific research institutions and enterprises, and introduce advanced management experience and technology to lay the foundation for sustainable growth.

High-Quality Wastewater Purification

SIIC Environment adheres to high standards and high quality as the core principle, ensuring stable compliance in wastewater treatment continues to promote upgrading. We have established a comprehensive water quality management system and standardized operation, covering the entire process control from influent testing, process optimization to effluent monitoring, guaranteeing consistently compliant discharges.

Additionally, we actively respond to industry development trends and environmental standards, enhancing design capacity and effluent quality through technological innovation. For example, some projects apply advanced oxidation processes (AOPs) , bioaugmentation and other technologies to improve the removal effect of refractory pollutants. In some areas, advanced wastewater treatment is promoted to make the effluent quality achieving Surface Water Class III standards. We introduced intelligent monitoring technology to track critical water quality indicators in real time and trigger alerts , ensuring continuous optimization of the treatment process and further improve the stability and reliability of wastewater treatment.

In the future, we will continue to pioneer higher environmental standards, promote wastewater treatment from "standard discharge" to " near-zero emission thresholds " , collaborating with municipalities to restore aquatic.



Case Study

Shanghai Qingpu Xicen Water Purification Plant Project ("Xicen Project") pioneers a fully buried intelligent wastewater treatment system in China. It adopts a completely underground double-layer structure, integrating air flotation + ozone catalytic oxidation + pressure ultrafiltration membrane process. The project deploys intelligent aeration control system to effectively reduce of COD and ammonia nitrogen concentrations in effluent, ensure uniform and accurate aeration distribution, and have the ability to dynamically adjust water quality fluctuations, forming a dynamic and stable compliance mechanism for intelligent control of the whole process. The project strictly implements the Surface Water Class III standards, and its treated recharges the surrounding ecological water system.

Xicen project was completed in 2024 and commenced commercial operation in January 2025. As the core environmental protection infrastructure of the Yangtze River Delta Eco-Green Demonstration Zone, Xicen Project carries the triple functional fulcrum of Xicen Science and Technology Innovation Town, Huawei's R&D Base, and Rural Revitalization Strategy, and builds a new municipal facility paradigm of "underground space intensification + water quality standard exceedance".

Ensuring Clean Water Supply

In water supply safety, SIIC Environment complies with national and local standards, continuously optimizes its internal management frameworks and operation processes to ensure the provision of safe and high-quality drinking water and protect public health and sanitary. To maintain water quality standards, a three-level water quality monitoring and assurance system is established and implemented, namely, the monitoring by networked instruments, daily water quality testing by on-site laboratory staff, and seasonal sampling and testing by certified third parties to continuously monitor incoming and outgoing water. Water supply projects are equipped with water quality warning systems, which can make real-time adjustments to treatment according to water quality changes to ensure a stable and reliable water supply. In addition, some projects disclose water quality reports through public channels to enhance information transparency and accept stakeholder supervision.



Case Study

The integrated technology of pre-ozonation bio-fluidized bed coupled enhanced conventional water supply treatment, which Shandong BU participated in, won the first prize of the Shandong Provincial Construction Science and Technology Innovation Achievement Competition in 2023. The technical achievements have been successfully applied to its Bailanghe Water purification plant and Meicun Water Purification Plant upgrading projects. As one of the top ten livelihood projects in Weifang city in 2024, these two projects have been put into operation during the year, setting a benchmark for urban water supply quality improvement in Shandong Province.

On the basis of ensuring the stability of the factory water quality in compliance with the *Sanitary Standard for Drinking Water (GB5749-2022)*, the turbidity, high fernate index, trihalomethane and other indicators of the factory water quality are significantly better than the national standard, and high-quality water supply is guaranteed.



⦿ Bailanghe Water Plant and Meicun Water Purification Plant of SIIC Environment Shandong BU



Quality of Service

Protection of Customer Rights

SIIC Environment is committed to providing customers with high-quality services and consistently improving their satisfaction. Business units strictly adhere to internal policies, such as the *Customer Satisfaction Management System*, to standardize customer satisfaction survey procedures. In a bid to solicit feedback and improve service quality, the Company opens different channels for customers to voice their problems and concerns, including customer satisfaction questionnaires, head office' email, message boxes on the website of project companies, WeChat official accounts, and service hotline. In addition, SIIC Environment actively practices the "customer- centricity" service concept, continuously improves the service to ensure the safety of customers' water.

In response to the growing number of water supply users, SIIC Environment has taken multiple measures to ensure that customers and the community have easy access to clean drinking water. We have established an online water supply application platform, allowing customers to apply for and install water service through the website or WeChat official account, enabling them to complete the process remotely. In addition, we organize community-based water service initiatives, set up temporary service centers in residential areas, provide on-site business support, issue convenient service cards, and facilitating water service applications within community, and publicize water conservation.

For water supply projects in cold northern regions, winter preparedness measures are implemented before the onset of winter, and ensure the safe and stable operation of the water supply system under severe cold conditions. These include strengthening the freeze-protection measures for facilities, optimizing operational management, and improving emergency response capabilities. Specific measures include:



Comprehensive Overhaul and Maintenance of Water Supply Facilities

Conduct thorough inspections and maintenance of freeze-prone water supply infrastructure, implement cold-proof insulation measures to ensure normal operation under low-temperature conditions.



Multi-Channel Winter Freeze Prevention Campaigns

Disseminate freeze-proof guidelines and winter water safety knowledge through multiple channels to enhance public awareness of frost damage prevention.



Establishment of Emergency Thawing Task Forces

Deploy dedicated emergency thawing teams on 24-hour standby to promptly address sudden freezing incidents, guaranteeing uninterrupted water supply for residents.

During the Reporting Period, we received 6 service-related customer complaints from customers, mainly about issues with water quality, water pressure and due amount of water. After receiving complaints, our projects companies immediately got in touch with the complainants to collect more information. The responsible departments take a proactive approach to address customer feedback and follow up with customers after the complaints have been closed to ensure they are fully resolved. In 2024, 100% of customer complaints were settled. To prevent similar problems in the future, we regularly review customer complaints and update our management systems as necessary.

© In 2024



100 % of customer
complaints were settled

Information Security

In order to safeguard customer information and privacy, our project companies have formulated and implemented the *Customer Information Confidentiality Management System*, which further standardizes customer information management procedures, and introduces a reward and punishment mechanism for customer privacy management. Regular information security inspections and data protection training have been provided to our employees to raise their awareness and capability to deal with related issues. Furthermore, our technical team continuously maintains critical hardware and software to enhance technological solutions, to prevent risk leakage, theft, and unauthorized access.



Case Study

SIIC Environment Shandong BU has established a security protection system that meets the national level 2 protection requirements, conducts regularly security inspections and updates of protective measures, and has joined the "Blue Shield Enterprise Protection Plan" to further strengthen its network security defenses. The company attaches great importance to information security of public utilities. To enhance network security, Shandong BU organizes two to three "Network Protection Actions" annually, collaborating closely with local cyber police and participating in multiple cybersecurity projects.

© In 2024



The group conducted
411 information security inspections

Organized
34 trainings

With a total duration of
431 hours




Business Quality Improvement and Innovation


Based on the National Ecological Civilization Construction Strategy, SIIC Environment is committed to high-quality development, and builds a dual-driven development model of "technological innovation + management empowerment".

R&D and Innovation

Innovation is the primary driving force behind our development and plays a crucial role in promoting high-quality business development. Leveraging our technical strengths in water environment management and wastewater treatment over the years, we remain committed to leading through innovation. We explore and implement various technical means to develop and promote smart water systems, thus continuously improves service quality and competitiveness.



In 2024



The group's R&D expenditure amounted to RMB

20.61 million


Accepted

11 patents for utility model


During the Reporting Period, the Group participated in the preparation of the *Ranking" Evaluation Requirements for Fine Operation and Management of Urban Wastewater Treatment Plants* standard, and each business unit has been actively engaged in the research and development of innovative technologies: Fudan BU issued 1 utility model patent and participated in the compilation of a number of national and industry standards; The Wuhan BU issued 1 utility model patent, and established R&D teams including *Airlift Circulation (RPIR) Process Optimization Team and Taizhou Industrial Wastewater Experimental Working Group*; Nanfang BU cooperated with Harbin Institute of Technology Shenzhen Branch to promote the AOA (anaerobic-aerobic-anoxic) process research and development project and accepted 2 utility model patents; Longjiang BU has obtained 1 utility model patent, and the *Carbon Emission Reduction Assessment Standard for Urban Wastewater Treatment Plants* has been officially released and implemented in 2024; Baoshan Renewable Energy Utilization Center accepted 6 patents for utility model.

As a national high-tech enterprise and a "postdoctoral research station" in the field of environmental engineering, Longjiang BU has established Cold-Region Water Environment Technology R&D Center, focusing on the research and development of water environment treatment technology in cold climate regions. Through continuously technological innovation, it strengthens the core competitiveness of the industry and drives the technological advancements in cold-region water environment management. The center has been awarded three authoritative qualifications: *National Ecological Environment Science Popularization Base*, *Heilongjiang Soil Remediation Engineering Technology Research Center*, and *Provincial Enterprise Technology Center*.


In 2024, Longjiang BU has prioritized the industrial application of functional microbial agents, established a standardized strain selection-evaluation-preservation process, built a standardized strain resource library, and complete the multi-scenario efficacy verification of special functional strains such as denitrifying bacteria, demurmonizing bacteria, and deodorizing bacteria.



Case Study



Inflatable Air Bag Sealing Device
Patent Certificate of Wuhan BU



R&D center of Longjiang BU

A total of 12 research projects have been conducted, with collaborative partners including higher education institutions, research institutes, and enterprises.

Business Unit	Research Project
Fudan BU	Energy efficiency assessment and energy-saving operation optimization of wastewater treatment plant research projects
	Wastewater plant mixed nutrition type denitrification and wetting material
	Ozone catalyst effect evaluation and product development issues
	Scale tendency project for industrial wastewater plants
Wuhan BU	Research on filtration technology of advanced treatment sand filter in urban wastewater treatment plant
Nanfang BU	Wastewater nitrogen enrichment coupled with red bacteria treatment process
Shandong BU	Development and application of pre-ozone biofluidized bed coupling to strengthen conventional water supply treatment process
Ranhill BU	Establishment and application of lake pollution source and early warning system of wastewater water treatment plant in industrial park
Longjiang BU	Research and demonstration of intelligent cluster regulation and control technology for wastewater treatment in Songhua River Basin
	Research on domestic wastewater treatment technology and equipment in villages and towns in cold areas
	Research and engineering demonstration of integrated technology for drinking water safety assurance
	Research on carbon footprint accounting and low-carbon synergistic pollution reduction and control technology in wastewater treatment industry

Information platform construction

In 2024, SIIC Environment continued to promote the digital transformation of company and enhance the construction of information platforms. We have developed several information platforms, including financial systems, human resources systems, office automation systems, operation management systems, across six business units and the Baoshan Renewable Energy Utilization Center. With the platforms, our business units are managed in an organized and standardized manner in the form of system traceability and standardized review and approval processes. The comprehensive digital system ensures compliance management and effective control of operational risks.

The Group comprehensively promoted the digital transformation of production and operation, relying on the production and operation management platform to achieve entire-process control and real-time monitoring of key operational indicators and inlet and outlet parameters of subordinate projects. Through the smart water management platform system, enabling real-time monitoring, timely detection of anomalies, and measures to achieve automatic intelligence for water supply security. Some projects have started to capitalize on precision dosing and aeration systems to control resource consumption.

In addition, to make it easier and more efficient for customers to access water supply services, our water supply project companies are actively building digital platforms for customer service. WeChat mini-programs, mobile service apps and others have been launched to continuously improve customer experience and satisfaction.



Case Study

In 2024, Fangzi Water Supply Company accelerated the depth integration of its digital platform, focusing on improve core systems such as remote monitoring system for secondary water supply and pressure monitoring.

The secondary water supply remote monitoring system, based on the "whole-process management" concept, enables real-time monitoring and accurate tracking of key indicators, including on-site pump station, water consumption and water quality. Through advanced technologies such as whole-process integration, module reuse, and automated operation and maintenance, it integrates multiple production and operation and maintenance requirements such as data collection, intelligent early warning, and equipment file management, realizing the needs of remote start and stop units, remote adjustment of water supply target pressure, and water inlet valve switch, effectively reducing operation and maintenance costs and improving technical level. In addition, the dual guarantee mechanism of unattended and on-site inspection is innovatively adopted to view the production data of the pump room in real time, and timely find and deal with various abnormal conditions based on dynamic alarm and monitoring screens to ensure the safety and reliability of water supply.

Furthermore, the project has deployed 30 pressure monitoring units across urban and rural water supply networks and established a hydraulic model-driven pressure control mechanism to quickly detect and deal with abnormal pressure changes. The production scheduling system continuously pays attention to the entire water treatment and water supply process, through the data collection and transmission mechanism, reasonably dispatches the water volume, adjusts the process, and sets the pressure.

Protection of Intellectual Property

SIIC Environment prioritizes intellectual property compliance management, strictly abides by the *Trademark Law of the PRC*, the *Patent Law of the PRC* and other laws and regulations. We formulate intellectual property management mechanisms as needed, including the *Patent Management Measures*, *Scientific Research Confidentiality System*, and *Intellectual Property Protection System*, to provide guidance for innovation.

We apply for and maintain patents to protect the Company's innovations and actively seek legal advice in the event of intellectual property breaches. Our business units organize intellectual property training as needed to familiarize employees with relevant laws and regulations and build their capabilities and awareness. During the Reporting Period, there were no violations of relevant laws and regulations.

Supply Chain Management

Supplier Compliance Management

SIIC Environment strictly abides by the *Tendering and Bidding Law of the PRC*, the *Regulations for the Implementation of the Tendering and Bidding Law of the PRC* and other relevant laws and regulations. To ensure a fair, open, and transparent bidding process, we have formulated the *Procurement Management System*, *Bidding Management Measures* and Contract management Measures and other systems, and implemented a dynamic update mechanism to ensure that the system is in sync with regulatory requirements.

As part of the supplier selection process, we set up a cross-departmental assessment team to evaluate and review the supplier qualification collected. The Group assigns separation duties due for incompatible positions in internal control, and implements the hierarchical authorization process of "preliminary evaluation of functional departments - final review by management". In 2024, we strengthened the supplier supervision and review efforts, focusing primarily on environmental review, business ethics review and health and safety review.

Our business units have gradually improved their supplier directory, established supply chain information management system, and strengthened performance in environmental and social responsibility mechanisms. Our business units have included provisions on workplace safety, environmental protection, and other compliance issues in our contracts with qualified suppliers, give priority to suppliers with *ISO 14001 Environmental Management System* and *ISO 45001 Occupational Health Management System* certifications. The supplier directory is dynamically hierarchically managed, and non-compliant entities are eliminated through regular review.

As of the end of the Reporting Period, the Group had a total of 3,670 suppliers and had policies in place for 100% of these suppliers. The number of suppliers by geographical location is shown in the chart below.



Number of suppliers in Chinese mainland

3,611

Number of suppliers in other locations

59

Green Procurement

SIIC Environment attaches great importance to the synergy between corporate sustainable development and supplier responsibility. In the procurement process, we prefer to choose suppliers with better environmental performance and give priority to environmental-friendly, energy-saving, renewable and low-carbon products and services. The Group puts emphasis on the purchaser's responsibility and expands procurement on green and low-carbon products. In addition, we promote the establishment of a sound green procurement management system and strengthen supervision and inspection of green procurement implementation, gradually increasing the proportion of green procurement based on the existing basis.

In 2024, each business unit further refined its green procurement strategy, establishing energy conservation, carbon reduction, and cost savings as core objectives. These principles were defined in procurement regulations, which are continuously update to ensure full compliance with environmental protection requirements.

For example, energy-efficient equipment and low-pollution chemical reagents are preferred, effectively minimizing environment impact at the source, decreasing energy consumption and pollutant emissions, and promoting the green procurement strategy.



Supply Chain Risk Control and Management

SIIC Environment places a strong emphasis on comprehensive supply chain risk management, covering supplier qualification, contract performance, and ongoing supervision to identify and manage potential risks. These efforts ensure the stability and sustainable development of the supply chain.

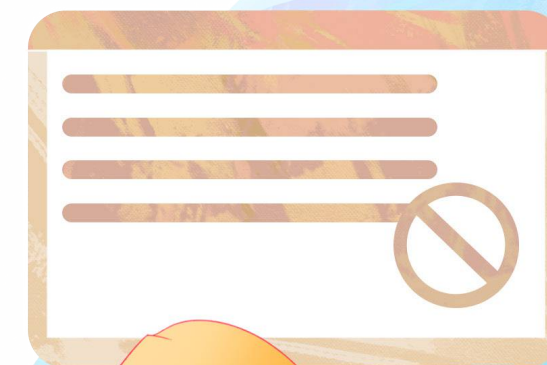
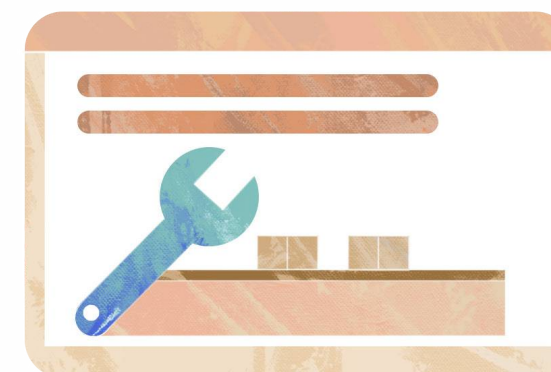
During the supplier selection process, we conduct rigorous assessments, strictly review entry criteria and reject applicants who fail to meet our standards. In the process of cooperation, we continuously monitor suppliers performance, require corrective action from underperforming or non-compliant suppliers and terminate partnerships if necessary. In addition, to minimize supply chain disruption risk, we have adopted a multi-supplier strategy and establish a reserve mechanism for key supplier categories, ensuring a stable supply of critical materials.

For specific risk areas, we have established targeted management mechanisms. Environmental risk: We assess suppliers' environmental compliance, require rectification of suppliers who violate environmental protection regulations. If they fail to meet the standards, cooperation is suspended. Quality risk: We conduct regular random inspections of the supplied materials, addressing non-compliant products in accordance with contract terms to ensure materials quality meets the standards. Safety risk: We implement a "Four-step Control Process", including pre-qualification review, signing of responsibility agreements, safety training and on-site inspection. Additionally, we issue a *Safety Notice* to improve the safety awareness of construction personnel.

To further strengthen compliance management, we have formulated *Conflict of Interest Avoidance System*, and signed *Integrity Contracts* with suppliers. Each business unit regularly conducts supplier integrity audits to ensure the fairness and transparency of procurement activities. Furthermore, we have developed emergency response plans. In the event of emergency disruptions or other emergencies, we quickly activate alternative suppliers according to the ranking mechanism to ensure uninterrupted business operations.

In 2024, we continued to optimize our supplier management system. For example, the Baoshan Renewable Energy Utilization Center upgraded its supplier admission and annual review system, incorporating environmental protection, sustainability, labor relations and material quality as key assessment criteria. Suppliers that fail to meet these standard are not allowed to pass the audit. During the annual evaluation process, suppliers are categorized into three levels: A, B, and C, according to their performance. A-Level suppliers receive priority for collaboration, B-Level suppliers are required to make improvement, C-level suppliers are blacklisted and terminated cooperation. By implementing a dynamic management mechanism, we can continuously identify and mitigate supply chain risks.

Beyond price, quality and service, we prioritize environmental protection, sustainability, and labor relations as important evaluation criteria. Through a sound supply chain management system, we ensure supply chain stability and regulatory compliance.





05

"Real" Commitment to Green — SIIC Environment's Eco Pledge

In alignment with the national strategy of "promoting green development and promoting harmonious coexistence between man and nature", SIIC Environment remains focuses on environmental protection business. We strictly manage our environmental footprint of its operations and actively address global climate change challenges. Committed to a green operation strategy, we implement comprehensive control measures for pollutants, waste and resource management to minimize ecological impact. Additionally, through technological innovation and refined management, we will continue to improve energy and chemical efficiency, accelerate the application of renewable energy technology, and contribute to ecological conversation and climate governance goals.



Highlights



Water use intensity reduced by **9.90** % compared with 2020



Non-hazardous waste disposed of by means of reduction in 2024: **291,884.62** tonnes



Recycled water consumption in 2024 increased by **92.63** %YOY

Highly Material Issues addressed in this Chapter

- Emissions and waste management
- Water resource management
- Environmental impact management



Pollutant Emission Control

SIIC Environment abides by *Environmental Protection Law of the People's Republic of China* and *Regulations on the Administration of Pollutant Discharge Permits*, and strictly implements the national discharge standards for wastewater, air emissions and solid waste treatment, including *Discharge Standard of Pollutants for Municipal Wastewater Treatment Plants*(GB 18918-2002), *Environmental Quality Standards for Surface Water* (GB 3838-2002), *Standard for Pollution Control on the Municipal Solid Waste Incineration* (GB 18485-2014), and *Emission Standards for Odor Pollutants* (GB 14554-1993), *Disposal of Sludge from Municipal Wastewater Treatment Plant- Quality of Sludge Used in Land Improvement* (GB/T 24600-2009), *Disposal of Sludge from Municipal Wastewater Treatment Plant-Quality of Sludge Used in Gardens or Parks* (GB/T 23486-2009), etc. The group has established a comprehensive environmental management system covering wastewater, sludge and waste gas emissions, and ensures compliance through intelligent monitoring and dynamic optimization. During the Reporting Period, there was no reported major non-compliance with relevant standards and regulations.

During the Reporting Period, the Nanchang WWTP Project of Ranhill BU and the Fujin WWTP Project of Longjiang BU were both awarded the title of "Zero Waste Enterprise".



"Zero-Waste Enterprise" Award

Wastewater Management

The Company's wastewater treatment operations generate various pollutants, including chemical oxygen demand ("COD"), biochemical oxygen demand ("BOD"), ammonia nitrogen, total nitrogen, total phosphorus, and suspended particulate matter. To discharge pollutants in accordance with national standards, we regularly sample wastewater for contaminant detection and routine testing in operation and partly monitor water quality on digital systems in real time to timely adjust process parameters and explore refined process management. For wastewater treatment facilities and equipment, we manage them in strict accordance with their operational specifications and diligently perform routine maintenance and repairs. Environmental facilities are added and upgraded based on actual conditions to ensure the stable operation of wastewater equipment, continuously improving treatment efficiency.

The Group drives the improvement of water treatment efficiency through technological innovation, applying ozone catalytic oxidation, activated carbon adsorption and ultrafiltration processes to purify water bodies. It also undertakes the expansion, upgrading, and related training of environmental protection facilities as needed. In alignment with local environmental protection requirements, each business unit implements wastewater section monitoring to achieve ultra-low discharge.

SIIC Environment adheres to the principle of ecological priority, strictly follows relevant discharge standards to safeguard water quality. We prioritize the internal recycling of wastewater and the application of reclaimed/reused water to minimize external drainage. After strict treatment,the wastewater that meets environmental protection standards is discharged into surrounding rivers, waterways and sea areas ensuring the health and stability of the water ecosystem and maintaining regional water quality. Additionally, the Group attaches great importance to the environment and society impact of its operations, establishes a multi-dimensional environmental information disclosure mechanism. It actively shares environmental information through official websites, public platforms and other channels to enhance public supervision and participation.

Case Study



The Wuhan BU released the environmental monitoring report of the WWTP project

Destination of the Treated Wastewater Discharge

Business Category

Amount (tonnes)

Nearby rivers

Water supply, wastewater

463,321,968.00

Nearby waterways

Wastewater

1,206,322,523.68

Nearby seas

Wastewater

390,671,890.00

Waste Gas Management

SIIC Environment is committed to responsibly managing our impact on air quality, and has taken a series of measures to address air pollutants such as sulfur oxides, nitrogen oxides and odorous gases generated during our operations, and smoke released during waste incineration.

Multi-Stage Purification System

Utilizing technologies including semi-dry desulfurization, activated carbon adsorption, baghouse dust removal, and Selective Non-Catalytic Reduction (SNCR).

Odor Control

Effective odor mitigation through enclosure sealing, negative pressure collection, and integrated technologies such as biofiltration, plasma deodorization, and activated carbon adsorption.

Liquid Chlorine Safety Management

Strict compliance with *the Regulations on Safety Management of Chlorine Use*. Chlorination rooms are equipped with absorption systems and leak detection and alarm systems, achieving zero liquid chlorine leakage incidents in 2024.

Continuous Improvement

Persistently explore waste gas management methodologies, evaluate emerging technologies, identify and resolve potential risks, and strictly comply with the latest environmental regulations.



Waste Management

Our operations generate hazardous waste, including fly ash, used activated carbon generated from the waste incineration business, and other hazardous wastes such as hazardous sludge, laboratory waste liquid and waste motor oil produced by other businesses. We implement a rigorous reduction and compliance disposal process to minimize our environmental impact:



Source Decrement

- Reduce hazardous waste generation by optimizing standard laboratory operating procedures (SOPs) and enhancing process efficiency.
- Segregate and treat laboratory wastewater samples and hazardous liquid waste separately during water quality monitoring to minimize harmful effluent production.



Resource Utilization

- Recycle specific hazardous waste streams, such as repurposing waste oil as lubricants for valves, nuts, bolts, and other mechanical components.



Standardized Disposal

- All hazardous waste is managed in strict compliance with national regulations.
- Solidified fly ash from waste incineration undergoes compliant landfill disposal; spent activated carbon is processed by third parties or incinerated in dedicated furnaces.
- Hazardous sludge and laboratory liquid waste are centrally treated by certified third-party entities.

The main non-hazardous wastes generated from our operations include non-hazardous sludge generated from sludge treatment business and slag generated from solid waste incineration. We strictly comply with the requirements of the relevant system for non-hazardous sludges, such as centralized landfill, use for plant greening, or collection by qualified third-party institutions. We entrust a professional organization to carry out sludge delivery and centralized transfer, and use the sludge transfer joint order mechanism to supervise the whole process. The treated harmless sludge can be used to produce fertilizer and building materials, rehabilitate mines, and be incinerated for power and steam generation.

During the Reporting Period



The Group recycled or disposed of
30.86 tonnes of hazardous waste.



We disposed of
291,884.62 tonnes of non-hazardous waste through recycling, recovery, and other reduction methods.



Case Study

The Longjiang BU summarized the problems existing in the environmental management of each water plant, individually developed targeted rectification plans, and further revised the *Hazardous Waste Management System for WWTP* based on actual conditions and the common issues identified in hazardous waste management. In accordance with the requirements of the *Pollution Control Standards for Hazardous Waste Storage* and the *Hazardous Waste Management System for wastewater Treatment Plants*, the Group has compiled the *Requirements for the Construction of Hazardous Waste Storage Rooms for New Projects*, so that the hazardous waste storage rooms of the Group's new projects can be accurately designed and constructed according to the requirements of the standards.

Water Resource Management

SIIC Environment incorporates the sustainable use of water resources into the core of its strategy, and comprehensively strengthens the whole-process management and control system centered on water resources management in 2024, scientifically managing water resources and promoting their sustainable use.

Most of the Group's projects have no problems in obtaining water sources suitable for production and operation, and some water supply projects may be affected by seasonal changes and drought, resulting in fluctuations in water supply. We have established a dynamic water dispatch mechanism to deal with seasonal water supply risks. For example, the water intake will be optimized from the shore to the center of the river, the maintenance of the underground water source wells will be strengthened, and the depth of the well washing will be increased to ensure the stability of the water supply. In addition, our water diversion project ensures the timeliness of water transfer through the establishment of a pipeline inspection management system and a mechanism of coordination with source water suppliers.

Management Measures

All business units of SIIC Environment actively respond to and fully implement the government's requirements on water conservation and environmental protection, and vigorously promote the reuse and efficient utilization of reclaimed water. The Group has established a "production-recycling-reuse" three-level water resources management system: in the daily operation of wastewater treatment plants, reclaimed water is widely applied, covering multiple production auxiliary links such as equipment flushing, pharmaceutical water, sludge dewatering, green irrigation, cooling cycle and ground flushing, which effectively saves freshwater resources and reduces operating costs. The treated and discharged high-standard tail water is used in the production and operation, and can also be used for landscaping and domestic water, or municipal greening maintenance and sprinkler operations, which not only improves the recycling rate of water resources, but also improves the environment inside and outside the plant, and achieves a win-win situation of economic and environmental benefits.

In addition, we regularly monitor and control pipeline leakage, strengthen the maintenance and upgrading of water supply facilities, and reduce operational water consumption through the installation of flow meters and network inspections. We promote the use of water-saving faucets and toilets, conduct water-saving awareness training, and foster a water-saving culture among all employees through effective plant signage.

The Group has established water usage targets, aiming to increase the recycled water volume by 20% by 2030 compared to the 2020 baseline and progressively raise the water recycling rate annually.

During the Reporting Period



We recycled and reused a total of
78,383,320.5 tonnes of water

Representing a decrease in water intensity of
9.9 % compared with 2020





Environmental Impact Management

SIIC Environment adheres to the concept of sustainable development and is committed to the three simultaneous benefits of economic , social and environmental protection. The Group strictly abides by *Environmental Protection Law of the People's Republic of China*, *Energy Conservation Law of the People's Republic of China* and other laws and regulations and has established a top-down environmental management system to guide its work scientifically.

The Group has established a three-level environmental management system consisting of overall planning by the headquarters, execution by divisions and implementation of projects. Through the *Production and Operation Cost Management System*, *Operation Project Environmental Protection Management System*, *Environmental Factor Identification and Evaluation Management System*, *Operation Project Environmental Protection Management System*, *Wastewater Treatment Facilities Environmental Protection Supervision and Management Measures*, *Material Management Rules* and other standardized systems, it covers waste control, up-to-standard discharge, standardized processes, emergency plans and responsibility allocation. We established comprehensive monitoring and evaluation mechanism to ensure the effective implementation of various protection measures and promote the continuous improvement of environmental performance.

SIIC Environment headquarters set annual targets, focusing on supervising the compliance of pollutant emissions and the consumption of energy, water, chemicals and other resources across each business unit. Through regular evaluation, these metrics are linked to the performance of business units and project leaders to strengthen execution. Each business unit establishes internal systems based on its operational characteristics, standardizing emergency response plans, standard operating procedures (SOPs), and responsibility allocation to optimize resource utilization efficiency. We have also established corresponding short-term, medium- and long-term targets for the use of resources, which have been included in the assessment of the project and the relevant responsible personnel.

Chemical Use Management

The use of chemicals is an integral part of our water treatment business, and we are committed to maximizing efficiency and minimizing environmental impact through scientific control. We use online monitoring equipment and intelligent dosing control systems to automatically adjust the dosage of chemicals according to different water quality and treatment needs, avoid repeated dosing or overuse, and take a series of relevant measures to achieve this goal:



Optimization of Chemical Dosing

- Experimentally determine optimal dosing parameters and methods, with precision adjustments via real-time water quality monitoring
- Smart dosing systems enhance operational accuracy



Strengthened Budget Management

- Scientifically control chemical consumption budgets to improve material utilization efficiency



Green Procurement

- Prioritize carbon sources with minimal environmental impact, significant treatment efficacy, and no generation of recalcitrant pollutants

In order to better control the use of chemicals, our projects need to analyze the unit consumption of chemical agents in the monthly production analysis report and explain the deviation. Projects that exceed the budget will be notified, provided with guidance for adjustment,, and subjected to on-site supervision based on actual needs. The quality of the chemicals is strictly controlled, high-quality suppliers are screened, and sampling inspection is carried out to ensure quality. For projects using the Fenton process, timely optimize the dosage of hydrogen peroxide and ferrous sulfate. In 2024, through the above measures, Ranhill BU saved 7.6% of related expenses compared with the budget.

To reduce the use of external carbon sources, SIIC Environment makes full use of biological treatment or internal circulation processes in multiple business scenarios and generates active substances through internal sludge reflux or digestion processes to replace part of external carbon addition. In 2024, each business unit actively explored process innovation for composite and alternative carbon sources, and the Fudan BU's research project on kitchen waste as a composite carbon source has been formally approved.



Case Study

The Nanfang BU formulates a carbon source dosing guidance plan, including detailed water quality analysis to determine the type and amount of carbon source, conducts small-scale experiments to optimize the dosing strategy, and ensures that microorganisms can make full use of carbon sources for biological denitrification through measures such as phased dosing, optimization of dosing points and adjustment of dosing frequency. Process training is carried out, including key tasks such as carbon source selection, dosage calculation, dosage optimization and reflux adjustment. Through regular monitoring and assessment, the effect of carbon source dosing is evaluated to ensure the balance between treatment efficiency and economy.



Case Study

Chengbei WWTP Project under the Shandong BU has adopted an industrial park integrated management model. By channeling wastewater from neighboring breweries into its treatment system, the plant enhances wastewater treatment efficiency, optimizes process workflows, and achieves high-efficiency resource utilization. This approach significantly reduces the plant's reliance on external carbon sources, lowers operational costs, and mitigates environmental impact at the source.

Biodiversity Protection

SIIC Environment attaches great importance to biodiversity conservation and integrates it into full project lifecycle management . The Group strictly abides by the ecological protection redline and *Environmental Impact Assessment (EIA)* requirements, complies with the *Convention on Biological Diversity*, and ensures that the site selection and construction of projects do not damage important ecosystems such as natural habitats, wetlands and forests. We reduce pollutant emissions and reduce our impact on water ecosystems through rigorous water quality management and eco-friendly treatment processes. In addition, the tail water of some projects is recharged to surrounding wetlands, water bodies or rivers, improving the quality of the water environment, providing a good living environment for aquatic animals and plants, and helping to restore and balance the regional ecosystem. We will advance tailwater reuse strategies to foster the integration of water recycling and ecological symbiosis .

We also encourage employees to live in harmony with wild animals, not to disturb or harm wild animals, and to notify the relevant departments immediately if they find injured individuals and take protective measures. We will continue to explore more effective biodiversity conservation approaches to strengthen the planet's ecological equilibrium .



Case Study

In May 2024, the tailwater diversion project of Shuyang County Municipal WWTP in Suqian City, Jiangsu Province was officially put into operation. The tailwater of Shuyang County Cheng Nan WWTP Project under the Nanfang BU was deeply purified by the combined process of "horizontal underflow + surface flow wetland", and then diverted to the ecological wetland park, completing the organic transformation of "engineered water" to "ecological water" and promoting the restoration of regional biodiversity.



Shuyang Wastewater Treatment Plant tailwater diversion project renderings



Environmental Performance Data¹

Summary Table of Key Environmental Indicators²

Emissions					
Emission Type	Indicator	Unit	2024	2023	2022
Greenhouse gases ³	Direct emissions (Scope 1)	tonnes CO ₂ e	251,468	253,415	105,747
	Indirect emissions (Scope 2)	tonnes CO ₂ e	534,129	540,099	475,607
	Other indirect emissions (Scope 3)	tonnes CO ₂ e	167,020	-	-
	Total greenhouse gases emissions	tonnes CO ₂ e	952,616	793,514	581,354
	Total greenhouse gases emissions intensity ⁴	tonnes CO ₂ e/RMB million	125.41	104.78	70.01
Solid waste	Total discharge of hazardous waste	tonnes	28,492	27,090	12,353
	Hazardous waste discharge intensity	tonnes/RMB million	3.76	3.58	1.49
	Total discharge of non-hazardous waste	tonnes	2,174,329	2,195,942	2,055,981
	Non-hazardous waste discharge intensity	tonnes/RMB million	287.12	289.97	247.59

Use of Resources					
Resource Type	Indicator	Unit	2024	2023	2022
Energy consumption	Total direct energy consumption	kilowatt hours	129,449,611	77,597,547	40,566,541
	Intensity of direct energy consumption	kilowatt hours/ RMB million (operating revenue)	17,042	10,247	4,885
	Total indirect energy consumption	kilowatt hours	1,011,184,566	947,043,320	833,960,036
	Intensity of indirect energy consumption	kilowatt hours/ RMB million (operating revenue)	133,120.66	125,055.24	100,428.71
Water consumption	Total water consumption	tonnes	477,097,752	473,673,439	461,733,613
	Intensity of water consumption	tonnes/RMB million (operating revenue)	62,809.08	62,547.66	55,603.76

¹ The scope of environmental performance disclosure only includes projects in operation during the financial year.

² The summary table of key environmental indicators cover the 4 main business (wastewater treatment, water supply, sludge treatment and solid waste incineration).

³ Scope 1 emissions mainly generated from direct energy (petrol, diesel, and natural gas) consumption and waste incineration process. Scope 2 emissions were from the purchased electricity consumption. Scope 3 emissions were from other indirect consumption (purchased goods and service, capital goods, business travel, and employee commuting) during the Reporting Period.

⁴ GHG emissions intensity calculation is based on the Company's operating revenue, in millions of RMB. The intensity calculation of solid waste discharge, energy consumption and water consumption also used the same denominator.

Wastewater Treatment Business Line

Emissions					
Emission Type	Indicator	Unit	2024	2023	2022
Air Pollutants	Ammonia gas	/	In compliance	In compliance	In compliance
	Hydrogen sulphide	/	In compliance	In compliance	In compliance
Greenhouse gases ¹	Direct emissions (Scope 1)	tonnes CO ₂ e	1,039.20	954.28	1,503.34
	Indirect emissions (Scope 2)	tonnes CO ₂ e	444,895.11	448,660.82	411,369.66
Wastewater	Wastewater	tonnes	2,470,981,920.93	2,355,231,579.73	2,325,436,490.71
	COD	tonnes	46,297.51	46,071.37	51,082.59
	BOD	tonnes	9,919.23	10,031.84	11,062.15
	Total suspended solids	tonnes	12,609.02	12,434.69	13,362.83
	Ammonia nitrogen	tonnes	1,413.86	1,618.80	1,754.85
Hazardous wastes ²	Hazardous sludge	tonnes	4,687.16	3,937.66	3,394.94
	Other hazardous wastes ³	tonnes	163.67	129.90	106.51
Non-hazardous wastes	Regular sludge	tonnes	1,606,928.17	1,559,625.65	1,538,845.73
	Other non-hazardous wastes ⁴	tonnes	25,875.49	23,978.63	28,510.42

Initiatives and Processes to Reduce Emissions/Discharges					
Initiatives and processes	Indicator	Unit	2024	2023	2022
Trees	Number of trees able to reach at least five metres in height	trees	24,859	23,160	22,499
	Amount of CO ₂ offset ⁵	tonnes CO ₂	571.77	532.68	517.48
Wastewater treatment	COD reduced after treatment	tonnes	542,311.40	596,033.81	501,372.87
	BOD reduced after treatment	tonnes	246,169.04	231,404.43	221,042.13
	Ammonia nitrogen reduced after treatment	tonnes	58,374.52	55,126.81	54,404.74

¹ Scope 1 emissions mainly generated from direct energy consumption and were calculated using *Industrial Enterprises Greenhouse Gas Emissions Accounting and Reporting Guidelines (Trial)* published by National Development and Reform Commission of the PRC. Scope 2 emissions were from the purchased electricity consumption during the Reporting Period and were calculated using the provincial average emission factors of the National Grid as defined in the *Announcement on Issuing 2022 Provincial Electricity CO₂ Emission Factors* issued by the Ministry of Ecology and Environment of the PRC.

² Hazardous wastes were defined according to the *Directory of National Hazardous Wastes (2021 Revision)* published by the Ministry of Ecology and Environment of the PRC.

³ Other hazardous wastes mainly include laboratory waste liquids, waste motor oil, and a small quantity of waste reagent bottles and other hazardous waste.

⁴ Other non-hazardous wastes mainly include screening waste and grit, domestic waste, packaging cardboard box, and a small quantity of chemical packaging and other non-hazardous wastes.

⁵ CO₂ offsets were calculated using the methodology outlined in the *Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 Edition)* published by the Environmental Protection Department and the Electrical and Mechanical Services Department.



Initiatives and Processes to Reduce
Emissions/Discharges

Initiatives and processes	Indicator	Unit	2024	2023	2022
Water recycling	Recycled water used	tonnes	76,531,026.00	39,880,776.60	26,586,468.00
Reclaimed water supply	Reclaimed water produced	tonnes	64,544,146.98	56,814,215.00	45,109,985.00
Sludge recycling	Regular sludge reused	tonnes	914,573.10	965,556.38	987,978.18

Use of Resources

Resource Type	Indicator	Unit	2024	2023	2022
Energy consumption	Petrol	liters	123,531.00	100,012.92	128,321.85
	Diesel	liters	64,835.59	87,915.44	54,115.70
	Natural gas	cubic meters	272,607.40	228,644.80	495,773.30
	Renewable energy (solar)	kilowatt hours	1,692,801.50	1,663,402.60	1,732,105.00
	Total direct energy consumption	kilowatt hours	846,491,766.68	5,954,585.02	8,819,367.42
	Indirect energy				
	Purchased electricity	kilowatt hours	846,491.766.68	786,710,186.21	721,321,514.00
Water consumption	Purchased freshwater	tonnes	2,345,981.79	2,441,164.24	2,135,380.85
Raw materials consumption	Disinfectants	tonnes	40,672.58	39,123.62	36,132.87
	Adsorbents	tonnes	8,153.38	6,135.18	5,390.08
	Carbon sources	tonnes	96,381.30	290,186.67	84,904.77
	Coagulants and flocculants	tonnes	149,519.20	969,418.11	146,859.23
	Acid-base regulators	tonnes	32,457.57	119,948.60	11,624.06
	Other raw materials ⁶	tonnes	47,969.80	48,239.55	35,776.43

⁶ Other raw materials mainly include hydrochloric acid, lime, liquid oxygen and NS-A Reagent.

Water Supply Business Line

Emissions

Emission Type ¹	Indicator	Unit	2024	2023	2022
Greenhouse gases ²	Direct emissions (Scope 1)	tonnes CO ₂ e	14.98	19.42	13.62
	Indirect emissions (Scope 2)	tonnes CO ₂ e	78,502.49	81,027.69	54,168.76
Wastewater	Wastewater	tonnes	7,681,379.00	8,973,313.00	19,426,922.00
Non-hazardous wastes	Regular sludge ³	tonnes	9,873.87	9,942.62	70,887.00
	Other non-hazardous wastes ⁴	tonnes	86.02	89.82	45.45

Initiatives and Processes to Reduce
Emissions/Discharges

Initiatives and processes	Indicator	Unit	2024	2023	2022
Trees	Number of trees able to reach at least five metres in height ⁵	trees	6,030	6,407	6,384
	Amount of CO ₂ offset ⁶	tonnes CO ₂	138.69	147.36	146.83
Water recycling	Recycled water used	tonnes	231,251.00	272,287.00	264,750.00

¹ Hazardous waste is not necessary in water supply business; thus, we do not disclose related information.

² Scope 1 emissions mainly generated from direct energy consumption and were calculated using *Industrial Enterprises Greenhouse Gas Emissions Accounting and Reporting Guidelines (Trial)* published by National Development and Reform Commission of the PRC. Scope 2 emissions were from the purchased electricity consumption during the Reporting Period and were calculated using the provincial average emission factors of the National Grid as defined in *the Announcement on Issuing 2022 Provincial Electricity CO₂ Emission Factors* issued by the Ministry of Ecology and Environment of the PRC.

³ During the year, there was a change in the method of disposal of hazardous sludge, which was mostly changed to landfill treatment; therefore, the amount of recycled hazardous sludge is no longer disclosed.

⁴ Other non-hazardous wastes mainly include domestic garbage and packaging cardboard boxes.

⁵ CO₂ offsets were calculated using the methodology outlined in the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 Edition) published by the Environmental Protection Department and the Electrical and Mechanical Services Department.



Use of Resources

Resource Type		Indicator	Unit	2024	2023	2022
Energy consumption	Direct energy	Petrol	litres	6,743.59	8,682.93	5,888.00
		Diesel	litres	0	50	200
		Total direct energy consumption	kilowatt hours	61,261.76	79,914.70	55,559.42
	Indirect energy	Purchased electricity	kilowatt hours	146,007,865.00	142,079,065.60	94,982,920.19
Water consumption		Surface water	tonnes	405,640,647.00	399,549,474.08	388,447,336.47
		Groundwater	tonnes	67,011,129.00	69,446,373.00	70,555,173.00
Raw materials consumption ⁷		Disinfectants	tonnes	7,933.57	8,949.91	4,232.05
		Coagulants and flocculants	tonnes	12,551.81	8,739.07	9,376.00
		Water purification agents	tonnes	3,307.40	3,715.75	3,200.47

Sludge Treatment Business Line¹

Emissions

Emission Type		Indicator	Unit	2024	2023	2022
Air Pollutants ²		Ammonia gas	/	In compliance	In compliance	In compliance
		Hydrogen sulphide	/	In compliance	In compliance	In compliance
Greenhouse gases ³		Direct emissions (Scope 1)	tonnes CO ₂ e	1,615.57	1,437.31	1,479.85
		Indirect emissions (Scope 2)	tonnes CO ₂ e	10,231.48	10,285.52	9,888.23
Hazardous wastes		Other hazardous wastes ⁴	tonnes	7.58	2.33	2.87
Non-hazardous wastes		Regular sludge	tonnes	299,265.48	395,424.60	341,417.50
		Other non-hazardous wastes ⁵	tonnes	189.35	190.62	186.15

⁷ During the Reporting Period, the consumption of coagulants and flocculants fluctuated due to the changes of the type of chemicals.

¹ Since wastewater generated from the sludge treatment process is treated in-house and reused at the sludge treatment plant or discharged to the WWTP that belongs to the same project company for treatment, the discharge of wastewater is not material to the sludge treatment business line and is therefore not disclosed.

² Since some sludge treatment projects are not equipped with quantitative data monitoring systems, this table discloses the sludge treatment business line's performance on air pollutant emissions by evaluating whether the emissions met the local emission standards.

³ Scope 1 emissions mainly generated from direct energy consumption and were calculated using *Industrial Enterprises Greenhouse Gas Emissions Accounting and Reporting Guidelines (Trial)* published by National Development and Reform Commission of the PRC. Scope 2 emissions were from the purchased electricity consumption during the Reporting Period and were calculated using the provincial average emission factors of the National Grid as defined in the *Announcement on Issuing 2022 Provincial Electricity CO₂ Emission Factors* issued by the Ministry of Ecology and Environment of the PRC.

⁴ Other hazardous wastes mainly include waste motor oil and laboratory waste liquids.

⁵ Other non-hazardous wastes mainly include domestic waste and screening waste and grit.

Initiatives and Processes to Reduce Emissions/Discharges

Initiatives and processes	Indicator	Unit	2024	2023	2022
Trees	Number of trees able to reach at least five metres in height ⁶	trees	2,533	2,353	2,233
	Amount of CO ₂ offset	tonnes CO ₂	58.25	54.12	51.36
Water recycling	Recycled water used	tonnes	123,377.50	112,489.00	125,300.00
Sludge recycling	Regular sludge reused	tonnes	233,021.82	323,573.73	266,450.50

Use of Resources

Resource Type		Indicator	Unit	2024	2023	2022
Energy consumption	Direct energy	Petrol	liters	12,545.55	13,812.96	13,252.12
		Diesel	liters	438,753.60	394,022.65	433,454.24
		Natural gas	cubic meters	185,435.00	157,654.00	128,577.00
		Renewable energy (biogas)	cubic meters	1,692,953.00	1,964,267.00	2,025,795.00
		Renewable energy (solar)	Kilowatt hours	23,175.00	23,175.00	23,175.00
		Total direct energy consumption	Kilowatt hours	17,316,012.22	18,267,974.61	18,742,999.13
	Indirect energy	Purchased electricity	Kilowatt hours	18,429,034.00	18,035,288.00	17,338,641.60
Water consumption		Purchased freshwater	tonnes	9,089.00	12,897.00	10,152.00
Raw materials consumption		Straw	tonnes	26,530.24	25,523.13	37,043.79
		Rice husk	tonnes	25,799.00	43,838.78	33,381.96
		Other raw materials ⁷	tonnes	6,040.30	9,373.25	3,546.54

⁶ CO₂ offsets were calculated using the methodology outlined in the *Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 Edition)* published by the Environmental Protection Department and the Electrical and Mechanical Services Department.

⁷ Other raw materials mainly include corn cobs, wood chips, and composite auxiliary materials.



Waste Incineration Business Line¹

Emissions

Emission Type	Indicator	Unit	2024	2023	2022
Air pollutants ²	NOx	tonnes	380.91	381.68	203.95
	SOx	tonnes	28.47	20.08	30.03
	CO	tonnes	19.39	24.55	7.57
	Smoke	tonnes	6.92	5.52	6.72
	Dioxins ³	/	In compliance	In compliance	In compliance
Greenhouse gases ⁴	Direct emissions (Scope 1)	tonnes CO ₂ e	248,797.86	251,004.27	102,750.06
	Indirect emissions (Scope 2)	tonnes CO ₂ e	164.03	124.77	180.76
Wastewater	Wastewater	tonnes	299,635.03	405,746.60	135,090.76
	COD	tonnes	12.44	4.49	9.28
	Ammonia nitrogen	tonnes	0.25	0.22	0.51
Hazardous wastes	Used activated carbon from treatment of waste gases generated during waste incineration	tonnes	50.56	51.70	106.94
	Fly ash from domestic waste incineration	tonnes	23,566.44	22,964.71	8,733.39
	Other hazardous wastes ⁵	tonnes	16.15	3.86	7.91
Non-hazardous waste	Slag	tonnes	232,110.56	206,659.39	76,088.37

Initiatives and Processes to Reduce
Emissions/Discharges

Initiatives and processes	Indicator	Unit	2024	2023	2022
Trees	Number of trees able to reach at least five metres in height	trees	2,216	2,216	1,153
	Amount of CO ₂ offset ⁶	tonnes CO ₂	50.97	50.97	26.52
Water recycling	Recycled water used	tonnes	1,497,666.00	424,708.00	221,551.30
Electricity generation from waste incineration	Electricity generated	kilowatt hours	546,728,950.00	535,092,804.00	149,597,009.00
Waste recycling/reuse	Slag reused	tonnes	232,110.56	206,659.39	74,698.37

Use of Resources

Resource Type		Indicator	Unit	2024	2023	2022
Energy consumption	Direct Energy	Diesel	litres	91,800.00	104,075.45	310,284.96
		Natural gas	cubic metres	1,336,649.00	534,925.00	900,378.00
		Total direct energy	kilowatt hours	105,638,186.16	53,295,072.41	12,948,614.61
	Indirect Energy	Purchased electricity	kilowatt hours	255,900.00	218,780.00	316,960.00
Water consumption		Purchased freshwater	tonnes	2,090,905.00	2,223,531.00	585,571.12

¹ During the Reporting Period, the business scope of Waste Incineration Business Line has changed, resulting in fluctuations in data related to planted trees, recycled water, natural gas consumption, etc.

² Air pollutants only include those generated from waste incineration during the Reporting Period.

³ Air pollutants only include those generated from waste incineration during the Reporting Period.

⁴ Scope 1 emissions mainly generated from direct energy consumption and waste incineration. Scope 1 emissions were calculated using Industrial Enterprises Greenhouse Gas Emissions Accounting and Reporting Guidelines (Trial) published by National Development and Reform Commission of the PRC and Greenhouse Gas Accounting Tool for Chinese Cities (Pilot Version 1.0) published by the Greenhouse Gas Protocol. This year, the calculation method of greenhouse gas has revised, and the relevant data for 2020 and 2021 were updated simultaneously. Scope 2 emissions were from the purchased electricity consumption during the Reporting Period and were calculated using the provincial average emission factors of the National Grid as defined in the *Announcement on Issuing 2022 Provincial Electricity CO₂ Emission Factors* issued by the Ministry of Ecology and Environment of the PRC.

⁵Other hazardous wastes include waste lead batteries, laboratory waste liquids, waste mineral oil, materials contaminated by waste mineral oil and laboratory waste liquids.

⁶ CO₂ offsets were calculated using the methodology outlined in the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 Edition) published by the Environmental Protection Department and the Electrical and Mechanical Services Department.



06

"Real" Benefits for Society — SIIC Environment's Social Contributions

SIIC Environment is committed to creating a harmonious, inclusive, caring, and motivating work environment. We are dedicated to safeguarding the physical and mental well-being of our employees and helping them grow together with the Company. We continue to improve our human resource systems and work to increase employees' sense of security and happiness. We also care about society, support environmental education and actively participate in public welfare activities to assume the responsibility of corporate citizens. Looking ahead, we will actively expand our corporate responsibility and take more powerful actions to support environmental communication and public welfare charity, creating greater value for society.



Highlights



Number of work-related fatalities **0**



Number of participants in safety training **6,161**



Volunteer service hours **3,314** hours

Highly Material Issues addressed in this Chapter

- Labour compliance
- Occupational health and safety
- Employee compensation and welfare





Compliance Employment

SIIC Environment strictly complies with Labour Law of the People's Republic of China, *Labour Contract Law of the PRC*, *Regulations on the Implementation of the Labour Contract Law of the PRC*, *Measures for Holidays on National New Year's Festivals and Commemorative Days*, *Singapore Labour Act*, *Singapore Employment of Foreign Workers Act*, and has formulated regulations such as *Recruitment Management System* to further manage employment compliance. In 2024, we revised our internal payroll performance system and implemented market-based payroll survey. During the Reporting Period, there were no incidents of labour disputes.

The Group strictly adheres to relevant laws and regulations, explicitly prohibiting any form of forced labor or child employment. During recruitment processes, rigorous identity verification and qualification screening are implemented to eliminate non-compliant risks. This ensures the absence of illegal contracts or agreements and strictly prohibits the retention of employees' identity documents. In the event of such violation, employees can report it directly to the local labour supervision authorities, and the Company will immediately set up a special team to deal with it.

We have established a sound human resource management system and have developed employee manuals to standardize the code of conduct of employees, covering the management requirements of office procedures, reporting, attendance, performance evaluation, rewards and punishments, compensation and benefits, training and employee rights. Our business unit also develops relevant internal systems to comprehensively manage human resources matters.



To protect workers' rights and interests, the Group has set up a reporting and complaint mechanism, providing publicly accessible anonymous feedback channels. We continue to optimize the employment management system, and strengthen supervision to prevent illegal acts.

The Group has established a compensation and welfare system, and each business unit has also formulated and implemented relevant internal systems to ensure fair, transparency and compliance management of employment, remuneration, promotion and other human resources matters. During the Reporting Period, business units revised and improved *Remuneration Management System*, *Welfare Management Measures*, *Performance Appraisal Management System*, *Reward and Punishment Management Measures*. These enhancements optimized and reformed the salary system and provided reasonable and flexible salary guarantees for employees. These initiatives demonstrate the great importance we attach to compliance recruitment and employee rights.

Equality, Inclusiveness, and Diversity

Equality, Anti-Discrimination and Diversity

SIIC Environment adheres to the principle of equal employment and is committed to creating an inclusive and diversified career environment and establishing a fair and transparent recruitment system. We have adopted a selection mechanism for capacity assessment to provide equal employment opportunities and resolutely prevent discrimination against gender, age, disability, religious belief, nationality and sexual orientation. We have formulated and implements relevant policies, reinforcing our commitment to anti-discrimination, and creating an equal and inclusive corporate culture.

We guarantee equal opportunities for employees of all genders in recruitment processes, compensation structures, and career advancement systems. We endeavours to create an equal and inclusive workplace, ensure equal pay for equal work and secure the legitimate rights and interests of female employees. During the Reporting Period, the proportion of women in the Group's management team was 13.33%, while the proportion of women among employees was about 26%.

The Company respects and embraces employees from different cultures and ethnic backgrounds, with team members representing various nationalities and ethnic groups. We encourage and prioritize the recruitment of local talent in operating regions to boost local employment while promoting multicultural exchanges that enhance our team's international perspective and operational efficiency. In 2024, the number of ethnic minority employees was 166 people. We offer suitable employment opportunities for special groups (such as people with disabilities) when business operation permits, to ensure they can perform their roles effectively and maximize their strengths.

In 2024, the Group employed a total of 20 people with disabilities.

During the Reporting Period



The proportion of women in the Group's management team was

13.33 %

While the proportion of women among employees was about

26 %

The number of ethnic minority employees was

166 people

The Group employed a total of

20 people with disabilities



Longjiang BU won the honorary title of "Top Ten Employers" of 51job and Zhaopin.

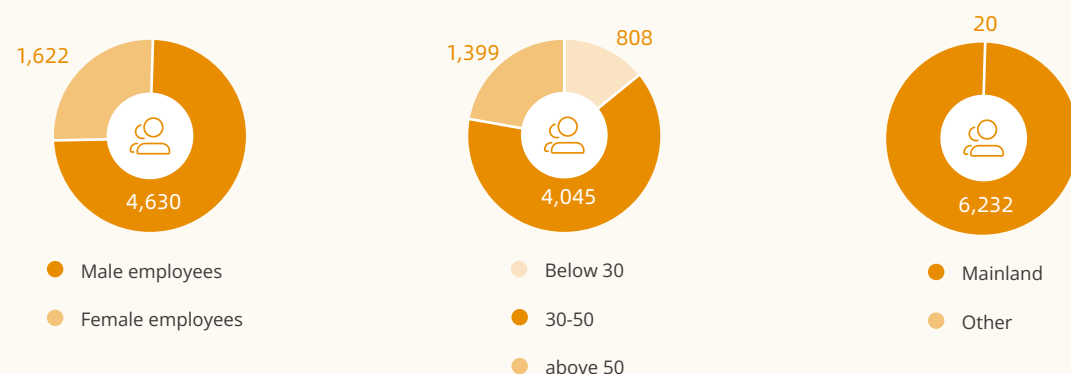


As of December 31, 2024

The Group has employees
6,252 full-time employees

Number of part-time employees).
0

A breakdown of employees by gender, age and region is shown below:

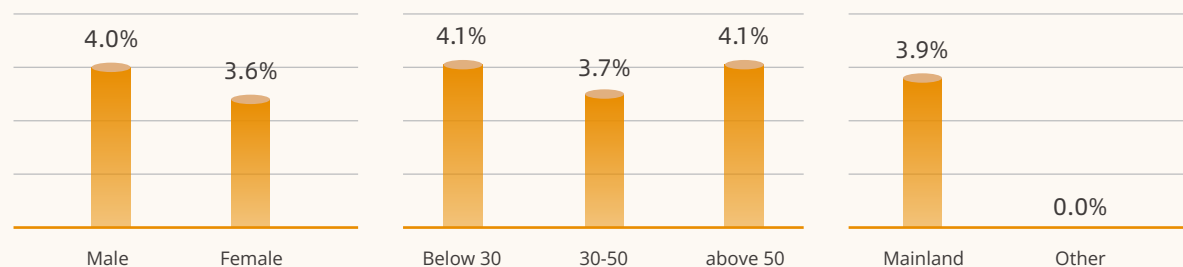


During the Reporting Period

The number of leaving employees was
242

And the overall turnover rate was
3.9 %

A breakdown of employee turnover by gender, age group, and geographical region is shown below:



Protection of Employees' Right

Protecting the rights and interests of employees has always been one of the core values of the development of SIIC Environment. The Group strictly abides by labor laws and regulations, safeguards employees' fundamental rights, and is committed to providing a fair, healthy and respectful working environment.

In addition, we also focus on labor rights and interests across our supply chain and among outsourcing partners, promote responsible partnerships. We require contractors to protect workers' reasonable rest periods, fair remuneration, and occupational health and safety, thereby ensure the legitimate rights of construction personnel. When necessary, we also conduct due diligence on partners to ensure compliance with labor regulations and relevant standards.

► To ensure the health and safety of our employees, we provide comprehensive health care and occupational health support. For instance:

Each business unit purchases supplementary work-related injury insurance for front-line employees and provide regular occupational disease physical examination;

We provide high-quality labor protection equipment and take measures such as cold and heat prevention in the working environment, ensuring safe and comfortable working conditions.

Democratic Communication

The Group adheres to an open and transparent management philosophy and builds a variety of communication mechanism to ensure that employees can fully express their opinions and demands. The main channels include:

To ensure that employees' voices can be heard, we have employee suggestion boxes, workshops, internal satisfaction surveys, etc;

Regular employee congresses are held to solicit public opinions on issues such as employee welfare and rights and interests protection, through democratic publicity and democratic voting, and ensure the transparency of decision-making;

The trade union is an important platform for employees to defend their legitimate rights and interests. Through the union, we organize cultural and sporting activities and provide training for union members to support their personal development and career advancement.

During the Reporting Period, a total of 6,085 employees joined the trade union, and the collective agreement signing rate is 49.84%.

Case Study



The Fifth Plenary Meeting of the Sixth Workers' Congress of Shandong BU Weifang Tap Water Co., LTD



Employee Welfare and Care

The Group is committed to providing a comprehensive and secure welfare system for its employees. We have formulated and implemented internal management norms such as *Employee Welfare Management System* to ensure the delivery of all welfare benefits and allowances, including statutory benefits (pension, medical, unemployment, work-related injury, and maternity insurance, as well as housing provident fund), allowance-based benefits, and supplementary benefits. We have also established commercial insurance, health check-ups, paid leave, and other benefits to further expand the scope of supplementary benefits, fostering a stable, comfortable, and inclusive work environment.



We pay close attention to the rights of female employees and provide them with marriage leave, breastfeeding leave and provide parental leave for both parents in strict accordance with relevant requirements. In 2024, a total of 90 employees in the Group are enjoying parental leave benefits.

The Huizhou Company of Nanfang BU has provided complimentary childcare services for employees' during the summer vacation, reducing the family burden on employees and helping them balance their career development and family responsibilities.

Our business units provide specialized health check-ups for female employees and organize activities such as women's health lectures to enhance their physical and mental wellbeing. In addition, we organize tea art, flower art, sightseeing and film viewing activities, and provide female employees with a half-day holiday on the annual "International Working Women's Day" to enrich their spare time.

Employee Sympathy

Employee care and sympathy is an important part of the corporate culture of SIIC Environment. We continuously promote multi-level and multi-form care plannings. We attach great importance to the needs of employees with difficulties. Several business units have set up special funds and organize employees to participate in relevant donation actions. We follow the "five must visits" requirements and support employees with critical illnesses and those encountering acute financial distress, provide condolences and subsidies, and regularly visit during festivals and other periods to convey warmth.

Case Study



Organize visits to the families of employees in need



Organize festival condolences

Cultural and Sports Activities

SIIC Environment always pays attention to the physical and mental health of employees and is committed to creating a harmonious and positive working atmosphere. The Group regularly organizes various kinds of cultural and sports activities to enhance the teamwork spirit and promote communication. Each business unit also held special lectures to help employees improve their emotional regulation and communication skills from a psychological perspective, helping employees achieve work-life balance in a caring environment.

Case Study



Mid-Autumn Festival activities



Lantern riddles guessing activities on the Lantern Festival



Employee badminton competition



Employee basketball competition



Low-carbon and environmental protection hiking activities



Occupational Health and Safety

The importance of ensuring workplace safety cannot be overstated, as the wellbeing of employees is pivotal to the sustained growth of companies. In addition to abide by *the Work Safety Law of the PRC, the Law of the PRC on the Prevention and Control of Occupational Diseases, the Fire Protection Law of the PRC, the Provisions on the Administration of Occupational Health at Workplaces* and other relevant laws and regulations, we have developed and continue to improve our occupational health and safety management system. SIIC Environment is dedicated to creating a safe and healthy workplace. Business units such as Fudan BU and Nanfang BU have obtained ISO 45001 Occupational Health and Safety Management System Certification. During the Reporting Period, there was no case of violations of occupational health and safety laws and regulations.

Workplace Safety

The Group has set up the Safety and Environmental Protection Office and formulated the *Safety Production Management Measures*, which define annual production safety target, divide the management responsibilities, implement reporting mechanism, and integrate production safety compliance into key performance indicators. Our business units delegate responsibility in each link by signing *Safety Responsibility Letter*. Safety targets are linked to the bonuses of those responsible. Our workplace safety mechanism is based on three aspects, namely strengthening safety management systems, improving employees' emergency preparedness, and enhancing employee safety education. Under the corporate governance framework, each business unit has established a targeted safety system aligned with their operational conditions, including the *Project Company Safety Production Management Measures, Construction Project Safety Management Measures, Safety Production Education and Training Management Regulations* and other systems, comprehensively guaranteeing the safe production of the Group.

Workplace Safety Mechanism



Strengthening safety management systems



Improving employees' emergency preparedness



Enhancing employee safety education

Our professional management team is responsible for coordinating, planning, organizing, developing and handling health and safety-related matters. The Safety Production team of the Company's headquarters holds regular meetings every quarter to keep abreast of and supervise the safety production trends of various business units. Members of the Board of Directors conduct quarterly routine inspections and irregular workplace safety inspections, to strengthen regulations and ensure enforcement of safety standards. In addition, each business unit adopts different business management methods according to the nature of its production activities to further standardize the safety management of the production activities of the project company.

To effectively manage health and safety risks, our business units have standardized safety incident reporting process. We submit regularly self-assessment reports on workplace safety risks to regulators, and receive feedback from regulators to further improve our safety management standards and operating.

Our business units organize a variety of exercises and training programs to promote workplace safety and raise safety awareness among employees. The training programs include occupational safety education for new employees, safety education for special equipment operators, "Three New" safety training (new processes, new technologies, and new equipment), safety training in preparation for job changes or transfers, education on safety accidents, etc. Through those training programs, employees are trained to learn about occupational health and safety laws and regulations and the Company's policies, knowledge of using safety equipment, and emergency response measures.

The safety of contractors and associated workers involved in production processes is also an important part of our health and safety efforts. We have formulated the *Stakeholder Safety Management System, the Safety Risk Notification Card and Safety Notification Letter for External Personnel* to communicate our safety management principles to stakeholders and require their adherence to necessary safety rules. Each business unit also defines safety requirements for external personnel. For example, the Construction Safety Agreement regulates practices and carries out regular safety checks during construction to ensure construction safety.

Case Study



Organize the 2024 Occupational Safety Training



Organize emergency rescue drills for confined space operations



Launching a series of Safety Month activities with the theme "Safety for All, Emergency Response for Everyone".



Organize fire evacuation emergency drills





Occupational Health

In order to prevent and eliminate occupational hazards in the course of production and operation, and to safeguard the occupational health of employees, the Company has formulated systems and policies such as the *Occupational Health Management System*, *Occupational-disease-inductive Notification System*, *Occupational Disease Prevention Responsibility System* to maximize the protection of the health of employees and the prevention of occupational diseases. The Company seeks to provide a source of systems for guiding the standardized management of workplace safety and production and for strengthening safety supervision by continuously improving workplace safety.

The occupational health management team is fully responsible for comprehensively managing occupational disease hazards. The business units also conduct on-site inspections of occupational hygiene hazards in accordance with the "Three Simultaneity" system management requirements for construction projects. We put up warning signs in hazardous areas and communicate relevant safety management rules and manuals to our employees. For positions exposed to serious occupational hazards, we also do so at prominent places in the facilities and hire third-party to inspect and assess occupational hazard factors. We provide professional and technical staff with personal protective equipment such as helmets, gloves, masks as required by law to ensure that they are protected from occupational hazards at work. The protective equipment is also inspected and updated on a regular basis to maintain its functionality and effectiveness. For employees in certain positions, our business unit organizes special safety and business training every year, and provide occupational physical check-up, such as lung examination, to ensure occupational health risks are under control.

In response to work-related injuries and occupational diseases, we have set up sound investigation and handing procedures to quickly respond to emergencies and provide timely emergency assistance and compensation for employees. In the event of a work accident, we immediately show concern for the employees's condition, assist them in completing the injury recognition declaration, and provide necessary medical aid and support to ensure that the employees receive comprehensive protection throughout their recovery.

In 2024, 0 occupational disease related accident happened in the Group. Moving forward, we will continue to strive for zero occupational disease incidents as our goal, strengthening our efforts in occupational disease prevention and control.

Case Study



Shandong BU organizes work-related injury prevention and safety training



First-aid skills training

In 2024, our safety production related targets that have been reached are as follow:

The completion of the safety checks indicators

	Number of safety checks	Covering rate of safety checks	Rate of safety checks rectification
	937 times	100 %	100 %

Achievement of safety drill indicators

	Number of safety emergency drills	Covering rate of safety emergency drills
	229 times	100 %

The achievement of safety training indicators

	Safety training hours	Covering rate of safety training	Number of participants in safety training
	37,663.5 hours	98.54 %	6,161

Work death and industrial injury indicators achieved

	Number of work-related fatalities	Rate of work-related fatality (per 100 employees)	Loss of working days due to work-related injuries
	0	0	385 days
	Number of work-related injuries	Rate of work-related injuries	
	4	0.0320 %	

Safety accident indicators

	Number of safe production responsibility accidents
	0

In 2025, our planned safety production-related objectives are as follow:



Employee Training and Development

According to the business development needs and employee growth plans, each business unit has formulated the *Training Management System*, *Training Management Measures* and other relevant regulations, and established a comprehensive and efficient training management system that covers technical, management, functional positions. This system aims to systematically enhance employees' professional skills and overall competencies. We encourage employees to actively engage in learning, integrate internal and external resources, and foster team-wide growth through knowledge accumulation and experience sharing. Meanwhile, we pay attention to the construction of the talent echelon, share talent training experience with peers, regularly invite external experts to carry out special training, help the career development of employees, and cultivate a diversified and high-quality professional team.

The headquarters and each business unit make annual training plans, including training schedules, budget and assessment criteria. We offer targeted training programs for different categories of employees, such as managers, specialists, technicians, personnel needing position transfer, and new employees. These programs encompass cross-department communication, job rotation, online and offline seminars, independent learning, external training and skills competitions. The training content covers professional and technical skills, technology research and development, health and safety, laws and regulations, environmental protection, anti-corruption, business etiquette, risk identification and other aspects, ensuring a comprehensive enhancement of employees' competencies.

The Group focuses on supporting the career development of employees through a scientific, equitable and motivating performance management system. We actively facilitate employees' skill transformation, optimizing training platforms, customizing career development paths, and strengthening performance guidance. We also combine employee development with the improvement of management efficiency and create a stable and harmonious labour relations.

Case Study

Longjiang BU has been conducting technical training planning on a three-year cycle, including important activities such as technical competitions for frontline workers in five specialized fields and the evaluation and recruitment of technicians to enhance the professional competence and skill level of employees. The training programs were successfully completed during the Reporting Period.













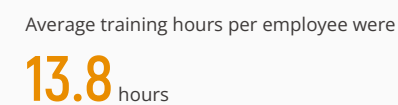
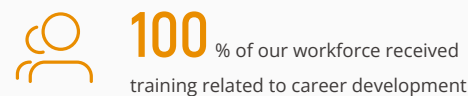
Longjiang Environment Protection Group Co., Ltd. Organizes "Technician Appraisal" Examination

Wuhan BU carries out management training and team building activities

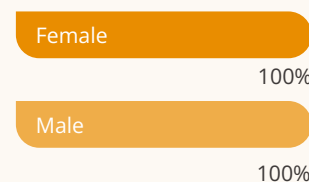
Ranhill BU conducts professional training and skills competition for laboratory personnel

75

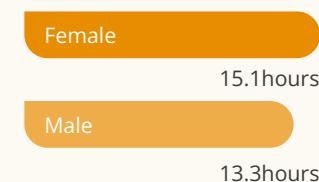
76



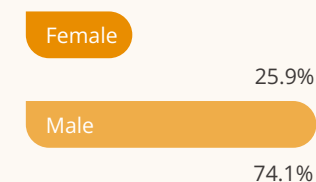
Percentage of employee trained



Average training hours



Accounting of total employees



Portion of trainees and average training hours per employee by gender



Senior management

Average training hours:

19.2 hours

Accounting for
0.7 %



Middle-management cadres

Average training hours:

11.4 hours

Accounting for
7.4 %
of total employees who took part in training



General staff

Average training hours:

12.7 hours

Accounting for
82.8 %
of total employees who took part in training



Technical staff

Average training hours:

25.8 hours

Accounting for
9.0 %
of total employees who took part in training



Others

Average training hours:

29.8 hours

Accounting for
0.1 %
of total employees who took part in training

Portion of trainees and average training hours per employee by types

Community Engagement and Contribution

Gathering every bit of kindness and passing on the power of warmth, SIIC Environment adheres to the *Charity Law of the People's Republic of China*, upholds sincerity and responsibility and follows the principles of legality, voluntariness, and honesty to fulfil corporate social responsibility. Our business units clearly define specifications for donations and employee activities in accordance with relevant systems to ensure the orderly conduct of public welfare actions. We actively participate in and organize various community activities, environmental education programmes, support rural regeneration to engage in community welfare activities. We leverage our expertise and resources to help create a harmonious society on our own terms and in association with the community.



Community investment (RMB)

777,000

Hours of volunteer services (hours)

3,314 hours

Environmental Awareness and Advocacy

As a leader in environmental protection, SIIC Environment has been contributing to the cause of environmental protection. We raise public awareness and share environmental knowledge through multimedia communications and open house events. Our business units actively participate in environmental protection and organize various educational activities, encouraging public engagement and practicing the philosophy of sustainability.



Case Study

As an environmental education base in Baoshan District, Baoshan Renewable Energy Utilization Center receives people from all walks of life and primary and middle school students. Through the publicity and explanation of garbage treatment technology, energy transformation process, emission control and other knowledge. The whole process of garbage harmless treatment and resource utilization is intuitively understood, further improving public recognition of the environmental protection industry, and enhancing the sense of responsibility for ecological civilization construction. By December 2024, Baoshan Renewable Energy Utilization Center received nearly 146 batches of governments at all levels, enterprises and schools, with a total of 2,555 person-times, including 160 students and 214 foreign guests.



The "Shanghai State-owned Enterprises Open Day" in Baoshan Renewable Energy Utilization Center



Case Study

As an Outstanding Volunteer Service Collective of Heilongjiang Province, Longjiang Environmental Protection Volunteer Service Team has persistently engaged in public welfare initiatives and given back to society through concrete actions. During this Reporting Period, the team actively organized and participated in multiple environmental protection public service activities.

On June 6, 2024, the volunteers participated in the ecological conservation campaign "Beautiful China, Youth in Action - Join Me in Protecting the Mother River", organized by the Municipal Committee of the Communist Youth League and Municipal Youth Federation, and hosted by the Group's Youth League Committee.

On October 23, 2024, the volunteers conducted a waste sorting awareness campaign in Dazhengli River Community. They educated residents on the importance of waste classification and proper sorting methods. Through interactive Q&A sessions, community members acquired practical waste sorting techniques and actively participated in classification practices.



"Beautiful China, Youth in Action - Join Me in Protecting the Mother River" environmental protection themed activity



"Practice Waste Sorting, Build a Green Community Together" Awareness Campaign

Case Study

During the Environmental Protection Open Day at Jiangsu Changshu Southeast WWTP Project, educational sessions were conducted for primary and secondary school students to elucidate wastewater treatment processes and promote water conservation awareness. The facility's program "The Journey of a Water Droplet" was awarded the "Outstanding Prize in Jiangsu Province's Selection of Exemplary Science Education Routes and Curriculum".



Students visiting Changshu Southeast Wastewater Treatment Plant

Social Welfare

As a responsible corporate citizen, SIIC Environment remains committed to collaborating with communities in co-creating social benefits and societal value, actively fulfilling its corporate social responsibility. During this Reporting Period, the Group extensively participated in diverse public welfare initiatives, engaged in rural revitalization endeavors, and organized volunteer services, charitable donations, and flood relief operations, thereby contributing to society through tangible actions. The Group annually allocates dedicated funds to support the educational assistance program at Qingyun Primary School in Deju Township, Midu County. During this Reporting Period, RMB130,000 was donated for the renovation of the school's teaching buildings.

Case Study

In response to the Environment Day awareness campaign, Wuhan BU organized and participated in the "Planting Verdure" afforestation initiative, concretely strengthening ecological and environmental conservation efforts, resolutely establishing and implementing the concept that "lucid waters and lush mountains are invaluable assets" and encouraging active employee participation



Public welfare activities for afforestation

Case Study

In fulfillment of social responsibilities and demonstration of state-owned enterprise accountability, Nanfang BU donated RMB100,000 to Zixing City, Chenzhou, impacted by torrential rains from Typhoon No. 3 "Gaemi", while mobilizing employees for compassionate contributions. This effort exemplifies solidarity with disaster-affected communities in overcoming challenges and reconstructing their homeland.



Blood donation activities



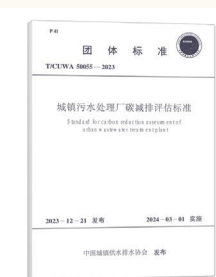
Snow removal activities

Industry Communication

SIIC Environment steadfastly upholds industry-leading standards, dedicating itself to advancing innovation and development in the field of environmental protection. As a leader in the sector, we actively engage in industry exchanges and collaborations to drive technological progress and management innovation. Through in-depth professional dialogues, we continuously enhance our comprehensive competitiveness, broaden strategic horizons, and reinforce sustainable development strategies, striving to create greater value for society, businesses, and the environment. With a rigorous approach and precise execution, we collaborate with industry peers to propel the green transformation and sustainable development of the sector.

Case Study

To strengthen the promotion and implementation of the China Urban Water Association group standard *Carbon Emission Reduction Assessment Standards for Urban Wastewater Treatment Plants* (Code: T/CUWA 50055-2023) and advance the sector's healthy, rapid, and sustainable development. Longjiang Environmental Protection Group, as the lead compiling unit of the standard, organized and co-hosted a standards interpretation livestream event with the China Urban Water Association and Harbin Institute of Technology on July 17, 2024. The release and implementation of this group standard respond to the national "Dual Carbon" strategic goals, marking SIIC Environment's leadership in driving synergistic enhancement of pollution reduction and carbon mitigation within the wastewater treatment sector.





Case Study

On November 14-15, 2024, the Shandong Province Technical Exchange Conference on Urban Water Supply Quality Enhancement was held in Weifang. The Meicun Water Purification Plant and Bailanghe Water Plant subsidiaries of Shandong BU, serving as core demonstration projects, organized the on-site observation sessions for this industry event. They systematically demonstrated advanced treatment processes for water quality enhancement and innovative methods for water supply quality assurance to over 280 experts, scholars, and industry peers.

This technical exchange significantly promoted the integration of industry, academia, and research in water treatment technologies, providing a practical benchmark for water quality improvement under the new national standards. It is also underscored SIIC Environment's leadership in driving high-quality development within the sector.



Experts Visit Subordinate Projects under Shandong BU

Case Study

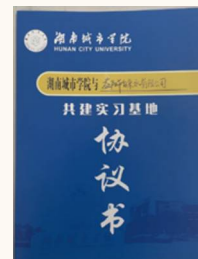
As the President Unit of the Heilongjiang Provincial Urban Water Supply and Drainage Association—a Vice President Unit of the China Urban Water Association—Longjiang BU's Longjiang Environmental Protection Company leverages its strategic industry position to persistently promote industry exchanges and enhance sector-wide influence. In 2024, the company actively participated in and completed province-wide initiatives such as the standardized management assessment of urban wastewater facilities and on-site technical and management support for water supply systems. It compiled and released an industry development analysis report, along with four group standards: *Technical Specifications for Operation and Management of Urban Water Supply Plants (Surface Water Sources)*, *Maintenance Procedures for Pump Equipment in Urban Wastewater Treatment Plants*, *Safety Technical Guidelines for Water Production and Distribution in Cold Regions* and *Technical and Standardized Operational Specifications for Cleaning and Disinfection of Secondary Water Supply Facilities in Heilongjiang Province*.

During the Reporting Period, Longjiang BU successfully held 15 industry conferences, including the Provincial Water Association Annual Conference and an equipment exhibition, each attracting over 200 participants. These efforts significantly contributed to the advancement of the water sector in Northeast China.



Case Study

Shandong BU and Hunan City University have jointly established an internship base, further advancing industry-education integration and deepening university-enterprise collaboration across a wild scop and at a deeper level. This initiative creates opportunities for both parties to achieve organic integration and optimal allocation of resources, fostering the joint cultivation of professional talents.



Shandong BU signed co-construction agreement with higher education institutions to establish internship base

Social Performance Data

Indicator Category	Indicators	Unit	2024	2023	2022
Employment	Total number of employees	person	6,252	6,372	6,456
	Number of male employees	person	4,630	4,719	4,802
	Number of female employees	person	1,622	1,653	1,654
	Number of employees under 30	person	808	886	956
	Number of employees aged 30-50	person	4,045	4,097	4,135
	Number of employees above 50	person	1,399	1,389	1,365
	Number of full-time employees	person	6,252	6,372	6,456
	Number of part-time employees	person	0	0	0
	Number of employees of China's Mainland	person	6,232	6,352	6,442
	Number of employees of other countries and regions	person	20	20	14
	Number of disabled employees	person	20	20	19
	Number of ethnic minority employees	person	166	168	180
	Total employee turnover	person	242	363	269
	Turnover rate of male employees	%	4.0	6.0	4.6
	Turnover rate of female employees	%	3.6	4.8	3.0
	Turnover rate of employees under 30	%	4.1	6.8	7.2
	Turnover rate of employees aged 30-50	%	3.7	2.9	3.9
	Turnover rate of employees above 50	%	4.1	13.4	2.8
	Turnover rate of employees of China's Mainland	%	3.9	5.6	4.1
	Turnover rate of employees of other countries and regions	%	0.0	25.0	21.4
	Total number of newly hired employees	person	453	433	456
	Number of newly hired male employees	person	338	324	329
	Number of newly hired female employees	person	115	109	127
	Number of newly hired employees under 30	person	165	154	173
	Number of newly hired employees aged 30-50	person	272	262	265



Indicator Category	Indicators	Unit	2024	2023	2022
Employment	Number of newly hired employees above 50	person	16	17	18
	Number of employees joined the trade union	person	6,085	6,123	6,215
	Percentage of employees who signed collective bargaining agreement	%	49.84	48.13	47.89
Health and safety	Number of work-related fatalities	person	0	0	0
	Rate of work-related fatality	%	0	0	0
	Number of lost days due to work injuries	days	385	157	349
	Number of recordable injuries	-	4	2	1
	Number of high-consequence injuries (excluding fatalities)	-	0	0	0
	Number of employees participated in safety training	person	6,161	6,372	5,122
	Total safety-related training hours	hours	37,663.5	36,388.5	40,088
	Average safety-related training hours per person	hours	6.11	4.61	7.8
Development and training	Total number of employees trained	person	6,252	6,216	5,081
	Rate of employees trained	%	100	97.6	78.7
	Rate of male employees trained	%	74.1	73.8	74.4
	Rate of female employees trained	%	25.9	26.2	25.6
	Rate of senior management trained	%	0.7	0.8	1.2
	Rate of middle-level management trained	%	7.4	8.4	6.4
	Rate of general staff trained	%	82.8	81.5	70.7
	Rate of technical staff trained	%	9.0	9.3	17.1
	Rate of other employees trained	%	0.1	0.1	4.7
	Average training hours	hours	13.8	15.2	12.1
	Average training hours of male employees	hours	13.3	14.8	12.3
	Average training hours of female employees	hours	15.1	16.2	11.7
	Average training hours of senior management	hours	19.2	31.6	20.1
	Average training hours of middle-level management	hours	11.4	17.0	17.8
	Average training hours of general staff	hours	12.7	12.4	11.9
	Average training hours of technical staff	hours	25.8	40.8	15.6
	Average training hours of other employees	hours	29.8	0.4	2.7

Indicator Category	Indicators	Unit	2024	2023	2022
Supply chain management	Total number of suppliers	-	3,670	8,054	6,020
	Number of suppliers in the Chinese mainland	-	3,611	7,999	5,976
	Number of suppliers in other locations	-	59	55	44
	Number of suppliers implementing management policies	-	3,670	8,054	6,020
Quality and service	Number of service-related complaints received	-	6	7	8
	Complaint resolution rate	%	100	100	100
Anti-corruption	Number of coorruption cases concluded	-	0	0	0
	Number of employees participating in anti-corruption training	person	6,252	5,896	6,197
	Average anti-corruption training hours per Director	hours	9.2	25	1.5
	Average anti-corruption training hours per employee	hours	1.49	1.82	1.39
Community investments	Hours of volunteer services	hours	3,314	3,999	10,448
	Community investment	RMB 10,000	77.7	91.7	108.4



Appendix

Hong Kong Stock Exchange ESG Report Guide Content Index

Mandatory Disclosure Requirements	Description	Relevant Section	Page Number
Governance	A statement from the Board containing the following: (i) disclosure of the Board's oversight of ESG matters; (ii) the Board's ESG management approach and strategy, including the process for assessing, prioritizing and managing significant ESG-related matters, including risks to the issuer's business; and (iii) how the Board reviews its progress against ESG-related objectives and explains how they relate to the issuer's business. (iii) how the Board reviews progress against environmental, social and governance related objectives and explains how they relate to the issuer's business.	Corporate Governance Board Statement Sustainable Development Policy	07 25 25
Reporting Principles	Describe or explain how the following reporting principles are applied in the preparation of environmental, social and governance reports.	About This Report	01-02
Scope of Reporting	Explain the reporting scope of the ESG report and describe the process for selecting which entities or operations to include in the ESG report. If there is a change in the scope of reporting, the issuer should explain the difference and the reasons for the change.	About This Report	01-02

General Disclosures and Key Performance Indicators (KPIs)	Description	Relevant Section	Page Number
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Environmental

Aspect A1: Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Pollutant Emissions Control	49-51
KPI A1.1	The types of emissions and respective emissions data.	Summary Table of Key Environmental Indicators	55
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		
KPI A1.5	Description of emission target (s) set and steps taken to achieve them.	Stakeholder Communication and Materiality Assessment Pollutant Emissions Control	29-34 49-51
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target (s) set and steps taken to achieve them.		

General Disclosures and Key Performance Indicators (KPIs)	Description	Relevant Section	Page Number
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Water Resource Management Environmental Impact Management	52 53-54
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Performance Data	55-62
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).		
KPI A2.3	Description of energy use efficiency target (s) set and steps taken to achieve them.	Stakeholder Communication and Materiality Assessment Environmental Impact Management	29-34 53-54
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target (s) set and steps taken to achieve them.	Stakeholder Communication and Materiality Assessment Water Resource Management	29-34 52
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not Applicable (the Company's business activities mainly involve providing services and do not involve products)	
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Pollutant Emissions Control Water Resource Management Environmental Impact Management	49-51
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.		52 53-54
Aspect A4: Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	"Reality" For the Future — SIIC Environment's Climate Initiatives	9-22
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.		
Social			
Aspect B1: Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	Compliance Employment Equality, Inclusiveness, and Diversity	65 66-67
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Equality, Inclusiveness, and Diversity Social Performance Data	66-67
KPI B1.2	Employee turnover rate by gender, age group and geographical region.		82-84



General Disclosures and Key Performance Indicators (KPIs)	Description	Relevant Section	Page Number
Aspect B2: Health and Safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational Health and Safety	71-75
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational Health and Safety	71-75
KPI B2.2	Lost days due to work injury.	Social Performance Data	82-84
KPI A2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Occupational Health and Safety	71-75
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employee Training and Development Occupational Health and Safety	76-77 71-75
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Employee Training and Development Social Performance Data	76-77 82-84
KPI B3.2	The average training hours completed per employee by gender and employee category.		
Aspect B4: Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issue relating to preventing child and forced labour.	Compliance Employment	65
KPI B4.1	KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.		
KPI B4.2	Description of steps taken to eliminate such practices when discovered.		
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management	44-46
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management Social Performance Data	44-46 82-84
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.		
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management	44-46
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.		

General Disclosures and Key Performance Indicators (KPIs)	Description	Relevant Section	Page Number
Aspect B6: Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Quality of Service Business Improvement and Innovation Business Improvement and Innovation	39-40 41-43
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not Applicable (the Company's business activities mainly involve providing services and do not involve products)	
KPI B6.2	Number of product and service-related complaints received and how they are dealt with.	Quality of service	39-40
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Business Improvement and Innovation	41-43
KPI B6.4	Description of quality assurance process and recall procedures.	Quality of service	39-40
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.		
Aspect B7: Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Compliance & Anti-Corruption	27-28
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting period and the outcomes of the cases.	Compliance & Anti-Corruption Social Performance Data	27-28 82-84
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Compliance & Anti-Corruption	27-28
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Compliance & Anti-Corruption Social Performance Data	27-28 82-84
Aspect B8: Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Engagement and Contribution	78-81
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).		
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Engagement and Contribution Social Performance Data	78-81 82-84



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Focus on	Recommended Disclosures	Relevant Section	Page Number
Governance	Describe the Board's oversight of climate-related risks and opportunities.	Climate Governance	11
	Describe management's role in assessing and managing climate-related risks and opportunities.	Climate Governance	11
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Climate Strategy	13-17
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Climate Strategy	13-17
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Climate Strategy	13-17
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks.	Climate Risk Management	12
	Describe the organization's processes for managing climate-related risks.	Climate Risk Management	12
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Climate Risk Management	12
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Climate Indicators and Targets	18
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Climate Risk Climate Indicators and Targets Environmental Performance Data	14-16 18 55
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Climate Indicators and Targets	18

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