



GUANGDONG INVESTMENT LIMITED
(粵 海 投 資 有 限 公 司)

Stock Code : 00270

2024

Environmental, Social and
Governance Report



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About the Report

Guangdong Investment Limited (hereinafter referred to as “GDI” or the “Company”, together with the Company’s subsidiaries, hereinafter referred to as the “Group” or “we”) is pleased to present the 2024 Environmental, Social and Governance Report (hereinafter referred to as the “Report”) to the stakeholders. In the Report, we disclose our Environmental, Social and Governance (hereinafter referred to as “ESG”) concepts, actions and performance.

REPORTING PERIOD

Unless otherwise stated, the time period covered by the Report is from 1 January 2024 to 31 December 2024 (hereinafter referred to as the “Reporting Period”).

REPORTING SCOPE

The Report sets out the ESG performance of the Group’s six core business segments, namely water resources, property investment, department store operation, hotel ownership, operation and management, energy projects and road and bridge.






In addition, Guangdong Land Holdings Limited¹ (“Guangdong Land”, stock code: 00124), has published its Environmental, Social and Governance Report 2024 independently. Therefore, the relevant contents of Guangdong Land are not included in the reporting scope we disclosed. For more information about Guangdong Land, please refer to the official website of Guangdong Land (www.gdland.com.hk).

¹ Guangdong Land was a listed subsidiary of the Group. On 9 December 2024, the Board of Directors of the Group proposed to pay a special dividend by way of a distribution in specie of the shares of Guangdong Land directly held by the Company, the abovementioned proposed distribution was passed at the Company’s Extraordinary General Meeting on 8 January 2025, and the distribution was completed on 21 January 2025. Therefore, as of the Report’s publication date, Guangdong Land ceased to be a subsidiary of GDI.

REPORTING STANDARDS

The Report is prepared in accordance with Appendix C2 Environmental, Social and Governance Reporting Code (hereinafter referred to as the “ESG Reporting Code”) set out in the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “HKEX”). In addition, the Report refers to the Global Reporting Initiative (“GRI”) Sustainability Reporting Standards (hereinafter referred to as “GRI Standards”) issued by the Global Sustainability Standards Board and Guidelines on Sustainable Development Reporting for Chinese Enterprises (CASS-ESG 6.0) by the China Enterprise Reform and Development Society and the Responsibility Cloud Research Institute.

The Report is prepared in accordance with the reporting principles of the ESG Reporting Code, including materiality, quantitative, balance and consistency. The detailed response are as follows:

Reporting Principles	Response from the Group
Materiality 	Through continuous engagement with stakeholders and materiality assessment, the Group focuses on the disclosure of ESG issues that are crucial to investors and other stakeholders. The steps of materiality assessment include identifying key stakeholders, inviting the Board of Directors and various stakeholders to rank the materiality of ESG issues, and conducting an analysis of material issues.
Quantitative 	The Group discloses quantitative data in the Report whenever possible, sets out the criteria, methods, assumptions reference basis and source of conversion factors used for the calculation of key performance indicators, and source of conversion factors used to enable stakeholders’ clear understanding of the Group’s ESG performance.
Balance 	The Group fully discloses the ESG performance of its business segments based on objective facts to avoid statements that may inappropriately influence readers’ decisions or judgement.
Consistency 	The Group ensures that the scope and methodologies of reporting are largely consistent every year to ensure reasonable comparison and analysis of ESG performance between the years. If any changes are made, the Group will provide detailed information and explanations in the corresponding sections.
Completeness 	The Report strives to cover all material areas whenever possible with targeted disclosure made to material issues.

SOURCES OF INFORMATION

The information and data contained in the Report are derived from the Group's official documents and statistical reports. The Board of Directors of the Group (hereinafter referred to as the "Board") undertakes that there are no false records, misleading statements or major omissions in the Report, and assumes full responsibility for the authenticity, accuracy and completeness of the Report.

CONTACT INFORMATION

If you have any questions or suggestions about the contents of the Report, please contact us at:

Address: 28th and 29th Floor, Guangdong Investment Tower, 148 Connaught Road Central,
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Official website: www.gdi.com.hk



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About the GDI

COMPANY PROFILE

The Company, formerly known as Union Globe Development Limited (hereinafter referred to as “Union Globe”), was incorporated in 1973 and listed on the Stock Exchange of Hong Kong Limited (stock code: 00270). Union Globe was acquired by an enterprise owned by the Guangdong provincial government in January 1987 and was renamed Guangdong Investment Limited in July 1988. The Company is a constituent stock of the Hang Seng China (Hong Kong-listed) 100 Index, Hang Seng China-Affiliated Corporations Index, the Hang Seng Composite Index, Hang Seng Composite Industry Index – Utilities and Hang Seng Climate Change 1.5°C Target Index.

As at the publication date of the Report, the Company’s ultimate controlling shareholder, Guangdong Holdings Limited (廣東粵海控股集團有限公司, hereinafter referred to as “Guangdong Holdings”), holds approximately 58.26% shareholding interest in the Company through its wholly-owned subsidiary, GDH Limited (粵海控股集團有限公司). Guangdong Holdings is a state-owned provincial investment holding company under the supervision of the State-owned Assets Supervision and Administration Commission of the People’s Government of Guangdong Province.

CHAIRMAN'S STATEMENT



CHAIRMAN
MS. BAI TAO

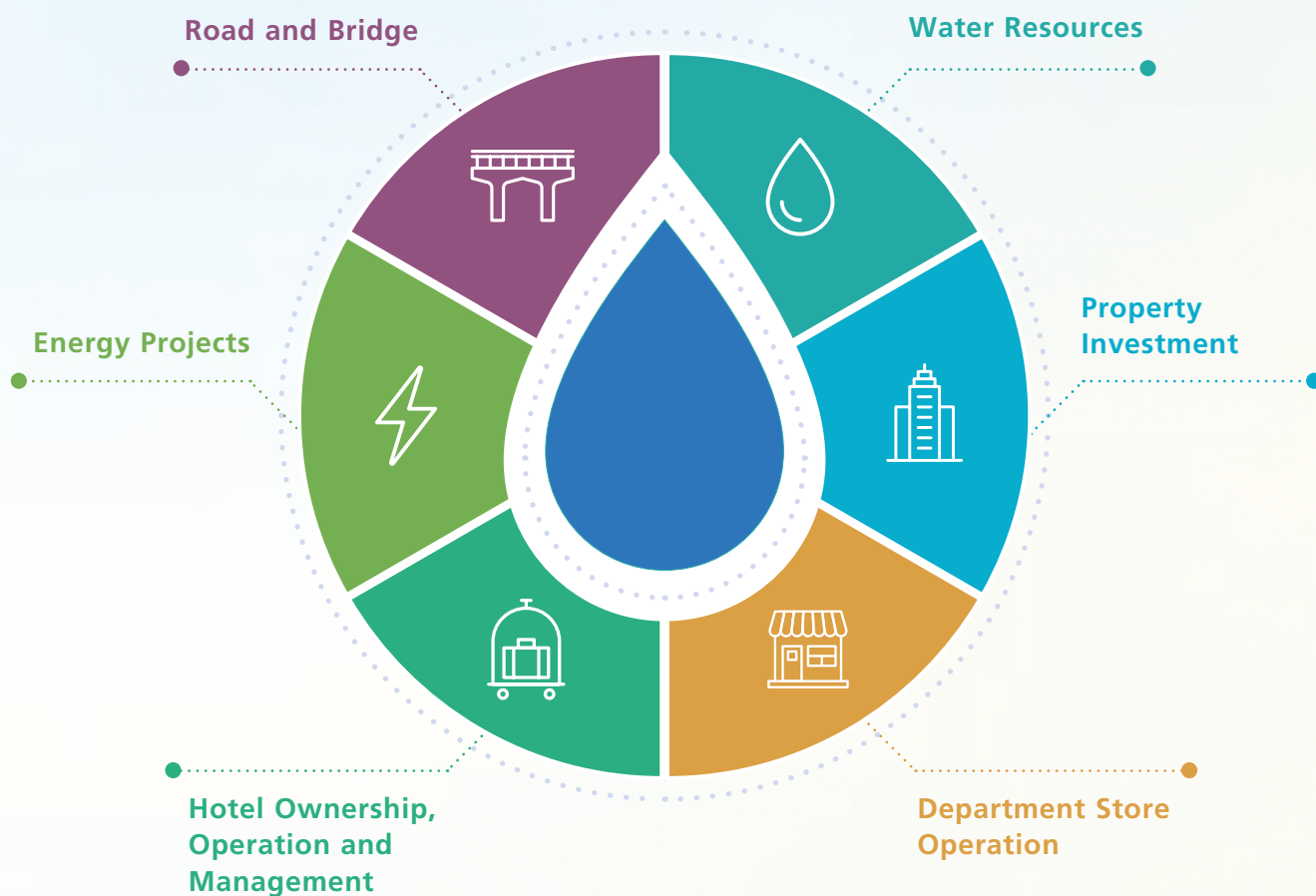
As a responsible Hong Kong listed company, GDI places paramount emphasis on ESG management. We have established a robust ESG governance framework encompassing the Board of Directors, ESG Committee, and ESG Working Group, ensuring a top-down promotion and a multi-tier implementation of sustainability principles. Furthermore, aligning with our operational characteristics and sustainable development imperatives, we have formulated a comprehensive suite of ESG policies addressing environmental, social, and governance dimensions. Under the Environmental Protection pillar, we prioritise alignment with China's Dual Carbon strategic goals (peak carbon emissions and carbon neutrality), accelerating our green transition through low-carbon innovation and operational restructuring. Under the Social Responsibility pillar, we have integrated the UN Sustainable Development Goals (SDGs) and national strategies into our core operations, developing smart water management solutions and cultivating innovative productive capacities. Under the Corporate Governance pillar, we actively advance high-quality enterprise development through a comprehensive compliance management system coupled with integrated risk control mechanisms. Concurrently, we have implemented an ESG data management platform that digitises ESG data collection and management processes, continuously leveraging digital solutions to enhance ESG governance capabilities.

Looking back to 2024, facing the increasingly complicated and uncertain external environment, the Group has focused on strengthening its ability of value-based operation, focusing on innovation, enhancing the functions of its core business, optimising and perfecting the corporate governance and risk management mechanism, and strengthening the foundation for the sustainable development of the Company.

In 2025, the year of the conclusion of the 14th Five-Year Plan and the planning of the 15th Five-Year Plan, we will continue to adhere to our development strategy of "seeking progress amidst stability, improving quality and increasing efficiency" and our long-term development vision of "water industry as the foundation" in the face of the complicated external situation and multiple challenges, benchmark ourselves against international first-class enterprises in the industry, focus on the stable development of our core business, cultivate and explore new business growth points, and ensure that the risks are preventable and controllable, to continue to create long-term value for stakeholders.

BUSINESS SEGMENTS

The Group upholds the corporate culture of “Commitment, Performance and Teamwork” at the core, and actively promotes its brand slogan of “Corporation Thrives on Solid Efforts”. Aspiring to become a leading enterprise in the industry, we constantly strengthen our business capabilities, with six core business segments operating in mainland China, Hong Kong and Macao.





Water Resources

- Guangdong Yue Gang Water Supply Company Ltd. (廣東粵港供水有限公司, hereinafter referred to as "Yue Gang Water Supply") and Guangdong Water Holdings Limited (粵海水務控股有限公司, hereinafter referred to as "Water Holdings") are engaged in water resources business, accounting for 73.01% of the Group's revenue in 2024.
- Dongshen Water Supply Project is one of the core businesses. During the Reporting Period, the total volume of water supply to Hong Kong, Shenzhen and Dongguan by this project was 2.093 billion tonnes. Apart from Dongshen Water Supply Project, the total designed water supply capacity of the water supply plants and the total designed wastewater processing capacity of the sewage treatment plants of the Group's other water resources projects were 16,150,200 tonnes and 3,345,900 tonnes tonnes per day.



Property Investment

- The property investment business, operating in Hong Kong, Guangzhou, Shenzhen, Tianjin and Panyu accounted for 8.52% of the Group's revenue in 2024.
- In addition to the Group's headquarters, other properties held by the Group mainly include Guangzhou Teem Plaza, Panyu Teemall, Guangzhou Comic City, Tianjin Teemall and Shenzhen Teemall.





Department Store Operation

- GDH Teem Commercial Co., Ltd. (廣東粵海天河城商業有限公司) and GDH Teem Department Commercial Co., Ltd. (廣州市粵海天河城百貨商業有限公司) (collectively referred to as “Teemall Department Store”), are engaged in the business of department store operation, accounting for 4.66% of the Group’s revenue in 2024.
- As at 31 December 2024, the Teemall Department Store operated five department stores, including Teemall Store, Wan Bo Store, Dong Pu Store, Ao Ti Store and TeemLife (opened in May 2024). HuaDu Store ceased its operation in November 2024.



Hotel Ownership, Operation and Management

- The hotel segment is responsible for hotel ownership, operation and management. As at 31 December 2024, a total of 19 hotels were managed by the segment, of which 4 were located in Hong Kong and 15 in mainland China collectively generating 3.50% of the Group’s revenue.
- Among the seven hotels under the Group, five were managed by our hotel management team whereas Holiday Inn Zhuhai City Centre located in Zhuhai was operated under franchise management, and Sheraton Guangzhou Hotel located in Guangzhou was managed by other hotel management group.





Energy Projects

- Zhongshan GDH Energy Co., Ltd. (hereinafter referred to as “GDH Energy”) and Guangdong Yudean Jinghai Power Generation Co., Ltd. (廣東粵電靖海發電有限公司, hereinafter referred to as “Yudean Jinghai Power”) are engaged in energy business, accounting for 6.86% of the Group’s revenue in 2024.
- GDH Energy has two power generator units with a total installed capacity of 600 MW. Sales of electricity during the Reporting Period amounted to 2.759 billion kWh.



Road and Bridge

- Guangxi GDH Highway Co., Ltd. (廣西粵海高速公路有限公司, hereinafter referred to as “GDH Highway”) held the Xingliu Expressway, which contributed 3.45% of the Group’s revenue in 2024.
- The Xingliu Expressway is located in Guangxi Zhuang Autonomous Region, and comprises a main line which is approximately 100 km in length and three connection lines (to Xingye, Guigang and Hengzhou) with an aggregate length of approximately 53 km.
- Dongguan Yuehai Yinping Development and Construction Limited (“Yuehai Yinping”), a wholly-owned subsidiary of the Company, is responsible for the development of certain A-grade highways, connecting roads and municipal roads and the related ancillary support services such as drainage, greening and lighting in 銀瓶創新區(Yinping Innovation Zone) in Dongguan, Guangdong Province, the PRC.



CORPORATE GOVERNANCE

In order to meet the requirements of business operation and serve the best interests of all stakeholders, the Group consistently implements the highest standard of corporate governance. We have applied the relevant provisions of the Corporate Governance Code set out in Appendix C1 of the Listing Rules for stable and efficient corporate operations and strictly complied with the provisions of Sections 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the Directors' independence.



The Board

The overall function of the Board is directed and supervised by the Chairman, who is also required to act in the best interests of the Group. The Chairman is responsible for leading development, setting strategic goals, and developing the overall strategies and policies to ensure that the Group can acquire necessary financial support and other resources to achieve the relevant goals. Meanwhile, the Chairman also monitors the behaviour of the management and reviews business performance.



Functional Committees

Multiple functional committees are formed under the supervision of the Board, which provide suggestions on the Group's policies from various perspectives, aiming to ensure the robustness and effectiveness of the Group's operations.

Specifically, the Nomination Committee identifies suitable management candidates and plans appointments and succession. The Remuneration Committee helps to determine the compensation of Directors and Senior Management. The Audit Committee assists the Board in monitoring the risk assessment, control and management procedures to achieve the effectiveness of the internal control system by carrying out a detailed annual review. The ESG Committee assists the Board in Group's work on ESG-related matters.



Independence

The Group requires high-level independence of all members of GDI's Board. No financial, business, family, or other significant/related relationships shall exist among members of the Board. As of the Report's publication date, the Board consisted of four Executive Directors, three Non-Executive Directors, and four Independent Non-Executive Directors, among which three are female directors.

The Group has received confirmation letter of independence from the Independent Non-Executive Directors. All Independent Non-Executive Directors have been verified in accordance with Article 3.13 of the Listing Rules by the Group. In addition, based on the Directors' extensive experience in different fields and their reliable character, they are considered capable of providing constructive independent advice and valuable contributions to the Board and GDI.



Diversity

The Group recognises and embraces the benefits brought by a diverse Board and considers their diversity as the key element for achieving the Group's strategic objectives and sustainable development. We have formulated and strictly implemented the Board Member Diversity Policy and review the policy regularly to ensure its effectiveness.

Besides, the Group continues reflecting on its business model and actual demands and analyses the benefits of a diverse Board with sufficient and objective criteria. The Nomination Committee focuses on the five key elements, namely gender, age, length of service, professional experience and skills and knowledge, in order to actualise the Board's diversity.



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Sustainable Development Management

GDI holds the faith that corporations should actively contribute to the sustainable development of the entire society while creating benefits for shareholders. We have incorporated ESG management philosophy into the daily processes of corporate operation in response to our commitment to society. In order to fulfil such commitment, all business segments unite and take targeted action to deliver ESG management, thereby strengthening the Group's efforts in sustainable development.

ESG GOVERNANCE

GDI constantly improves its ESG Governance by optimising the ESG governance structure and ESG management policies, so as to promote the integration of ESG-related matters into the Group's business decisions.

Statement of the Board

The Board of GDI places paramount importance on corporate sustainability and commits to ongoing oversight of ESG strategy implementation, performance outcomes and progress toward objectives. In March and August 2024, the Board held ESG work meetings and respectively approved matters including the 2023 ESG report and the revisions to 6 ESG policies.


To ensure effective ESG strategies, the Board continuously monitors capital market demands, relevant laws and standards, and industry trends in ESG development, and prudently assesses the potential ESG risks and related impacts that the Group may face. The Board also identifies and prioritises ESG issues considering the opinions of internal and external stakeholders. Further details can be found in the Stakeholder Engagement section.



To achieve ESG goals step by step, the ESG Committee under the Board continuously monitors the ESG performance and progress of each business segment and reports to the Board in a timely manner on the progress of ESG-related goals. Moreover, under the authorisation of the Board, business segments set ESG goals based on their own business characteristics, including greenhouse gas emissions, energy usage, water consumption, waste management, and pollutant emission management.

The Report, which discloses the progress and effectiveness of GDI’s ESG efforts in 2024, was considered and approved by the Board on 24 March 2025.

ESG Committee Structure

We have established an efficient and stable ESG governance structure with roles and responsibilities clearly defined at all levels. The Board, as the highest authority, assumes responsibility for all ESG-related issues and relevant strategies of the Group. Under the Board’s authorisation and supervision, the ESG Committee is responsible for identifying, evaluating and managing ESG issues and risks, and setting ESG goals of the Group while monitoring their progress. The ESG Committee coordinates and directs the ESG Working Group in carrying out specific implementation tasks, such as the preparation of ESG reports. Besides, to ensure the accuracy and reliability of all information reported, all members of the ESG Working Group of business segments are required to sign the Letter of Undertaking of ESG Information Disclosure.




Governance level	Roles	Component	Functions
<div>The Board</div> <div></div>	Leadership, supervision and decision-making	Board of GDI	<ul style="list-style-type: none">• Formulate the Group’s ESG management policy and strategy• Review the potential impacts of ESG issues on the Group’s strategy and related risks, to ensure that a valid and effective system of ESG risk management and internal supervision is in place• Supervise the ESG performance and related work progress• Examine and approve the Group’s ESG report





Governance level	Roles	Component	Functions
ESG Committee 	Management and supervision	<ul style="list-style-type: none"> GDI's Managing Director (Committee Chairman) Executive Director in charge of ESG (Committee Vice Chairman) General Counsel, Chief Compliance Officer and Company Secretary Chairman of Yue Gang Water Supply Chairman of GDH Teem (Holdings) Limited Chairman of Guangxi GDH Highway Chairman of GDH Energy 	<p>Under the authorisation of the Board:</p> <ul style="list-style-type: none"> Identify, assess, and manage significant ESG issues and related risks Determine ESG goals applicable to the Group and review progress based on the established ESG-related goals Determine significant issues for investors and other stakeholders Monitor the performance of ESG policies and initiatives, and report to the Board Coordinate the compilation of ESG report, review the Group's disclosures, news, and publications related to ESG performance, and make recommendations to the Board Coordinate, guide and supervise the implementation of the ESG Working Group
ESG Working Group 	Implementation	<ul style="list-style-type: none"> Members of the Headquarters' ESG Working Group Members of Subsidiaries' ESG Working Group 	<ul style="list-style-type: none"> Implement the Group's ESG strategies and achieve ESG goals Assist departments in collecting and reviewing ESG-related materials, summarise the progress of ESG work, and report to the ESG Committee on a regular basis

ESG Governance Structure and Duties

STAKEHOLDER ENGAGEMENT

We firmly believe that establishing mutual trust with stakeholders in the long term is essential for the implementation of our ESG initiatives. We listen to and respond to opinions and expectations of stakeholders through the diverse and regular communication mechanisms established.

Stakeholders	Expectations	Communication Channels	Our Responses
Investors/ Shareholders/Analysts 	<ul style="list-style-type: none"> • Stable and sustained investment return • Clear strategic planning • Legally compliant operations • Efficient corporate governance • Sound risk management system • Timely and truthful information disclosure 	<ul style="list-style-type: none"> • General meetings • Regular reports • News and announcements • Investor communication conferences • Company website • Questionnaires and surveys 	<ul style="list-style-type: none"> • Compliance with applicable laws and regulations • Performance review and analysis • Continuous improvements of ESG strategies and corporate governance structure • Regular reviews and risk management systems • Regular release of reports and announcements
Government and regulators 	<ul style="list-style-type: none"> • Legally compliant operations • Contribution to economic development and response to national strategies • Providing employment opportunities • Energy saving and emission reduction 	<ul style="list-style-type: none"> • Information disclosure • Daily communication (including emails, phone calls) • Site visits • Supervision and inspection 	<ul style="list-style-type: none"> • Compliance with applicable laws and regulations • Continuous improvements of integrity systems • Conducting business activities in line with regional economic development strategies • Implementation of targeted poverty alleviation
Employees 	<ul style="list-style-type: none"> • An equal and inclusive working environment • A comprehensive welfare and remuneration system • A comprehensive development and training programme • Labour rights protection • Occupational health and safety • A smooth career advancement path 	<ul style="list-style-type: none"> • Labour Union telephone hotline • WeCom • Employee opinion box • Questionnaires and surveys 	<ul style="list-style-type: none"> • Creating an open, fair and diversified working atmosphere • Revision and improvement of remuneration and welfare system • Hiring internal trainers and establishing internal training system • Establishment of Labour Union to safeguard the rights and interests of employees • Smooth professional path and managerial path promotion channels

Stakeholders	Expectations	Communication Channels	Our Responses
Consumers 	<ul style="list-style-type: none"> • Product quality and safety • Consumer information and privacy protection 	<ul style="list-style-type: none"> • Consumer satisfaction surveys • Customer follow-up • 24-hour consumer complaint hotline • Business open day • Questionnaires and surveys 	<ul style="list-style-type: none"> • Launching product and service-related quality training for employees • Revisions of the service guidelines from time to time • Stringent consumer information protection policies and procedures
Suppliers/Contractors/Service contractors 	<ul style="list-style-type: none"> • Honest cooperation • Mutual benefits through win-win cooperation • Open tendering • Supplier empowerment 	<ul style="list-style-type: none"> • Supplier on-site assessment • Supplier training • Conferences for engineering and construction • Site visits • Questionnaires and surveys 	<ul style="list-style-type: none"> • Establishing transparent procurement procedures and sound supply chain evaluation and management policies • Long-term and trustworthy relationships with qualified suppliers
Media partners 	<ul style="list-style-type: none"> • Transparent information • Corporate ESG values 	<ul style="list-style-type: none"> • News and announcements • Company website • Questionnaires and surveys 	<ul style="list-style-type: none"> • Regular release of reports and announcements • Timely update of corporate information
Local communities 	<ul style="list-style-type: none"> • Contribution to community development • Creating job opportunities and facilitating local economic development 	<ul style="list-style-type: none"> • Community support • Volunteer activities • Clarity events 	<ul style="list-style-type: none"> • Participation in community volunteer activities and charitable events • Implementation of targeted poverty alleviation • Fostering exchanges and communication between Guangdong and Hong Kong

DETERMINATION OF MATERIAL ISSUES

To comprehensively address the concerns of stakeholders and effectively respond to their expectations, we have established a standardised materiality assessment mechanism. Additionally, we annually review the materiality of ESG issues to clearly identify ESG priorities for the year.

Step 1 Identification of ESG issues

In view of the current status and performance of the Company's ESG management, we update the ESG issues lists and comprehensively identify ESG issues related to the Group with reference to the disclosure requirements of the ESG Reporting Code and GRI as well as the ESG development trends of the industry and key concerns of mainstream ESG rating agencies.



Step 2 Engaging stakeholders



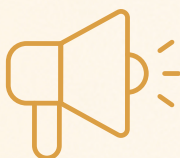
To encourage stakeholders to voice their opinions, the Company invites them to participate in an anonymous questionnaire, in which stakeholders could evaluate the materiality of each ESG issue from their own perspectives. In addition, we also collect expectations and opinions on GDI's ESG policies, practices and performance from various parties through daily communication.

Step 3 Developing and reviewing of the materiality ranking of ESG issues

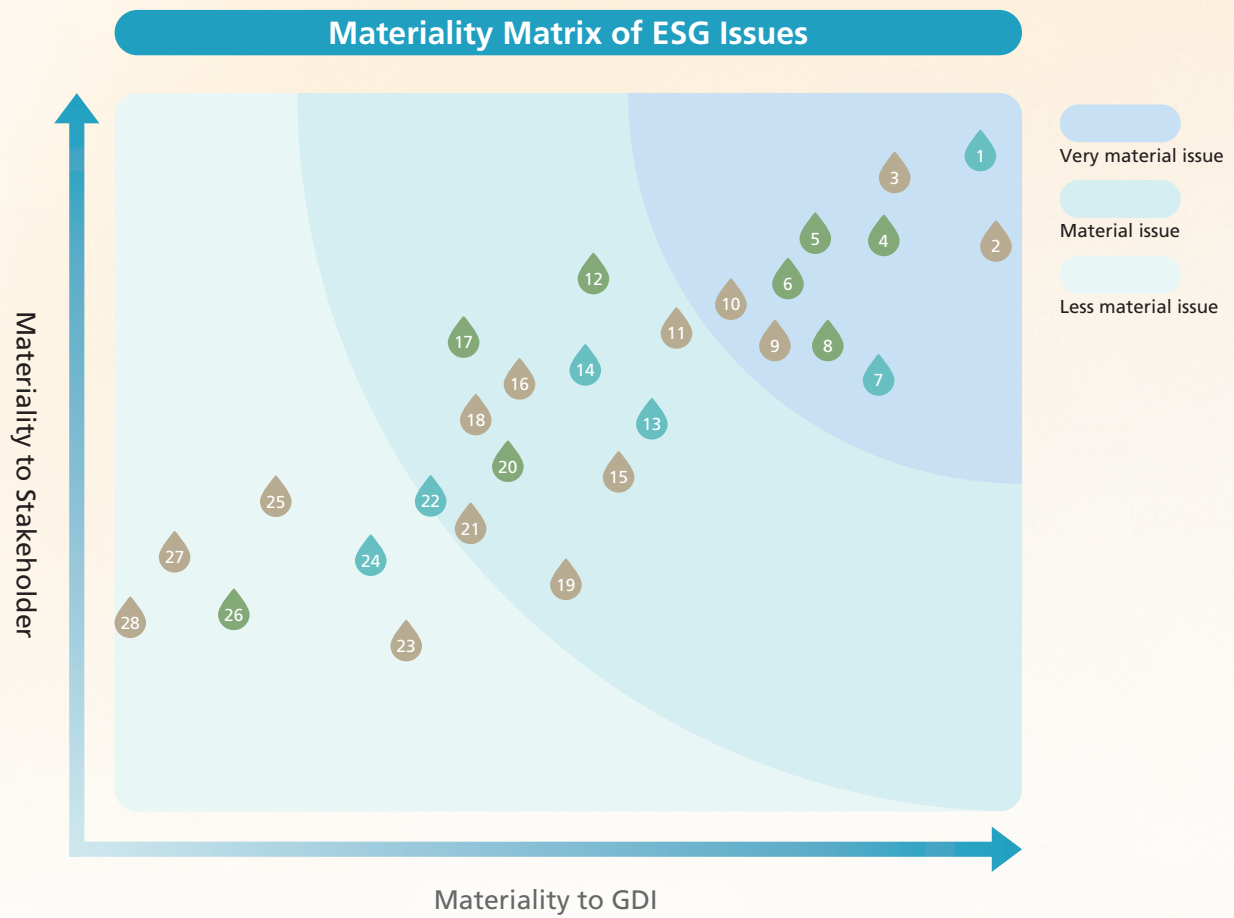
To ensure the authenticity and independence of the questionnaire survey, the third-party consulting firm prioritises the ESG issues and conducts further analysis based on the findings. As to the aspects of "materiality to stakeholders" and "materiality to GDI", we rank the 8 environmental issues, 14 social issues, and 6 governance and economic issues identified and plot a matrix accordingly.



Step 4 Response and disclosure



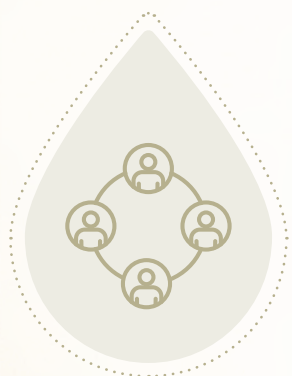
The Board confirms the materiality ranking of ESG issues. We provide responses and disclosures of different degrees based on the materiality of ESG issues. Additionally, we clearly define our focuses of ESG work for the future and continue to improve GDI's policies and systems and related management measures according to the materiality of the ESG issues.





Environmental

- 04 Sewage treatment and reuse
- 05 Water operations and risk management
- 06 Energy use and greenhouse gas emissions
- 08 Water consumption and conservation
- 12 Emissions of air pollutants
- 17 Waste management
- 20 Addressing climate change
- 26 Biodiversity and land use



Social

- 02 Product quality and safety
- 03 Occupational health and safety
- 09 Customer relationship management
- 10 Employee diversity and equality
- 11 Data and information security
- 15 Employee care and welfare
- 16 Intellectual property and patent protection
- 18 Employee development and training
- 19 Disaster and early warning mechanisms
- 21 Employee recruitment and retention
- 23 Sustainable supply chain and responsible procurement
- 25 Forced labour and child labour
- 27 Community engagement and contribution
- 28 Poverty alleviation and philanthropy






Governance and Economics

- 01 Business ethics and anti-corruption
- 07 Corporate governance
- 13 Response to national policies
- 14 Technological innovation
- 22 Industry collaboration and progress
- 24 Local economic development


SUPPORTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

GDI embraces the values of peace, inclusiveness, and environmental safety. While creating value for all stakeholders, we actively fulfil our corporate social responsibilities. Recognising the leading value of SDGs for our strategic development and business operations, we seek to integrate the SDGs into our core strategy and business operations and strive to provide strong guarantee for the long-term and steady development of the Group. Below are the SDGs that are closely related to and more guiding to the Group and our key contributions.

SDGs	Description	Our key contributions
SDG 1: No poverty 	End poverty in all its forms everywhere	GDI actively organises and promotes various special public welfare activities in various business segments, donating materials to groups in need, and helping to promote people's well-being with concrete actions.
SDG 3: Good health and well-being 	Ensure healthy lives and promote well-being for all at all ages	GDI purchases supplementary medical insurance and other employer liability insurance for employees. The Company regularly organises employee medical examination every year to take care of the physical and mental health of employees. Besides, GDI is committed to providing safe and clean drinking water to reduce the risk of water-borne diseases, thereby improving public health.
SDG 4: Quality education 	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	GDI organises diversified training courses tailored to the vocational skill requirements of employees in different positions, supporting employees to enhance their knowledge and improve their vocational skills.

SDGs	Description	Our key contributions
SDG 5: Gender equality 	Achieve gender equality and empower all women and girls	GDI treats all employees equally and eliminates any discriminatory behaviours, including gender and race-based discrimination. As at the Report's publication date, the Board consisted of 11 Directors, among which three are female directors.
SDG 6: Clean water and sanitation 	Ensure availability and sustainable management of water and sanitation for all	In addition to ensuring the public's access to sustainable water resources and utilities, GDI develops the integrated water supply equipment for rural areas, pertinently addressing water supply problems in rural areas, so as to guarantee the health of drinking water for the general public, including rural users.
SDG 7: Affordable and clean energy 	Ensuring access to affordable, reliable, sustainable and modern energy for all	GDI installs photovoltaic power generation facilities in various water companies of its subsidiaries across China. At the same time, we generate green electricity, optimise energy structure, accelerating the green and low carbon transformation.
SDG 8: Decent work and economic growth 	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	GDI adheres to the market-based principles, implements a differentiated distribution mechanism for remuneration, and actively explores equity-based medium- and long-term incentive plans such as equity incentives, so as to fully motivate employees.

SDGs	Description	Our key contributions
SDG 9: Industry, innovation and infrastructure 	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	Guided by the concept of green and clean production and circular economy, GDI has designed and built the “carbon neutral” water plant. The Company also continuously deepens the transformation and upgrading of infrastructure in various business segments.
SDG 10: Reduced inequalities 	Reduce inequality within and among countries	GDI has taken the initiative to fulfil its corporate social responsibilities. The Company led various business segments to reach out to alleviate rural poverty through consumption support and donations for people’s livelihood projects. In this way, the Group can help rural revitalisation and bridge the urban-rural development gap.
SDG 11: Sustainable cities and communities 	Make cities and human settlements inclusive, safe, resilient and sustainable	GDI makes full use of information technology to provide better quality and smarter hydroelectric power supply services for people. We are also intensifying our efforts to improve online service systems, aiming to deliver more convenient and efficient travel services to our customers.
SDG 12: Responsible consumption and production 	Ensure sustainable consumption and production patterns	GDI has established an open and transparent supplier management system and gives priority to suppliers whose products and services are environmentally and socially beneficial. By integrating sustainable development requirements into the procurement process, the Group fosters collaboration with suppliers to jointly build sustainable value chains.

SDGs	Description	Our key contributions
SDG 13: Climate action 	Take urgent action to combat climate change and its impacts	GDI incorporates climate change into the Group's strategic planning and management practices, and establishes a response mechanism for material risks and opportunities. In this way, GDI aims to continuously optimise operational resilience.
SDG 14: Life below water 	Conserve and sustainably use the oceans, seas and marine resources for sustainable development	GDI attaches great importance to marine resource management and biodiversity conservation in marine and coastal areas. The Group strictly complies with national laws and regulations to conduct environmental impact assessments for all projects, ensuring that project operations do not adversely affect or damage the habitats of coastal species. Additionally, during the project operation process, GDI continuously strengthens the protection and sustainable utilisation of the ocean and its resources.
SDG 15: Life on land 	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss	GDI attaches great importance to ecological protection, strictly adheres to the requirements for ecological protection, and integrates the conservation of biodiversity into the construction and operation of business segments in order to promote the development of people and nature harmoniously.
SDG 16: Peace, justice and strong institutions 	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	GDI adopts a zero-tolerance attitude towards corruption and bribery in all forms. We have established a complete anti-corruption mechanism by setting up a reporting channel and a whistleblower protection mechanism. We also comprehensively reinforce the cultivation of a clean culture through various awareness campaigns.

ESG MANAGEMENT POLICIES AND CULTURE BUILDING

In order to implement sustainable development strategies and enhance the Group’s ESG performance and management standards, GDI has formulated and publicly disclosed several ESG policies, in accordance with the overall requirements of the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) for accelerating ESG development and listing rules such as the “ESG Reporting Code” published by HKEX. These management policies provide guiding principles for ESG activities and demonstrate the Group’s management principles and commitments in the field of sustainable development.

<div> GDI's ESG-related Policies </div> 	Sustainable Development Policy
	Biodiversity Protection Policy
	Policy on Water Quality Management
	Policy on Water Supply Management
	Sustainable Supply Chain Policy
	Anti-corruption Policy
	Policy on Quality, Environmental Health and Safety Management
	Code of Business Ethics for Employees
	Policy in Relation to Employees and Third Parties Raising Concerns over Possible improprieties
	Climate Change Policy
	Employees Diversity and Employment Protection Policy
	Charity Activity Management Policy

Meanwhile, to enhance the ESG awareness of all employees within the Group and enhance ESG performance, GDI invited external experts in 2024 to conduct training on ESG trends, the latest compliance requirements, best practices in the industry, and ESG future work plans for core personnel at the headquarters and each business segments. Over 100 participants attended the training sessions in total. In the future, we will continue to strengthen the ESG cultural development and effectively integrate sustainable development principles into the Group’s strategic planning and daily operations.



Case: ESG Advocacy and Engagement

We actively participate in various ESG promotional and exchange activities. In April 2024, our General Counsel, Chief Compliance Officer and Company Secretary, together with executives from well-known companies such as CR Power, CR Land, Yueshi Real Estate, Dongfang Electric and Tencent, were invited to participate in CCTV Finance's "ESG Insight Forum" to showcase the Company's ESG initiatives and achievements. In August, the Group participated in the 4th Social Value Forum of State-owned Enterprises & China ESG Greater Bay Area CSR Summit. The Group has been selected as one of the State-owned Enterprises in the Greater Bay Area ESG Development Index for two consecutive years. Currently, we are ranked 11th in the "Greater Bay Area State-owned Enterprises ESG Development Index (2024)" and 29th in the "China ESG Listed Companies Pioneer (2024)" (2023: 37th).



ESG Advocacy Engagement Event



GDI was selected as the "2024 ESG Development Index of State-owned Enterprises in the Greater Bay Area"



4

Governance

Sound corporate governance systems and effective risk control processes are the foundation of a company's long-term stability. GDI is focused on consolidating its risk management framework. We make continuous efforts to optimise the risk management process, foster a risk management culture and cultivate a comprehensive risk management awareness. In this way, we aim to support the Group's high-quality development.

Our Response to SDGs

SDG 16: Peace, justice and strong institutions

Highlights in 2024:

- **All** employees have signed the Commitment Letter of Integrity.
- GDI and its subsidiaries such as Yue Gang Water Supply, Guangdong Water and Teem Group, have all met the requirements of **ISO 37301 Compliance Management Systems certification standard**.
- **Zero** legal cases regarding corruption.

COMPLIANCE MANAGEMENT

GDI has always regarded compliance management as the cornerstone of corporate governance. We have established a 'Trinity+ Compliance Management Framework,' comprising a cross-jurisdictional regulatory process system, a comprehensive organisational support structure and a sustainable culture-building system, and constantly enhancing compliance management through digital empowerment initiatives.

Guided by GDI's headquarters, all business subsidiaries have systematically implemented compliance certifications. Following the one-time successful certification in 2023 of the GB/T 35770-2022/ISO 37301:2021 Compliance Management System Standard, GDI and its subsidiaries, such as Yue Gang Water Supply, Guangdong Water and Teem Group, have all passed their 2024 annual audits, maintaining active ISO certification status.



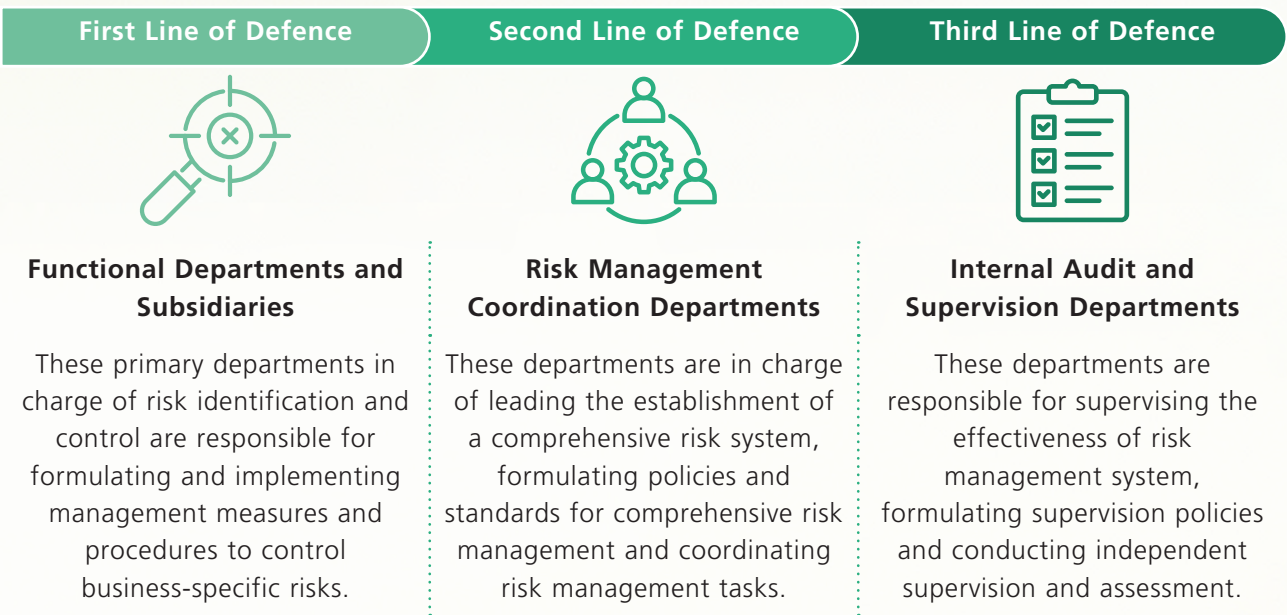
To enhance awareness and promotion of internal compliance management, the General Counsel, chief Compliance Officer and Company Secretary of GDI has conducted compliance training for all employees of the Group for consecutive years, covering compliance knowledge stipulated in Hong Kong laws and regulations such as the Securities and Futures Ordinance, the Listing Rules, and the Companies Ordinance.

RISK MANAGEMENT

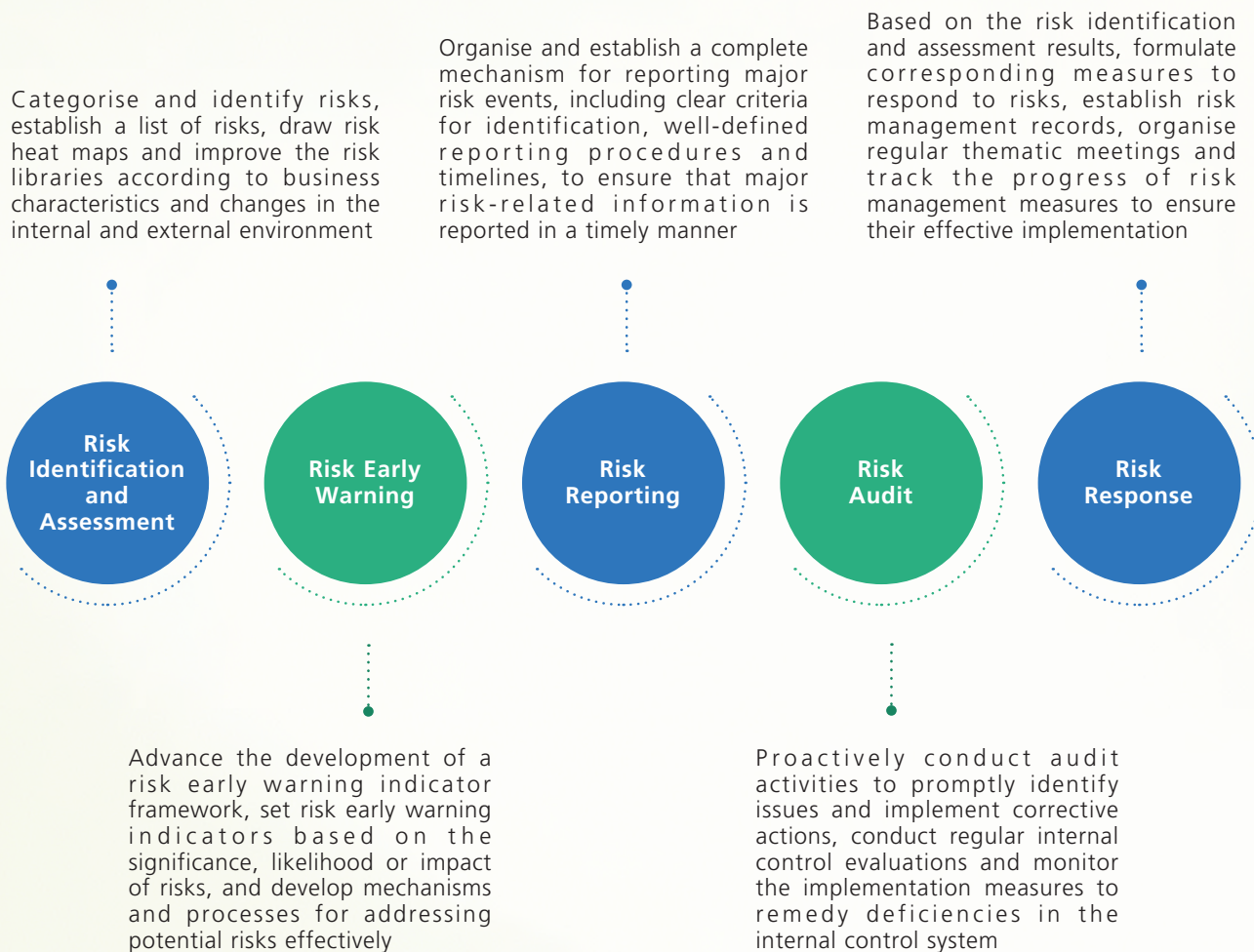
Committed to a systematic, orderly, standards-based and effect-oriented management concept, the Group makes continuous efforts to improve its internal control and risk management frameworks. The Group’s Board of Directors oversees the risk management and internal control systems, and regularly reviews their effectiveness. The Audit Committee under the Board of Directors is responsible for the overall oversight of the Group’s risk assessment, monitoring and management processes to ensure that effective risk management and internal control mechanisms are in place.

During the year, we continued to update our risk management policies, including the Measures for Comprehensive Risk Management of Guangdong Investment Limited and the Internal Control Manual of Guangdong Investment Limited. We prevented risks in advance while controlling risks throughout the process. We also assigned responsibility for risk management, internal control and compliance to those in charge of businesses. At the same time, we have established three concrete lines of defence: functional departments and subsidiaries, risk management departments, and internal audit and supervision departments. These efforts have further improved our risk control system and internal control efficiency.

Three Lines of Defence Framework in Comprehensive Risk Management



In order to enhance the effectiveness of the Group's risk management, we continuously improve the core processes, including risk identification and assessment, early warning mechanism, risk reporting, risk audit, risk response and other measures. The aim is to achieve comprehensive and multi-level risk monitoring, and to continuously improve our ability to prevent and respond to potential risks.



Risk Management Process

Cultivating a Compliance and Risk Management Culture

Guided by the idea that “risk is everywhere, and risk management is a collective responsibility”, the Group promotes the risk management culture throughout our corporate governance process. Our business segments provide their employees with tailored risk management training and strengthen risk management defences as appropriate to their own circumstances. Steady progress has been made in risk and internal control training, which covers all employees at all levels and in all areas. The training also includes case studies of serious business risks. These efforts not only consolidate our risk management “hardware”, but also strengthen our “soft power” of risk management culture. We also effectively utilise the all-round, multi-level and wide-ranging monitoring function of the risk management platform, which enables visualised risk data and quantifiable correction measures.

In 2024, GDI conducted director training programmes on Regulatory Requirements and Recent Case Studies Concerning False Trading, Market Manipulation, Insider Dealing, and Bribery Offenses. Relevant legal training sessions were organised focusing on *Key Interpretations of the Supreme People’s Court’s Explanations on Several Issues Regarding the Application of the General Provisions on Contracts under the Civil Code and Implications and Strategic Responses to the New Company Law in Investment and Financing Practices*, respectively. In addition, Ms. Yang Na, General Counsel and Chief Compliance Officer, and Company Secretary, delivered seminars on newly amended *Company Law of the People’s Republic of China and Confidentiality Regulatory Provisions* in both mainland China and HKSAR as a lecturer, and provided comprehensive Hong Kong listing compliance training virtually and in-person to all functional departments and subsidiaries of GDI. These sessions addressed operational highlights and challenges while systematically enhancing employees’ regulatory awareness and competencies in Hong Kong listing compliance.



Water Resources

In 2024, Water Holdings has made significant progress in risk management, achieving automatic data integration between the risk management information system and financial system, effectively ensuring the accuracy and rationality of risk indicator alerts. We have strengthened the awareness of the risk responsibility of the subordinate water companies by conducting field visits to the divisions and conducting hierarchical risk control training. Looking ahead, Water Holdings will continue to build a strong line of defense against risks, focus on improving its ability to prevent and control major risks, strengthen risk prevention in key areas such as investment, procurement and engineering, and commit itself to a more robust and sustainable development under the ESG framework.



Hotel Ownership, Operation and Management

In 2024, we coordinated the hotel business to participate in the Legal Compliance Training in the first half of 2024, the Compliance and Risk Control Training 2024, the State-owned Central Enterprises Forum on Publicity and Education of the New Company Law and other related trainings, as well as a specialised training organised by the superior company on Key Analysis of the Supreme People’s Court’s Interpretation on the Application of the General Provisions in the Contract Book of the Civil Code of the People’s Republic of China, and confidentiality publicity education training. More than 200 people attended the training, which helped employees gain a better understanding of risk management and enhance their practical risk control ability.



Energy Projects

Our energy projects has added provisions on corporate culture promotion and training to its risk management regulations, and has included comprehensive risk control training in its annual training plans. A total of 6 risk control training sessions were organised this year, including risk control promotion and internal control testing training for risk control team members and certain staff in key positions.



Case: Risk Management Meeting



In 2024, the subordinate companies of the energy projects held risk management and control meetings every quarter. They provided training on risk control policies for risk control team members of each department, and organised online study of policies and documents, including the Risk Warning Mechanism and Comprehensive Risk Governance, which effectively improved their risk control skills.




Risk Management Meeting

Emerging Risks

GDI attaches great importance to emerging risks arising from multiple factors such as climate change, social transformation, and policy changes, and has systematically identified and analysed these risks by referring to the “Global Risks Report 2025” published by the World Economic Forum (WEF) with closely integrating its own business characteristics. Following a comprehensive assessment of the Group’s strategic plans, the development trends of its various business segments, the macro-level guidance from national policies, and the close attention of external stakeholders, GDI has identified two of the most pressing emerging risks it currently faces: biodiversity loss and ecosystem collapse, as well as lack of public infrastructure and services. To effectively address these issues, GDI has formulated a series of targeted risk mitigation measures to ensure effective risk control and mitigation, thereby minimising the adverse impacts of these risks on its business operations.

Name of risk	Biodiversity loss and ecosystem collapse	Lack of public infrastructure and services
Description 	<p>With the continuous development of industrialisation and urbanisation, the impact exerted by human beings on the ecological environment becomes increasingly prominent. Ecosystems and biodiversity are adversely affected by factors such as excessive exploitation of natural resources and environmental pollution, resulting in varying degrees of degradation or loss.</p>	<p>In recent years, as the population continues to grow, the lack of public infrastructure has become increasingly severe. This has led to delays in developing public facilities such as urban networks for water, electricity, and gas supply.</p>
Impact 	<ol style="list-style-type: none"> 1) Disruption of aquatic ecosystems caused by biodiversity loss and ecosystem collapse potentially causes such problems as black-odorous waterbodies, greatly affecting the quality of untreated water supply. 2) With the increasing severity of biodiversity risks, regulatory policies and actions by government and public sectors are becoming more stringent, leading to an increase in compliance costs and risks. 	<ol style="list-style-type: none"> 1) The lag of water conservancy related public infrastructure, such as urban water supply and drainage systems and underground pipeline networks, has led to frequent pipeline leakage incidents. These incidents may increase our operating costs in untreated water supply, water treatment and other businesses. 2) The lack of infrastructure has led to low levels of interconnectivity among traditional infrastructure, which in turn has reduced the operational efficiency of existing facilities and our business.

Name of risk	Biodiversity loss and ecosystem collapse	Lack of public infrastructure and services
<p>Response</p> 	<p>1) We fully leverage the strengths of our water resources business and continue to carry out comprehensive water environment management. We continuously innovate water ecological management concepts and implement comprehensive management projects in various regions or basins. Our efforts aim to achieve the overall restoration of water ecological systems, promote biodiversity recovery, and curb the severe loss of biological resources.</p> <p>2) We actively implement the Law of the People's Republic of China on Environmental Impact Assessment. Under the guidance of the China Biodiversity Conservation Strategy and Action Plan (2011-2030), we have formulated the Biodiversity Protection Policy of Water Holdings. With this Policy, we strive to protect the habitats of flora and fauna and carry out biodiversity conservation and ecological restoration activities.</p>	<p>1) We have independently developed a "three-level zoning system for pipeline networks", which adopts technologies such as dynamic pressure regulation and leakage evaluation and positioning. This forms a "smart leakage control" digital platform that integrates pipeline GIS, zoning, monitoring, modelling, and pressure management systems. This platform aims to minimise the impact of pipeline leakage risks.</p> <p>2) We have developed a smart water management system, based on technologies such as the Internet of Things, artificial intelligence, and digital twins. The system utilises digital technologies to effectively improve the operational efficiency of our water resources business.</p>

BUSINESS ETHICS

We continuously explore approaches to enhance the oversight of business ethics for state-owned enterprises in Hong Kong. We have established a monitoring system that covers politics, integrity and compliance for our overseas business. Efforts have been stepped up to promote work with integrity and raise employees' awareness of integrity and self-discipline.

Anti-corruption

The Group complies with the Supervision Law of the People's Republic of China, the Company Law of the People's Republic of China, the Anti-Monopoly Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Prevention of Bribery Ordinance of Hong Kong and other laws and regulations. We have formulated and continued to improve related policies, such as the Anti-corruption Policy of Guangdong Investment Limited, the Code of Integrity of Guangdong Investment Limited, and the Code of Business Ethics for Employees of Guangdong Investment Limited. These policies explicitly require all our employees to abide by rules relating to hospitality, conflict of interest, bribery, extortion, fraud and money laundering, prohibiting employees from abusing their position to seek improper benefits and eliminating commercial bribery and other forms of unfair competition. All employees are required to sign the Commitment Letter of Integrity. In 2024, no legal cases regarding corrupt practices or incidents of improper conduct occurred in the Group.

During the Reporting Period, we took our anti-corruption and integrity activities to a new level. We required our business segments to provide anti-corruption and integrity training, promoted case studies of violations, organised reading parties and held integrity talks with management personnel. We also sent our employees to visit integrity education bases, shared stories about integrity-oriented family values, and hosted parent-child integrity activities. All of these aim to foster an integrity culture throughout the Group. Regarding anti-corruption and anti-fraud training, the Group organises annual training for all employees at all levels on relevant content such as the Group's "Anti-Corruption Policy", so as to enhance employees' awareness of integrity in the workplace and improve their ability to resist corruption and change.

We have formulated the Policy in Relation to Employees and Third Parties Raising Concerns over Possible Improprieties of Guangdong Investment Limited, which specifies procedures for whistle-blowing, investigation and confidentiality to ensure that all reports are handled in a fair, effective and timely manner. We set up a 24/7 whistle-blowing hotline and email to encourage employees or third parties to report instances of misconducts, malpractices, and non-compliance. All reports are handled based on their nature, complexity, and special circumstances. Additionally, a register is maintained to record, report, and manage the reported incidents in a timely manner. We strictly implement confidentiality measures, so that personal information and details of the whistle-blower's reports will be kept strictly confidential. In addition, retaliation against whistle-blowers or witnesses is strictly prohibited and will be seriously dealt with upon discovery.



Case: Lecture on Senior Management's Responsibility for Integrity and Compliance

In June 2024, the Group's Discipline Inspection and Supervision Office organised a lecture on senior management's responsibility for integrity and compliance. The lecture, which was attended by all GDI senior management in Hong Kong, highlighted common integrity risks faced by companies in Hong Kong and introduced relevant provisions of the Prevention of Bribery Ordinance of Hong Kong and relevant cases. The session helped the senior management strengthen their moral and compliance bottom lines and encouraged them to learn effective integrity risk prevention and control practices of Hong Kong companies.



Property Investment and Department Store Operation

Teem Group actively builds the integrity culture framework and promotes the integrity cultural. Integrity Notebooks have been distributed to all employees. Meanwhile, Teem Group mobilises the middle management staff at the headquarters and subsidiaries for integrity discipline training. By sharing typical cases and watching warning educational films, the training helped raise the staff's integrity awareness and self-discipline.



Integrity and Discipline Training of Teem Group



Case: Promoting Integrity Culture in Shopping Malls

We have carried out activities to promote an honest culture in shopping malls for several consecutive years. This year, Tianjin Teemall, in collaboration with the Heping District Committee of Tianjin Socialist Youth League, the Heping District Education Bureau, and the Heping District Young Pioneers Work Committee, jointly organised a themed painting exhibition entitled “Colouring Civilisation, Green Growth”. While appreciating the paintings, visitors can also participate in integrity forum to strengthen their awareness and spontaneous actions towards integrity.



Painting Exhibition

During the renovation of shops in the southern area of Shenzhen Teemall, banners with slogans such as “Establish a clean Demonstration Project and Strengthen the Defense Line Against Corruption” and “Be Self-Disciplined and Vigilant, Reject Corruption and Avoid Greed” were hung in prominent positions in the atrium. These banners serve as constant reminders for the construction personnel to pay attention to their words and actions, and also convey the concept of integrity education to every customer.



Integrity Banners



Energy Projects



Case: Visit Integrity Education Base

Our energy projects arranged a total of 38 main persons in charge and staff in key positions of their subsidiaries, to visit anti-corruption and integrity education base and cultural centre in Zhongshan City for integrity exhibitions. At these education bases, they learned about negative cases and received integrity education in an immersive way, planting the roots of integrity in their hearts to always stay away from corruption.



Visit to an Integrity Education Base



Road and Bridge



Case: "Integrity Culture in Daily Life" Activities

Our road and bridge business conducted various "Integrity Culture in Daily Life" activities to promote the integrity culture at the grassroots level and in families. The business conducted a "Time off Work" survey among some employees' families on the most important issues facing by the company. It also regularly visited employees' families and developed a mutual integrity reminder mechanism between the family and the company.



"Integrity Culture in Daily Life" Activities



5

Environmental

Adhering to the development concept that “lucid waters and lush mountains are invaluable assets”, we actively fulfil our environmental protection responsibilities and place great priority on the protection of the natural environment. To this end, we have refined our environmental management system, formulated and implemented a range of measures to save energy, reduce consumption, and protect the environment. Through these efforts, we continuously improve the efficiency of energy and water resource utilisation and enhance waste disposal practices, contributing to the Chinese modernisation goal of achieving “harmonious coexistence between man and nature”.

Our Response to SDGs

SDG 6: Clean water and sanitation

SDG 7: Affordable and clean energy

SDG 9: Industry, innovation and infrastructure

SDG 11: Sustainable cities and communities

SDG 13: Climate action

SDG 14: Life below water

SDG 15: Life on land

Highlights in 2024:

- Yue Gang Water Supply has completed the modification of **4** units at Taiyuan Pumping Station of Dongshen Water Supply Project, which upgraded the efficiency of units to **70.5%** from 68.5%, with an estimated annual electricity savings of **1.6 million kWh**.
- The electricity consumption rate of GDH Energy’s plants was **5.79%**, successfully reaching the annual target of **5.95%**; and the coal consumption of power supply was **304.8 g/kWh**, reaching the annual target of **306.5 g/kWh**.
- GDH Highway had achieved a **100%** recycling rate for pavement crushed boards and reduced solid waste by approximately **790 m³**.
- Wuxi Debao Water achieved a wastewater treatment capacity of **137.7 thousand** tonnes per day, and a reclaimed water production capacity of **88 thousand** tonnes per day, equivalent to an annual water savings of **20 million** tonnes.

RESOURCE MANAGEMENT

Actively responding to the national sustainable development strategy, GDI integrates the concept of sustainability into every aspect of production and operation. We strictly comply with laws and regulations, such as the Energy Conservation Law of the People's Republic of China and the Circular Economy Promotion Law of the People's Republic of China. Adhering to the principle of balancing development with conservation, we optimise resource allocation, reinforce management initiatives, and drive technological innovation. These efforts effectively boost resource utilisation efficiency and contribute to the establishment of a green, low-carbon, and sustainable business operation model.

Energy Conservation

As the national "carbon peak and carbon neutrality" targets advance and green development gains increasing prominence across the society, energy conservation has emerged as a non-negotiable social duty for companies. It is also a pivotal element in bolstering competitiveness and catalysing high-quality growth. Capitalising on the opportunities presented by the "carbon peak and carbon neutrality" strategy, we steadfastly intensify practices of green and low-carbon transformation, striving to achieve new breakthroughs in energy conservation and consumption reduction.

Management System

Throughout the project lifecycle, GDI implements energy consumption control measures in all stages of project planning, design, construction, and operation through regular supervision and rectification, as well as the establishment of an evaluation system, in order to promote the scientific, standardised, and procedural construction of an energy-saving and consumption-reducing management system. At the same time, we regularly organise internal trainings for all employees on improving water resource utilisation efficiency, waste recycling, and operational energy efficiency. These sessions are designed to enhance their awareness on green and environment protection, ensuring that the Group's measures for saving energy and reducing consumption can be effectively implemented.

Furthermore, GDI strengthens its capability for managing the statistics and monitoring of energy conservation indicators, continuously promotes the development and application of online energy consumption monitoring system for its key energy-consuming business segments. This initiative enables GDI to gain a better understanding of energy consumption, and promptly identify and reduce unnecessary energy waste through real-time and accurate data. All business segments of GDI have established robust energy conservation management platforms according to their operation, including plant-level Supervisory Information System (hereinafter referred to "SIS") and other energy consumption management platforms. Designated personnel are assigned to closely monitor energy consumption indicators, and conduct in-depth analysis on various data on a regular basis, including electricity consumption in production and electrical power system balance. This provides comprehensive reference data for the operation and management personnel to evaluate the Group's energy consumption performance.



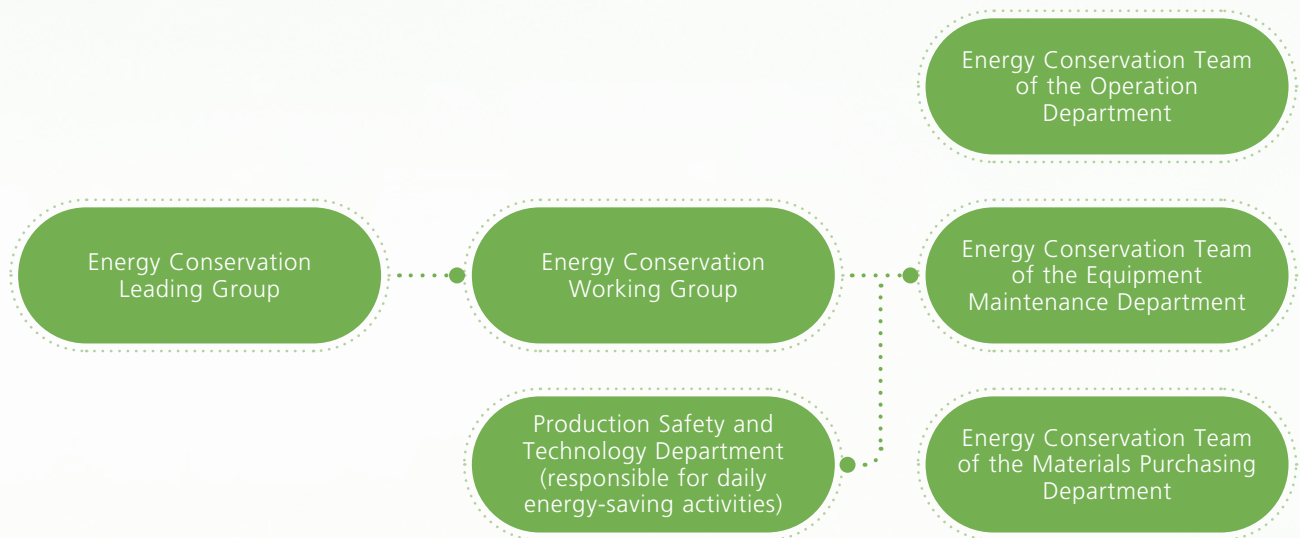
Water Resources

Water Holdings actively promotes energy conservation efforts by continuously increasing investment in upgrading energy-saving technologies in operation, while adopting multiple measures to drive energy conservation. In 2024, Water Holdings conducted in-depth energy conservation work focusing on “star water plants” and “star water companies” and made customised solutions for each unit based on the results of standardised water plant construction and the specific conditions of different water plants. Water Holdings sets annual energy consumption control targets and closely manages their implementation monthly to accurately and timely stay informed of the energy consumption status. In case of abnormal energy consumption data, the company organises specialised meetings for thorough analysis and promptly implements targeted energy-saving measures.



Energy Projects

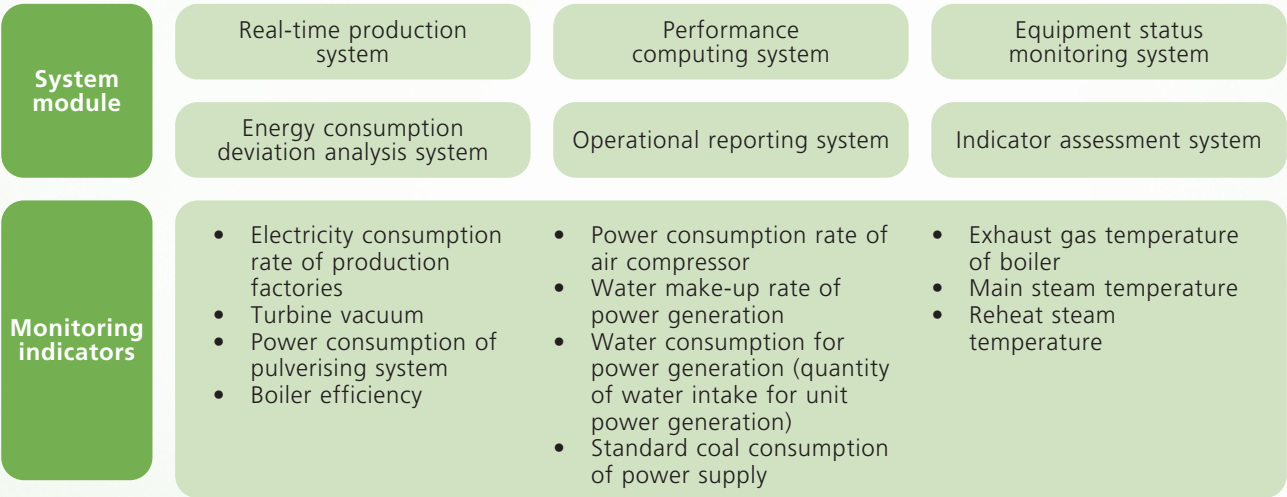
GDH Energy has established a three-tier management structure consisting of the company, departments, and working teams, and continues to improve internal evaluation and appraisal mechanism. By doing so, a more scientific and effective internal supervision and management system has been established to further enhance energy management.



GDH Energy's Three-tier Management Structure

To better implement the energy conservation and incentivise the business departments, GDH Energy conducts performance indicator competitions monthly. The results of the competitions are linked with the monthly appraisal of departments and relevant individuals to motivate the operation team to reduce energy consumption during production and operation.

Meanwhile, GDH Energy’s plant-level SIS integrates modules including real-time production system, performance computing system, equipment status monitoring system, energy consumption deviation analysis system, operational reporting system, and indicator assessment system. With this system, GDH Energy can monitor the energy use and production data of the plant at all points in real time, providing data support for subsequent energy conservation measures such as indicator assessment, technological renovation, and operation optimisation.



Plant-level Supervisory Information System (SIS system)

Technological Application

GDI continues to enhance the application of energy conservation technologies tailored to the unique technological profiles of each business segment, actively exploring new technologies, processes, and models to drive energy-efficient and high-performance production. In 2024, the Group fully capitalised on the emerging opportunities for green and low-carbon transformation by focusing on optimising energy structure, upgrading production technologies, and integrating green technologies.



Water Resources

Water Holdings is committed to technology empowerment and strives for technological leadership. To this end, the company leverages R&D capabilities and “smart water services” initiatives to innovatively explore “low-carbon + smart” water projects. These efforts drive its own green and low-carbon transformation while contributing to the broader goals of building a beautiful China, a better Bay Area, and a greener Guangdong.



Case: Carbon Neutral Water Plant

In 2024, Water Holdings further advanced its green and low-carbon transformation by building on the experience gained from the Daluo Carbon Neutral Water Plant in Fengshun. It implemented carbon neutral upgrades at the Jiangjunshan and Gutang Water Plants, focusing on technological innovation and management optimisation:

- **Exploring green electricity:** Installed photovoltaic facilities at abovementioned water plants, covering a planned area of approximately 16,000 square metres. The combined annual electricity output is expected to reach about 3 million kWh;
- **Promoting “Smart Water” services:** Utilised intelligent dosing systems to dynamically adjust and precisely add coagulants based on real-time water quality changes;
- **Conducting active carbon offsetting:** Engaged with new energy projects, such as agricultural photovoltaic and wind power projects, to complete carbon emission reduction cancellation.



By the end of the Reporting Period, both water plants had obtained carbon neutral certification from the Guangzhou Emissions Exchange.

In addition to building carbon neutral water plants, Water Holdings prioritises energy-saving upgrades for high-energy-consuming equipment to enhance operational efficiency. In 2024, Water Holdings completed optimisation and upgrades for 13 water supply pump houses and eight sewage treatment plants. The power consumption per 1,000 tonnes of water decreased continuously, equivalent to reducing CO₂ emissions by approximately 1.38 million tonnes annually.



Case: Refined Operation of Biological Nitrification Project

In 2024, the company formulated the Refined Operation Plan for Biological Nitrification Project targeting the Dongjiang Biological Nitrification Project. Focusing on system optimisation, corridor innovation, and monitoring upgrades, the plan was designed to explore energy-saving potentials in biological nitrification projects by optimising aeration methods and reducing the number of operational fans. This approach effectively lowered electricity consumption and operational costs per tonne of treated water. Since the implementation of the plan, the project has achieved significant energy conservation in biological nitrification projects. By the end of December 2024, it had saved approximately 928,000 kWh of electricity, with an expected annual savings of 1.59 million kWh of electricity in the future.

- **Aeration system optimisation:** We divided the aeration system into a matrix structure for modular management. By precisely adjusting the distribution valves and control valves, we ensured accurate aeration for each module, maintaining consistent aeration throughout the corridor. This improved aeration efficiency and reduced energy consumption.
- **Corridor maintenance and innovation:** We regularly performed rotational aeration and mud flushing in each corridor to maintain cleanliness and ensure the consistent aeration stability, thereby minimising additional energy consumption caused by unstable aeration.
- **Water quality monitoring upgrade:** We comprehensively upgraded the online monitoring system for water quality at the inlet and outlet of the biological nitrification project to enhance data accuracy and comprehensiveness. This provided a scientific basis for further optimising operational strategies while ensuring water quality.



Panorama of the Biological Nitrification Project



Case: Unit Upgrade at Taiyuan Pump Station

In response to the energy consumption issues caused by the ageing of units at the pump station, Water Holdings invested RMB16.7 million in 2024 to renew and upgrade the units at Taiyuan Pump Station. The company selected advanced domestic pump models, structural designs, and manufacturing processes to enhance the energy conversion efficiency of water flowing through the impeller and reduce the flow resistance and pressure loss during pump operation, thereby improving the energy efficiency of the units. By the end of the Reporting Period, Water Holdings had completed the upgrade of four units. The overall efficiency of the upgraded units increased from 68.5% to 70.5%, with an estimated annual electricity savings of 1.6 million kWh.

Chemical consumption is also a critical factor in determining the operating costs and efficiency of a water plant. Water Holdings' water supply companies have already achieved industry-leading standards in chemical consumption. While ensuring water supply quality, Water Holdings intensifies its efforts in technological transformation and process optimisation. By selecting cost-effective, high-efficiency, and low-carbon water treatment chemicals, optimising dosing points, and precisely controlling dosing amounts, Water Holdings has achieved high precision and flexibility in chemical dosing. Moreover, we fully leverage the nitrogen and phosphorus removal capabilities of our biological treatment systems at our sewage treatment plants to reduce the need for chemical additives. Measures such as multi-point influent are adopted to optimise carbon source utilisation within the system, effectively reducing chemical consumption.



Energy Projects



In 2024, GDH Energy implemented a range of initiatives to enhance resource utilisation efficiency. By optimising regeneration methods, strengthening quality monitoring, and adjusting system operating processes, alongside its refined management strategies, GDH Energy has achieved significant progress in meeting its energy conservation goals. In 2024, the electricity consumption rate of GDH Energy's plants was 5.79%, successfully reaching the annual target of 5.95%. And the coal consumption of power supply was 304.8 g/kWh, reaching the annual target of 306.5 g/kWh.

Energy Conservation Indicators	Management Measures
Coal consumption of power supply 	<ul style="list-style-type: none"> Establish QC project teams to address challenging production difficulties and issues and resolve energy consumption bottlenecks through technological and management innovations; Enhance technical training to improve the precision operation skills of operating personnel, ensuring the efficient and stable equipment operation and reducing energy losses.
Limestone powder consumption per unit 	<ul style="list-style-type: none"> Strengthen quality monitoring of limestone powder to ensure its quality and reduce the waste caused by quality issues; Optimise desulfurisation system operations by extending gypsum dewatering time to increase gypsum recovery rates and reduce limestone powder consumption; Lower the system pH value, reduce slurry supply and strictly adjust the pH value in accordance with regulations to effectively control limestone powder consumption.
Ammonia consumption per unit 	<ul style="list-style-type: none"> Conduct precise operations in accordance with operating procedures and optimise air distribution to ensure stable low-nitrogen combustion performance of boilers; Control ammonia supply precisely to avoid large fluctuations and reduce ammonia slip and waste; Regularly inspect and maintain the ammonia system to ensure normal operation and minimise ammonia leakage.
Acid and alkali consumption 	<ul style="list-style-type: none"> Replace ineffective and broken resins to ensure stable water production performance of resins, thereby reducing acid and alkali consumption; Upgrade to segmented regeneration methods to improve efficiency and reduce the use of acids and alkalis.
Plant electricity consumption rate and power consumption rate of air compressor 	<ul style="list-style-type: none"> Strictly enforce the QC requirements of Reducing Power Consumption Rate of Air Compressor and improve air compressor operation methods by actions such as optimising start/stop strategies, and reducing idle running time; Adjust the operating frequency and outlet pressure of pumps to optimise the operation of circulating water pumps and condensate pumps, thereby maintaining economical operation and reducing electricity consumption of circulating pumps; Optimise switchgear operations during start-up and shutdown to reduce auxiliary equipment running time and standby transformer operation time, thereby lowering the electricity utilisation rate of plant.

Water Conservation

GDI takes the impact of water resource consumption on the environment seriously. In response to the national regulations and policies on water resource management, the Company requires business segments to strengthen water management in their production and operating activities, and manage and maintain water facilities properly to improve the utilisation of water resources. Moreover, we actively explore water recycling and regeneration technologies and set up a reclaimed water reuse system to improve water recycling efficiency. The Group has no issues in sourcing water that is fit for purpose.

GDI has established the Policy on Water Supply Management of Guangdong Investment Limited. We require each business segment to manage water resources effectively by reviewing the water resource management strategy, monitoring the efficiency of water resource consumption in operation, and optimising relevant water conservation measures. Following the concept of “increasing water supply and saving water”, all the business segments under the Group have been engaged in water-saving technology innovation and facilities updates based on their production process, the assistance of equipment and their domestic water consumption.

<div>Developing alternative water sources</div> <div></div>	<ul style="list-style-type: none">• Fully utilise pipeline cooling water, municipal reclaimed water, rainwater, and other alternative water sources to replace fresh water used in production, and reuse reclaimed water for enterprise production, green space irrigation, road cleaning, and other purposes, vigorously promoting the recycling of water resources;• Installing rainwater recovery and reuse system in projects and using high-quality rainwater recycled through rainwater filtration devices for replenishing and conserving urban groundwater resources, supplementing landscape water bodies and supporting landscaping and industrial water use.
<div>Improving processes and facilities</div> <div></div>	<ul style="list-style-type: none">• Promoting clean and water-saving production processes and using advanced water-saving equipment and devices to increase water efficiency;• Implement technical upgrades to processes and facilities, and establishing wastewater recovery and treatment systems to enhance water reuse rates.



Meanwhile, each business segment has established regular statistics and inspection systems accordingly. Management and maintenance personnel are required to periodically inspect water supply facilities, including water pipe networks, taps, and valves, to detect and repair seepage and leakage in a timely manner, thereby reducing water waste.



Water Resources

Water Holdings continues to improve existing technologies, conduct the R&D for new technologies, and optimise production processes. It also steps up efforts to provide guidance and evaluate the self-use water rates of the water companies in accordance with the Evaluation and Management Scheme for “Star Water Plants”, to ensure efficient water resource utilisation.

To effectively reduce the self-use water rates of water plant, Water Holdings vigorously promotes the application and innovative use of water-saving technologies. The company continuously strengthens refined management by comprehensively reviewing and optimising water use processes within the plant. By implementing measures such as establishing water management policies and operating procedures, and enhancing daily inspections and monitoring, water resource waste is effectively minimised.

Technological application 	<ul style="list-style-type: none">• Technical upgrading key processes, such as filtration and sedimentation, to significantly extend the backflush cycle of filters, and enhance water treatment efficiency and reduce water consumption during water treatment;• Actively promoting the technology of recycling of backflush water to reuse backflush water after treatment and effectively reduce water consumption.
Refined management 	<ul style="list-style-type: none">• Establishing a comprehensive leak detection system, utilising advanced leak detection equipment and technologies to conduct regular inspections of critical areas within the plant, such as pipes and valves, to prevent water leakage;• Strengthening daily inspections, monitoring and other operational management of the process pools in the plants, reinforcing and upgrading anti-overflow and anti-seepage facilities to eliminate overflow and seepage at the process pools;• Conducting regular calibration and verification of flow meters to ensure they meet national standards and regulations.

In 2024, Water Holdings has fully met the requirement of maintaining a cumulative self-use water rate of no more than 4% ($\leq 4\%$) as specified in the Performance Assessment Standard for Urban Water Supply and Water Use.

In the field of reclaimed water development and utilisation, three reclaimed water plants under Water Holdings in Wuxi, Jiangsu Province, have adopted an advanced dual-membrane treatment process that combines ultrafiltration (UF) and reverse osmosis (RO) membranes. This technology effectively treats high-fluorine and high-nitrogen wastewater from industries such as electronic chips, integrated circuits, and photovoltaics, converting it into high-quality reclaimed water. By meeting the plants' operational water needs while preventing wastewater discharge, this approach significantly reduces the adverse impacts on the environment. In 2024, Wuxi Debao Water achieved a wastewater treatment capacity of 137.7 thousand tonnes per day, and a reclaimed water production capacity of 88 thousand tonnes per day. The amount of reclaimed water provided to enterprises in the park is equivalent to an annual water savings of 20 million tonnes. Furthermore, Water Holdings has refined the short-process technology combining "aerobic granular sludge + MBR". This innovation actively mitigates membrane fouling and enhances effluent quality, enabling the treated water to meet reuse standards for river replenishment, ecological water supply, landscape irrigation, and industrial production. In this way, wastewater recycling and resource utilisation are effectively achieved.

Leveraging its business strengths as a raw water supplier and water treatment company, Water Holdings fully utilises platforms such as water supply plants and water education bases to conduct water conservation and protection campaigns through various forms and channels. These continuous efforts aim to foster a strong societal commitment to valuing and conserving water resources, thereby enhancing public awareness of water conservation and water resource protection.



Case: Water Conservation and Protection Campaigns by Zhanjiang Yuehai Water

In March 2024, Zhanjiang Yuehai Water leveraged the themes of "World Water Day" and "Water Week of China" to host a series of engaging activities, including the "Water Plant Open Day", "Visit to the Water Conditions (Water-Saving) Social Practice Education Base in Western Guangdong", and "Water Supply Services in Communities". Participants from diverse groups, such as citizen representatives, primary and secondary school students, teachers, and parents, were invited. Through on-site visits, interactive games, and other methods, the campaigns further popularised knowledge on water conservation and protection, and called on the entire society to jointly promote water resource protection and efficient utilisation.

Green Office

GDI pays special attention to the conservation and efficient use of resources, and is committed to integrating environmental protection concepts into every aspect of its corporate operations. Starting with efforts to conserve electricity, water, energy, and office supplies, GDI actively promotes green initiatives such as green office practices, green travel, and energy conservation measures among its employees. These efforts are aimed at cultivating a corporate culture that embraces green, low-carbon, and frugal practices.

Green actions	Paperless office	Green travel
Encouraging employees to save water and electricity and reduce energy consumption in offices by switching to energy-efficient lighting, optimising air conditioning controls, and using water-saving devices.	Advocating paperless office, such as utilising technologies to initiate online approval and registration, streamlining administrative approval process and reducing the use of paper, thereby creating an eco-friendly office environment	Optimising vehicle management and arranging company vehicles based on business needs to minimise vehicle use, and encouraging employees to choose subway, bus, bicycle for commuting on the premise of not affecting work and life.

ENVIRONMENTAL PROTECTION

GDI strictly follows the environmental laws and regulations such as the Environmental Protection Law of the People’s Republic of China, the Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution caused by Solid Wastes, the Land Administration Law of the People’s Republic of China, the Wildlife Protection Law of the People’s Republic of China, and the Regulations of the People’s Republic of China on Nature Reserves. Focusing on environmental management, emission management, and ecological protection, the company actively engages in pollution prevention and ecological restoration efforts, strengthens environmental risk management and minimises impacts on the environment. It continuously contributes to the process of national ecological civilisation construction with the strength of GDI, helping to build a “Beautiful China”.

Environmental Management

GDI has formulated an internal environmental management system based on the ISO management system that integrates the aspects of environment, quality, and safety (hereinafter referred to as the “three systems”). This system specifies the workflow and division of responsibility for environmental management, implements a management system where each business segment is accountable for its own operations, while each functional department exercises oversight over its designated fields. Under this system, GDI’s headquarters, business segments, and branches monitor and manage environmental impacts throughout their business lifecycles according to their authorities.

In strict compliance with laws and regulations and various local requirements, GDI has developed management procedures for project design, construction, and operation to manage environmental impacts throughout the entire project cycles. These procedures include environmental risk identification, environmental impact assessment, and environmental management during construction.

Project Lifecycle Process of Environmental Management



Project design phase	Project construction phase	Project operation phase
<ul style="list-style-type: none"> Carry out environmental impact assessment of project sites and obtain approval for the soil and water conservation plans Avoid eco-environmentally sensitive areas when determining project sites Integrate environmental protection concept into project design to minimise the environmental impact of project construction and operation 	<ul style="list-style-type: none"> Promote information systems, implement intelligent construction site applications, and improve overall efficiency and management of construction projects Closely monitor the water, electricity and noise indicators during the construction Reuse the construction by-products (e.g., solid waste and other construction wastes) 	<ul style="list-style-type: none"> Focus on the monitoring and control of environmental pollution, such as noise, wastewater and solid waste, within the scope of project operation Take measures to prevent environmental pollution during the production and operation Disseminate environmental protection knowledge to employees and the public, and communicate with surrounding communities on environmental impact

In keeping with the concept of sustainable development, namely “lucid waters and lush mountains are invaluable assets”, GDI is dedicated to reducing the discharge of solid wastes, exhaust gases, and wastewater to minimise the impact of the Group’s business operation on the environment. GDI and its business segments had no major pollution incidents or violations against relevant laws and regulations in 2024, nor were they subject to complaints, penalties or sanctions for major environmental pollution or violations against environmental regulations.

Solid Waste Management

GDI is constantly improving solid waste management based on the targets of “reduction, recycling, and safe disposal”. By creating practical recycling systems and innovating the disposal process via technological advancement, GDI has further increased waste recycling rates and enhanced its economic and environmental performance.

GDI goes all out to minimise the discharge of all kinds of solid waste during project construction and operation. Waste is subject to rigorous identification, classification, monitoring, control, and treatment. After undergoing these processes, sludge, scrap metal, plastic foam material, and other wastes can be reused to the largest extent.



Water Resources

The primary solid waste generated by the water resources segment is sludge produced during operations, predominantly from municipal sewage treatment. Water Holdings actively pursues initiatives to achieve reduction, recycling, and safe disposal of sludge. To achieve this, all new plants are required to incorporate a robust sludge treatment process, including conditioning, concentration, and dehydration, in their design. Additionally, Water Holdings adopts innovative technologies such as advanced dewatering. These measures aim to promote the resource utilisation of sludge, mitigate secondary pollution, and minimise its environmental impact.



Road and Bridge

The primary solid waste generated by GDH Highway is construction waste produced during operations, mainly including excavated soil, waste concrete, waste bricks and stones, and other building debris from road construction and maintenance. During the replacement of pavement crushed boards, GDH Highway recycles the waste boards and reuses them in the construction of local residents’ houses, subgrade backfilling for rural roads, and the masonry of drainage ditches. These efforts actively promote the reuse of construction waste. As of 2024, GDH Highway had achieved a 100% recycling rate for pavement crushed boards, and reduced solid waste by approximately 790 m³.

Exhaust Gas Management

GDI adheres to a green development philosophy, taking comprehensive and various measures to control exhaust gas emissions at major emission sources. On one hand, the Group prioritises source control by continuously optimising production processes and selecting low-pollution raw materials. These measures significantly reduce the generation of exhaust gas pollution at the source, thereby fundamentally enhancing its environmental protection levels. On the other hand, the Group actively carries out actions to prevent and control dust pollution, strengthens on-site operation management, and implements regular and random special monitoring as well as risk management measures, to achieve the emission compliance target.



Energy Projects

GDH Energy is committed to advancing environmental protection and governance while achieving its production and operational targets. The company has implemented a series of innovative measures, including upgrading coal-fired generation units to achieve ultra-low emissions, thoroughly treating conventional pollutants, and optimising denitration processes, to strictly control air pollutant emissions from coal-fired power generation units. Additionally, GDH Energy employs water-spraying techniques for dust suppression, effectively reducing dust pollution during the coal combustion process. In addition, the company has established a comprehensive online monitoring system to track air pollutant emissions at real time. This ensures that the emission concentrations remain well below the regulatory limits set for gas-fired units.

Wastewater Management

We control wastewater discharges and treat wastewater using appropriate technologies. By doing so, we ensure the discharged wastewater meets the national regulatory standards. Some business segments regularly engage qualified third parties to test wastewater discharges and install monitoring devices at the discharge outlets to monitor and record changes in water quality and quantity in a real time manner, thereby enabling themselves to respond promptly to any abnormal changes.

Biodiversity Protection

GDI attaches great importance to ecological environmental protection and strictly comply with local environmental protection laws and regulations in business operations. The Group carefully identifies and analyses environmental risks in operations and tries its best to avoid affecting natural reserves, ecological conservation areas, and other fragile ecosystems during the business operation and construction. The Group also monitors and assesses biodiversity, water and soil conservation. In all these efforts, the Group protects biodiversity and the ecological environment in the surrounding areas, contributing to ecological balance and the harmonious coexistence between nature and human beings.

GDI recognises that protecting biodiversity is key to achieving business sustainability. We have developed the Biodiversity Protection Policy of Guangdong Investment Limited, which clarifies the leadership’s responsibility for biodiversity management and the management and control requirements within relevant business segments. Also, the policy incorporates biodiversity protection into the construction and operation of all projects to avoid operating in areas of high biodiversity value.

We never cross the ecological red line in the construction and operation and avoids engineering and construction in government-designated ecological reserves. During project design, we develop and implement different impact mitigation plans based on the local biodiversity conditions and the environmental impact assessment results and encourage all business segments to conduct biodiversity assessments for their operations.



Basic Requirements for Biodiversity Protection		
The locations of all construction and operational projects must undergo rigorous evaluation and pass third-party environmental impact assessments. There are no instances of occupying or damaging ecological reserves, protected areas for rare and endangered flora and fauna, or natural heritage sites.	Integrate ecological restoration and biodiversity conservation into day-to-day operations. Monitor local ecological conditions and implement necessary protective measures during project construction and operations.	Organise and carry out specialised conservation efforts, and actively coordinate with relevant local government departments to jointly develop ecological policies and action plans.

The health of the aquatic ecosystem is of great significance for maintaining ecological balance, protecting biodiversity and promoting sustainable development. GDI actively responds to the task goals regarding the water ecological environment protection of key river basins in China's "14th Five-Year Plan". Relying on its professional advantages in water pollution treatment and comprehensive environmental management, it takes the work of water ecological environment protection and the solution of prominent water ecological environment problems as one of its important tasks. Through comprehensive management and protection work for the aquatic ecosystem, such as strengthening pollutant treatment, restoring wetlands and lakes, and optimising urban and rural drainage systems, it effectively maintains the integrity and natural purification function of the aquatic ecosystem, provides a favorable living environment for organisms, and safeguards the stability and balance of the ecosystem.



Case: Water Quality Improvement at Fengjiang Shengkong State-controlled Monitoring Section

With the continuous development of urbanisation, rain sewage network system construction in Chao Zhou City is relatively lagging behind, coupled with obsolete facilities, incomplete rain sewage diversion, rain overflow leads to domestic sewage being continuously discharged into Fengjiang, and further resulting in water quality deterioration at the Fengjiang Shengkong State-controlled Monitoring Section. The water quality is always at the poor V level, the water ecological environment and species diversity has been damaged.

In 2024, Water Holdings participated in the construction of the first phase of the second stage of the Fengjiang Shengkong State-controlled Monitoring Section Compliance Improvement Project (Chaozhou Section), actively invested in engineering and technical strength, combined point and surface to promote the implementation of river desilting, sewage pipe network improvement, rainwater and sewage diversion and other key projects, effectively solving the problem of pollution of surface and groundwater caused by domestic sewage due to rainy day overflow, significantly improving the improvement of the water quality of water bodies, and providing local aquatic organisms with a better ecological environment for local aquatic organisms and protect the health of water ecosystems.



Chaozhou Sanlixi before Improvement



Chaozhou Sanlixi after Improvement

EFFORTS TO ADDRESS CLIMATE CHANGE

In 2024, the warming trend of the global climate system continues to intensify. Facing severe challenges brought by climate change, the Group deeply understands the urgency of mitigating and adapting to climate change. We actively respond to the “dual-carbon” strategy by integrating climate-related factors into the Group’s long-term development plan and daily management. Starting from four key areas, namely governance, strategy, risk management, and metrics and targets, we optimise our climate management system, enhance the capabilities of identifying, assessing, and addressing climate-related risks and opportunities, improve corporate climate resilience, and comprehensively plans the low-carbon development blueprint.

Governance

The Group has integrated climate change issues into its enterprise risk management and operational strategies, established a scientific and professional climate governance structure, formulated the Climate Change Policy of Guangdong Investment Limited (“Climate Change Policy”), and continuously optimised climate-related management measures.

Board of Directors
<ul style="list-style-type: none">Supervises and decides on the Group’s ESG related issues and targets, considers climate-related risks in developing group-wide strategies, reviews the results of climate-related risk identification, assessment, and management, and takes responsibility for climate governance.
ESG Committee
<ul style="list-style-type: none">Oversees and reviews the Group’s performance in managing climate-related risks and opportunities, and reports the results to the Board of Directors annually.Provides practical guidance and supports to the Group in addressing climate-related risks and ensures appropriate implementation of our policies and management measures on climate change.
ESG Working Groups
<ul style="list-style-type: none">Under the guidance of the ESG Committee, they identify, assess, and manage climate-related risks and opportunities from the perspective of actual business and operations, and develop and implement appropriate response measures. Also, they assist the Board of Directors and the ESG Committee in formulating future climate change strategies.Chairmen of the five business segments are responsible for overseeing the performance of their segments in managing sustainability issues and climate-related risks and opportunities, and leading functional departments in taking specific measures to address climate-related risks.
Project Specialists
<ul style="list-style-type: none">Specialist in charge of safety and environmental management is appointed for each of the Group’s projects under construction and in operation. They are responsible for carrying out the sustainable development plans and overseeing the performance of the project in managing sustainability issues and climate-related risks and opportunities.

Climate Governance Structure of Guangdong Investment Limited

Strategy

To build far-reaching capacities of climate change response, the Group continues to improve and implement the Climate Change Policy, which defines the management guidelines on climate change at the group level and for each of the business segments. This policy, which sets out our strategies and commitments to respond to climate change, is designed to guide our subsidiaries, associates, joint ventures, and suppliers to consider environmental protection, energy conservation, emission reduction and other relevant factors in their business operations, to strengthen climate governance. Meanwhile, it encourages employees, customers, and other internal and external stakeholders to reduce carbon emissions in business activities and daily lives to mitigate the negative impacts on environment.

The Group recognises that climate change brings about a series of short-term (next 2 years), medium-term (by 2030), and long-term (by 2060) risks and opportunities, which may impact our business model, value chain, business strategy, and decision-making. Therefore, we are actively exploring various ways to mitigate and adapt to climate change. We collaborate with business segments to conduct in-depth identification and assessment of climate-related risks and opportunities. Additionally, we use scenario analysis tools to evaluate the Group's climate resilience, comprehensively review our climate change management and response capabilities, and continuously improve the Group's sustainable development management performance.

Climate-related risks

The Group fully considers the potential impacts of climate change on the macro market environment and its key stakeholders, physical facilities, and business development. Based on policy and regulatory research, background investigations, peer benchmarking, and the Group's business characteristics, we systematically identify and assess the climate-related risks we face. In 2024, we factored in the potential short-term, medium-term, or long-term impacts of climate risks on the Group's cash flows, access to finance and cost of capital, and reviewed the 13 climate risks identified in the previous year and their corresponding risk levels. The results are presented as follows:

			Level of Risk ²				
Types of Risk	Risks		Water Resources	Property Investment and Department Store Operation	Hotel Ownership, Operation and Management	Energy Projects	Road and Bridge
Physical Risks	Acute risks	Typhoons	High	High	High	High	High
		Floods and waterlogging	High	Medium	Medium	High	High
		Cold waves	Low	Low	Low	Medium	Low
		Extreme-high temperatures	Medium	Medium	Low	Medium	Medium
	Chronic risks	Rising mean temperature	Low	Low	Medium	Medium	High
		Rising sea level	Low	Low	Low	Low	Low
Transition Risks	Policy and Legal Risks	Energy mix and utilisation	High	High	High	High	Low
		Climate and environmental policies	High	Medium	Medium	High	Medium
		Carbon trading	Low	Low	Low	High	Low
		Information disclosure	Medium	Low	Low	Low	Low
	Technology risks	Low-carbon technological transformation	Medium	Low	Medium	Medium	Low
	Market risks	Change in market demands	Medium	Medium	Medium	Medium	High
	Reputation risks	Stakeholders' concerns	Low	Medium	Medium	Low	Low

² Level of risk: high: ≥67%; medium: <67% and ≥33% ; low: <33%.

Based on the above climate risk assessment results, for each high risk, we identify the business segments where the risks are concentrated, analyse the current and anticipated impacts of the risks on their business models, value chains, business strategies, and decision-making, as well as the potential financial impacts the risks may bring. We also develop corresponding measures to adapt to or mitigate the climate risks. The details are presented as follows:

Physical Risks – Acute Risks

Risks	Risk Factors	Time Horizons
Typhoons	Frequent high intensity typhoons	Short/medium/long term
Floods and waterlogging	More days of rainstorms and heavier rainfalls	Short/medium/long term
Business Segments	Potential Impacts	Response Measures
Water Resources	<ul style="list-style-type: none"> • Rising water surface and intrusion of seawater into river mouths may result in changes in the water level and quality of raw water; • Pipeline networks and facilities in operation may be destroyed, affecting the stability of water supply; • Regional floods and waterlogging may overload drainage systems; • The risk of flooding water supply facilities in low-lying areas may rise. 	<ul style="list-style-type: none"> • Setting up specialised body in charge of flood, drought and storm control (“Three-Control”) to make emergency response plans and standardised emergency response process; • Analysing and identifying water source risks and arranging water quality management personnel for 24/7 monitoring; • Going all out to ensure that breaks in water supply pipeline network are repaired immediately and mobilising nearby fire engines and hydrants for water supply during the repair; • Adjusting reservoir levels dynamically according to weather conditions to prepare for flood emergency response and water dispatching; • Applying intelligent control of the pipeline networks to achieve the maximum capacity of water discharge and improve the forced drainage capacity of temporary pumps.

Business Segments	Potential Impacts	Response Measures
Property Investment and Department Store Operation	<ul style="list-style-type: none"> Shopping malls and other businesses may need to shut down and lead to breach of contracts and compensation liabilities; The risk of falling and maintenance cost of outdoor facilities (such as outdoor billboards) may rise. 	<ul style="list-style-type: none"> Better checking, unblocking, regularly maintaining and repairing indoor and outdoor drainage facilities to maintain smooth water discharge; Adding vibration sensors to advertising trusses installed aloft to effectively monitor truss vibration times and amplitudes to provide early warning; Timely noticing and assisting tenants in taking remedial measures in the event of business suspension of shopping malls during high-intensity typhoons.
Hotel Ownership, Operation and Management	<ul style="list-style-type: none"> Passengers may cancel their reservation due to traffic shutdown induced by typhoons, raising the risk of room vacancy of hotels. The maintenance cost of outdoor facilities (such as outdoor billboards) may rise. 	<ul style="list-style-type: none"> Initiating crisis emergency plans for wind and flood prevention and forming crisis emergency teams; Inventorying material reserves and developing backup plans for shortages of materials; Removing or securing furniture, equipment, and plants on balconies and perimeters, ensuring hotel facilities are working properly and fully charged.
Energy Projects	<ul style="list-style-type: none"> Sustained strong winds and rainstorms can damage facilities and equipment, affecting the stability of power supply and may leading to production suspension. The rising waters may leave facilities in some places inundated, disrupt production and operation of plants, and increase maintenance costs. 	<ul style="list-style-type: none"> Developing and improving emergency response mechanisms, making and implementing special emergency plans and various on-site disposal schemes; Making an annual rolling plan on emergency drills and organising typhoon- and flood-prevention drills for large mechanical equipment at wharfs to enhance employees' safety and crisis awareness, and strengthen their abilities of dealing with emergency situations.

Business Segments	Potential Impacts	Response Measures
Road and Bridge	<ul style="list-style-type: none"> Continued strong winds and heavy rains may affect the safety of operations and lead to construction interruption, causing traffic restriction, and road closure; Sustained rainstorms may result in waterlogging on expressways, giving rise to traffic jams or disruptions; Flash floods, mudslides, landslides and other disasters may damage roads and lead to additional repair costs. 	<ul style="list-style-type: none"> Formulating flood and typhoon prevention plans and emergency response plans and holding meetings on the deployment of the plans; Carrying out inspection prior to, during and after rainstorms with the focus on the operation of highway drainage systems, the stability of slopes, retaining walls and roadbeds, and the flood discharge capacity of bridges and culverts; Developing emergency plans and processes for infrastructure damages, traffic disruptions, and other emergencies induced by severe weather. Promptly organising on-site investigation and repair, and supporting traffic police to set up traffic signs when an emergency occurs.

Physical Risks – Chronic Risks

Risks	Risk Factors	Time Horizons
Rising mean temperature	Higher daily maximum and minimum temperatures	Medium/long term
Business Segments	Potential Impacts	Response Measures
Road and Bridge	<ul style="list-style-type: none"> The risk of spontaneous combustion and tyre blow-out of automobile may rise; Drivers are easier to lose temper in hot days, threatening their driving safety. 	<ul style="list-style-type: none"> Collaborating with local fire departments and calling the police immediately in the event of vehicle fire accidents; Preventing fatigue driving by reminding drivers to have mandatory work-rest intervals and ensuring adequate rest before driving.

Transition Risks – Policy and Legal Risks

Risks	Risk Factors	Time Horizons
Energy mix and utilisation	Accelerated low-carbon transformation of the energy mix and rising proportion of clean energy	Medium/long term
Business Segments	Potential Impacts	Response Measures
Water Resources	<ul style="list-style-type: none"> The introduction of low-carbon transformation policies may lead to the early scrapping of existing energy-intensive equipment; The fluctuation or increase in energy prices (such as the rise of coal power price) may cause additional expenses. 	<ul style="list-style-type: none"> Carrying out energy-saving renovations on high energy-consuming equipment and introducing advanced low-carbon technologies and equipment to reduce operational energy consumption; Conducting carbon-neutral renovations on Jiangjunshan Water Plant and Gutang Water Plant. These two plants have obtained carbon-neutral certification issued by the Guangzhou Emissions Exchange.
Property Investment and Department Store Operation	<ul style="list-style-type: none"> The introduction of low-carbon transformation policies may lead to the early scrapping of existing energy-intensive equipment; The fluctuation or increase in energy prices (such as the rise of coal power price) may cause additional expenses. 	<ul style="list-style-type: none"> Using energy-saving elevators equipped with energy-feedback devices to convert gravitational potential energy generated into electricity for reutilisation; Installing solar power generation facilities on roofs to provide power for outdoor billboards, outdoor water features, and green areas; Using intelligent control systems and energy-saving lamps, electrical equipment, and air conditioning equipment to reduce electricity consumption.

Business Segments	Potential Impacts	Response Measures
Hotel Ownership, Operation and Management	<ul style="list-style-type: none"> • The introduction of low-carbon transformation policies may lead to the early scrapping of existing energy-intensive equipment; • The fluctuation or increase in energy prices (such as the rise of coal power price) may cause additional expenses. 	<ul style="list-style-type: none"> • Setting up a hotel energy conservation management team to conduct energy conversation management, analyse energy consumption, and upgrade facilities; • Adopting renewable energy by installing photovoltaic equipment on the roof of Oasis Avenue – A GDH Hotel; Implementing measures for sponge city construction in Holiday Inn Zhuhai City Centre.
Energy Projects	<ul style="list-style-type: none"> • The decarbonisation of the power system and phasing out of coal power may lead to a decline in power plant's revenue; • Rising coal prices may increase the cost of electricity generation. 	<ul style="list-style-type: none"> • Ramping up the development of technologies for energy conservation and consumption reduction, and strengthening carbon assets management, to raise energy efficiency and speed up the transition towards clean energy.

Risks	Risk Factors	Time Horizons
Climate and environmental policies	With the gradual implementation of the “1+N” policy framework, the environmental supervision is increasingly stringent	Short/medium/long term
Business Segments	Potential Impacts	Response Measures
Water Resources	<ul style="list-style-type: none"> • Input more human resources and time in managing and controlling changes in water quality and; ecosystems due to climate change. • Step up efforts to reduce pipeline leakage rates and upgrade existing equipment. 	<ul style="list-style-type: none"> • Constructing an online water quality monitoring platform for intelligent water quality management to further enhance the water quality management capacity; • Developing an online lab information management system to build Water Holdings monitoring network for real time water quality data monitoring; • Devoting continuous efforts to control leakage in water supply pipeline networks, achieving the leakage control target set in the 14th Five-Year Plan ahead of schedule.
Energy Projects	<ul style="list-style-type: none"> • Further raise the energy efficiency and flexibility standard of coal power, which may require additional costs for generator upgrading; • Phase out outdated coal power generation facilities. 	<ul style="list-style-type: none"> • Strictly controlling the concentration of air pollutants emitted from coal-fired units to meet the emission limits through upgrading coal-fired units to achieve ultra-low emission, using denitrification and other technologies; • Making full use of the advantages of coal power in supporting and regulating power supply, and continuously seeking to improve coal power generation and to replace coal power with renewable energy.

Risks	Risk Factors	Time Horizons
Carbon trading	Higher carbon pricing and less emission quotas	Medium/long term
Business Segments	Potential Impacts	Response Measures
Energy Projects	<ul style="list-style-type: none"> Buying quotas will increase the cost of coal-fired units and LCOE; Given the increasing climate-related risks, governments are likely to adopt higher carbon pricing, reduce emission quotas, or levy carbon taxes ahead of schedule, causing additional costs to enterprises. 	<ul style="list-style-type: none"> Paying close attention to the development of the carbon trading market, taking part in carbon trading and assuming environmental protection responsibilities; Promoting clean and efficient use of coal and decreasing energy consumption in production and operation by strictly managing relevant metrics.

Transition Risks – Market Risks

Risks	Risk Factors	Time Horizons
Change in market demands	The popularisation of green consumption and green living	Medium/long term
Business Segments	Potential Impacts	Response Measures
Road and Bridge	<ul style="list-style-type: none"> More consumers embracing green travel will reduce expressway traffic flow; More consumers choosing EVs will lead to higher demands for charging piles and other supporting facilities. 	<ul style="list-style-type: none"> Proactively seeking cooperation with suppliers of new energy charging facilities and promoting the construction of charging stations; Founding the “Yi Xian Tong Lu” alliance (alliance of companies and organisations along the same expressway) marketing system and organising upstream and downstream members for joint marketing campaigns.

Climate-related Opportunities

Combining the current development situation and future plans of each business segment, we fully identify the climate-related opportunities that are expected to potentially impact the Group's cash flows, access to finance, and cost of capital in the short-term, medium-term, or long-term. By innovating green technologies, strengthening resource recycling, developing low-carbon products and services, and other means, we actively seize the development opportunities to enhance the core competitiveness of the enterprise.

Opportunities	Description	Business Segments Concerned	Time Horizons
Emergence of green financial products	Presently, green finance is experiencing booming development. Enterprises can issue green financial products to promote business growth and to alleviate financing difficulties and other problems through increasing the amount of financing. Meanwhile, innovative green financial products will help issuers diversify their fundraising channels and raise more funds to improve their environmental management capabilities and performance.	The Group	Medium/long term
More new market demands	It is a priority of ecological environment protection in the 14th Five-Year Plan Period to make overall plans for improving the quality and capacity of rural ecological and environmental protection and promote coordinated urban-rural development in ecological and environmental protection. Water companies can deploy dispersed and small-sized sewage treatment facilities in rural areas step by step and help to build and operate those facilities in a standardised manner, extending coverage of their businesses.	Water Resources	Short/medium/long term
Expansion of smart water business	As the process of building smart water systems in urban areas accelerates, water companies may further establish smart water management systems based on market demands. They can strengthen the development of new products and solutions relying on their technical advantages in smart water management, to raise water treatment efficiency and water resource utilisation rate, cut operation costs, and sharpen their competitive edge.	Water Resources	Short/medium/long term

Opportunities	Description	Business Segments Concerned	Time Horizons
Utilisation of unconventional water resources	The National Action Plan for Water Conservation released by the PRC government seeks to heighten public awareness of water conservation and ensure national water security. Against this backdrop, water companies may increase the use of unconventional water such as reclaimed water, seawater, rainwater, mine water and brackish water to seize the opportunity to expand business and reduce reliance on individual water sources and the costs resulting from unstable operations.	Water Resources	Medium/long term
Popularisation of green consumption	With progress made in publicity and popularisation in the green consumption recently, consumers are gradually developing green consumption behaviours and have higher demands and expectations for low-carbon and energy-saving properties and hotels. Enterprises may add more green design elements to their buildings and advance the energy-conservation transformation of existing equipment, to better cater to market demands and attract more potential consumers.	Property Investment, Department Store Operation, Hotel Ownership, Operation and Management	Short/medium/long term
Higher proportion of renewable energy	With the promotion of electrification in final energy consumption, the use of multi-energy complementary distributed clean energy will become more common. The overall pattern and market development trend of China's regional development and energy enterprises will see significant changes. Energy enterprises can assist corporate customers in emissions reduction by providing them with renewable energy generation, carbon offset and other solutions, so as to invest in and develop new markets.	Energy Projects	Medium/long term

Opportunities	Description	Business Segments Concerned	Time Horizons
Resource recycling	The 14th Five-Year Plan on Highway Development takes conserving resources and using them efficiently as one of the key tasks to promote the green development of highways. Enterprises can reduce operational costs and improve business and environmental management performances while responding to national strategies by upgrading and reusing old equipment, promoting comprehensive utilisation of wastes and scraps, and advocating sewage recycling in service zones.	Road and Bridge	Short/ medium/ long term

Climate Scenario Analysis

Climate scenario analysis is a useful method for assessing and managing climate-related risks. It helps to better predict potential impacts of climate-related risks, improve climate resilience, and determine emission reduction pathways. In 2024, based on the qualitative analysis conducted in the first year, the Group carried out a quantitative scenario analysis for the water resources business. And, according to the results of the scenario analysis, the Group comprehensively evaluated the resilience of the water resources business's business model and strategy to climate change.

Scenarios and Scope

Given China's dual carbon goals and the year by which the Group committed to meet its emission targets, we use publicly available climate scenario datasets and define the time horizons of the scenario as 2030 and 2060. We developed and compared two climate scenarios following the principle of high comparability, balance, and science-based.

Low-Emission Scenario (1.5°C – 2°C)	Scenarios	High-Emission Scenario (above 4°C)
The emission reduction pathway in this scenario is consistent with the goal of keeping a global temperature rise well below 2°C above pre-industrial levels as set in the Paris Agreement and with China's dual carbon goals.	Reasons for Selection	The highly comparative scenario depicts a future where climate change deteriorates due to a lack of practical climate action.
The scenario pictures a sustainable society mainly consuming clean energy. It assumes that the whole world has realised the severity of climate change and that countries have ramped up climate actions and taken immediate and stringent policies and measures to reduce emissions. Technological progress and increased environmental awareness speed up the transition towards a low-carbon and low-energy consumption society. Markets adapt to climate-friendly changes in production and consumption. Meanwhile, external stakeholders have growing demands for enterprises' climate actions. Global CO ₂ emissions are cut severely, but not so fast, reaching net-zero after 2050. By 2100, global temperature rise is limited within 2°C.	Scenario Narratives and Assumptions	The scenario follows the business-as-usual emission pathway, i.e., enterprises operate as usual without devoting additional resources in climate change response. It assumes that the global economic development still relies on fossil fuels, and countries stop announcing new climate policies and emission reduction goals, leading to increasing emissions and rising Greenhouse Gas ("GHG") concentrations. Over time, physical risks from climate change intensify sharply, the global climate-related risk index rises, weather patterns shift drastically, and extreme weather events are also more frequent and severe. By 2100, the global mean temperature rises by over 4°C.
The physical risk analysis and the transition risk analysis will be based on the SSP 1-2.6 scenario proposed by IPCC ³ and the Below 2°C scenario proposed by NGFS ⁴ , respectively.	References	The physical risk analysis and the transition risk analysis will be based on the SSP5-8.5 scenario proposed by IPCC and the Current Policies scenario proposed by NGFS, respectively.

³ The Intergovernmental Panel on Climate Change (IPCC).

⁴ The Network of Central Banks and Supervisors for Greening the Financial System (NGFS).

Scenario Analysis Results

The Group selected appropriate parameters and analysed the two high risks facing the water resources business, namely “typhoons” and “energy mix and utilisation”, in the low-emission and high-emission scenarios, respectively. Data used in the analysis was mainly from publicly available datasets of IPCC and NGFS⁵.

Physical Risks

The increased frequency and severity of typhoons and heavy rains may cause damage to the company’s fixed assets such as hydraulic structures and buildings, which in turn may lead to a decrease in the recoverable amount of assets or a shortening of the useful life of assets. To assess the potential impact scope and degree of typhoons, we analysed the fixed assets of buildings and structures of 26 branches of the water resources business, and obtained the percentage of assets vulnerable to typhoons under different scenarios. Details can be found below. Limited by the availability and rationality of data, we did not take into account the future changes in the business scale of the water resources business in this analysis, that is, it is assumed that the value of the above-mentioned fixed assets remains constant.

Year	2030	2060
Low-Emission Scenario	3.60%	6.69%
High-Emission Scenario	4.78%	15.57%

The results show that, under the high-emission scenario, a larger percentage of the company’s buildings and structures will be threatened by typhoons. To this end, we continuously improve the emergency management for wind prevention and flood control, and strictly implement the prevention and handling of emergencies caused by typhoon and rainstorm disasters. We constantly enhance the level of safe operation of projects, and conduct follow-up management on the operation status of facilities and equipment along the project line. Moreover, we purchase All Risks Insurance for property every year to provide comprehensive protection for the company’s properties. Through these measures, we take precautions in advance to avoid and mitigate the impacts of typhoons on the water resources business to the greatest extent possible.

⁵ Given the accessibility of state-level data, the physical risk parameters were selected from the climate simulation and estimation data in the Coupled Model Intercomparison Project Phase 5 (CMIP5) of IPCC, and the transition risk parameters were selected from the estimation data in REMIND-MAGPIE 3.3-4.8 model of NGFS.

Transition Risks

As the energy structure transformation is continuously being advanced, the power energy structure is gradually shifting from fossil fuels to renewable energy. This is expected to lead to certain fluctuations in electricity prices, which in turn will trigger fluctuations in the company's electricity-related production costs and operating expenses. Based on the trends of China's average electricity prices and electricity consumption fluctuations under different scenarios, we forecast the electricity procurement expenditures of the water resources business and obtain the percentage fluctuations of its electricity procurement expenditures at different time points compared with those in 2024. Details can be found below. In the electricity consumption forecasting of this analysis, we only considered the changes in electricity consumption caused by macroeconomic factors, and did not take into account the changes in the business scale of the water resources business.

Year	2030	2060
Low-Emission Scenario	14.41%	-5.55%
High-Emission Scenario	6.62%	-10.19%

The results show that, under the low-emission scenario, in the initial stage, stricter emission reduction measures need to be adopted to achieve the temperature control target. These measures include substantial investments in renewable energy and the rapid phase-out of traditional energy sources. In the later stage, due to technological advancements, the effects of economies of scale, and the reduction in the costs of renewable energy, the cost of power generation gradually decreases. Therefore, enterprises may face greater cost pressure in the initial stage, and the green and low-carbon transformation is imperative. We closely monitor climate-related policies and requirements at home and abroad, such as those in the fields of energy and environmental protection. We promptly adjust the enterprise's strategies and operational tactics, explore the use of renewable energy sources, and turn the risks of transformation into new development opportunities.

Resilience Assessment

Since it faces physical risks and transition risks to varying degrees under the low-emission scenario and the high-emission scenario, we assess the climate resilience of our water resources business in terms of resistance, recovery and robustness.

The Group is aware of the potential impacts of climate change on the operation of our water resources business and has put in place adequate systems, plans and measures to address the challenges. In terms of resistance, we have integrated climate change into our operational strategy, formulated the Climate Change Policy and defined our climate-related risk management guidelines and processes. In terms of recovery, the water resources business has formulated risk contingency plans in response to typhoons, floods and waterlogging and other climate-related disasters. In the plan, we have clarified procedures for risk warning, emergency response and post-event disposal to resume production in the shortest possible time. Therefore, the Group believes that our water resources business is highly resilient to climate change at present. We will continue to enforce a series of climate actions to further enhance the resilience of the water resources business.

Risk Management

The Group has established a comprehensive climate-related risks and opportunities management process, clearly clarifying the management requirements and specifications of each critical step. This has formed a closed-loop and highly efficient management mechanism covering the identification, assessment, prioritisation, and monitoring of climate risks and opportunities. In this way, the Group's climate-related risks and opportunities management capabilities and performance can be comprehensively enhanced.



GD Climate-related Risks and Opportunities Management Process

Metrics and Targets

The Group fully assesses the carbon emissions of each business segment through regular interviews and data collection, integrating the current industry development trends. Meanwhile, to better mitigate climate change, the Group has set the following climate-related targets for the water resources, property investment and department store operation, and energy projects, including greenhouse gas emission targets, renewable energy targets, etc. We continuously seek information from each business segment regarding the progress of its targets and the difficulties in implementation, so as to fully promote the achievement of the targets.



Water Resources

- Strive for a 36% reduction in the carbon intensity (tons of CO₂e/HK\$ million of revenue) of the water resources business by 2030, against the FY2020 baseline.
- Strive to increase the proportion of renewable energy of Water Holdings to 25% by 2030.
- For Yue Gang Water Supply, the annual energy consumption per unit was 3.7 kWh/kTm, lower than the company's target of 4.0 kWh/kTm and the industry standard of 4.53 kWh/kTm.



Property Investment and Department Store Operation

- Strive for a 36% reduction in the greenhouse gas emissions intensity (tons of CO₂e/m²) of the property investment and department store operation business by 2030, against the FY2019 baseline.
- Strive for a 27% reduction in the overall energy consumption intensity (tons of standard coal/m²) of the property investment and department store operation business, department store operation by 2030, against the FY2019 baseline.
- Strive for a 5% reduction in the water consumption intensity (tons/m²) of the property investment and department store operation business by 2030, against the FY2020 baseline.
- Maintain a non-hazardous waste recycling rate of 95% or above.
- Maintain a hazardous waste recycling rate of 60% or above.



Energy Projects

- Strive to increase the proportion of renewable energy consumption in non-production areas of the GDH Energy to 60% by 2030.
- Strive for a 36% reduction in scope 1 carbon emissions intensity (tons of CO₂e/HK\$ million of revenue) of the energy project by 2030, against the FY2020 baseline.
- GDH Energy's environmental targets for 2024 were to achieve an ultra-low emission compliance rate, and the quarterly ultra-low emission compliance rate of both units reached 99%, meeting expectations.
- Strive for an 11% reduction in the water withdrawal for power generation (ton/MWh) of the energy projects by 2030, against the FY2020 baseline. In 2024, the total volume of water withdrawal of GDH Energy was 7.237 million m³, achieving the annual target of 8.53 million m³.
- Strive for a 2% reduction in the coal consumption for power supply (g standard coal/kWh) of the energy projects by 2025, against the FY2020 baseline. In 2024, the annual coal consumption of GDH Energy for each unit of power supply was 304.8 g/kWh, successfully achieving the annual target of 306.5 g/kWh.

ENVIRONMENTAL KEY PERFORMANCE INDICATORS

Environmental Area ⁶		
Greenhouse gas emissions ⁷ and intensity data		
Indicators	Unit	2024
The Group		
Total greenhouse gas emission	Tonnes CO ₂ e	3,273,835.78
Total greenhouse gas emission intensity	Tonnes CO ₂ e/Ten thousand HKD income	1.73
GDI Headquarters		
Greenhouse gas emissions (Scope 1)	Tonnes CO ₂ e	23.45
Greenhouse gas emissions (Scope 2)	Tonnes CO ₂ e	68.62
Water Resources		
Greenhouse gas emissions (Scope 1)	Tonnes CO ₂ e	1,705.39
Greenhouse gas emissions (Scope 2)	Tonnes CO ₂ e	371,080.88
Greenhouse gas emission intensity	Tonnes CO ₂ e/Ten thousand HKD income	0.28
GDH Energy		
Greenhouse gas emissions (Scope 1)	Tonnes CO ₂ e	2,829,592.29
Greenhouse gas emissions (Scope 2)	Tonnes CO ₂ e	44.92
Greenhouse gas emission intensity	Tonnes CO ₂ e/Ten thousand HKD income	17.64
Teem Group		
Greenhouse gas emissions (Scope 1)	Tonnes CO ₂ e	1,730.75
Greenhouse gas emissions (Scope 2)	Tonnes CO ₂ e	60,011.99
Greenhouse gas emission intensity	Tonnes CO ₂ e/Square meter operating area	0.06
Hotel Business		
Greenhouse gas emissions (Scope 1)	Tonnes CO ₂ e	296.16
Greenhouse gas emissions (Scope 2)	Tonnes CO ₂ e	8,222.74
Greenhouse gas emission intensity	Tonnes CO ₂ e/Ten thousand HKD income	0.13

⁶ The scope of environmental data in 2024 is consistent with that in 2023, including: headquarters of GDI, water resources segment, GDH Energy, Teem Group, hotel business, and GDH Highway.

⁷ The data conversion methods and coefficients mainly refer to the *Appendix 2: Reporting Guidance on Environmental KPIs of the HKEX's How to Prepare an ESG Report*. The GHG emissions (Scope 1) are generated from the use of gasoline, diesel, piped natural gas and liquefied petroleum gas. The GHG emissions (Scope 2) are generated from internal consumption of purchased electricity. The GHG emission coefficient of purchased electricity is referred to the Notice on Carrying out Greenhouse Gas Emission Reporting and Verification for Selected Key Industries for the Years 2023-2025.

Environmental Area ⁶		
GDH Highway		
Greenhouse gas emissions (Scope 1)	Tonnes CO ₂ e	123.07
Greenhouse gas emissions (Scope 2)	Tonnes CO ₂ e	935.52
Greenhouse gas emission intensity	Tonnes CO ₂ e/Ten thousand HKD income	0.02
Total energy consumption ⁸ and intensity data		
Indicators	Unit	2024
The Group		
Direct energy consumption	Thousand kWh	8,671,861.37
Direct energy intensity	Thousand kWh/Ten thousand HKD income	4.58
Indirect energy consumption	Thousand kWh	772,163.18
Indirect energy intensity	Thousand kWh/Ten thousand HKD income	0.41
GDI Headquarters		
Total petrol consumption	Thousand kWh	79.84
Total diesel consumption	Thousand kWh	0.00
Total electricity consumption	Thousand kWh	120.32
Water Resources		
Total petrol consumption	Thousand kWh	4,422.92
Total diesel consumption	Thousand kWh	1,554.67
Natural gas consumption	Thousand kWh	10.12
Total electricity consumption	Thousand kWh	650,676.62
GDH Energy		
Total petrol consumption	Thousand kWh	110.60
Total diesel consumption	Thousand kWh	247.68
Natural gas consumption	Thousand kWh	16.93
Total coal consumption	Thousand kWh	8,655,158.71
Total electricity consumption	Thousand kWh	78.76

⁸ The calorific value coefficient of non-renewable fuels (direct) refers to the *Guidelines of the Greenhouse Gas Emissions Accounting and Reporting for enterprises in Other Industries* and GB/T 2589-2020 the General Rules for Calculation of Comprehensive Energy Consumption.

Environmental Area ⁶		
Teem Group		
Total petrol consumption	Thousand kWh	181.79
Total diesel consumption	Thousand kWh	30.31
Natural gas consumption	Thousand kWh	8,349.77
Total electricity consumption	Thousand kWh	105,228.82
Hotel Business		
Total petrol consumption	Thousand kWh	414.77
Total diesel consumption	Thousand kWh	130.84
Natural gas consumption	Thousand kWh	702.66
Total electricity consumption	Thousand kWh	14,418.27
GDH Highway		
Total petrol consumption	Thousand kWh	279.77
Total diesel consumption	Thousand kWh	60.38
Liquefied petroleum gas consumption	Thousand kWh	109.60
Total electricity consumption	Thousand kWh	1,640.40
Water consumption and intensity data		
Indicators	Unit	2024
The Group		
Total water consumption	Tonnes	38,993,708.41
Total water consumption intensity	Tonnes/Ten thousand HKD income	20.60
GDI Headquarters		
Total water consumption	Tonnes	898.74
Water Resources		
Total water consumption	Tonnes	30,240,110.66
Total water consumption intensity	Tonnes/Ten thousand HKD income	22.38
GDH Energy		
Total water consumption	Tonnes	7,341,596.00
Total water consumption intensity	Tonnes/Ten thousand HKD income	45.77

Environmental Area ⁶		
Teem Group		
Total water consumption	Tonnes	1,187,069.86
Total water consumption intensity	Tonnes/Square meter operating area	0.98
Hotel Business		
Total water consumption	Tonnes	193,157.15
Total water consumption intensity	Tonnes/Ten thousand HKD income	2.98
GDH Highway		
Total water consumption	Tonnes	30,876.00
Total water consumption intensity	Tonnes/Ten thousand HKD income	0.48
Emission types and related discharge data⁹		
Indicators	Unit	2024
GDI Headquarters		
SOx emission	Tonnes	0.0001
NOx emission	Tonnes	0.0049
Water Resources		
SOx emission	Tonnes	0.01
NOx emission	Tonnes	0.10
COD emission	Tonnes	5,164.46
COD emission reductions	Tonnes	54,132.14
Total phosphorus emission reductions	Tonnes	98.19
Total phosphorus emission reductions	Tonnes	739.25
NH3-N emission	Tonnes	219.75
NH3-N emission reductions	Tonnes	5,876.83
Sludge treatment	Tonnes	51,854.78

⁹ Sulphur oxide emissions are generated from the fuel consumption of company vehicles and liquefied petroleum gas consumption. Nitrogen oxide emissions are generated from the fuel consumption of company vehicles and liquefied petroleum gas consumption. In addition, the statistics of sulphur oxides and nitrogen oxides of the GHD Energy are the annual cumulative data monitored by coal-fired units on the environmental protection platform in real-time, which are not directly related to the consumption of petrol and diesel.

Environmental Area ⁶		
GDH Energy		
SOx emission	Tonnes	135.31
NOx emission	Tonnes	351.53
Smoke emission	Tonnes	31.63
Teem Group		
SOx emission	Tonnes	0.0003
NOx emission	Tonnes	0.0108
Hotel Business		
SOx emission	Tonnes	0.0009
NOx emission	Tonnes	0.0237
GDH Highway		
SOx emission	Tonnes	0.0005
NOx emission	Tonnes	0.0317
Waste data		
Indicators	Unit	2024
GDI Headquarters		
Hazardous waste generated	Tonnes	0.04
Hazardous waste recycled	Tonnes	0.03
Non-hazardous waste generated	Tonnes	0.70
Non-hazardous waste recycled	Tonnes	0.00
Water Resources		
Hazardous waste generated	Tonnes	14.53
Hazardous waste recycled	Tonnes	0.03
Non-hazardous waste generated	Tonnes	168.26
Non-hazardous waste recycled	Tonnes	113.25

Environmental Area ⁶		
GDH Energy		
Hazardous waste generated	Tonnes	768.41
Hazardous waste recycled	Tonnes	763.16
Non-hazardous waste generated	Tonnes	389,498.06
Non-hazardous waste recycled	Tonnes	376,877.87
Coal cinder generated	Tonnes	24,956.32
Coal ash generated	Tonnes	296,734.48
Gypsum generated	Tonnes	67,500.00
Teem Group		
Hazardous waste generated	Tonnes	1.78
Hazardous waste recycled	Tonnes	0.41
Non-hazardous waste generated	Tonnes	11,176.75
Non-hazardous waste recycled	Tonnes	10,731.38
Hotel Business		
Hazardous waste generated	Tonnes	0.26
Hazardous waste recycled	Tonnes	0.23
Non-hazardous waste generated	Tonnes	82.66
Non-hazardous waste recycled	Tonnes	55.08
GDH Highway		
Hazardous waste generated	Tonnes	0.03
Hazardous waste recycled	Tonnes	0.03
Non-hazardous waste generated	Tonnes	27.77
Non-hazardous waste recycled	Tonnes	27.77



6

Social

GDI consistently increases its operational management capabilities, enhances quality management, remains committed to responsible business practices, fosters technological innovation, and protects information security and intellectual property rights. We stick to the bottom line of work safety, improve our emergency response systems, and ensure the health and safety of both employees and suppliers. Our commitment to protecting employee rights and interests is unwavering, as we actively support their development and care for their well-being. By systematically establishing a sustainable supply chain, we take on our social responsibilities and share the benefits of our growth with all stakeholders.

Our Response to SDGs

SDG 1: No poverty
SDG 3: Good health and well-being
SDG 4: Quality education
SDG 5: Gender equality
SDG 8: Decent work and economic growth
SDG 10: Reduced inequalities
SDG 11: Sustainable cities and communities
SDG 12: Responsible consumption and production

Highlights in 2024:

- Yue Gang Water Supply and other subsidiaries engaged in the water resources business, as well as Teem Group, successfully attained **ISO 9001 Quality Management System Certification**.
- The overall pass rate of tap water of the water resources business reached **99.99%**, the overall leakage rate of the pipeline network of the water resources business was less than **8.51%**, thereby the leakage volume accumulatively decreased by about **28.50 million tonnes**.
- The Group's signing rate of the Work Safety Responsibility Statement was **100%**.
- **76** water companies have obtained **ISO 45001 Occupational Health and Safety Management System Certification**.
- the Group committed **838,640** hours to volunteer service activities in the community.

QUALITY ASSURANCE

We attach great importance to quality management work and strictly complies with relevant laws and regulations such as the Civil Code of the People's Republic of China, the Data Security Law of the People's Republic of China, and the Regulation on the Quality Management of Construction Projects, and persevere in improving the quality of our operations and services. As a state-owned enterprise, we are committed to responsible operations. We endeavour to provide customers with quality services by continuously strengthening information security and customer privacy protection, while closely monitoring customer satisfaction. We are also dedicated to independent innovation and rigorously protect both our intellectual property rights and those of our customers. Our goal is to become a model enterprise with compliant operations.

Responsible Operation

We strictly observe laws and regulations in the regions where we operate. We have formulated the Policy on Quality, Environmental Health and Safety Management of Guangdong Investment Limited to create a multi-dimensional quality assurance framework that ensures the delivery of premium products and services to customers. We are committed to driving the enhancement of quality management systems and the acquisition of relevant certifications across our business segments. During the Reporting Period, Yue Gang Water Supply and other subsidiaries engaged in the water resources business, as well as Teem Group, successfully attained ISO 9001 Quality Management System Certification. We also encourage our business segments to set quality management targets and review the achievement on a regular basis. In 2024, the Group did not experience any major safety and quality liability incidents related to its products and services.



Water Resources

In the water resources business, internal policies and systems, including the Policy on Water Supply Management of Guangdong Investment Limited and the Policy on Water Quality Management of Guangdong Investment Limited, have been consistently refined. To ensure the fulfilment of management responsibilities across departments and subsidiaries, operational and water quality assurance targets such as pipeline leakage rates and comprehensive energy consumption for unit output value are linked to the performance evaluation of head of each subsidiary.

We regard water supply as a vital foundation for safeguarding people's livelihoods. A comprehensive assessment on water resources in the region where we operate is conducted before initiating the water projects. The risk assessment involves water resource reliability analysis, water supply continuity assessment, water quality assessment and downstream water consumption forecast. In the event of regional water shortages, we collaborate with local governments to find alternative water sources to ensure public access to water. We will also implement a series of measures to ensure the quality of water source areas and guarantee water quality safety.

During the year, the Water Environment Testing Centre under the water resources business continuously improved its testing capability, achieving overall annual testing indicators of over 1,000. The centre also obtained key testing qualifications including China Metrology Accreditation (CMA) and the laboratory accreditation by China National Accreditation Service for Conformity Assessment (CNAS). These accomplishments underscore its commitment to safe water supply. To strengthen the staffing of dedicated water quality management teams across all water companies, we have introduced a dual mechanism combining manual inspections and automatic monitoring. Fencing and wall-based isolation projects were carried out along the first-grade water source protection zones. Additionally, online automatic water quality monitors were installed at the Shenzhen Reservoir and the inlets and outlets of the nitrification stations. This approach enables the classification, zoning, and hierarchical management of pollution sources, ensuring strict monitoring of water quality. Embracing innovation, Yue Gang Water Supply actively researches and applies new technologies and processes for water quality protection. These include drone video identification technology, surface floating object image identification technology, sampling and monitoring unmanned boats and algae removal unmanned boats. In 2024, the overall water quality pass rate of tap water of the water resources business reached 99.99%.



Case: Aquatic Ecosystem Intelligent Monitoring System

Yue Gang Water Supply is dedicated to safe water quality by continuously optimising the aquatic ecosystem intelligent monitoring system. This system encompasses raw water quality monitoring and early warning platforms, drones, unmanned boat inspection systems and other intelligent monitoring equipment. It integrates functional modules such as laboratory testing, online monitoring, risk source management, daily management of water quality and early warning and forecasting. With such technologies as data limit detection, online data trend analysis, and building of both empirical and mechanistic models, the system enables early warning of changes in water quality.

Yue Gang Water Supply is committed to enhancing its emergency management through a holistic and systematic approach. The company keeps refining its emergency response plans and conducts regular drills. By improving daily communication with relevant government agencies and enhancing its emergency reporting mechanisms, the company ensures prompt reporting and active involvement in collaborative response efforts in the event of water supply accidents, such as water quality anomalies.

Efforts are made to minimise pipeline leakage. At the water resources business, pipeline materials are screened for quality, the monitoring of pipeline network operation and maintenance is strengthened, regular inspections for pipeline leakage are conducted, and the old pipelines and related components are promptly replaced. In 2024, the overall leakage rate of the pipeline network of the water resources business was less than 8.51%. The overall leakage rate decreased by 1.17% compared to the previous year. Thereby the leakage volume accumulatively decreased by about 28.50 million tonnes.



Property Investment and Department Store Operation

Teem Group is committed to the ongoing improvement of the quality management system for commercial products and services, and has formulated management policies including the Offline Store Management Policy Manual and the Sales Management Policy Manual. Regular spot checks on commodities are carried out. Monthly inspections of services and operations are conducted by relevant departments and subsidiaries. A biannual exchange inspection among stores is implemented. All these efforts have effectively strengthened service quality oversight. Any non-compliant products found during spot checks are promptly removed from shelves, and brand partners are required to rectify the issues within a specified timeframe. Additionally, Teem Group requires each subsidiary to provide frontline staff with at least one training session annually that focuses on service governance and oversight to enhance their professional service quality. The quality management system of Teem Group has been awarded ISO 9001:2015 accreditation for consecutive years, with which still valid in 2024.



Case: Development of the “Five Senses Service System”

Panyu Teemall has developed a “Five Senses Service System” designed to enhance sensory experiences of customers from sight, smell, taste, touch, and hearing. The system covers the establishment of over 410 service and management standards. Key initiatives within the system include improvement of floral landscape arrangements, rooftop renovations, upgrades to nursing rooms, optimisation of fragrance placement and concentration, and control of in-store broadcast volume. These measures ensure that every service meets the needs of customers. In 2024, Panyu Teemall published the Five Senses Service Guide. More than 50 training sessions on the guide were provided for employees to ensure effective implementation of the service standards by each employee.



Five Senses Service Guide



Hotel Ownership, Operation and Management

The service quality management system for our hotel business has been consistently improved as part of our dedication to a customer-centric service philosophy. Regular inspections are carried out and customer feedback is closely monitored at checkout to ensure prompt rectification of any issues that arise. For example, Guangdong Hotel has, since obtaining ISO 9001 Quality Management System Certification in 1996, consistently passed annual external audits by SGS. This year, Oasis Avenue-A GDH Hotel (Hong Kong) also received ISO 22000:2018 Certification for its food safety management system, and HACCP (Hazard Analysis and Critical Control Points) Certification for its key food safety control system.



Quality Management System Certification for Oasis Avenue-A GDH Hotel (Hong Kong)



Energy Projects

Our energy projects is committed to providing safe and stable steam supply services. In 2024, the Heat Network Operation and Management Standards of Zhongshan GDH Energy Co., Ltd. were revised and improved to further define the roles and responsibilities of the relevant departments involved in the steam supply operations. This update aims to improve the coordination and supervision of the inspection, maintenance and repair of the heat network.

To guarantee the quality and safety of steam supply, we have implemented the following measures:

- We have developed technical manuals, including the Renovation Plan for Fusha Line Condensate Removal Group and Renovation Suggestions for Fusha Line Condensate Removal Group to stabilise the steam flow rate in the pipelines and improve operating conditions, which assisted to reduce the manual workload of the heat network team in condensate removal and effectively removed condensate from the pipelines. This not only significantly mitigated the risk of water hammer in the pipeline network, but also extended the lifespan of equipment such as bellows expansion joints. These efforts contributed to enhanced safety and stability of the steam supply.
- Technicians from the energy projects conducted thorough research on the steam supply network and user pipelines in response to insufficient steam supply capacity in certain areas of the Huangpu Line and the reconstruction of user branch lines. Their efforts resulted in the successful expansion and integration of steam branch lines, addressing low steam pressure experienced by the end users and paving the way for future capacity expansion.



Technicians on Site

To ensure the efficient operation of the heating system, the energy projects regularly inspect the steam supply network. When ageing, corrosion, or other damage is detected, immediate corrective measures are taken, including sealing leaks and replacing damaged components. In 2024, a total of 202 defects and safety hazards within the heating network were identified, of which 196 were addressed, resulting in a hazard elimination rate surpassing 97.03%. The remaining issues are being resolved in an organised manner, thereby effectively preventing heat waste and ensuring the stable and efficient operation of the heating system.



Road and Bridge

GDH Highway prioritises daily road maintenance while continuously enhancing monitoring and management of the road surfaces. The company consistently optimises the intelligent operation and management platform for the Xingye-Liujing Expressway by applying video AI and big data technologies. This enables comprehensive video surveillance, automated inspections, and information acquirement and processing along the main highway. Additionally, regular inspections are conducted on infrastructure such as bridges, road surfaces, and side slopes along the highway, with a focus on monitoring critical areas like side slopes and accident-prone sections. In the event of traffic incidents or other anomalies, the system instantly triggers automatic alerts and notifies relevant authorities, including traffic police and related authorities to ensure swift response. This approach effectively mitigates potential road hazards, thereby ensuring the safe and efficient operation of the highway.



The Intelligent Operation and Management Platform of GDH Highway

Digital Operation

As part of our commitment to digital operations, we heavily invest in the research, development and application of cutting-edge technologies, and encourage subsidiaries to take a leading role in digital transformation. During the Reporting Period, we made substantial progress in digital transformation. The digital management system was further improved, the role of data elements in empowering efficiency was highlighted, and breakthroughs were made in digital transformation in the key areas of each business segment.



Water Resources

The smart water management system at the water resources business has been continuously refined in terms of its ability to monitor water quality and the efficiency of allocation and management. This improvement is achieved by applying advanced technologies such as artificial intelligence, large-scale models, and the Internet of Things.



Case: Water Purification Plant in the East of Shanwei City

The water purification plant in eastern Shanwei city, a newly constructed fully underground facility, achieves refined management in critical processes, including aeration precise control, intelligent chemical dosing, optimised pump operation, and decision-making support using the “Smart Production” and “Smart Operations” modules. As a result, the plant reduced overall energy consumption and chemical usage by 10% to 15% compared to traditional wastewater treatment plants of similar scale. This year, Water Holdings kept upgrading its “Smart Water Management” system, aiming to increase the refined management performance of precise control, energy conservation, and enhanced safety.



Water Purification Plant in the East of Shanwei City



Property Investment and Department Store Operation

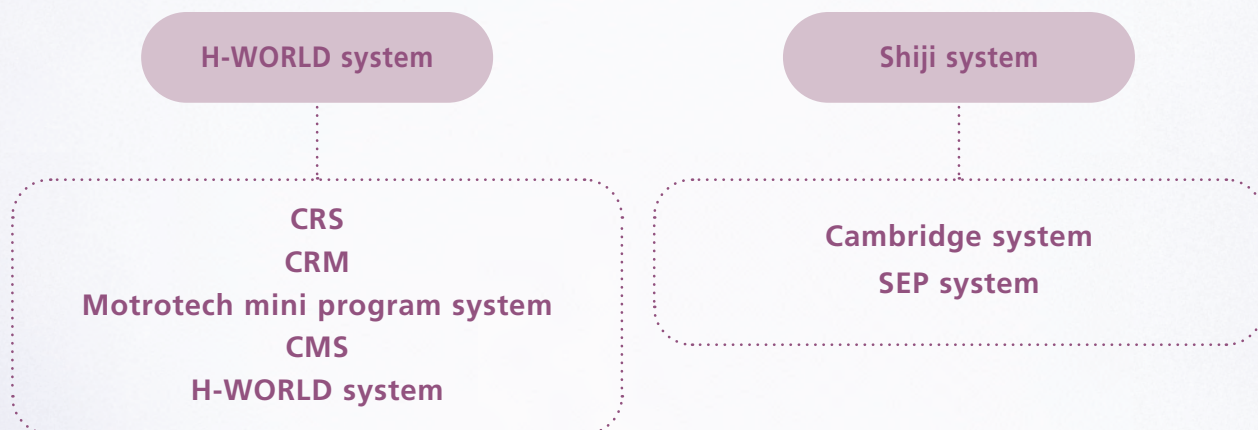
Teem Group has further enhanced private domain operations of the “Teem+” membership mini program by introducing new features such as smart shopping guidance, smart parking, and convenient rental services. These enhancements are designed to attract online traffic for merchants. In 2024, a merchant coverage rate of over 88% for online activities was achieved. By leveraging digital tools, Teem Group effectively increased customer footfall.

Teem Group also places emphasis on the operation of public domain platform. In partnership with the UnionPay platform, Teem Group took part as a pilot in UnionPay’s marketing campaign, “Splendid Action 2024: External Cards for Internal Use”. This campaign successfully channelled high-quality public domain traffic into its private domain, resulting in a rise in offline customer flow and sales for merchants. Furthermore, Teem Group introduced an Alipay mini program for its tenants and adopted a “light marketing” strategy to promote engagement of all stores. Teem Group also collaborated with Douyin to conduct online promotional campaigns for Yuehai Tiandi, which greatly improved its online visibility.



Hotel Ownership, Operation and Management

The Group's unified operational management systems, including financial, human resources, legal, and shared service platforms, are proactively integrated into our hotel business. This integration extends to the centralised operation and maintenance of hotel service and management systems such as the property management system (PMS), the point of sale (POS) system, the central reservation system (CRS), and the customer relationship management (CRM) system. In this way, the digital management capabilities of our hotels are improved, facilitating greater efficiency and quality of services.



Digital Operation Systems of Hotel Business



GDH Hotel Won the Title of "China's Best Smart Technology Hotel"
at the 24th China Golden Horse Awards



Energy Projects

The plant-level supervisory information system (SIS) has been improved within our energy projects. Regular monitoring is conducted for such digital systems under the SIS as real-time production system, performance computing system, equipment status monitoring system, consumption variance analysis system, operational reporting system, and indicator assessment system. These measures aim to enhance accurate collection and analysis of technical indicators including power utilisation rate of production factories, boiler efficiency, power consumption rate of air compressor, water replenishment rate for power generation, standard coal consumption per unit of power supply, and exhaust gas temperature of boiler. Ultimately, these efforts ensure a safe and stable power supply.



Road and Bridge

During the Reporting Period, GDH Highway expanded and upgraded the automated toll collection system, achieving comprehensive deployment of self-service equipment at all toll stations. This enables drivers to complete the self-payment process in as little as six seconds, greatly enhancing traffic efficiency at toll stations and alleviating congestion during peak hours. Throughout the operation of the system, GDH Highway has consistently strengthened daily monitoring, maintenance, and upkeep of the equipment. By working closely with research and development institutions, the company keeps optimising system functionalities and improving auxiliary facilities. These efforts aim to achieve operational excellence, intelligent services, cost reduction, efficiency enhancement, and environmentally sustainable business practices.



The Automated Toll Collection System of GDH Highway

Customers Services

The Group sticks to the philosophy of customer-oriented service, placing great emphasis on customer needs. Business segments conduct customer satisfaction surveys and have established a sound customer service system and complaint handling mechanism. The aim is to improve the service quality with high standards and stringent requirements. Business segments are required to take service-related indicators, such as the customer satisfaction rating and timeliness of handling complaints, as key indicators for business operation and performance assessment according to their own business characteristics. Additionally, business segments regularly offer service-related training to employees to enhance their awareness and skills. We also have a strong commitment to responsible marketing. Business segments are required to rigorously review the marketing materials to ensure their legality, authenticity, and accuracy.



Water Resources

Our water resources business has continuously upgraded the customer service quality of our subordinate water companies. Water Holdings has meticulously established a customer service system centered around the 952525 hotline and the “Yuehai Water Affairs Service” official account, achieving 100% coverage of offline services. To comprehensively enhance the professional capabilities of our customer service team, we have specifically set up the Yuehai Water Affairs Customer Service Management Training Base, providing comprehensive and in-depth learning opportunities for customer service personnel of our subordinate water companies. Additionally, we have established a customer service monitoring center, adopting a cross-regional inspection mechanism to regularly sample and review the hotline call recordings and work orders of our subordinate water companies.

In 2024, we have organised two training at the Training Base, ensuring full participation and benefits for all subordinate water companies. Water Holdings accepted a total of more than 620,000 matters related to water supply services, and conducted more than 220,000 customer return visits, achieving a satisfaction rate of 99.99%. This demonstrates that the water resources business has made a remarkable progress in improving service quality and customer experience.



Property Investment and Department Store Operation

Teem Group makes continuous efforts to improve the customer relationship management system by establishing various service management mechanisms, such as property owner relationship management, tenant and customer communication and feedback mechanism, and customer satisfaction survey. These mechanisms enhance the service competitiveness.



Property owner relationship management

- Conduct property owner satisfaction surveys, handle the feedback problems in a timely manner, and produce analysis reports and improvement plans through statistical analysis.
- Make regular return visits to property owners to make sure that relevant problems have been resolved.



Tenant and customer communication and feedback mechanism

- Respond to customer complaints within 30 minutes upon receipt, either face-to-face or by telephone. Handle the problems that can be resolved within 24 hours by means of visits. For those that cannot be resolved within 24 hours, provide feedback to customers on the handling progress every two days prior to completion.



Annual customer satisfaction survey

- Shenzhen Teemall: The overall tenant satisfaction rate was 96.26% in 2024. The opinions or suggestions received were summarised by category and passed on to the relevant responsible departments for improvement.
- Teem Commercial: In 2024, the stores had an average customer satisfaction survey score of 96.06, up 0.05% year-on-year.
- Tianjin Teemall: In 2024, the overall customer satisfaction rate was 92.20%, an increase of 0.2% year-on-year. All problems raised by customers were resolved.



Hotel Ownership, Operation and Management

Subordinate hotels of our hotel business take the guest satisfaction comments seriously. These hotels incorporate the satisfaction from Jointwisdom, a customer satisfaction data platform, into the performance assessment indicators of the hotel business, conduct service quality process management, and follow up on rectification actions. During the Reporting Period, Jointwisdom's overall score was 92.51, surpassing the annual target of 90.74. The hotel business will continue its vigorous efforts to address deficiencies identified in Jointwisdom by conducting regular quality inspections aimed at improving the service quality.



Energy Projects

The energy projects conducts door-to-door safety inspections on a regular basis. Throughout the year, a total of 76 rectification suggestions were proposed, with a completion rate of 100%. In addition, new customers were offered a one-stop service for contract signing, pipeline layout, and meter ordering and installation, helping them get into production and operation quickly. The energy projects also makes regular return visits to customers to learn about their production processes and to provide technical support where needed.



Case: Emergency Repair of Connecting Pipeline in Nantou

In September 2024, GDH Energy initiated an emergency response plan immediately upon receipt of notification that the outer shell of the main lines of connecting pipeline in Nantou was damaged by an accidental impact during construction. The equipment maintenance department quickly sent technicians and construction personnel to address relevant issues on site. The gas supply authority communicated with customers about the gas outage in a timely manner and provided emergency support when necessary. Thanks to the efficient collaboration of all parties, the gas supply was resumed ahead of schedule, thereby reducing customers' losses, which highlights the role of GDH Energy in securing energy supply as a state-owned enterprise.



Emergency Repair of Connecting Pipeline



Road and Bridge

Upholding the philosophy of “establishing window image and servicing passing vehicles”, GDH Highway makes continuous efforts in “Five-Hearts Service” activity and “Service Star” rating. GDH Highway also shares typical cases of high-quality services and praises the advanced individuals. This motivates employees to strive to set an example and provide first-class services. During the Reporting Period, GDH Highway organised toll stations to conduct service satisfaction surveys quarterly through questionnaires. Throughout the year, the overall satisfaction rate for drivers and passengers reached 100%.

Information Security and Customer Privacy Protection

The Group strictly abides by the Cybersecurity Law of the People’s Republic of China, the Data Security Law of the People’s Republic of China, the Personal Information Protection Law of the People’s Republic of China and other laws and regulations on information security and privacy protection. Also, we have further improved internal policies such as the Management Measures for Information-based Work, the Provisions on Management of Computer Information System and the Guidelines for the Administration of Personal Information Protection to optimise management in this regard.

In order to ensure the stable operation of the network system, business segments are required to regularly carry out cybersecurity detection and promptly respond to system failures. We also provide regular cybersecurity drills. Business segments have formulated the pertinent emergency plans by simulating different scenarios of cybersecurity incidents according to the nature of their business. These practical exercises reinforce our management processes and continuously enhance our ability to respond effectively to cybersecurity emergencies. In addition, we organise business segments to provide employees with network information security training focused on the rules and regulations, management processes and professional knowledge on information security and customer privacy protection. Through these efforts, the awareness of this regard has become a fairly common practice within the Group.



Water Resources

The water resources business has formulated and improved the Privacy Policy of Water Holdings. The business conducts annual cybersecurity risk identification and response, effectively ensuring the information security and customer privacy. During the Reporting Period, the water resources business carried out annual cybersecurity self-inspection by means of security audit, vulnerability scanning, baseline scanning and penetration testing. The business evaluated risks arising from secure communication network, security zone boundary, secure computing environment, security management centre, with no security issues identified. The water resources business also tightly controls the access to all relevant servers, web applications, and databases by implementing two-factor authentication, which combines accounts credentials with dynamic passwords, through bastion hosts. This approach enables whitelist access control, effectively ensuring the security of core data. In addition, the business engages third-party cybersecurity agencies to conduct regular inspections, allowing for early warning of vulnerabilities. As such, the system security is ensured by mitigating risks in advance.



Case: Cybersecurity Awareness and Basics Training

In June 2024, the Information Centre of the water resources business conducted cybersecurity awareness and foundational knowledge training for IT staff members across subordinate water companies, with 200 personnel participating in the training. The content includes the interpretation of cybersecurity laws and regulations such as the Personal Information Protection Law and the Data Security Law, as well as the personal information protection measures and technical methods. This training increases the professional knowledge reserve of employees with specific responsibilities.



Cybersecurity Training



Property Investment and Department Store Operation

With an emphasis on the protection of member information, Teem Group strengthens the information lifecycle management by overseeing the collection, use, protection and destruction of personal information. For instance, the scope of personal information collection is explicitly presented to the users when they log in to the “Teem+” mini program, and further actions are only permitted upon obtaining user consent. Meanwhile, Teem Group carries out quarterly information system vulnerability scanning and biannual penetration testing. In 2024, the “Teem+” mini program and member management system were subject to the three-level certification. During the Reporting Period, Teem Group had no incidents of cybersecurity risks.

During the Reporting Period, the subsidiaries of Teem Group stepped up efforts in information security and customer privacy protection. Teem Commercial engaged third-party information security service providers to provide information system security services such as monitoring and emergency response. In this way, malicious attackers are less likely to threaten the safe operation of the system through vulnerabilities, thus preventing service interruption and information leakage caused by improper system configuration. During the important national activities and holidays, Wanye Company arranged network security duty and completed the certification of Level 2 protection level of the parking lot system and shopping guide system in 2024 to ensure the safe and stable operation of the information system in the car park. The company also provided employees with training focused on information security, privacy protection and relevant countermeasures. By means of case studies, the training helped employees better understand the fishing attacks, malware and other common network threats and effectively improved the knowledge and skills of all employees in this regard.



Hotel Ownership, Operation and Management

The hotel business has formulated and issued the Guidelines for Information Security Management of Hotel Business Management Department of Guangdong Investment Limited. The guidelines standardise the inspection process, improve the management efficiency. The hotel business has also updated the information security protection technologies to increase the complexity of guest database passwords. Additionally, the cloud-based PMS (a hotel management system) is used to set the whitelist and configure strong passwords to protect the database from hackers and prevent the risk of guest information leakage. During the Reporting Period, subordinate hotels of the hotel business had no information security incidents.



Energy Projects

The energy projects protects the privacy of its customers in an orderly way. During the Reporting Period, the business completed the assessment of 2024 cybersecurity level, with the security vulnerabilities in the distributed control system (DCS) identified and blocked in a timely manner. The business has issued the Emergency Plan for DCS Network Attack to improve emergency response abilities of information security monitoring personnel and emergency response teams. At the same time, the business has updated the Cybersecurity Control Node and Checklist of Information System by looking into the cybersecurity and its risk status, and addressed any issues identified. All these efforts provide a solid foundation for the cybersecurity.

Innovation and Intellectual Property Protection

The Group has made steady progress in innovation by enhancing the innovation system and capability and stimulating vitality. Business segments are encouraged to integrate innovation resources, increase the number of iterations of new technologies, and raise the innovation awareness. In this way, the innovation in technology and management is promoted. The Group values intellectual property protection, and is committed to fully respecting the intellectual property of peer companies and partners. We apply for patents in time to safeguard our intellectual properties. In doing so, we strive to maintain a dominant position in the fiercely competitive market.



Property Investment and Department Store Operation

In line with the requirements of lean management, Teem Group has formulated and updated the internal policies and plans, including the Management Measures for Innovation-based Work (2004 Version), the Guidelines for the Operation of Innovation Projects (2007 Version), and the Guidelines for the Operation of Innovative Suggestions (2002 Version). Meanwhile, we continue to optimise the innovative approaches by prioritising key areas such as themes, categories, reviews, and incentives. Additionally, the incentive mechanism enables commercialisation of innovative achievements and implementation of projects.



Case: Innovation Competition at Teem Group

In 2024, Teem Group held the eighth innovation competition. A total of six different categories were set, covering shopping malls, hotels, office buildings, etc. The competition attracted more than 250 participants and collected 80 proposals. Through review and screening, 12 innovative proposals were awarded, including the Innovative Suggestions on Hierarchical Management of Brands in Teem Mall and the Light of Intelligence: Innovative Solutions to Energy Conservation of Parking Lots and LED Screens. Teem Group will follow up on the implementation of the proposals in 2025.



Winning Projects in the Eighth Innovation Competition of Teem Group

WORK SAFETY

The Group upholds the safety management philosophy that “life matters most and safety comes first”, adheres to the working principal of “safety first, prevention oriented, and comprehensive management” and strictly abides by the Labour Law of the People’s Republic of China, the Work Safety Law of the People’s Republic of China, and the Fire Protection Law of the People’s Republic of China. Furthermore, we have formulated management policies, such as the Policy on Work Safety Management of Guangdong Investment Limited, the Policy on Work Safety Responsibility System of Guangdong Investment Limited, and the Measures for Appraisal of Work Safety Management of Guangdong Investment Limited. These policies are formulated to ensure the fulfilment of safety management accountability and standardise safety management practices. Additionally, we conduct regular emergency drills to continuously enhance employees’ awareness on safety risks.

To implement our safety management responsibilities and requirements, we have set up respective safety production committees at the Group level and in each business segment. The Vice Chairman of the Board and the Managing Director serve as the Director and the Executive Deputy Director of the Safety Production Committee at the Group level, respectively, responsible for leading, supervising and managing the safety issues within the scope of the Group. And the chairman of each business segment serves as the Director of the Safety Production Committee at the business segment level to supervise and manage work safety within the business scope. Additionally, the Group's ESG Committee is responsible for overseeing and reviewing performance in quality, environment, health, and safety management, and regularly reports to the Board.



Main Responsibilities of the Safety Production Committee

In accordance with the requirement of "one position with dual responsibilities", our business segments constantly optimise the work safety responsibility system and clarify the safety responsibilities for personnel at all levels and departments. We also organise employees at all levels to sign the Work Safety Responsibility Statement, which is bolstered by regular inspections, evaluations, and a structured reward and punishment system to guarantee organisation-wide fulfilment of safety responsibilities. In 2024, the Group's signing rate of the Statement was 100%.

We constantly improve safety supervision network and strengthen the work safety appraisal mechanism. We carry out quarterly and annual work safety appraisals with appraisal results directly influencing departmental performance. This assessment is integrated into a penalty framework tied to annual contractual performance. We have implemented the dual prevention mechanism consisting of graded management and control of safety risks and examination and control of potential risks. We strengthen the identification and assessment of safety risks, conduct regular hazard mitigation activities, classify and grade safety risks for risk control and management, and develop preventive and corrective measures to ensure that all safety risks are managed in a closed-loop process.

In addition, we have enhanced our daily information management for work safety, by conducting routine safety inspections, including “daily patrols”, “weekly checks” and “quarterly investigations” using the “GDH Safety Management” platform. We also perform thorough risk assessments across all business segments by applying big data to identify and address potential safety risks. Risk data is analysed with inspection reports issued for identified safety hazards. This comprehensive online monitoring facilitates timely rectification of safety issues. We also deliver online work safety trainings via the “GDH Safety Management” platform, aiming to broaden training channels and enhance training accessibility.

In the past three years, we had no cases of work-related deaths. In 2024, we recorded a total of 25 work-related injuries and a loss of 483.1 working days in total.

In 2024, the Group’s work safety performance remained stable with all work safety targets for each business segment being achieved.



Safety Management

We require all business segments to constantly improve processes and measures for safety management and fully implement the Group's relevant policies and systems. Our goal is to enhance the overall effectiveness of our safety management.



Water Resources

Robust operating procedures have been established in our water resources business by interpreting compliance requirements, refining internal policies, standardising operating procedures, and reviewing safety records. These procedures are specifically designed based on production processes, operation characteristics, and occupational safety and health requirements. As a result, frontline technicians are supported by detailed and standardised operating guidelines that are comprehensive and rigorous. Additionally, we conduct regular monthly inspections on occupational health and safety, linking the assessment of occupational health and safety with employee performance to ensure the quality and effectiveness of daily supervision. All water companies within the business strengthen equipment management by defining standards and processes for procurement, installation, acceptance, maintenance, repair and upkeep. They also step up efforts in standardising on-site operation to eliminate safety risks.

We leverage intelligent safety management tools by introducing outdoor smart all-weather inspection robots, drones, and other equipment. Equipped with high-definition cameras, infrared thermographers, environmental sensors, and other high-tech devices. These tools capture images in real-time, monitor environmental parameters, and detect potential safety hazards, thereby significantly enhancing the level of intelligent safety management and emergency response capabilities. Additionally, we have incorporated an "AI-based Video Surveillance Intelligent Analysis" system. By installing new AI behaviour analysis servers and upgrading cameras with insufficient performance, we can monitor employee behaviour in real-time, promptly identify unsafe actions and movements among workers. Through analysis by the behaviour server, immediate pop-up video alerts with voice warnings will be triggered in the central control room or on remote monitoring computers, enabling personnel on duty to "acknowledge, address, and report at the first instance," thereby gaining valuable time for emergency response and reducing the occurrence of safety accidents.



Inspection Robots



Unmanned Boat



Drones



Property Investment and Department Store Operation

Teem Group is dedicated to the full implementation of work safety responsibilities at all levels of positions and relevant parties, reinforcing lines of defence against work safety risks across all subsidiaries, and establishing a work safety accountability system involving all employees. Under this system, work safety responsibilities of each department and subsidiary are thoroughly supervised and evaluated, with evaluation results linked to employee performance. This system has fostered proactive employee engagement in work safety management and cultivated a culture where work safety is a shared responsibility of everyone.

Teem Group also strengthens digital management for work safety. During the Reporting Period, all functional modules of the “GDH Safety Management”, an information system for work safety management, were fully put into use. This system enables data connectivity and sharing among subsidiaries, thus enhancing data capture and analysis capabilities. It also realises visualised safety risk points. In addition, Teem Group promoted the standardisation of safety practices. Teem Commercial’s Grade 2 enterprise certification of work safety standardisation remains valid.



Case: Fire Safety Hazard Investigation

In 2024, Teem Group conducted a total of 37 safety inspections during important holidays, including the Spring Festival, National Day, and Mid-Autumn Festival. These inspections targeted high-risk fire safety areas such as gas-operated catering tenants, warehouses, cinemas, construction sites and electric bicycle charging stations. Identified potential hazards were categorised and recorded in a tiered control ledger. Rectification notices for identified risks were issued via the “GDH Safety Management” system. Dedicated departments were assigned to monitor the implementation of corrective actions. Responsible departments were urged to effectively address fire safety hazards. With these efforts, Teem Group achieved closed-loop management for fire safety hazard rectification.



Hotel Ownership, Operation and Management

The hotel business conducts supervision and inspection on work safety in various forms. In addition, the business updated and renovated old equipment and facilities, including the monitoring system and the fire safety monitoring room, replaced the fire safety facilities and equipment, implemented fire-resistant seals in electrical cable conduits, corrected gas safety issues, and conducted thorough inspection on electrical and fire safety. With above mentioned measures, we can promptly mitigate all kinds of potential safety risks and minimise the occurrence of safety accidents. Consequently, these measures help ensure the safety and stability of our hotel business. At the same time, the business actively encourages all hotels to obtain work safety standardisation certification. The Grade 2 enterprise certification of work safety standardisation remains valid.



Energy Projects

GDH Energy has developed and continuously refined 34 management policies for work safety in four categories, including overall safety, personnel, equipment and facilities, and the environment. The company has optimised operating procedures in key areas such as operations in confined space, special operations and fire safety. During the Reporting Period, the company conducted 1,897 safety inspections, discovered and rectified 286 potential safety hazards, achieved a 100% rectification rate for identified safety hazards and successfully met the target of zero accidents for the year. In 2024, after achieving grade 1 standardisation in work safety in the electricity industry, the company initiated a self-assessment and review of safety standardisation as part of its ongoing effort to promote standardisation in work safety. This initiative focused on eight key disciplines, including boilers, turbine generators, electrical engineering, thermal control, fuel, environmental protection, chemical and general operations. In 2024, GDH Energy reported no electrical accidents and no unplanned outages of generator units.

The company keeps improving work safety evaluation standards. Evaluation rules for key areas have been established, including hazard identification and accident prevention. Management rules have been developed to address personnel safety qualifications and health requirements, site operation standards, and breach of contract provisions. These measures contribute to the development of a comprehensive safety evaluation mechanism that serves as an important reference for project bidding. By the end of 2024, GDH Energy had evaluated the qualifications of 50 partners. Unqualified enterprises were blacklisted, ending up with terminating partnerships.



Road and Bridge

GDH Highway continuously enhances safety management policies and refines emergency response plans. During the Reporting Period, GDH Highway revised eight key policies, work regulations and plans, including the Guidelines for Work Safety Risk Management and the Key Positions and Equipment Safety Work Instructions. These revised emergency response plans were filed with the local emergency management bureau, the industry regulator, and the transport administration and comprehensive law enforcement bureau. Additionally, GDH Highway requires all employees to sign the safety responsibility statement which cascades safety responsibilities to every level. A business-based management mechanism is implemented for road maintenance. Responsibility bulletin boards are displayed for key facilities and segments. Business-based management is integrated into the performance evaluation of senior management. This approach ensures that safety responsibilities are fulfilled at every level. On a quarterly basis, GDH Highway engages third-party safety consulting agencies to conduct comprehensive “safety examinations”. The company maintains a hazard ledger, conducts monthly evaluations of work safety implementation, performs hazard analysis, and updates the “four-colour” risk chart. These measures enhance the company’s ability to prevent and manage safety risks.

Work Safety Emergency Response

We have developed and continuously refined the Integrated Emergency Response Plans of Guangdong Investment Limited to address work safety incidents based on their severity. In the event of an incident, we promptly report to local authorities, including the fire department and the emergency management bureau. We also require all business segments to conduct regular emergency drills and consistently refine emergency response procedures. These requirements are designed to support the safety and stability of the Group.



Water Resources

During the Reporting Period, several departments within the water resources business, including the production system, the prevention system for floods, droughts and typhoons, and the dispatch system, conducted comprehensive emergency drills. These drills were designed to familiarise employees with emergency procedures, enhance their understanding of emergency plans, and improve their overall abilities to respond to emergencies.



Case: Emergency Drill for Dispatch Operation of Production System

In January 2024, Water Holdings conducted an emergency drill for the dispatch operation of the production system for the Dongshen Water Supply Project. The drill simulated a scenario where the remote control of the dispatch centre failed. In response, all stations along the line immediately initiated emergency plans. Participants remained calm and responded in an orderly manner. Pump station flow rates and water levels were well controlled at each station. The drill achieved excellent results, significantly improving abilities of the dispatch centre and individual stations to respond to emergencies in the dispatch operation of the production system.



Emergency Drill for Dispatch Operation of Production System



Case: Emergency Drill for Flood, Drought and Typhoon

In March 2024, Water Holdings organised personnel from the prevention system for floods, droughts and typhoons to participate in an emergency drill for Dongshen Water Supply Project. During the drill, organisational structures and responsibilities were clearly defined, and participants were familiarised with forecasting and early warning mechanisms as well as response measures. The exercise was designed to ensure the functioning of the emergency command system for timely and effective implementation of response measures, reinforce accountability within the prevention system for floods, droughts and typhoons, and ensure safety during the flood season.



Emergency Drill for Flood, Drought and Typhoon



Case: Emergency Water Supply Dispatch Drill for Dongshen Water Supply Project

In September 2024, an emergency water supply dispatch drill was conducted for Dongshen Water Supply Project. The drill simulated sudden equipment failures to assess the feasibility of contingency plans. During the drill, relevant departments and task forces fulfilled their assigned roles and responsibilities and successfully completed planned procedures and objectives. The drill effectively enhanced abilities of involved departments to respond swiftly to emergency water supply disruptions.



Emergency Water Supply Dispatch Drill for Dongshen Water Supply Project



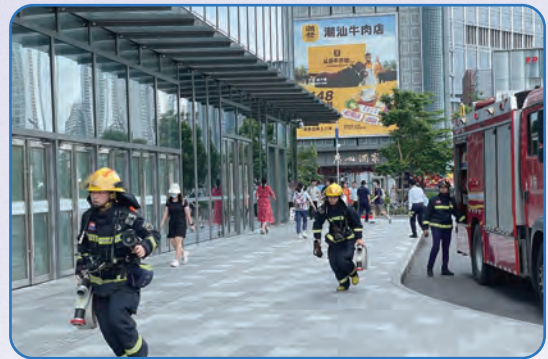
Property Investment and Department Store Operation

Teem Group is committed to safeguarding public safety. Fire emergency drills are conducted across shopping malls to continuously enhance abilities to respond to emergencies.



Case: Fire Emergency Drill at Panyu Teemall

In June 2024, Panyu Teemall conducted a fire emergency evacuation drill in the office tower. The drill simulated a fire incident, during which the office staff, employees, mall tenants, and customers were rapidly evacuated, followed by immediate reporting to the fire department. Personnel from various departments at Teemall worked closely together to ensure the successful execution of the drill.



Fire Emergency Drill at Panyu Teemall



Case: Fire Emergency Drill at Tianjin Teemall

In June 2024, Tianjin Teemall conducted a comprehensive fire safety drill involving 1,970 tenants and employees. The drill simulated a fire caused by a display vehicle within the mall. Departments responded swiftly and promptly coordinated efforts for evacuation and firefighting. The drill strengthened emergency response abilities of each department.



Fire Emergency Drill at Tianjin Teemall



Energy Projects

During the Reporting Period, GDH Energy revised and improved 24 special emergency plans and 30 on-site disposal schemes, and formulated an annual rolling plan on emergency drills. The company also carried out more than 24 practical emergency drills on typhoon and flood prevention, liquid ammonia leakage, power equipment accidents, falls from height, lift and special equipment accidents, fire evacuation and escape, and rescue from confined space. These measures collectively fortified the company's line of defence for work safety.



Power Equipment Failure Drill



Liquid Ammonia Leak Emergency Drill



Case: Comprehensive Emergency Drill for Flood and Typhoon

In May 2024, GDH Energy conducted a comprehensive emergency drill for flood and typhoon. The drill simulated extreme weather conditions including a super typhoon and persistent heavy rainfall in Zhongshan. In collaboration with Huangpu Town, the company organised emergency rescue and disaster relief operations while addressing potential secondary incidents. The drill covered vessel docking for typhoon shelter, water rescue operations, flood defence and urban waterlogging prevention, emergency embankment construction, and response to liquid ammonia leaks. The drill successfully validated the capabilities of the company in disaster prevention and mitigation, emergency response command and decision-making, as well as practical preparedness.



Comprehensive Emergency Drill for Flood and Typhoon



Road and Bridge

Adhering to the philosophy of “preparing for every emergency”, GDH Highway collaborates with local highway traffic police, fire departments and emergency management agencies to conduct emergency drills. These exercises covered emergency drill for leakage of trucks carrying hazardous chemicals, practical training for the traffic incident warning system, simulated bridge collapse emergency drill, emergency exercises at toll stations for uninterrupted traffic flow, hands-on fire-fighting training for employee fire equipment, and emergency evacuation drills. After each drill, thorough evaluations were conducted, leading to the formulation of measures for enhancement and improvement of identified issues.



Case: Emergency Drill for Toll System Malfunction

GDH Highway routinely conducts emergency drills for toll system malfunctions and power outages. These drills are designed to evaluate the emergency response capabilities of toll stations in the event of system failures, equipment issues or other unexpected incidents caused by severe weather, power outages or other factors. Through these drills, GDH Highway continuously enhances the safety awareness and professional skills of toll personnel.



Emergency Drill for Toll System Malfunction



Case: Emergency Drill for Hazardous Material Transport Vehicle Spills

In June 2024, GDH Highway, in collaboration with relevant local government departments, conducted an emergency drill in the Guigang Service Zone. The drill simulated a hazardous chemical spill caused by a collision between a formaldehyde-carrying truck and a passenger car near the hazardous chemical parking area of the service zone's south station, which led to trapped individuals and a hazardous chemical leak. This drill successfully tested emergency response procedures outlined in the contingency plan for hazardous chemical leakage as well as the effectiveness of coordinated response under the "one highway co-managed by multiple parties" mechanism.



Comprehensive Emergency Drill for Hazardous Chemical Leaks from Trucks



Case: Bridge Collapse Emergency Drill

In August 2024, GDH Highway conducted a joint emergency drill with partners under the “one highway co-managed by multiple parties”¹⁰. The drill simulated a bridge collapse at the K447+626 section of Yunbiao Bridge, which was detected by the monitoring and command centre through video surveillance. The collapse, triggered by prolonged heavy rainfall, resulted in a disruption of traffic in both directions. The company immediately activated the emergency response plan (Level I) and swiftly initiated emergency response procedures. Following the drill, a debriefing session was held to optimise critical processes including information flow and reporting, resource coordination and dispatch, traffic control and diversion, rapid mobilisation of emergency teams and on-site incident management.



Bridge Collapse Emergency Drill

Safety Culture Promotion

We place paramount importance on safety culture promotion. We require that all business segments engage in awareness campaigns and training of work safety, develop and implement work safety plans, as well as address significant matters pertaining to work safety management. Our ultimate goal is to eliminate potential safety hazards. We also continuously strengthen employee safety training and education. We deliver online safety production training programmes via the “GDH Safety Management” platform and provide offline training sessions from time to time. This integrated approach ensures full coverage of safety education. Additionally, we carry out various activities, including the “National Security Education Day”, “Work Safety Month”, “On-site Work Safety Check in Southern Guangdong” and “Fire Safety Publicity Month”. Through these activities, we motivate all employees to learn and master the knowledge and skills of work safety and emergency management, promoting the safety-first concept that “I want to be safe, will be safe and can be safe”.

¹⁰ The “one highway co-managed by multiple parties” mechanism includes the Traffic Police’s Highway Management Division, the Transport Administration and Comprehensive Law Enforcement Bureau, the GDH Highway, and the Maintenance and Construction Division.



Water Resources

Employee safety education and training has been strengthened in our water resources business. The work safety education and training plan for 2024 and work safety education records have been developed. Tailored training programmes are provided to employees at different ranks and positions, covering topics such as safe operating procedures, occupational health knowledge and environmental protection awareness. Additionally, competency requirements are clearly defined for positions that are critical to work safety and involve special operations. By doing so, we ensure that employees possess the necessary safety knowledge and skills required for their roles.

In 2024, taking advantage of turning point such as the Safe Production Month and Fire Safety Month, and adhering to the principle of full participation, our water resources business innovated activity forms and conducted in-depth special activities such as the “Ankang Cup” quiz, “Interactive Safety Talks”, Safety Consultation Day, and Emergency Skills Competitions. By fully utilising service windows such as business halls, we broadcast promotional videos and educational films related to the “Safe Production Month” activities, creating a strong safety atmosphere.



“Ankang Cup” Quiz



Safety Consultation Day



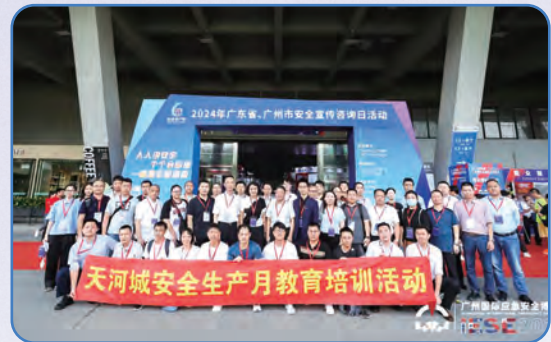
Property Investment and Department Store Operation

Adhering to the safety culture philosophy of “zero violations by individuals, zero hazards in positions, and zero accidents in the company”, Teem Group continuously innovates the forms of safety education and training. Awareness campaigns are vigorously carried out. These activities include “Work Safety Month”, “Fire Safety Publicity Month”, safety knowledge competitions and firefighting skills contests, all aimed at enhancing the safety awareness of every employee.



Case: Day of Safety Awareness and Consultation

In June 2024, safety management personnel from Teem Group participated in the “Day of Safety Awareness and Consultation in 2024” event in Guangzhou, Guangdong. The event provided training on work safety regulations, fire safety, road safety, construction safety, gas safety, and disaster prevention and mitigation. Employees experienced earthquake simulation rooms and received training on the Heimlich manoeuvre, which significantly enriched their emergency response and rescue knowledge.



Day of Safety Awareness and Consultation



Case: Management-Level Work Safety Training Programme

To implement the “Three-Year Action Plan for Fundamental Improvement in Work Safety”, Teem Group invited a professor from the CNPC Managers Training Institute to deliver a special training on “Enhancing Safety Leadership”. This mandatory training, designed for all mid-level and senior managers, highlighted the critical role of safety leadership in safety management. It aimed to strengthen practical safety management skills and enhance the company’s ability to achieve safety objectives.



Training Site



Energy Projects

During the Reporting Period, over 18 work safety training sessions tailored to actual operational needs were delivered in our energy projects. The training covered confined space operations, advanced education for principal responsible persons and safety managers, emergency rescue training, training for internal auditors on safety standardisation, case study workshops, fire safety training, and electrical safety regulations training. More than 4,385 employees participated in these training sessions. In addition, we regularly conducted work safety seminars and work safety management open days. We actively solicited feedback from frontline employees to identify gaps and weaknesses in current safety management. These efforts have fostered a culture of shared safety awareness and collaborative decision-making in safety management.



Work Safety Open Day



Work Safety Seminar



Road and Bridge

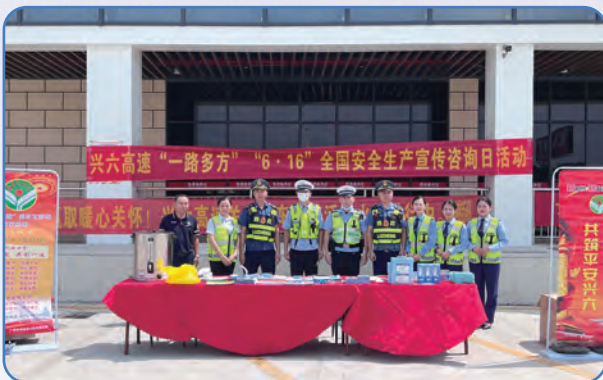
GDH Highway remains committed to fostering a safety culture. By leveraging the “GDH Safety Management” system, the company conducted safety training programmes and accident case studies. In collaboration with industry regulatory authorities and traffic police departments, GDH Highway organised safety awareness campaigns, including “Love and Travel”, “6•16 National Work Safety Awareness and Consultation Day”, and “Safety Culture on Campus and at Enterprises”. Internally, the company organised a competition on emergency escape works. These efforts have cultivated a strong learning environment where “everyone prioritises safety and is well-equipped to respond to emergencies”.



Safety Awareness Education



Safety Campaign on Campus



Safety Campaign at a Service Zone



Safety Campaign in Community

Occupational Health and Safety

The Group strictly adheres to the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Occupational Safety and Health Ordinance of Hong Kong, and other relevant laws and regulations. We regular identify potential occupational hazards in our operations and implement appropriate measures to create a safe and healthy working environment.



Detection of occupational hazards

- Regularly identify, detect and evaluate occupational disease hazards in the workplace and report the projects with occupational disease hazards to health authorities in a timely manner.
- Engage third parties with testing qualifications to conduct on-site assessment of occupational hazards and issue evaluation reports.



Occupational health awareness

- Set warning signs and instructions in the workplace to inform about occupational hazards, preventive measures and emergency responses.
- Specify hazard factors involved in the positions and preventive measures in employee contracts.
- Post assessment results at the places where occupational hazards are identified.



Occupational health examination

- Arrange annual regular physical examination for employees and maintain their occupational health records.
- Arrange pre-post, in-post and off-post physical examinations for employees exposed to occupational disease hazards.



Personal protective equipment and facilities

- Provide personal protective equipment that meets national or industry standards including dust masks, noise-cancelling earplugs, safety helmets, and reflective clothes, and specify clear guidelines for their use.
- Offer protective equipment and emergency rescue facilities such as ventilation systems, gas detectors, air respirators, and safety ropes.
- Designate personnel who are responsible for appliance management with regular checks, regular and inspections.



Occupational health and safety training

- Carry out occupational health and safety training to spread relevant knowledge and increase health awareness.
- Distribute the manuals on prevention and control of occupational hazards.
- Invite expert to deliver lectures on prevention and control of occupational hazards and offer interpretations of health examinations reports.

Occupational Health and Safety Protection Measures



Water Resources

The water resources business enhances the occupational health and safety management system certification. During the Reporting Period, 76 water companies have obtained ISO 45001 Occupational Health and Safety Management System Certification. In 2024, 5 water companies got certified in this regard.

Our water resources business strictly complies with laws, regulations, and standard procedures to provide employees with a work environment and conditions that meet occupational health requirements. Safety warning signs are set up at work sites to inform employees about occupational hazard factors, preventive measures, and emergency response measures. We continuously reform production processes and actively adopt harmless or low-harm processes to replace harmful ones. In addition to organising annual health examinations for employees, Water Holdings promptly arranges pre-employment, on-the-job, and post-employment health examinations for employees working in positions that involve exposure to chemical and radiological hazards.

We prioritise fostering occupational health and safety awareness among our employees. We provide qualified and sufficient personal protective equipment (PPE), clarify the standards for wearing PPE for each position, and regularly conduct training on occupational health knowledge, first aid skills, and other related topics. These efforts effectively enhance employees' awareness of occupational hazard prevention and their emergency response capabilities in handling unexpected events.

In 2024, we invited instructors from the American Heart Association Cardiovascular Emergency Training Centre in Shenzhen to deliver hands-on first aid training for our staff and enhance their first aid skills in emergencies.



Hands-on First Aid Training Programme



Property Investment and Department Store Operation

Teem Group is committed to safeguarding the physical health and safety of employees. Each year, the company organises health checks for employees and provides them with essential personal protective equipment. In addition, Teem Group requires all subsidiaries to identify occupational disease hazards, with identified risks centrally addressed. Furthermore, the company regularly provides training sessions for employees on AED usage, fire safety and gas leak response. This year, over 1,060 employees participated in these training programmes.



Energy Projects

Occupational health and safety within production and work environments are top priorities in our energy projects. Employees in facilities are equipped with noise-reduction protective gear, and frontline operators are provided with dust masks and safety goggles. High-temperature allowances, heat-relief beverages and medications are offered during the summer months. Employees in high-risk positions are regularly provided with special health checks to prevent and monitor occupational diseases. Furthermore, occupational health and safety protection policies are rigorously implemented. Dedicated safety officers are assigned to critical positions for daily safety inspections, ensuring that occupational health and safety hazards are eliminated.



Road and Bridge

GDH Highway is committed to raising awareness of occupational health among employees. The company invited doctors from the Health Management Centre of Guigang City People's Hospital to deliver an occupational health lecture for employees. During the session, the doctors explained common health indicators in the annual health check reports, shared occupational health knowledge and preventive measures against occupational health hazards. This initiative aims to strengthen employees' understanding and awareness of occupational health risks.



Occupational Health Lecture

Supplier Safety Management

We place significant emphasis on the safety management of suppliers, contractors, and other relevant parties. We have established and refined management systems, including the Engineering Project Construction and Management Measures of Guangdong Investment Limited and the Implementation Rules for Engineering Project Construction and Management of Guangdong Investment Limited. Moreover, we specify safety management requirements and responsibilities in contracts or Work Safety Management Agreements. Regular assessments are also conducted to evaluate compliance with safety obligations and work safety performance. Furthermore, we strengthen safety training for personnel of relevant parties and proactively inform them of potential safety risks associated with their tasks. This approach prevents safety incidents and safeguards the health and safety of all personnel involved.



Water Resources

Water Holdings has established contractor safety management policies such as the Assessment and Management Measures for Construction Participants in Engineering Projects and the Safety Management Measures for Construction Projects. These policies clarify the safety management requirements for participating units at the project initiation stage, project implementation stage, and project operation stage, implementing safety management throughout the entire lifecycle and process of engineering projects and urging all participating units to fulfill their “primary responsibility” for work safety. At the same time, in order to strictly implement safety regulations, we ensure that both parties share a consistent safety philosophy through training.



Property Investment and Department Store Operation

Teem Group rigorously implements the mechanism that prioritises risk oversight, internal control and compliance in business management, ensuring that all parties fulfil their management responsibilities. The company has established a mechanism for review, approval and supervision of suppliers’ operations. Construction approvals, personnel management, safety oversight and fire work procedures are subject to strict supervision. Safety risk inspections are intensified for construction organisations to guarantee the effective implementation of safety measures. Additionally, Teem Group requires that all subsidiaries sign work safety agreements with suppliers and contractors. During the Reporting Period, a total of 1,055 work safety agreements were signed by Teem Commercial, Wanye Investment Development Company, Tianjin Teemall, Comic City and Shenzhen Teemall.



Energy Projects

Systematic measures are taken in our energy projects to ensure better safety management among our suppliers and contractors. Regular on-site safety inspections are conducted at key operational sites, including ash storage facilities, logistics warehouses, docks, and ro-ro vessels. Any non-compliant behaviour by contractors or suppliers is promptly addressed, with severe violations publicly reported and penalties enforced in accordance with contract terms. In 2024, GDH Energy improved supplier qualification review. All suppliers were required to provide valid work safety licenses or equivalent safety certifications. Furthermore, the company intensified dynamic assessment of suppliers through a blacklist/whitelist system to comprehensively protect the health and safety of suppliers’ personnel.

TALENT MANAGEMENT

Upholding the talent philosophy that “employees are our most valuable asset”, the Group recruits new employees in an orderly manner. We continuously refine our training system and performance assessment methods, organise a diverse range of employee activities, and enhance employee benefits and the working environment. These initiatives are designed to significantly elevate employee satisfaction.

In full compliance with the Labour Law of the People’s Republic of China, the Social Insurance Law of the People’s Republic of China, the Law of the People’s Republic of China on the Protection of Minors, the Law of the People’s Republic of China on the Protection of Rights and Interests of Women, as well as the Employment Ordinance, the Employees’ Compensation Ordinance, the Sex Discrimination Ordinance, and the Occupational Safety and Health Ordinance of Hong Kong and other laws and regulations on labour and employment, the Group is committed to safeguarding the legitimate rights and interests of our employees and pay employee salaries in a timely manner. During the Reporting Period, the Group had no incidents of child labour, forced labour or labour dispute.

Employment

Following the principle of setting fair rules, being transparent in process, and delivering impartial results, we have formulated and improved the Administrative Measures for Recruitment Management of Guangdong Investment Limited. Both campus recruitment and social recruitment are adopted based on the requirements and characteristics of proposed positions. Various recruitment channels, including our official website, mainstream recruitment websites, head hunters, and employee referrals, are expanded to attract and retain talents.

In addition, we regard anti-discrimination and anti-harassment as fundamental principles of compliant employment. To this end, we have set up a whistle-blowing hotline. Relevant courses are included in the orientation training for new recruits. We treat all employees equally in recruitment and promotion and prohibit any form of prejudice or discrimination on the grounds of age, gender, nationality, race, religious belief, health condition, etc.



Water Resources

During the Reporting Period, the water resources business revised and improved a number of policies, including the Management Measures for Internal Talent Market, the Administrative Measures for Recruitment Management, and the Policy on Selection and Appointment of Management Personnels, which are aimed at securing compliance employment. The subordinate water companies are required to review vacant positions and staffing of key positions on a regular basis, and to improve the internal selection mechanism that combines the centralised competition for reserve positions and small-scale competition for specific positions. In 2024, the water resources business organised eleven open position competitions to select the outstanding persons for the functional departments at headquarters and the management teams at subordinates. Young management personnels qualified for deployment were also selected as part of the development of the reserve talent team.



Case: Campus Recruitment

In November 2024, the water resources business conducted campus recruitment lectures and interviews in more than 70 universities, including Tongji University, Sichuan University, Wuhan University, and Hohai University. The recruitment announcements were published on their websites to reinforce the dissemination of information.



Campus Recruitment Lecture of Water Resources Business



Hotel Ownership, Operation and Management

The hotel business has expanded recruitment channels, refined recruitment methods and provided scientific and reasonable positions. By adopting diversified employment modes such as labour dispatching, seasonal workers, and casual labourers, a human resource management model suitable for the business development has been formed to meet actual needs. This year, we continued our efforts to the recruitment of veterans. Subsidiaries were encouraged to prioritise the eligible veterans in the security management positions. After joining, they were given professional training to help them adapt to the work as quickly as possible.

Employee Development

We have formulated and improved policies such as the Trainings Management Measures of Guangdong Investment Limited Headquarters, the Handbook for Hong Kong Employees of Guangdong Investment Limited, the Policy on Competition for Positions of Managerial Personnel of Guangdong Investment Limited, the Management Measures for Performance Evaluation of Guangdong Investment Limited. These policies are developed to enrich employee training system, improve compensation and incentive systems, and refine evaluation and promotion mechanisms, providing comprehensive support for employee development.

We are fully aware that the lifelong learning of employees is fundamental to a company's long-term stability. With this in mind, business segments are required to provide a variety of targeted training courses to employees of different ranks and different positions. Skilled talents are also strongly encouraged to obtain the appropriate vocational and technical qualifications to lay a solid foundation for their growth.

During the Reporting Period, we further reformed the employee selection and performance assessment system by implementing mechanisms such as the tenure system for managers, competition for managerial positions, and exit of incompetent personnel. Furthermore, the annual appraisal results of all employees are linked to their remuneration. The differentiated distribution of remuneration is implemented by determining rewards based on employees' job level and adjusting salaries according to their abilities. This approach motivates the outstanding employees and, conversely, disciplines underperformers. Meanwhile, we further improved medium- and long-term incentive mechanism, and explored an effective multi-factor distribution method such as project co-investment, equity incentives, and option incentives. This method facilitated the long-term alignment of the interests between managers and shareholders, and fully incentivised the employees at all levels.



Water Resources

During the Reporting Period, the water resources business conducted monthly and quarterly performance evaluation, and comprehensively assessed employees' performance objectives and development goals, with results linked to the remuneration. Besides, the department head conducted performance coaching for the staff of the department based on their monthly and quarterly performance, so as to help them improve their working capacity and efficiency. During the Reporting Period, the water resources business revised the employee performance evaluation system, with a 360-degree evaluation planned for next year.

Continued efforts are made to the development of network training platform of GD Water College, with more than RMB5.8 million invested this year. To create an inclusive and diverse workplace, the water resources business launched the workplace anti-discrimination and anti-harassment courses on the training platform this year. All employees were required to complete the relevant courses. In addition, a total of 111 courses were launched, including general, professional, and management courses. As of the end of 2024, 1,025 effective courses had been available on the platform, with 7,685 online participants. The learning hours per capita were 30 hours and 4 minutes.



Case: Support for Staff's Academic Qualifications and Higher Education

The water resources business vigorously supports employees to pursue higher education. Subordinate water companies reimburse the study costs of in-service employees who have obtained the recognised diplomas or degrees on an ongoing basis. This year, Water Holdings also partnered with the Harbin Institute of Technology to conduct the Doctor of Engineering training programme. Five employees were selected for the excellent engineer class to enhance their professional skills.



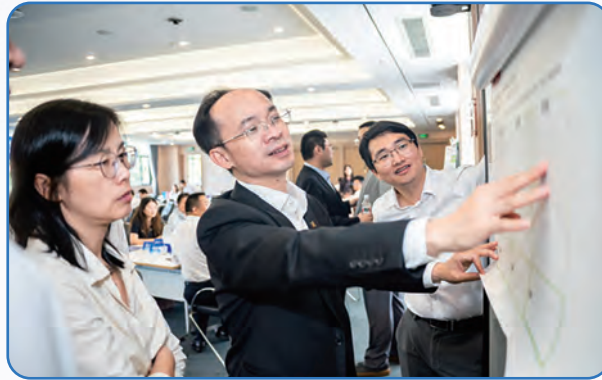
Case: "On-boarding Programme", "Speciality Programme", and "Pilot Programme"

- **On-boarding Programme:** The "On-boarding Programme" is mainly aimed at new employees recruited through campus recruitment. It provides systematic career planning, job skills training and cultural adaptability training. Tailored career development helps new employees to quickly fit into the company, and contributes to their clear career development, improving work efficiency and teamwork awareness.
- **Speciality Programme:** The "Speciality Programme" mainly targets newly promoted junior managers. This year, the strategic management and organisation management courses were incorporated into the basic management skill course, to help newly promoted managers quickly adapt to their new role and to enhance their communication, team management and goal achievement skills.
- **Pilot Programme:** The "Pilot Programme" is aimed at middle-level managers of water resources business and subsidiaries. This year, the middle-level managers of subsidiaries participated in training session at China Resources University. The content focused on core issues urgently solved in the implementation of corporate strategy, such as organisation management, investment strategy, and operation system. They learned about the organisation management optimisation, organisation empowerment, collaborative mechanism, and other important parts, which resulted in enhancing the management's ability to execute.



Case: Training on New Investment Management Model of Water Holdings

In November 2024, Water Holdings, together with Guangdong Guangxin Holdings Group Ltd., held the training on new investment management model. The content covered the strategic management, financial management, human resources management, organisation management, and other core modules. This training aimed to ensure the company can respond to the complicated market environment and investment challenges and facilitate the strategic transformation for investment management of new projects.



Training on New Investment Management Model of Water Holdings



Property Investment and Department Store Operation

Teem Group continues its efforts to refine the employee training system. To be specific, a training system that integrates business, management and speciality is built, considering the business operation and management, such as business planning, property management of shopping mall, and retail operation of department stores. The system is designed to meet the demand for improvement of skills in investment promotion, operation and promotion. Meanwhile, all subsidiaries of Teem Group have launched extensive internal courses and external general courses on the GDH Party School training platform. Special course packages have also been provided to new employees recruited through campus recruitment, helping them quickly familiarise themselves with the corporate culture and adapt to the work. During the Reporting Period, Teem Group spent RMB1.3004 million on training to conduct 33 sessions covering all types of training courses, with more than 1,951 participants trained and a total training duration exceeding 164 hours.

Panorama of Talent Cultivation System of Teemall



Panorama of Talent Cultivation System of Teemall

During the Reporting Period, Teem Group implemented a parallel promotion mechanism by management or profession in accordance with the Rank System and Qualifications for Appointment to enhance the endogenous motivation of employees. Teem Group also revised its performance evaluation plan. The OKR (Objectives and Key Results) approach was adopted. Employees from all departments were organised to set personal objectives and performance results. The achievement of objectives, teamwork, professional capability and technical expertise, and innovation and improvement ability were included in the evaluation which was conducted on a monthly basis. Based on the evaluation results, a talent tool for the year 2024 was created to strengthen the development of reserve talents in key positions.



Case: Specialist Programme

The “Specialist Programme” is a professional capability training programme of Teem Group for general staff and managers, which includes six sections, namely, investment promotion management, operation promotion, engineering management, light assets expansion, property management, and work safety management. The training programme is divided into four processes, namely, “Selection”, “Training”, “Practice”, and “Evaluation”, aiming to support the company’s existing project development and light assets expansion. In 2024, the “Specialist Programme” improved the professional talent pool of Teem Group by cultivating 163 business talents.



“Specialist Programme” Training



Case: "Management Lecture" Courses

This year, Teem Group provided "Management Lecture" courses to middle-level and senior managers. The content included knowledge necessary for business operations which was drawn from industry-leading peers, such as organisation management model, 6S strategic management system, and M&A practice of commercial projects. The courses broadened the horizons of middle-level and senior managers to better cope with the fast-changing market environment.



"Management Lecture" Training



Case: "8090" Training Camp

Teem Group offered "8090" training camp to high potential employees in the "1980s" and "1990s". The training was based on "meticulous management" and "lean operation". On-site visits were conducted to benchmark commercial projects. The camp aimed to cultivate employees' skills in operation management and innovation, thereby contributing to the high-quality development of the Teem Group.



"8090" Training Camp



Hotel Ownership, Operation and Management

In line with the performance management philosophy of "target setting for individuals with quantitative assessment", the hotel business implements a firm-wide and performance-based assessment system of "one assessment for one position, one form for one person". The tenure system is adopted for the managers and above, with a clear term of office. Moreover, the Business Performance Responsibility Letter has been signed. The monthly, annual and term-based (generally three years) assessment is conducted to improve the incentive and constraint mechanism based on the job responsibilities and closely linked to the business performance.

In 2024, the hotel business made full use of online learning platform. The courses on leadership, management, strategy, and market effectively promoted the decision-making ability, strategic development ability, and operation management ability of employees at all levels and positions.



Case: Service Improvement Training of Guangdong Hotel (Shenzhen)

This year, with increasing occupancy of Japanese guests, Guangdong Hotel (Shenzhen) launched the Japanese training programme to improve the daily conversational skills of service receptionists. Employees in key service positions were encouraged to obtain the Japanese certificate in their spare time. This training improved the level of hotel's services, and expanded the capacity of international services.



Japanese Training of Guangdong Hotel (Shenzhen)



Energy Projects

In the energy projects, internal policies, including the Management Standards for Annual Performance Evaluation of Departments and the Compensation Management Standards, have been improved. The personal performance plan for the year 2024 has been implemented. The corporate performance objective is divided into different goals, which are assigned to employees in different positions. The assessment involves the operation team, departments and frontline staff, and is conducted on a monthly and annual basis, with the results influencing the variable pay. With these efforts, the energy projects aims to improve corporate performance and contribute to the high-quality development.

GDH Energy also actively conducted 34 training programs in various categories such as management, skills and technology, and published a series of online courses on the "GDH Party School Learning Innovation Centre" platform. Throughout the year, a total of 24 learning programmes were organised, with more than 2,000 participants. In addition, GDH Energy has refined the standards for identifying vocational skills in companies. Employees are encouraged to obtain the relevant vocational and technical qualification certificates.



Case: Vocational Skills Competition of Duty Officer for Power Generation Centralised Control

In September 2024, GDH Energy held the annual vocational skills competition of duty officer for power generation centralised control. Taking the technician level as the competition standard and combining the theoretical knowledge test and the practical skills test, the competition introduced the “Power Station Boiler Practical Simulation Training Platform” for the digital practical simulation and emergency response drills. Balancing typicality and generality, this competition focused on the integration of theory and practice. By fostering a competition-learning environment that promoted the application of knowledge, it effectively enhanced employees’ skills.



Vocational Skills Competition



Case: “Exploring Huawei” Study Tour

From 2023 to 2024, GDH Energy organised a study tour, “Exploring Huawei”, for the middle-level and senior managers to learn from Huawei



“Exploring Huawei” Study Tour



Road and Bridge

GDH Highway continues to implement internal and external training, and has refined the Reserve Talent Training Programme, committed to improving the comprehensive quality and professional technical capabilities of employees. During the Reporting Period, GDH Energy conducted 99 sessions of business-related training via the “Highway Lecture”, “GDH Party School”, and other training platforms, with 5,146 participants.



Case: Vocational Skills Competition

In October 2024, GDH Highway organised its employees to participate in the 2024 Guangxi Transportation Industry Road Toll Collection and Monitor Vocational Skills Competition. It was jointly sponsored by the Transport Department, the Department of Human Resources and Social Security, and the Federation of Trade Unions of Guangxi Zhuang Autonomous Region. The competition simulated the actual scenarios of daily toll collection, road monitoring, etc., with the aim of promoting the technical exchanges among peers. As a result, the service quality of frontline business personnel was improved.



Vocational Skills Competition of GDH Highway

Employee Care

We are committed to building a harmonious, stable and healthy working environment. In addition to five social insurances and housing fund for employees in the Chinese Mainland and the mandatory provident fund for Hong Kong employees, we also provide supplementary medical insurance, accident insurance, and other employer's liability insurance. Meanwhile, we secure that our employees have the flexibility to take additional supplementary leave such as sick leave and maternity leave, and that the paid leave policy is implemented in an orderly manner. Employees of the Group are entitled to paid annual leave each year, in addition to statutory holidays, depending on their personal and work arrangements. Furthermore, the health of our employees always lies at the heart of the Group. Therefore, we organise annual physical examinations and supply nutritious and well-mixed meals.

We ensure a smooth employee complaint mechanism, respect and accept the opinions of our employees, and regularly collect their opinions and suggestions for targeted rectification. Business segments are also encouraged to provide a wide range of employee activities, which enable our employees to fully unwind after work.



Water Resources

The water resources business provides a series of employee activities, including Spring Festival garden tour, rural wellness retreats, and open days for family members. These initiatives are designed to enrich the employees' leisure time and enhance their cohesion through team building, relaxation, cultural enrichment, and sports. We also organised caring activities for employees during important traditional festivals such as the Spring Festival, the Dragon Boat Festival and the Mid-Autumn Festival and delivered Festival gifts. In addition, we assisted sick employees in applying for critical illness insurance, and arranged colleagues from relevant departments to visit employees in need. A total of more than RMB240,000 in allowance was distributed last year by Water Holdings.



Case: Outdoor Hiking

Water Holdings organised the hiking themed “Strolling Amidst Green Mountains and Clear Waters, and Discovering the Hidden Beauty of the Reservoir” for its employees at the East Lake Park. This activity enhanced employees’ physical fitness and enriched their leisure time while enjoying the beautiful scenery of the reservoir.



Outdoor Hiking



Case: Rural Wellness Retreats

Water Holdings carried out rural wellness retreat activity in villages of Gaozhou, Maoming to experience the quiet and comfortable rural life. The activity included visiting the achievements of the new countryside development, and feeling the achievements of the “High-Quality Development Projects for Rural Revitalisation”. Through this activity, employees deepened their understanding of the rural revitalisation strategy while unwinding.



Rural Wellness Retreats



Case: Employee Sports League

Water Holdings spearheaded the “Water Cup” tennis invitation tournament and the “Endeavour Cup” basketball league. The employees enthusiastically participated in the competition and made efforts to fight for the competitions, fully embodying their vitality and solidarity. The competitions also helped employees enhance physical fitness and improve their cohesion.



Employee Sports League



Property Investment and Department Store Operation

Teem Group prioritises the communication with its employees. All employees can consult the Human Resources Department via WeChat, OA mail, and telephone about welfare policies, salary details, holiday policies, etc. The Human Resources Department also collects employees’ opinions on a regular basis for continuous improvement. In 2024, Teem and its subsidiaries received no complaints related to human resources.

Teem Group makes continuous efforts in providing care and assistance to employees. Allowances and gifts are distributed to employees during traditional festivals, and special assistance is provided to employees in difficulty. Throughout the year, allowances of more than RMB50,000 were distributed. In addition, Teem Group remains attentive to the education of employees’ children. Efforts were made to strengthen the communication with relevant government departments to assist employees with school enrolment applications for their children. Teem Group also organises six hobby groups, including badminton, basketball, table tennis, football, dance and chorus. Employees are encouraged to actively engage in sports and cultural activities. Teem Group also organises employee birthday parties for their belongingness.



Case: Health Services for Female Employees

Teem Group, in partnership with Tianhe South Street Community Hospital in Guangzhou, offered lectures on cervical health and HPV vaccination to female employees. Appointments and vaccinations were arranged for them. During the Reporting Period, a total of 136 female employees were vaccinated.



Vaccination Site



Employee Birthday Parties



Hotel Ownership, Operation and Management

The hotel business offers its employees a variety of activities. For example, Guangdong (International) Hotel Management Holdings Limited held an activity for female employees under the theme “Warm-Hearted Protection and Legal Safeguarding”. The activity focused on protecting the rights and interests of female employees and how to legally safeguard their rights, aiming to raise their awareness. Guangdong Hotel (Shenzhen) partnered with the local community to provide the “Spring Awakening Plan” flower arrangement activity for female employees, and the history education activities for young employees, including visits to the Dongjiang Column Memorial Hall to open up their horizons. Guangdong Hotel (Zhuhai) carried out military support activities, including presenting gifts and allowances. Such activities paid high tribute to the veterans and inspired them to fully uphold the fine traditions of the armed forces and continue to serve the company. Holiday Inn Zhuhai City Centre launched the “Cheer for You Week” and the “Passing on the Good” Volunteer Activity, in which activities such as the Youyue Club quiz, photography contest, skills competition, and special food were carried out.



Activity for Female Employees of Hotel Management Company in China



Flower Arrangement Activity of Guangdong Hotel (Shenzhen)



Sending Warmth to Support the Military and Families of Guangdong Hotel (Zhuhai)



"Cheer for You Week" of Holiday Inn Zhuhai City Centre



Energy Projects

GDH Energy attaches great importance to the physical and mental health of its employees, deeply understands their needs, provides rich leisure activities for employees, actively creates a harmonious office environment, orderly does a good job in employee care, and deeply carries out the "bringing tangible benefits to the people". Throughout the year, more than 1,000 employees were visited and comforted during important holidays, and assistance was provided to critically ill employees in applying for hospitalisation and secondary medical claims. At the same time, GDH Energy attaches great importance to enriching the leisure life of its employees, and has successively held activities such as employee fun sports games, outdoor activities for International Women's Day on March 8th, Mid-Autumn Festival garden parties, and autumn outings to enhance employee communication and cohesion.



Employee Fun Sports Games



Employee Hiking



Road and Bridge

GDH Highway focuses on the daily welfare of its employees, regularly organising collective birthday parties and caring activities during holidays for employees. Inpatient employees are assisted in applying for medical subsidies under the employee mutual insurance programme. All these efforts contribute to a humanised and harmonious workplace.



Case: Mental Health Knowledge Lecture

GDH Highway invited psychological counsellors to give lectures on mental health to its employees. Employees experienced “muscle relaxation”, “meditation” and other psychological regulation methods. The lecture focused on insomnia, anxiety and other psychological symptoms that arise from the work and life. By analysing changes in various factors such as physiology, behaviour, cognition and emotions, employees were guided to correctly understand their mental health and learn to regulate their emotions. As a result, their ability to work under pressure was improved.



Mental Health Knowledge Lecture



Case: The “Cooling Relief” Caring Activity

GDH Highway organised the “Cooling Relief” caring activities in its jurisdictions and in the Xingye-Liujing Expressway Alliance Unit. During the activity, the company sent herbal tea, drinks, and other cooling refreshments, and medicines to the frontline toll collectors, expressway administrators, and maintenance workers, which offered a “Cooling Umbrella” to employees working in the heat.





The “Cooling Relief” Caring Activity

SUSTAINABLE SUPPLY CHAIN

The Group is dedicated to the sustainable development of its supply chain. We uphold the supplier management philosophy of “Open Cooperation, Resource Sharing and Mutual Benefit”. We have optimised the supplier management process through compliant access and open and transparent assessment. In this way, we aim to improve the mechanism for communicating with suppliers and work with all partners to build a sustainable supply chain. In 2024, the Group cooperated with 7,605 suppliers, all of which were Tier 1 suppliers.

Supply Chain Management

We adhere to the Law of the People’s Republic of China on Government Procurement, the Law of the People’s Republic of China on Tenders and Bids and other laws and regulations. We have formulated and implemented the Policy on Sustainable Supply Chain of Guangdong Investment Limited and the Measures for Credit Evaluation System for Project Contractors. The ESG Committee of the Group is responsible for supervising sustainable supply chain management, reviewing its performance, and reporting the outcomes to the Board. In the procurement process, we give priority to suppliers who provide green products and fulfil their environmental, employment and social responsibilities, and strictly monitor the access process. We conduct a comprehensive and multi-dimensional supplier assessment and remove suppliers from our supplier list for contract violations, ethical breaches or administrative penalties. With these efforts, we aim to establish an effective supply chain management mechanism.

Access 	We have established a supplier database and supplier management policy. Labour compliance, environmental performance, business ethics, and occupational health and safety certifications have been incorporated into the supplier access. Supplier inclusion in our database is based on self-nominations and our recommendations.
Assessment 	<p>We have set up a supplier assessment working group in cooperation with the Group headquarters and the subsidiaries of the business segments to conduct regular written and on-site evaluations of supplier performance. These evaluations focus on suppliers’ fulfilment, responsiveness, cooperation, product and service quality, and safety management.</p> <p>We remove suppliers from our supplier list for contract violations, ethical breaches or administrative penalties, and terminate their cooperation in a timely manner. In addition, suppliers that do not meet the sustainable development management requirements of the Group are required to take rectification measures within a certain period of time. Those that fail to complete rectification within the specified period will have their cooperation terminated.</p>

Supplier Management Process

Supplier ESG Management

Suppliers of all business segments are required to sign integrity agreements in the product and service bidding and procurement contracts. These agreements are designed to eliminate any form of bribery and corruption, and comprehensively prevent the ethical risk in the supply chain. Meanwhile, the management of labour risks in the supply chain is strengthened. We hold our suppliers to the labour standards and occupational health and safety standards. We strictly prohibit our suppliers from getting involved in forced labour or child labour. We also encourage the localisation of supply chain to prefer neighbouring suppliers. The practice reduces greenhouse gas emissions by reducing the number of kilometres travelled, so as to create a green supply chain.



Water Resources

The water resources business places a high priority on supplier management. This year, Water Holdings conducted credit evaluation for project equipment suppliers. 104 suppliers in 32 projects were managed by levels. Qualified suppliers were given the opportunity to cooperate. Suppliers that just met the standards were further monitored and assessed, while suppliers that failed the assessment were subject to a time-limited rectification or exit. These efforts laid a solid foundation for the project development.



Case: Quarterly Meetings for Project Contractors of Water Holdings

Water Holdings held quarterly business meetings to inform the assessment of project contractors and to analyse the progress of construction projects and the main problems at each stage. Clear requirements were put forward for the next steps in terms of scientific and efficient work, safe and refined management, quality standardisation, cost process control, integrity and strict supervision. These initiatives facilitated the construction of star-level projects.



Quarterly Meetings for Project Contractors of Water Holdings



Property Investment and Department Store Operation

Teem Group is strict in standardising the bidding and procurement process. The Procurement Management Policy Manual has been revised, and the legally binding Integrity Agreement has been formulated. All open procurement projects are publicised on the group's official website and the China Bidding Information Network (<http://www.cnbidding.com/>). All legally required engineering projects are launched on the provincial or municipal public resource trading centre for public bidding. These efforts are part of our commitment to an open and transparent procurement process. Meanwhile, all personnel involved in procurement review are required to sign the Letter of Confidentiality and the Commitment Letter of Review Discipline. Candid talks are held with the bid evaluators for major projects prior to their involvement in the bid evaluation to raise their awareness.

With an emphasis on communication and strategic cooperation with suppliers, Teem Group conducts market research and prepares for projects with high technical requirements and significant impact. In the early stage of project preparation, Teem Group engaged with experts for discussions, shared the excellent case studies, and carried out the past performance and fulfilment surveys of leading suppliers. In 2024, more than 30 suppliers underwent the preliminary survey.

Teem Group also provides regular training sessions for its procurement personnel, aiming to familiarise them with the policies, laws and regulations pertaining to bidding and procurement and to improve their skills in this regard. To better oversight the entire bidding and procurement process, Teem Group has set up a reporting channel, and publicised the contact information of the discipline inspection and supervision authorities. Employees and suppliers are encouraged to report on bidding and procurement irregularities. With this, Teem Group is committed to building a clean and sustainable supply chain.



Case: Centralised Training for Bidding and Procurement Business

On January 15, 2025, to ensure the compliance and efficiency of bidding and procurement activities, Teemall Group organised a centralised training session for the bidding and procurement business. The session provided professional interpretation of the new bidding and procurement management system and invited external experts to share the latest laws, regulations, and cases related to bidding, aiming to improve the professional competence of bidding and procurement personnel from various subsidiaries, strengthen the compliance awareness of bidding and procurement departments and related business departments in the bidding and procurement process, and create a fair and impartial bidding and procurement environment.



Training for Bidding and Procurement Process



Hotel Ownership, Operation and Management

Our hotel business is clear that supplier management follows the principles of legal compliance, fairness and justice, and optimal value. The Strategic Development Department of Teem Group coordinates the establishment and regular updating of the supplier directory, and the subordinate companies are responsible for the evaluation and information reporting. Suppliers must have legal qualification, professional license, good reputation and quality system and other basic conditions, and to be evaluated as "recognised suppliers" "conditional recommendation" "not recommended" or "blacklisted" by their performance. The blacklist covers suppliers and their associates who have behaviours such as fraud, bribery, leakage of confidentiality, major breach of contract, bid-rigging, etc., and they are prohibited from cooperating for two years, and those who have seriously violated the law will be banned for a long period of time.



Energy Projects

The energy projects makes continuous efforts to optimise the coal procurement model, and has signed coal purchase and sale contracts with national electric coal supply and trading companies to ensure the long-term stable supply. The business has further expanded its market by exploring new coal suppliers and signing strategic cooperation agreements on procurement. A total of 18 new coal suppliers were added to the database throughout the year.

Meanwhile, in strict accordance with the Group's bidding and procurement requirements, the energy business conducts quarterly training sessions on clean procurement, regularly organises bidding and procurement staff to visit integrity education centres, and actively cooperates with relevant government departments in procurement compliance risk inspection. The energy projects endeavours to implement procurement compliance management by openly evaluating bids for coal spot purchase inquiry projects and announcing the winning prices and the awarded suppliers for general material inquiry projects. Also, significant winning bidders are required to sign integrity agreements.

COMMUNITY ENGAGEMENT

We take pride in being a responsible corporate citizen. We firmly believe that where the nation needs us, we are capable of delivering; and where society expects us to lead, we strive to make a difference. With this in mind, we actively build a better community and promote exchanges between Guangdong and Hong Kong. We continue to help revitalise rural areas by practising green public welfare in an orderly manner. In doing so, we work with all parties to deliver warmth and build a better society.

Together for a Better Community

We provide continuous services to the community and take the initiative to understand the needs of the community. Following the Group's Policy on Charity and Public Welfare Activities Management, business segments carry out diversified charitable activities such as public welfare donations, science education and community services, so as to help build a warm, harmonious and beautiful community. During the Reporting Period, the Group committed 838,640 hours to volunteer service activities in the community.



Water Resources

The water resources business has established a Water Holdings Youth Volunteer Team, which carried out more than 28 volunteer activities this year. Educational assistance was also conducted, facilitating patriotic education and contributing to community building.



Case: Educational Assistance of Water Holdings

On October 25, 2024, Water Holdings organised a charity event titled “Bringing the Spirit of Role Models into Schools, Joining Hands with Dalian to Paint the Future” in Dalian Village, Sishui Town, Gaozhou City, Guangdong Province. Volunteers gained insights into the daily lives and study conditions of the children, and presented them with books, stationery, and sporting goods. On the same day, at Dalian Village Primary School, outstanding employee Tian Meisi shared the advanced deeds of the builders of the Dongshen Water Supply Project with more than 40 students in Class 2, Grade 3, while employee Li Qiaochang conducted a safety education class.



Safety Education Class



Case: Youth Publicity Team on Campus

In September 2024, the Youth Publicity Team shared the story of the “Model of the Times”–builders of the Dongshen Water Supply Project on campus.



Youth Publicity Team on Campus



Property Investment and Department Store Operation

In 2024, Teem Group organised subsidiaries to conduct a variety of volunteer service activities. Teem Group provided convenience services to the local community, and carried out publicity activities to radiate positive energy. Public welfare activities were also held with a focus on animal protection. These actions helped build a harmonious community through love among the neighbourhood.



Case: Delivering Warmth in Communities

- Teem Group carried out charitable activities such as “Summer of Love” and “Many Thanks to People Working in Hot Environments” to deliver practical support to the outdoor workers enduring the scorching summer heat. The activities offered drinks, fruits and other cooling items to workers including couriers, deliverymen, traffic police and sanitation workers, offering a bit of cool relief to them.



City Guardians Receiving Cooling Supplies

- Shenzhen Teemall, together with Shenzhen Post Office and Dongxiao Sub-District in Luohu District, organised the “Dongxiao Overflowing with Book Charm, Discovering Wonderful Reading Journeys” community public welfare activity on the World Book Day. The content included love donations, firefly book drifting and preferential book purchases. This activity enriched the cultural life of the residents in the surrounding communities.
- Tianjin Teemall, in collaboration with its catering outlets, invited more than 40 people, including street volunteers, social workers and representatives of the cleaning team, to have a lunch at the mall on the Chinese New Year’s Eve. This action sent sincere and warm greetings to the sanitation and frontline workers working in the cold.



Case: Delivering Warmth in Communities



Lunch with Frontline Workers on the Chinese New Year's Eve

- Panyu Teemall has set up Teemall Love Stations in its shopping malls, which were open to outdoor workers free of charge. The stations were always stocked with supplies like air conditioners, fans, hot and cold drinking water, resting and dining tables and chairs, umbrellas and first-aid medicines, and also served as a rest place for outdoor workers, which reflected the Panyu Teemall's responsibility as a corporate citizen, delivering the warmth of public welfare and gathering the love of the society.



Panyu Teemall Love Stations



Case: Fostering Values, Radiating Positive Energy

- On the occasion of the 61st “Memorial Day of Learning from Lei Feng”, Tianjin Teemall organised a voluntary service activity “Promoting the Spirit of Lei Feng, Creating a Civilised City Together” with representatives of Party members and local traffic police. Calling on citizens to travel in a safe and civilised manner, the activity advocated a new style of civilised traffic, while maintaining good traffic order.



Civilised Traffic Campaign of Tianjin Teemall

- In April 2024, Tianjin Teemall worked with the police of the local police station to conduct a safety education campaign at Siping East Road Primary School. The campaign included the use of fire extinguishers and water hoses, as well as a demonstration of the quick donning of combat uniforms. Veterans’ representatives were invited to share stories about the soldiers’ protection of their homeland. These activities promoted a sense of responsibility and mission.



Campus Safety Education Campaign of Tianjin Teemall



Case: Contributing to Animal Protection

Shenzhen Teemall, in collaboration with the local community, organised a wide range of pet-friendly activities under the theme of “Pet Exchange and Interaction Area”, including small dog fun party, pet adoption day, medium and large dog fun party, cute pet life festival and other experiential and interactive activities. These activities attracted many parents and children, fostering a harmonious and uplifting community atmosphere centred on animal protection and pet care.



Pet-Friendly Activities of Shenzhen Teemall



Hotel Ownership, Operation and Management

The hotel business is enthusiastic about community public welfare. During the Mid-Autumn Festival, Guangdong Hotel (Zhuhai) visited the disadvantaged, including senior Party members and sanitation workers, in Yuehua Community and Guanzha Community of Gongbei Sub-District, delivering a total of 80 boxes of home-made mooncakes. This action conveyed the warmth of reunion during the festive season, helping to build a good relationship with the community, and advance collaborative governance with local communities. Holiday Inn Zhuhai City Centre launched the Delivering Good Volunteer Activity to teach skills and visit special schools in Zhuhai, providing assistance for the employment of people with disabilities in the community and promoting social harmony.



Warming Hearts at Guangdong Hotel (Zhuhai) During Mid-Autumn Festival



"Volunteer to Deliver the Good" Event of Holiday Inn Zhuhai City Centre



Guangdong Hotel (Zhuhai) Received a Banner Inscribed with "Kind Acts with Love Warm People's Hearts, and Social Responsibility Demonstrates a Sense of Duty"



Energy Projects

GDH Energy has increased its public service efforts by organising 44 employees to participate in blood donation activities, and 22 of them successfully donated blood, which effectively helped the development of the Red Cross Society of Zhongshan City. The company organised elementary school students from the surrounding communities to visit the power plant and carry out the enterprise open day activities, so as to build up a good community relationship. The company also organised its employees to participate in the "Charity Walk for Ten Thousand People", "Employee Relief Month" and other charitable donation activities in Zhongshan City, with a total of 778 participants and a total donation of RMB34,949, contributing to the charitable cause of Guangdong Province and the "High-Quality Development Projects for Rural Revitalisation".



Case: Xindi Primary School Students Visiting GDH Energy

In May 2024, more than 60 elementary school students from Xindi Central Primary School in Huangpu Town visited to GDH Energy to carry out study activities, to learn about the principles of power generation in power plants, to experience the unique charm of a modern power plant, and to enhance their interest in knowledge and truth-seeking.



Xindi Primary School Students Visiting the Power Station of GDH Energy



Road and Bridge

GDH Highway continuously reinforces its brand of volunteer service by organising regular activities such as “Love and Travel” Lei Feng volunteer service activities, “Five-Hearts Service” activities at all toll stations, and truck driver lottery. This year, GDH Highway served more than 1,550 drivers and passengers, distributed more than 980 gifts and more than 510 safety leaflets, and provided consulting services to over 87 people. All these “Warm Heart” services improved the experience and satisfaction of the public travelling.



Voluntary Services of GDH Highway



Case: Voluntary Blood Donation Activity

GDH Highway conducted the voluntary blood donation activity under the theme of “Promoting the Spirit of Lei Feng, Uniting for a Surge of Strength”, and organised its young employees to donate 11,000ml of blood, which put the “Spirit of Lei Feng” into practice with concrete actions.



Voluntary Blood Donation Activity

Promoting Exchanges between Guangdong and Hong Kong

Mutual and harmonious development across Guangdong and Hong Kong is an important part of accelerating the development of the Guangdong-Hong Kong-Macao Greater Bay Area, and is also essential for regional revitalisation. In 2024, we conducted multiple Guangdong-Hong Kong exchanges, encouraging the business segments to participate in dialogue and exchanges in the Greater Bay Area. We also worked to build the public welfare undertakings in Guangdong and Hong Kong. In this way, we contribute to the high-quality development of the Guangdong-Hong Kong-Macao Greater Bay Area.



Case: Public Welfare Practices of Dongshen Water Supply Project

The water resources business fully embraces the role of the Dongshen Water Supply Project as a “National Patriotic Education Demonstration Base”, promoting the education of love for the country and Hong Kong. The business conducts a wide range of public service activities for young people in Hong Kong and Shenzhen through field studies and campus lectures.

Yue Gang Water Supply has created a platform for patriotism education by supporting many activities. These included the “Gratitude for the Source of Benefit” study tour for young people in Hong Kong and Shenzhen in Luohu District in 2024, the “Reading Together for a Bright Future: Shenzhen & Hong Kong Families in Action” event organised by the Shenzhen Women’s Federation, the Hong Kong Youth Study Tour: Exploring the Source of Dongjiang River, and the Hong Kong Middle School Students’ Study Tour: Empowering Bay Area Youth for Carbon Neutrality. These activities highlighted stories of the Dongshen Water Supply Project, and promoted the builders’ unwavering commitment to the Party’s original aspiration and the founding mission, as well as their loyalty to the motherland and concern for fellow citizens. These efforts helped to foster a sense of patriotism through the values of “Gratitude for the Source of Benefit and Caring About the Motherland”, and contributed to a positive atmosphere of water conservation and love for water.



“Gratitude for the Source of Benefit” Activity for Young People in Shenzhen and Hong Kong



Case: Public Welfare Practices of Dongshen Water Supply Project



Hong Kong Youth Study Tour: Exploring the Source of Dongjiang Water to Foster National Sentiment



"Empowering Bay Area Youth for Carbon Neutrality" Study Tour

Facilitating Rural Revitalisation

Comprehensively promoting rural revitalisation is the foundation to advance Chinese modernisation. We take the initiative to fulfil our corporate social responsibility, leading the business segments to carry out many activities like consumer assistance, support for people in difficulties, and donation of funds and goods. The hotel business purchased a total of RMB155,050.35 of products for agricultural poverty alleviation in Gaozhou. As such, we effectively carried out rural revitalisation assistance and public welfare activities.



Case: Love Donations of Teem Group

During the Reporting Period, Teem Group organised a variety of activities such as “Spreading Warmth with GDI, Striving Together for High-Quality Development Projects for Rural Revitalisation” and “6•30” Love Donations. These activities raised a total of more than RMB110,000 in donations, all of which were invested in targeted support for rural revitalisation.



Case: Vertical Assistance Under “High-Quality Development Projects for Rural Revitalisation”

The energy projects implemented the vertical assistance under the Group’s “High-Quality Development Projects for Rural Revitalisation”. Throughout the year, GDH Energy intensively purchased and encouraged employees to purchase agricultural and sideline products from Gaozhou, amounting to nearly RMB20,000. During the Spring Festival, the company purchased agricultural products from Jiexi, amounting to RMB38,875. During the Mid-Autumn Festival, the company purchased agricultural products from Gaozhou, amounting to RMB49,793. These practical actions actively supported rural revitalisation.

Practising Green Public Welfare

We actively call on all sectors of society to practice green public welfare. Through low-carbon and green campaigns such as “Earth Hour”, “Environmental Protection with You and Me” and “Green Civilisation in Action”, we take practical actions to carry out the concept of energy saving and low-carbon practices and to create a green future together.



Case: Voluntary Tree-Planting Activity Themed “Ecological GDI, Green Guangdong – Water Holdings in Action”

In March 2024, Water Holdings organised its workers and young volunteers to conduct the tree planting activity in the Shenzhen Reservoir Dam-Downstream Water Source Protection Zone of Dongshen Water Supply Project. The activity helped to raise their awareness of ecological construction and green development, creating a strong atmosphere of getting involved in environmental protection.



Tree Planting Activity of Water Holdings



Case: Environmental Protection Campaign of Panyu Teemall

In 2024, Panyu Teemall organised a series of environmental protection campaigns, aiming to promoting important environmental protection events such as the Tree Planting Day, the World Earth Day, and the National Energy Efficiency Promotion Week. The campaigns included the member salon for clothing upcycling art experience, and the “Fun and Freedom for Kids” environmental knowledge quiz event. In addition, Panyu Teemall transformed the mall’s rooftop by increasing vegetation coverage to reduce carbon emissions. These actions demonstrated the Panyu Teemall’s sense of responsibility and commitment to being a “green mall”.



Environmental Protection Campaign of Panyu Teemall



Case: Tree Planting Activities of the Hotel Business

In line with the requirements of “Green Guangdong”, the hotel business carried out a series of tree planting activities. Throughout the year, the business organised its employees and volunteers to plant and cultivate more than 860 trees of various species with a value of more than RMB23,000. These initiatives not only enhanced the green landscapes of the subordinate hotels, but also made significant contributions to environmental protection and beautification efforts.



Tree Planting Activities of the Hotel Business

Throughout its journey, GDI has continuously achieved significant accomplishments in community co-building, Guangdong-Hong Kong exchanges, rural revitalisation, and green public welfare. Looking ahead, we will remain steadfast in our commitment to our corporate social responsibility, continuously join hands with employees and partners to provide community services, and make every effort to contribute to the charitable activities.

SOCIAL KEY PERFORMANCE INDICATORS

Social Area ¹¹				
Employee data				
Indicators	Unit	2024	2023	2022
Total number of employees	Persons	10,988	10,757	9,897
Total number of employees by gender ¹²				
Male	Persons	7,248	7,071	6,227
Female	Persons	3,740	3,686	3,670
Total number of employees by employee category				
Senior	Persons	310	331	290
Intermediate	Persons	1,019	1,155	899
Junior	Persons	9,659	9,271	8,708
Total number of employees by geographical region				
Chinese Mainland	Persons	10,802	10,548	9,734
Hongkong SAR	Persons	186	209	163
Total number of employees by age group				
30 or below	Persons	1,889	2,190	2,269
31-40	Persons	3,469	3,248	2,954
41-50	Persons	3,522	3,395	3,065
Above 50	Persons	2,108	1,924	1,609
Total number of employees by employment type				
Formal contract	Persons	10,964	10,640	9,721
Outsourced contract	Persons	15	103	162
Temporary and short-term contracts	Persons	9	14	14

¹¹ The scope of social data in 2024 is consistent with that in 2023, including: headquarters of GDI, water resources segment, GDH Energy, Teem Group, hotel business and GDH Highway.

¹² "Total number of employees" is the number of all employees of the Group's business segments as of 31 December 2024.

Social Area ¹¹				
Total number of resigned employees by gender				
Indicators	Unit	2024	2023	2022
Male	Persons	215	398	266
Female	Persons	158	268	208
Total number of resigned employees by employee category				
Senior	Persons	2	17	12
Intermediate	Persons	34	47	42
Junior	Persons	337	602	420
Total number of resigned employees by geographical region				
Mainland China	Persons	313	610	423
Hong Kong SAR	Persons	60	56	51
Total number of resigned employees by age group				
30 or below	Persons	182	199	198
31-40	Persons	103	183	141
41-50	Persons	57	158	78
Above 50	Persons	31	126	57
Turnover rate ¹³ by gender				
Male	%	2.97	5.63	4.27
Female	%	4.22	7.27	5.67
Turnover rate by employee category				
Senior	%	0.65	5.14	4.14
Intermediate	%	3.34	4.07	4.67
Junior	%	3.49	6.49	4.82
Turnover rate by geographical region				
Mainland China	%	2.90	5.78	4.35
Hong Kong SAR	%	32.26	26.79	31.29

¹³ Turnover rate in the relevant category = total number of resigned employees in the specific category /total number of employees in the specific category * 100

Social Area ¹¹				
Turnover rate by age group				
Indicators	Unit	2024	2023	2022
30 or below	%	9.63	9.09	8.73
31-40	%	2.97	5.63	4.77
41-50	%	1.62	4.65	2.54
Above 50	%	1.47	6.55	3.54
Employee training data				
Total training hours	Hour	327,363.32	352,873.95	307,591.68
Average training hours per employee ¹⁴	Hour	29.79	32.80	32.01
Average training hours ¹⁵ by gender				
Male	Hour	28.71	31.92	29.75
Female	Hour	31.90	34.51	33.34
Average training hours by employee category				
Senior	Hour	35.17	40.24	36.34
Intermediate	Hour	36.55	34.57	34.75
Junior	Hour	28.91	32.32	30.53
Percentage of trained employees ¹⁶ by gender				
Male	%	99.56	96.29	97.61
Female	%	99.52	97.31	96.19
Percentage of trained employees by employee category				
Senior	%	100.00	96.98	99.66
Intermediate	%	100.00	97.75	95.55
Junior	%	99.48	96.49	97.15

¹⁴ Average training hours per employee = total training hours/total number of employees.

¹⁵ Training hours per capita by relevant category = total training hours of relevant category/total number of employees of relevant category.

¹⁶ Percentage of trained employees in the relevant category = total number of trained employees in the specific category/total number of employees in the specific category * 100.

Health and safety data				
Indicators	Unit	2024	2023	2022
Number of work-related fatalities	Persons	0	0	0
Rate of work-related fatalities	%	0	0	0
Number of work-related injuries	Case	25	5	13
Lost days due to work injury	Day	483	233	793
Supplier Management Data				
Indicators	Unit	2024	2023	2022
North China	Company	663	415	387
Northeast China	Company	45	41	42
East China	Company	745	661	601
Central China	Company	216	152	158
South China	Company	5,658	4,673	3,960
Southwest China	Company	88	68	60
Northwest China	Company	15	13	19
Hong Kong, Macao and Taiwan	Company	175	179	176
Product Responsibility				
Indicators	Unit	2024	2023	2022
Number of service-related complaints	Case	6,423	6,904	4,563
Anti-corruption data				
Number of concluded legal cases regarding corrupt practices brought against the Group or its employees	Case	0	0	0
Community Investment				
Total of time spent on volunteer activities	Hour	838,640.00	428,172.20	94,977.80
Time spent on volunteer activities	Hour	1,491.50	336.20	4,810.42
Number of people participated in volunteer activities	Persons	3,326.00	2,430.00	1,784.00



Appendix

APPENDIX: ESG REPORTING CODE INDEX TABLE

ESG Indicator		Chapter
Mandatory Disclosure Requirements		
Governance Structure		
(i)	a disclosure of the board's oversight of ESG issues;	ESG GOVERNANCE
(ii)	the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and	ESG GOVERNANCE
(iii)	how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	ESG GOVERNANCE
Reporting Principles		
Materiality	The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.	REPORTING PRINCIPLES
Quantitative	Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.	REPORTING PRINCIPLES
Consistency	The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	REPORTING PRINCIPLES
Reporting Boundary		
A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.		REPORTING SCOPE

ESG Indicator		Chapter
“Comply or explain” Provisions		
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.	ENVIRONMENTAL PROTECTION
KPI A1.1	The types of emissions and respective emissions data.	ENVIRONMENTAL KEY PERFORMANCE INDICATORS
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ENVIRONMENTAL KEY PERFORMANCE INDICATORS
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ENVIRONMENTAL KEY PERFORMANCE INDICATORS
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	ENVIRONMENTAL PROTECTION
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.	ENVIRONMENTAL PROTECTION

ESG Indicator		Chapter
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	RESOURCE MANAGEMENT
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 KEY PERFORMANCE INDICATORS
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	ENVIRONMENTAL KEY PERFORMANCE INDICATORS
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	RESOURCE MANAGEMENT EFFORTS TO ADDRESS CLIMATE CHANGE
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.	RESOURCE MANAGEMENT EFFORTS TO ADDRESS CLIMATE CHANGE
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group's operational activities do not involve the consumption of packaging materials.
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	ENVIRONMENTAL PROTECTION
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	ENVIRONMENTAL PROTECTION

ESG Indicator		Chapter
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, anti-discrimination, and other benefits and welfare.	TALENT MANAGEMENT
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	SOCIAL KEY PERFORMANCE INDICATORS
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	SOCIAL KEY PERFORMANCE INDICATORS
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.	WORK SAFETY
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	SOCIAL KEY PERFORMANCE INDICATORS
KPI B2.2	Lost days due to work injury.	SOCIAL KEY PERFORMANCE INDICATORS
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	WORK SAFETY

ESG Indicator		Chapter
Aspect B3: Development and Training		
General Disclosure	<p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p> <p>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</p>	TALENT MANAGEMENT
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	SOCIAL KEY PERFORMANCE INDICATORS
KPI B3.2	The average training hours completed per employee by gender and employee category.	SOCIAL KEY PERFORMANCE INDICATORS
Aspect B4: Labour Standards		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.</p>	TALENT MANAGEMENT
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	TALENT MANAGEMENT
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	TALENT MANAGEMENT
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	SUSTAINABLE SUPPLY CHAIN
KPI B5.1	Number of suppliers by geographical region.	SOCIAL KEY PERFORMANCE INDICATORS
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	SUSTAINABLE SUPPLY CHAIN
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	SUSTAINABLE SUPPLY CHAIN
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	SUSTAINABLE SUPPLY CHAIN

ESG Indicator		Chapter
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 ASSURANCE
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group's products and services are not subject to recalls for healthy and safety reasons.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	SOCIAL KEY PERFORMANCE INDICATORS
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	QUALITY ASSURANCE
KPI B6.4	Description of quality assurance process and recall procedures.	QUALITY ASSURANCE
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	QUALITY ASSURANCE

ESG Indicator		Chapter
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.	BUSINESS ETHICS
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.	SOCIAL KEY PERFORMANCE INDICATORS
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	BUSINESS ETHICS
KPI B7.3	Description of anti-corruption training provided to directors and staff.	BUSINESS ETHICS
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 INVESTMENT
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	COMMUNITY INVESTMENT
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	SOCIAL KEY PERFORMANCE INDICATORS

ESG Indicator	Chapter
Climate-related Disclosures	
Governance	EFFORTS TO ADDRESS CLIMATE CHANGE
Strategy	EFFORTS TO ADDRESS CLIMATE CHANGE
Risk Management	EFFORTS TO ADDRESS CLIMATE CHANGE
Metrics and Targets	EFFORTS TO ADDRESS CLIMATE CHANGE