



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

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

Stock code : 1542

2024

Environment, Social and Governance Report



* for identification purposes only

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ABOUT THE REPORT

PURPOSE OF THE REPORT

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

REPORTING SCOPE

The Report covers the sustainability performance of the Group for period from 1 January 2024 to 31 December 2024 (the "Reporting Period"). Unless otherwise specified, the Report covers the Group's raw water supply project, municipal water supply project, tap water supply project, installation services, projects under construction of Taizhou Water Supply System (Phase III) and Taizhou Water Supply System (Phase IV), pipeline potable water project and packaged drinking water project, all of which are located in Taizhou, China, which is consistent with the reporting scope of the Group's annual report. The reporting scope is determined based on the importance of each entity to our business and operations and the impact on sustainability.

REPORTING STANDARDS

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

REPORTING PRINCIPLES

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

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

ABOUT THE REPORT

REPORTING LANGUAGE

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

EXPLANATION ON FIGURES

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

FEEDBACK

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

ABOUT THE GROUP

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

The year 2024 is the fourth year of the “14th Five-Year” Plan implemented by the PRC government and also the critical year of realization of goals. We are closely following the direction of water policies, and by integrating internal and external resources, we have formed a “water and protecting the environment segment” industrial segment layout by focusing on the core positioning of “comprehensive development operator of water and protecting the environment resources” and the construction of “water and protecting the environment engineering investment, financing, construction, management and operation platform” and “water and protecting the environment resources integrated development and utilization platform”, committing to becoming an excellent water service provider and comprehensive development operator of water and protecting the environment resources in the Yangtze River Delta region.

We had continued to focus on the four key pillars of our sustainability strategy, stable and reliable water supply, protecting the environment, caring for employees and caring for the community, to strengthen the Group’s position as a leading water supply service provider in Taizhou. During the Reporting Period, the Group reached important milestones in several key projects in construction and continuously promoted the packaged drinking water and pipeline potable water projects. In the future, the Group will continue to promote sustainable development in its business operations and move towards a sustainable future.



ABOUT THE GROUP

SUSTAINABILITY HIGHLIGHT OF THE YEAR

Implementation of Energy Management System Project

During the Reporting Period, we established and implemented an energy management system to facilitate the implementation of energy-saving transformation programs in an effort to promote green production development. During the Reporting Period, we conducted an internal audit on the energy management system that had been running for a year, identified 4 items of control planning for improvement of quality energy performance, and prepared 5 energy management initiatives. Through the implementation of various policies, the comprehensive energy consumption per unit of the product at the company level declined significantly.

Promoting the Use of Renewable Energy

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



Implementation of Pipeline Potable Water Project

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



Conducting Water Conservation Advocating Week Activity

During the Reporting Period, the Group actively responded to the initiative of "National Water Conservation Advocating Week", distributing water conservation advocating manuals to public citizens and making themed advocating videos, to guide residents to care for the water environment and protect water resource, promoting the concept of water conservation into the public consciousness.



ABOUT THE GROUP

MAJOR PROJECT CONSTRUCTION MILESTONES OF THE YEAR

Taizhou Water Treatment Plant Expansion Project Successfully Completed with Water Availability

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

**Zhuxi Reservoir in Taizhou was Officially Commissioned**

The construction of the Zhuxi Reservoir project in Taizhou officially commenced in July 2017, and was officially commissioned on 25 June 2024. Since then, the dual-reservoir water supply pattern of Changtan Reservoir and Zhuxi Reservoir in southern Taizhou had been formed, and the layout of “three horizontal and three vertical” and the emergency backup system of northern and southern water source had been fully implemented, effectively resolving the structural water shortage for over 3.5 million residents, significantly enhancing the flood control capabilities downstream of the reservoir.

**Taizhou South Water Resources Optimization Project Successfully Completed the Trial Commission**

The successful completion of trial commission of the Taizhou South Water Resources Optimization Project (Luqiao-Jiaojiang Water Supply Pipeline-Luqiao Section) marks the full completion of construction of main pipeline (Luqiao section), which has a total length of approximately 10.1 kilometers, uses 1.4-meter steel pipes for construction, and can achieve a daily water supply capacity of 200,000 cubic meters per day.



HONOURS AND AWARDS

Organizers	Awards and Honours	Awarded Organization/ Employee
Greater Bay Area Association of Listed Companies* (粵港澳大灣區上市公司聯合會)	Annual Environmental Protection Award by the Greater Bay Area Listed Companies ESG100 Green Advancement Awards Ceremony	The Group
Taizhou State-owned Assets Supervision and Administration Commission	The Exploration of New Mode for the Development of Recycled Ecological Agriculture from “Land Remediation” to “Co-building and Co-prosperity” was selected as the Excellent Case of “Revealing and Leading” of State-owned Enterprises Reform Project	The Group
Taizhou State-owned Assets Supervision and Administration Commission	Demonstration and Cultivation Site for the Municipal Integrity State-owned Enterprise 2024	Taizhou City Water Co., Ltd.* (台州城市水務有限公司)
Taizhou State-owned Assets Supervision and Administration Commission	The Exploration of New Pathways for Employee's Mutual Selection: Building a Flexible and Efficient Team was selected as the Excellent Case of “Revealing and Leading” of State-owned Enterprises Reform Project	Wenling Zeguo Water Supply Co., Ltd.* (溫嶺市澤國自來水有限公司)

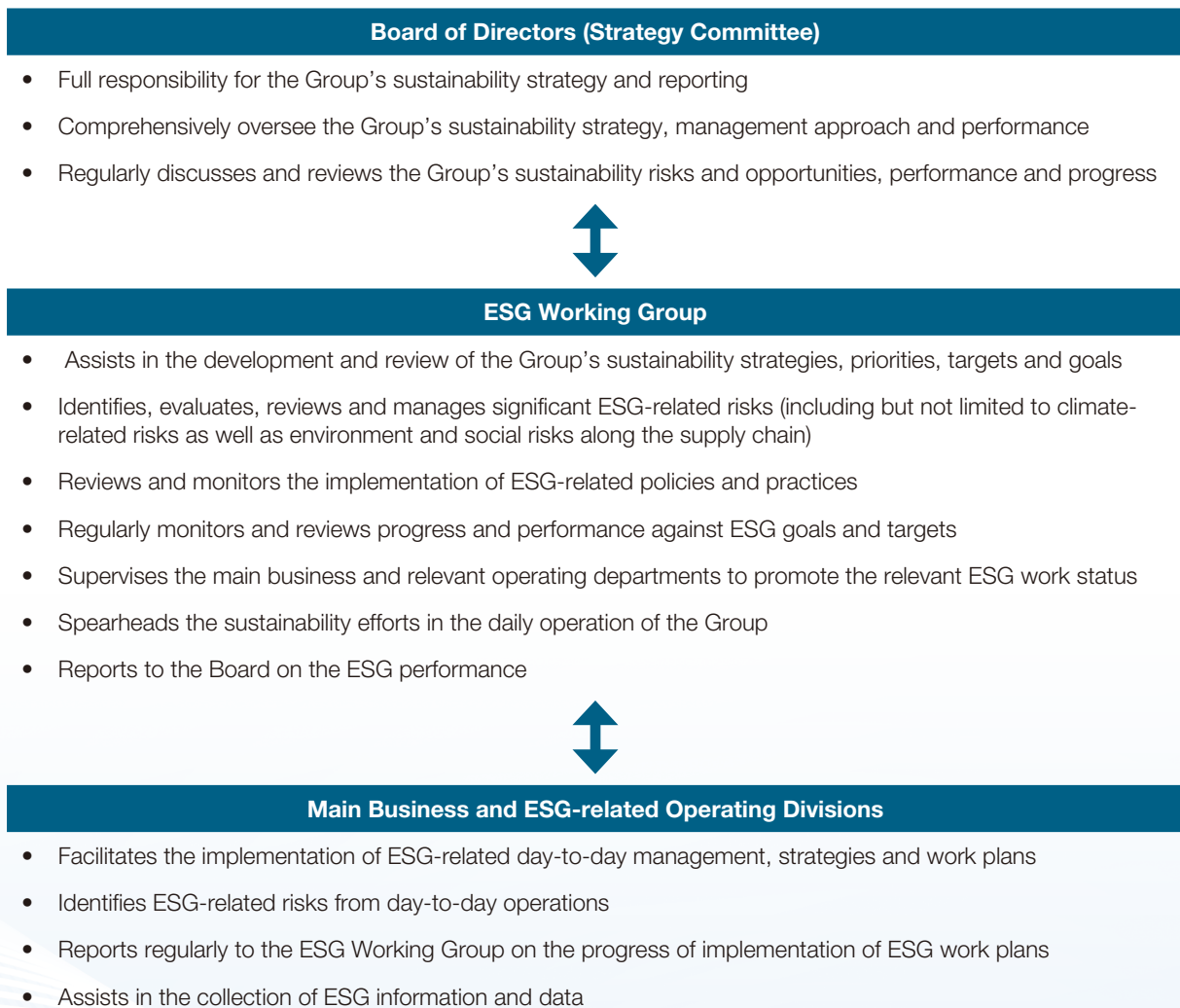
OUR SUSTAINABILITY MANAGEMENT APPROACH

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

SUSTAINABILITY GOVERNANCE

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

Roles and Responsibilities



OUR SUSTAINABILITY MANAGEMENT APPROACH

SUSTAINABILITY RISK MANAGEMENT

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

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

For details of the corporate governance and risk management approach, please refer to the section of "Corporate Governance Report" in the Group's 2024 Annual Report.

OUR SUSTAINABILITY MANAGEMENT APPROACH

SUSTAINABILITY STRATEGY

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

Ensuring Stable and Reliable Water Supply

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

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

**Caring for Employees**

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

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

**Protecting the Environment**

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

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

**Caring for the Community**

Direction: Serve people with passion and create a harmonious community

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



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

STAKEHOLDER ENGAGEMENT

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

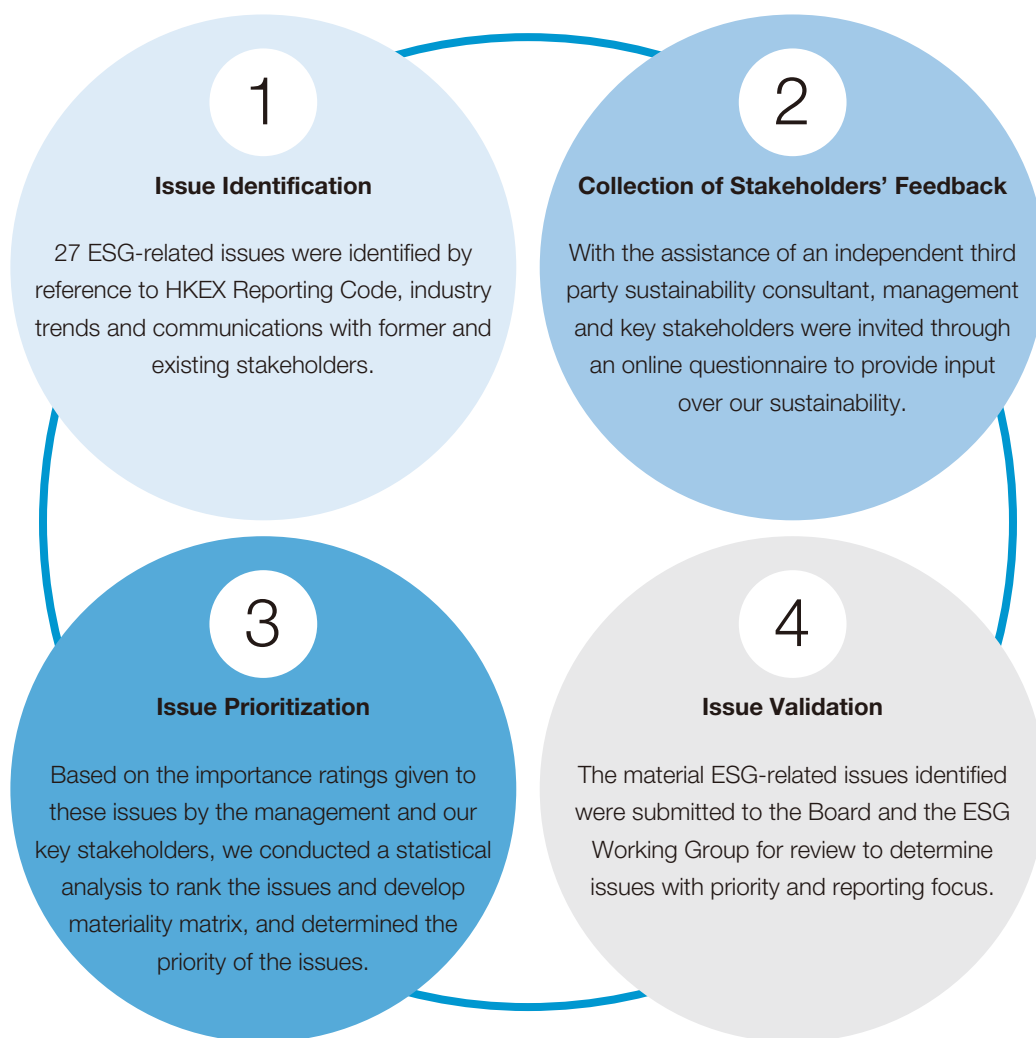
MAJOR TYPES OF STAKEHOLDERS AND COMMUNICATION CHANNELS:

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

STAKEHOLDER ENGAGEMENT

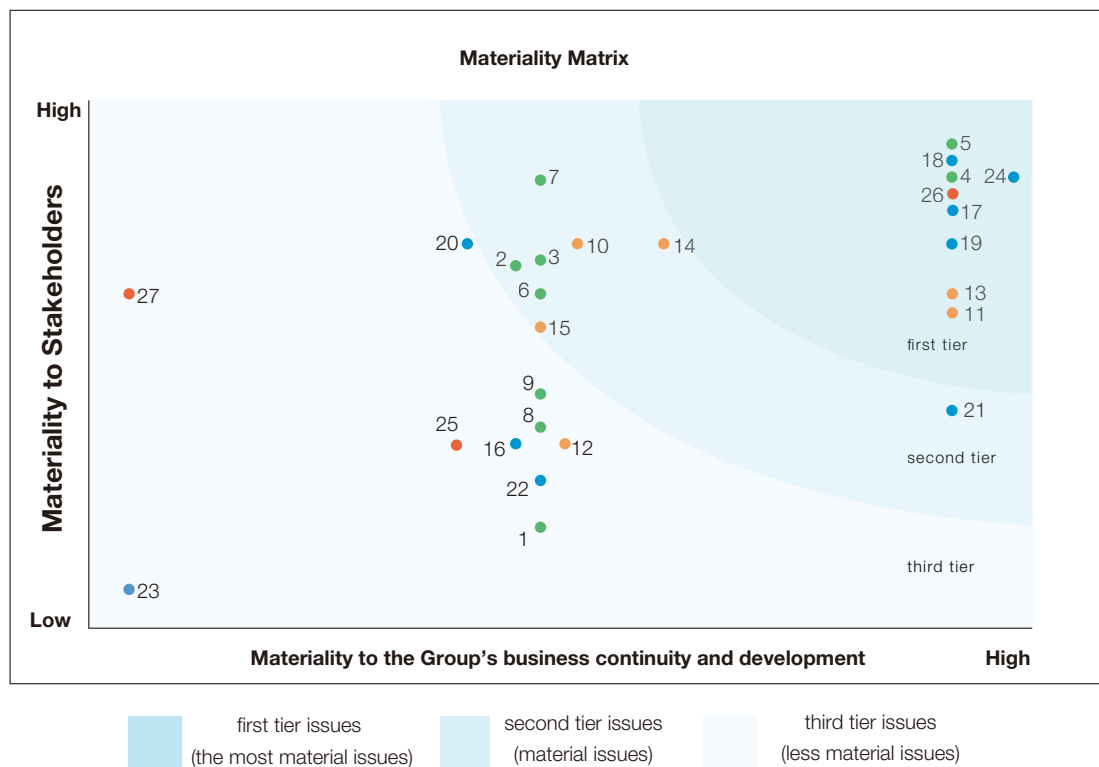
MATERIALITY ASSESSMENT

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



STAKEHOLDER ENGAGEMENT

The materiality matrix below shows the relative significance of the 27 sustainability issues to stakeholders (y-axis) and the Group's business continuity and development (x-axis). The most material issues are placed at the first tier of the matrix, while less material issues are listed at the third tier, and those at the second tier represent emerging material issues of increasing importance. The 9 issues at the first tier of the matrix are the most material topics for the year. The performance and progress of the most material issues identified will be highlighted in subsequent sections of the Report, with a focus on these material issues in the longer term and the development of a sustainability strategy accordingly.



STAKEHOLDER ENGAGEMENT

LIST OF ESG ISSUES:

Environment	Employees	Operation	The Community
1. Air Emissions	10. Employment Relationship	16. Social Risks in the Supply Chain	25. Supporting Community Development
2. Waste Disposal and Recycling	11. Employee Welfare	17. Water Quality and Water Safety	26. Promoting Water Conservation Education
3. Carbon Reduction and Energy Efficiency	12. Equal Opportunity, Diversity and Anti-discrimination	18. Water Supply Pressure and Stability	27. Collaboration for Sustainable Development of the Industry
4. Water Efficiency and Conservation	13. Occupational Health and Safety	19. Customer Service	
5. Sewage Treatment	14. Staff Development and Training	20. Data Protection and Network Security	
6. Biodiversity	15. Employment Compliance	21. Technology Development	
7. Climate Resilience and Responsiveness		22. Intellectual Property Protection	
8. Green Procurement		23. Marketing and Advertising	
9. Environmental Risks in the Supply Chain		24. Anti-corruption	

THE MOST MATERIAL ISSUES:

No.	Issue	Related Section
4	Water Efficiency and Conservation	Water Saving
5	Sewage Treatment	Waste and Wastewater Management
11	Employee Welfare	Caring for Employees
13	Occupational Health and Safety	Occupational Health and Safety
17	Water Quality and Water Safety	Water Quality and Safety
18	Water Supply Pressure and Stability	Sufficient and Stable Water Supply
19	Customer Service	Smart Water Services
24.	Anti-corruption	Anti-corruption
26	Promoting Water Conservation Education	Caring for the Community

ENSURING STABLE AND RELIABLE WATER SUPPLY

UNSDGs



DIRECTION

Operate the water supply system in Taizhou in a “safe, efficient and orderly” manner

TARGET

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

THE MOST MATERIAL ISSUES COVERED IN THIS CHAPTER:

- Water Quality and Water Safety
- Water Supply Pressure and Stability
- Customer Service
- Anti-corruption

WATER QUALITY AND SAFETY

As a supplier of drinking water, we uphold the principle of “safe, efficient and orderly” water supply, with ensuring water quality and safety as our top priority. We strictly comply with the relevant laws and regulations¹, and have also established a strict quality management system for products and services. Under the system, Taizhou City Water Co., Ltd., a subsidiary of the Group, has obtained the ISO 9001:2015 certification for product and service quality management system.

The raw water supply market is in the upstream of the industry value chain. Raw water sources include surface water, ground water and other sources. Surface water accounts for the majority of water supply in China according to the China Water Resources Bulletin. Most of the municipal water factories source raw water as raw material for production by ways of water storage, water diversion and water lifting. The municipal water supply operates at the midstream of the industry value chain. In the typical process of municipal water production, raw water is pumped into the treatment plant and goes through procedures including pre-treatment, sedimentation, filtration and disinfection, and then is stored in a clean water reservoir before final distribution to end-users.

¹ For details of laws and regulations relating to the product responsibility, please refer to “List of Key Laws and Regulations” section of the Report.

ENSURING STABLE AND RELIABLE WATER SUPPLY

We have obtained the health permit for products involving drinking water safety in accordance with applicable laws and regulations². We also obtained the water intake permit, and acquired water according to the approved annual water intake plan.

In order to protect the health of users, we ensure that the supplied drinking water complies with relevant laws, regulations and standards³. We are responsible for testing the water quality of raw water, treated water and pipe network water, and truthfully reporting water testing data to competent departments of local urban water supply.

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

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

The Water Quality Testing Center has been conducting the test of pressure filtration water treatment process since 2021. The advanced treatment of pressure filtration tail water integrates ozone advanced oxidation, micro bubble air flotation, electrocoagulation, activated carbon adsorption, membrane treatment and other technological means. These processes enable treated water to basically reach the Class III water quality standard for surface water, while achieving the recycling of high-quality renewable water resources.

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



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

² Please refer to “List of Key Laws and Regulations” section of the Report for more details.

³ Please refer to “List of Key Laws and Regulations” section of the Report for more details.

ENSURING STABLE AND RELIABLE WATER SUPPLY

SUFFICIENT AND STABLE WATER SUPPLY

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

Zhuxi Reservoir in Taizhou was Officially Commissioned

The construction of the Zhuxi Reservoir project in Taizhou officially commenced in July 2017, and was officially commissioned on 25 June 2024. Since then, the dualreservoir water supply pattern of Changtan Reservoir and Zhuxi Reservoir in southern Taizhou had been formed, and the layout of “three horizontal and three vertical” and the emergency backup system of northern and southern water source had been fully implemented, effectively resolving the structural water shortage for over 3.5 million residents, significantly enhancing the flood control capabilities downstream of the reservoir.



Taizhou South Water Resources Optimization Project Successfully Completed the Trial Commission

The successful completion of trial commission of the Taizhou South Water Resources Optimization Project (Luqiao-Jiaojiang Water Supply Pipeline-Luqiao Section) marks the full completion of construction of main pipeline (Luqiao section), which has a total length of approximately 10.1 kilometers, uses 1.4-meter steel pipes for construction, and can achieve a daily water supply capacity of 200,000 cubic meters per day.



ENSURING STABLE AND RELIABLE WATER SUPPLY

SMART WATER SERVICES

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

Smart Monitoring and Scheduling

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

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

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

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

Smart Services

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

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

ENSURING STABLE AND RELIABLE WATER SUPPLY

PROJECT QUALITY

Ensuring the quality of projects will help us to implement water supply constructions and services. We strictly comply with the relevant laws and regulations⁴ relating to the project construction and formulate our own Measures on Quality Management of Construction Works (《工程質量管理辦法》). The Group follows the basic construction policy known as “in a task so important for generations to come, good quality must be ensured” and strengthens the quality control in the process of each project to ensure that quality is maintained at a high level, so as to achieve the standard of quality, safety and civilization as a whole. Under the four-pronged quality management assurance system featuring “self-inspections of the construction unit, inspections of the supervision unit, inspections of the owner, and regulation of the government”, the Group’s projects are delivered with high quality with the strict implementation of comprehensive quality management by all the parties involved, stringent self-inspection, a random inspection system and process handover and acceptance system.

Carry out Safety Inspections in Public and Key Areas

To strengthen risk assessment and mitigation in public safety management, we carried out multiple safety inspections during the Reporting Period, including safety checks of public areas and critical facilities. These inspections involved on-site verification of public safety equipment and fire prevention systems, as well as detailed assessment of their emergency response procedures for unexpected incidents in daily safety management.



⁴ Please refer to “List of Key Laws and Regulations” section of the Report for more details.

ENSURING STABLE AND RELIABLE WATER SUPPLY

CUSTOMER PRIVACY AND DATA SECURITY

The Group attaches great importance to the interests of its users and customers and is committed to protecting their privacy and information. The Group strictly complies with applicable laws and regulations⁵ relating to data protection and privacy, and also guarantees that we only collect customer information as and when necessary, and will not utilise customer information for purposes other than the Group's business. Besides, the Group continuously enhances the awareness of our employees on the protection of customer privacy, for example, we promote the importance of data confidentiality among our employees, and specify in our labour contracts and employee handbooks that employees are obliged to keep the Group's business secret and the customer information confidential. We also require employees to handle customer information carefully.

Participation in Cyber Security Awareness Week

In order to enhance staff's awareness of network data security and protection skills, we encouraged staff participation in the Cyber Security Awareness Week during the Reporting Period. Through interactive quizzes, we reinforced their understanding of cyber security.



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

ENSURING STABLE AND RELIABLE WATER SUPPLY

CUSTOMER SATISFACTION

In order to understand customers' concerns and expectations, we collect customers' opinions and understand their demands through channels such as customer service hotline, social websites and customer service emails. During the Reporting Period, we also conducted customer satisfaction surveys to understand our customers' opinions and expectations. We handle customer complaints carefully and keep written records for all complaints. The responsible department of the Group will analyse and investigate the matters related to the complaints and provide advice on how to handle such complaints. Then, such department will provide complainants with feedback and track the complainants' satisfaction about the solutions. During the Reporting Period, we did not receive any material complaints⁶ about products and services (2023: nil).

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

Actively Advance the Secondary Water Supply Renovation in Urban Areas, Enabling Residents to Enjoy "Unrestricted Access to Water"

During the Reporting Period, the Group has proactively promoted the renovation of secondary water supply systems in older urban communities. We have replaced leaking and corroded pipelines and completely upgraded water supply facilities, effectively addressing urban water supply challenges and ensuring high-quality water provision for local residents. As of the end of the Reporting Period, the Group has completed the secondary water supply renovation in 58 communities within Taizhou's urban area, with an investment of RMB100 million.



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

ENSURING STABLE AND RELIABLE WATER SUPPLY

INTELLECTUAL PROPERTY PROTECTION

The Group is committed to protecting our intellectual property rights and at the same time strictly prohibits infringement of the intellectual property rights of third parties. We strictly comply with the applicable laws and regulations⁷ relating to intellectual property rights. The Group also established the Intellectual Property and Patent Management System (《知識產權及專利管理制度》) to standardise the Group's intellectual property and patent management, define responsibilities and duties, protect the Group's intellectual property and patent from infringement and fight against illegal infringements. We have set up the Technical Patent Management System (《技術專利管理制度》) that covers the technical patent project establishment, research and development and acceptance, registration/application, filing, confidentiality, infringement/anti-infringement, maintenance procedures and archives management to protect various projects and R&D from infringement and to safeguard the Group's R&D achievements. At the same time, we prohibit our employees from making unauthorised use of third-party intellectual property rights, such as patents and trademarks.

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

SUPPLY CHAIN MANAGEMENT

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

Suppliers Selection	Suppliers Assessment	Continuing Assessment
<ul style="list-style-type: none"> Our procurement team will purchase through open tendering, selected bidding, request for quotation, competitive negotiation, market comparison and selection, business relationship continuation, etc. 	<ul style="list-style-type: none"> We review suppliers based on their credibility, price, quality and take into account their ESG performance to select qualified suppliers for inclusion in our approved supplier list. We clearly state the procurement method, elements constituting the prices of procured items, the standards of determining the conclusion of transactions and other relevant matters to suppliers. 	<ul style="list-style-type: none"> We will follow up and evaluate our suppliers and terminate the relationship with them immediately if a breach of contract and/or a serious violation is found until the situation improves.

⁷

Please refer to "List of Key Laws and Regulations" section of the Report for more details.

ENSURING STABLE AND RELIABLE WATER SUPPLY

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

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

As of 31 December 2024, the number of our major suppliers was 230 (we had 215 major Chinese suppliers in 2023) and all of them were from China. All major suppliers were required to implement practices relating to engaging suppliers and pass our established evaluation process prior to the initiation of formal purchases.

CARING FOR EMPLOYEES

UNSDGs



DIRECTION

People-oriented, care for and value our employees

TARGET

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

THE MOST MATERIAL ISSUES COVERED IN THIS CHAPTER:

- Employee Welfare
- Occupational Health and Safety

OVERVIEW OF EMPLOYEES

As at 31 December 2024, we had 255 (2023: 251) full-time employees in total. All of them were located in China.

Employee Composition ⁹	2024	2023
By Gender		
Male	174	173
Female	81	78
By Age Group		
30 or Below	50	51
31-40	76	71
41-50	84	92
51 or Above	45	37
By Employment Type		
Senior Management	8	7
Middle Management	38	37
General and Technical Staff	209	207

⁹ Included the Group's overall employee data.

CARING FOR EMPLOYEES

During the Reporting Period, the total employee turnover rate was 1% (2023: 2%), all of whom were full-time employees based in China.

Employee Turnover Rate ¹⁰	2024	2023
By Gender		
Male	1%	1%
Female	0%	3%
By Age Group		
30 or Below	4%	6%
31-40	0%	0%
41-50	0%	0%
51 or Above	0%	3%

ATTRACTING AND RETAINING TALENT

The Group adheres to “people-oriented” human resources management approach and is committed to attracting and retaining diversified talents, providing good welfare benefits and creating a healthy and safe working environment for employees. Therefore, the Group strictly complies with the laws and regulations¹¹ relating to the employment, and signs labour contracts with employees by the principles of equality and negotiation.

¹⁰ Included the Group's overall employee data.

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

CARING FOR EMPLOYEES

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

CARING FOR EMPLOYEES

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

CARING FOR EMPLOYEES

Launch of the Run Around the Reservoir

During the Reporting Period, we held a group-wide fitness run around the reservoir, which was 7 kilometers long and attracted more than 120 employees from the Group and its subsidiary to participate in the race and enjoy the beauty of the Zhuxi Reservoir by measuring the reservoir with their footsteps.

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

We encourage our staff to be physically fit through sports. During the Reporting Period, the first Corporate Culture Festival Swimming Competition was successfully held, in which 20 athletes from 7 teams of the Group and its subsidiaries (managed enterprises) demonstrated their styles and competed on the same stage, creating a strong team culture atmosphere.



CARING FOR EMPLOYEES

Enhancement of Nutritional Knowledge and Holding of Cooking Competitions

We are concerned about the physical and mental health of our employees. In order to enhance their knowledge of health and nutrition, establish the concept of healthy, civilized and scientific modern life, and create a green and ecological atmosphere of a state-owned enterprise, we successfully held cooking competitions during the Reporting Period, with the participation of a total of 24 contestants from 9 teams of the Group's various subsidiaries.

**Diversified Activities to Promote the Spirit of Sports Competition**

We are committed to enriching the recreational life of our young employees. During the Reporting Period, we successfully organized the first e-Sports Competition of Honor of Kings (王者荣耀) in Taizhou State-owned Enterprises.



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

CARING FOR EMPLOYEES

OCCUPATIONAL HEALTH AND SAFETY

The Group is committed to safeguarding the occupational health and safety of its employees by adhering to the work safety principle of “staying people oriented, insisting on safe development, prioritizing work safety, staying prevention oriented and adopting comprehensive management”. We comply with the relevant laws and regulations¹² relating to health and safety, establish an occupational health and safety system with reference to the international standards of Occupational Health and Safety Management System ISO 45001:2018 and set the annual work safety objective and the implementation plan every year. The Group’s subsidiary, Wenling Zeguo Water Supply Co., Ltd. (溫嶺市澤國自來水有限公司), has also been awarded the Safety Production Standardisation Level-3 Enterprise (安全生產標準化三級企業證書), and its safety standards have been recognized.

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

Work Safety Achievements

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



CARING FOR EMPLOYEES

Water Safety Seminar

During the Reporting Period, the Group held a series of thematic training sessions entitled “Water Safety Seminar” to strengthen the Group's production safety management team, enhance the Group's production safety management standard and protection capability, and practically improve the Group's production safety management personnel and frontline staff's safety awareness, knowledge, skills and ability to prevent accidents, handle emergencies and handle risks, so as to form a more comprehensive production safety management capability and governance system.

Work Safety Month

To raise the safety awareness of our staff, we organised the “Work Safety Month” during the Reporting Period with a series of publicity and education activities on work safety theme, including displaying safety slogans and warning signs, conducting safety education, organizing the viewing of publicity films on the theme of “Work Safety Month”, training on safe practices and fire safety, and launching of hazard detection and drills to ensure that our staff learn and apply the standards for determining major accident hazards in the industry, and have adequate work safety awareness and emergency response capabilities.

Firefighting Promotion Month

During the Reporting Period, the Group responded to the “Firefighting Promotion Month” with the theme of “Fire Safety for All and Taking Safety Priority” by adopting various forms of training, including fire equipment experience, teaching related to the use of fire-fighting equipment and fire escape, and teaching on the management of temporary use of electricity, etc., as well as conducting fire hazard inspections and fire drills. Through a series of enriching activities on fire safety promotion month, the Group deepened the understanding of fire safety among all cadres and staff and strengthened their emergency response capabilities to ensure the safe and stable operation of the water supply system, so as to provide the public with a higher quality, safe water supply services.



CARING FOR EMPLOYEES

Fire Emergency Drill

During the Reporting Period, the Group conducted a fire drill which simulated the scene of a fire in the west conference room on the third floor of the Group's headquarters complex caused by the aging of the wiring. Staff participated in the practice of using fire extinguishers and fire blankets to further consolidate the fire safety knowledge they have learned through hands-on operation.



During the Reporting Period, the Group did not have any lost days due to work injury (2023: nil) and did not have any work related fatalities (2023: nil). In addition, the Group has had no work-related fatalities in each of the past three years including the Reporting Period. We were not aware of any material non-compliance with laws and regulations relating to providing a safe working environment and the protecting employees from occupational hazards during the Reporting Period.

CARING FOR EMPLOYEES

DEVELOPMENT AND TRAINING

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

Training and Development ¹³	2024	2023	Unit
Employee Training			
Total Training Hours	5,642.50	10,309.50	Hour
Average Training Hours	21.96	40.43	Hour
Percentage of Employees Trained by Gender			
Male	68.51	68.67	%
Female	31.49	31.33	%
Percentage of Employees Trained by Employment Category			
Senior Management	2.98	2.81	%
Middle Management	14.89	14.86	%
General and Technical Staff	82.13	82.33	%
Average Training Hours Completed per Employee by Gender			
Male	22.17	37.95	Hour
Female	21.48	45.84	Hour
Average Training Hours Completed per Employee by Employment Category			
Senior Management	22.25	140.57	Hour
Middle Management	38.45	98.74	Hour
General and Technical Staff	18.97	26.88	Hour

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

CARING FOR EMPLOYEES

Strengthen the Financial Foundation, Recharge and Empower for Improvement

During the Reporting Period, the Group organized thematic training on finance. By focusing on the theme of “Application of New Income Standards in Water Supply Enterprises”, the Group analyzed and interpreted the new policies and regulations in a comprehensive and thorough manner in close connection with specific cases of water supply and pipeline installation projects, effectively enhancing the professionalism of the finance staff and business backbones.

**Organized A Special Learning Seminar on the New Company Law**

In order to further enhance the quality of the rule of law of all staff, the Group has established and improved its internal supervision and risk control system, and pushed its corporate governance and compliance management to a new level. During the Reporting Period, the Group invited a lawyer to give a special learning seminar to explain the key points of the amendment of the new Company Law.



CARING FOR EMPLOYEES

Launching Training to Enhance the Group's Innovation Capability

The training was conducted in an all-round and multi-disciplinary manner through a variety of methods such as lectures by experts, on-site teaching, exchanges and seminars, experiential teaching and team development, etc., to guide the trainees to strengthen their political experience, ideological training, professional training and practical exercises, and to enhance the staff's ability to perform their duties and their ability to innovate. The "Innovation Ability Enhancement Training Course" lasted for three months and consisted of 17 courses, which were attended by of the Group's middle management staff, members of its subsidiaries and 20 outstanding young cadres.

**PREVENTION OF CHILD LABOUR AND FORCED LABOUR**

We strictly prohibit any employment that violates human rights standards, strictly comply with the relevant laws and regulations on labour standards¹⁴ and do not employ child or forced labour. As the important gate keeper, our human resources department has established a series of internal control procedures to ensure the transparency and legality of the recruitment process, including checking the identity documents of new employees and avoiding the employment of child and illegal labour. In addition, we expressly stipulated the working hours, rest periods, overtime arrangements, holidays and other labour arrangements in the labour contracts of our employees to ensure that they enjoy sufficient rest days and to avoid overwork or forced labour. These procedures will be monitored and inspected on an ongoing basis and if any irregularities are found, the Group will take immediate steps to stop the relevant work and report to the regulatory authorities.

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

¹⁴

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

CARING FOR EMPLOYEES

ANTI-CORRUPTION

We are committed to building a clean corporate culture and values and strictly comply with the applicable laws and regulations¹⁵ relating to the anti-corruption and prohibit bribery, extortion, fraud and money laundering. In this regard, we have established the Manual for Integrity Risk Control (《廉潔風險防控手冊》) to clarify the core values of “anti-corruption” and have standardised and optimised the process of integrity risk prevention and control in all aspects. We develop the Schedule of Division of Responsibilities in Clean Party Construction and Anti-corruption (《黨風廉政建設和反貪腐敗工作責任分工表》) every year to clarify the responsibility of each department in anti-corruption work. In the meantime, the Discipline Inspection and Supervision Office of the Group is the core department in such management, which is responsible for researching and deploying anti-corruption and integrity promotion work, organising the formulation and implementation of discipline inspection and supervision work plan. The Discipline Inspection and Supervision Office also takes charge of accepting the whistleblowing and appeal from Party members and the public. In accordance with the Measures of Taizhou Municipal Discipline Inspection Commission and Taizhou Municipal Supervision Commission on the Management of Whistleblowing Box for Discipline Inspection and Supervision (Trial) (《台州市紀委市監委紀檢監察舉報箱管理辦法(試行)》), we set up the whistleblowing box at an appropriate place, thus effectively protecting the whistle-blower and the materials we have received and keep them confidential.

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

During the Reporting Period, the Group was not involved in any concluded legal cases regarding corrupt practices brought against the Group or its employees, nor was it aware of any material irregularities relating to the prevention of bribery, extortion, fraud and money laundering.

¹⁵

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

CARING FOR EMPLOYEES

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

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

Convening the 2024 Party Building and Clean Party Construction Work Conference

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

**Convening the Anti-corruption Warning Education Conference**

The warning education conference was convened during the Reporting Period, during which we focused on watching the special film on national security education and the warning education film, in order to educate and guide the Group's Party members and cadres to know what to fear, be fearful and abide by the bottom line, to continuously enhance their awareness of integrity and self-discipline, and to build up a strong ideological dam to resist corruption and prevent changes.



PROTECTING THE ENVIRONMENT

UNSDGs



DIRECTION

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

TARGET

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

THE MOST MATERIAL ISSUES COVERED IN THIS CHAPTER:

- Water Efficiency and Conservation
- Sewage Treatment





As an important part of the corporate philosophy, the Group has always adhered to environmental principles in its production, construction and operations. We not only strictly abide by the laws and regulations¹⁶ relating to the environment, but also has established a sound environmental management system, for which our subsidiary Taizhou City Water Co., Ltd. has been certified by the international ISO 14001:2015 environmental management system standard and has formulated a corresponding environmental management system in accordance with that system.

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

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



PROTECTING THE ENVIRONMENT

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

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

RESPONSE TO CLIMATE CHANGE

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

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

PROTECTING THE ENVIRONMENT

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

PROTECTING THE ENVIRONMENT

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

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

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

**Severe Typhoon**

During the Reporting Period, the Group conducted the 2024 joint emergency drill on flood and typhoon prevention, which covered various scenarios of flood and typhoon prevention, including exercises and setting up subjects such as transporting supplies, piling up flood control sandbags, pumping out water for flood control, fire evacuation, and firefighting, etc., in order to ensure that staff members are able to obtain adequate supplies and take effective precautions in the event of an extreme weather condition.

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

PROTECTING THE ENVIRONMENT

ENVIRONMENTAL PROTECTION MEASURES FOR CONSTRUCTION PROJECTS

In order to minimize the impact of construction projects on the environment and natural resources, we conduct environmental impact assessments in accordance with the relevant applicable laws and regulations¹⁷ prior to construction. Based on the characteristics of construction projects and the features of local environment, the major environmental impacts identified include: the impact of waste water, domestic sewage, construction noise and air emissions produced in the course of construction on the water, sound and atmospheric environment; the impact of land acquisition and occupation, earthwork and excavation, waste keeping and disposal during construction on the soil and water conservation and the ecological environment; and the impact of projects on regional water resources.

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

Prevention of Air Pollution

- Set up dust proof cover for the mixer and other machinery, and conduct fully enclosed construction or semi-enclosed construction to reduce dust generation during the construction process.
- Prohibit the use of concrete mixing system, cement loading and unloading and other operation in windy days to avoid dust from spreading to the surrounding environment.
- Harden the roads inside and outside the site, strengthen the road maintenance and keep the road clean to reduce the spread of dust and pollutants.
- Equip main construction roads with watering cars, and spray water to prevent dust to reduce dust concentration.
- Prevent vehicles from overloading and adopt vehicles with closed compartment for transportation to reduce the production of debris and dust on the road.
- For construction sites with areas producing dust, adopt manual control to spray water on the regular basis and cover the temporary stockyard with colour strips.





Prevention of Water Pollution

- Store the waste oil produced by the oil separating tank in the designated area, ensure safety in the designated area, engage qualified service providers to treat the waste oil in time, and prohibit careless treatment.
- Add flocculant to the waste water produced in the tunnel construction after adjusting the pH value, and discharge the waste water into nearby waterways after meeting the first-grade standard of Integrated Wastewater Discharge Standard (《污水綜合排放標準》) (GB8978-1996) through oil separation and sedimentation.
- For domestic sewage in the course of construction, construction workers try to lease the existing buildings from villages and towns in the region and make use of the existing domestic sewage treatment facilities to reduce the impact on the surrounding environment.

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

PROTECTING THE ENVIRONMENT

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

PROTECTING THE ENVIRONMENT

ENERGY AND GHG EMISSIONS MANAGEMENT

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

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

Continuously Operating Energy Management System Projects

As the performance of water supply of Taizhou Water Plant continues to improve, we also continue to expand the scale of it, which will lead to an increase of energy consumption in the future. In order to enhance our energy management capabilities and improve the energy utilization efficiency, we further refined our energy management system during the Reporting Period to promote the implementation of energy-saving renovation plans, and continuously improve the effectiveness of the energy management system through retrofitting of dust removal equipment fans, adjustment of chiller unit parameters, retrofitting of workshop lighting circuits, adjustment of the chilled water supply system, utilization of waste heat from air compressors and other measures.

PROTECTING THE ENVIRONMENT

Reducing Carbon Emissions by Photovoltaic Power Generation

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

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

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



PROTECTING THE ENVIRONMENT

WASTE AND WASTEWATER MANAGEMENT

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

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

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

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

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

PROTECTING THE ENVIRONMENT

USE OF RESOURCES

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

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

WATER SAVING

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

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

PROTECTING THE ENVIRONMENT

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

GREEN PROCUREMENT

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

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

PROTECTING THE ENVIRONMENT

OVERVIEW OF ENVIRONMENTAL PERFORMANCE DATA

KPIs ^{18 19}	2024	2023 ²³	Unit
GHG			
Total GHG emission (Scope 1 and 2)	26,227.52	27,118.52	tCO ₂ e
– Direct emission (Scope 1)	211.98	219.46	tCO ₂ e
– Indirect energy emission (Scope 2)	26,157.95	27,042.74	tCO ₂ e
– Total GHG reduced by planting trees	142.42	143.68	tCO ₂ e
Intensity of total GHG emissions (Scope 1 and 2)	44.68	49.07	tCO ₂ e/million tonne water supply
Air emissions			
Nitrogen oxides (NO _x)	153.66	173.66	kg
Sulfur oxide (SO _x)	1.11	1.17	kg
Particulate matter (PM)	12.09	14.22	kg
Energy²⁰			
Total energy consumption	45,625.20	45,167.83	'000 kWh
– Electricity	42,874.86	44,325.09	'000 kWh
– Diesel	69.10	79.09	'000 kWh
– Liquefied petroleum gas	71.66	60.23	'000 kWh
– Natural gas	155.34	125.78	'000 kWh
– Unleaded petrol	533.71	577.64	'000 kWh
– On-site renewable electricity consumed	1,920.53	N/A	'000 kWh
Intensity of total energy consumption	77.72	81.73	'000 kWh/million tonne water supply
Water consumption²¹			
Total water consumption	16,178.00	13,049.48	m ³
Intensity of total water consumption	27.56	23.61	m ³ /million tonne water supply
Waste²²			
Total non-hazardous waste	157.53	12,132.71	tonne
Intensity of total non-hazardous waste	0.27	21.95	tonne/million tonne water supply

¹⁸ Totals may not be the exact sum of numbers shown here due to rounding.

¹⁹ Our disclosures air and GHG emissions have been prepared based on the requirements in Appendix 2 to “How to Prepare an ESG Report” published by the Stock Exchange and “GHG Protocol Corporate Accounting and Reporting Standard (revised edition)” published by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). GHG emissions data is presented in terms of carbon dioxide equivalent. The data of direct emissions (Scope 1) includes operations that are direct controlled or managed by the Group. The data of indirect energy emissions (Scope 2) takes into consideration the indirect electricity, heat, refrigerants and steam consumed by the Group (purchased or sourced from external parties).

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

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

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

²³ The data for 2023 has been adjusted to reflect the actual situation.

CARING FOR THE COMMUNITY

UNSDGs



DIRECTION

Serve people with passion and create a harmonious community

TARGET

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

KEY ISSUES COVERED IN THIS CHAPTER:

- Promoting Water Conservation Education

As a responsible enterprise, the Group continuously devotes resources to making contributions to the community. During the Reporting Period, we focused on contributing focus areas such as helping the poor, environmental protection and promotion of water conservation, donating over RMB120,000 (2023: RMB120,000), and also visited and offered solace to villages to assist communities in need.

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

During the Reporting Period, the Group conducted pairing assistance in Xianshi Village, Shangzheng County, Huangyan District to revitalise the development of the village. The Group made a targeted donation of RMB50,000 to Xianshi Village, Shangzheng County, Huangyan District to support the infrastructure construction of the village. In addition, the Group visited the households in Xianshi Village to extend their condolences to the disadvantaged groups, understanding the living conditions of these residents, and presenting them with condolences.



CARING FOR THE COMMUNITY

Conducting Pre-Festival Couplets Activities in Gang Village

The Group visited the Xinwang Cooperative on Haihong Street to jointly carry out the New Year's greetings and water-saving publicity activities. During the event, calligraphy enthusiasts among family members of the Group's employees showcased their skills with brush and ink, presenting Spring Festival couplets to the villagers. Meanwhile, volunteers also introduced the water resources situation of the city and water-saving knowledge to the villagers, and distributed brochures and souvenirs.

**Promotion of Water Conservation**

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

We launched activities for the “National Water-Saving Publicity Week” at seven locations across the city. A total of 130 Party members were organized to participate in the activities, with over 1,700 water-saving brochures distributed to citizens, six themed publicity videos and 34 publicity slogans and catch-phrases produced. Over 2,700 people participated in the activities, further guiding residents to care for the water environment and protect water resources, and helped to deeply embed the concept of water-saving into people's minds.



LIST OF KEY LAWS AND REGULATIONS

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

LIST OF KEY LAWS AND REGULATIONS

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

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A. Environmental			
Aspect A1: Emissions			
General Disclosure		Protecting the Environment	38
Information on:		List of Key Laws and Regulations	52
(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.			
KPI A1.1	The types of emissions and respective emissions data.	Protecting the Environment – Overview of Environmental Performance Data	49
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.	Protecting the Environment – Overview of Environmental Performance Data	49
KPI A1.3	Total hazardous waste produced and intensity.	The Group generates a small amount of hazardous waste in the course of laboratory work and data is not disclosed due to the materiality principle. We will continue to compile statistics and will make relevant disclosures when significant hazardous waste is involved.	Not applicable
KPI A1.4	Total non-hazardous waste produced and intensity.	Protecting the Environment – Overview of Environmental Performance Data	49
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Protecting the Environment Protecting the Environment – Waste and Wastewater Management	38 46
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.	Protecting the Environment Protecting the Environment – Waste and Wastewater Management	38 46

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Aspect A2: Use of Resources			
General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.		Protecting the Environment	38
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Protecting the Environment – Overview of Environmental Performance Data	49
KPI A2.2	Water consumption in total and intensity.	Protecting the Environment – Overview of Environmental Performance Data	49
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Protecting the Environment Protecting the Environment – Energy and GHG Emissions Management	38 44
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.	Protecting the Environment Protecting the Environment – Water Saving	38 47
KPI A2.5	Total packaging material used for finished products and with reference to per unit produced.	The Group's business does not involve packaging materials.	Not applicable
Aspect A3: The Environment and Natural Resources			
General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.		Protecting the Environment	38
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Protecting the Environment	38
Aspect A4: Climate Change			
General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.		Protecting the Environment – Response to Climate Change	39
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Protecting the Environment – Response to Climate Change	39

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B. Social			
Employment and Labour Practices			
Aspect B1: Employment			
General Disclosure Information on:		Caring for Employees	24
(a) the policies; and		List of Key Laws and Regulations	52
(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.			
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Caring for Employees – Overview of Employees	24
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Caring for Employees – Overview of Employees	24
Aspect B2: Health and Safety			
General Disclosure Information on:		Caring for Employees	30
(a) the policies; and		– Occupational Health and Safety	52
(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.		List of Key Laws and Regulations	
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Caring for Employees – Occupational Health and Safety	30
KPI B2.2	Lost days due to work injury.	Caring for Employees – Occupational Health and Safety	30
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Caring for Employees – Occupational Health and Safety	30

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Aspect B3: Development and Training			
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Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		– Occupational Health and Safety	33
		Caring for Employees	
		– Development and Training	
KPI B3.1	The percentage of employees trained by gender and employee category.	Caring for Employees	33
		– Development and Training	
KPI B3.2	The average training hours completed per employee by gender and employee category.	Caring for Employees	33
		– Development and Training	
Aspect B4: Labour Standards			
General Disclosure		Caring for Employees	35
Information on:		– Prevention of Child Labour and Forced Labour	52
(a) the policies; and		List of Key Laws and Regulations	
(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.			
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Caring for Employees	35
		– Prevention of Child Labour and Forced Labour	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Caring for Employees	35
		– Prevention of Child Labour and Forced Labour	
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Policies on managing environmental and social risks of the supply chain.		– Supply Chain Management	
KPI B5.1	Number of suppliers by geographical region.	Ensuring Stable and Reliable Water Supply	22
		– Supply Chain Management	
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.	Ensuring Stable and Reliable Water Supply	22
		– Supply Chain Management	
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Ensuring Stable and Reliable Water Supply	22
		– Supply Chain Management	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Protecting the Environment	48
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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.		Ensuring Stable and Reliable Water Supply List of Key Laws and Regulations The Group's business does not involve advertising and labelling.	15 52
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group's business does not involve product recalls.	Not applicable
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Ensuring Stable and Reliable Water Supply – Customer Satisfaction	21
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Ensuring Stable and Reliable Water Supply – Intellectual Property Protection	22
KPI B6.4	Description of quality assurance process and recall procedures.	Ensuring Stable and Reliable Water Supply The Group's business does not involve product recalls.	15
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Ensuring Stable and Reliable Water Supply – Customer Privacy and Data Security	20
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.		Caring for Employees – Anti-Corruption List of Key Laws and Regulations	36 52
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.	Caring for Employees – Anti-Corruption	36
KPI B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	Caring for Employees – Anti-Corruption	36
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Caring for Employees – Anti-Corruption	36

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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.		Caring for the Community	50
KPI B8.1	Focus areas of contribution.	Caring for the Community	50
KPI B8.2	Resources contributed to the focus area.	Caring for the Community	50