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







2025
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 seventh Environmental, Social and Governance ("ESG") Report (the "Report"). Guided by the sustainability strategy, the Report discloses and highlights our sustainability management 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 2025 to 31 December 2025 (the "Reporting Period"). Unless otherwise specified, the Report covers the core business operations in Taizhou, the People's Republic of China (the "PRC"), including water supply and the installation of water pipelines, 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 disclosure requirements 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 "HKEX").

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 disclose our 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.

REPORTING LANGUAGE

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

EXPLANATION ON FIGURES

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

FEEDBACK

We particularly value feedback and suggestions from our stakeholders regarding our sustainability performance and reporting. Your opinions are vital in helping us to continuously improve our sustainability strategy. Please email us at ir@zjtzwater.com to share your views.

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 2025 is the year marking the conclusion of the "14th Five-Year Plan" and the planning phase for the "15th Five-Year Plan". It also coincides with the 30th anniversary of the commissioning of Changtan Water Diversion Project Phase I (the Huangjiaowen Joint Water Supply Project) and represents a pivotal year for the Group as it accelerates efforts to enhance quality and efficiency, and drive transformation and upgrading. Guided by the national strategic directions of "water conservation priority" and the "Dual Carbon" goals, the Group will anchor the overarching goal of building a modern and comprehensive water group, with smart water management as its core driver. Aligning with water industry policy trends, we will thoroughly implement the spirit of General Secretary Xi Jinping's important expositions on the reform and development of state-owned enterprises, Party building, and water management, water conservation and water use. The Group will optimize its industrial layout, further strengthen and refine its core businesses, focus on building a higher-standard water supply security system, steadily advance the extension of the industrial chain, accelerate the cultivation and development of new quality productive forces, establish an integrated innovation system of "water services + technology + talent", enhance core functionalities, elevate core competitiveness, and drive high quality development of the Group.

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, as the principles of environmental, social and governance continue to take root, the water supply sector will undergo a further transformation towards smart, low-carbon, resource-efficient and sustainable practices, thereby providing a solid foundation for high-quality economic and social development.



SUSTAINABILITY HIGHLIGHT OF THE YEAR

Implementation of Energy Management System Project

During the Reporting Period, we continued to refine our energy management system to facilitate the implementation of energy-saving transformation programs in an effort to promote green production development. In addition, in line with our green and low-carbon development goals, we established a task force to fully advance projects aimed at optimizing the "water-electricity-energy balance" and applying artificial intelligence ("AI") models. The development of AI modules is progressing steadily, and the smart energy dispatch platform has been preliminarily established. Through the implementation of various policies, the comprehensive energy consumption per unit of the product at the company level declined significantly in 2025.

Implementation of Pipeline Potable Water Project

During the Reporting Period, we continued to advance the pipeline potable water project in residential communities. Taizhou's first such project in a residential community – the Jiali Sunshine Garden (嘉麗陽光苑) in Huangyan District – officially began supplying water. The pipeline potable water project is a key initiative to elevate residents' drinking water from "safe and high-quality" to "higher quality," and represents a concrete step toward improving the well-being of the people.



Conducting Water Conservation Advocating Week Activity

During the Reporting Period, we actively responded to the initiative of "National Water Conservation Advocating Week" by organizing a variety of activities, including public awareness campaigns on water conservation and public initiatives on water conservation, to guide residents to care for the water environment and protect water resource, promoting the concept of water conservation into the public consciousness.



Issuance of the First Green Perpetual Bond

We actively explored new pathways for green finance. During the Reporting Period, we successfully issued the "2025 Green Perpetual Bond of Taizhou Water", which was the first newly issued green perpetual bond in Zhejiang Province in 2025, achieving the lowest coupon rate among comparable rated bonds of the same type in the province over the past three years. The green projects funded by this bond are expected to supply approximately 12.1731 million tons of water annually and save approximately 1.0956 million tons of water annually.



MAJOR PROJECT CONSTRUCTION MILESTONES OF THE YEAR

Taizhou South Water Resources Optimization Project Commences Operation and Grid Connection

The Taizhou South Water Resources Optimization Project features a total pipeline length of approximately 15.2 kilometers. The project officially connected to the grid and commenced water supply in May 2025, delivering 100,000 tons of high-quality treated water to the main urban area of Taizhou on a daily basis. This project operates in parallel with the DN1200 dual pipeline of the Taizhou Phase II Treated Water Pipeline, serving as a mutual backup and enabling coordinated water distribution. This design effectively mitigates the water supply risks associated with a singleline failure, thereby enhancing the safety and reliability of water supply to the main urban area.



Successful Dual-Reservoir Water Diversion and Coordinated Operation

Significant progress has been made in the commissioning of the water conveyance system connecting the Zhuxi Reservoir project in Taizhou City to the Changtan regulating station. The coordinated operation and joint water supply of the Zhuxi Reservoir and the Taizhou Changtan Reservoir deliver an average of 90.72 million cubic meters of high-quality raw water annually to 3.5 million residents in the southern part of Taizhou.



HONOURS AND AWARDS

Organizers	Awards and Honours	Awarded Organization
Zhejiang Urban Water Industry Association	Modernized Water Treatment Plants in Zhejiang Province's Urban Water Supply System	East Zone of Taizhou Binhai Water Co., Ltd.* (台州市濱海水務有限公司)
Party Working Committee of Taizhou State-owned Assets Supervision and Administration Commission	Outstanding Case of the "Double Hundred Tackling, Dual Core Pioneering" Campaign in the Municipal State-owned Assets System	Taizhou Binhai Water Co., Ltd.* (台州市濱海水務有限公司)

OUR SUSTAINABILITY MANAGEMENT APPROACH

The Group regards sustainability as the foundation of our business development. In response to policies including the "15th 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 realizing our vision of "becoming the leading integrated developer and operator of water, environmental, and resource services in the Yangtze River Delta region."

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 matters (including, but not limited to, climate-related issues, risks, and opportunities) and providing regular recommendations to the Board. The Working Group is composed of representatives from the Group's main business segments and various ESG-related operating divisions, and is chaired by the chairman of the Board of the Group so as to ensure that the Board has ultimate responsibility for comprehensively overseeing the Group's sustainability strategy, management approach and performance, while focusing on the Group's sustainability and industry positioning.

Roles and Responsibilities

Board of Directors (Strategy Committee)

- Full responsibility for the Group's sustainability strategy and reporting
- Comprehensively oversees the Group's sustainability strategy, management approach and performance
- Regularly discusses and reviews the Group's sustainability risks and opportunities (including, but not limited to, climate-related risks and opportunities, as well as environmental and social risks in the supply chain), performance and progress



ESG Working Group

- Assists in the development and review of the Group's sustainability strategies, priorities, targets and goals
- Identifies, assesses, reviews, and manages material ESG-related risks and opportunities
- Reviews and monitors the implementation of ESG-related policies and practices
- Regularly monitors and reviews progress and performance against ESG goals and targets
- Supervises the main business and relevant operating departments to promote the relevant ESG work status
- Spearheads the sustainability efforts in the daily operation of the Group



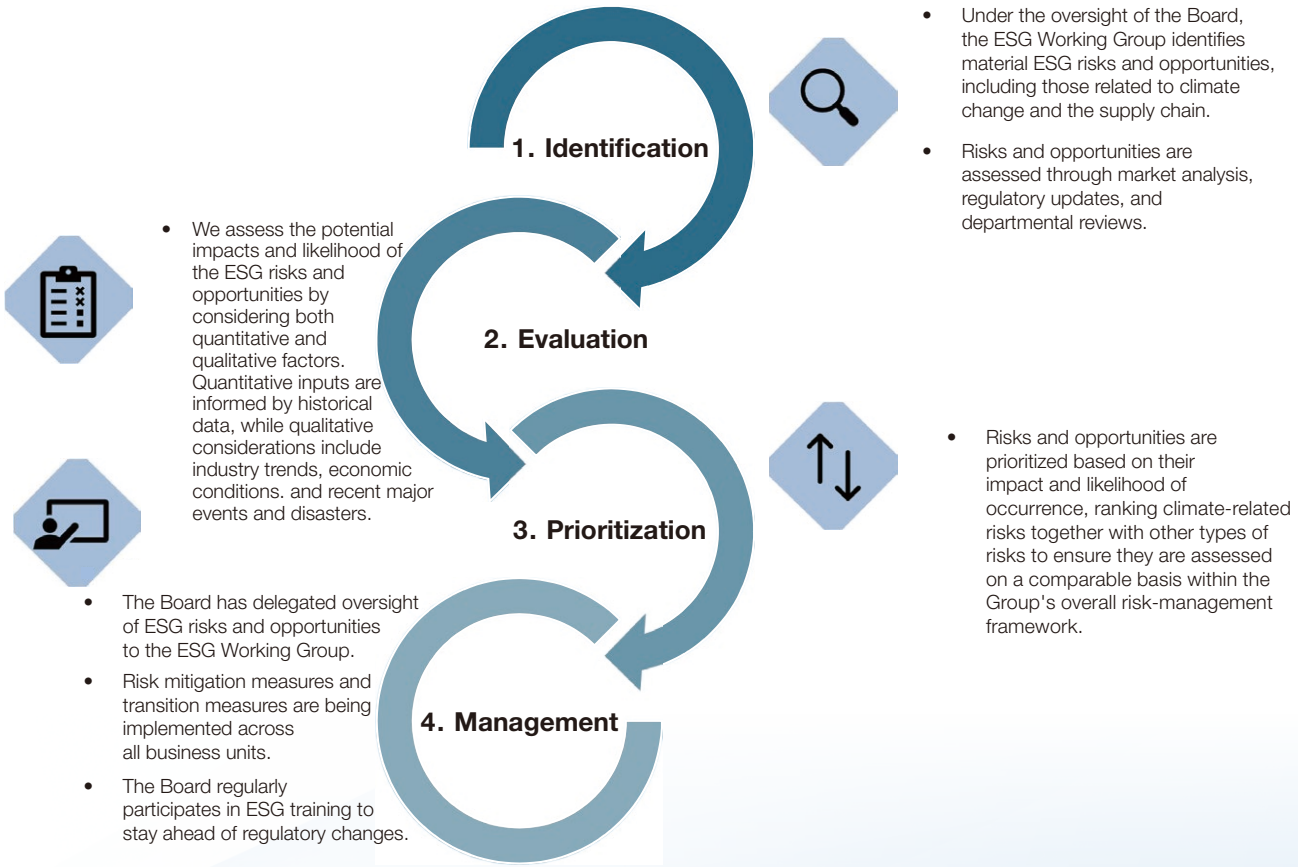
Main Business and ESG-related Operating Divisions

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

OUR SUSTAINABILITY MANAGEMENT APPROACH

SUSTAINABILITY RISK AND OPPORTUNITY MANAGEMENT

Sustainability risk and opportunity management is critical to our long-term business resilience and serves as the cornerstone of sound corporate governance. By referencing the latest market and international ESG disclosure standards and materiality matrix published by authoritative ESG rating agencies – including the Sustainability Accounting Standards Board ("SASB") standards, International Financial Reporting Standard S1 – General Requirements for Disclosure of Sustainability-related Financial Information ("IFRS S1"), International Financial Reporting Standard S2 – Climate-related Disclosures" ("IFRS S2"), and MSCI's ESG industry materiality matrix, the ESG Working Group appointed by the Board is responsible for regularly identifying, assessing, prioritizing, and managing material sustainability-related risks and opportunities (including, but not limited to, climate-related risks and opportunities, as well as environmental and social risks in the supply chain). The Board bears ultimate oversight responsibility for the management of the Group's internal environmental, social, and governance risks and opportunities. For details on climate-related risks and opportunities, please refer to the section headed "Respond to Climate Change".



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 section headed "Protecting the Environment" of the Report.

STAKEHOLDER ENGAGEMENT

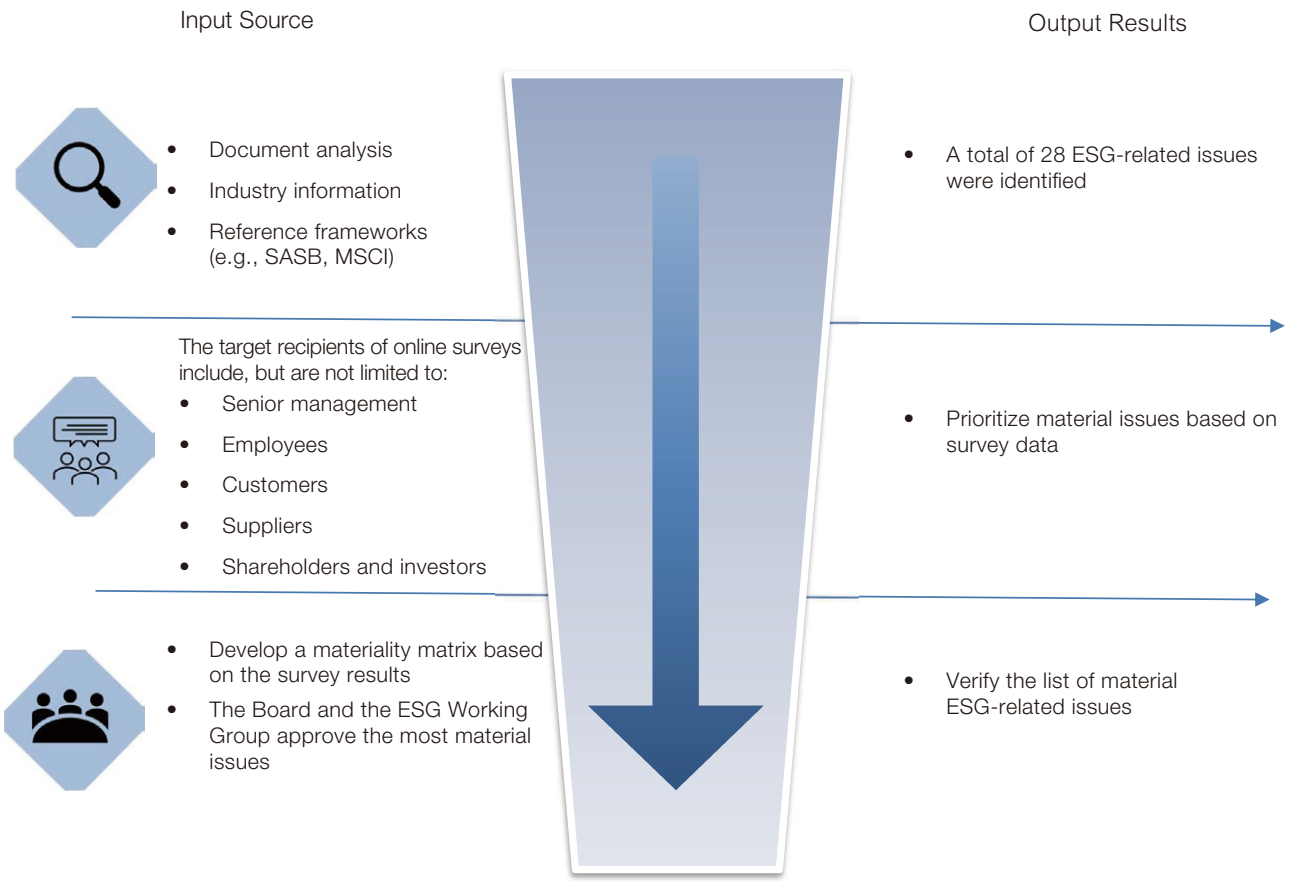
The opinions of the Group's stakeholders are critical to our business and sustainability. In order to understand and meet the expectations of our stakeholders, the Group maintains various channels of communication with its key stakeholders.

MAJOR TYPES OF STAKEHOLDERS AND COMMUNICATION CHANNELS

Major Types of Stakeholders	Communication Channels
Employees	• Regular internal meetings • Training and seminar for business needs • Festive care and welfare activities • Annual performance appraisal
Customers	• 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	• 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	• 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	• 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	• Website and WeChat public account of the Group • Corporate circulars and announcements • Collaborate with external agencies to organize community and volunteer activities

MATERIALITY ASSESSMENT

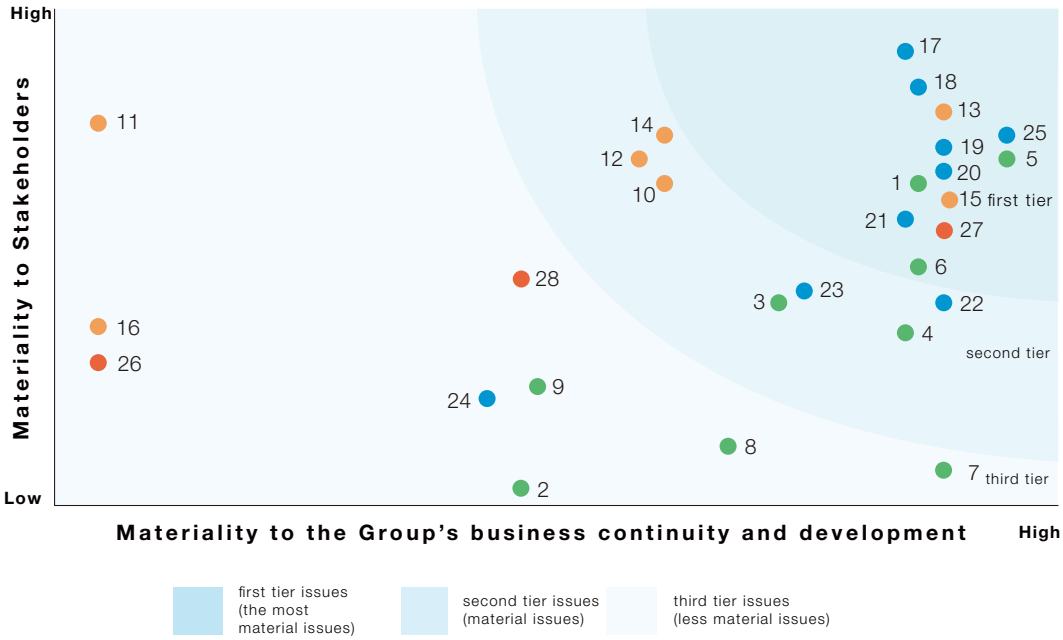
We conduct materiality assessment on an ongoing basis to identify sustainability issues relevant to the Group's business and stakeholders. The Group conducts a comprehensive review of the impact of ESG-related issues on the company and its stakeholders, and identifies and prioritizes annual material ESG issues to more accurately reflect stakeholder priorities:



STAKEHOLDER ENGAGEMENT

The materiality matrix below shows the relative significance of the 28 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 issues of increasing importance. The 11 issues at the first tier of the matrix are the most material issues 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.

Materiality Matrix



LIST OF ESG ISSUES:

Environment	Employees	Operation	The Community
1. Climate Resilience and Responsiveness	10. Employment Relationship	17. Water Quality and Water Safety	26. Supporting Community Development
2. Air Emissions	11. Employee Welfare	18. Water Supply Pressure and Stability	27. Promoting Water Conservation Education
3. Waste Disposal and Recycling	12. Equal Opportunity, Diversity and Anti-discrimination	19. Affordability and Accessibility of Water Resources	28. Collaboration for Sustainable Development of the Industry
4. Carbon Reduction and Energy Efficiency	13. Occupational Health and Safety	20. Customer Service	
5. Water Efficiency and Conservation	14. Staff Development and Training	21. Data Protection and Cybersecurity	
6. Sewage Treatment	15. Employment Compliance	22. Technology Development	
7. Biodiversity	16. Social Risks in the Supply Chain	23. Intellectual Property Protection	
8. Green Procurement		24. Marketing and Advertising	
9. Environmental Risks in the Supply Chain		25. Anti-corruption	

THE MOST MATERIAL ISSUES:

No.	Issue	Related Section
1	Climate Resilience and Responsiveness	Response To Climate Change
5	Water Efficiency and Conservation	Water Saving
6	Sewage Treatment	Waste and Wastewater Management
13	Occupational Health and Safety	Occupational Health and Safety
15	Employment Compliance	Prevention of Child Labour and Forced Labour
17	Water Quality and Water Safety	Water Quality and Water Safety
18	Water Supply Pressure and Stability	Sufficient and Stable Water Supply
19	Affordability and Accessibility of Water Resources	Customer Satisfaction
20	Customer Service	Customer Satisfaction
21	Data Protection and Cybersecurity	Customer Privacy and Data Security
25	Anti-corruption	Anti-corruption
27	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
- Water Resources Affordability and Accessibility
- Customer Service
- Data Protection and Cybersecurity
- 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 have 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 is the largest source 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.

ENSURING STABLE AND RELIABLE WATER SUPPLY

We have obtained the health permit for products involving drinking water safety. 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 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.

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.

Successful Joint Commissioning and Supply of Dual Reservoirs

Significant progress has been made in the commissioning of the water conveyance system connecting the Zhuxi Reservoir project in Taizhou City to the Changtan regulating station. The coordinated operation and joint water supply of the Zhuxi Reservoir and the Taizhou Changtan Reservoir deliver an average of 90.72 million cubic meters of high-quality raw water annually to 3.5 million residents in the southern part of Taizhou, which marks the substantive operation phase of Taizhou's "dual water sources, dual safeguards" water supply security system, and provides a "robust support" for comprehensively enhancing the safety and resilience of Taizhou's urban water supply and improving livelihood services.



Water Resources Optimization Project Realizes Jiaojiang-Luqiao Dual-Line Interconnection

During the Reporting Period, purified water delivered by Taizhou Water Treatment Plant was officially connected to the water supply pipeline of Jiaojiang main urban area, marking the successful completion of the grid-connected operation of the Taizhou South Water Resources Optimization Project, which lasted nearly one and a half years. The Taizhou South Water Resources Optimization Project can stably deliver 100,000 tonnes of high-quality purified water to the main urban area of Taizhou per day.



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 Water 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 optimized the installation process and compressed business processing time.

Smart Water Data Governance

During the Reporting Period, we held a review meeting on smart water information governance standards, to comprehensively examine the achievements in the development of the smart water information governance standard system, and further elevate the level of digitalization. At the review meeting, the information center of the Group delivered a detailed report on the formulation of the smart water information governance standard system. This system fully covers all aspects of smart water information governance, including five core segments, namely working guidelines, indicator system specifications, master information specifications, information models and information acquisition standards, and has formulated 4 guidelines and 27 specifications.



PROJECT QUALITY

Ensuring the quality of projects will help us to implement water supply constructions and services. We have formulated and implemented 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.



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 guarantees that it only collects 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, it promotes the importance of data confidentiality among its employees, and specifies in its labour contracts and employee handbooks that employees are obliged to keep the Group's business secret and the customer information confidential. It also requires employees to handle customer information carefully.

Cyber Security Promotion and Implementation

In order to enhance employees's awareness of network data security and protection skills, we held a work meeting on cyber security and informatization during the Reporting Period, invited external experts to deliver training on cyber security offensive and defensive knowledge, which has improved employees' cyber security awareness and capabilities.



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 on the Group. We handle customer complaints carefully and keep written records for all complaints. The relevant 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, the Group did not receive any material complaints[1] about products and services (2024: 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.

Proactive Advancement of Potable Water Projects to Deliver "High-Quality Drinking Water" for Residents

During the Reporting Period, the Group, in collaboration with Zhejiang University and Leo Group, advanced the official commissioning and water supply of the potable water pipeline project at Yangfan Wutongfu (楊帆梧桐府) in Jiaojiang, marking a key step for Taizhou residents towards a quality lifestyle with access to "high-quality drinking water".



Renovation of Old Pipelines in Residential Communities

The enterprises' renovation of old pipelines was of critical urgency, which affected the production of key enterprises in the park and the safety of water supply for surrounding residents. After 120 consecutive days of construction, we have completed the renewal of a total of 3,508 metres of pipelines. Upon completion and after rigorous testing, both the water quality compliance rate and water supply pressure stability rate reached 100%, completely resolving the water supply bottlenecks in the area. The project widely adopted an "off-peak and on-site" construction model, and set up an "appointment service" green channel for the elderly and people with reduced mobility, minimizing disturbance to residents and earning positive public recognition.



[1] 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.

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 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/antiinfringement, 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》), to regulate the Group's procurement methods, principles and procedures.

Suppliers Selection	Suppliers Assessment	Continuing Assessment
• Our procurement team will purchase through open tendering, selected bidding, request for quotation, competitive negotiation, market comparison and selection, business relationship continuation, etc.	• 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.	• 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.

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 2025, the number of our major suppliers was 265 (we had 230 major Chinese suppliers in 2024) 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.

ANTI-CORRUPTION

We are committed to building a clean corporate culture and values 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.

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 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, bringing together the leadership team and members of various Party branches of the Group to enhance awareness related to anti-corruption.



Integrity-themed Party Day Activities

During the Reporting Period, we organized Party Day activities themed "Learn the Spirit, Strengthen Conduct and Promote Practical Action (學精神 • 強作風 • 促實幹)". Through visits to integrity education bases including the Anti-Corruption and Duty Crime Prevention Education Center (反腐倡廉暨預防職務犯罪教育中心) and the Clean Party Conduct Education Hall (黨風廉政教育館), we educated and guided the Group's Party members and cadres to know what to fear, exercise self-restraint and abide by the bottom line, to continuously enhance their awareness of integrity and self-discipline, and to fortify the ideological defenses against corruption.



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:

- Occupational Health and Safety
- Prevention of Child Labour and Forced Labour

OVERVIEW OF EMPLOYEES

As at 31 December 2025, we had 265 (2024: 255) full-time employees in total. All of them were located in China.

Employee Composition[2]	2025	2024
By Gender		
Male	**177**	174
Female	**88**	81
By Age Group		
30 or Below	**57**	50
31-40	**75**	76
41-50	**86**	84
51 or Above	**47**	45
By Employment Type		
Senior Management	**7**	7
Middle Management	**40**	37
General and Technical Staff	**218**	209

[2] Included the Group's overall employee data.

During the Reporting Period, the total employee turnover rate was 0.4% (2024: 0.8%), all of whom were full-time employees based in China.

Employee Turnover Rate[3]	2025	2024
By Gender		
Male	**0.6%**	1.1%
Female	**0.0%**	0.0%
By Age Group		
30 or Below	**1.8%**	4.0%
31-40	**0.0%**	0.0%
41-50	**0.0%**	0.0%
51 or Above	**0.0%**	0.0%

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 signs labour contracts with employees by the principles of equality and negotiation.

[3] Included the Group's overall employee data.

CARING FOR EMPLOYEES

Compensation	• Provide employees with competitive remuneration and benefits based on job requirements and personal job performance. • Regularly review the overall employee remuneration and benefits on an 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	• Ensure that all employees are subject to labour 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 been reached or the relevant injury assessment certificate has been issued.
Recruitment and Promotion	• 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 bring outstanding talents with both moral integrity and professional competence and remarkable performance to the fore.
Working Hours	• 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	• 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	• 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 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	• 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.

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

OCCUPATIONAL HEALTH AND SAFETY


萬泰認證

职业健康安全管理体系
认证证书

台州城市水务有限公司

GB/T 45001-2020/ISO45001:2018

认证范围

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 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 Standardization 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 analyze 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 by 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.

Specialised Training for Personnel Engaged in Hazardous Chemicals

During the Reporting Period, the Group conducted specialized training for personnel engaged in hazardous chemicals operations. The training aimed to strengthen the professional competence and sense of responsibility of relevant personnel, further enhance the Group's hazardous chemical safety management standards, provide participants with a deeper and more systematic understanding of hazardous chemical safety management, and effectively improve their safety management capabilities in practical operations.



Work Safety Month

To enhance employees' safety awareness, the Group organized a campaign under the theme "Everyone Concerns Safety, Everyone Knows Emergency Response" during the Reporting Period. A series of production safety promotion and educational activities were conducted, including targeted safety inspections, hazard elimination drills and safety knowledge competitions. These efforts have continuously strengthened the safety awareness and emergency response capabilities of all staff, fostered a safer, more harmonious and stable water services environment, and provided a solid safety foundation for the Group's high-quality development.



Fire Safety Training and Drill

During the Reporting Period, in response to the "Firefighting Promotion Month", the Group organized fire safety training and drills under the theme “Public Fire Fighting to Put Life First – Safe Use of Fire and Electricity". The activities effectively enhanced employees’ fire safety awareness and emergency response capabilities. Through this fire safety training and drill, the fire safety awareness of all management and staff has been further enhanced. Participants strengthened their mental resilience and practical response capabilities in simulated scenarios, thereby ensuring the safe and stable operation of the water supply system and enabling the provision of higher-quality and safer water supply services to the public.



During the Reporting Period, the Group did not have any lost days due to work injury (2024: nil) and did not have any work related fatalities (2024: 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.

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[4]	2025	2024	Unit
Employee Training			
Total Training Hours	**5,677.50**	5,642.50	Hour
Average Training Hours	**21.34**	21.96	Hour
Percentage of Employees Trained by Gender			
Male	**67.77**	68.51	%
Female	**32.23**	31.49	%
Percentage of Employees Trained by Employment Category			
Senior Management	**2.89**	2.98	%
Middle Management	**16.12**	14.89	%
General and Technical Staff	**80.99**	82.13	%
Average Training Hours Completed per Employee by Gender			
Male	**21.72**	22.17	Hour
Female	**20.59**	21.48	Hour
Average Training Hours Completed per Employee by Employment Category			
Senior Management	**76.50**	22.25	Hour
Middle Management	**26.86**	38.45	Hour
General and Technical Staff	**18.57**	18.97	Hour

[4] 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.

Enhancing Service Skills and Understanding Customer Needs

During the Reporting Period, the Group organized training to enhance customer service skills. Centring on the theme of 'Customer First, Service-Driven Success', the training employed a practical approach combining 'theoretical instruction, scenario simulations, case analysis and interactive exercises'. In-depth analysis and hands-on training were conducted for high-frequency scenarios such as water fee enquiries and meter reading services, which effectively enhanced the professional competence of heads of business departments and frontline customer service staff.



Organized A Special Learning Seminar on the Civil Code

To further enhance employees' in-depth understanding of key legal concepts such as contract formation, performance and liability for breach of contract, and to strengthen the compliance awareness of all staff, the Group invited lawyers to deliver a special learning seminar during the Reporting Period. Focusing on the full-cycle contract management, the seminar comprehensively sorted out the key points and considerations in contract management, covering aspects such as signing, performance, amendment and termination of contracts.



Conducted Professional Skills Improvement Training for Production and Operation

To enhance the skill levels of frontline staff and improve the relevance of professional training, the Group organized a forum on improving production and operation professional skills during the Reporting Period. Combining the water quality inspection results, the person in charge of the Group's Technical Quality Center provided an in-depth interpretation of the skill requirements for operational staff under the new water quality standards, aiming to improve the water supply reliability and service level. The training was attended by heads of relevant departments, senior management from various water companies, and representatives of frontline staff.



PREVENTION OF CHILD LABOUR AND FORCED LABOUR

We strictly prohibit any employment that violates human rights standards, 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.

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 use and water consumption

THE MOST MATERIAL ISSUES COVERED IN THIS CHAPTER:

- Climate Resilience and Responsiveness
- 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 have established a sound environmental management system, for which our subsidiary Taizhou City Water Co., Ltd. has been certified by the ISO 14001:2015 environmental management system standard and has formulated a corresponding environmental management system in accordance with that system.


萬泰認證

职业健康安全管理体系
认证证书

台州城市水务有限公司

GB/T 45001-2020/ISO45001:2018

认证范围

With the strategic planning of the “15th Five-Year Plan”, the Group will align closely with the national strategic directives of “water conservation priority” and the “Dual Carbon” goals. Taking smart water services as our core engine, we will thoroughly implement the important expositions of General Secretary Xi Jinping on water management, water conservation and water use. We will actively explore opportunities in renewable water and solid waste treatment, while extending our focus to rural sewage treatment, striving to achieve breakthroughs in the environmental protection sector.

During the Reporting Period, the Group was not aware of any material violation of laws and regulations regarding exhaust gas 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.

GOVERNANCE

Board's Roles and Oversight

The Board of the Group bears ultimate responsibility for overseeing climate-related risks and opportunities. With the assistance of the ESG Working Group, it supervises the Group's climate-related issues, including climate change policies, the management of climate-related risks and opportunities and progress toward our "green targets". The ESG Working Group reports to the Board at least annually on sustainability matters and climate-related issues, risks and opportunities are considered as part of the Board's ongoing oversight of the Group's strategy and risk management. The scope of reporting covers climate-related issues, climate-related risks and opportunities. The Board considers trade-offs between climate factors in strategy formulation, major transaction decisions and risk management processes, balancing them against other business, financial and operational priorities, as well as progress on climate target implementation, thereby integrating climate considerations into the Board's overall decision making.

The members of the Board and the ESG Working Group are equipped with sufficient knowledge of climate-related issues and possess an in-depth understanding of their impact on the Group's business and operations. The Group regularly provides training and materials on climate-related topics to ensure the Board remains well-informed and up-to-date.

Management's Role

Under the supervision of the Board, the ESG Working Group, composed of representatives from the Group's core business and various operating departments, is responsible for assessing and managing climate-related risks and opportunities, planning and implementing climate-related measures, and reviewing climate-related policies. The ESG Working Group implements the strategic directions established by the Board by integrating climate-related factors into daily operations.

For details, please refer to the section headed "Sustainability Governance".

STRATEGY

Faced with the long-term challenges posed by climate change, we deepened the breadth and depth of our climate strategic planning during the Reporting Period. We assessed the financial and non-financial impacts of climate change on the Group from the dimensions of business operations, supply chain and market environment, further enhancing our climate resilience. The table below summarises climate-related risks and opportunities, their financial and non-financial impacts on our business, as well as our transition measures. However, since data availability and quantification methods continue to develop or evolve, we will continue to monitor and, where feasible, describe the concentration of climate-related risks and opportunities across our business model and value chain. As research in this area continues to evolve, we expect to strengthen our understanding and further identify relevant risks and opportunities across our core operations.

KEY CLIMATE-RELATED RISKS AND THEIR IMPACTS

Climate-related Risks	Financial Impacts	Non-financial Impacts	Response and Transition Measures
Physical Risks			
Operational Risks Ⓢ Ⓜ Ⓛ **Climate-related physical risks – acute physical risks:** The increasing frequency and intensity of extreme weather events (e.g., typhoons, floods caused by heavy rainfall and extreme high temperatures) inflict direct physical shocks on the Group's global operational network	**Current Financial Impact** • Rising maintenance and replacement costs for facilities and equipment at operating sites due to frequent extreme weather events such as floods and typhoons **Anticipated Financial Impact** • Higher costs of preventive measures in the short to medium term due to frequent extreme weather events • Potential increase in property insurance premiums in the long term amid frequent extreme weather events	• Power outages and network failures caused by extreme weather disrupt municipal water supply services, impair user experience and platform reputation, and may lead to customer churn or lower satisfaction • The Group's physical assets face direct damage risks, resulting in operational interruptions and production capacity losses • Elevated safety risks during employee commuting pose threats to their lives and safety	• Deploy defensive measures against extreme weather, such as convening meetings to arrange preventive measures before the onset of extreme weather such as typhoons and severe cold; deploying engineering personnel to safe zones in accordance with typhoon and flood prevention plans; dismantling potentially hazardous facilities; and adopting corresponding anti-freeze measures to prevent damage to water supply facilities caused by rain, snow, ice and freezing disasters • Regularly monitor weather conditions, closely track local meteorological early warnings and targetedly strengthen facility protection and emergency preparedness against severe weather such as super typhoons and rainstorms to ensure stable operation of the water supply and drainage systems • Issue safety reminders to all employees prior to severe weather to prompt them to make proper preparations and take protective measures • Enhance hazard identification and remediation for emergencies such as floods, waterlogging, typhoons and droughts, and summarize the key work for flood and typhoon prevention • Prioritize local and nearby suppliers to reduce delays caused by logistics disruptions and/or material supply delays

Ⓢ Short-term (2030) Ⓜ Medium-term (2040) Ⓛ Long-term (2050)

Climate-related Risks	Financial Impacts	Non-financial Impacts	Response and Transition Measures
Operational Risks **ⓂⓁ Climate-related physical risks – chronic physical risks:** Long-term shifts in climate patterns (e.g., sea level rise and sustained high temperatures) increase health risks for employees	**Current Financial Impact** • Rising temperatures due to global warming have significantly increased cooling loads and electricity demand at the Group's operating locations, leading to higher energy costs **Anticipated Financial Impact** • In the medium to long term, refrigeration equipment experiences accelerated aging and deterioration due to high-temperature and high-load operations, resulting in increased maintenance costs caused by heat-related wear and tear • In the medium to long term, additional capital expenditure may be required to invest in higher-efficiency or high-temperature-resistant cooling systems	• Persistent high temperatures may increase the failure rates of property or production equipment at the Group's business locations and reduce labor productivity, thereby affecting the stability and reliability of our operations • Working in high-temperature environments significantly raises the risks of heatstroke, heat exhaustion and related occupational diseases, which may lead to lost working hours, increased medical insurance expenses and lower labor productivity, thereby affecting the stability of our operations	• Formulate the Carbon Peak and Carbon Neutrality Action Plan of Taizhou Water Group Co., Ltd. (《台州市水務集團股份有限公司碳達峰碳中和行動方案》), with key measures including phasing out inefficient and outdated equipment, installing solar photovoltaic panels, replacing existing vehicles with new energy vehicles, increasing ecological greening and developing smart water utilities • Provide heatstroke prevention supplies to frontline staff working in extreme heat • Raise employees' awareness of heat stress-related illnesses • Provide more cooling facilities for employees • Adjust rest schedules for employees, especially for those working outdoors

Ⓢ Short-term (2030) Ⓜ Medium-term (2040) Ⓛ Long-term (2050)

Climate-related Risks	Financial Impacts	Non-financial Impacts	Response and Transition Measures
Transition Risks			
Compliance Risks **Ⓜ Ⓛ Policy and legal risks:** Global and regional regulators are accelerating the push for emission reduction requirements, including China's "Dual Carbon" strategy progress, carbon pricing and the expansion of carbon markets. Meanwhile, the HKEX mandates climate-related disclosures, requiring enterprises to set targets, conduct scenario analysis and calculate Scope 3 emissions. Overall, climate policies are becoming increasingly stringent, imposing higher transparency and emission reduction requirements on enterprises	**Current Financial Impact** • Rising temperatures due to global warming have significantly increased cooling loads and electricity demand at the Group's operating locations, leading to higher energy costs **Anticipated Financial Impact** • To meet policy trends, equipment upgrades may generate additional capital expenditures in the medium to long term • Compliance costs may increase in the short term to adhere to new policies or establish new processes	• Failure to meet mandatory climate disclosure requirements may trigger regulatory inquiries, penalties or litigation, damaging brand reputation and stakeholder trust • Failure to timely adjust business models to adapt to the low-carbon economic transition may derail long-term strategic plans and weaken market competitiveness	• Regularly review government policies, regulatory requirements and latest developments related to climate to ensure compliance with regulations • Provide employees with training on climate-related government policies and regulatory requirements to ensure adherence to new regulations • Establish communication mechanisms with third-party professional sustainability consultants regarding the HKEX's new climate information disclosure requirements and the ISSB S2 Sustainability Disclosure Standards, and discuss feasible future disclosure updates • Regularly assess and disclose climate-related risks, gradually addressing the relevant provisions of the HKEX's new climate information disclosure requirements

Ⓢ Short-term (2030) Ⓜ Medium-term (2040) Ⓛ Long-term (2050)

Climate-related Risks	Financial Impacts	Non-financial Impacts	Response and Transition Measures
ⓂⓁ Market (reputational risks): Customers, investors and other stakeholders are paying growing attention to climate change. Enterprises with high carbon emission intensity or inadequate environmental management practices may face questioning and negative feedback from stakeholders	**Current Financial Impact** • No significant direct financial losses incurred **Anticipated Financial Impact** • In the medium to long term, reputational damage and/or loss of social license may lead to reduced revenue	• Sustained high carbon emissions will damage the Group's environmental reputation, weaken its brand appeal to customers, partners and investors, and ultimately lead to a decline in its market competitive position	• Regularly and closely monitor market dynamics and industry trends • Actively maintain communication with stakeholders to understand their perceptions of the Company and anticipate current and potential economic, political, social or environmental issues that may be detrimental to our reputation • Develop crisis communication and social media policies, and regularly update and test them to ensure consistent, responsible and proactive responses (including handling major incidents) to safeguard the Company's reputation • Actively explore the application of low-carbon technologies in water supply facilities

Ⓢ Short-term (2030) Ⓜ Medium-term (2040) Ⓛ Long-term (2050)

KEY CLIMATE-RELATED OPPORTUNITIES AND THEIR IMPACTS

Climate-related Opportunities	Financial Impacts	Non-Financial Impacts	Response Measures and Transition Measures
Ⓢ Ⓜ Ⓛ **Energy sources – adoption of renewable energy or green power:** Amidst the global decarbonization trend, the economic viability and accessibility of renewable energy are increasingly improving, presenting strategic opportunities for the Group to optimize its energy mix and pursue low-carbon operations	**Current Financial Impact** • Reduce reliance on external grid electricity and lower electricity expenses through the implementation of energy-saving measures **Anticipated Financial Impact** • New revenue streams may be developed in the medium to long term through the sale of surplus green electricity, green certificates and other related products	• Enhance brand reputation and market competitiveness • Proactively deploy renewable energy to mitigate future regulatory risks	• Develop distributed photovoltaic power stations, using photovoltaic power generation to replace externally purchased electricity, thereby reducing electricity costs for water plants while lowering greenhouse gas and pollutant emissions associated with coal-fired power generation • Implement pipeline potable water projects to achieve direct supply through advanced purification treatment, reducing the use of bottled and barrelled water as well as pollution and carbon emissions caused by discarded packaging • Continuously explore the application of green and low-carbon technologies in water utility scenarios, promote the utilization of clean energy, water conservation and carbon reduction, and contribute to the achievement of the "Dual Carbon" goals
Ⓢ Ⓜ **Resource efficiency:** Significantly reduce long-term operating costs by investing in high-efficiency equipment and optimizing operational management	**Current Financial Impact** • Adopting equipment with higher energy efficiency and improving resource utilization efficiency in daily operations helps reduce operating costs **Anticipated Financial Impact** • Reducing energy consumption directly decreases carbon emissions, which may potentially lower regulatory expenditures in the medium term	• Reduce carbon emissions generated during operations, helping the Group meet carbon emission regulations and disclosure requirements • Demonstrate the Group's concrete actions on climate change, enhancing brand reputation and market competitiveness	• Implement multiple measures to optimize energy efficiency, including actively promoting new energy-saving technologies, processes, equipment and materials • Closely monitor energy consumption in offices and other facilities as well as energy consumption in water supply systems, and reduce electricity consumption through digital empowerment • Encourage employees to turn off lights and unnecessary energy-consuming devices to lower energy consumption

Ⓢ Short-term (2030) Ⓜ Medium-term (2040) Ⓛ Long-term (2050)

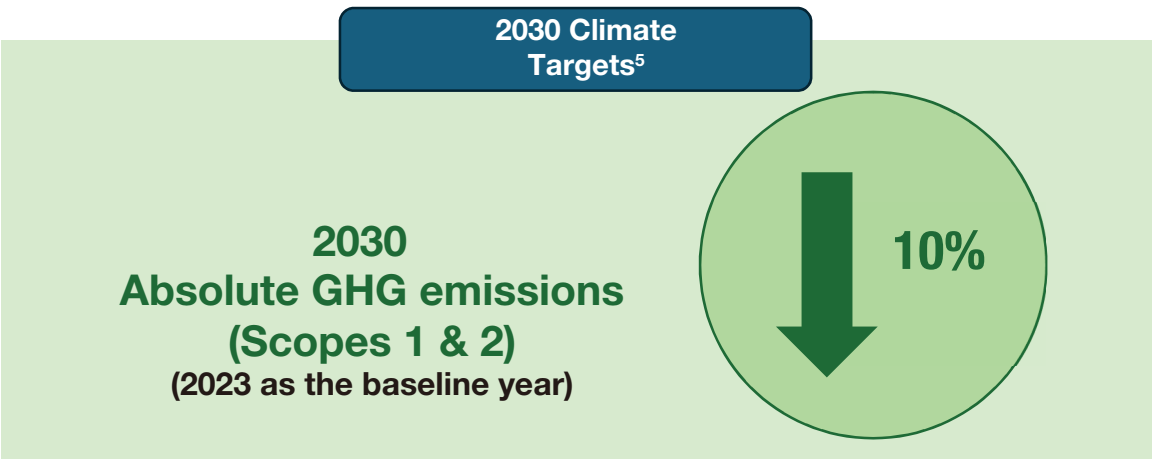
RISK MANAGEMENT

The Board takes the ultimate responsibility for formulating and implementing risk management mechanisms. Under the supervision of the Board and the ESG Working Group, we conduct assessments of sustainable development risks and opportunities, including climate-related risks and opportunities. We identify, evaluate and manage the potential impact and probability of climate-related risks and opportunities, and prioritize them accordingly. Based on the assessment results, the Group has formulated corresponding mitigation measures to enhance our risk response capabilities.

For details, please refer to the section headed "Sustainability Risk and Opportunity Management".

METRICS AND TARGETS

We are committed to addressing climate change and actively reducing GHG emissions within our operational scope. In response to China's "3060 Dual Carbon Goals" (i.e., achieve peak carbon emissions by 2030 and achieve carbon neutrality by 2060), and taking into account the Paris Agreement – an international climate agreement aimed at limiting global temperature rise to within 1.5°C above pre-industrial levels, the Group has established a clear decarbonization pathway based on its business characteristics and is steadily advancing its low-carbon transition. Within this framework, we disclose key climate-related metrics annually in our ESG reports, including Scope 1, Scope 2, and Scope 3 greenhouse gas ("GHG") emissions, energy consumption, and have also set 2030 climate targets[5]. We report the achievement of metrics and targets to the Board annually to continuously monitor and improve our environmental performance.



[5] Our GHG emissions target applies to the Group's core businesses. Details of the scope are set out in the section headed "Reporting Scope". We will consider the potential use of quality carbon credits and renewable energy certificates ("RECs") as part of our decarbonisation pathway and continue to monitor relevant guidance and market developments relating to carbon credits and offsets, including HKEX guidance on the use of carbon credits to offset GHG emissions in achieving GHG emissions targets.

Furthermore, to enhance the adaptability of our operations to climate change, we have set the following green targets:

Green Targets			Progress
	Energy Use Efficiency	Improve the efficiency of energy use through digital energy management.	Achieved
	Water Use Efficiency	Improve the efficiency of water use by reducing the consumption rate of the pipe network and adopting water conservation measures.	Achieved
	Waste Management	Continue to reduce waste generation through process improvement, and recycle and reuse as much waste as possible.	In progress

* Calculate according to density

To strengthen carbon emission management across the value chain, and through collaboration among various business departments and teams, we conducted an initial review of Scope 3 emission sources as defined by the GHG Protocol (i.e., indirect GHG emissions across the value chain) during the Reporting Period, and disclosed GHG (Scope 3) emission data for the first time, providing a basis for formulating further emission reduction strategies. Although the Group has relatively limited influence over certain Scope 3 categories, we will continue monitoring and strive to further improve related disclosures in the near future, with a view to reducing carbon emissions throughout the entire value chain.

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 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 considerable 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, we 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.
Waste Management	• 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	• 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	• Minimise the damage to vegetation and reduce the impact on the ecological environment. • Make full use of soil and stones produced in excavation to minimise damage to and waste of land.

Protection of Ecological Environment	• 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.

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 new energy-saving technologies, processes, equipment and materials
- Encourage employees to turn off lights and unnecessary energy consuming devices to lower energy consumption
- Reducing electricity consumption through digital empowerment

Continuously Promoting the Use of Renewable Energy

During the Reporting Period, 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) to explore a new low-carbon development model of "Water Services + Photovoltaics". We have completed distributed photovoltaic power generation projects with an annual power generation of 2.23 million kWh, saving approximately RMB2 million in annual electricity costs, and reducing carbon emissions by more than 1,000 tonnes. We have realised the coordinated development of "clean water production" and "green power generation", thereby reducing GHG, waste gas and pollutant emissions caused by coal combustion.



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
Office 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, striving to achieve the goal of “waste-free plant”. These measures help to reduce water discharge and improve our protecting the environment level.

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 minimise 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

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

GREEN FINANCE

The Group regards green finance as a key pillar in implementing its climate response strategies and advancing low-carbon transition, and is committed to building a financing system aligned with sustainable development goals.

During the Reporting Period, the Group upgraded its entity credit rating to “AA+” with a “stable” outlook. It successfully issued “Taizhou Water 2025 Green Renewable Bonds”, with an issuance size of RMB380 million and a subscription multiple of 2.98 times. This has further broadened green financing channels and reduced financing costs, providing stable funding support for climate-related projects, including smart water service upgrading and wastewater treatment facility improvement and retrofitting, and ensuring the coordinated advancement of climate goals and financial sustainability.

OVERVIEW OF ENVIRONMENTAL PERFORMANCE DATA

KPIs[6, 7]	2025	2024	Unit
GHG[8]			
Total GHG emission (Scope 1 and 2)	**25,623.25**	26,227.52	tCO_2e
Total GHG emission (Scope 1, 2 and 3)	**25,731.95**	N/A	tCO_2e
– Direct emission (Scope 1)	**177.67**	211.98	tCO_2e
– Indirect energy emission (Scope 2) – location-based	**25,607.75**	26,157.95	tCO_2e
– Other indirect emission (Scope 3)[9]	**108.70**	N/A	tCO_2e
– Total GHG reduced by planting trees	**162.17**	142.42	tCO_2e
Intensity of total GHG emissions (Scope 1 and 2)	**34.25**	44.68	tCO_2e/million tonne water supply
Intensity of total GHG emissions (Scope 1, 2 and 3)	**34.39**	N/A	tCO_2e/million tonne water supply
Air emissions			
Nitrogen oxides (NO_x)	**150.52**	153.66	kg
Sulfur oxides (SO_x)	**0.92**	1.11	kg
Particulate matter (PM)	**11.66**	12.09	kg
Energy[10]			
Total energy consumption	**47,230.38**	45,625.20	'000 kWh
– Purchased non-renewable electricity	**44,327.08**	42,874.86	'000 kWh
– Diesel	**59.37**	69.10	'000 kWh
– Liquefied petroleum gas	**16.62**	71.66	'000 kWh
– Natural gas	**205.74**	155.34	'000 kWh
– Unleaded petrol	**403.32**	533.71	'000 kWh
– On-site renewable electricity generated	**2,218.25**	1,920.53	'000 kWh
Intensity of total energy consumption	**63.14**	77.72	'000 kWh/million tonne water supply

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

7 Our disclosures of air and GHG emissions have been prepared based on the requirements in Appendix 2 to "How to Prepare an ESG Report" published by the HKEX and "GHG Protocol Corporate Accounting and Reporting Standard (revised edition)" published by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). GHG emissions data is presented in terms of carbon dioxide equivalent. The data of direct emissions (Scope 1) includes operations that are direct controlled or managed by the Group. The data of indirect emissions (Scope 2) takes into consideration the indirect electricity, heat, refrigerants and steam consumed by the Group (purchased or sourced from external parties), while other indirect emissions under Scope 3 arise from the Group's value chain.

8 Carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O) are included in GHG calculations. Hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3) are not applicable.

9 Scope 3 emissions comprise available data from category 6: business travel and category 7: employee commuting.

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

PROTECTING THE ENVIRONMENT

KPIs[6, 7]	2025	2024	Unit
Water consumption[11]			
Total water consumption	**14,342.00**	16,178.00	m^3
Intensity of total water consumption	**19.17**	27.56	m^3/million tonne water supply
Waste[12]			
Total non-hazardous waste	**215.40**	157.53	tonne
Intensity of total non-hazardous waste	**0.29**	0.27	tonne/million tonne water supply

11 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 includes measurable data of the Group, and does not include all the data of water consumption.

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

CARING FOR THE COMMUNITY

UNSDGs



DIRECTION

Serve people with passion and create a harmonious community

TARGET

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

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 poverty alleviation, environmental protection and promotion of water conservation, donating over RMB210,000 (2024: RMB120,000), and also visited and offered solace to villages to assist communities in need.

Anti-Drowning Safety Classes Held in Primary Schools

During the Reporting Period, the Group joined hands with the Taizhou Public Safety Education Center (台州市公共安全教育館) to launch anti-drowning safety classes on campus, providing students with a practical "Drowning Prevention Survival Guide". The activities helped students master practical safety skills, promoted the transmission of safety knowledge between families and schools, and built a strong line of defense for the life safety of youngsters by shouldering the responsibilities of a state-owned enterprise.



CARING FOR THE COMMUNITY

Carrying Out Volunteer Services for the Elderly

During the Reporting Period, the Group organized a series of volunteer services for the elderly. Party member volunteers visited communities to provide free public welfare photography; called on the Elderly Association to have heart-to-heart talks with the elderly; offered "one-on-one" guidance on water supply services at service counters, explaining water conservation and facility maintenance knowledge in local dialects to help the elderly bridge the "digital divide". Through diverse forms, the activities fulfilled corporate social responsibility and made water services more caring.



Diverse Practices for Water-Saving Publicity Week

The Group launched a series of promotional activities during the Reporting Period, aiming to raise public awareness of water conservation. We organized volunteers to go deep into communities to provide water-saving consultation, water supply facility maintenance and other services; visited primary and secondary schools to strengthen teenagers' awareness of water conservation through fun interactions; collaborated with government departments to replace water-saving facilities in nursing homes. Adopting the model of "science popularization + services + practices", we promoted the concept of water conservation, integrated water-saving actions into daily life, and laid a solid social foundation for building a water-saving city and supporting sustainable development.



LIST OF KEY LAWS AND REGULATIONS

Areas	HKEX's Reporting Code	Key Laws and Regulations
Environmental	A. Environmental	• 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》)
Employment	B1. Employment B4. Labour Standards	• 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》)
Health and Safety	B2. Health and Safety	• 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 the 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

Areas	HKEX's Reporting Code	Key Laws and Regulations
Health and Safety of Products and Services	B6. Product Responsibility	• 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》)
Engineering Construction		• 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》)
Intellectual Property		• 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》)
Data Protection and Privacy		• 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》) • Cybersecurity 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》)
Anti-corruption	B7. Anti-corruption	• 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》)

HKEX ESG REPORTING CODE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs		Section/Statement
A. Environmental		
Aspect A1: Emissions		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		Protecting the Environment List of Key Laws and Regulations
KPI A1.1	The types of emissions and respective emissions data.	Protecting the Environment – Overview of Environmental Performance Data
KPI A1.2	[Delete on 1 January 2025]	N/A
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.
KPI A1.4	Total non-hazardous waste produced and intensity.	Protecting the Environment – Overview of Environmental Performance Data
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Protecting the Environment – Waste and Wastewater Management
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 – Waste and Wastewater Management

HKEX ESG REPORTING CODE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs		Section/Statement
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
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Protecting the Environment – Overview of Environmental Performance Data
KPI A2.2	Water consumption in total and intensity.	Protecting the Environment – Overview of Environmental Performance Data
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Protecting the Environment – Energy and GHG Emissions Management
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 – Water Saving
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.
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
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

HKEX ESG REPORTING CODE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs		Section/Statement
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		Caring for Employees List of Key Laws and Regulations
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Caring for Employees – Overview of Employees
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Caring for Employees – Overview of Employees
Aspect B2: Health and Safety		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		Caring for Employees – Occupational Health and Safety 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
KPI B2.2	Lost days due to work injury.	Caring for Employees – Occupational Health and Safety
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

HKEX ESG REPORTING CODE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs		Section/Statement
Aspect B3: Development and Training		
General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		Caring for Employees – Occupational Health and Safety Caring for Employees – Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category.	Caring for Employees – Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Caring for Employees – Development and Training
Aspect B4: Labour Standards		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.		Caring for Employees – Prevention of Child Labour and Forced Labour List of Key Laws and Regulations
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Caring for Employees – Prevention of Child Labour and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Caring for Employees – Prevention of Child Labour and Forced Labour
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure Policies on managing environmental and social risks of the supply chain.		Ensuring Stable and Reliable Water Supply – Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Ensuring Stable and Reliable Water Supply – 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 – 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 – 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 – Green Procurement

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Subject Areas, Aspects, General Disclosures and KPIs		Section/Statement
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 or labelling.
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.
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
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Ensuring Stable and Reliable Water Supply – Intellectual Property Protection
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.
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
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
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
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Caring for Employees – Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Caring for Employees – Anti-corruption

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Subject Areas, Aspects, General Disclosures and KPIs		Section/Statement
Community		
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
KPI B8.1	Focus areas of contribution.	Caring for the Community
KPI B8.2	Resources contributed to the focus area.	Caring for the Community

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Climate-related Disclosures		Section/Statement
(I) Governance		
19.	An issuer shall disclose information about:	Sustainability Governance Response to Climate Change – Governance The Group has not yet incorporated climate-related performance indicators into its remuneration policy. We will explore the feasibility of improving the remuneration policy.
	(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	
	(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	
	(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	
	(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	
	(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and	
	(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	
	(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	
	(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	

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Climate-related Disclosures		Section/Statement
(II) Strategy		
Climate-related risks and opportunities		
20.	An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	Response to Climate Change – Strategy
	(a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	
	(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	
	(c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	
	(d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	
Business model and value chain		
21.	An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:	Response to Climate Change – Strategy Since data availability and quantification methods continue to develop or evolve, we will continue to monitor and, where feasible, describe the concentration of climate-related risks and opportunities across our business model and value chain.
	(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	
	(b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	

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Climate-related Disclosures		Section/Statement
Strategy and decision-making		
22.	An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	Response to Climate Change – Strategy Response to Climate Change – Metrics and Targets
	(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	
	(i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	
	(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);	
	(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and	
	(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and	
	(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	
23.	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	Not applicable

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Climate-related Disclosures		Section/Statement
Financial position, financial performance and cash flows		
Current financial effect		
24.	An issuer shall disclose qualitative and quantitative information about:	Response to Climate Change – Strategy We have identified major climate-related risks and opportunities and disclosed their current and/or anticipated qualitative financial effects. Given the high level of measurement uncertainty arising from data limitations and evolving climate science and methodologies, the resulting quantitative financial effects may not provide meaningful insights. We will continue to review the feasibility of disclosing such data as our business operations evolve.
	(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	
	(b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	The risk of a material restatement of relevant data in the next reporting year is not significant.
Anticipated financial effect		
25.	The issuer shall provide qualitative and quantitative disclosures about:	Response to Climate Change – Strategy We have identified major climate-related risks and opportunities and disclosed their current and/or anticipated qualitative financial effects. Given the high level of measurement uncertainty arising from data limitations and evolving climate science and methodologies, the resulting quantitative financial effects may not provide meaningful insights. We will continue to review the feasibility of disclosing such data as our business operations evolve.
	(a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	
	(i) its investment and disposal plans; and	
	(ii) its planned sources of funding to implement its strategy; and	
	(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	

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Climate-related Disclosures			Section/Statement
Climate resilience			
26.	An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:		Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will launch a comprehensive assessment to evaluate the resilience of our strategy and business model under various climate-related scenarios and time horizons, so as to make information disclosure in accordance with regulatory requirements in the future.
	(a)	the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	
		(i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	
		(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and	
		(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	
	(b)	how and when the climate-related scenario analysis was carried out, including:	
		(i) information about the inputs used, including:	
		(1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;	
		(2) whether the analysis included a diverse range of climate-related scenarios;	
		(3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;	
		(4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;	
		(5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	
		(6) time horizons the issuer used in the analysis; and	
		(7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	
		(ii) the key assumptions the issuer made in the analysis; and	
		(iii) the reporting period in which the climate-related scenario analysis was carried out.	

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Climate-related Disclosures		Section/Statement
(III) Risk Management		
27.	An issuer shall disclose information about:	Sustainability Risk and Opportunity Management Response to Climate Change – Strategy Response to Climate Change – Risk Management
	(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	
	(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	
	(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	
	(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	
	(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;	
	(v) how the issuer monitors climate-related risks; and	
	(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	
	(b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	
	(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	

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Climate-related Disclosures		Section/Statement
(IV) Metrics and Targets		
Greenhouse gas emissions		
28.	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO_2 equivalent, classified as:	Response to Climate Change – Overview of Environmental Performance Data
	(a) Scope 1 greenhouse gas emissions;	
	(b) Scope 2 greenhouse gas emissions; and	
	(c) Scope 3 greenhouse gas emissions.	
29.	An issuer shall:	
	(a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	Response to Climate Change – Overview of Environmental Performance Data We are evaluating the potential need to purchase quality RECs and carbon credits in the future to meet our carbon reduction target.
	(b) disclose the approach it uses to measure its greenhouse gas emissions including:	
	(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	
	(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	
	(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	
	(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and	
	(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	Response to Climate Change – Overview of Environmental Performance Data

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Climate-related Disclosures		Section/Statement
Climate-related transition risks		
30.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future.
Climate-related physical risks		
31.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future.
Climate-related opportunities		
32.	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future.
Capital deployment		
33.	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future.

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Climate-related Disclosures		Section/Statement
Internal carbon prices		
34.	An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	We have not yet integrated internal carbon price into our decision-making processes. We will explore the application of internal carbon price in the future.
Remuneration		
35.	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	The Group has not yet incorporated climate-related performance indicators into its remuneration policy. We will explore the feasibility of improving the remuneration policy.
Industry-based metrics		
36.	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Not applicable.

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Climate-related Disclosures		Section/Statement
Climate-related targets		
37.	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	Response to Climate Change – Metrics and Targets
	(a) the metric used to set the target;	
	(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	
	(c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	
	(d) the period over which the target applies;	
	(e) the base period from which progress is measured;	
	(f) milestones or interim targets (if any);	
	(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and	
	(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	
38.	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	Response to Climate Change – Metrics and Targets We will explore the feasibility of having the Group's targets validated by a third party.
	(a) whether the target and the methodology for setting the target has been validated by a third party;	
	(b) the issuer's processes for reviewing the target;	
	(c) the metrics used to monitor progress towards reaching the target; and	
	(d) any revisions to the target and an explanation for those revisions.	No revisions were made during the reporting period.

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Climate-related Disclosures		Section/Statement
39.	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Response to Climate Change – Metrics and Targets
40.	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	Response to Climate Change – Metrics and Targets
	(a) which greenhouse gases are covered by the target;	
	(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	
	(c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	
	(d) whether the target was derived using a sectoral decarbonisation approach; and	At present, the target was not derived using a sectoral decarbonisation approach for target setting. We are evaluating the potential need to purchase quality RECs and carbon credits in the future to meet our carbon reduction target. Disclosure will be considered following this assessment.
	(e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	
	(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	
	(ii) which third-party scheme(s) will verify or certify the carbon credits;	
	(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	
	(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	
41	In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	Response to Climate Change – Overview of Environmental Performance Data