Tianjin Capital Environmental Protection Group Co. Ltd.

H Share Stock Code:1065 A Share Stock Code: 600874



2025

Sustainability and ESG Report

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About the Report

Report Description

This Report is the tenth Environmental, Social, and Governance (ESG) Report (referred to as “the Report”) released by Tianjin Capital Environmental Protection Group Co., Ltd.(referred to as “the Group”). The Report is published on an annual basis, focusing on the disclosure of the Group's management, practices, and performance in environmental, social, and governance aspects. The Report is available in both Chinese and English versions and has been uploaded to the website of The Stock Exchange of Hong Kong Limited (“the Exchange”) and the Shanghai Stock Exchange (“SSE”) for public access. In case of any discrepancies between the Chinese and English versions of this Report, the Chinese version shall prevail.

Basis of Compilation

This Report has been prepared in accordance with the requirements of the *Environmental, Social and Governance Reporting Code* (the “ESG Code”) set out in Appendix C2 to the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (the “Listing Rules”), the requirements of the *Shanghai Stock Exchange Self-Regulatory Guidelines No.14-Sustainable Development Reports for Listed Companies*, and with reference to the *ESG Reporting Indicator System for Central State-Owned Enterprises' Listed Companies issued* by the State-owned Assets Supervision and Administration Commission of the State Council, the *GRI Sustainability Reporting Standards* (GRI Standards), Core Option (2021 edition), issued by the Global Sustainability Standards Board (GSSB), and the United Nations Sustainable Development Goals (SDGs).

Scope and Boundary of the Report

Unless otherwise specified, the information contained in this Report covers the period from 1 January 2025 to 31 December 2025 (hereinafter referred to as the “Reporting Period”), with some content extending beyond the Reporting Period. During the Reporting Period, if any changes in statistical scope or statistical methodology result in inconsistencies with data disclosed in previous reports, the relevant data will be restated in this Report. This Report covers Tianjin Capital Environmental Protection Group Co., Ltd. and its subsidiaries (collectively referred to as “the Group”, “we” or “the Company”), and its information boundary is consistent with that of the Company's annual report. The term “Capital Environmental Protection” is used to refer to the parent company of the Group.

The Group's core businesses include wastewater treatment, water supply, recycled water, new energy for cooling and heating, sludge disposal, and hazardous waste treatment. The environmental and social key performance indicators (“KPIs”) and other relevant statistical information cover the Group's directly operated sites within the aforementioned business scope. These businesses and operational sites are financially significant and operationally impactful to the Group, over which the Group exercises direct operational control. The Group will continue to enhance the internal data collection systems and, where feasible, expand the scope of reporting disclosures further.

The abbreviations of some subsidiary and holding companies mentioned in the Report are as follows:

Full Name	Abbreviation
Tianjin Zhongshui Co., Ltd.	Zhongshui Company
Tianjin Caring Technology Development Co., Ltd	Caring Company
Tianjin Tianchuang Green Energy New Energy Technology Co., Ltd.	Green Energy Company
Tianjin Tianchuang Environmental Technology Co., Ltd.	Tianchuang Environmental

Reporting Principles

This Report follows the reporting principles in the ESG Code of the Exchange, including:
Materiality: The threshold at which ESG issues determined by the board are sufficiently important to investors and other stakeholders that they should be reported.
Quantitative: KPIs in respect of historical data need to be measurable. The issuer should set targets (which may be actual numerical figures or directional, forwardlooking statements) to reduce a particular impact. In this way the effectiveness of ESG policies and management systems can be evaluated and validated. Quantitative information should be accompanied by a narrative, explaining its purpose, impacts, and giving comparative data where appropriate.
Balance: The ESG report should provide an unbiased picture of the issuer's performance. The report should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.
Consistency: The issuer should use consistent methodologies to allow for meaningful comparisons of ESG data over time.

Source of Information and Reliability Assurance

The information in the Report is sourced from internal data of the Group, investigation and interview records, and relevant documents. The Board of Directors of the Group (hereinafter referred to as the “Board," with its members as “Directors”) commits that the Report does not contain any false or misleading information and is responsible for its truthfulness, accuracy, and completeness. Unless otherwise specified, the currency type and amounts related to the data in the Report are denominated in Renminbi (RMB).

Board Statement

The Board of Directors holds the highest level of oversight over ESG matters and related reporting, and advances the relevant management work with the coordinated support of the Group's committees and management. The Board's oversight of Tianjin Capital Environmental Protection's ESG work and procedures is reflected in its support for and evaluation of the management of and response to material ESG-related risks and opportunities, ensuring that these are embedded in business operation strategies, major transaction decisions, assessments of potential pros and cons, risk management policies, and long-term value creation.

To ensure the effective implementation of ESG work, the Group has explicitly incorporated ESG-related assessment requirements into its performance management measures. Through standardized management and strengthened execution, the Group promotes the effective implementation of its sustainable development strategy. This Report was reviewed by management and approved by the Board of Directors on 25 March 2026.

Chairman's Statement



“As time advances, we remain steadfast in action; as green development endures, our original aspiration stays firm as a rock. The year 2025 marks the twenty-fifth anniversary of the listing of Capital Environmental Protection, and is also a crucial year in which the Company was guided by the ESG philosophy to lead high-quality development. During the year, we upheld the mission of “Restoring clear waters to the world and delivering freshness to humanity.” We deeply integrated the concept of sustainable development into strategic planning and daily operations, and steadily moved forward on the path of protecting the ecological environment, giving back to all sectors of society, and improving corporate governance, thereby writing a new chapter of ESG practice for state-owned enterprises through solid work and innovation.”

Governance as the soul: Refining the foundation for development.

We have taken Party building as the guide and comprehensively embedded the Party's leadership across all aspects of corporate governance. Party organizations have been established in more than 60 subsidiaries wherever eligible, and the distinctive Party-building model of “Integration • Win-win” has deeply empowered production and operation. We have improved the corporate governance structure of the “three meetings and one management”, with four specialized committees established under the Board of Directors, including the Strategic and ESG Committee. Throughout the year, 25 Board meetings and 4 general meetings were convened, at which a number of key resolutions were reviewed and approved, and the attendance rate of Board members reached 100%. We have built a full-level control model featuring “clear horizontal division of powers and responsibilities and vertically penetrative supervision”, ensured timely and accurate information disclosure, disclosed 65 announcements throughout the year, and responded to more than 700 investor inquiries, thereby earning market trust through standardized governance. We have adhered to business ethics, resolutely eliminated fraudulent conduct, and advanced the development of a culture of integrity. Meanwhile, we launched an ESG digital platform, participated in ESG-related training and exchanges, and continuously enhanced our ESG management capabilities.

Green as the foundation: Practicing environmental responsibility through low-carbon operations.

Upholding our vision of becoming a “ modern first-class integrated urban environmental operation service provider”, we focused on core businesses such as sewage treatment, solid waste disposal and resource regeneration. We also promoted digital transformation, continuously increased research, development and investment in environmental protection technologies, and advanced the green upgrade of the entire business process.

Through the “N-dimensional Integration” business model and the “1+4+N” market development pattern featuring “all levels, all businesses and full coverage”, throughout the year, we treated 1.7 billion tons of sewage, disposed of 226,000 tons of sludge and 92,000 tons of hazardous waste in a harmless manner, and our energy supply and heating business was well received by users, thereby building a solid green barrier for urban ecological protection.

We have applied the Internet of Things, big data and AI algorithms to build smart water services through such measures as real-time monitoring of sewage quality, intelligent regulation of process parameters and precise early warning of equipment operation. In the field of solid waste treatment, we have integrated intelligent traceability and control measures, and successfully obtained the Level 3 “Steady-state Level” certification under the Data Management Capability Maturity Assessment Model (DCMM), demonstrating our solid strength in data management and digital operation.

We strictly comply with environmental laws and regulations, establish a full life-cycle environmental management system, and carry out regular environmental compliance inspections and risk investigations to ensure that all environmental indicators fully meet the standards. At the same time, we actively responded to global climate action, issued Tianjin's first “technology innovation + green” corporate bond, and steadily advanced energy conservation and carbon reduction measures. Throughout the year, the use of photovoltaic clean energy exceeded 44,400 MWh. In recognition of our outstanding achievements in water conservation, we were awarded the “Advanced Collective of China Water Saving Award”, and fulfilled our solemn commitment to environmental protection through diversified practices.

People-oriented: Pursuing social good through symbiosis and shared prosperity

We have established diversified career development platforms, deepened the “Capital Qiji” talent programme, and built a dual-channel career development path of “management-technology”. Throughout the year, we completed 52 management personnel exchanges across different business segments and regions. Total employee training hours exceeded 93,600, and the digital training platform achieved full coverage of employees in all regions nationwide. We have improved the remuneration, welfare and incentive mechanisms. Caring activities such as “Delivering Warmth in Winter and Coolness in Summer” benefited more than 1,000 employees, while safety and health management and skills training were continuously strengthened, creating a fair, inclusive and diversified workplace environment and constantly enhancing employees' sense of belonging and happiness.

We successfully fulfilled support tasks for major events such as the Shanghai Cooperation Organization Summit and the Summer Davos Forum. The lighting renovation project for the Tianjin Eye was developed into a benchmark for green compliance, and the reclaimed water supply service for the SCO Summit achieved the “three 100%” targets. We proactively engaged in public welfare initiatives. A total of 59 volunteer service activities were organized, involving 617 participations, and more than 100 environmental publicity activities conducted in communities and schools throughout the year, contributing to the enhancement of public environmental awareness. At the same time, by leveraging our professional strengths and providing support through technical empowerment, public welfare donations and other means, assistance to Tibet helped drive sales of agricultural and specialty products from Tibetan areas to over RMB 32 million. Various township wastewater treatment projects also contributed to the improvement of rural environmental infrastructure, promoting ecological improvement and industrial upgrading in rural areas.We also actively led industry development. We took the lead in, or participated in, the formulation of 14 industry standards and joined dozens of key industry associations, thereby promoting the high-quality development of the industry through technical output and experience sharing.

By managing water resources with dedication this year and setting sail toward a greener future, Capital Environmental Protection will continue to take ESG as the core driving force, focus on core businesses such as sewage treatment, solid waste disposal, and new energy supply, deepen technological innovation and digital transformation, continuously enhance the effectiveness of environmental governance, and improve the employee development and care system. With firmer determination, more pragmatic measures, and a more open attitude, we will work hand in hand with partners from all sectors to jointly safeguard lucid waters and lush mountains and contribute greater strength to building a Beautiful China where humanity and nature coexist in harmony.

Chairman

Entering the Capital Environmental Protection

Introduction of the Group

Tianjin Capital Environmental Protection Group Co., Ltd. (stock codes: 600874.SH; 01065.HK) is the first state-controlled enterprise in China principally engaged in sewage treatment to be listed in both Shanghai and Hong Kong, and has been honoured with the title of “Top 10 Most Influential Enterprises in the Water Industry” for twenty consecutive years. With the mission of “Restoring clear waters to the world and deliver freshness to humanity”, the Company's business covers fifteen provinces and municipalities across China. It has more than 60 wholly-owned or controlled subsidiaries and has developed a diversified business system covering sewage treatment, water supply, reclaimed water, new energy cooling and heating supply, sludge and hazardous waste treatment, as well as environmental protection technology services.

Mission

Restoring clear waters to the world and delivering freshness to humanity

Vision

Building a Modern First-class Integrated Urban Environmental Operation Service Provider

Core Values

Responsibility, Innovation, Sharing and Excellence

Honors in 2025



Advanced Collective of China Water Saving Award (Tianjin Zhongshui Co., Ltd.)

Ministry of Water Resources of the People's Republic of China



Top 50 Chinese Environmental Enterprises by Revenue in 2025

All-China Environment Service Chamber of Commerce



Top Ten Influential Enterprises in the Water Industry in 2025

E20 Environmental Platform



Benchmark Enterprise Management Case

Enterprise Management Magazine



2025 Enterprise Award for Innovative Achievements in Rule of Law Development

Legal Daily



Five-star Unit in Refined Operation Management, Intelligent Operation Management, Social Open Service, Low-carbon Operation Service, Resource Regeneration Service and Ecological Optimization Service (Jinggu Wastewater Treatment Plant)

Chinese Society of Technology Economics
E20 Environmental Platform



Benchmark Wastewater Treatment Plant for “Intelligence + Low Carbonization + Resource Utilization” in the Fourth “Double Hundred Leap” Benchmark Selection for Wastewater Treatment (Jinggu Wastewater Treatment Plant)

E20 Environmental Platform, Double Hundred Leap Benchmark Alliance for Wastewater Treatment



Ecological Benchmark Wastewater Treatment Plant in the Fourth “Double Hundred Leap” Benchmark Selection for Wastewater Treatment (Xianyang Road Wastewater Treatment Plant)

E20 Environmental Platform, Double Hundred Leap Benchmark Alliance for Wastewater Treatment



Five-star Unit in Ecological Optimization Service (Xianyang Road Wastewater Treatment Plant)

Chinese Society of Technology Economics
E20 Environmental Platform



Three-star Unit in Low-carbon Operation Service (Xianyang Road Wastewater Treatment Plant)

Chinese Society of Technology Economics
E20 Environmental Platform



Four-star Unit in Ecological Optimization Service (Beicang Wastewater Treatment Plant)

Chinese Society of Technology Economics
E20 Environmental Platform

2025 in Numbers

Refined Governance: Building a Solid Foundation for Development

- A total of **25** Board meetings were convened, with a **100%** attendance rate of directors.
- **2** legal training sessions were conducted, with a total training duration of **4** hours and **300** participants.
- A total of **65** announcement documents were disclosed, including **4** periodic reports and **61** ad hoc reports.
- No integrity-related violations occurred.

Innovate Capital with Technology and Empower Smart Water Services



- Data access was realized for **38** sewage treatment projects (including 27 projects with a capacity of over 50,000 tons), **3** reclaimed water projects, and **3** new energy projects by leveraging the established Group IoT platform.
- R&D investment amounted to RMB **60.91** million, accounting for **1.28%** of revenue from principal operations.
- A total of **204** patents were held, including **60** invention patents.
- A total of **36** software copyrights had been obtained.
- Sewage treatment volume amounted to **1.7** billion tons.
- **92,000** tons of hazardous waste were treated, and **226,000** tons of sludge were disposed of in a harmless manner.
- External sales of reclaimed water reached **82.8687** million tonnes, industrial water **5.8572** million tonnes, and tap water **50.4564** million tonnes.
- External heat supply amounted to **1,292,960.07** GJ, and external cooling supply amounted to **217,208.12** GJ.

Build Green Capital and Co-create an Ecological Homeland



- Total greenhouse gas emissions: **342,009** tons of carbon dioxide equivalent.
- The number of major environmental pollution accidents was **0**.
- The consumption of photovoltaic clean energy amounted to **44,467.41** MWh.
- A total of **256** environmental protection training sessions were conducted, with **5,011** participants recorded.

Gather Talents for Capital and Jointly Paint the Future



- A total workforce of **2,330** employees, including **5** employees with disabilities and **116** ethnic minority employees.
- A total of **72** employee care visits were conducted. The "Delivering Coolness" campaign was carried out for a total of **441** employee visits, with the total value of care funds and supplies amounting to RMB **88,200**.
- **10** sessions of the Staff Representative Congress were convened.
- A **100%** coverage rate of collective bargaining agreements was achieved.
- A **100%** employee satisfaction rate was achieved.
- A **100%** employee training coverage rate was achieved.
- A total of **695** emergency drills of various kinds were carried out, with **12,774** participations recorded.

Collaborate for Capital and Gather Strength for a Harmonious Society



- A total of **59** volunteer activities were carried out, with **617** participations and a total of **420** hours
- More than RMB **32** million of agricultural and specialty products were sold through online and offline channels
- Took the lead in / participated in the preparation of **14** industry-related standards

TOPIC

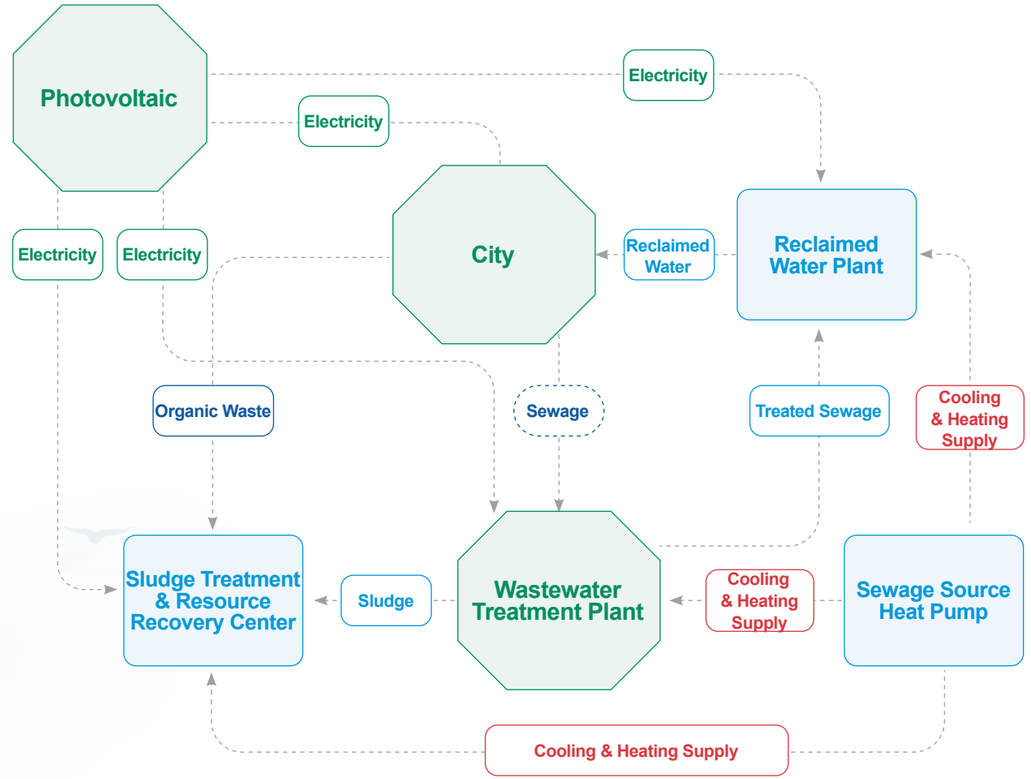
Fulfilling our Mission with Water as the Vein, Building a Green Foundation with People as the Basis

The Group has always taken the trickling flow of clear water as a bond, anchored to the mission of “Restoring clear waters to the world and delivering freshness to humanity”, upheld the management philosophy of “Refined Governance, Excellent Operation”, consolidated the foundation for green development through diversified practices, safeguarded major urban events and people's well-being through solid efforts, realized the coordinated win-win of environmental protection and benefits, and continuously injected strong momentum into sustainable urban development.

Multi Dimensional Industrial Development: Safeguarding Clear Streams with Intelligence

Anchored in the “dual carbon” goals, the Group adheres to green and low-carbon development as the guide for corporate technological research and development and innovation in production technologies, focuses on such businesses as sewage treatment, reclaimed water utilization, sludge resource utilization, solid waste disposal, resource recycling, new energy cooling and heating supply, and photovoltaic energy storage, and continues to deepen the “N-dimensional Integration” business model.

Upholding the development positioning as an integrated urban environmental service provider, we rely on our nationwide project network and, in light of the characteristics and needs of different cities, realize the flexible combination and precise matching of service modules through the business linkage of “N-dimensional Integration”. Focusing on industrial parks, industrial bases and other scenarios, we provide parks with integrated solutions covering multiple dimensions through business bundling and coordinated services, respond to diversified needs with precise strategies and efficient execution, continuously optimize and expand the system development model for integrated resource recycling, and support cities in achieving sustainable development and environmental governance goals.



The Company has deeply integrated technologies such as the Internet of Things, big data and artificial intelligence into the entire process of sewage treatment, and has promoted the coordinated advancement of sewage purification, resource recycling and ecological protection through intelligent means. Relying on the intelligent production management system and big data operation and dispatch platform, we have established an all-round intelligent management and control system. Core modules such as intelligent aeration, intelligent chemical dosing and intelligent pumping stations have been implemented at sewage treatment plants including Dongjiao, Jinggu and Xianyang Road. Through online monitoring and intelligent algorithms, dynamic regulation of process parameters has been realized, making sewage treatment more precise, efficient and low-carbon. At the same time, a multi-dimensional sensing and monitoring network has been deployed to collect and analyze real-time data on water quality, water volume and equipment status, thereby realizing intelligence throughout the entire chain from source monitoring and process control to compliant effluent discharge, and ensuring that the effectiveness of water treatment remains stable and controllable.

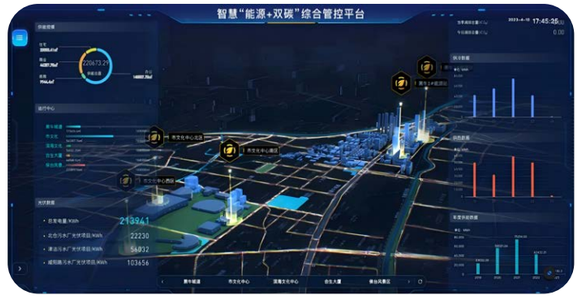
Current Major Digital and Intelligent Platforms of Capital Environmental Protection:



- The smart water platform for sewage/sludge has realized multi-dimensional linkage, AI empowerment, digital duty attendance and industry empowerment



- The integrated management and control service platform for reclaimed water plants and networks has realized plant-network integration, hotline linkage, intelligent leak detection and production-sales balance



- The smart “Energy + Dual Carbon” integrated management and control platform has realized load forecasting, intelligent operation, unattended operation and production-sales linkage



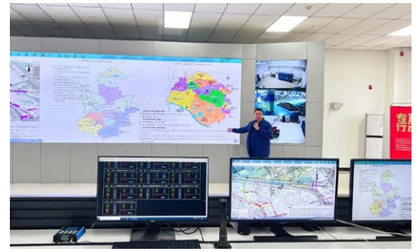
- The plant-level intelligent production management system integrates advanced detection, automation, modeling and IT technologies, realizing efficient data processing and real-time interaction, and achieves highly faithful visual restoration of production processes, equipment status and operating parameters in the plant area through 3D configuration technology

Building a New Benchmark for Green Development through the Practice of the “Four New” — Dongjiao Wastewater Treatment Plant

Dongjiao Wastewater Treatment Plant (hereinafter referred to as the “Plant”), as the first semi-underground wastewater treatment plant, has created a new paradigm of environmental protection integrating technological innovation, ecological leisure and science popularization and education under the concept of “Hidden underground, beautiful above ground”.

New Energy — Integrating water, photovoltaics and electricity to shape a new ecosystem for water environment governance

In 2025, the distributed photovoltaic power generation of the Plant amounted to approximately 8.9872 million kWh, and is expected to save approximately 2,005 tons of standard coal and reduce carbon dioxide emissions by approximately 5,662 tons annually, thereby achieving the coordinated advancement of "pollution reduction, carbon reduction, greening, and development".



New Model — From a traditional functional plant area to a multifunctional ecological living room

The production facilities of the Plant are arranged entirely underground, minimizing the impact of noise and odour on the surrounding environment and saving land resources to the greatest extent; an ecological park has been built in the above-ground space, where a circular walkway connects the corporate culture corridor, free sports venues, reclaimed water landscape wetlands, and other facilities, enabling the public to experience the charm of environmental protection while enjoying leisure activities.



New Example – Building a digital and green engine with innovative technologies

Through the intelligent production management system and the big data operation and dispatch platform, the Plant has achieved the operational goals of refined control, energy conservation and consumption reduction, as well as safe and efficient operation. The integrated management of comprehensive data such as production dispatch, water quality monitoring, and equipment status has provided strong support for the safe, compliant, and economical operation of the Plant.



New Concept — Creating an immersive panoramic "training ground": a "Dual Carbon" practice training base

The "Dual Carbon" practice training base within the Plant integrates cutting-edge technologies, enabling the public to observe modern environmental protection facilities at close range, systematically understand the advanced "Dual Carbon" technological achievements of the sewage treatment industry in energy conservation, consumption reduction, and resource recycling, and personally experience the harmonious coexistence of environmental protection industry and ecological civilization development.



Lights Paint Tianjin, Clear Waters Reflect the Grand Event

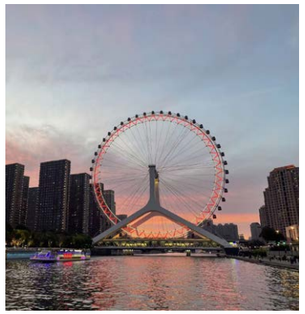
In 2025, both the Shanghai Cooperation Organization Summit and the 16th Annual Meeting of the New Champions of the World Economic Forum (Summer Davos Forum 2025) were held in Tianjin. As a state-owned enterprise benchmark deeply engaged in the fields of environmental protection and urban services, Capital Environmental Protection successfully completed the Haihe River lighting renovation project to a high standard, and ensured water supply for the events through such measures as establishing a plant-network linkage support mechanism, conducting emergency drills, inspecting potential equipment hazards, carrying out self-inspection and patrols for leakage loss, and remaining on standby at all times, thereby adding brilliance to the summit and empowering the city through practical actions.

Capital Environmental Protection Group Supports the Lighting Renovation of the Haihe Ferris Wheel "The Tianjin Eye"

The lighting renovation project of "The Tianjin Eye" carried out by Tianchuang Environmental was structured around full life-cycle management. Throughout the entire process of pre-project planning, mid-term implementation and post-project operation, a practical model of green compliance was created through green and low-carbon technological innovation, precise response to people's livelihood needs, and the establishment of a compliance-oriented coordination mechanism.

Green and low-carbon practices

We upgraded the lighting system with "carbon reduction as a priority", replacing traditional lighting fixtures with high-definition video pixel lights, and in combination with 5G intelligent management and control, achieving precise single-light control and time-based lighting, thereby creating an energy-saving lighting mode based on actual demand. A "subtraction design" approach was adopted, with two lighting modes, namely regular and holiday modes, and laser projection was used to avoid light pollution and environmental disturbance. Modular construction and time-phased operations were adopted, while multiple departments worked in coordination to optimize traffic arrangements, and old equipment was sorted and recycled to realize resource reuse.



Empowerment of people's livelihood and culture

A public space for leisure and social interaction was created through the project, and dynamic presentation schemes were developed for major events, thereby contributing to the night-time economy. A full-cycle communication mechanism was established, construction information was disclosed in advance, and issues concerning people's livelihood arising during construction were coordinated and resolved through the "weekly meeting + daily reporting" mechanism, thereby effectively safeguarding the public's right to know and right to participate.



Compliance and coordinated management

Compliance standards were strictly observed, multiple departments were coordinated to ensure the safety and compliance of the support plan, a full-cycle risk assessment and emergency response plan was established, and safety testing of special equipment was carried out. A "Five-in-one" coordination mechanism was also established, and the project was advanced in an overall manner through joint meetings.



Capital Environmental Protection Group Successfully Completed the Reclaimed Water Supply Support for the SCO Summit

In 2025, Zhongshui Company successfully fulfilled the reclaimed water supply support task for the Shanghai Cooperation Organization Summit with the implementation of "five measures", achieving "zero errors, zero accidents and zero complaints".

Planning in advance

The principles of "source control, process supervision and emergency response" were clarified, 4 support sites and 11 support zones were identified, and tasks were advanced through a task list approach.



Refining contingency plans

Special plans were formulated for 9 categories of emergency risks, a 15-minute response mechanism and a 30-minute handling process were clearly defined, 5 special support task groups composed of Party member backbones were established, and hidden risks were strictly eliminated.



Enhancing capabilities

In line with the principle of "supply first, inspection afterwards", 51 emergency drills were carried out, measures for material preparation and operational coordination were optimized, and emergency response capabilities were enhanced.



Investigating hidden risks

A mechanism of "daily reporting, weekly promotion and monthly dispatch" was established, plant and network facilities were inspected, maintenance was completed for 120 sets of equipment, comprehensive inspections of water supply support sites and surrounding water supply pipeline network facilities were conducted 15 times, 5 hidden leaks were identified and repaired, 423 valves were maintained, 28 key valves and 27 anti-settlement manhole covers were replaced, and hidden risks were managed through a "closed-loop clearance" approach.



Conducting smart dispatch

During the summit, a total of 148 personnel and 25 vehicles were deployed, and 47 special support teams were formed for pipeline network inspection, venue support, emergency repair, water plant production, and customer service handling. Through the combination of real-time monitoring on the smart dispatch platform and manual inspection, precise dispatch was carried out. More than 2,500 km of pipeline networks were cumulatively inspected, 699 items of water quality testing were completed, and 366 hotline cases were handled, while the 100% targets for water quality compliance rate, pressure compliance rate, and user satisfaction rate were maintained.

REFINED GOVERNANCE: BUILDING A SOLID FOUNDATION FOR DEVELOPMENT

Governance is the core foundation for the high-quality development of an enterprise. Capital Environmental Protection has taken Party building as the guide to strengthen the direction of governance, safeguarded investors' right to know through standardized information disclosure, adhered to the bottom line of compliance through the strict implementation of business ethics, and empowered sustainable development through systematic ESG governance. Through the coordinated efforts of multi-dimensional governance measures, governance effectiveness and transparency have been continuously enhanced, demonstrating the responsibility and commitment of a state-owned enterprise in standardized governance.

Material Issues

- Corporate Governance
- ESG Governance
- Business Ethics
- Integrity Operation
- Internal Control and Risk Management
- Investor Relations Management

Benchmarking against the United Nations Sustainable Development Goals



20 Adhering to the Guidance of Party Building

25 Enhancing Corporate Governance

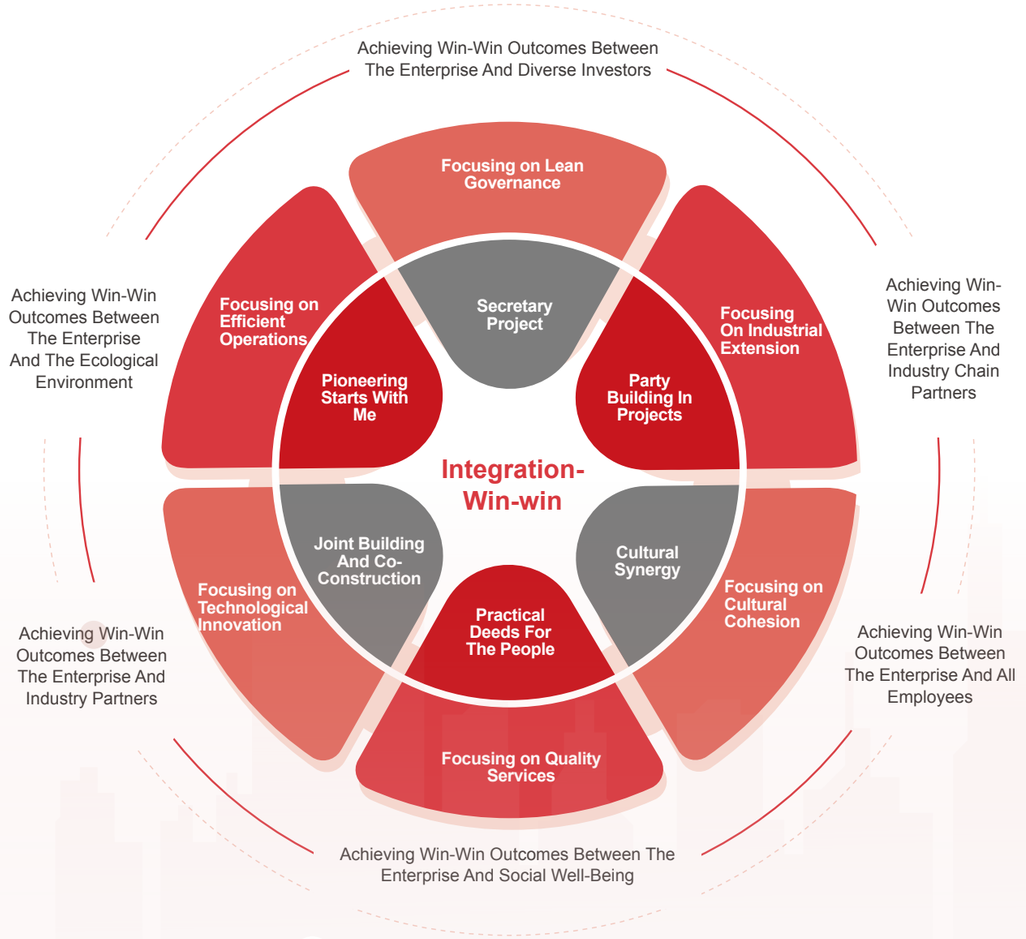
28 Compliance Operations

33 Enhancing ESG Governance

Adhering to the Guidance of Party Building

The Group has adhered to the general requirements for Party building in the new era, embedded the Party's leadership into the corporate governance system, implemented the requirements of “Four Synchronizations and Four Alignments”, and ensured that Party organizations were established in more than 60 subsidiaries wherever eligible through separate establishment, joint establishment, assigned assistance and other approaches. Full coverage of “incorporating Party building into the Articles of Association” was advanced in accordance with laws and regulations, the political foundation was consolidated at the source, the leadership mechanism of “two-way entry and cross appointment” was deepened, and the directional review responsibilities of Party organizations in major matters involving “Three Majors and One Large” were strengthened, so as to give full play to the Party's core leadership role and ensure the implementation of strategic decisions. The Company established an operating mechanism of “systematic planning – standard formulation – penetrative guidance”, formulated a three-year action plan for high-quality Party building to lead high-quality corporate development, and supplemented it with guiding opinions on the management and control of Party building work, modular work guidelines for comprehensively and strictly governing the Party, and a standardized operation manual for Party branches, thereby realizing penetrative management over Party organizations at all levels.

As a core backbone enterprise of the environmental and water affairs segment of the City Investment Group, the Company has always adhered to the guidance of Party building in production and operation, deeply studied the “Integration-Tianjin Capital” guidelines for Party-building integration of the City Investment Group, and, in light of the realities and strategic layout of a state-owned listed company, explored the distinctive Party-building model of “Integration-Win-win”. Focusing on core business scenarios, the Company has further deepened the cultivation of six categories of Party-building integration carriers, established a Party-business integration system featuring “six cohesions to clarify direction, six carriers to build pathways, and six win-wins to create value”, and promoted value win-win among the Company and six major stakeholders, namely investors, industry chain partners, industry peers, the public, employees and the ecological environment. With a working pattern of “clear direction in Party-building guidance, clear pathways in integrated development, and tangible results in value creation”, the Company has actively supported its sustainable development in the green environmental protection field.



“Secretary Project” Leading the Way

A total of 7 “Secretary Projects” were established, driving cadres at all levels to undertake more than 40 key projects, and supporting Jinggu Wastewater Treatment Plant and Xianyang Road Wastewater Treatment Plant in being awarded the title of “Benchmark Wastewater Treatment Plants for High Quality and Six Modernizations”. Key tasks such as reclaimed water supply support for the Davos Forum and the SCO Summit were incorporated into the “Secretary Project”, with the “top leaders” taking the lead in coordinating resources. Party member service teams, including the “Pipeline Network Guardian Vanguard”, the “Ingenious Craftsmanship for the People Service Team”, the “Water Protection Vanguard Emergency Water Supply Support Team” and the “Water Nourishing People's Hearts Volunteer Team”, were formed to fully promote implementation and successfully accomplish people's livelihood service tasks and support tasks for major events.





“Project-based Party Building” Tackling Tough Tasks

Commitment was maintained to establishing Party branches at project sites, and projects such as Phase II of the Xianyang Road Wastewater Treatment Plant and the Duodao wastewater treatment project in Jingmen were successfully advanced. The asset-light business was developed into a new source of stable growth. Among these, the Ningguo entrusted operation project was innovatively implemented under the "equity investment + asset-light" model, and was established as a new benchmark for investment models.





"Joint Building through Linkage" Empowering

The coordination of "industry, academia, research, and application" was promoted, the acceptance of Phase I of the digitalization project was completed, and Phase II construction was steadily advanced. Participation in the compilation of 14 standards was completed, and the independently developed "Smart Operation and Control Platform for Wastewater Treatment Plants" was put into practical application, effectively transforming technological advantages into market competitiveness.





"Pioneering with Me" Enhancing Efficiency

Party member demonstration posts and responsibility zones were extensively established, driving the treatment of 1.7 billion tons of wastewater throughout the year, the harmless disposal of 226,000 tons of sludge and 92,000 tons of hazardous waste, and photovoltaic power generation of more than 44,400 MWh. Key production indicators remained stable with steady improvement, and cost control became more refined.





"Delivering Practical Benefits for the People" Fulfilling Commitments

The heating supply support task for more than 20,000 households in Junliangcheng was successfully completed, and 117 reclaimed water pipeline network sites were completed on schedule, thereby enhancing the public's sense of gain and the Company's social image.





"Cultural Synergy" Uniting Hearts

The Cultural Exchange and Empowerment Center was successfully completed and put into operation. Cultural integration was used to promote management integration and ideological integration, thereby injecting deeper cohesion into the Company's cross-regional and multi-business development.

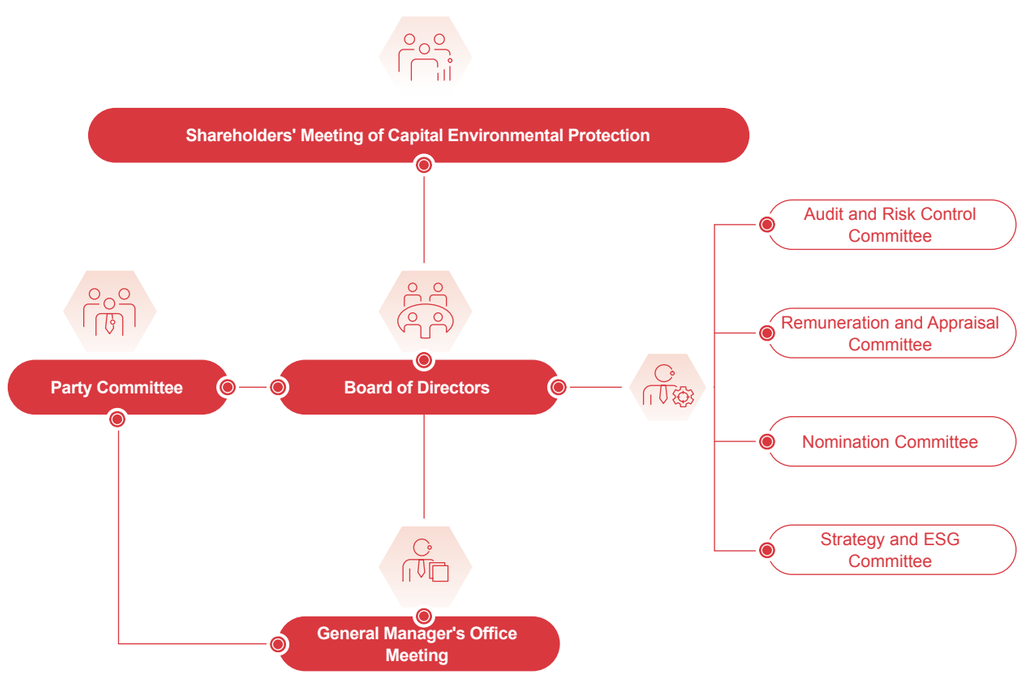




Enhancing Corporate Governance

Standardized Governance

The Group strictly complies with laws and regulations such as the *Company Law of the People's Republic of China* and the *Securities Law of the People's Republic of China*, formulates institutional regulations including the *Articles of Association* and the *Rules of Procedure for General Meetings*, and has established a corporate governance structure with the general meeting as the highest authority, the Board of Directors as the decision-making body, and the management as the executive body. Under the Board of Directors, four specialized committees have been established, namely the Audit and Risk Control Committee, the Remuneration and Assessment Committee, the Nomination Committee, and the Strategic and ESG Committee. Each level performs its respective duties, assumes its respective responsibilities, operates in a coordinated manner, and makes scientific decisions, thereby ensuring the steady development of the Company.



The Company is committed to building a diversified, professional, standardized and compliant team of directors and senior management talents. The Remuneration and Assessment Committee is responsible for regularly organizing and conducting performance evaluations of the Company's directors and senior management, while the Nomination Committee regularly considers the Board diversity policy from the perspectives of gender, age, professional experience, skills and knowledge, thereby effectively ensuring the governance effectiveness of the Board of Directors. At present, the members of the Board of Directors cover multiple professional fields such as finance, financial management, corporate management, environmental protection and water affairs, and have accumulated extensive operation and management experience in their respective areas of expertise. At the same time, the Company continues to strengthen the self-construction of the Board of Directors. Through regular learning and special training, it is ensured that the Board keeps pace with the times and continuously enhances its performance capability and standardized operation level, thereby providing solid governance support for the high-quality development of the enterprise.

In 2025

- Convened **4** general meetings, at which **21** resolutions were reviewed;
- Convened **25** Board meetings, at which **125** Board resolutions were passed, with a **100%** attendance rate of Board members;
- Had a Board of Directors composed of **9** directors, of whom **22.22%** were female directors.



Market Value Management Training



Market Value Management Training

With political supervision as the foundation, digital empowerment as the driver, and mechanism innovation as the safeguard, the Company has continuously improved its governance strategies and supervision processes to empower high-quality development. Governance effectiveness has been enhanced through penetrative management and control, and a full-level subsidiary management and control model featuring “clear horizontal division of powers and responsibilities and vertically penetrative supervision” has been established. At the same time, a smart supervision system has been built through digital empowerment. Under the guidance of the Discipline Inspection and Supervision Team stationed at the City Investment Group, the “1+10+10” “Big Supervision” system, the full-dimensional “Big Operation” system and the “Three Public Management and Control” supervision platform were established, so that penetrative supervision and standardized conduct were realized through technological means. Political supervision was further implemented through mechanism innovation. By establishing a Party-building coordination mechanism with the local Party committees of 28 non-local enterprises and issuing management guidelines, the reform of the governance structure from three levels to two levels was completed, the internal control system was improved, and a joint prevention mechanism focusing on key areas of personnel, finance and materials was established to prevent core risks of non-local enterprises.

In 2025

- the Company conducted **2** legal training sessions, with a total training duration of **4** hours and **300** participants, including **70** legal affairs personnel.

Information Disclosure

The Group strictly complies with regulatory documents such as the *Administrative Measures for Information Disclosure by Listed Companies* and the *Guidelines for Investor Relations Management of Listed Companies*, and has formulated systems including the *Information Disclosure System*, the *Investor Relations Management System* and the *Work System for Handling Investor Complaints*. Relevant corporate information is regularly and specifically disclosed through platforms such as the Company's official website, CNINFO and the official WeChat account. Communication and interaction with investors are strengthened through various channels including the SSE e-Interaction platform, investor relations email, investor hotline, on-site visits, general meetings and performance briefings, so as to safeguard investors' right to know and right to participate in major corporate matters, ensure that disclosed information is timely, complete, true and accurate, and effectively protect the legitimate rights and interests of investors.

In 2025

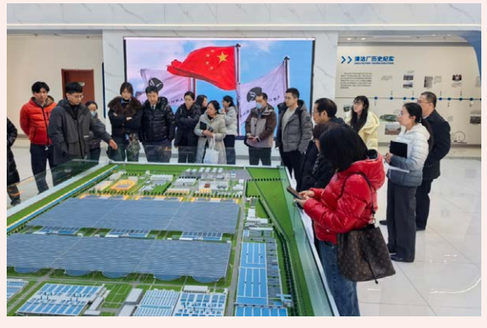
- Disclosed **65** announcement documents, including **4** periodic reports and **61** ad hoc reports;
- Received investors for on-site research **45** times and answered **620** investor inquiries;
- Answered **306** investor telephone calls;
- Replied to **74** investor inquiries through the investor interaction platform, with a **100%** reply rate.

Capital Environmental Protection Organized an Offline Research Activity for Investors

Case

On 23 December 2025, Capital Environmental Protection held an offline investor research activity at Jinggu Wastewater Treatment Plant, with the participation of more than 30 representatives of institutions and high-net-worth clients. Investors were arranged to observe the plant model and the full wastewater treatment process on site, gaining an intuitive understanding of the operation model and technological advantages of the core business. The Company's management provided a detailed introduction to its operating performance, strategic layout, market value management approach, and capital operation planning, and conducted thorough communication on issues of concern to investors, including accounts receivable control, the transformation of hazardous waste business, and the layout of new energy business. This activity formed an important part of the Company’s routine investor relations work and built an efficient bridge for communication.





Compliance Operations

Internal control and risk management

Governance

The Group has established and continuously updated systems including the *Administrative Measures for Internal Control Development*, the *Administrative Measures for Internal Audit*, and the *Administrative Measures for Internal Control Evaluation*, so as to continuously improve its internal control management system.

The Board of Directors

Responsible for formulating the Company's fundamental management systems, establishing and improving the internal control system, and reviewing and updating its effectiveness; it serves as the primary body responsible for the design and operation of internal control.

The Party Committee

Conducts preliminary review of relevant systems within its scope of authority, manages Party building and Party affairs systems, and grants final approval to systems within its scope of authority.

The President's Office

Formulates the guiding framework, principles and plans for the development of internal control systems, formulates general management systems, and reviews, approves and issues such systems.

Legal Affairs Management Department

Responsible for the organization and management of internal control development.

Audit Affairs Management Department

Responsible for supervising and inspecting the effectiveness of the Group's internal control system, conducting internal audits, and carrying out internal control risk assessment and prevention.

Strategy

The Group studied and formulated the *Tianjin Capital Environmental Protection Group Legal Compliance Centre Penetrating Management Development Plan (2025–2028)*, which specifies the principles of "intensive and efficient management, penetrating control, and pilot development". Closely aligned with the Group's overall "four-in-one" framework for rule of law development, the Plan systematically builds a "1+7+7" control system to extend risk control to the grassroots level and further to frontline operations.

1 legal compliance center at the Group headquarters

+

7 legal compliance centers at affiliated units

+

7 core operating mechanisms

Risk Management

Focusing on key business areas, the Group relies on a "likelihood-impact" risk assessment matrix and adopts a combination of routine monitoring and special investigations to dynamically identify risks and systematically update the Risk Identification List, thereby achieving dynamic control of risks at all levels.

In terms of compliance management, based on the *Compliance and Internal Control Management Manual*, the Group has established a comprehensive *Compliance Risk Database* covering core areas such as investment, development and operation, and, on this basis, accurately mapped its compliance risk profile. At the same time, focusing on key positions, the Group systematically reviewed and developed position-specific compliance management guidelines covering responsibilities, obligations and risks, thereby effectively embedding compliance requirements into business processes.

In 2025, the Group continued to strengthen risk awareness and organised targeted internal risk control training, effectively enhancing the risk prevention and control capabilities of personnel in key positions.

The Company continued to optimise its tax management processes and improve the efficiency of financial management. A clearly defined division of responsibilities for tax management has been established, under which the finance department is fully responsible for reviewing, accounting for, accurately declaring, and timely paying routine tax matters, while proactively maintaining regular and smooth communication with tax authorities to ensure the compliance, timeliness, and accuracy of all tax-related matters. At the same time, the Company regularly tracks, collects and interprets the latest national and local tax policies and regulations, and, in light of its actual operating conditions, promptly and prudently adjusts its internal tax management strategies, so as to ensure lawful and compliant operations in business, investment and financing activities. From 2022 to 2024, the Company was awarded the Grade A Tax Credit Enterprise for three consecutive years. In 2025, the total amount of taxes paid by the Company was RMB 413.8626 million.

In 2025

- the total amount of taxes paid by the Company was RMB **413.8626** million.

Indicators and Targets

With the objective of "continuously strengthening compliance awareness and enhancing the compliance operation capabilities of all employees", we are committed to building a comprehensive and systematic compliance management system to ensure that all business operations of the Company comply with laws, regulations and industry standards, thereby safeguarding the Company's long-term development and sustainability.



Integrity in Operations

Governance

The Group has established the *Anti-Fraud Management Measures* to regulate employees' professional conduct, resolutely eliminate improper acts such as the acceptance of bribes, and foster a clean and upright corporate environment. The Company has established a governance structure for integrity in operations with clear powers and responsibilities, effective hierarchical coordination and sound operation, under which an independent Discipline Inspection Office serves as the dedicated standing body for integrity in operations. Reporting directly to the Discipline Inspection Commission and the Party Committee, this department assists in advancing full and rigorous Party self-governance, strengthening Party conduct, and specifically implementing anti-corruption work, while carrying out supervision, discipline enforcement and accountability in accordance with regulations and discipline.

Strategy

We have consistently integrated integrity awareness into every aspect of operational management and promoted the establishment of integrity in practice as a core value among all employees. By strengthening education on discipline and rules and fostering the rule of law mindset, we have further advanced the development of a culture of integrity and compliance, ensuring that integrity awareness is embedded in every level of decision-making, execution and supervision.

Risk Management

The Company has established a systematic and institutionalised integrity and compliance risk management system to dynamically identify, assess, monitor and respond to potential integrity risks arising in the course of operations.

Building a Culture of Integrity

For key occasions such as New Year's Day, the Spring Festival, Qingming Festival, the Dragon Boat Festival, National Day and the Mid-Autumn Festival, the Company's Discipline Inspection Office focused on key areas including the implementation of special work arrangements and the enhancement of discipline and work style, earnestly carrying out the identification and investigation of integrity-related risks during holidays and promptly eliminating various potential integrity hazards. In 2025, the training coverage rate on anti-commercial bribery and anti-corruption for the Company’s directors and senior management reached 100%.Directors received an average of 37 hours of anti-corruption training, including training on relevant anti-corruption laws and regulations. The average anti-corruption training hours for employees stood at 39 hours.

Before the holidays

- A total of seven reminder letters and circulars on typical cases issued by the Municipal Commission for Discipline Inspection were distributed to Party organizations at all levels under the Group. At the same time, 261 performance reminder letters were issued to secretaries of Party branches at all levels across the Group, clarifying the requirements for improving Party conduct and upholding integrity during holidays, with special supervision and inspection carried out on the communication and implementation of such requirements.

During the holidays

- More than 1,400 warning reminder text messages were sent, and 75 supervisory inspections were carried out on matters including holiday duty arrangements at affiliated units. Four issues were identified, and all four were rectified under supervision, thereby ensuring safe and stable operations during the holidays.

After the holidays

- Random spot checks were conducted on the GPS travel routes of 116 official vehicles in Tianjin and other cities during holidays, and 806 integrity self-inspection commitments were organized for all middle-level and above cadres as well as full-time and part-time discipline inspection personnel during holidays.

The Company's Activities on Full and Rigorous Party Self-Governance and Warning Education | Case

In 2025, the Company convened a meeting on full and rigorous Party self-governance and warning education, at which it reviewed and reported on the application of the “four forms” of oversight and discipline enforcement in the previous year, used typical cases as “live teaching materials” for promoting integrity and combating corruption, and organized Party members and officials to collectively watch the special warning education film *Repentance and Warning 2*. At the same time, special warning education sessions were carried out for more than 150 Party-member leading cadres in Tianjin and other cities, during which they watched the *Warning Record of Corruption Cases in Key Areas*, so as to make full use of case resources to enhance the deterrent and warning effects of such education.

Reporting and Complaints

The Group has established a sound whistleblowing management mechanism and actively kept reporting channels open, with a view to maintaining a fair and transparent corporate environment. We have issued the *Implementation Measures for the Transfer of Clues to Problems* to encourage the reporting of any improper conduct, including fraud and violations. Reports are received through multiple channels, such as email, reporting hotlines and whistleblowing mailboxes, and corresponding measures are taken according to different circumstances.

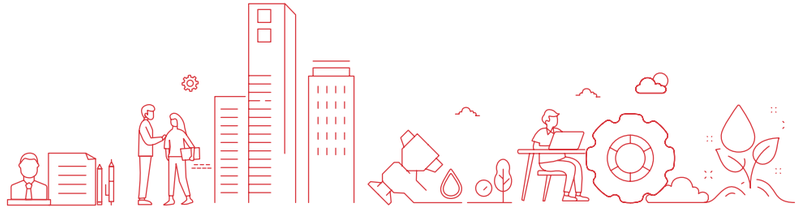
We attach great importance to the protection of whistleblowers and strictly implement confidentiality management requirements. In the processes of receiving, registering and transferring reported clues, we rigorously protect the information security of whistleblowers, strictly prevent any acts of retaliation against whistleblowers, effectively safeguard their legitimate rights and interests, fully encourage cadres and employees to participate in oversight, and foster a clean and upright political environment.

Integrity Supervision of Suppliers

The Group embeds compliance oversight throughout the entire supplier cooperation process and has established a multi-level, end-to-end risk prevention and control system to guard against integrity risks and cooperation risks. During procurement implementation, when organizing bid opening, bid evaluation, negotiations and other activities, the procuring party is required to designate supervisors for on-site oversight. Information such as tender announcements and bid-winning notices specifies complaint hotlines and channels to ensure unimpeded supervision channels. The formation of review panels is subject to strict confidentiality requirements, and internal review experts are selected or drawn from the pool of review experts on the Urban Investment Group's e-procurement platform, so as to ensure fairness and impartiality in the review process.For suspected non-compliance identified during cooperation or reported through external feedback, the Company will promptly carry out verification and, in accordance with applicable rules, take measures such as compliance interviews and rectification, risk alerts, suspension of cooperation, termination of cooperation, and accountability enforcement.

Indicators and Targets

During the reporting period, no corruption litigation cases were brought against the Company or its employees.The Group has achieved its integrity in operations target: strict compliance with integrity requirements was maintained in all operations, with zero incidents of corruption.



Business Ethics

The Group strictly complies with relevant laws and regulations such as the *Anti-Money Laundering Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China*. The Company has incorporated conflict of interest, anti-money laundering, anti-unfair competition and anti-fraud requirements into the *Compliance Management System*, and consistently upholds the highest standards of business ethics so as to safeguard a market environment of fair competition and integrity-based operations.

The Company treats small and medium-sized enterprises fairly and impartially. In the procurement process, it removes unreasonable thresholds and restrictions, does not impose differential or discriminatory treatment on small and medium-sized enterprises based on certain specific conditions, and safeguards their fair participation in market competition. During the reporting period, the Company was not involved in any legal proceedings concerning unfair competition or anti-monopoly practices, and the signing rate of the Compliance Commitment Letter by employees reached 100%. In 2025, the Company conducted one session of business ethics training, with a total duration of two hours, covering 200 participants.

In 2025

- the Company was not involved in any legal proceedings concerning unfair competition or anti-monopoly practices
- the signing rate of the *Compliance Commitment Letter* by employees reached **100%**.
- the Company conducted one session of business ethics training, with a total duration of two hours, covering **200** participants.

Capital Environmental Protection Held Special Training on the "Legal Framework and Implications of Fair Competition"

Case

On 9 December 2025, Capital Environmental Protection held special training on the "Legal Framework and Implications of Fair Competition". Participants included relevant personnel from various centers and departments at the Group headquarters, newly recruited employees in 2025, persons in charge of rule of law work at affiliated units, and other interested staff. During the training, the instructing lawyer explained the legal framework overview and frontier cases relating to the *Anti-Monopoly Law of the People's Republic of China* and the *Law of the People's Republic of China Against Unfair Competition*. New employees signed the *Compliance Commitment Letter* and took the oath to uphold the *Constitution of the People's Republic of China*, further strengthening legal awareness and the mindset of compliant performance across all employees, and laying a solid ideological foundation for the Company's standardized operations and fair participation in market competition.



Enhancing ESG Governance

Responsibility Governance Structure

The Group has continuously strengthened its ESG governance capabilities by fully integrating the philosophy of sustainable development into the entire process of strategic planning, business decision-making and daily operations, and by promoting the standardised and long-term development of ESG work through systematic development. The Company has formulated the *ESG Management System* and established a top-down ESG governance structure featuring "overall leadership by the Board of Directors, implementation led by the Strategy and ESG Committee, supervision and support provided by the ESG Leadership Group, and coordinated execution by the ESG Task Force". This has created a clear and efficient system of responsibilities with well-defined powers and duties and effective transmission at all levels, thereby providing a solid organisational foundation for the implementation of the ESG strategy and the achievement of sustainable development goals.

ESG Management Hierarchy	Responsibilities
Board of Directors	• The highest decision-making body for ESG management work
Strategic and ESG Committee	• Responsible for guiding ESG management work, being accountable to the Board of Directors, and providing professional advice • Research and put forward suggestions related to the Company's ESG vision, planning, and governance structure • Review and submit the Company's annual ESG Report to the Board of Directors • Identify impacts, risks and opportunities related to sustainable development • Implement ESG-related decisions of the Board of Directors
ESG Working Leadership Group	• Coordinate in an overall manner and organize the implementation of ESG-related tasks • Propose the Company's medium- and long-term ESG development strategic objectives • Organize the importance and risk assessment of ESG issues • Guide and coordinate the preparation work of the Company's annual ESG Report
ESG Working Task Force	• Execute specific ESG tasks • Analyze material ESG issues • Formulate and promote work plans for specific ESG issues • Statistically analyze, review, and analyze ESG-related data • Compile the content of the Company's annual ESG Report

To strengthen ESG awareness and fulfilment capabilities among all employees, the Company has established a supporting, normalized ESG training mechanism, under which training programs are designed on a tiered basis for management, key personnel and frontline employees. Covering ESG policies and regulations, management systems, practical cases and industry best practices, such programs are delivered through various forms including special lectures, online courses and case discussions, so as to further embed the ESG philosophy, and ensure that personnel at all levels clearly understand their ESG responsibilities and execution standards for their respective positions.In 2025, the Company conducted 2 ESG training sessions, with a total duration of 4 hours, covering substantially all senior executives and relevant management personnel.

To break down data silos, promote the standardised management and penetrating control of ESG data, and enhance ESG management efficiency, traceability and information accuracy, Capital Environmental Protection Group launched its ESG digital platform in 2025, providing precise support for the Group's ESG performance analysis, compliant disclosure and strategic decision-making, and empowering the Company's sustainable development.

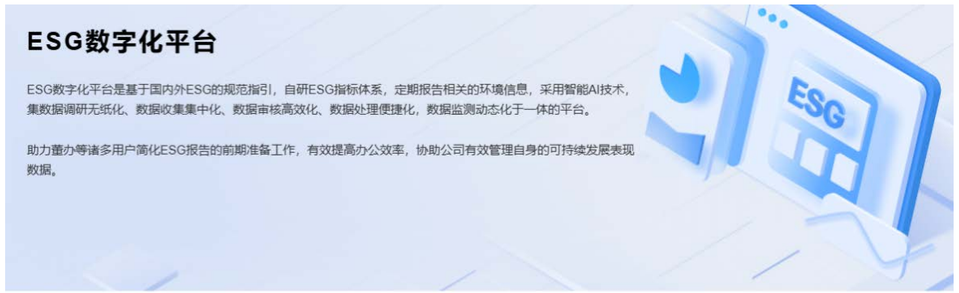


ESG Project Training

In 2025

the ESG digital platform has achieved

- Quantitative data: collection and accounting of nearly **400** indicators
- Qualitative information: systematic consolidation of more than **200** items
- Comprehensive coverage: covering all **60+** subsidiaries and branches under the Group
- Internal approval: dual review of disclosure indicators through designated preparers and reviewers
- Supporting attachments: ensuring that all reported information is evidence-based and traceable



Stakeholder Communication

Taking into account the Company's business characteristics and operational realities, the Group has carried out a comprehensive and detailed review and precise identification of its stakeholders. It has actively built normalized communication bridges with various stakeholders, facilitating the smooth conveyance of opinions, building consensus for development, and achieving win-win value creation for all parties through efficient interaction and close collaboration.

Stakeholders	Key Communication Channels		Concerned Issues	
Government and Regulatory Authorities	• Local projects • Official document exchanges • On-site visits	• Information disclosure • Visitor reception	• Integrity management • Environmental management • Pollutant emissions • Water resources management • Energy management	• Addressing climate change • Waste management • Ecosystems and biodiversity • Rural revitalization
Shareholders and Investors	• Shareholders' meetings • Annual reports and announcements • Investor communication platforms	• The Group's official website • Investor hotline	• Investor relations • management Corporate governance • ESG governance	• Internal control and risk management • Integrity management • Business ethics
Employees	• Grievance channels • Workers' congresses	• Performance evaluation meetings • Tailored training	• Employment and labor standards • Employee rights protection	• Employee health and safety • Employee training and development
Peers in the industry	• Industry forums • Alliance meetings		• Business ethics • Clean tech opportunities • Green products and technologies	• Innovation-driven • Digital transformation • Intellectual property protection
The Public	• Participation in community activities • User symposiums	• Visits and investigations into water safety • Open day events	• Customer service • Product responsibility	• Community investment • Rural revitalization
Value Chain Partners	• Meetings • Negotiations of cooperation • Agreements Industry-academia-research cooperation		• Supply chain management • Business ethics • Product liability	• Information security and privacy protection • Circular economy • Green products and technologies

Analysis of Material Issues

The Group, taking into account domestic and international sustainable development standards, the United Nations Sustainable Development Goals, and the key areas of focus in ESG ratings, and integrating national policy directions with the current state of industry development, systematically assessed the sustainable development context in which the Company operates, and further identified and analyzed ESG issues.

ESG issue identification and analysis process

Understanding the background of the Company's activities and business relationships

We develop a comprehensive understanding of the organizational context from multiple aspects, including the Company's activities, business relationships, sustainability context and stakeholders, including the interests of minority groups.

The factors we focus on include:

- The Company's principal values, policies, strategies, purposes, and objectives
- Direct financial impacts
- The interests and expectations of stakeholders, such as employees, shareholders, and suppliers
- Major risks and opportunities facing the Company, the industry, and competitors
- Relevant laws, regulations, international agreements and voluntary initiatives

Refining the list of issues

Based on industry development, its own business characteristics, policy trends, domestic and international ESG disclosure standards, and the key areas of focus of ESG rating agencies, and taking into account suggestions from stakeholder communication and internal and external experts, the Group updated its list of ESG issues and formed an ESG issue database covering 29 issues.

Assessing and confirming the materiality of issues

Based on interviews and questionnaire surveys, and taking into account the views of diverse stakeholders as well as the opinions of internal and external experts, the Group prioritised issues from the two dimensions of "financial materiality" and "impact materiality", and developed a materiality matrix. The screening results were then reviewed and assessed by the Company's management and external professionals to confirm the priority order of ESG issues.

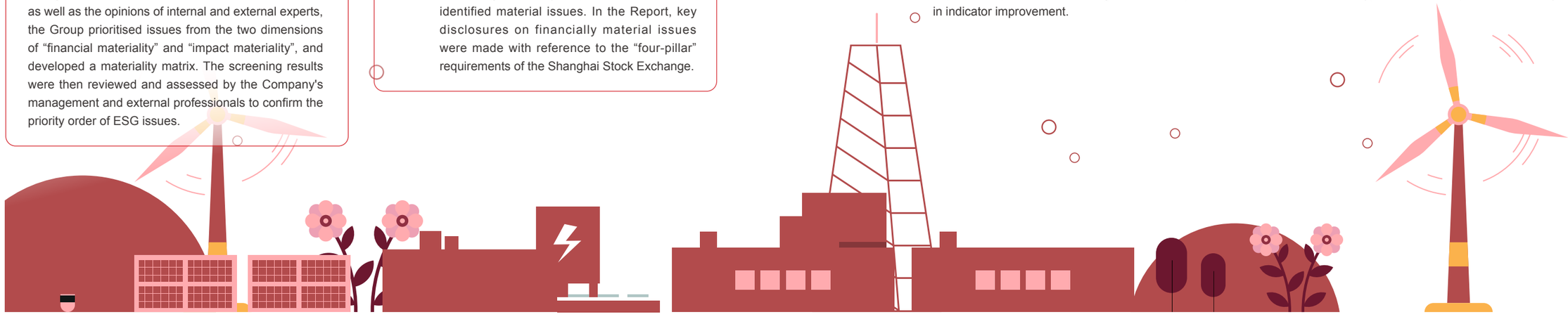
Disclosing information on issue materiality

Corresponding action plans were formulated and progressively implemented for the identified material issues. In the Report, key disclosures on financially material issues were made with reference to the "four-pillar" requirements of the Shanghai Stock Exchange.



Analysis of Key Issues for 2025

To systematically advance improvements and enhancements in the Company's performance on various material issues, we established a three-tier ESG management indicator system covering "dimension–issue–indicator" (comprising a total of 235 qualitative and quantitative indicators). The Company conducts compliance and peer benchmarking analyses for each indicator, classifies the indicators into "management, practice and performance", assigns all indicators to the relevant responsible departments, clarifies the management and improvement direction for different types of indicators, and continuously tracks progress in indicator improvement.



TECHNOLOGY-DRIVEN DEVELOPMENT, EMPOWERING SMART WATER SERVICES

Technology serves as the core engine driving the transformation and upgrading of the water services industry, and a critical pillar underpinning Capital Environmental Protection's commitment to green development. Upholding its philosophy of “breaking new ground through innovation and building a solid foundation through business development,” the Company connects the entire value chain of ecological governance and people's livelihood services through innovation, empowering wastewater treatment, solid waste treatment, water supply and energy supply businesses to improve quality and efficiency through technological breakthroughs and model innovation, and injecting strong momentum into the high-quality development of the industry.

Material Issues

- Digital transformation
- Information security and privacy protection
- Innovation-driven
- Intellectual property protection
- Product Liability
- Green products and technologies
- Customer service

Benchmarking against the United Nations Sustainable Development Goals



40 Enhancing Innovation Momentum

48 Safeguarding Clear Waters and Clean Land

51 Ensuring Stable and Reliable Supply Quality

Enhancing Innovation Momentum

Technological Innovation

The Group has consistently regarded technological innovation as a core strategy for driving high-quality development and fulfilling its “Dual-carbon” mission. Focusing on “two cores and one driver”, the Group promotes value growth through enhancing its “gold content”, “novelty content”, “green content” and “technology content”, advances the strategic transformation of technology management from an “input-oriented” approach to an “efficiency-oriented” approach, and systematically builds an innovation system that is market-oriented, innovation-driven, and supported by technical services and product application.

Improving Innovation Mechanisms and Stimulating Endogenous Momentum

We have formulated and strictly implemented systems such as the *Technology Management System* and the *Technology Work Reward System*, clearly defining the division of responsibilities and the assessment and evaluation system. We have established a Technology Innovation Center to strengthen whole-process management of scientific and technological research and development. In the course of research and development, we strictly comply with scientific ethics requirements, and have incorporated employees' practical contributions in patent applications, research projects, and the commercialization of achievements into the incentive system, so as to fully stimulate endogenous innovation momentum.

Deepening Collaborative Innovation and Building an Open Ecosystem

We have focused on opening up the transformation channel from technology to industry, deepened the practice of the “four effective uses”, and worked in coordination with central state-owned enterprises, universities and research institutes to jointly build R&D platforms and form innovation consortia. At present, we have established innovation practice bases with universities including Tianjin University, Nankai University and Tianjin Chengjian University, carried out collaborative technological innovation, and built an efficient transformation channel integrating industry, academia, research and application.

Focusing on Core Technologies and Empowering Green Transformation

We focus on intelligent, green and resource-oriented development, and carry out concentrated efforts to tackle key technological bottlenecks in areas such as wastewater treatment, green chemicals and intelligent operation. We have clarified the technical pathways for the large-scale application of green carbon sources and new phosphorus removal chemicals, as well as for the joint development of deep dewatering equipment, and completed the development of the “Plant-level Intelligent Production Management System”, which has been successfully applied at the Jinggu Wastewater Treatment Plant, thereby enhancing the Group's low-carbon and intelligent operation capabilities.

Cultivating Technology Entities and Fostering New Growth Drivers

Driven by the dual engines of “internal incubation” and external mergers and acquisitions, we cultivate technology-driven subsidiaries with proprietary core technologies and clearly defined business models. The Company has formulated research, development and innovation targets and regularly tracks their progress. During the 15th Five-Year Plan period, we plan to incubate or acquire one to two technology enterprises, develop three to five core products with independent intellectual property rights and market competitiveness, and foster one to two new profit growth drivers, so as to create new growth poles for the Group's sustainable and high-quality development.

In 2025

- R&D investment of RMB **60.91** million, accounting for **1.28%** of its revenue from principal operations
- **286** R&D personnel, representing **12.27%** of the total workforce

Caring Company's R&D and Innovation Platform



Tianjin Innovative SMEs



2025 Environment Specialised and Sophisticated Enterprise for Innovation Capability



Tianjin Specialised and Sophisticated SMEs



Tianjin Technology Innovation Center for the Coordinated Treatment, Energy Recovery, Resource Recovery and Resource Utilisation of Food Waste and Municipal Sludge



High and New Technology Enterprise

In 2025, leveraging municipal-level innovation platforms such as the Tianjin Engineering Center of Wastewater Biochemical Treatment Technology and the Tianjin Ecological and Environmental Protection Collaborative Innovation Center (Fourth Batch), we gained broad recognition for our scientific research achievements:

- The project *"Methods and Mechanisms for Synergistically Enhancing Pollution Reduction and Carbon Reduction Efficiency in Water Environment Governance"* was awarded the First Prize of the 2024 Natural Science Award by the All-China Environment Federation
- The project *"Development of a Digital and Intelligent Wastewater Treatment Management and Control System"* was awarded the Second Prize of the 31st Tianjin *Enterprise Management* Modernization Innovation Achievement Award
- The project *"Equipment for Identifying Sludge Properties in Wastewater Treatment Plants Based on Recurrent Neural Networks"* was selected for the Top 20 "Five-Small" Innovation Achievements of Employees in Tianjin







- Both the *"Comprehensive Utilization Project for Multi-energy Complementary Renewable Energy"* and the *"Green and Low-carbon Project of Xianyang Road Wastewater Treatment Plant"* were selected as "2025 Typical Cases of Green and Low-carbon Development" by the Environment Service Chamber of Commerce of the All-China Federation of Industry and Commerce
- The project *"Technology for the Coordinated Treatment and Resource Utilization of Food Waste and Municipal Sludge"* won the Third Prize in the Growth Enterprise Category and the Second Prize in the Industrial Renewal Track – New Quality Industry Cultivation Award at the 2025 China Innovation and Entrepreneurship Competition and the "Tiankai Star" Tianjin Innovation and Entrepreneurship Competition, organized by the Tianjin Municipal Science and Technology Bureau


荣誉证书

天津天创绿能新能源科技有限公司：

你公司报送的多能互补可再生能源综合利用项目，入选“2025绿色低碳发展典型案例”，特此鼓励。

全联环境服务业商会
二〇二五年四月


荣誉证书

天津创业环保集团股份有限公司：

你公司报送的咸阳畅污水处理厂绿色低碳项目，入选“2025绿色低碳发展典型案例”，特此鼓励。

全联环境服务业商会
二〇二五年四月

- The project *"Integrating Strengths for Competitive Advantage and Expanding into a New Chapter: An Asset-light Breakthrough Centered on Testing"* won the Second Prize of the Industrial Renewal Track – New Quality Industry Cultivation Award
- The project *"Eliminating Pipeline Network Disconnections and Optimizing Reclaimed Water Supply Conditions in the Central Urban Area"* won the Third Prize of the Industrial Renewal Track – Best Quality Improvement Award
- The projects *"Reconstructing Accounting Standards and Intelligently Breaking Monitoring Bottlenecks: Revolutionary Application of the TRIZ Innovation Method in Precise Carbon Emissions Accounting and Monitoring at Wastewater Treatment Plants"* and *"Process Design of a High-pressure Sludge Dewatering Method and Device Based on TRIZ Theory" won the Third Prize at the "*2025 China Innovation Method Competition (Tianjin Division) and the 10th Tianjin Innovation Method Competition"


2025年中国创新方法大赛（天津赛区）
— 第十届天津市创新方法大赛 —
三等奖
二〇二五年十月


2025年中国创新方法大赛（天津赛区）
— 第十届天津市创新方法大赛 —
三等奖
二〇二五年十月

Guizhou Chuangye Water Co., Ltd. Reduces Carbon Emissions by Optimizing Plant Operation Models through Industry-University-Research Cooperation

Case

In 2025, Guizhou Chuangye Water Co., Ltd., together with Harbin Institute of Technology, Weihai and Guizhou Polytechnic of Construction, carried out the research and demonstration application project of a green, low-carbon and intelligent operation system for the SBR process at Xiaohe wastewater treatment plant. Taking Xiaohe wastewater treatment plant in Guiyang as the demonstration site, the project optimised the plant's operation model through the deployment of an expert system for the intelligent operation of green and low-carbon wastewater treatment.







Intellectual Property Protection

The Group strictly complies with relevant laws and regulations, including the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China* and the *Trademark Law of the People's Republic of China*, and has formulated the *Management System for Scientific and Technological Intellectual Property Rights*, which sets out specific provisions on the ownership, protection, application, maintenance and commercialization of intellectual property rights. The Group has also established a cross-departmental collaborative intellectual property management mechanism, with a dedicated competent technology department responsible for the overall coordination and management of intellectual property matters across the Group. Meanwhile, the Group continuously strengthens confidentiality training on intellectual property rights for employees, so as to provide comprehensive and efficient protection for the Company's innovation achievements.

The Company has established a dynamic intellectual property risk management mechanism, under which patent searches and risk analyses are conducted during the research and development stage, while intellectual property sharing and protection mechanisms are put in place in the course of cooperation and procurement to clarify the ownership, scope of use and liability clauses relating to intellectual property rights. We have strengthened the development of intellectual property rights protection capabilities and built a dynamic, preventive, secure and efficient intellectual property management system. During the Reporting Period, the Group was not involved in any material intellectual property disputes.

In 2025

- held **204** patents, including **60** invention patents
- and had obtained **36** software copyrights

Digital transformation

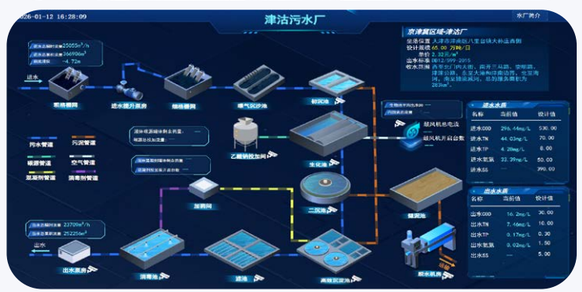
Anchored on the core objective of “focusing on digital and intelligent empowerment, enhancing the digital and intelligent level of management and control, and promoting the digital and intelligent transformation of industries”, the Group has strengthened top-level design, coordinated planning formulation, and advanced implementation in an orderly manner. By establishing dual standards for financial standardisation and data governance, breaking down data silos, strengthening digital supervision and control, expanding the coverage of the industrial Internet of Things, and exploring a sustainable development path in which “data is transformed into assets and assets create value”, the Group continuously enhances its digital and intelligent management capabilities.

Guided by the *“Digital Transformation Plan”*, the Group has systematically advanced four major workstreams, namely the “Smart Project”, “Empowerment Project”, “Foundation Strengthening Project” and “Support Project”, and defined a three-stage evolution path of “IT coverage – system integration – data integration”. In 2025, focusing on the goals of “smart governance” and “refined control”, the Company advanced its transformation efforts, completed the acceptance of Phase I digitalization development centred on the integration of business and finance, and established the hardware foundation of the Group's Internet of Things platform and data centre, thereby initially building capabilities for business-finance linkage and management optimisation. Phase II was advanced in an orderly manner, with the data middle platform achieving phased targets, including the completion of more than 2,570 data tables, 30 GB of data collection covering more than 13 systems, the configuration of more than 400 cross-departmental indicators, and the optimisation of visualised dashboard displays. The command and dispatch system, business travel platform and AI-powered data query system were launched for trial operation, while the data centre was expanded. At the same time, the flood control, official vehicle and digital supervision platforms were upgraded, and the HR, Party building reporting and remuneration management modules were optimised, providing a solid foundation for digital and intelligent support.

Digitalized Operations — Integrating Industry Digital-Intelligence Scenarios and Unlocking the Value of Data Assets

- Leveraging the Group's established Internet of Things platform, data access was achieved for 38 wastewater projects (including 27 with a treatment capacity of over 50,000 tons), 3 reclaimed water projects, and 3 new energy projects. Key indicators such as water quality, water volume, and equipment operation were collected in real time, and an all-domain production monitoring system with "one-screen visibility" was established





- The self-developed smart plant-level platform was piloted at Jinggu wastewater treatment plant. Through the dynamic optimization of process parameters such as intelligent chemical dosing and aeration, the platform has delivered cost savings of more than RMB 3 million since its launch and significantly improved operational efficiency. At the same time, it integrates production indicators to form a dynamic "digital profile", transforming tacit experience into explicit data models and supporting refined "one-plant-one-strategy" management



- The *Data Asset Management System* was formulated and issued to cover the full life cycle of data assets. During the year, RMB 671,700 was capitalized for the plant-level platform R&D project, bringing the cumulative amount capitalized to RMB 1,125,800. The underlying data of the algorithm model was successfully listed and registered on the Northern Big Data Exchange Platform, and the *Data Product Registration Certificate* was obtained, together with supporting asset valuation and compliance review reports



Office Digitalization — Advancing Digital-Intelligent Management and Control Capabilities and Deepening Business-Finance Integration





- In terms of financial standardization, the financial account system was streamlined from nearly 10,000 items to nearly 2,000 items, establishing a unified financial standard across the Group. This has supported the efficient coordination of core businesses such as budgeting and fund management, and improved management decision-making efficiency by 40%
- In terms of data governance, a sound data governance system was established to clarify data ownership and flow, formulate data quality control rules, and develop a standardized data catalogue. More than 2 PB of production data from wastewater, reclaimed water, solid waste, and other business operations has been collected on a cumulative basis, covering more than 200 dimensions such as water quality, energy consumption, and equipment status, thereby forming core data assets
- In terms of business-finance integration, eight core business-finance systems achieved closed-loop online management of key processes such as budgeting, contracts, and fund management. Manual statistical procedures were reduced by 60%, and the online rate of core business-finance processes exceeded 90%

The Company integrates the cultivation of digital culture with capability enhancement, strengthens digital awareness among all employees through training, and fosters a strong atmosphere of “proactive learning, effective application and active innovation”. Through senior management briefings, case sharing and other initiatives, the Company communicates the vision for transformation and breaks away from entrenched mindsets. It has also established a tiered and categorized training system, under which practical, advanced and hands-on courses are designed for different positions, thereby enhancing the digital capabilities of all employees.



“Capital Qiji” Special Training on “Smart Water with AI Empowerment”



“Capital Lecture Hall” Special Training on DeepSeek

Information security and privacy protection

Governance

The Group has established and continuously updated core rules and regulations such as the *Cybersecurity Management System*, *Data Security Management System* and *Data Asset Management System*. It has also set up the Cybersecurity and Informatization Leading Group of the Group Party Committee, which is responsible for organising and leading the Group's cybersecurity and informatization work, and for coordinating cybersecurity and informatization matters relating to the Group's political, economic and cultural work, as well as institutional development and other areas.

Following capacity expansion and upgrading through the introduction of various cybersecurity devices, the Group's current data center has met the requirements for Level 3 (“Stable Level”) certification under the Data Management Capability Maturity Assessment Model (DCMM). It has also completed Level II classified cybersecurity protection filing and assessment for three core systems, namely the Group's official website, the business-finance system and the data centre, thereby achieving full compliance coverage across core business scenarios.



Strategy

Upholding the core principle of “active defense and comprehensive prevention”, the Group follows the working guideline of “clear accountability, appropriate authorization, standardized processes, and the integration of technology and management”, and comprehensively strengthens whole-cycle cybersecurity management to build a solid security safeguard for the Group's digital and intelligent transformation and the stable operation of its core business systems.

Risk Management

The Group has established a routine risk monitoring mechanism and, by leveraging its existing security technology platform, conducts real-time monitoring of network operating conditions to accurately identify and provide early warning of potential security risks. The Company has formulated the *Cybersecurity Incident Emergency Response Plan*, which clearly defines emergency response procedures and the division of responsibilities, and enhances employees' ability to respond rapidly to sudden cybersecurity incidents through simulation drills. We actively carry out various cybersecurity awareness activities, conduct phishing email simulation exercises based on workplace scenarios, and display publicity posters and promotional videos on electronic screens in office areas, thereby strengthening employees' awareness and defence against cybersecurity risks.



Cybersecurity Training for All Levels

Through classification-based and tiered management and full life cycle management, we implement end-to-end encrypted storage and transmission for the core data of locally deployed systems. We strictly enforce the principle of least privilege to strengthen access control, and have established a regular security strategy review mechanism to continuously optimize cybersecurity strategies, ensuring the effective implementation of information security management. We have deployed 11 domestically developed hyper-converged servers, and, leveraging the Group's unified monitoring platform and centralized vulnerability management system, accelerated the establishment of an integrated security protection architecture covering both the Group and its subsidiaries. Professional technical support, including training drills and remote guidance, is provided to subsidiaries, thereby forming a protection framework featuring "top-down coordination and resource sharing". In 2025, we conducted three information security-related training sessions, with 2,100 participants, covering 92% of employees.

In 2025

- we conducted **three** information security-related training sessions, with **2,100** participants, covering **92%** of employees.

Indicators and Targets

During the year, the Group's data center achieved the target of “zero cybersecurity incidents”. No security incidents caused by employee operational errors occurred, and no information leakage incidents were recorded.

Safeguarding Clear Waters and Clean Land

Wastewater Treatment

Upholding the team philosophy of “meticulous protection and sustained pursuit of excellence”, the Group has formulated special systems such as the *Operation Quality Management System* and the *Guidelines for the Supervision and Inspection of Operation Management*, and strictly benchmarks against national and local environmental emission standards to define operating standards for all aspects, including water quality monitoring, process control and emergency response. Some of our subsidiaries have obtained ISO 9001 Quality Management System certification and, on this basis, established a three-tier management mechanism covering “source monitoring – process control – effluent verification”, thereby realizing full-process traceability and controllability of wastewater treatment from influent to effluent. Meanwhile, cross-departmental coordination has been strengthened to promote collaboration among the R&D, operation and environmental protection departments, enabling precise responses to governance needs and improving the timeliness of problem resolution. Supporting environmental protection assessment and accountability mechanisms have also been improved, with a target responsibility system for quality management established to link indicators such as effluent compliance rate and process compliance with the performance of departments and individuals, thereby strengthening water quality control.


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Certificate of Registration

质量管理体系 - ISO 9001:2015

Tianjin Capital Environmental Protection Group Company Limited
No. 76, South Weijin Road
Nankai District
Tianjin
300381
China

FM 71502

Michael Lam, Senior Vice President, APAC Assurance

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Page: 1 of 3

...making excellence a habit.

ISO 9001 Quality Management System Certification



In 2025

the Group's wastewater treatment plants

- treated a total of **1.7** billion tons of wastewater
- and achieved reductions of **41,800** tons of ammonia nitrogen pollutants, **356,000** tons of COD pollutants, **44,700** tons of total nitrogen pollutants, and **5,700** tons of total phosphorus pollutants



In 2025, our wastewater treatment plants received multiple external recognitions. The Group successfully passed the rigorous review conducted by the Certification Center of the China Association of Environmental Protection Industry (Beijing) in a single attempt, and was once again awarded the Grade I qualifications for *Operation Services for Urban Centralized Wastewater Treatment Facilities* and *Operation Services for Industrial Wastewater Treatment Facilities.*

Capital Environmental Protection's Wastewater Treatment Plants Ensured Safe and Stable Operation During the Spring Festival through Multiple Measures

Case

During the 2025 Spring Festival holiday, the Group's wastewater treatment plants across the country fulfilled their responsibilities with a high degree of commitment in ensuring supply and operation, thereby safeguarding the safe and stable operation of their plants. Before the holiday, each unit made early plans and arrangements, coordinated personnel assignments, completed comprehensive equipment inspections and maintenance, and ensured sufficient spare parts and materials were in place, laying a solid foundation for holiday operations. During the holiday, 24-hour uninterrupted inspections were carried out, with close attention paid to key areas such as fire safety, electricity use, and hazardous chemicals management. Anti-freezing measures for pipelines were implemented, and emergency response plans were improved to eliminate various hidden risks. At the same time, the supply of chemicals was scientifically secured, process parameters were dynamically adjusted according to influent and effluent concentrations, and operating loads were precisely controlled to ensure stable compliance with effluent quality.



Solid Waste Disposal

The Group focuses on compliance throughout the entire solid waste disposal process. Caring Company has issued systems such as the *Standardized Management Manual*, which clearly define the responsibilities and environmental protection requirements for each stage, including sludge reception, dewatering and volume reduction, harmless disposal, and the classification, storage and transfer of hazardous waste. Solid waste disposal levels are strictly classified, and differentiated control standards have been formulated for sludge, hazardous waste and general industrial solid waste, so as to prevent secondary pollution to soil and water bodies arising from the solid waste disposal process. At the same time, solid waste disposal compliance has been incorporated into the environmental protection assessment system to strengthen the implementation of responsibilities at each stage and build a comprehensive institutional safeguard framework.

Caring Company has obtained ISO 9001 Quality Management System Certification and established a solid waste management system featuring “classified disposal, full-process traceability and coordinated linkage”, thereby enhancing disposal efficiency and safety. For sludge, a tiered management model of “dewatering and volume reduction + harmless disposal + resource utilization exploration” is adopted, with precise control achieved through specialized equipment and processes. For hazardous waste, the system of “dedicated personnel management, designated area storage and qualified transfer” is strictly implemented to prevent loss and leakage. A full life cycle ledger for solid waste disposal has been established to realize full-process traceability from generation, temporary storage and transfer to final disposal. Cross-departmental coordination and external collaboration have also been strengthened through engagement with qualified professional disposal units, thereby forming a closed-loop framework of “internal control + externally compliant disposal”.

Caring Company prepares customer maintenance records based on the specific characteristics of each project, detailing information such as waste generation data, laboratory testing data and after-sales service conditions. By analyzing customer feedback and market competition, it continuously adjusts its service strategies and responds flexibly to customer needs and market changes.



ISO 9001 Quality Management System Certification

In 2025

the solid waste segment recorded:

- **92,000** tons of hazardous waste disposed of
- **226,000** tons of sludge treated through harmless disposal

Ensuring Stable and Reliable Supply Quality

Management

The Group has always adhered to the “Six Zero[1]” service principles, and has formulated systems such as the *Petition Management System*, the *Guidelines for Undertaking the 12345 Government Service Hotline* and *the Emergency Plan for Petition and Stability Maintenance*. By deeply integrating professional competence with caring service, the Group has built a professional and warm service system featuring full-chain coverage, round-the-clock response and care for all service groups.

Strategy

Capital Environmental Protection Group adheres to the approach of leveraging the “Three New Initiatives”, the “Three Quantities” and the “Three Controls” as key drivers. While consolidating its core businesses, the Group strengthens its “light-end” efforts to deliver high-quality technical services, empowers and optimizes capital allocation through policy-based funding, and advances the development philosophy of “one project for one city” in a solid and in-depth manner, striving to achieve effective qualitative improvement and reasonable quantitative growth.

Risk Management

Premium Service

In the water supply sector, Capital Environmental Protection focuses on stability, safety and convenience, and has established a multi-dimensional user service network. We have set up a “24-hour Customer Service Center”, through which users can access 24-hour online consultation, payment and repair request services via the “88488520” customer service hotline, the official WeChat account and the online business hall. Offline, four business halls and 14 self-service water vending machines remain open throughout the year. To effectively address users' urgent and practical water service needs, we adhere to the principles of responding at the earliest opportunity, handling issues at the earliest opportunity, and providing feedback at the earliest opportunity, so that users can truly experience considerate service with “a response to every request”.

To ensure the smooth switching of water sources for users and safeguard water supply safety, the water supply assurance service team has developed the “three inspections and one follow-up” working method for water source switching for large public building users, and has institutionalized a return-visit mechanism for major users. For key users such as power plants and universities, regular on-site visits are conducted to understand their water use needs and challenges through vehicles such as Party-building joint initiatives, while opinions from service recipients are listened to with an open mind so as to continuously enhance service quality.

1 “Zero distance” to users, “zero delay” in business processing, “zero error” in charging procedures, “zero damage” to the service image, “zero complaints” in hotline services, and “zero accidents” in water supply safety

Three Inspections and One Follow-up:

- **100%** inspection of users' water consumption points and pipeline networks
- **100%** inspection of water consumption points affected by pipeline shutdowns
- **100%** inspection of water consumption points involved in water source replacement
- **100%** follow-up on domestic water quality after water source switching

In 2025

the Company's water supply service satisfaction rate (calculated based on the proportion of positive evaluations):

- Customer service training was conducted **62** times, with a total duration of **26** hours and **7** training sessions organized
- A total of **7,258** work orders were issued for manual return visits, with a collection rate of **100%** and an annual satisfaction rate of **99.97%**
- A total of **39,323** cases were manually handled by customer service specialists, with a collection rate of **100%** and an annual satisfaction rate of **100%**

In 2025

the Company recorded:

- **82.8687** million tons of reclaimed water sold externally
- **5.8572** million tons of industrial water sold externally
- **50.4564** million tons of tap water sold externally

In the energy supply and heating sector, Green Energy Company has put into practice the standard of “professionalism with a smile” and has innovatively established and comprehensively promoted a one-to-one, grid-based “heating steward” service model in its core business areas. By sorting out and proactively pushing guides to frequently asked questions in advance, optimizing payment procedures, paying attention to the needs of special groups such as the elderly, equipping emergency supplies, and taking the initiative to conduct home visits, each business hall has truly extended its services from the “service window” to users' “hearts”. Green Energy Company has established a dual assurance mechanism consisting of a 24-hour duty system and a customer complaint platform, and strictly implements the core mechanism of “first inquiry responsibility and closed-loop handling”. The first employee receiving a complaint is designated as the “first inquiry responsible person” and is responsible for whole-process follow-up and coordination. A digital closed-loop process covering “acceptance – assignment – handling – feedback – return visit – archiving” has also been established to ensure that all public appeals are addressed in a timely manner.



Tianjin Regenerated Water Supply Service Window (Zhongshui Company)



Junliangcheng Heating Fee Collection Office, Dongli District, Tianjin

In 2025

the Company recorded:

- Total service area of **6.96** million square metres
- External sales of heat of **1,292,960.07** GJ and external sales of cooling of **217,208.12** GJ

Emergency Supply Assurance

Adhering to the principle of “early deployment and proactive prevention”, the Group does not wait passively for instructions from higher authorities, but continues to strengthen material reserves and the development of professional teams, comprehensively enhancing emergency response capabilities and consolidating the foundation for safe development. All units promptly revised flood control contingency plans, conducted drills, identified and rectified hidden risks, and carried out practical tabletop exercises for flood control. Advanced digital tools such as the “Real-time Flood Control Dashboard” and the “Flood Control Information Summary” were utilized to conduct comprehensive monitoring and scientific dispatch of flood control work, ensuring that all flood control measures were effectively implemented. Through special inspections and work reminders, the Group made early arrangements and adopted targeted measures to ensure that “ensuring supply and ensuring operation” were fully delivered in practice, and all operating units of the Group passed the flood season safely without incidents.

In its daily work, Zhongshui Company applies the “Five Senses and Eight Fixes[2]” working method to conduct meticulous inspections of the reclaimed water supply pipeline network, while maintaining 24-hour standby duty under the “Five-in-place” requirement covering personnel, vehicles, materials, equipment and communications. Whether in the event of pipeline leakage or equipment failure, rapid response and efficient handling can be ensured so as to minimize water outage duration and reduce the impact on users to the greatest extent possible. We have established an emergency response mechanism featuring “rapid response and coordinated handling”, under which emergency repair teams remain on standby at all times and rush to the site immediately upon receiving fault reports to carry out repair operations efficiently. At the same time, information disclosure and public opinion guidance are properly managed, and affected users are promptly informed of the cause of the fault, repair progress and expected recovery time, with clear explanation and communication provided. After the completion of emergency response, system risks are comprehensively investigated, emergency supplies are replenished, and experience is summarized to optimize contingency plans, so as to continuously enhance the capacity to ensure reclaimed water supply.

In response to special holidays and extreme weather conditions, Green Energy Company, with a focus on “stable heating supply, precise control, safety and efficiency”, established a holiday heating emergency command headquarters, clarified the command structure and the responsibilities of each working group, and formulated targeted contingency plans covering various scenarios such as facility failures, pipeline leakage and extreme low temperatures. Comprehensive inspection, repair and maintenance of the heating system were carried out, with a focus on key facilities such as heating boilers, heat exchange stations and heating pipelines. Ageing components were replaced and system operating parameters were optimised. Sufficient repair materials, protective supplies and emergency energy sources were reserved, and emergency drills were organized to enhance the team's emergency response capabilities, ensuring that the heating system was fully prepared to cope with various emergencies.

2 The “Five Senses”: observation, listening, inquiry, palpation, and smell; the “Eight Fixes”: fixed personnel, fixed points, fixed quantities, fixed cycles, fixed standards, fixed forms, fixed records, and fixed procedures.



Inspection of Anti-freezing and Thermal Insulation Pipelines by Karamay Company



Flood Control Emergency Response



Pre-holiday Inspection of Water Supply Facilities by Qujing Company



Inspection of Heating Facilities by Green Energy Company

Indicators and Targets

Capital Environmental Protection adheres to the principle of placing equal emphasis on increasing revenue and reducing expenditure, and has advanced in a coordinated manner the construction of the reclaimed water pipeline interconnection project in the main urban area of Tianjin. A total of 117 connection points have been completed, the water supply network has been extended to 849 km, and the water supply coverage rate has increased from 49.9% to 80%. The Company has continued to expand into new areas such as lake replenishment, utilization in industrial parks and use by waste-to-energy plants, while prioritizing the switching of greening water supply for universities, hospitals and residential communities. Water supply has been connected for projects such as Meijiang Lake Park, Tiangang Group and Guanzhuang Waste Incineration Plant. During the 14th Five-Year Plan period, a cumulative total of 199 reclaimed water users were developed, and reclaimed water sales reached 247 million tons. During the reporting period, no major safety or quality liability incidents related to products and services occurred at the Company.

ADVANCING GREEN DEVELOPMENT AND BUILDING A SHARED ECOLOGICAL HOMELAND

Green is the defining foundation of Capital Environmental Protection and the inherent logic underpinning its fulfilment of social responsibility and drive for sustainable development. The Company remains deeply committed to the practice of green development, pays close attention to climate change risks, and integrates the requirements of ecological priority, low-carbon development and circularity throughout all dimensions of its operations, coordinating environmental governance and value creation through systematic initiatives.

Material Issues

- Environmental Management
- Water Resources Management
- Pollutant Emission
- Energy Management
- Addressing Climate Change
- Ecosystem and Biodiversity
- Clean Technology Opportunities
- Circular Economy
- Waste Disposal

Benchmarking against the United Nations Sustainable Development Goals



58 Addressing Climate Change

65 Environmental Compliance Management

69 Advancing Green Operations

Addressing Climate Change

Governance

Capital Environmental Protection has incorporated climate change management into its day-to-day ESG management system and, together with professional institutions, carried out special discussions on climate change-related topics, while continuously monitoring policy changes, laws and regulations, corporate reputation and physical risks. In response to the identified climate-related risks, the Company has formulated reasonable response strategies and, in light of changes in the external environment and its internal development status, takes practical actions to address risks and seize opportunities.

Board of Directors

- Comprehensively responsible for incorporating climate change response into the Company's overall strategic planning

Strategy and ESG Committee

- Overseeing and managing climate change-related matters
- Identifying and assessing climate change-related opportunities and risks
- Approving the Company’s climate target planning and target setting

ESG Working Leadership Group and Task Force

- Formulating the Company’s climate strategy and targets
- Coordinating internal and external discussions on the climate strategy and targets
- Promoting the implementation of climate change-related work

Strategy

The Company conducted a comprehensive review of the climate-related risks it may face and their potential financial impacts, established high- and low-greenhouse gas emission scenarios, analyzed the challenges and opportunities arising from climate factors under each scenario, and comprehensively assessed the financial impacts of climate factors[3].

For scenario analysis, we adopted the Shared Socioeconomic Pathways (SSPs) set out in the *Climate Change 2023: Synthesis Report of the Sixth Assessment Report (AR6)* issued by the Intergovernmental Panel on Climate Change (IPCC). A low-greenhouse gas emission scenario (SSP1-2.6) and a high-greenhouse gas emission scenario (SSP5-8.5) were selected for comparison. Based on the two scenarios of the “Net Zero Emissions by 2050 Scenario (NZE)” and the “Stated Policies Scenario (STEPS)”, transition risks and climate-related opportunities were assessed, and the potential impacts of climate change-related risks and opportunities on the Company's operations over the short term (2026), medium term (2030) and long term (2050) were analyzed.

3 The assessment of the potential financial impacts of climate-related risks by Capital Environmental Protection constitutes forward-looking statements. Given the many uncertainties in the external environment, actual future developments may differ from the forecasts set out in this Report.

List of Climate Risk and Opportunity Scenario Analyses and Related Assumptions

Climate Scenario	SSP 1-2.6	SSP 5-8.5
Physical Risk Scenario Description	Under this scenario, the world gradually shifts towards a more sustainable development pathway. It aims to limit the increase in global average temperature to well below 2°C, consistent with the greenhouse gas reduction ambition of the *Paris Agreement*, with global temperature in 2100 projected to be approximately 1.8°C above pre-industrial levels.	This scenario represents a future in which greenhouse gas emissions continue to rise in the absence of new climate policy interventions, resulting in a high level of radiative forcing. By the end of the 21st century, the global average temperature could rise by more than 4°C above the pre-industrial level.
Scenario source	Intergovernmental Panel on Climate Change (IPCC), *Sixth Assessment Report* (AR6)	

Climate Scenario	NZE	STEPS
Description of Transition Risk/ Opportunity Scenarios	The International Energy Agency has proposed the Net Zero Emissions by 2050 Scenario, setting out recommendations on technology and emission reduction pathways, international cooperation, and energy sector transformation, with the aim of limiting the increase in global average temperature to 1.5°C.	This scenario analysis is based on policies currently in force as well as announced policy proposals that have not yet been fully implemented. Under this scenario, there is a 50% probability that the global temperature will rise by 2.4°C by 2100.
Scenario source	International Energy Agency (IEA)	

Analysis of Impact Levels under Different Climate Scenarios

Time		2026	2030	2050	2026	2030	2050
Model		SSP1-2.6			SSP5-8.5		
Physical risk	Acute risk	■	■	■	■	■	■
	Chronic risk	■	■	■	■	■	■
Model		NZE			STEPS		
Transition risk	Policy risk	■	■	■	■	■	■
	Market risk	■	■	■	■	■	■
	Reputation risk	■	■	■	■	■	■
	Technology risk	■	■	■	■	■	■

Risk level: Low risk Medium risk High risk

Analysis of Key Climate Risks and Response Measures

Category of Risk	Opportunity and Impact Pathway	Potential Financial Impacts	Response Measures
Physical risk			
Acute risk	The occurrence of extreme weather events such as earthquakes, typhoons, thunderstorms, heavy rain and dense fog may result in pipeline blockage or leakage, damage to facilities and equipment, and operations under excessive load and pressure.	Increase in costs and asset impairment	• Conduct real-time monitoring and early warning, formulate extreme weather risk response mechanisms and contingency plans, regularly carry out emergency drills and training for natural disaster incidents, and reserve emergency supplies and professional repair teams; • Strengthen hidden risk identification, specialized inspections and routine patrols, and enhance treatment technologies; • Pay attention to the health of employees engaged in outdoor operations and improve the provision of protective supplies for high- and low-temperature conditions; • Upgrade protective works such as flood prevention and waterlogging prevention at plant sites, and give priority to climate-resilient infrastructure, including earthquake-resistant, wind-resistant, lightning-protection, and fire-resistant designs.
Chronic risk	Chronic risks such as drought, extreme high/low temperatures, and the intensification of the El Niño phenomenon caused by sea level rise may affect the health and safety of the Company's employees, increase chemical consumption and equipment energy use, and heighten risks to water ecological security.	Increase in costs, decrease in revenue, and asset impairment	
Transition risk			
Policy risk	The introduction by governments of policies supporting low-carbon transition and more stringent low-carbon compliance requirements for the water services industry may affect energy price fluctuations. Differences in environmental regulatory policies across regions also increase the difficulty of compliance for cross-regional operations.	Increase in costs	• Track developments in climate policies, establish a regular reporting mechanism, and take a forward-looking approach to policy adaptability; • Advance the development of distributed energy systems and increase the proportion of green electricity used; • Formulate cross-regional compliance operation standards and simultaneously promote environmental upgrading and transformation across projects.
Market risk	Market demand for low-carbon services such as green water services and reclaimed water utilization is upgrading, while the market share of traditional businesses is shrinking.	Decrease in revenue	• Focus on the low-carbon business layout of "water services + new energy", and enhance the supply capacity of reclaimed water and sludge resource utilization services; • Actively apply for green credit and green bonds to reduce financing costs.
Reputation risk	Stakeholders are paying increasing attention to the Company's performance in addressing climate change, which may expose the Company to public opinion pressure and affect its brand image and market acceptance.	Decrease in revenue	• Regularly disclose greenhouse gas emissions data, deepen cooperation in green public welfare initiatives, build benchmark cases for low-carbon transformation in the water services sector, and enhance brand reputation.
Technology risk	With the rise of emerging technologies such as big data, artificial intelligence and the Internet of Things, enterprises need to increase R&D investment in order to maintain market competitiveness.	Increase in costs	• Deepen industry-university-research cooperation, tackle key low-carbon technologies, and accelerate technology commercialization; • Promote digital transformation and expand market presence.

Climate change presents both challenges and opportunities. Capital Environmental Protection seizes development opportunities, identifies diverse climate-related opportunities, and is committed to transforming the challenges posed by climate change into a strong driving force for the Company's sustainable development, thereby achieving a win-win outcome for economic benefits and environmental protection.

Climate-related Opportunity Identification

Potential Opportunities	Opportunity Analysis	Potential Financial Impact
Reputational opportunities	• By fulfilling responsibilities in low-carbon water governance and ecological protection, and publicly showcasing the application results of smart water services and environmental protection technologies, the Company can enhance stakeholder recognition and establish a green benchmark image.	• **Increase in revenue:** reducing potential expenditure on brand restoration and enhancing confidence and value recognition in the capital market.
Technological opportunities	• Technological innovation, including green energy substitution and process optimization, creates room for improvements in energy efficiency.	• **Increase in revenue and decrease in costs:** benefiting from tax incentives for R&D investment, and applying for special government subsidies through technology innovation platforms to ease funding pressure.
Market opportunities	• Expand integrated "water services + new energy" businesses, explore new models such as reclaimed water reuse and the coupling of photovoltaic power generation and energy storage, and respond to the needs of green supply chain development.	• **Increase in revenue:** expanding revenue scale through new business lines, paying attention to external ratings, obtaining favorable certifications, and promoting the growth of green market share.

Risk Management

We have incorporated climate change-related risks into the overall risk management system. Through three steps, namely the identification of risks and opportunities, the measurement of risks and opportunities, and the supervision and response to risks and opportunities, we identify, prioritize, and manage physical risks, transition risks and opportunities that may potentially affect the Company's assets. We have also adopted various measures to mitigate, transfer or control risks, such as introducing green financial resources, investing in the research, development and expansion of new energy technology projects, and developing and launching a photovoltaic carbon emission reduction calculator on the Group's OA platform, thereby strengthening the monitoring and management of carbon emissions.

Since December 2023, the research team has launched pilot carbon emissions monitoring at Jinggu Wastewater Treatment Plant and Xianyang Road (New) Plant. By initially establishing a carbon emission flux calculation method applicable to urban wastewater treatment plants and facilitating the inclusion of the two wastewater treatment plants in the national pilot programme for the Ministry of Ecology and Environment's work on deepening carbon monitoring and assessment, the team successfully completed the carbon emissions monitoring and data reporting tasks for key biochemical treatment units of wastewater treatment plants, and further improved the carbon monitoring process and data system. In 2025, the research team continued to carry out routine monitoring of the key biochemical treatment units in wastewater treatment plants, and further explored and summarized the patterns and trends of greenhouse gas emissions from these units.



Fixed Greenhouse Gas Online Monitoring Site



Mobile Greenhouse Gas Online Monitoring Equipment



Gas Collection Hood for Greenhouse Gas Online Monitoring



Fixed Greenhouse Gas Online Monitoring Equipment

Capital Environmental Protection Issued Tianjin's First Technology Innovation Green Bond | Case

On 11 September 2025, Capital Environmental Protection Group successfully completed the book-building issuance on the Shanghai Stock Exchange of Tianjin's first "technology innovation + green" corporate bond (Phase I, abbreviated as GK Jinchuang 01). The bond was led and underwritten by CSC Financial Co., Ltd., with Ping An Securities and others acting as joint lead underwriters. It was issued at a size of RMB 500 million, with a term of three years and a coupon rate of 2.06%, representing a further record low interest rate, and achieved an overall subscription multiple of 3.02 times. This issuance was a practical step taken by the Group in response to the consensus of the Tianjin Summit of the Shanghai Cooperation Organization and in implementing the national deployment of the "Five Major Priorities" in finance, providing support for both regional sustainable development and the Group's long-term development.



Indicators and Targets

The Group has adopted various specific energy conservation and emission reduction measures in response to the national climate change goals, and continues to monitor and record its greenhouse gas emissions while actively advancing the formulation of greenhouse gas-related targets. The relevant data on the Group's greenhouse gas emissions in 2025 are set out below:



Category	Unit	2025
Greenhouse gas emissions (Scope 1)	tons of CO_2 equivalent	5,654
Greenhouse gas emissions (Scope 2)	tons of CO_2 equivalent	336,340
Greenhouse gas emissions (Scope 3)	tons of CO_2 equivalent	105
Total greenhouse gas emissions	tons of CO_2 equivalent	342,009
Greenhouse gas emission intensity	tons of CO_2 equivalent / RMB million of revenue	0.72

Notes:

- 1. The greenhouse gas emissions inventory includes carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride, and nitrogen trifluoride;
- 2. Scope 1 includes emissions from fossil fuel combustion by fixed equipment, non-road mobile sources and vehicles, net of carbon sequestration from tree planting;
- 3. Scope 2 includes indirect emissions from purchased electricity and purchased heat. In 2025, the statistical scope was updated in accordance with the *General Principles for Greenhouse Gas Emissions Accounting and Reporting for Industrial Enterprises* (GB/T32150—2025), incorporating the calculation of heat sold externally. The emission factor for heat adopted was 0.11 tons of CO2/GJ. The electricity emission factor was derived from the national average grid emission factor of 0.5306 t CO_2/MWh set out in the *Announcement on the Release of 2023 Carbon Dioxide Emission Factors for Electricity* issued by the Ministry of Ecology and Environment in 2025;
- 4.Scope 3 includes indirect emissions from employees' business air travel;
- 5.During the calculation process, all relevant data are measured in tons of carbon dioxide equivalent (tCO_2e);
- 6. The calculation methodology was prepared with reference to the Stock Exchange's *How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs , General Principles for Greenhouse Gas Emissions Accounting and Reporting for Industrial Enterprises (GB/T32150—2025)* and the *2006 IPCC Guidelines for National Greenhouse Gas Inventories*.

Environmental Compliance Management

Environmental Management

The Group strictly complies with relevant laws and regulations, including the *Environmental Protection Law of the People's Republic of China* and the *Environmental Impact Assessment Law of the People's Republic of China.* It has formulated systems and policies such as the *Quality, Environment and Occupational Health and Safety Management Manual*, the *Environmental Protection Responsibility System*, and the *Operation Management Standards*. Some subsidiaries and branches have obtained ISO 14001 Environmental Management System Certification and, on this basis, have established and improved their environmental management systems. The principal person in charge of each affiliated unit is the first person responsible for environmental protection work of that unit and assumes full leadership responsibility for environmental protection work. Supporting supervision, inspection and accountability mechanisms have also been established to strengthen environmental management while overseeing their own environmental protection operations. In 2025, our environmental protection investment amounted to RMB 2.9381273 billion.



ISO 14001 Environmental Management System Certification

In 2025

- our environmental protection investment amounted to RMB **2.9381273** billion.

To effectively respond to environmental risks, each of our project units has formulated an *Emergency Response Plan for Environmental Incidents* and established a management system covering organizational leadership, response and handling, and personnel and material support for environmental emergencies. Regular training and drills are carried out in accordance with the respective emergency response plans for environmental incidents, so as to continuously enhance practical environmental emergency response capabilities. In 2025, no major environmental incidents occurred at the Company.

Pollutant management

Governance

The Group strictly complies with laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution* and the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*. It urges each project unit to formulate relevant management systems for wastewater, waste gas and solid waste, including the *Solid Waste Management System*, the *Environmental Sanitation Management System* and the *Online Monitoring Management System*. The chief executive of each project unit, as the first person responsible for the management of wastewater, waste gas and solid waste, obtains pollutant discharge permits in accordance with the law, carries out regular environmental monitoring, and equips the unit with effective treatment facilities, so as to reduce pollutant and waste emissions through multiple measures.

Strategy

Upholding the principles of “source reduction, process control, end-of-pipe treatment and resource circulation”, the Group focuses on pollutants generated from its own operations, including sludge, odorous waste gas, chemical residues and noise, and has established a full-chain treatment system. By improving the governance structure, defining strategic directions, strengthening risk prevention and control, and quantifying indicators and targets, the Group has achieved closed-loop treatment and efficient control of its own pollutants, promoted the transformation of its operations towards “low consumption, low carbon and low disturbance”, and fulfilled its ecological and environmental protection responsibilities through self-discipline.

Risk Management

The Company has established a full-process risk management and control system for pollutant treatment covering “identification – assessment – prevention and control – handling”, focusing on key risk points such as process fluctuations, sudden changes in water quality and equipment failures, so as to achieve dynamic control and closed-loop handling. By adopting a combination of qualitative and quantitative methods, the Company scientifically assesses the degree of risk impact and the probability of occurrence, and formulates differentiated prevention and control measures.

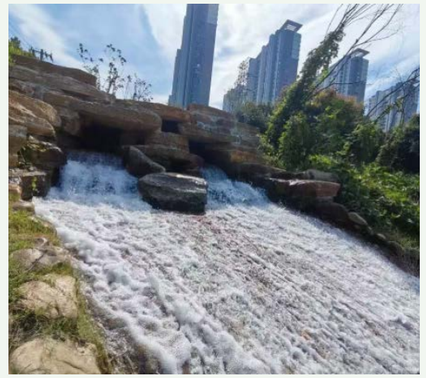
In terms of wastewater management, the biogas slurry and water generated from volume reduction in the Group's solid waste disposal projects are all treated at wastewater treatment plants and discharged only after meeting the relevant standards. The wastewater treatment plants adopt a circular model of “wastewater – reclaimed water – ecological water use”, with treatment processes including aerated grit chambers, high-rate sedimentation tanks, multi-stage AO bioreactors and rectangular peripheral inlet and outlet sedimentation tanks. The reclaimed water produced after treatment is widely used for cooling water at thermal power plants, miscellaneous use in industrial parks and residential communities, greening in hospitals and parks, and sanitation water. Part of the treated wastewater is reused after meeting discharge standards, so as to reduce wastewater discharge.

Reclaimed Water Utilization Project of Hefei Chuangye Water Co., Ltd. Officially Commenced Operation

Case

In October 2025, the reclaimed water utilization project of Hefei Chuangye Water Co., Ltd. was officially put into operation. Using the tailwater from the Taochong wastewater treatment plant of Hefei Company as a resource, the project realized the “rebirth of wastewater”. It can steadily supply approximately 40,000 tons of high-quality reclaimed water per day and save nearly 10 million tons of tap water annually. The project involved the construction of approximately 7.5 km of reclaimed water transmission pipelines and one integrated pumping station, providing stable power for reclaimed water delivery. The outlet adopts a stacked-stone waterscape design, combining ecological value with leisure and ornamental functions. At the same time, seven intelligent water intake hydrants have been installed along the route, providing convenient reclaimed water access points for municipal miscellaneous uses such as road cleaning and landscape irrigation, replenishing river water to enhance aquatic ecological resilience, and promoting more intensive and circular urban public water use.





In terms of waste management, hazardous waste generated in the course of various business processes is entrusted to qualified third-party units for disposal. Sludge generated by wastewater treatment plants is transported by qualified third-party carriers to designated disposal sites for treatment. Domestic waste is handled by local sanitation authorities. Through diversified cooperation, the sludge generated by the Xianyang Road wastewater treatment plant is treated and utilized in a harmless and resource-oriented manner. Using aerobic fermentation processes, the sludge is converted into nutrient soil for greening, which is applied in forest greening and saline-alkali land improvement, while sludge incineration residues are used to produce construction materials, thereby realizing the full resource utilization of sludge.

The Group's waste gas emissions mainly arise from its solid waste incineration business and fixed equipment at wastewater treatment plants. Waste gas from the solid waste incineration business is primarily generated from the sludge treatment process and flue gas emissions from boilers. Waste gas generated during the sludge treatment process is collected and treated through biological filter deodorization units before being discharged in compliance with the relevant standards. Following low-nitrogen retrofitting, all in-plant boilers are equipped with low-nitrogen burners, and the flue gas generated is discharged only after meeting the relevant emission standards. Waste gas generated by wastewater treatment plants is mainly treated through biological deodorization processes before being discharged in compliance with the relevant standards.



Xianyang Road wastewater treatment plant Deodorization System

In 2025, Xi'an Chuangye Water Co., Ltd. implemented the following pollutant emission reduction measures:

- The two wastewater treatment plants disposed of dewatered sludge (with a moisture content of no more than 80%) through co-incineration for waste-to-energy generation, while sludge after aerobic fermentation was utilized as fertilizer. As a result, sludge generation per 10,000 tons of wastewater treated was reduced to 7.5 tons, and sludge moisture content was stably controlled below 80%.
- Through intelligent upgrading, more refined chemical dosing was achieved. Beishiqiao wastewater treatment plant implemented the upgrading of a precise dosing system for carbon sources and disinfection chemicals. Combined with real-time water quality monitoring of each process unit through newly installed process instruments, chemical dosing volumes were dynamically adjusted, substantially improving the stability of effluent quality. The concentrations of COD, ammonia nitrogen, TP, and TN in the effluent of the wastewater treatment plants under its administration were reduced to 13 mg/L, 0.1 mg/L, 0.09 mg/L, and 8 mg/L, respectively.

Indicators and Targets

In 2025

the Group established pollutant-related targets and regularly tracked their progress (targets achieved):

- Compliance with discharge standards for wastewater, waste gas, solid waste, noise and other pollutants
- **0** major environmental pollution incidents

Advancing Green Operations

Energy Management

Governance

The Group complies with laws and regulations such as the *Energy Conservation Law of the People's Republic of China* and the *Cleaner Production Promotion Law of the People's Republic of China*. All affiliated units have formulated the *Energy Management System* and established a three-tier energy management framework comprising the Company's Energy Conservation Leading Group, plant-level energy conservation groups and team-level energy conservation officers. The Energy Conservation Leading Group is fully responsible for the Company's energy conservation work, and its head is the Company's General Manager.

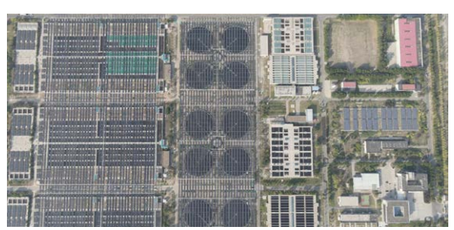
Strategy

The Company regards energy management as a core strategy for green development, focusing on the directions of “energy efficiency improvement, green electricity substitution and multi-energy complementarity”, and promoting the transformation of its energy structure from “traditional high consumption” to “low-carbon and high-efficiency”, so as to achieve synergy and mutual benefits in both energy efficiency and environmental performance. In terms of its core strategic positioning, the Company closely aligns with the Group's “N-dimensional integrated” business model, deeply integrates energy management with businesses such as photovoltaic new energy, sludge resource utilization and heat pump energy supply, incorporates it into the “dual carbon” target layout, and strives to build a benchmark for green electricity application and energy conservation and carbon reduction in the water services industry.

Risk Management

Focusing on key risk points such as power supply interruption, equipment failure, abnormal energy consumption and electrical safety, the Company has established a safeguard system featuring “dual power sources + emergency generators”. Through an intelligent monitoring platform, high energy-consuming equipment can be accurately identified, while electrical fire monitoring, leakage monitoring and wireless temperature measurement devices for electrical contacts have been deployed to enable the early warning of potential risks.

The Company actively advances energy conservation and efficiency enhancement efforts, striving to optimize energy consumption and maximize efficiency. We mainly promote energy conservation and emission reduction in a coordinated manner through building energy efficiency, energy-saving equipment retrofitting, waste heat recovery and utilization, and green transportation. By installing distributed photovoltaic power generation facilities in the spaces above structures, the Company has achieved sound economic benefits and gained external recognition. In 2025, the Company's clean energy photovoltaic consumption amounted to 44,467.41 MWh.



Distributed Photovoltaic System at Jinggu Wastewater Treatment Plant



Distributed Photovoltaic System at Dongjiao Wastewater Treatment Plant

In 2025

some of the Group's energy-saving technical upgrading projects included:

- The Phase II wastewater treatment plant of Weng'an Company completed the retrofitting of its aeration system, after which the electricity consumption per ton of water treated by the equipment decreased by **52.5%**.
- Jinggu wastewater treatment plant installed ammonia nitrogen and nitrate nitrogen instruments in the bioreactor as key parameters for adjusting blowers and valves, replacing the traditional use of dissolved oxygen as an indicator, and saved **15,000** tons of carbon source compared with 2024.
- Xianyang Road wastewater treatment plant is committed to carbon reduction and control, energy self-sufficiency and resource recycling, achieving an energy self-sufficiency rate of **26%** and a reclaimed water utilization rate of **100%**, and has been able to reduce carbon dioxide emissions by **31,000** tons annually since 2025.
- Qujing Chuangye Water Co., Ltd. completed the energy-saving retrofitting of its water delivery pumping station under the Energy Management Contracting (EMC) model, reducing electricity consumption per unit of water supplied by approximately **20%**.
- Weng'an Chuanghuan Water Co., Ltd. carried out the biochemical system retrofitting for Phase I of the Phase III wastewater treatment plant in Weng'an County, replacing swirl aerators with microporous aerators. After the retrofitting, monthly electricity savings reached **45,000** to **55,000** kWh.
- Hefei Chuangye Water Co., Ltd. carried out a major overhaul of the aeration pipes in the faulty section of the blower system in the bioreactor. After the repair, the oxygen transfer efficiency of the equipment was significantly improved, and blower energy consumption per ton of water treated decreased by **0.013** kWh/ton.

Indicators and Targets

The Company has established a scientific and well-developed energy management indicator system, and urges each project unit to set quantifiable and assessable annual indicators as well as medium- and long-term targets, so as to drive the continuous improvement of energy management through data and ensure the effective implementation of various strategies.

2025 Energy-saving Targets (Selected Units)	Progress
• Jinggu Plant “dual control” targets: total comprehensive energy consumption not exceeding 9,000 tons of standard coal; energy savings of no less than 30 tons of standard coal • Dongjiao Plant: total comprehensive energy consumption not exceeding 6,900 tons of standard coal • Xianyang Road Plant “dual control” targets: total comprehensive energy consumption not exceeding 9,100 tons of standard coal; energy savings of no less than 9 tons of standard coal • Beicang Plant: total comprehensive energy consumption not exceeding 2,300 tons of standard coal	According to the assessment, each plant achieved its respective “dual control” energy targets. The actual total comprehensive energy consumption of all plants and headquarters amounted to **25,495.99** tons of standard coal, while actual energy savings reached **45.28** tons of standard coal.

Water Resources Management

The Group's water resources are mainly sourced through two channels, namely municipal water supply and self-supply, and no difficulties were encountered in accessing suitable water resources. Some subsidiaries have formulated relevant systems and plans, such as the *Guidelines for Resource and Energy Management* and the *Environmental Sanitation Management System*, as well as short-, medium- and long-term water use targets. Dedicated personnel are assigned to oversee water resource-related work, various indicators for water resource management are incorporated into annual performance assessments, and some water plants summarize monthly data on water supply, wastewater treatment volume, energy consumption and chemical consumption to form analytical reports. Through measures such as process transformation, intelligent empowerment and publicity and training, the efficiency of water recycling and utilization has been improved. In 2025, the Group's freshwater consumption amounted to 2,544,908.83 tons.

In 2025

the water resource targets of Linxia Chuangye Water Co., Ltd. were as follows:

- Short-term target (by 2025): **100%** compliance rate of effluent quality, a stable operating load rate of above **80%**, and a **100%** harmless disposal rate of sludge
- Long-term plan (by 2035): to establish a management system featuring “synergistic pollution and carbon reduction and efficient resource circulation”, and to realize energy conservation and consumption reduction throughout the entire wastewater treatment process



Reclaimed Water Pumping Station of Xianning Chuangye Water Co., Ltd.



Reclaimed Water Treatment Facility of Guizhou Chuangye Water Co., Ltd.

Major Water Conservation Measures of Capital Environmental Protection (each measure does not necessarily apply to all project units):

Process Improvement (Water Plants)
• Water Supply Side: A “one plant, one policy” approach was implemented to address the issue of low-concentration influent. Characteristic pollutant detection equipment was installed, and the automatic water quality monitoring system was upgraded. • Wastewater Side: Precision chemical dosing systems were promoted to adjust chemical dosage in real time according to influent water quality. Processes such as aeration and return flow were optimised, and high-efficiency nitrogen and phosphorus removal technologies were promoted. • Pipeline Leakage Control: Industrial water supply metering facilities were replaced. Missing water meters and flow devices in the metering process were procured and installed, and full-process reclaimed water metering devices were calibrated to ensure accurate water volume monitoring. • Recycling and Reuse: Reclaimed water reuse pipeline networks at wastewater treatment plants were expanded, reuse scenarios such as industrial users and municipal greening were extended, and long-term water supply and use agreements were signed.

Smart Empowerment

- A pilot smart water supply dispatch platform was developed to integrate data from water sources, water plants, pipeline networks and users, enabling water demand forecasting and optimised dispatch of pumping station operations.

Publicity and Training

- Special education and training on water resource management policies and technical standards were provided to internal employees.
- Water conservation awareness campaigns were carried out for users through community notices, WeChat official accounts, offline lectures and other channels to promote water-saving knowledge and water-saving devices.

Reclaimed Water Self-use Retrofitting at Dashaba Wastewater Treatment Plant of Enshi Chuanghuan Water Co., Ltd.

Case

In 2025, the Dashaba wastewater treatment plant of Enshi Chuanghuan Water Co., Ltd. carried out technical research and engineering practice on tailwater reuse. Based on an analysis of the plant's water use demand and the characteristics of water quality and volume, 40 retrofitting points were identified. A bag filter process was adopted, approximately 800 m of water supply pipeline network was laid, and an integrated technology featuring “two-stage variable-frequency pumping + pressure zoning and stabilization + precision filtration” was applied to complete the construction of the water intake, filtration, pipeline network and pressure stabilization systems. Following the implementation of the project, water savings of 10,100 tons were achieved throughout 2025.



Chemical Management

Chemical management is an important control link in ensuring the low-carbon operation of water plants. The Company has formulated the *Guidelines for the Receipt and Quality Management of Bulk Chemicals* to standardize the receipt and on-site quality inspection of chemicals such as coagulants and disinfectants. Upon receipt, checks are conducted to confirm whether the outer packaging of chemicals, the storage and transportation conditions of tank trucks, and the sealing status are intact, whether the chemicals are within their shelf life, and whether the supporting documents required for the shipment are complete. During inspection, chemicals are subject to appearance checks. The outer packaging of chemicals shall be intact, without damage, contamination or unclear labelling, and the physical appearance indicators of chemicals shall comply with the relevant standards for each type of chemical, with retained samples properly kept. During use, the Company strictly controls chemical consumption through precise chemical dosing.

Green Culture

To effectively enhance employees' environmental awareness, environmental management has been incorporated into the performance assessment of relevant projects and employees, and various environmental-themed training activities are organised on a regular basis, covering topics such as the interpretation of environmental laws and regulations, environmental protection technologies and products. At the same time, we actively advocate green office practices and resource conservation, encouraging employees to proactively pay attention to and actively fulfil their environmental protection responsibilities in their daily work. In 2025, the Group organized 256 environmental protection training sessions, with 5,011 participant attendances.

In 2025

- the Group organized **256** environmental protection training sessions, with **5,011** participant attendances.

The Group's Green Office Initiatives (partial list, not covering all subsidiaries and branches):

Saving office consumables

- Make full use of online information platforms and gradually promote paperless office practices
- Advocate double-sided use of paper and the reuse of waste paper

Reducing energy consumption

- Install charging piles for motor vehicles and non-motor vehicles to encourage employees to travel in a low-carbon manner
- Implement the practice of "turning off lights when leaving and shutting down equipment after use", and give priority to the use of natural light in office areas
- Install water-saving taps and sensor-activated flushing devices to eliminate leakage, overflow, and dripping
- Use energy-saving lighting fixtures and select high-efficiency office equipment models
- Post water-saving reminder slogans in pantries and restrooms to encourage employees to use water according to actual needs

Green catering

- Promote self-service meal collection and guide employees to take food as needed, so as to reduce food waste
- Encourage the use of reusable tableware and reduce the use of disposable items

Promoting environmental awareness

- Disseminate illustrated energy-saving knowledge and typical cases through platforms such as plant publicity boards and electronic screens
- Organize offline interactive activities such as the solicitation of “Golden Ideas for Energy Saving” and the initiative of “Low-carbon Emission Reduction, Green Living”



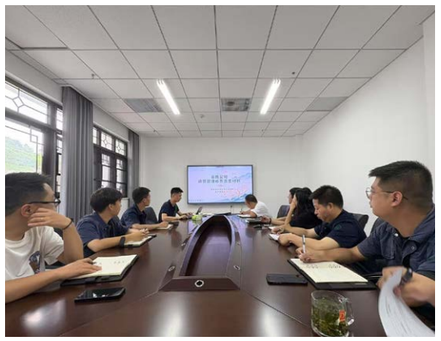
Guizhou Chuangye Water Co., Ltd. Volunteer Activity on “Clearing 30 Square Meters of Litter, Taking the Lead for a Beautiful China”



Greening Improvement and Upgrading Activity of Changsha Tianchuang Water Co., Ltd.



Xianning Chuangye Water Co., Ltd. Publicity Activity on “Zero-distance Wastewater Purification, New Practices in Waste Sorting”



Enshi Chuanghuan Water Co., Ltd. Environmental Protection Knowledge Training

Ecological Protection

The Group strictly adheres to the red line for ecological protection and pays close attention to and participates in biodiversity conservation. We are building “garden-style wastewater treatment plants”, with high-quality reclaimed water at the core, and precisely responding to diverse needs such as river replenishment, wetland conservation and greening irrigation, thereby establishing a circular linkage of “reclaimed water – ecological water use”. Based on the characteristics of local water systems, regional projects scientifically allocate reclaimed water resources and, in accordance with the principles of “quality-based utilization and nearby replenishment”, continue to replenish urban inland rivers and constructed wetlands, thereby strengthening the safeguard for aquatic ecological security and protecting water sources.

The Company integrates ecological protection into the full cycle of project planning, construction and operation, promotes a green construction model, and strives to build benchmark ecological projects featuring “low consumption, low carbon and low disturbance”, so as to advance project development and ecological protection in a coordinated manner. At the project planning stage, ecological impact assessments are strictly carried out, and priority is given to eco-friendly design solutions. During the construction stage, low-carbon and environmentally friendly technologies and materials are promoted and applied, while strict control is exercised over construction dust, noise and wastewater discharge to reduce disturbance to the surrounding ecological environment. Upon completion of construction, systematic restoration of the vegetation, soil and water bodies surrounding the project is carried out in a timely manner, thereby creating a new model for urban green development.

Changsha Tianchuang Water Co., Ltd. Participated in the “Joint Ecological Protection and Stock Enhancement Release” Activity

Case

In January 2025, Changsha Tianchuang Water Co., Ltd. participated in the ecological environmental damage compensation research and stock enhancement release volunteer activity in Ningxiang City. At the event site, the Company's volunteers set up publicity and service stations, distributed environmental protection brochures to the public, and, with reference to typical cases, explained the determination of liability, handling procedures and restoration outcomes relating to ecological environmental damage compensation. They clearly illustrated the far-reaching impact of ecological damage and also took part in the release of fish fry, joining hands to protect Ningxiang's lucid waters, lush mountains and ecological homeland.





Karamay Tianchuang Water Co., Ltd. Supported Ecological Water Replenishment

Case

The summer-stable supply of reclaimed water from the No. 2 wastewater treatment plant of Karamay Tianchuang Water Co., Ltd. (with an annual replenishment volume of over 20 million cubic metres) has transformed the Ancient Sea Ecological Park from a saline-alkali gobi area into an ecological wetland park. A stable water body and surrounding wetland vegetation belts of reeds, red willows and other plants have been formed, providing key habitats and breeding grounds for aquatic and terrestrial organisms, and filling the wetland ecological gap in the region's arid environment.





GATHERING TALENT FOR DEVELOPMENT AND SHAPING THE FUTURE TOGETHER

Capital Environmental Protection upholds the talent philosophy of “integrity and competence, with those who perform well being given opportunities and positions”, and regards supporting employee growth, promoting organizational development and creating social value as important missions. The Company is committed to fostering a healthy and safe working environment, establishing fair and equitable development pathways, and building a comprehensive talent development platform, so as to promote mutual commitment and coordinated progress between employees and the enterprise, support employees in achieving personal growth and value creation, and work together to create a better future.

Material Issues

- Employment and Labor Standards
- Employee Health and Safety
- Employee Training and Development
- Employee Rights Protection

Benchmarking against the United Nations Sustainable Development Goals



78 Diverse and Compliant Employment

82 Fulfilling Employee Dreams

85 Safeguarding the Bottom Line of Safety



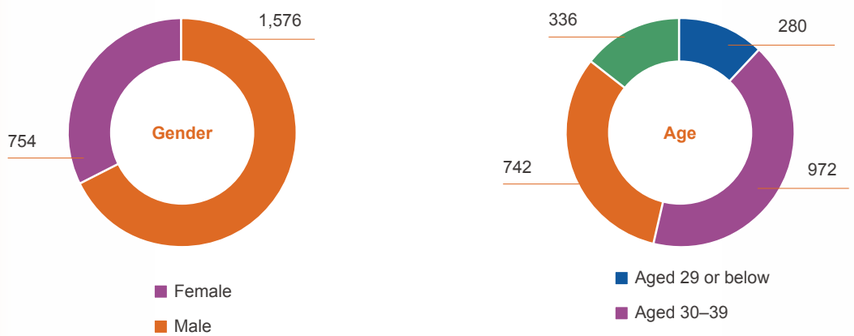
Diverse and Compliant Employment

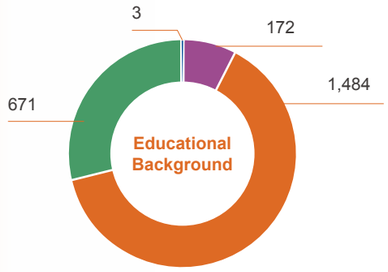
Labor Standards

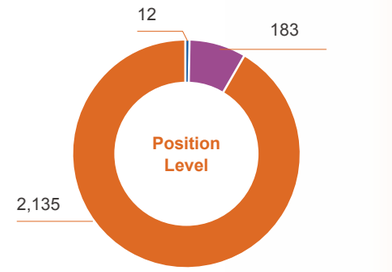
The Group has always strictly complied with laws and regulations such as the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Social Insurance Law of the People's Republic of China*, the Law of the People's Republic of China on the Protection of Minors and the *Provisions on the Prohibition of Using Child Labor*. It has formulated systems such as the *Employee Recruitment Management System* and the *Employment Management System*, which expressly prohibit the publication of discriminatory information relating to gender, race, ethnicity, household registration and other factors, and ensure that no differential treatment is imposed on the basis of age, ethnicity, race, family status, gender, religious belief or nationality. The Group closely monitors key recruitment procedures and has established a stringent qualification review mechanism to exercise strict control over recruitment at the source, thereby ensuring the avoidance of child labor and forced labor. At the same time, in order to effectively safeguard the lawful rights and interests of employees, the Group has set up a petition department to receive employee feedback, while the Organization Department of the Party Committee is responsible for investigation, communication, mediation and feedback on outcomes. During the Reporting Period, we did not record any labor disputes, nor were there any incidents of child labor, forced labor, harassment or discrimination.

In 2025, the Company maintained a 100% labor contract signing rate and a 100% social insurance coverage rate.

Based on its development needs, the Company identifies recruitment demand and attracts employees from diverse backgrounds through multiple channels, including campus recruitment, social recruitment and talent introduction. It also optimizes recruitment qualification requirements for remote areas, actively connects with recruitment resources, and strengthens the reserve of key-position and backup talents. As of the end of the Reporting Period, the Company had a total of 2,330 employees, including 5 employees with disabilities and 116 ethnic minority employees. The numbers of employees by gender, age, educational background and position level are set out below:







Compensation and Benefits

The Group attaches great importance to the sound establishment and continuous optimization of its employee remuneration and benefits system. The Company has formulated systems such as the *Employee Remuneration Management System*, the *Performance-based Salary Management System* and the *Management System for Attendance, Leave and Overtime of Headquarters Employees*, so as to ensure that the remuneration system is fair, competitive and incentive-based, strictly complies with working hour and leave requirements, and safeguards employees' working environment and conditions. We have established a performance-oriented assessment mechanism and improved the linkage between performance assessment results, remuneration allocation and career development, thereby fully recognizing employees' contributions in areas such as innovation, collaboration and efficiency enhancement. In addition to statutory benefits such as social insurance and the housing provident fund, the benefits system also includes festive gifts for the Spring Festival, Dragon Boat Festival and Mid-Autumn Festival, employee movie-viewing activities, and employee care benefits for birthdays, hospitalization, retirement, marriage and childbirth. The Company has established a regular employee performance feedback and appeal mechanism, and consistently ensures the transparency of remuneration and benefits decision-making and implementation, subject to effective supervision. Where employees have objections to assessment results, they may submit written appeals, which will be promptly and carefully analyzed and evaluated by the appeal handling group, with reasonable decisions made accordingly.

The Company pays close attention to the physical and mental well-being of its employees, and actively organizes a variety of employee care, cultural and sports activities to continuously enhance employees' sense of happiness and belonging. In terms of care and support, the Company carries out employee care activities such as “winter warmth” and “summer cooling” for frontline employees and seconded employees. At the same time, it has implemented a major illness assistance mechanism and, in accordance with the unified arrangements of the Urban Investment Group's labor union, enrolled on-duty union members in mutual aid protection plans, exclusive assistance coverage and female employee mutual aid protection. Assistance for employees in difficulty is carried out strictly in accordance with the requirements of higher-level labor unions, with grassroots labor unions in the city conducting real-time screening. At present, there are no employees in difficulty meeting the relevant eligibility criteria.

In 2025

the Group recorded:

- **72** employee care occasions relating to hospitalization, the passing of immediate family members, retirement, childbirth and marriage
- **441** employee attendances under the “Summer Cooling” campaign, with care funds and supplies totaling RMB **88,200**
- **177** employees of frontline projects and window operation units who remained on duty in Tianjin visited during the Spring Festival



Mid-Autumn Festival and National Day Celebration Activity



Dragon Boat Festival Activity



Fitness Walking Activity

We pay close attention to the actual needs of female employees in the workplace, respect female employees, and safeguard their lawful rights and interests. The Group's labour union has established a “Caring Maternity Room” to provide humane and warm support services for female employees during pregnancy and lactation, thereby effectively protecting their lawful rights, interests and special benefits. In addition, the Company regularly carries out women's health-themed training and organises activities related to International Women's Day, fostering a caring and friendly working atmosphere.



International Women's Day Activity



“Caring Maternity Room”

Employee Communication

The Group actively advances democratic management through mechanisms such as factory affairs disclosure and employees' representative congresses in an orderly manner. The factory affairs disclosure system is implemented in strict accordance with the relevant systems of the Urban Investment Group's labor union, and a factory affairs disclosure working group has been established to promote transparent information disclosure and well-regulated procedures. At the same time, Capital Environmental Protection has established its labor union in accordance with the law, and has ensured smooth communication and feedback through multiple channels, including employees' representative congresses, opinion surveys, satisfaction surveys and the collection of rationalization proposals. In 2025, the Company organized a rationalization proposal collection campaign themed “Striving to Be Pioneers, Acting Effectively and Contributing More”, guiding employees to pool their wisdom, work together, forge ahead and pursue common development, thereby bringing together strong synergy to drive the Group's high-quality development. A total of 111 rationalization proposals were ultimately collected and adopted.

During the Reporting Period, the Group's labor union organized grassroots labor unions to conduct an employee satisfaction survey by questionnaire, with random sampling covering approximately 50% of employees. The survey results showed that employees gave an overall rating of “relatively satisfied” or above in respect of environmental hygiene, the use of communication and network facilities, the condition and maintenance of office equipment, and the dining environment and hygiene.

In 2025

the Group recorded:

- **10** employees' representative congresses held
- a labor union membership rate of **100%**
- a collective bargaining agreement coverage rate of **100%**
- an employee satisfaction rate of **100%**

Capital Environmental Protection Group Convened the 2025 Work Conference and the First Employees’ Representative Congress of 2025

Case

In January 2025, the Party Committee of the Capital Environmental Protection Group convened the 2025 Work Conference and the first Employees' Representative Congress of 2025. The meeting comprehensively reviewed the work carried out in 2024 and scientifically deployed the key tasks for 2025. Focusing on issues of concern to employees, including career development and safety protection, the meeting fully heard the opinions and suggestions of employee representatives, deliberated and approved the annual work report and matters of concern to employees, unified thinking and built consensus, and guided all employees to move forward with one heart, in one direction and at the same pace.





Fulfilling Employee Dreams

With the “Capital Qiji” branded cadre and talent programme as the overarching driver, Capital Environmental Protection integrates the talent philosophy of “integrity and competence, with those who perform well being given opportunities and positions” throughout the entire process of employee recruitment, selection, development and incentives. It continues to support the improvement of the Company's governance system and strengthen the Group's governance and control effectiveness, encourages employees to actively practice the values of “Responsibility, Innovation, Sharing and Excellence”, and systematically builds and improves five major systems covering talent selection and appointment, capability development, practical training, diversified incentives and the talent ecosystem, thereby continuously strengthening talent governance and empowerment and providing organizational and talent support for the Company's sustainable development.

The Company has strengthened top-level design and advanced in a coordinated manner the reform of the cadre and talent system and mechanisms together with the reform of the human resources system. It issued the *Three-year Action Plan (2025–2027) of the Capital Environmental Protection Group for High-quality Cadres and Talents Leading High-quality Development* as medium- and long-term strategic guidance, and formulated and implemented systems such as the *Group Training Management System* and the *Administrative Measures for the Development of Career Pathways in the Technical Sequence (Trial)*. The Company has established a four-tier cadre and talent pipeline comprising “Qiji Leadership”, “Qiji Elite”, “Qiji Craftsman” and “Qiji Rising Stars”, and promotes the systematic and coordinated advancement of talent-related work through institutionalized and standardized management.

In 2025

- an employee training coverage rate of **100%**
- a total of **93,619.44** training hours and an average of **40.18** training hours per employee

The Five Major Talent Systems of Capital Environmental Protection

Talent Selection and Appointment

The Group strictly standardizes its employee recruitment and selection procedures, carries out specialized talent introduction, and focuses on organizing campus recruitment for fresh graduates of the Class of 2025, so as to precisely inject new talent, optimize the talent team structure, and build a reserve force for the Company's long-term development.





New Employee Induction Training

Capability Development

The Company provides middle and senior management personnel with learning and development opportunities to enhance their performance of duties and fulfilment of positions, and promotes an internal "open competition for key tasks" mechanism across the Group, so as to match employees' capability improvement needs with the tackling of business challenges. Internally, relying on the facilities of its principal environmental protection business, the Company has opened its "dual carbon" practice training bases to the public and established eight "talent development practice bases", providing employees with scenario-based learning resources. The "master-apprentice" model has been widely promoted at the frontline of business operations, and standardized course training has been carried out to form replicable development experience. Relying on the digital engine of the bases, the Company has also built a digital and intelligent talent development platform, effectively breaking through the geographical constraints and business barriers of a nationally distributed enterprise, and forming an integrated development system combining "virtual training + practical drills".



Launch of Grassroots "Talent Development Practice Bases"



Key Finance Personnel Conducted Penetrative Control Practice-based Training at Grassroots Training Bases





Diversified Incentives

The Company has established dual career development pathways for technical and management roles, and opened up channels for the interconnected development of management and technical positions. It sets role models through honor recognition and reinforces a capability-oriented approach through skills certification. The Company has also launched a talent-focused column to inspire employees, established a fault-tolerance and error-correction mechanism to encourage innovation and exploration, strengthened employee care to convey the warmth of the enterprise, and continuously built a quality employer brand to enhance talent attraction.

Practical Training

The Company advances multi-dimensional empowerment through cadre exchange, with a focus on cultivating key business personnel through real-position training and implementing a "grassroots tempering" model to build the capabilities of young employees, thereby establishing a three-dimensional talent development system. Training is carried out by level and category, while activities such as grassroots skills competitions and grassroots innovation programs for cadre and talent development are widely conducted. During the year, 52 management personnel exchanges were completed across business segments and regions, and 26 employees participated in cross-regional practical assignments. Multiple technical optimization cases and management plans were developed, helping subsidiaries solve practical development issues, promoting the replication and dissemination of management experience and technological achievements, and supporting the implementation of the Group's nationwide business layout.





Cross-regional exchange and learning for employees from other regions

Talent Ecosystem

The Company has established an internal innovation talent competition platform and recognized 52 outstanding projects across the Group, fully stimulating the sense of honor and ownership among technological and innovative talents and enhancing the comprehensive capabilities of employees. At the beginning of 2026, the Group's Cultural Exchange and Training Center was officially put into operation, further improving the system for talent attraction, development, management, and utilization, and supporting the Company's high-quality and sustainable development.



"Capital Qiji" Innovation Talent Competition



Opening Ceremony of the "Capital Qiji" Cadre and Talent Training Programmer

Safeguarding the Bottom Line of Safety

Health and Safety

Governance

The Group strictly complies with the requirements of laws and regulations such as the *Work Safety Law of the People's Republic of China* and the *Law of the People's Republic of China* on the Prevention and Control of Occupational Diseases, and has established a sound occupational health and safety management system. It revised and improved the *Work Safety Responsibility System (2025 Edition)*, under which safety responsibilities are precisely refined and allocated to all centers and departments of the Group, all affiliated units and every position at headquarters, thereby fully realizing responsibility coverage that “horizontally covers all functional departments and vertically extends to grassroots teams and frontline positions”. The Group has established a full-chain closed-loop management mechanism and effectively ensured a safety responsibility management system in which responsibilities are assigned at every level, every matter is managed, and every task is properly implemented.

The Group headquarters and some project units have obtained ISO 45001 Occupational Health and Safety Management System Certification, achieving standardized and regulated operation of occupational health and safety management. Safety management organizations such as safety committees and safety leading groups have also been established at all levels, with full-time and part-time safety management personnel assigned to provide solid organizational support for the orderly advancement of safety control work.


bsi.

Certificate of Registration

职业健康安全管理体系 - ISO 45001:2018

兹证明：

天津创业环保集团股份有限公司
91120000103063093J
中国
天津
南开区
迎津道路76号
邮编：300381

Tianjin Capital Environmental Protection Group Company Limited
No. 76, South Weijin Road
Nankai District
Tianjin
300381
China

持有证书： **OHS 71504**

并运行符合 ISO 45001:2018 要求的职业健康安全管理体系，认证范围如下：

提供城市污水处理服务（包括津沽污水处理厂和东郊污水处理厂）。
[首次颁发日期于12月11日通过了ISO45001:2018认证]
The provision of sewage water treatment services (including Jingu Sewage Water Treatment Plant and Dongjiao Sewage Water Treatment Plant).
[Previously certified to OHSAS 18001 since 2003-12-11]

Michael Lee, Senior Vice President, APAC Assurance

首次发证日期： 2019-12-13
最新发证日期： 2025-12-04

生效日期： 2025-12-28
有效期至： 2028-12-27

Page: 1 of 3

...making excellence a habit.


copy

Registration No.: 00925S10528R0S

CHINA GREAT WALL (TIANJIN)
QUALITY ASSURANCE CENTRE CO., LTD.
OCCUPATIONAL HEALTH AND SAFETY
MANAGEMENT SYSTEM CERTIFICATE

We hereby certify that
Tianjin Tianchuang Environmental Technology Co. , Ltd.
(Unified social credit code:91120116MA5CWP9T4A)
Registered address is located at: **Room 5-1105, No. 158 Xiaodao, Tianjin Free Trade Zone (Airport Economic Zone) (Custodian No. 1146 by United Development (Tianjin) Business Secretary Co. , Ltd.).**
Office address is located at: **7th Floor, Chuangye Environmental Protection Building, No. 76 Weijinnan Road, Nankai District, Tianjin.**
Its occupational health and safety management system meets the requirements of the **GB/T45001-2020/ISO 45001:2018 Standard.**
The occupational health and safety management system applies in the following areas:
Municipal public works construction, mechanical and electrical engineering construction.
Date of Issuance: **Jul. 8th, 2025** Date of Expiry: **Jul. 7th, 2028**

General Manager

IAF CNAS

中国认可
国际互认
管理体系
MANAGEMENT SYSTEM
CNAS C009-M

The certificate information (including certificate validity, supervision and maintenance of registration qualification and other information) can be scanned by the QR code of the certificate, and the website of the center can be used to check the information of the certificate (www.iacgcw.net), and the official website of CNCA (www.cnca.gov.cn) Query on.
CGW Add:No. 4,Jinlong apartment,Water North road,Nankai District,Tianjin; Postal code:300074;
The web of centre: www.iacgcw.net

ISO 45001 Occupational Health and Safety Management System Certification

Strategy

The Group embeds safety risk management into its strategic decision-making and the entire process of production and operation, and has established a closed-loop mechanism of “risk identification – graded control – hidden hazard management – emergency response – review and improvement”, with a focus on high-risk scenarios such as major hazard sources, hazardous chemicals and special equipment, outsourced construction, and cross-regional operations. The Group strengthens standardized requirements for subsidiaries and project frontlines through penetrative control, and enhances the intrinsic level of safety by combining systems, training, drills and technological upgrading. At the same time, relying on information platforms, it realizes real-time visualized management of risk early warning, work permits, inspection and maintenance, and incident reporting, thereby promoting more precise safety investment, traceable management actions and assessable responsibility implementation, and safeguarding sustained, stable operations and long-term value creation with stronger safety resilience.

Risk Management

The Company issued special supervision work plans such as the *Capital Environmental Protection Company Work Safety Hundred-day Campaign Action Plan for the Hazardous Chemicals Sector* and the *Capital Environmental Protection Group Action Plan for Large-scale Screening, Inspection and Rectification of Work Safety*, and has continuously improved the coordinated mechanism of “full staff screening, professional assessment and graded governance”, so as to drive all units to reinforce responsibilities from the top down and encourage the participation of all employees. The Company adheres to a combination of specialized inspections and routine patrols, strengthens safety assurance during key periods such as major meetings and holidays, and continuously enhances its capability in hidden hazard identification and rectification.

During the Reporting Period, the Group's units cumulatively organized more than 5,130 hidden hazard inspections, identified 704 hidden hazards, all of which were rectified and closed in a timely manner, thereby realizing dynamic control and source prevention of hidden hazards. The Company also carried out safety management and regular assessments for contractors such as administrative service providers, property management providers and canteens, further strengthening the control of outsourced risks.

In terms of employees' occupational health, the Company provides employees with labor protective equipment that complies with relevant standards, organizes health examinations covering all employees, comprehensively identifies occupational disease risks and other health risks, and provides employees with professional health assessment reports. For employees found through physical examinations to have occupational disease risks or other health issues, the Company promptly adopts protective measures such as job reassignment. In addition, we regularly conduct testing for occupational disease hazard factors to prevent, control, and eliminate occupational disease hazards, and strictly safeguard the health and safety of employees' working environment and conditions. During the Reporting Period, the employee health examination coverage rate reached 100%.

Indicators and Targets

“Addressing Risks at the Source (Building a Forward-looking Safety Risk Prevention and Control System)” and “Strengthening the Foundation (Building Resilient Basic Safety Assurance Capabilities)” complement each other and together form a dynamic and multi-dimensional safety protection system, thereby achieving the comprehensive safety objectives of “protecting projects, protecting assets and protecting people”.

In 2025

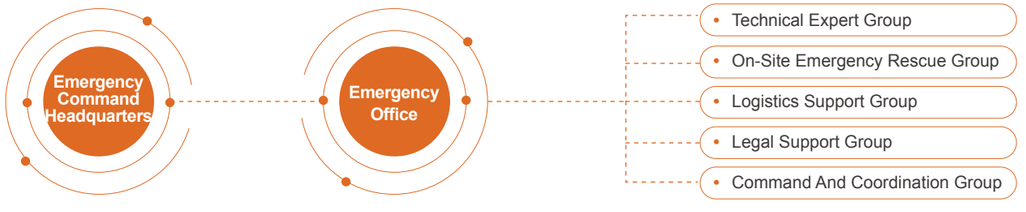
the Company achieved its occupational health and safety targets:

- Work safety liability accidents were eliminated, and the occurrence of major, exceptionally serious and other severe accidents was resolutely prevented.
- The fatal accident rate for the year was zero.
- The reporting rate for accident hazards reached **100%**, and the rectification rate for accident hazards within the scope of responsibility reached **100%**.

Emergency Management and Safety Training

The Company has continued to improve its emergency management system. In 2025, it completed the preparation and issuance of the *Comprehensive Emergency Response Plan for Production Safety Accidents of Tianjin Capital Environmental Protection Group Co., Ltd.*, covering emergencies such as poisoning in confined spaces, fires and equipment failures, thereby strengthening the alignment and operability of comprehensive emergency response plans at all levels. At the same time, the Company promoted all units to formulate emergency drill plans, systematically implemented the allocation of emergency resources, including emergency rescue organizations, teams, equipment and supplies, and carried out targeted drills for key risk scenarios to ensure that personnel in critical positions are proficient in emergency response procedures, thereby comprehensively enhancing its capability to respond to emergencies. The Company has established a sound emergency management system under which the emergency command headquarters exercises unified leadership, the emergency office is responsible for overall coordination, and specialized working groups handle response actions according to their respective responsibilities.

A sound emergency management system has been established, featuring the unified leadership of the emergency command headquarters, the overall coordination of the emergency office, and the division of responsibilities among specialised working groups.



Each unit formulated its *Annual Emergency Drill Plan* in light of the risk level of its production and operation activities. During the Reporting Period, the Group's units cumulatively carried out 695 emergency drills of various kinds, with 12,774 participant attendances. These drills effectively tested the feasibility and operability of emergency response plans, and continuously enhanced the practical capabilities and rapid response capacity of emergency rescue teams.



Hefei Chuangye Water Co., Ltd. Themed Safety Training on “Everyone Talks about Safety and Everyone Knows Emergency Response”



Capital Environmental Protection Group Safety Production Month Education and Training



Jieshou Chuangye Water Co., Ltd. Emergency Drill for Key Equipment Failures



Qujing Chuangye Water Co., Ltd. Emergency Drill for Water Quality Pollution

Capital Environmental Protection Carried Out Demonstration Training on Joint Fire Prevention and Firefighting Duty

Case

On 21 February 2025, the Capital Environmental Protection Group, together with the Nankai District Fire and Rescue Brigade and seven fire and rescue stations, involving more than 50 participants in total, carried out demonstration training on joint fire prevention and firefighting duty at the Capital Environmental Protection Building. During the training, under the guidance of the property management and maintenance units, fire and rescue personnel conducted on-site inspections of key areas such as the fire pump room and control room, and, through a combination of "explanation + demonstration", popularized knowledge of facility operation principles, hidden hazard identification, initial fire extinguishing and escape skills, thereby strengthening the practical capabilities of the participants.





COLLABORATIVE DEVELOPMENT, FOSTERING A HARMONIOUS SOCIETY

Capital Environmental Protection takes the development of a sustainable supply chain as an important lever, promotes green procurement, and enhances resource utilization efficiency and environmental performance. Focusing on its principal environmental protection business, the Company continues to carry out environmental protection science popularization and education activities, actively participates in public welfare, charity and volunteer services, cares for people in need, and brings together social forces to build a green and warm urban home.

Material Issues

· Supply Chain Management
· Community Investment
· Rural Revitalization

Benchmarking against the United Nations Sustainable Development Goals



92 Building a Shared Chain of Responsibility

93 Promoting industry development

96 Ongoing Community Investment



Building a Shared Chain of Responsibility

The Group is committed to building a transparent and compliant supply chain system. The Company has formulated working documents such as the *Procurement Management System for Non-statutory Tendering Projects* and the *Guidelines for the Assessment and Management of Service Providers*, and has improved the full life cycle management system for suppliers. The Company has established a supplier management organizational structure featuring hierarchical and classified management with clearly defined powers and responsibilities, under which the General Manager's Office Meeting serves as the highest decision-making body, with the Group Procurement Committee set up thereunder. The Group's tendering management department acts as the executive body, taking the lead in establishing, centrally managing and updating the Group-level supplier directory and expert review database, so as to ensure the standardized implementation of supplier management. In 2025, the Group had a total of 4,135 suppliers, of which 5 were from Hong Kong, China, and 4,130 were from mainland China.

In 2025

- the Group had a total of **4,135** suppliers

Supplier Admission

- Based on the procurement management system and the electronic procurement platform, suppliers are subject to differentiated management according to procurement amount and procurement method. The review focuses on relevant qualification documents, encourages suppliers to use environmentally friendly products or services, and strictly prevents non-compliant admission and improper cooperation.

Supplier Assessment

- In accordance with the principle of "who uses, who evaluates", the requesting party conducts annual performance evaluations of suppliers that cooperated in the previous year. The evaluation dimensions cover core indicators such as qualifications and capabilities, service quality, product quality, compliant operations, and contract performance.

Supplier Exit

- The Group has established a dynamic updating mechanism for the supplier directory and adjusts suppliers' eligibility for cooperation in a timely manner based on performance evaluation results, the investigation and handling of non-compliant conduct, and other factors. Suppliers that fail the evaluation are included in the Group's directory of disqualified suppliers, subject to joint disciplinary measures, prohibited from participating in any procurement activities of the Group for three years, and notified across the Group.

Promoting industry development

The Group upholds an industry co-development orientation and empowers the high-quality development of the industry through diversified participation. It actively engages in various industry exhibitions and high-level exchange activities, keeps close track of the latest industry developments and frontier trends, accurately grasps market demand and development directions, and expands the scope for collaborative innovation and resource sharing through in-depth exchanges and cooperative exploration with industry peers.

Capital Environmental Protection Participated in the 23rd Water Sector Strategic Forum 2025 | Case

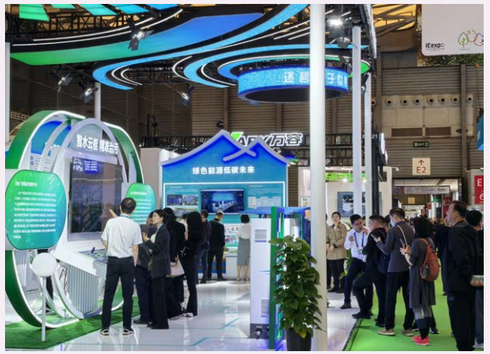
On 27 March, the 23rd Water Sector Strategic Forum 2025 was held in Beijing. At the forum, Capital Environmental Protection shared its practical experience in wastewater-source heat pump projects and outlined its plan to promote the industry's green transformation through multi-dimensional coordinated efforts.





Capital Environmental Protection Participated in IE Expo China | Case

In April 2025, the 26th IE expo China was held in Shanghai, where Capital Environmental Protection showcased its integrated solutions for pollution control, energy conservation and carbon reduction. Centered on the output of technology products represented by “three chemicals and one piece of equipment”, the Company systematically presented its business capabilities and practical achievements spanning smart water services, circular utilization, resource conversion and green energy under the themes of “Smart Water Cloud Hub for Precise Pollution Control”, “Intelligent Clean Circulating Water for a Sustainable Future”, “Transforming Diverse Waste into Resources for Regeneration”, and “Green Energy for a Low-carbon Future”, further enhancing its brand influence and expanding the scope for industry cooperation.

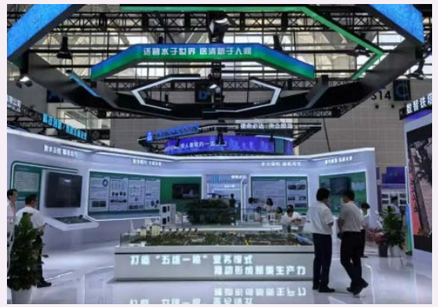




Capital Environmental Protection Participated in the Water Expo China 2025

Case

In June 2025, the China Water Expo, themed “Technology Empowering Water Conservancy, Digital Intelligence Leading the Future”, was held in Tianjin. At this exhibition, Capital Environmental Protection focused on “high-quality momentum for intelligent wastewater treatment” and, centering on its principal water treatment business, showcased products such as smart control platforms for wastewater treatment plants and intelligent early warning devices, as well as full-industry-chain solutions for reclaimed water, closely aligned with its “N-dimensional integrated” business model and the development concept of “one project for one city”. The Company also presented technologies for solid waste treatment, waste gas treatment, renewable energy-based cooling and heating, as well as its “dual carbon” service platform, demonstrating its technological accumulation and strength in its core business.



The Group has proactively led or participated in the formulation of industry standards, transforming its technological accumulation and practical experience in the environmental protection and water services sector into normative guidance jointly followed by the industry, thereby contributing to the improvement of the industry standard system. In addition, Capital Environmental Protection and its non-local subsidiaries have actively joined dozens of key industry associations and played backbone roles therein. Relying on the platforms of these associations, they have participated in activities such as industry seminars and policy recommendations, thereby building bridges for industrial collaboration.

Association Name (Selected)	Position Held
Scientific and Technological Committee of China Urban Water Association	Council Member Unit
Sludge Treatment and Disposal Professional Committee of China Association of Urban Environmental Sanitation	Council Member Unit
Tianjin Society for Sustainable Development Research	Vice Chairman Unit
China Urban Water Association	Executive Council Member Unit
China Water & Wastewater Editorial Committee	Member Unit
Facility Renewal and Rehabilitation Professional Committee of China Urban Water Association	Member Unit
Tianjin Heating Association	Member Unit
Tianjin Environmental Protection Industry Association	Vice President Unit
Member of the Smart Water Services Professional Committee of China Association for Engineering Construction Standardization	Member Unit
China Association of Environmental Protection Industry	Member Unit
Tianjin Association for Instrumental Analysis	Council Member Unit
Tianjin Water Conservation Industry Association	Member Unit
Shaanxi Quality Certification and Accreditation Association	Executive Council Member
Guizhou Environmental Protection Industry Association	Member Unit

In 2025, the Group led or participated in the preparation of a total of 14 industry-related standards (selected), including:

- National Standard *Classification of Urban Wastewater Recycling and Reuse* (under preparation)
- *Urban sewage heat pump thermal energy utilization water quality* (CJ/T 337-2010) (under expert review)
- *Research on the Technical Guidelines for Carbon Neutrality in Buildings* (under expert review)
- *Technical Guidelines for Energy Conservation and Carbon Reduction Operation and Maintenance of Urban Wastewater Treatment Plants* (under preparation)
- *Tianjin Technical Specification for Fire Protection Acceptance Evaluation of Construction Projects* (under preparation)



Kick-off Meeting for the Revision of *Tianjin Technical Specification for the Treatment and Disposal of Urban Sludge* (DB/T 29-269-2019)



Expert Review Meeting for *Technical Specification for Low-carbon Evaluation of Sludge Treatment and Disposal in Urban Wastewater Treatment Plants*

Ongoing Community Investment

Environmental Protection Science Popularization

Focusing on its own environmental protection business, the Group has established a regular and scenario-based external publicity and service mechanism. Through various forms such as community presentations, industry-university-research exchange, environmental protection science popularization lectures and public open day activities, we disseminate knowledge to the public on wastewater treatment, reclaimed water utilization, water conservation and protection, and low-carbon lifestyles, thereby continuously enhancing public environmental awareness and participation.



Jinggu wastewater treatment plant carried out an environmental protection study activity themed “Decoding the Water Plant + Exploring Green Wetlands”



Hefei Chuangye Water Co., Ltd. organized an environmental protection science popularization visit to the wastewater treatment plant for employees and children from the local district



Public Open Day at Beicang wastewater treatment plant — the “Creating a ‘Heart’ Future” activity welcomed Party members from Yulongwan Community



Environmental Protection Education and Training of Xi'an Chuangye Water Co., Ltd.

Capital Environmental Protection's World Environment Day Science Popularization Activities Spreading the Concept of Green Development | Case

On 5 June 2025, the 54th World Environment Day, Capital Environmental Protection organized a series of environmental protection science popularization activities under the theme of "Beautiful China, I Am Taking the Lead", bringing together broader social forces for green action. Prior to the event, the Group issued the initiative "Low-carbon Emission Reduction, Green Living" to all employees, advocating low-carbon office practices starting from "every kilowatt-hour of electricity, every drop of water, and every sheet of paper". On the day of the event, employees jointly participated in office waste sorting, creating a low-carbon and resource-saving workplace atmosphere. At the same time, affiliated units across the country took coordinated action by entering communities and parks to distribute publicity materials and explain environmental protection tips, while also inviting people from different sectors of society to visit wastewater treatment plants and experience the wastewater purification process in an immersive manner.



Public Welfare and Charity

The Group actively engages in environmental protection and social welfare undertakings, and remains committed to giving back to society and building a better home through practical actions. We continue to carry out public welfare practices, provide support and resources within our capacity to vulnerable groups, and advocate and encourage employees to actively participate in volunteer services and charitable activities, pooling every act of kindness into a collective force and contributing “Capital strength” to social philanthropy through pragmatic actions.

In 2025

- Organized a total of **59** volunteer activities, with **617** participant attendances and a total of **420** service hours

Hanshan Chuanghuan Water Co., Ltd. Joined Hands with the Community to Carry Out Lei Feng Volunteer Services

Case

Hanshan wastewater treatment plant, together with Baochan Community, carried out Lei Feng volunteer services. In response to the problem of pipeline blockage in street-front shops, a professional team was organized to carry out precise dredging with specialized equipment, restoring smooth wastewater discharge and improving the living environment of residents. At the same time, volunteers visited elderly people living alone, chatted with them, reminded them to take care of their health, and helped with cleaning and garbage removal. Centred on the theme of “unblocking one pipeline and warming one heart”, the activity combined professional services with care for people's livelihoods, practised the Lei Feng spirit in the new era, and enhanced the public's sense of gain.



The Party Branch of Guizhou Chuangye Water Co., Ltd. Participated in the Volunteer Service Activity “Respecting the Elderly on the Double Ninth Festival and Bringing Warmth in Golden Autumn”

Case

On 28 October 2025, the Party Branch of Guizhou Chuangye Water Co., Ltd. participated in the Volunteer Service Activity “Respecting the Elderly on the Double Ninth Festival and Bringing Warmth in Golden Autumn”, organized by the local superior Party working committee, with the aim of promoting the traditional virtues of respecting and caring for the elderly. During the activity, a health and wellness expert was specially invited to explain healthcare knowledge and methods in detail to the elderly. Volunteers served hot tea, patiently guided the elderly in making corn sachets, and finally presented them with carefully prepared Double Ninth Festival gifts. The warm and thoughtful services provided by the Party member volunteers received high recognition from the superior Party Committee. The activity enabled the elderly to feel warmth and care, and demonstrated the sense of responsibility and commitment of Party members.







Community Volunteer Service Activity “Joining Hands to Build a Better Community, Taking Action for Environmental Protection and Anti-fraud” by Hanshan Chuanghuan Water Co., Ltd.



Participation of Hangzhou Tianchuang Water Co., Ltd. in the “August 1st” Themed Garden Party, Providing Free Photo-taking and Printing Services for Veterans and Local Residents



Dumpling-making and Warmth-delivery Activity at a Welfare Home by Xianning Chuangye Water Co., Ltd.



Environmental Protection Volunteer Service of Honghu Tianchuang Water Co., Ltd.

Rural Revitalization

The Group actively responds to the national Rural Revitalization Strategy and has always taken serving the overall rural environmental governance agenda as its core focus, concentrating on addressing shortcomings in rural living environments and continuously enhancing the effectiveness of grassroots governance. The Company attaches importance to strengthening the foundational role of rural Party branches, bringing together joint efforts for co-construction, co-governance and shared benefits. By focusing on key areas such as wastewater treatment, it empowers rural revitalization, promotes the coordinated improvement of the ecological environment and industrial development, and contributes to writing a new chapter in the high-quality development of rural areas in the new era.

In 2025

the Group recorded rural revitalization:

- A total investment of approximately RMB **172,300**, benefitting more than **25,000** people

Capital Environmental Protection Empowered Tibet Assistance and Supported Rural Revitalization on the Snow-covered Plateau

Case

Capital Environmental Protection dispatched professional personnel to Chamdo, Tibet, to carry out assistance work, painting a collaborative picture through industrial empowerment and livelihood support. Overcoming the challenges of the plateau environment, the assistance team conducted in-depth research and then formulated an industrial plan of more than 100,000 words, promoted the establishment of a standardized system for the agriculture and animal husbandry industry, and helped local enterprises achieve a zero-to-one breakthrough in supplying non-staple food products to the military, generating more than RMB 30 million in revenue over three years. At the same time, the Group created the public brand “Blue Sky and Purity”, and, through both online and offline channels, helped sell more than RMB 32 million worth of agricultural specialists. It also implemented projects such as artificial grass planting, education support and the circular utilization of livestock and poultry waste, empowering industrial upgrading and increasing farmers' income in Tibetan areas through diversified measures, and demonstrating the social responsibility and collaborative commitment of a state-owned enterprise.





Honghu Tianchuang Water Co., Ltd. Advanced the Township Wastewater Treatment PPP Project to Empower Rural Revitalization

Case

To address the shortcomings of rural environmental infrastructure, Honghu Tianchuang Water Co., Ltd. signed a PPP project concession agreement with the local housing and urban-rural development bureau, and promoted the construction of new township wastewater treatment plants, upgrading to higher standards, and the development of supporting pipeline networks through a market-oriented and professional model. Focusing on the “ecological livability” requirements of rural revitalization, the project covers major townships in Honghu, improves the full-process governance of wastewater through “collection – treatment – compliant discharge”, enhances treatment efficiency and service quality, and supports the integrated development of urban and rural water services.



Xi'an Chuangye Water Co., Ltd. Supported Rural Revitalization through the Wastewater Treatment Upgrading and Retrofitting Project

Case

Xi'an Chuangye Water Co., Ltd. implemented the wastewater treatment upgrading and retrofitting project for Huayin No. 2 Dairy Farm, empowering rural revitalization through the treatment of livestock breeding wastewater and building a pathway of “wastewater purification – resource circulation – ecological benefits for the people”. The project established a full-process harmless treatment system, under which treated wastewater that met the relevant standards was used for farmland irrigation and forage planting, forming a closed-loop resource circulation model of “wastewater – purified water – agricultural reuse”. After the implementation of the project, rural non-point source pollution was effectively reduced, a stable water source was provided for agricultural production, local operation and maintenance jobs were created, and the green transformation of the breeding industry was promoted.

Appendix to the Report

ESG Key Performance Table

Environmental Key Performance Indicators

Indicators	Unit	2025	2024	2023
Greenhouse gas emissions				
Scope 1	tons of carbon dioxide equivalent	5,654	6,354	4,430
Scope 2	tons of carbon dioxide equivalent	336,340	401,831	386,671
Scope 3	tons of carbon dioxide equivalent	105	116	116
Total greenhouse gas emissions	tons of carbon dioxide equivalent	342,009	408,300	391,217
Density of greenhouse gases	tons of carbon dioxide equivalent per 10,000 yuan of revenue	0.72	0.85	0.84
Exhaust gas[4]				
Nitrogen oxides(NOx)	ton	22.54	29.06	22.68
Sulfur oxides(SOx)	ton	1.97	0.41	3.13
Respirable particulate matter(PM)	ton	2.14	1.94	1.57
Carbon monoxide(CO)	ton	4.98	3.65	2.61
Volatile organic compounds(VOCs)	ton	1.03	0.95	0.96
Hydrogen chloride	ton	1.08	1.31	0.95
Waste				
Total volume of non-hazardous waste	ton	898,935.35	981,040.60	1,072,238
Density of non-hazardous waste	tons per 10,000 yuan of revenue	1.89	2.03	2.30
Total volume of hazardous waste	ton	24,519	29,888	29,632
Density of hazardous waste	tons per 10,000 yuan of revenue	0.05	0.06	0.06
Amount of waste recycled		261,063.33	238,510.13	265,230.10
Wastewater				
Chemical oxygen demand (COD)	ton	26,522.20	26,071.26	27,402.92
Five-day biochemical oxygen demand (BOD_5)	ton	5,210.62	5,351.37	7,527.97
Suspended solids	ton	5,067.06	5,555.16	7,393.74
Ammonia nitrogen(NH_3-N)	ton	705.33	767.60	838.22
Total phosphorus(in terms of P)	ton	276.03	303.51	299.39
Total nitrogen(in terms of N)	ton	12,143.61	13,150.69	14,630.69
Energy management				
Natural gas	MWh	21,595	25,503	13,930
Gasoline	MWh	1,743	1,525	1,738
Diesel fuel	MWh	1,470	1,529	1,105
Liquefied Petroleum Gas	MWh	120	103	160
Acetylene	MWh	23	15	14
Purchased electricity	MWh	672,643	614,062	670,526
Purchased heat[5]	MWh	307,056	130,310	10,783
Calories sold	MWh	358,957	185,452	63,374
Exported cooling capacity	MWh	60,302	59,976	55,011
Total energy consumption[6]	MWh	585,380	527,620	579,871
Energy density	MWh per 10,000 yuan of revenue	1.23	1.09	1.24
Water consumption				
Freshwater consumption	ton	2,544,908.83	1,919,282.78	-
Water consumption density	tons per 10,000 yuan of revenue	5.35	3.98	
Total water circulation and reuse	ton	53,766,555.89	56,226,099.08	-
Paper consumption				
Paper consumption	ton	50.52	51.28	-
Paper consumption density	tons per 10,000 yuan of revenue	0.00011	0.00011	-

4 This includes emissions from solid waste incineration projects, as well as emissions generated from the use of fossil fuels by other stationary equipment and vehicles. Emissions from solid waste incineration projects were calculated based on records from the pollutant monitoring system, while other emissions were calculated with reference to the emission factors set out in *How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs* issued by the Stock Exchange and *Manual of Coefficients for Pollutant Generation and Discharge from Domestic Pollution Sources*.

5 In June 2024, the entrusted operation project for the Junliangcheng Heating Station in Dongli District, Tianjin was newly awarded; therefore, the volume of purchased heat increased significantly in 2024.

6 The formula was as follows: Total energy consumption = total consumption of direct energy (natural gas, gasoline, diesel, liquefied petroleum gas and acetylene) and indirect energy (purchased electricity and purchased heat) - total volume of energy sold externally.

Social Key Performance Indicators[7]

Indicators		Unit	2025	2024	2023
Number of employees[8]					
Gender	Male	person	1,576	1,574	1,532
	Female	person	754	747	718
Age	29 years old or younger	person	280	326	342
	30-39 Years Old	person	972	958	903
	40-49 Years Old	person	742	731	723
	50 Years Old or Older	person	336	306	282
Education	Doctor's Degree	person	3	5	-
	Master's Degree	person	172	229	-
	Bachelor's Degree	person	1,484	1,332	-
	Junior College Degree or Below	person	671	755	-
Job Title	Other Managers and Employees	person	2,135	2,172	-
	Middle Management	person	183	140	-
	Senior Management	person	12	9	-
Region	Tianjin Municipality (excluding business segments)	person	651	-	-
	Southern China	person	216	-	-
	Northern China	person	90	-	-
	Western China	person	245	-	-
	Eastern China	person	416	-	-
	Central China	person	324	-	-
	Solid Waste Segment (statistics covering all levels of Caring Company)	person	253	269	268
	New Energy Segment (statistics covering all levels of Green Energy Company)	person	101	88	83
	Total	person	2,330	2,321	2,250

Indicators		Unit	2025	2024	2023
Number of Other Workers[9]					
Gender	Male	person	71	51	77
	Female	person	34	24	35
Age	29 Years Old or Younger	person	13	6	21
	30-39 Years Old	person	44	6	17
	40-49 Years Old	person	31	24	29
	50 Years Old or Older	person	17	39	45
Employee Turnover Rate					
Gender	Male	%	2.6	5.0	5.8
	Female	%	2.9	3.6	3.5
Age	29 Years Old or Younger	%	5.0	5.2	10.5
	30-39 Years Old	%	2.4	3.1	4.2
	40-49 Years Old	%	0.8	2.5	1.8
	50 Years Old or Older	%	6.0	13.1	9.6
Region	Tianjin Municipality (excluding business segments)	%	2.5	-	-
	Southern China	%	1.9	-	-
	Northern China	%	2.2	-	-
	Western China	%	5.3	-	-
	Eastern China	%	2.6	-	-
	Central China	%	3.1	-	-
	Solid Waste Segment (statistics covering all levels of Caring Company)	%	2.0	-	-
	New Energy Segment (statistics covering all levels of Green Energy Company)	%	2.0	-	-
	Total	%	2.7	4.5	5.1

7 Regional classifications were based on the latest organisational structure in 2025. For relevant data for 2024 and 2023, please refer to the reports of previous years.

8 All employees within the reporting scope of the Group were full-time employees.

9 Including contractors, subcontractor employees and dispatched workers working at the Group's operating

Indicators		Unit	2025	2024	2023
Percentage of Trained Employees					
Gender	Male	%	100	94.80	90.20
	Female	%	100	99.10	94.60
Job Level	Other Managers and Employees	%	100	95.90	92.60
	Middle Management	%	100	100	78.30
	Senior Management	%	100	100	90.00
Total		%	100	96.20	91.60
Average Training Hours Per Employee (Hours)					
Gender	Male	hours	42	68	53
	Female	hours	39	59	50
Job Level	Other Managers and Employees	hours	40	62	49
	Middle Management	hours	77	119	79
	Senior Management	hours	83	128	131
Total		hours	40.18	65	52
Employee Health and Safety					
Amount invested in workplace safety		10,000 yuan	276,324.66	326,108.87	-
Safety education and training coverage rate		%	100	100	-
Employee physical examination coverage rate		%	100	100	
Number of workdays lost due to a work-related injury		day	60	0	-
Number of occupational disease cases		person	0	0	-
Pass rate for occupational hazard testing		%	100	100	-
The number of work-related fatalities each year over the past three years (including the reporting year)		person	0	0	-
The annual rate of work-related fatalities over the past three years (including the reporting year)		%	0	0	-
Integrity in Operations					
Average duration of anti-corruption training for directors		hours/person	37	28	15
Average duration of anti-corruption training for employees		hours/person	39	30	15

Indicators Index

The *Environmental, Social and Governance Reporting Code* of The Stock Exchange of Hong Kong Limited

Part C: "Comply or Explain" Provisions

Level		Corresponding Report Chapters
A. Environmental		
Aspect A1: Emissions	General Disclosure	Environmental Compliance Management
	KPI A1.1	ESG Key Performance
	KPI A1.2	Environmental Compliance Management , ESG Key Performance
	KPI A1.3	Environmental Compliance Management , ESG Key Performance
	KPI A1.4	Environmental Compliance Management , ESG Key Performance
	KPI A1.5	Environmental Compliance Management
	KPI A1.6	Environmental Compliance Management
Aspect A2: Use of Resource	General Disclosure	Advancing Green Operations
	KPI A2.1	ESG Key Performance
	KPI A2.2	Advancing Green Operations , ESG Key Performance
	KPI A2.3	Advancing Green Operations
	KPI A2.4	Advancing Green Operations
	KPI A2.5	Not related to the Group's operations
Aspect A3: Environment and Natural Resources	General Disclosure	Environmental Compliance Management
	KPI A3.1	Advancing Green Operations
B: Social		
Aspect B1: Employment	General Disclosure	Diverse and Compliant Employment
	KPI B1.1	Diverse and Compliant Employment , ESG Key Performance
	KPI B1.2	Diverse and Compliant Employment , ESG Key Performance
Aspect B2: Health and Safety	General Disclosure	Safeguarding the Bottom Line of Safety
	KPI B2.1	ESG Key Performance
	KPI B2.2	ESG Key Performance
	KPI B2.3	Safeguarding the Bottom Line of Safety

Level		Corresponding Report Chapters
Aspect B3: Development and Training	General Disclosure	Fulfilling Employee Dreams
	KPI B3.1	ESG Key Performance
	KPI B3.2	ESG Key Performance
Aspect B4: Labor Standards	General Disclosure	Diverse and Compliant Employment
	KPI B4.1	
	KPI B4.2	
Aspect B5: Supply Chain Management	General Disclosure	Building a Shared Chain of Responsibility
	KPI B5.1	
	KPI B5.2	
	KPI B5.3	
	KPI B5.4	
Aspect B6: Product Responsibility	General Disclosure	Safeguarding Clear Waters and Clean Land Ensuring Stable and Reliable Supply Quality
	KPI B6.1	The Group's operations do not involve product recycling.
	KPI B6.2	Ensuring Stable and Reliable Supply Quality
	KPI B6.3	Enhancing Innovation Momentum
	KPI B6.4	Ensuring table and Reliable Supply Quality
	KPI B6.5	Enhancing Innovation Momentum
Aspect B7: Anti-corruption	General Disclosure	Compliance Operations
	KPI B7.1	
	KPI B7.2	
	KPI B7.3	
Aspect B8: Community Investment	General Disclosure	Ongoing Community Investment
	KPI B8.1	
	KPI B8.2	

Part D: Index of "*Climate-related Disclosures*"

Capital Environmental Protection makes climate-related disclosures in accordance with Part D of the Stock Exchange of Hong Kong ESG Code. Due to practical circumstances such as the current progress of internal system development, insufficient accumulation of quantitative data, and the ongoing update of strategic planning, certain disclosure requirements cannot yet be fully addressed at this stage. Going forward, the Company will progressively improve its climate-related disclosures, continuously enhance the accuracy, completeness and timeliness of such disclosures, and implement the relevant disclosure work in line with the progress of business development.

Climate-Related Disclosure		Corresponding report chapters	Explanation of Undisclosed Content
Governance		Addressing Climate Change – Governance	19(a)(iv): Certain climate-related performance indicators have been incorporated into the remuneration policy, but quantitative calculation data linking performance indicators to remuneration are not yet available. 19(b)(ii): The internal climate-related data transmission/collaboration system is still under development, and monitoring measures are currently operating independently.
Strategy	Climate-Related Risks and Opportunities	Addressing Climate Change – Strategy	20(a):This section is subject to the reasonable information relief policy.
	Business Model and Value Chain	Addressing Climate Change – Strategy	21(a):This section is subject to the reasonable information relief policy.
	Strategy and Decision-Making	Addressing Climate Change – Strategy	22(a)(iii) Negative statement: The Company has not yet formulated a climate-related transition plan or related assumptions. 22(a)(iv)/22(b): The Company's overall development strategy is being updated, and no climate-related business plans with clearly defined phased arrangements are currently available for disclosure.
	Financial Position, Financial Performance and Cash Flows	Addressing Climate Change – Strategy	24(a):This section is subject to the reasonable information relief policy. 24(b):This section is subject to the capabilities relief policies. 25:This section is subject to the finance relief policies.
	Climate Resilience	Addressing Climate Change – Strategy	26(a)(i)/(ii):This section is subject to the reasonable information relief policy. 26(a)(iii):This section is subject to the capabilities relief policies.
Risk Management		Addressing Climate Change – Risk Management	27(c): The Company has integrated the climate risk assessment and management process into its enterprise risk management system. Currently, there is no quantitative data available to assess the integration effect, and the degree of integration between climate-related risk management and overall risk management has not been disclosed.

Climate-Related Disclosure		Corresponding report chapters	Explanation of Undisclosed Content
Metrics and Targets	Greenhouse Gas Emissions	Addressing Climate Change – Metrics and Targets	29(d): This section is subject to the reasonable information relief policy.
	Climate-Related Transition Risks	Addressing Climate Change – Risk Management	30: This section is subject to the reasonable information relief policy.
	Climate-Related Physical Risks	Addressing Climate Change – Risk Management	31: This section is subject to the reasonable information relief policy.
	Climate-Related Opportunities	Addressing Climate Change – Risk Management	32: This section is subject to the reasonable information relief policy.
	Capital Deployment	Addressing Climate Change – Risk Management	Capital investment related to climate change is mainly concentrated in measures such as green finance, the use of clean energy, and energy-saving technological upgrades, and no separate dedicated funding has been allocated.
	Internal Carbon Pricing	Negative statement: The Company does not currently apply carbon pricing in any decision-making.	
	Remuneration	Addressing Climate Change – Metrics and Targets	The reason for non-disclosure is the same as that set out in paragraph 19(a)(iv) and therefore is not repeated.
	Industry-Based Metrics	/	Benchmarking analysis between the Company's environmental protection business and the IFRS S2 Industry-Based Guidance on Implementing Climate-related Disclosures has not yet been completed, and this item is a voluntary disclosure recommendation.
	Climate-Related Targets	Addressing Climate Change – Metrics and Targets	37-40: The company actively pursues the national "dual carbon" goals, systematically plans its low-carbon transformation path, and reduces environmental impact through green finance, energy-saving operations, and other means. However, due to the lack of sufficient data support, it is unable to set scientifically achievable goals. The company will gradually improve its climate-related goal setting and tracking evaluation mechanisms in accordance with regulatory requirements and management practices.
	Applicability of Cross-Industry Metrics and Industry-Based Metrics	ESG Key Performance Table – Environmental Key Performance Indicators	/

Indicators Index of *Shanghai Stock Exchange's Self-Regulatory Guidelines for Listed Companies No. 14 - Sustainable Development Reporting*

Dimension	Serial number	Issue	Corresponding report chapters
Environmental	1	Addressing Climate Change	Addressing Climate Change
	2	Pollutant Emissions	Environmental Compliance Management
	3	Waste Disposal	Environmental Compliance Management
	4	Ecosystem and Biodiversity Conservation	Advancing Green Operations
	5	Environmental Compliance Management	Environmental Compliance Management
	6	Energy Utilization	Advancing Green Operations
	7	Water Resource Utilization	Advancing Green Operations
	8	Circular Economy	Advancing Green Operations
Social	9	Rural Revitalization	Ongoing Community Investment
	10	Social Contribution	Ongoing Community Investment Promoting Industry Development
	11	Innovation-driven Development	Enhancing Innovation Momentum
	12	Science and Technology Ethics	Enhancing Innovation Momentum
	13	Supply Chain Security	Building a Shared Chain of Responsibility
	14	Equal Treatment of Small and Medium-sized Enterprises	Compliance Operations
	15	Safety and Quality of Products and Services	Safeguarding Clear Waters and Clean Land Ensuring Stable and Reliable Supply Quality
	16	Data Security and Customer Privacy Protection	Enhancing Innovation Momentum
	17	Employees	Gathering Talent for Development and Shaping the Future Together
Governance Related to Sustainable Development	18	Due Diligence	Enhance ESG Governance
	19	Addressing Climate Change	Enhancing ESG Governance
	20	Pollutant Emissions	Compliance Operations
	21	Waste Disposal	Compliance Operations

Indicators Index of GRI standard (2021)

Index Location		GRI Standards
About the Report		2-2, 2-3, 2-4
Board Statement		/
Chairman's Statement		/
Entering the Capital Environmental Protection		2-1
Topic: Fulfilling our Mission with Water as the Vein, Building a Green Foundation with People as the Basis		413-1
Refined Governance: Building a Solid Foundation for Development	Adhering to the Guidance of Party Building	/
	Enhancing Corporate Governance	2-9, 2-12, 2-17, 2-27, 205-2, 205-3, 206-1
	Enhancing ESG Governance	2-14, 2-16, 2-17, 2-29, 3-1, 3-2, 3-3
Technology-driven Development, Empowering Smart Water Services	Enhancing Innovation Momentum	418-1
	Safeguarding Clear Waters and Clean Land	303-2, 306-2, 306-3, 306-5
	Ensuring Stable and Reliable Supply Quality	/
Advancing Green Development and Building a Shared Ecological Homeland	Addressing Climate Change	305-1, 305-2, 305-3, 305-5, 305-7
	Environmental Compliance Management	303-2, 306-2, 306-3, 306-5
	Advancing Green Operations	301-1, 302-1, 302-3, 302-4, 303-4, 303-5, 304-2
Gathering Talent for Development and Shaping the Future Together	Diverse and Compliant Employment	401-1, 405-1, 406-1, 408-1, 409-1, 401-2, 401-3, 407-1
	Fulfilling Employee Dreams	404-1, 404-2
	Safeguarding the Bottom Line of Safety	403-1, 403-2, 403-3, 403-5, 403-6, 403-7, 403-9, 403-10
Collaborative Development, Fostering a Harmonious Society	Building a Shared Chain of Responsibility	308-1, 414-1, 416-2
	Promoting industry development	/
	Ongoing Community Investment	413-1
Appendix to the Report		/

Reader Feedback Form

To continuously enhance our ESG practices and improve the capabilities and standards of ESG management, we highly value your opinions and suggestions.

We kindly request your assistance in addressing the issues raised in the feedback form and providing feedback to us through the following methods.

Address: No. 76 Weijin South Road, Nankai District, Tianjin, Tianjin Capital Environmental Protection Building

Fax: 86-22-23930126

Email: tjcep@tjcep.com

Your Information

Full Name _____

Work Unit _____

Contact Number _____

Email _____

Feedback _____

1. What is your overall assessment of the Company's ESG Report?

☐ Excellent ☐ Good ☐ Fair ☐ Poor ☐ Very Poor

2. Do you believe this Report adequately reflects the significant impact of ESG issues on the Company?

☐ Unable to understand ☐ Average ☐ Not understand

3. How do you assess the clarity, accuracy, and completeness of the information, data, and metrics disclosed in this Report?

☐ Excellent ☐ Good ☐ Fair ☐ Poor ☐ Very Poor

4. What aspect of this Report are you most satisfied with?

_____

5. What specific information would you like to further understand?

_____

6. Do you have any suggestions for our future Report publications?

_____

Hotline: 022-23930000
Address: No. 76 Weijin South Road, Nankai District, Tianjin,
Tianjin Capital Environmental Protection Building
Postal Code: 300381
Website:http://www.tjcep.com