

# Sustainability Report 2023



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## About this Report

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



### Reporting Scope

**Reporting Period:** Unless otherwise specified, this Report covers the period from 1 January 2023 to 31 December 2023 (“**Reporting Period**”).

**Business Scope:** This Report covers the Company’s headquarters and the projects operating during the Reporting Period at the Company’s major business units, including SIIC Environment Holdings (Wuhan) Co., Ltd. (“**Central BU**”), Nanfang Water Co., Ltd. (“**South BU**”), SIIC Environment Water Co., Ltd. (“**North BU**”), Longjiang Environmental Protection Group Co., Ltd. (“**Northeast BU**”), Fudan Water Engineering and Technology Co., Ltd. (“**East BU**”), Ranhill Water (Hong Kong) Ltd. (“**Ranhill Water**”) and waste incineration projects<sup>1</sup>.

### Reporting Guideline

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

#### Materiality

The Company is able to identify material ESG issues by communicating with the internal and external stakeholders and listening to their expectations and concerns. The Company will respond to the most material ESG issues in this Report.

#### Quantitative

The Company establishes a data collection system for ESG key performance indicators (“KPIs”). This Report contains standards and procedures for accounting emissions, energy consumption, and other aspects.

#### Balance

This Report provides objective facts and discloses both positive and negative indicators.

#### Consistency

Unless otherwise noted, the statistical methodology used in this Report and the KPIs disclosed are consistent with previous years to ensure good comparability with historical data.

<sup>1</sup> In the waste incineration projects, The Company owns a 50% equity stake in the Pucheng Waste Incineration Thermal Power Generation Project and Wenling Waste Incineration Power Generation Project. However, these projects are not consolidated and therefore are not included in the Reporting Scope.

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

We seek to adhere to the above reporting frameworks’ universal sustainability considerations, general principles and indicators and apply them to report our sustainability policies, practices, performance and targets. This Report has disclosed some indicators in the GRI standards and TCFD framework. The Company will continue to enhance sustainable development management and further improve the disclosure in line with relevant standards in the future. This Report should be read in conjunction with the *Corporate Governance Report* within the Company’s Annual Report for the financial year ended 31 December 2023 to gain full knowledge of the Company’s ESG performance.

### Disclaimer of the Report

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

The Company recorded the ESG data in an online ESG data collection system and audited the data internally before they were released. In 2023, we conducted an internal review of this Report based on our corporate governance structure and included the work in the annual audit plan, covering key aspects of this Report. The internal review was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (“**IIA**”).

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

### Access and Feedback

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

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



# About SIIC Environment

## Overview

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

Our water projects, sludge treatment services, and waste incineration power generation business are offered and managed through Central BU, South BU, North BU, Northeast BU, East BU and Headquarter while industrial wastewater treatment is mainly carried out by Rahill Water.

At the end of 2023, SIIC Environment has:



## Business Outlook

By the active promotion of the national "Dual carbon" strategy and environmental policies, China's economic and social development has entered a stage of accelerated high-quality development, focusing on green and low-carbon initiatives. This presents significant development opportunities for China's green environmental protection industry. In 2023, SIIC Environment's various businesses grew significantly under the strong support of China's environmental policies. Specifically, the Company has made considerable progress in the development of water business and environment protection. Facing the critical year of the "14th Five-Year Plan", the Company has seized the opportunities arising from the national policies of "Development of the Yangtze River Economic Belt" and "Yangtze River Delta Integration" and accelerated the expansion of its business, in particular the strategic layout in the Yangtze River Delta and the Guangdong-Hong Kong-Macao Greater Bay Area.

With the global environmental protection challenge and the national strategic target "Carbon-peaking" and "Carbon neutrality", the Company accelerates its digital construction and low-carbon development and is committed to build more high-quality and modern environmental protection projects. In addition, we actively respond to the national policy of green finance, provide constant financial support to environmental protection projects by innovative financing activities, providing continuous financial support for environmental projects, thereby promoting the development and upgrading of the ecological conservation industry.

In 2023, our commissioned operation project at the Taipa Sewage Treatment Plant (the "Taipa Project") in Macau is the first sewage treatment project our group has obtained overseas. It significantly expands our business in the Guangdong-Hong Kong-Macao Greater Bay Area, optimizing project layout and further promoting business development to adapt to market changes and customer demands. In addition, our benchmark sewage treatment project, the Qingpu Xicen Water Purification Plant Project (the "Xicen Project"), is actively under construction. By the end of the year, all foundation work was completed, with 90% of the pool walls for the water treatment layer (negative second floor) finished. This water quality purification project in the Yangtze River Delta Eco-green Integrated Development Demonstration Zone not only demonstrates the Company's strong capabilities in developing high-quality environmental protection projects but also serves as an important proof of our implementation of ESG strategies and promotion of sustainable development practices. It also makes significant contributions to improving regional water quality and protecting the ecological environment.

The Company will closely monitor opportunities for high-quality new projects, explore new drivers for business development, and consolidate our leading position in the industry. We will promote the upgrading and standardization of existing sewage treatment projects, accelerate the development of solid waste treatment and other environmental projects, fully leverage our experience and resource advantages in green and low-carbon projects, and actively participate in the construction of a beautiful China.

In the future, SIIC Environment will continue to explore new business opportunities, commit to environmental protection and efficient resource utilization, and strive for high-quality sustainable development through digitalization, scientific management, and enhancement of innovation capabilities. We aim to make greater contributions to the harmonious coexistence of society, the environment, and the economy.



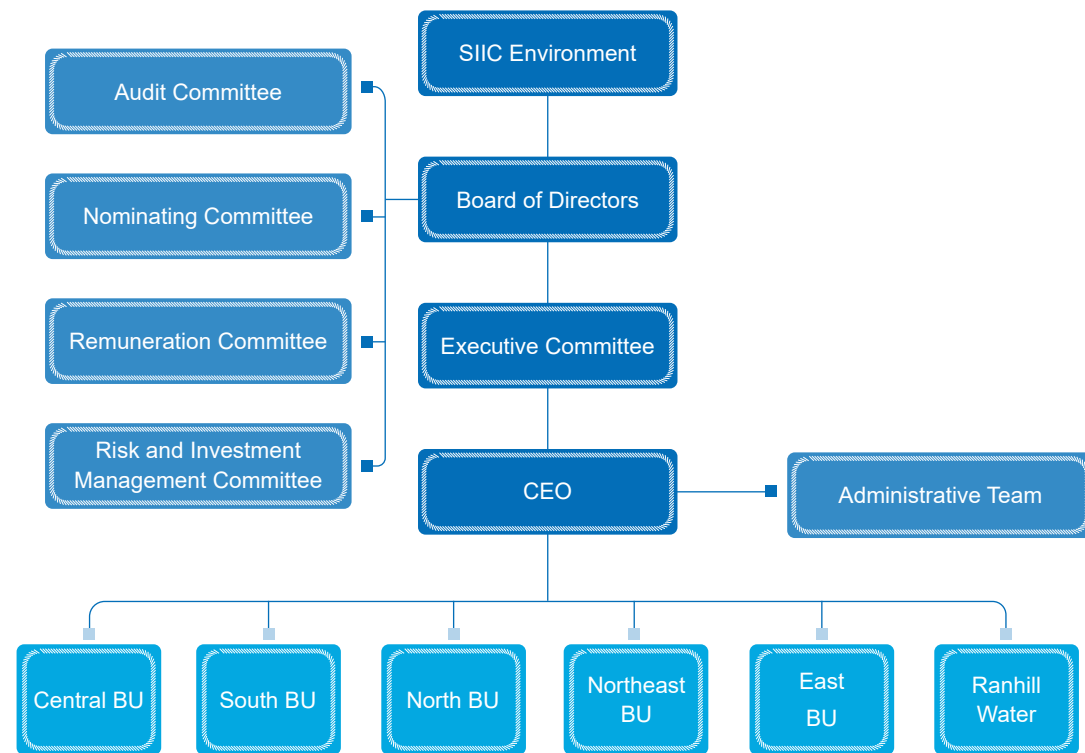


## Corporate Governance

### Governance Structure

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

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



SIIC Environment Organisation Chart

### Board Diversity

As of publication of the Report, the Board of Directors of the Company comprises 8 members, including 5 executive directors and 3 independent non-executive directors. The Board has extensive experience in corporate strategy, governance, business, investment, financing, and other areas. We highly value the board diversity construction, believe that a diverse background enables the Board of Directors to fully leverage its effectiveness and enhance management efficiency, and it is also considered an important factor in achieving strategic objectives and sustainable development.

The Company has established policies and objectives for board diversity, which include clear provisions to promote greater diversity within the Board of Directors. We promise to conduct an annual review and discussion on progress in gender diversity and regularly updates its policies and at least one director of the opposite sex will be appointed by December 31, 2024. During the Reporting Period, the Board of Directors is steadily advancing the diversity process. The composition of the board will comprehensively consider various factors such as gender, age, cultural background, industry experience, skills, and knowledge to achieve an appropriate balance in the composition of the board.

### Risk Management

The Company has established a risk management and internal control system. The Board of Directors is responsible for risk governance and the overall internal control framework. The RIMC and the management ensure the effectiveness of the overall risk management framework of the Company and design, implement and monitor the risk management and internal control systems within the Company. Scrutiny of those systems is performed at least once a year. In addition, they are responsible to review our Company's business and operational activities periodically to identify areas with significant risks and take appropriate measures to control and mitigate these risks. Our internal auditors assist the RIMC in assessing whether the Company's internal controls are adequate, effective, and executed on schedule.

In 2023, the Company convened 7 meetings on risk management, conduct risk identification and investigation 12 times, and generate corresponding reports. At the divisional level, we identify, assess and manage risks in accordance with the Company's risk management framework based on our actual operations. Each business unit formulates appropriate risk control measures to effectively control material risks identified.

During the Reporting Period, East BU has developed and implemented the Internal Control and Risk Management Manual to establish a comprehensive, all-employee, all-process, all-system risk prevention and control mechanism, and regularly identify and assess risks and formulate corresponding risk control measures. ESG risk identification and assessment established by Northeast BU includes climate risk, safety risk and human resources risk, integrating ESG into the overall risk assessment and control procedure.



Internal Control and Risk Management Framework



Basic Procedures for Risk Assessment

# Sustainability Governance

SIIC continues to promote sustainable development in a deeper and more practical way. The Company continuously improves the ESG governance structure, formulate sustainable development work management methods and sustainable development policies, regularly track and review the achievement of short-, medium- and long-term ESG targets, and launch ESG data management enhancement projects to continuously improve ESG performance. In the future, the Company will further promote the improvement of its ESG management, enhance the top-down ESG governance top-level design, refine our objectives to facilitate their achievement, integrate ESG with strategic planning and operational management, and continuously enrich our corporate value to achieve high-quality and sustainable development.

## Highlights

- Established **3** policy documents related to sustainability development
- **100%** of the Board, the management and the employees<sup>1</sup> received anti-corruption training
- No corruption cases have occurred. Number of corruption cases concluded: **0**

## Highly Material Issues addressed in this Chapter

- Corporate governance
- Compliance management operation
- Anti-corruption

## SDGs addressed in this Chapter



<sup>1</sup> Employees on active duty.

## Board Statement

As the Company's top SIIC Environment's governance body of sustainability, the Board has overall responsibility for ESG strategy and reporting and receives at least two ESG updates per year. The Board has identified and evaluated material ESG factors (including ESG risks) and continued to monitor the effectiveness of management approaches regarding these factors. Every year, the Company's Directors review and approve material ESG issues, and integrate them into the sustainability planning.

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

The Company also continues to build up the Board's sustainability capability through regular training projects. We have planned to include factors related to sustainable development into the compensation system to connect the compensations of the Board and management with ESG issues.

## Sustainability Policy

This year, our Company has formulated 3 sustainable development-related policies, providing an overall framework for our commitments to sustainable development. These policies elucidate the norms of behavior and basic principles adopted in dealings with various stakeholders, including the core values considered when selecting business partners. In the future, we will strengthen policy advocacy and implementation at both the headquarter and business branch levels, continuously review our management gaps, regularly update relevant policies, and promote the continuous improvement of sustainable management practices.

## Sustainability Governance Structure

Taking a top-down approach to integrating ESG throughout the corporate governance system, the Company has formulated an appropriate sustainability governance structure and comprehensive management system. ESG-related responsibilities were integrated into the overall authorities of the Board and RIMC.

The Board is the top governance body for our sustainability work. The Board delegates RIMC to supervise and monitor the ESG related matters. In addition, the Company has established the ESG Working Group to implement ESG in business practices, consisting of senior management and employees from various departments who possess a good understanding of the Company's operations and relevant ESG matters. In 2023, the ESG Working Group reported ESG work to the Board and the management 8 times, as well as organized ESG training for the management and business unit heads. In this way, management at all levels becomes more closely engaged in ESG efforts.

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





# Compliance and Anti-corruption

## Compliance Management System

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

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

To prevent corruption within the Company, we conduct internal audits and assessments of business ethics for our business units periodically, including but not limited to procurement and accounts payable; internal control on cash and bank management; and internal control on revenue and receivables. In response to the problems revealed in the audits, the Company has implemented timely rectification and improvement of the relevant system accordingly. In 2023, the Company conducted 11 internal control audits, including internal control audits and exit audits of business segments and project companies. The Company also hired professional agencies to conduct internal control audits on the project companies subordinate to the business units, and guided the business units to conduct self-inspection on weak points in internal control and issues to be rectified.

Our business units have also developed and implemented internal anti-corruption policies based on actual operating conditions, such as the Internal Audit System, Insider Information Management System, and Conflict of Interest Avoidance System, and carried out internal audits regularly. For example, South BU regularly conducts internal audits with the help of external third-party agencies, covering the aspects of anti-corruption, anti-fraud, and anti-money laundering. During the Reporting Period, there was no reported non-compliance with laws and regulations related to bribery, extortion, fraud, and money laundering.

In 2023,

 the Company conducted **11** internal control audits

 Number of corruption cases concluded: **0**

## Whistle-blowing Policy

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

Upon discovering or suspecting fraudulent activity, any employee has the right to report it to the Audit Committee, Executive Directors, or the management of the Company. The Company will investigate all allegations of fraud. If the investigation substantiates the fraudulent activities, the case will be immediately reported to authorized personnel, and if appropriate, to the Board through the Audit Committee.

The Company also takes proper measures to protect whistle-blowers and prohibits harassment or retaliation against the whistle-blowers for raising concerns over alleged wrongful acts. In order to protect whistle-blowers' identity, the complaints addressed by employees will be submitted confidentially and anonymously to the Audit Committee, Executive Directors, or the management.

## Training for Anti-corruption

The Company firmly promotes anti-corruption and integrity construction, continues to strengthen its integrity culture, and extensively conducts educational activities related to anti-corruption. We also conduct self-examination and self-correction of potential problems and requires leaders and cadres to comply with the standards of integrity and self-discipline.

We organize at least one anti-corruption training for the board and 100% employees annually, and at least 4 training on integrity. In 2023, the headquarter engaged a professional organization to provide anti-corruption training to the board, management, and employees on current key corruption cases as well as amendments to laws and regulations related to anti-corruption in the PRC. Through corruption cases in Mainland China, Hong Kong and Singapore, all staff members were able to gain a deeper understanding and appreciation of integrity compliance. In addition, our business units also organized various training activities according to their needs, to continuously raise the integrity awareness of our employees and promote the integration of business ethics into our business practices.



Solid waste incineration project conducted integrity training



Central BU participated in anti-corruption training organized by the headquarter



We organize at least one anti-corruption training for the board and employees annually:

**100%**

at least

**4** training on integrity

Number of employees participating in anti-corruption training:









**6,372**

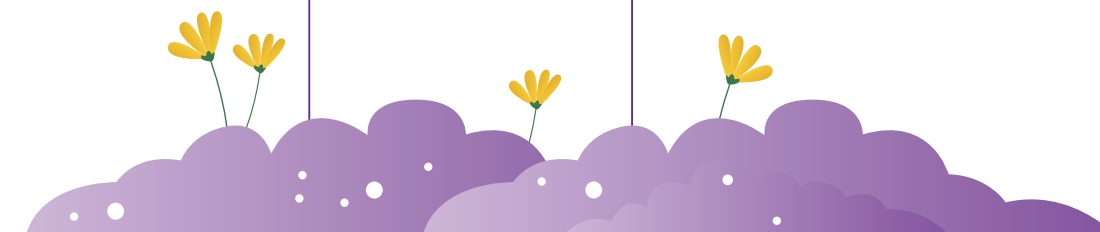
Percentage of Directors participating in anti-corruption training:

**100%**

# Stakeholder Engagement

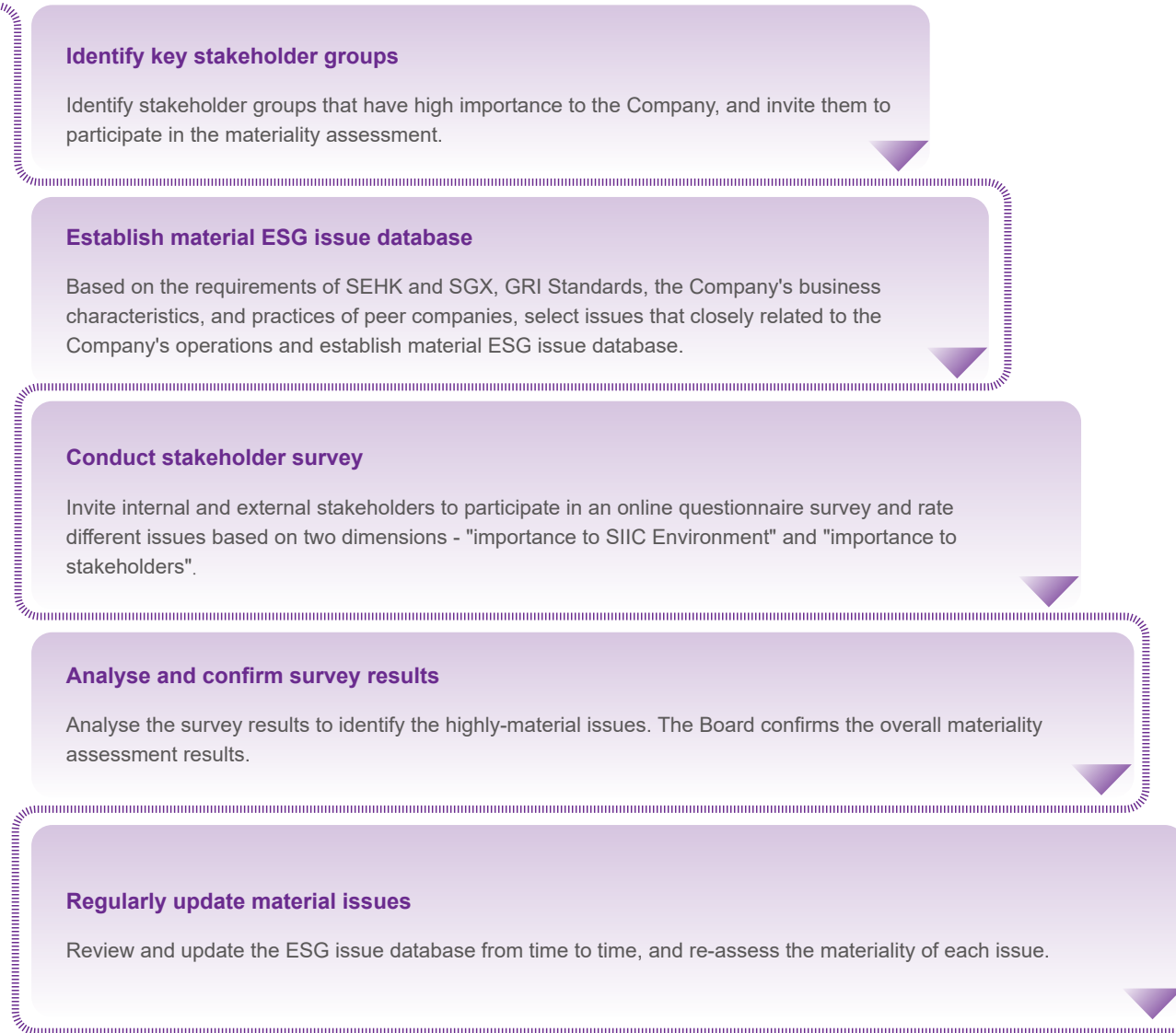
SIIC Environment engages with its key stakeholders regularly to understand their needs, concerns and expectations. The Company has scored different stakeholders based on the two dimensions - "influence by the Company" and "influence on the Company". Based on the scoring results, eight stakeholder groups have been identified as crucial to the Company's business and operations and the table below outlines the key topics of concern of each group, and the methods of communication.

Stakeholders	 Shareholders and Investors	 Employees	 Customers	 Business Partners and Suppliers	 Industry Associations and NGOs	 Local Communities and the Public	 Media	 Government and Regulators
Concerns and Expectations	<ul style="list-style-type: none"> <li>• Environmental impact management</li> <li>• Operational compliance</li> <li>• Anti-corruption</li> <li>• Resource efficiency</li> <li>• Service quality and standards</li> <li>• Economic performance</li> </ul>	<ul style="list-style-type: none"> <li>• Occupational health and safety</li> <li>• Employee compensation and benefits</li> <li>• Clean water and sanitation</li> </ul>	<ul style="list-style-type: none"> <li>• Operational compliance</li> <li>• Labour standards</li> <li>• Sustainable supply chain management</li> <li>• Intellectual property protection</li> <li>• Consumer rights and privacy protection</li> </ul>	<ul style="list-style-type: none"> <li>• Clean water and sanitation</li> <li>• Emissions and waste management</li> <li>• Service quality and standards</li> <li>• Occupational health and safety</li> </ul>	<ul style="list-style-type: none"> <li>• Clean water and sanitation</li> <li>• Emissions and waste management</li> <li>• Operational compliance</li> <li>• Anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>• Clean water and sanitation</li> <li>• Occupational health and safety</li> <li>• Service quality and standards</li> <li>• Environmental impact management</li> <li>• Indigenous rights</li> </ul>	<ul style="list-style-type: none"> <li>• Promotion of environmental protection concepts</li> <li>• Climate change mitigation</li> <li>• Environmental impact management</li> <li>• Community engagement and investment</li> </ul>	<ul style="list-style-type: none"> <li>• Consumer rights and privacy protection</li> <li>• Emissions and waste management</li> <li>• Clean water and sanitation</li> <li>• Tackling climate change</li> </ul>
Methods of Communication	<p>Annual reports, interim reports, quarterly results, public announcements, circulars, press releases, annual and extraordinary general meetings, non-deal roadshows, individual and group meetings</p>	<p>Company-wide meetings and departmental meetings, annual staff meetings, questionnaires, internal emails</p>	<p>Customer meetings, customer satisfaction surveys, on-site visits</p>	<p>Partner meetings, questionnaires, seminars, on-site visits</p>	<p>Industry conferences, company website, official reports, online communication, offline surveys</p>	<p>Volunteering activities, public hearings, open houses, on-site visits</p>	<p>Press releases, interviews, announcements</p>	<p>Government meetings, supervision and assessments, questionnaires, on-site visits</p>



# Materiality Assessment

In 2023, based on the materiality assessment results in previous years, we reviewed and updated material ESG issues in accordance with regulatory requirements, industry trends and the Company's business features and conducted the materiality assessment. We invited 765 internal and external stakeholders to participate in an online materiality assessment survey to rate different issues in terms of "importance to SIIC Environment" and "importance to stakeholders", and engaged independent sustainability consultants to assist in the analysis. The assessment process of material issues for this year is shown in the following figure:



The Company identified a total of 12 issues of high-level materiality for the year 2023 after evaluation, including 4 environmental issues, 3 labour issues, and 5 operational issues, which have been presented in the table below. The materiality assessment results have been submitted to the Board for review and confirmation, and this Report will focus on disclosing ESG issues with highly materiality.

2023 Materiality Metrix Chart



	Environment	Labour	Operation
High-level Materiality	<ul style="list-style-type: none"> <li>1.Clean water and sanitation</li> <li>2.Environmental impact management</li> <li>3.Emissions, discharges and waste management</li> <li>7.Addressing climate change</li> </ul>	<ul style="list-style-type: none"> <li>8.Occupational health and safety</li> <li>9.Labour standards</li> <li>10.Employee compensation and benefits</li> </ul>	<ul style="list-style-type: none"> <li>14.Compliance management</li> <li>15.Service quality and standards</li> <li>16.Corporate governance</li> <li>17.Anti-corruption</li> <li>18.Economic performance<sup>2</sup></li> </ul>
Medium-level Materiality	<ul style="list-style-type: none"> <li>4.Ecological environment and biodiversity protection</li> <li>5.Resource efficiency</li> <li>6.Promotion of environmental protection concepts</li> </ul>	<ul style="list-style-type: none"> <li>11.Employee training and development</li> <li>12.Equal opportunity and employee rights</li> <li>13.Diversified employment</li> </ul>	<ul style="list-style-type: none"> <li>19.Supply chain sustainability management</li> <li>20.R&amp;D and innovation</li> <li>21.Consumer rights and privacy protection</li> <li>22.Intellectual property rights protection</li> </ul>
Low-level Materiality			<ul style="list-style-type: none"> <li>23.Community engagement and investment</li> <li>24.Rights of indigenous people</li> </ul>

<sup>2</sup> Responses to economic performance issues can be found in the FY2023 Annual Report.



We have set short, medium and long-term<sup>1</sup> targets for highly material issues and have incorporated the United Nations Sustainable Development Goals ("SDGs") into our ESG targets and development plans to contribute to global environmental, social, and economic concerns of the utmost importance.

Meanwhile, we have reviewed our progress toward our 2023 targets in light of our actual operations. We will continuously improve our action plans to strengthen the Company's overall ESG performance.

Subject Area	Highly material issues <sup>2</sup>	Related SDGs	Short-Term Targets	Medium and Long-Term Targets	Progress in 2023	Overachievements/ Shortfalls	Corresponding Chapter
Environment	Emissions, discharges, and waste management		To prevent violations and non-compliance that may seriously impact the environment.	Actively explore new technologies, methods, and models to minimize adverse environmental impacts.	Optimize the treatment process and facilities and equipment, reduce pollutant emissions and waste emissions to ensure 100% standard discharge and increase investment in environmental protection.	Progress steadily towards the target.	Pollutant Emission Control
	Clean water and sanitation		To improve the water quality monitoring mechanism, ensure the safety and hygiene of the water supply, and achieve 100% qualification rate in water tests.	To meet public demand for high-quality water with adherence to stricter treatment requirements.	To meet public demand for high-quality water with adherence to stricter treatment requirements.	In 2023, the water supply business was carried out orderly, and the water qualification rate reached 99.9%.	High-quality Service
	Environmental impact management		To comply with applicable national laws and regulations and ensure the openness and transparency of environmental data. To expand the coverage of automated and intelligent methods such as precise gas aeration and precise dosing, and gradually realize intelligent operation.	To standardize the approach to environmental management, refine environmental management systems, implement environmental management strategy, accept external supervision, and ensure compliance with regulatory requirements. To contribute to solving water pollution, water shortage and water safety by recycling approach.	Establish environmental management system aligned with ISO14001, conduct environmental monitor, and disclose environmental management status and related data publicly. Set resource consumption goals, reduce the amount of purchased water by advocating water conservation and adopting measures such as water reuse; reduce the dosage of additional carbon sources to lower drug consumption by precise aeration and dosing.	Progress steadily towards the target.	Management of Environmental Impact
	Addressing climate change	 	To reduce energy consumption through technological transformation and other means on existing project. To increase green and low-carbon R&D investment and cooperation on green and low-carbon projects to gradually reduce carbon emissions.	Plan to achieve carbon peak by 2030 and carbon neutrality by 2060	Improve recognition of climate-related risks, including contingency planning for physical risks such as extreme weather and taking countermeasures for transition risks such as policy and legal risks, market risks and so on. Enhance low-carbon and energy-saving actions, including energy-saving equipment transformation, developing renewable energy and planting trees. To make active respond to the national strategy "water affairs and photovoltaic", promote green transformation and upgrading of energy and achieve low-carbon operation.	In 2023, the Company used 9,494,977.6 kWh of clean energy (solar); Tree planting helped to offset 785.13 tonnes of CO <sub>2</sub> emissions.	Feature: Contributing to the National Dual Carbon Strategy
Labour	Occupational health and safety		Targets have been set for work-related injuries/deaths, injury rates, safety incidents, safety inspections, safety drills, safety training, occupational health check-ups and social insurance.	To provide employees with a safe work environment by offering adequate protective clothing and gear, giving safety education and training, and appointing dedicated safety management personnel. To establish an occupational health, safety, and management system.	Set annual workplace safety targets and carried out regular monitoring to practice the occupational health and safety management system. Provide health and safety training for employees.	In 2023, there were no safe production responsibility accident and work-related fatalities, and the work-related injury rate was 0.0324. 36,389 hours of health and safety training were provided to 6,372 employees.	Occupational Health and Safety
	Labour standards		To maintain 0 cases of child labour or forced labour.	To maintain zero cases of forced labour and child labour, ensure that the rights and interests of employees in relation to employment and labour practices are not infringed.	Adhered to labour laws and regulations and ensured effective implementation of labour management systems.	In 2023, the Company strictly complied with the laws of the place where it operates, and there was no noncompliance such as forced labour or child labour.	Equal, Inclusive and Diverse
	Employee Compensation and Welfare		To improve the employee compensation and welfare management system.	To optimize the appraisal system, improve the incentive mechanism, establish a talent cultivation mechanism, and continuously enhance the happiness and satisfaction of employees.	Improved the compensation and welfare system, established a sound mechanism for the selection of talents, and optimized the cultivation mechanism of the comprehensive appraisal system.	Progress steadily towards the target.	Welfare and Care
Operation	Service quality and standards		To provide customers with quality service and address 100% of customer feedback.	To deliver outstanding products and high-quality service as a commitment to our customers.	Ensured safe and compliant emission and high-quality water supply and continuously enhanced service quality; promptly handled customer complaints and maintained a 100% resolution rate.	Progress steadily towards the target.	High-quality Service
	Anti-corruption		To provide annual anti-corruption training for the Board, management and staff. To update anti-corruption policies	To maintain zero cases regarding corrupt practices brought against the Company and its employees. To foster a culture of integrity and virtue among employees.	Implemented comprehensive anti-corruption policies; organized anti-corruption training for the Board, management and staff.	There was no concluded legal case regarding corrupt practices brought against the Company and its employees in 2023. All Directors, management, and employees were engaged in anti-corruption training.	Compliance and Anti-corruption
	Compliance management		To conduct annual internal audits of business units to ensure that internal control measures and compliance inspection are consistent and effective.	To continuously improve the control system, tighten internal control management, raise employee awareness, and regularly organize training. To establish a supervision and assessment institution to conduct regular assessments to ensure the effectiveness of compliance management.	Business units and project companies developed and implemented internal policies to ensure compliance with national and local laws and regulations.	In 2023, the internal audits and inspections of business units were carried out as planned.	Compliance and Anti-corruption
	Corporate governance		To strengthen the Board's management and oversight of ESG issues, build sustainability capability and engage Directors in sustainability training.	To continuously improve corporate governance system and capabilities, integrate ESG into corporate governance, strategy and risk management.	Established and implemented a three-level governance structure: Board - Risk and Investment Management Committee - ESG Working Group, with clear responsibilities at each level.	Provided sustainability related training for Directors, management, and employees in 2023.	Corporate Governance Board Statement Sustainability Governance Structure

<sup>1</sup> Short-term: 1-3 years, medium-term: 3-5 years, long-term: 5 years and above.

<sup>2</sup> The Company's targets for economic performance issues can be found in the FY2023 Annual Report.

# Feature: Contributing to the National Dual Carbon Strategy

Climate change is currently a pressing global challenge. Countries around the world have adopted policies on carbon neutrality and constantly advance industry revolution and technology transformation characterized by green and low-carbon trends.

Actively and steadily promoting carbon peaking and carbon neutrality efforts provides a fundamental guide for China's energy development and shows the way forward. Recognizing this, SIIC is deeply involved in global initiatives and has been actively responding to the Paris Agreement and China's goals to peak CO<sub>2</sub> emissions before 2030 and achieve carbon neutrality before 2060 ("Dual-carbon" strategy), leading the water business operation and waste incineration industry. The Company innovates its technologies, continuously enhances its technical capabilities, practices a series of sustainability strategies, and effectively manages climate risks in its operations with a commitment to cutting greenhouse gas emissions. At the same time, we actively fulfill social responsibilities with strong collaboration with partners and government agencies to jointly promote green and low-carbon initiatives and reach the "Dual-carbon" goals.

In 2023, the Company enhanced its comprehension of the impacts of climate change and, aligning with the Task Force on Climate-related Financial Disclosure ("TCFD") framework, identify and assess the climate-related risks and opportunities. We have developed a set of risk management strategies and measures to reinforce our capacity to address climate change.

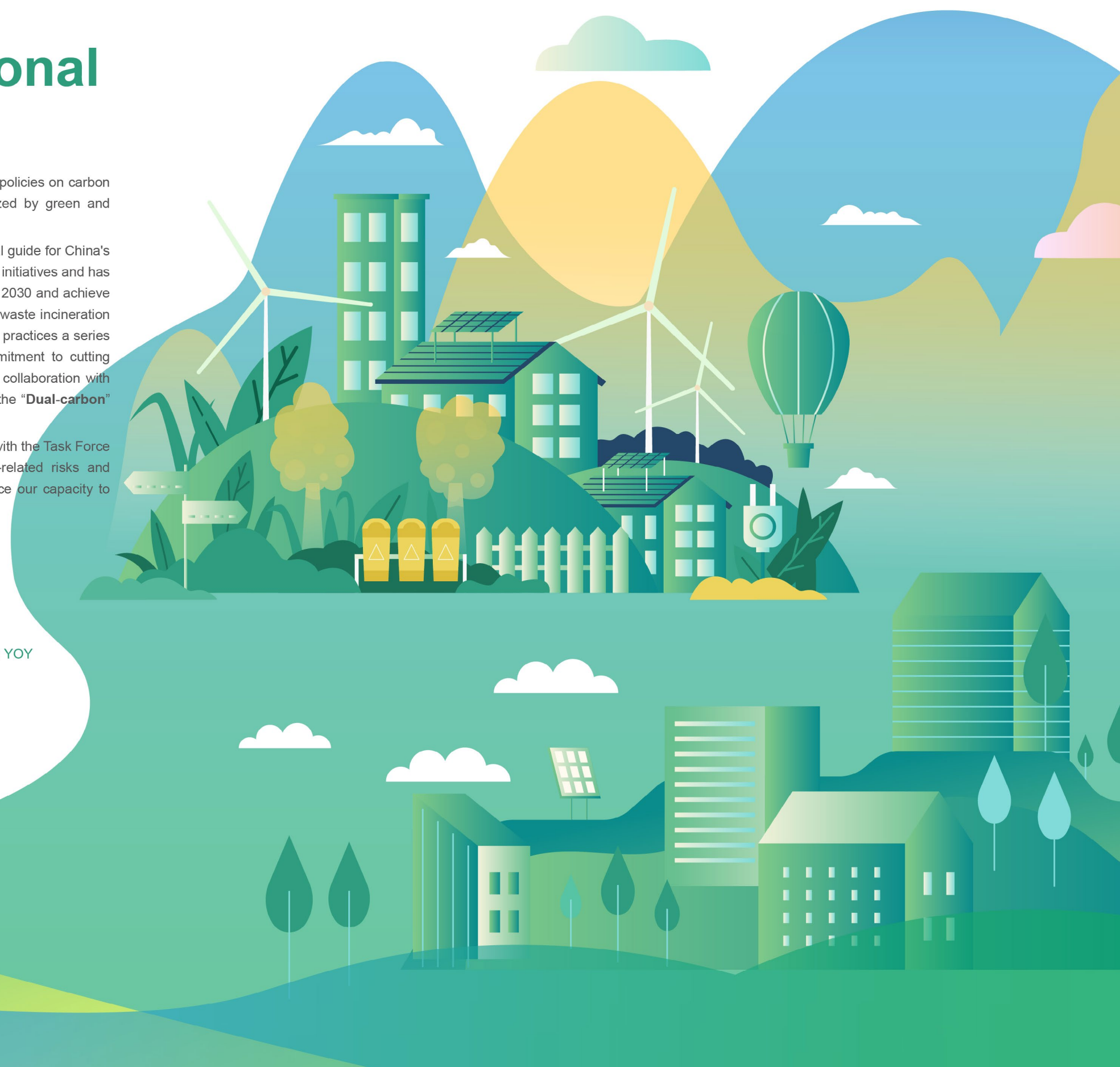
## Highlights

- The use of solar energy in 2023 increased by **440.94% YOY**
- Total clean energy use in 2023 was **60,455,460.72 KWH**, increased by **317% YOY**
- The power generation from waste incineration in 2023 increased by **258% YOY**

## Highly Material Issues addressed in this Chapter

- Addressing climate change

## SDGs addressed in this Chapter





## Climate Governance

High-quality climate governance ensures orderly and systematic management in addressing climate change. The Company actively integrates its climate change response into its overall sustainability strategy as a crucial aspect of the sustainability governance system for continuous management and supervision.

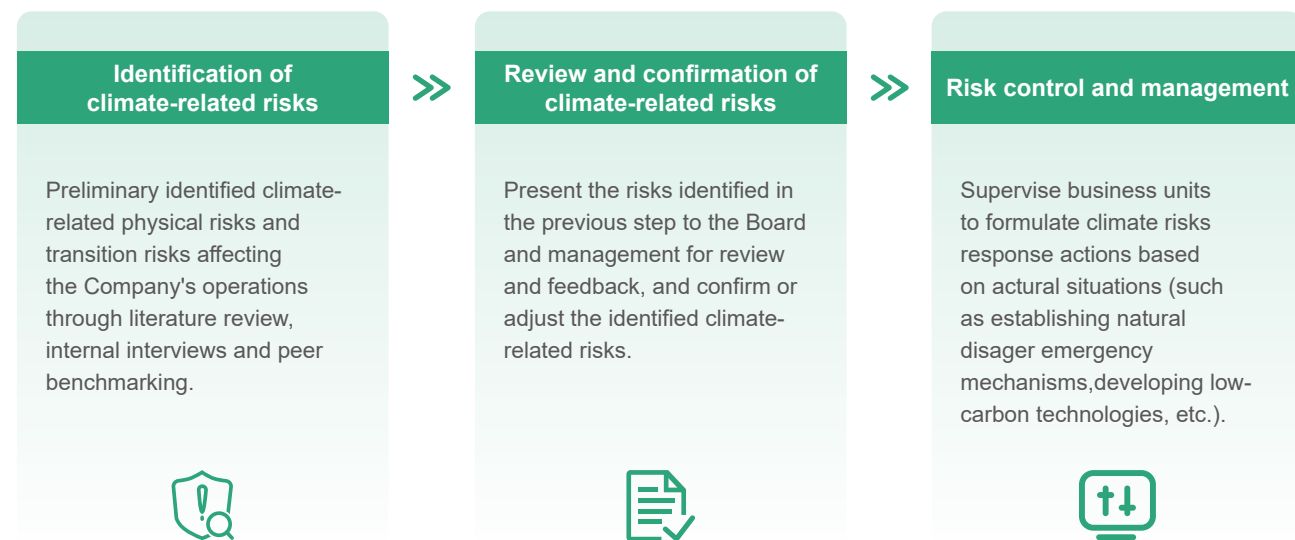
The Board of Directors governs our ESG efforts at the highest level. It comprehensively oversees and guides the Company's management of climate-related risks and opportunities. Its duties include reviewing, approving, and supervising climate-related targets, as well as supporting and informing the development of climate strategies and action plans, etc. In addition, our Risk Investment Committee undertakes significant responsibilities under the approval and guidance of the Board of Directors. The RIMC focuses on key ESG-related matters, including the ongoing review of risk management and internal control systems, the identification and assessment of climate-related risks and opportunities, and the development of risk mitigation strategies. The ESG working group, acting as part of the executive team, takes specific measures to address climate change within the operational aspects of the business.

These measures demonstrate our strong attention to addressing climate change and underscore the Company's commitment and action on the path to sustainability.

## Climate Risk Management

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

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



## Identification of Climate-Related Risks

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

## Review and Confirmation of Climate-Related Risks

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

## Risk Control and Management

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



## Climate Strategy

Climate change results in risks and potential negative impacts while bringing opportunities for companies to stand out in stiff competition.

To better understand these risks and opportunities, we have assessed and analyzed the potential impacts of climate change on our operations and supply chain. We have also introduced countermeasures and strategies to address the identified risks. Our current approach includes referencing the TCFD technical guidance and conducting analysis using different climate change scenarios, such as "Representative Concentration Pathway (RCP) 2.6" and "Net Zero Emissions (NZE) by 2050" for temperature control at 2°C or below, and "Representative Concentration Pathway (RCP) 8.5" and "Stated Policies Scenario (STEPS)" for temperature control exceeding 2°C. Going forward, we will enhance our exploration of climate scenario analysis and assessment to develop a more comprehensive understanding of the impacts of various scenarios. This will enable us to continuously enhance our climate resilience.

## Climate-related Risk

As per the recommendations of TCFD, climate related risk includes both physical risks and transition risks.

In terms of physical risks, the Company focuses on issues such as water scarcity and pollution and mitigates these risks through advanced water treatment technology and recyclable water systems. On the other hand, in addressing transition risks, SIIC Environment proactively adjusts business modes in response to the ongoing transition to a low-carbon economy. This involves reducing reliance on fossil fuels while simultaneously investing in clean energy and energy-saving technologies.

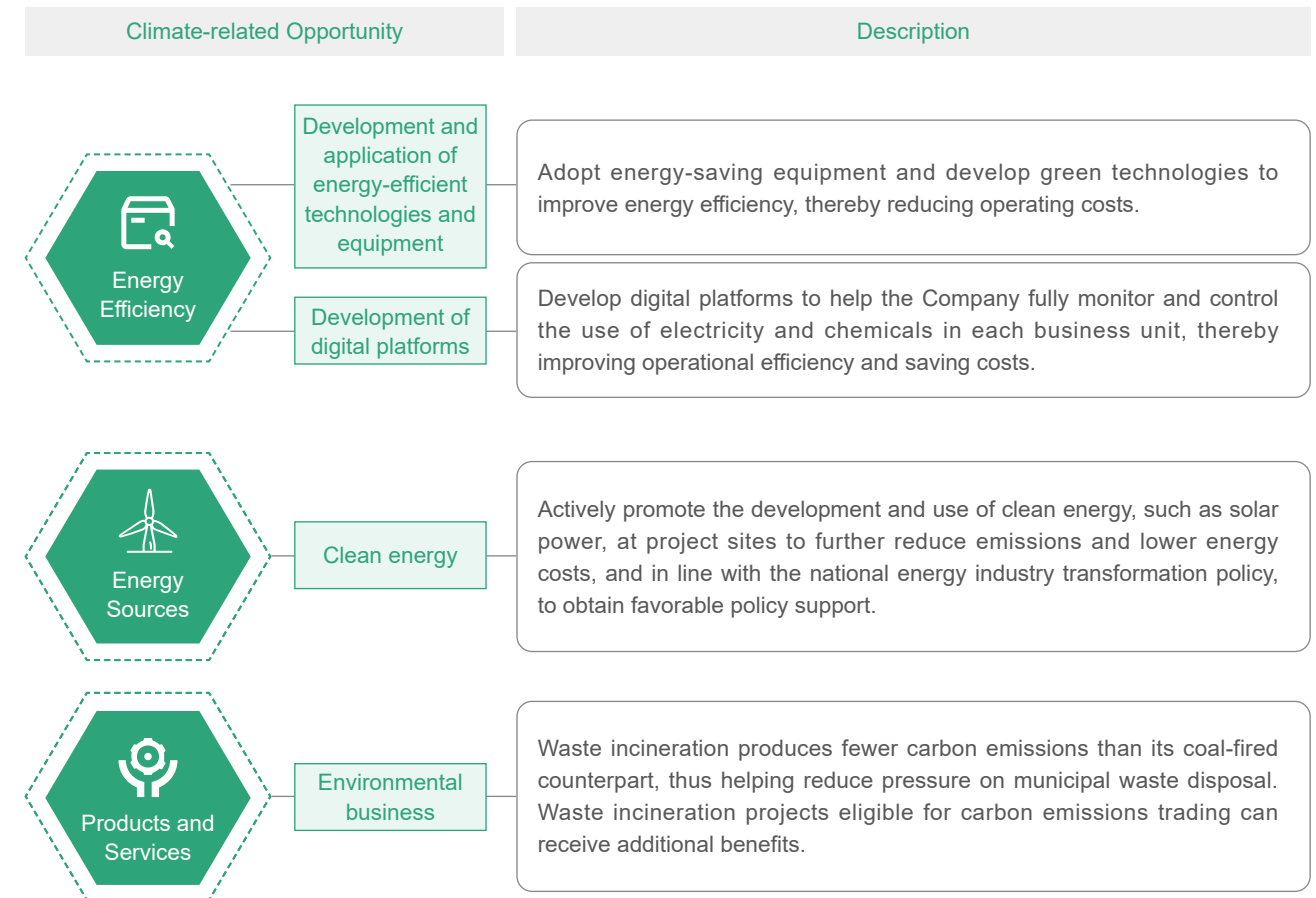


During the assessment process, we categorize the impact periods based on business characteristics and development plans as follows:

- Short-term: 1~2 years
- Medium-term: 3~5 years
- Long-term: until before 2060

Climate-related Risk	Description	Potential Financial Impact	Impact Duration	Countermeasures
Physical Risk	<b>Acute Risk</b> <ul style="list-style-type: none"> <li>Extreme weather, such as typhoons and storms, may damage the Company's buildings and facilities, resulting in business interruption.</li> <li>Floods and extreme precipitation may impact both quality and supply of water.</li> <li>Extreme weather will cause increased health and safety risks to employees.</li> </ul>	<ul style="list-style-type: none"> <li>Cause loss of assets and increased costs to operate and maintain the Company's business due to business interruption.</li> <li>Negatively impact operations, increase pressure and operating costs.</li> <li>Higher costs for human resources.</li> </ul>	Short-term	<ul style="list-style-type: none"> <li>Consider climate hazards and other climate-related factors when selecting project locations and planning operations.</li> <li>Create contingency plans and conduct emergency drills in advance to ensure operational stability during extreme weather.</li> <li>Improve disaster preparedness of relevant personnel and provide them with necessary training.</li> </ul>
	<b>Chronic Risk</b> <ul style="list-style-type: none"> <li>Climate change-induced rising sea levels from climate change may cause facility damage.</li> <li>Higher temperatures may exacerbate odor impacts from wastewater treatment plants.</li> <li>Exposure to extreme heat will cause chronic damage to employees' health.</li> </ul>	<ul style="list-style-type: none"> <li>Facility damage causes financial loss and increases infrastructure maintenance costs.</li> <li>Higher costs for odor treatment.</li> <li>Higher costs for human resources.</li> </ul>	Long-term	<ul style="list-style-type: none"> <li>Take account of climate-related factors when selecting project locations and planning operations and insure relevant assets in advance.</li> <li>Regularly monitor water quality and odor and progressively improve digital monitoring platforms to enhance efficiency.</li> <li>Continuously improve the occupational health system, standardize the management of those who work in hot environments; and provide employees with personal protective equipment according to weather conditions.</li> </ul>
Transition Risk	<b>Policy and Legal Risk</b> <ul style="list-style-type: none"> <li>The Company's wastewater treatment and solid waste incineration operations may be subject to regulatory restrictions on GHG emissions.</li> <li>Climate-related disclosure requirements will be stricter.</li> </ul>	<ul style="list-style-type: none"> <li>Increased operating costs.</li> <li>Increased compliance costs.</li> </ul>	Medium and Long-term	<ul style="list-style-type: none"> <li>Monitor changes in climate-related legislation and adjust corporate strategies and development plans accordingly and timely.</li> <li>Conduct research to reduce GHG emissions and progressively explore possibilities of reducing carbon emissions from wastewater treatment and solid waste incineration.</li> </ul>
	<b>Technological Risk</b> <ul style="list-style-type: none"> <li>Increasingly stringent GHG emissions requirements may necessitate increased investment in decarbonization technologies and more demand for research on related topics and may face increased technological challenges due to heightened competition.</li> </ul>	<ul style="list-style-type: none"> <li>Increased investment in the research for addressing GHG emissions.</li> </ul>	Short, medium and long-term	<ul style="list-style-type: none"> <li>Actively explore energy conservation measures to reduce electricity costs while minimizing carbon emissions.</li> <li>Proactively research low-carbon technologies and topics to improve the industry's low-carbon competitiveness.</li> </ul>
	<b>Market Risk</b> <ul style="list-style-type: none"> <li>Stricter environmental policies could lead to a rise in the price of chemicals used in water treatment.</li> </ul>	<ul style="list-style-type: none"> <li>A potential increase in operating costs due to rising chemical prices.</li> </ul>	Medium and long-term	<ul style="list-style-type: none"> <li>Raise standards for supplier evaluation, gradually integrate green procurement and integrate environmental performance into the supplier selection.</li> </ul>

## Climate Opportunity

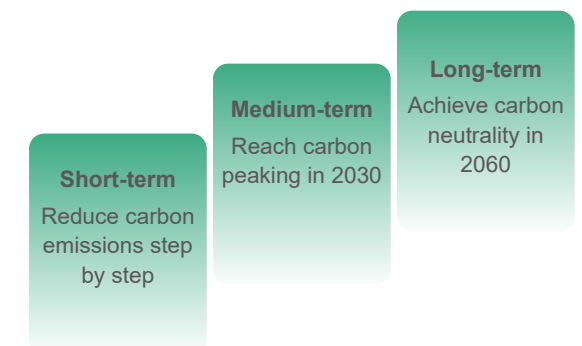


## Climate Metrics and Targets

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

We collect and analyze GHG emissions data on an annual basis and conduct regular assessments to continuously enhance energy saving and emissions reduction measures. During the Reporting Period, the Company's direct (scope 1) GHG emissions mainly came from direct energy consumption and waste incineration, while indirect (scope 2) GHG emissions primarily resulted from purchased electricity.

### GHG Emissions Targets





### GHG Emissions in 2023

Direct emissions (Scope 1):

**253,415** tonnes CO<sub>2</sub>e

Indirect emissions (Scope 2):

**540,099** tonnes CO<sub>2</sub>e

Total GHG emissions in 2023:

**793,514** tonnes CO<sub>2</sub>e

GHG intensity in 2023:

**104.78** tonnes CO<sub>2</sub>e/RMB million of revenue



To reach the GHG emissions targets, we plan to extend the use of recyclable energy. The recyclable energy we mostly use includes solar energy, electricity generated from waste incineration and biogas. In 2023, we consumed 9,494,977.60 kwh electricity generated from solar energy in total, increased by 440.94% year-on-year; 8,114,547.15 m<sup>3</sup> electricity generated by biogas. In addition, we further offset greenhouse gas emissions by planting trees at our project sites. As of the end of the Reporting Period, a total of 34,136 trees were planted, supposed to offset 785.13 tonnes of CO<sub>2</sub> emission per year.

## Addressing Climate Change

We have adopted energy saving and emission reduction measures to control GHG emissions from our operational activities. For instance, digital platforms have been in place to monitor and manage energy consumption and prompt upgrades to energy-efficient equipment and processes.

Our business units actively embrace the use of renewable energy, aligning with the country's initiative to promote "Water business + Photovoltaic" and drive the transition and upgrade towards green energy. This has been achieved through the installation of distributed photovoltaic facilities on rooftops, pool areas, and other suitable project sites. In addition, some projects have explored the adoption of green electricity through outsourcing. Our waste-to-energy projects have effectively utilized domestic waste for electricity generation. A portion of the electricity generated from waste incineration supports the daily energy needs of solid waste projects, while the surplus is transmitted to the power grid. During the Reporting Period, the Company proactively advanced the research and application of clean technologies.



### Case

The Northeast BU launched a demonstration project for biological hydrogen production, using low-efficiency carbon sources from water plants as fermentation substrates. It incorporates various equipment such as carbon source dissolution and mixing devices, microbial cultivation and replenishment devices, hydrogen purification and storage devices, hydrogen fuel cell demonstration devices, and instrumentation and control devices to produce hydrogen. This initiative aims to promote the development of clean energy by scaling up hydrogen energy.

### Case

Due to the combined impact of Super Typhoon Doksuri and Khanun, heavy rainfall affected many areas of Heilongjiang Province, causing the water levels of numerous rivers to soar, particularly in Mudanjiang River and other locations where serious flooding has occurred. As a result of the river water overflowing its embankment, the Mudanjiang Wastewater Treatment Plant has been flooded, presenting an exceptionally severe flood control situation. In response to this crisis, the Northeast BU Mudanjiang Longjiang Environmental Protection Water Company swiftly activated the flood control emergency plan. Each department has proactively implemented emergency measures according to the plan, making necessary flood control preparations, and continuously strengthening the inspections and monitoring of production facilities, equipment, and sewage pipelines. These efforts are aimed to effectively prevent and respond to the challenges posed by typhoons.



Mudanjiang Longjiang Environmental Protection Water Company flood control work deployment meeting

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

### Case

In 2023, the Company and Harbin Institute of Technology, as the lead editor, successfully hosted a review meeting in Beijing for *the Carbon Emission Reduction Evaluation Standard for Urban Sewage Treatment Plants*. The development of this Standard is a critical response to China's "Dual Carbon" strategy and is an important measure to achieve high-quality development in the industry. This Standard serves as a practical reference for strengthening carbon emission reduction in the sewage treatment industry, as well as for the formulation and assessment of carbon reduction plans. It also aids in the construction, reconstruction, and optimization of sewage treatment plants, and facilitates the optimization of processes and design selection in alignment with the "Dual Carbon" goals, effectively implementing coordinated efforts of pollution and carbon reduction.



# Responsible Operations

SIIC Environment adheres to the core value of “Solidity, Innovation, Integrity and Coalition”, and is committed to providing customers with high-quality drinking water, water services and other sustainable services. We conduct simulation studies and leverage precise dosing systems for pharmaceuticals to ensure the efficient and precise operation of water treatment projects across dimensions such as safety, precision, energy efficiency, and specialization. This further solidifies our big data-driven intelligent production and operational control system, enhancing precision management and providing customers with products and services of higher quality. We constantly strive to innovate through advanced research and development and leverage digital and intelligent systems to enhance our management and operational efficiency. Additionally, we are working together with our supply chain partners to promote the green and healthy development of the industry.

## Highlights

- Water qualification rate **99.9%**
- RMB **22.14** million invested in R&D
- Supplier management systems enforced on **8,054** suppliers

## Highly Material Issues addressed in this Chapter

- Clean water and sanitation
- Service quality and standards

## SDGs addressed in this Chapter





# High-quality Service

SIIC Environment is committed to continuously improving quality management and delivering first-class services, in compliance with laws and regulations and driven by customer needs. In our environmental operations, we strictly abide by the laws, regulations and standards relevant to our products and services, such as *the Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002)*, *the Standards for Drinking Water Quality (GB5749-2006)*, *the Water Quality Standards for Urban Water Supply (CJ/T206-2005)*, and *the Standard for Pollution Control on the Municipal Solid Waste Incineration (GB18485-2014)* to ensure service quality. At the same time, we comply with *the Advertising Law of the PRC*, *the Trademark Law of the PRC* and other laws and regulations on advertising, labelling and privacy protection. During the Reporting Period, the Company reported no non-compliance with the above laws and regulations.

The Company operates with a top-down project management system and well-established operational management processes. Our business units further establish their internal management systems and standard operating procedures tailored to the nature of their operations. For instance, our business units have formulated internal policies such as *the Water Quality Management System*, *Internal Control Manual for Water Quality Testing and Production Management*, and *Operation Management Regulations for Wastewater Projects*. The policies provide a holistic approach to the management of water projects. Based on our actual operations, they are adjusted in a timely manner to reflect changing external trends. In addition, we monitor and assess the operational performance of our business units on a quarterly basis to effectively implement internal policies and management practices.

In the quality management system, we constantly encourage business units to develop a quality management system based on ISO 9001. Several branches, including the East China BU, have already obtained certification for the ISO 9001 quality management system.

# Water Quality and Public Health Protection

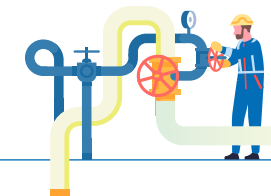
To guarantee the quality of drinking water supplied to our customers and for the sake of public health and sanitation, our water supply project companies continuously update their internal management systems and standardize processes in line with national and local standards, to improve their management capabilities.

inspection efforts, and strengthening maintenance teams, we conduct safety hazard inspections, develop emergency plans, and ensure the safety and stability of water supply to avoid accidents and hidden risks. The details about workplace safety can be found in the "Workplace Safety" chapter.

To maintain water quality standards, a three-level water quality monitoring and assurance system is established and implemented, namely, the monitoring by networked instruments, daily water quality testing by on-site laboratory staff, and seasonal sampling and testing by certified third parties to continuously monitor incoming and outgoing water. Each water supply and wastewater treatment project company is equipped with water quality warning systems to help promptly adjust the water treatment process if necessary. In addition, for certain key projects, we disclose water quality reports through public channels to increase information transparency and stakeholder oversight.

With the increasing number of water users, SIIC Environment has taken multiple measures to ensure that customers and the public can access clean drinking water more conveniently. Our branches have developed an online water supply application platform, allowing customers to easily submit applications and schedule installations directly through our website or official WeChat account, where customers can receive satisfactory service at home. Additionally, we actively organize water service events in communities by setting up temporary service centers in customer neighborhoods to facilitate on-site business processing, distributing convenience service cards, enabling users to handle various water services within the community, and widely promoting water conservation initiatives.

We maintain the safety and stability of production and operation. In addition to monitoring water quality, through measures such as signing safety target and responsibility agreements, conducting regular emergency drills, increasing



## Case

The Xicen Innovation Center Water Purification Plant is one of our flagship projects, dedicated to providing efficient and sustainable water treatment services. The project aims to improve local water quality standards, equipped with advanced water treatment technology to ensure that the effluent quality meets or exceeds national and local environmental standards. With a daily treatment capacity of 25,000 tonnes of sewage, it is an underground plant and its effluent quality complies with *Surface Water Class III* standards, making it one of the highest-standard water purification plants in the Yangtze River Delta Integration Demonstration Zone.



With a daily sewage treatment capacity of **25,000** tonnes



The Xicen Innovation Center Water Purification Plant



The ISO 9001 Quality Management System certification obtained by the Company's water utility project. (extracted)





Weifang Municipal Tap Water Co., Ltd. adheres to the principle of "No relaxation in workplace safety, no closing in water supply services" during the holiday season. It has meticulously arranged and deployed key tasks in advance, convened special meetings, and implemented various effective measures, including conducting comprehensive safety inspections, scientifically scheduling to ensure adequate water supply during the holiday season, intensifying water quality testing and monitoring, increasing standby duty shifts to provide high-quality services, and establishing emergency repair teams while stockpiling necessary materials. These multi-faceted measures aim to fully ensure that the general public experiences a joyful and peaceful Spring Festival.

Regarding water quality testing, Weifang Municipal Tap Water Co., Ltd. conducts routine inspections of water sources, factory water, and pipeline water, implementing rigorous layers of checks. Additionally, it enhances business training, conducts raw water testing, optimizes process flows, and ensures that water quality meets standards, guaranteeing users access to healthy, high-quality, and reliable water.



Implementing safety responsibilities and conducting comprehensive workplace safety inspection



Monitoring water quality and closely observing changes in water quality

## Protection of Customer Rights, Interests and Information Security

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

We have established a comprehensive customer complaint process. In the event of a customer complaint, we investigate immediately and identify the accountable individual and the monitoring procedure to address customer concerns immediately.

During the Reporting Period, we received 7 service-related complaints from customers, mainly about issues with water quality, water pressure and the due amount of water. After receiving these complaints, our project companies immediately communicated with the complainants to collect more information. The responsible departments take a proactive approach to address customer feedback and follow up with customers after the complaints have been closed to ensure they are fully resolved. In 2023, 100% of customer complaints were settled. To prevent similar problems in the future, we regularly review customer complaints and update our management systems as necessary.

In order to safeguard customer information and privacy, our project companies have formulated and implemented the Customer Information Confidentiality Management System, which further standardizes customer information management procedures, and introduces a reward and punishment mechanism for customer privacy management. Regular information security inspections and data protection and information security training have been provided to our employees to raise their awareness and capability to deal with related issues. In 2023, we conducted a total of 55 information security inspections and 30 information security training sessions, with a total duration of 487 hours. Furthermore, our technical team continuously maintains critical hardware and software and strengthens technological solutions, in order to prevent data leakage, theft, and unauthorized access.



# Technological Innovation

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

During the Reporting Period, the Company increased investment in technological research and development ("R&D") programs and carried out various innovative research projects. In 2023, R&D expenditure amounted to RMB 22.14 million, representing a 92.84% increase from 2022. We also accepted 5 patents for utility models.

Our business units take active steps to research innovative processes based on their operations. In 2023, the East BU was granted registration for one patent and successfully applied for another patent, thus was awarded the certificate of the Second Prize for Technological Progress in Shanghai. The South BU successfully applied for three patents for utility models and obtained the qualifications of Specialized, Sophisticated and New Small and Medium-sized Enterprises and the honorary title of Green Enterprise in Shenzhen and several subsidies. The Central BU obtained a new patent for a utility model. The Northeast BU obtained 2 patents for invention and was recognized as a Demonstration Enterprise for Technological Innovation in Heilongjiang Province in June 2023, which marked its strong technological innovation capabilities, better innovation system, and significant innovative performance in the industry, playing an important demonstration and orientation role. All these accomplishments demonstrated our ability in patent innovation and technology development.



In 2023,  
R&D expenditure amounted to RMB **22.14** million representing a **92.84%** increase from 2022 accepted **5** patents for utility models

Case

Weifang Municipal Tap Water Co., Ltd. in collaboration with multiple scientific research institutions and under the guidance of industry experts, participated in and completed the Development and Application of the "Pre-Ozone Bio-fluidized Bed Coupled Enhanced Conventional Water Supply Treatment Process." In 2023, it was awarded the *Certificate of Evaluation of Technological Achievements in the Construction Industry* by the Ministry of Housing and Urban-Rural Development. This research achievement has shown significant effectiveness in dealing with complex changes in water quality, improving the quality of water supply, and achieving energy savings and consumption reduction, leading to notable social and economic benefits.



The Certificate of Evaluation of Technological Achievements in the Construction Industry by the Ministry of Housing and Urban-Rural Development of Weifang Municipal Tap Water Co., Ltd.

Case

The Northeast BU and Harbin Institute of Technology jointly established the Membrane Industry Technology Research Institute in November 2023. Focusing on industries such as environmental protection, energy conservation, and biopharmaceuticals, the institute plans to deepen cooperation in environmentally friendly bioproducts for wastewater treatment and membrane coupling technology applications. It aims to integrate downstream industries related to membrane applications in a cluster-style development as a nationally top research, application and translation center for new material membrane industries. The institute will advance the translation of relevant achievements and create a new model of "Industry-Academia-Research-Application" integration.



The unveiling ceremony for the Membrane Industry Technology Research Institute

## Digital Platform Construction

The digital transformation contributes to driving changes in the way we produce, live, and govern. We will continue to promote the digital transformation of the Company to enhance operational efficiency and competitiveness.

We have developed many information-based platforms, including a finance system, a human resources system, and an office automation system, across six business units. With the platforms, our business units are managed in an organized and standardized manner in the form of system traceability and standardized review and approval processes. The comprehensive digital system ensures compliance management and effective control of operational risks.

In terms of production and operation informatization, the production and operation management platform is used to manage the production and operation of subordinate projects and monitor the parameters of the water inlet and outlet. Some projects have started to capitalize on precision dosing and aeration systems to control resource consumption.

During the Reporting Period, we have introduced a smart water management platform system, enabling real-time monitoring, timely detection of anomalies, and measures to achieve automatic intelligence for water supply security. The South BU is actively exploring the implementation of intelligent operation systems in some sewage treatment plants, promoting technologies like "precision aeration."

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

## Protection of Intellectual Property

We strictly abide by the *Trademark Law of the PRC*, the *Patent Law of the PRC* and other relevant laws and regulations, formulate the Patent Administration Measures, the scientific research confidentiality system and the intellectual property protection system, to implement the intellectual property protection work.

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



# Responsible Procurement

## Supplier Management and Assessment

SIIC Environment abides by the *Bidding Law of the PRC*, the *Regulation on the Implementation of the Bidding Law of the PRC* and other relevant laws and regulations, and pledges to ensure a fair, open, and transparent bidding process. Our business units have formulated the Procurement Management System, Tendering Administration, Contract Management Protocol, and other systems and the systems are updated on a regular basis to reflect changes in legislation and procurement management practices.

As part of the supplier selection process, we establish an assessment group to visit our suppliers on site to see their operation sites and production processes, and we set up an audit team to evaluate and review the supplier qualification collected. The Company assigns separate duties for incompatible positions in internal control, that is, the authorized functional departments conduct comprehensive assessments on suppliers, which will be finally reviewed by the senior management. The supplier directory is subject to dynamic management, with annual reviews of suppliers in terms of product quality, professional capabilities, and performance. Based on the evaluation results, unqualified suppliers will be screened out and eliminated, and the supplier database will be updated. For suppliers involved in major safety or quality incidents, timely assessments will be conducted. In 2024, we will intensify supplier supervision and review efforts, focusing primarily on environmental review, business ethics review and health and safety review.

Currently, our business units have gradually developed a multi-category supplier directory, which facilitates supplier assessment, specifies responsibilities and reduces supply chain risks. To manage suppliers more efficiently, our business units have also established a supply chain information management system, capable of supplier contract management, qualifications management, etc. Furthermore, we are gradually enhancing the system to include requirements for the environmental and social

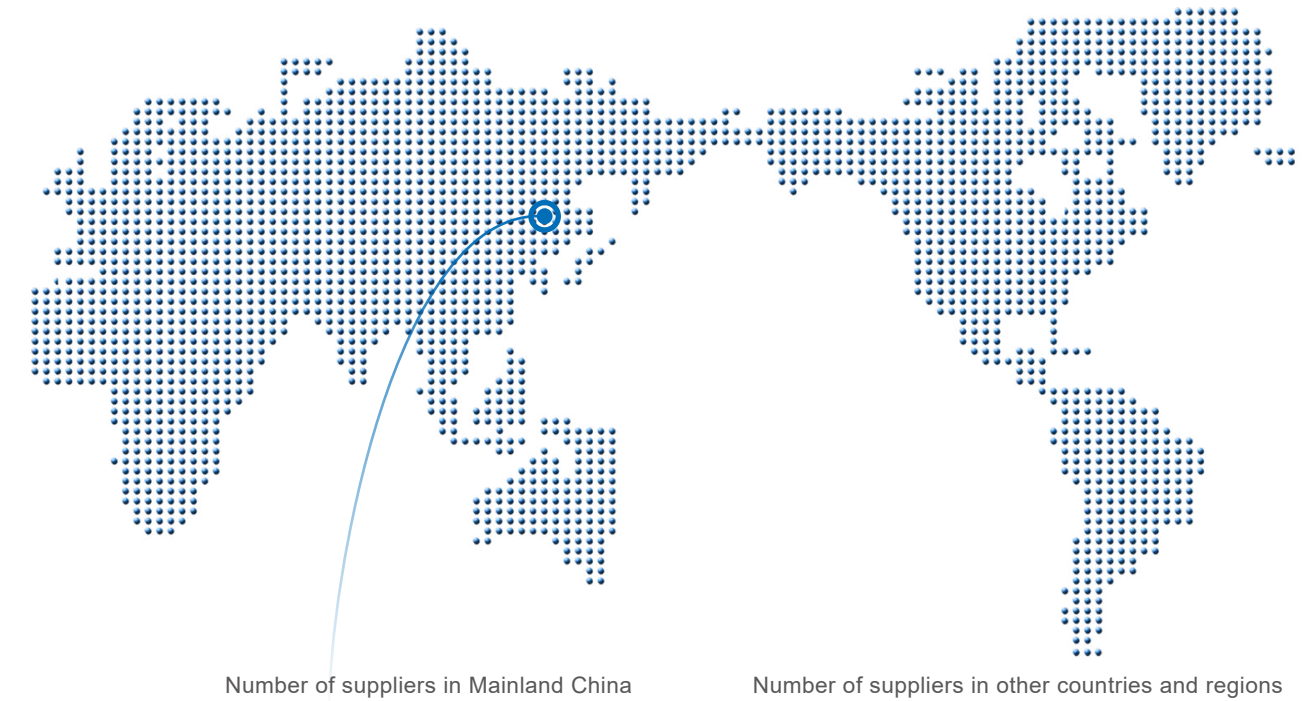
responsibilities of suppliers admitted, as well as their performance in environmental and social aspects. Our business units have included provisions on workplace safety, environmental protection, anti-corruption, human rights protections, and other compliance issues in our contracts with qualified suppliers. We give priority to suppliers with *ISO 14001 Environmental Management System* and *ISO 45001 Occupational Health Management System* certifications.

To address supply chain risks such as safety and corruption, our business units have taken a series of measures to mitigate the impact of these risks. For example, in the selection of suppliers, contract signing, and performance, the entire process involves identifying supply chain risks. To prevent environmental and social risks, we have adopted a strategy of having 1-3 alternative suppliers.

In terms of safety risk management, we check the workplace safety qualifications of outsourced construction units and require them to sign the letter of workplace safety responsibility. We also provide them with site safety training and distribute materials such as the Workplace Safety Notice to raise the safety awareness of construction personnel. During construction, we also conduct regular site inspections to control safety risks. To prevent the risk of corruption in procurement, our business units have formulated the Conflict-of-Interest Avoidance System and signed Integrity Agreements with suppliers. Our South China BU also carried out supplier integrity audits with a number of measures to effectively manage the risk of supply chain corruption.

As of the end of the Reporting Period, the Company had a total of 8,054 suppliers and had policies in place for 100% of these suppliers.

The number of suppliers by geographical location is shown in the chart below.



Number of suppliers in Mainland China

**7,999**

Number of suppliers in other countries and regions

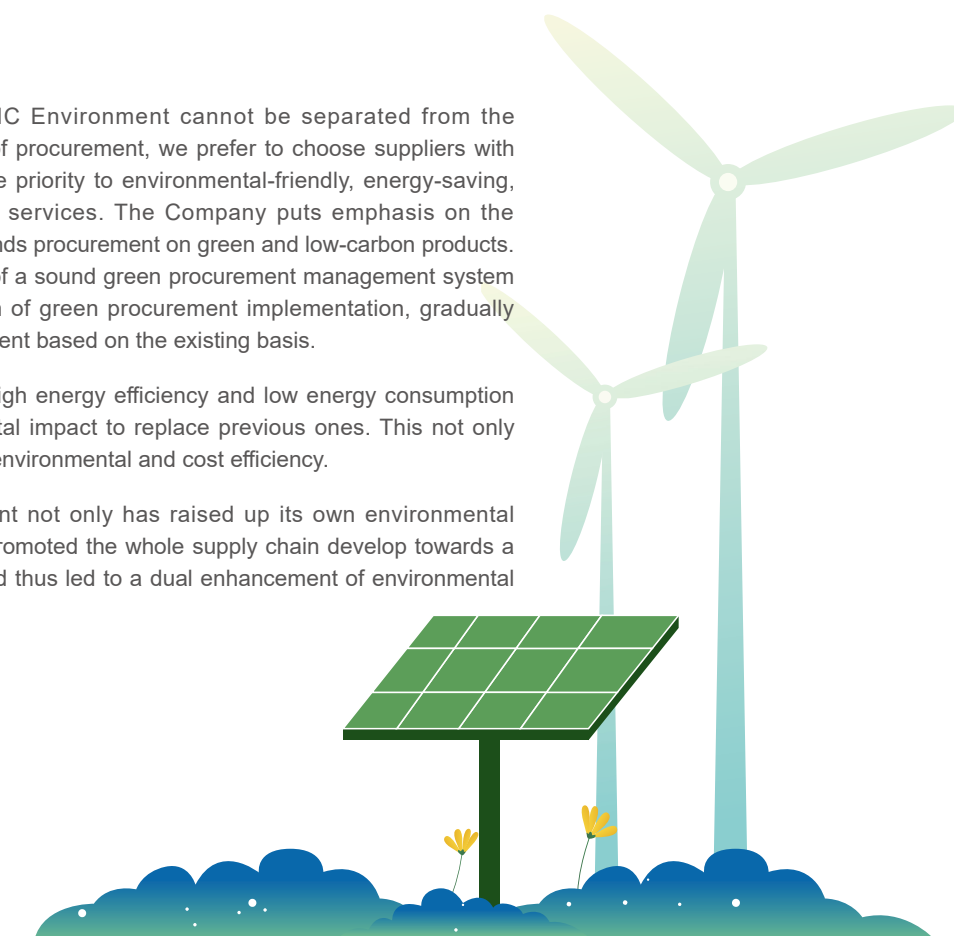
**55**

## Green Procurement

The sustainable development of the SIIC Environment cannot be separated from the responsibility of suppliers. In the process of procurement, we prefer to choose suppliers with better environmental performance and give priority to environmental-friendly, energy-saving, renewable and low-carbon products and services. The Company puts emphasis on the purchaser's bearing responsibility and expands procurement on green and low-carbon products. In addition, we promote the establishment of a sound green procurement management system and strengthen supervision and inspection of green procurement implementation, gradually increasing the proportion of green procurement based on the existing basis.

For instance, we choose equipment with high energy efficiency and low energy consumption and use chemicals with lower environmental impact to replace previous ones. This not only meets production needs but also improves environmental and cost efficiency.

Through these methods, SIIC Environment not only has raised up its own environmental protection and energy efficiency, but also promoted the whole supply chain develop towards a greener and more sustainable direction, and thus led to a dual enhancement of environmental protection and economic benefits.



As of the end of the Reporting Period,



the Company had a total of **8,054** suppliers



had policies in place for **100%** of these suppliers



# Green Development

“Promoting green development and fostering harmonious coexistence between humans and nature” is a major initiative to develop national ecological civilization. Besides its dedication to the environmental protection industry, SIIIC Environment also focuses on the impact of our operations on the environment and maintains a hyper alert towards the challenges posed by climate change in our own operations and value chain management. We actively contribute to protecting the ecological environment and safeguarding our beautiful home. Throughout our production, we adhere to green operation strategies, and manage pollutants, waste, and resources to minimize our impact on the ecological environment. Additionally, we continuously explore and apply innovative technologies, methods, and models, striving for refined management to enhance energy and chemical usage efficiency. We are actively developing renewable energy technologies to make continuous contributions to environmental protection and global climate change mitigation.

## Highlights

- The water use density in 2023 was **10.27%** lower than that in 2020
- Non-hazardous waste disposed of by means of reduction in 2023: **310,756.75** tonnes
- Recycled water consumption in 2023 increased by **175.19%** YOY

## Highly Material Issues addressed in this Chapter

- Emissions and waste management
- Environmental impact management
- Addressing climate change

## SDGs addressed in this Chapter



## Pollutant Emission Control

To minimize the environmental impact of its operations, the Company strictly complies with national discharge standards for wastewater, air emissions and solid waste disposal, including *Discharge Standard of Pollutants for Municipal Wastewater Treatment Plants (GB18918-2002)*, *Environmental Quality Standards for Surface Water (GB3838-2002)*, *Standard for Pollution Control on the Municipal Solid Waste Incineration (GB18485-2014)*, *Emission Standards for Odor Pollutants (GB14554-1993)*, *Disposal of Sludge from Municipal Wastewater Treatment Plant- Quality of Sludge Used in Land Improvement (GB/T24600-2009)* and *Disposal of Sludge from Municipal Wastewater Treatment Plant-Quality of Sludge Used in Gardens or Parks (GB/T23486-2009)*. The Company has developed its internal management policies and systems that address various environmental elements, including wastewater, sludge, and waste gas. These policies and systems are continually updated and improved to align with operational realities, while multiple measures are implemented to strictly control pollutant emissions. During the Reporting Period, there was no reported major non-compliance with relevant standards and regulations.

## Wastewater Management

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

During the Reporting Period, the Company has successfully implemented a series of innovation systems, technological solutions, and management measures to enhance wastewater treatment efficiency and water pollutant management. For instance, the new bio-microbial agent developed by the Northeast BU has significantly improved pollutant treatment efficiency. In addition, we also conduct the addition and renovation of environmental facilities and relevant training based on actual situations.



The newly operational Pinghu III Project applies peroxidation, coagulating sedimentation, ozone catalytic oxidation and other technologies to treat various kinds of wastewater and ensure the quality of effluent. Meanwhile, the Pinghu Reclaimed Water Project uses dual membrane of ultrafiltration and reverse osmosis to reduce total pollutant discharge.



The planning map of Pinghu Eastern Wastewater Treatment Plant



Select wastewater treatment plants in the North BU have enhanced COD and ammonia nitrogen reduction by updating and replacing air blowers and aeration pipes. Additionally, they have organized training for sewage plant supervisors, covering safe operations and process management, to improve plant safety and process control capabilities.

To reach a higher standard for effluents, we made continuous efforts to upgrade facilities. In 2023, the Company has successfully executed agreements for upgrading, expanding, increasing prices, or extending the entrusted operation period for a total of 17 sewage treatment projects, with a combined designed treatment capacity of 500,000 tonnes per day. Currently, 9 of our projects discharge effluent that meets the standard of Quasi Grade IV and 1 meets the standard of Grade III. Nearly 90% of wastewater treatment projects discharge effluent that reaches superior Class I Standard A (excluding entrusted projects).

In addition to internal reuse within the project company and supplying reclaimed and/or reused water, the sewage treated by the Company is mainly discharged to sewage treatment plants, nearby rivers, waterways, and seas. During this Reporting Period, we have improved our data collection and statistics, which help us adhere to strict effluent standards, and take necessary control and improvement measures to ensure that water users are not adversely affected. Additionally, we are highly attentive to the impact of our environmental performance on the public and regularly disclose water quality reports, environmental management reports, and other information. We encourage more projects to use official websites, public platforms, and other easily accessible channels for public supervision, ensuring the public's right to information and oversight.

Destination of the Treated Wastewater Discharge	Business Category	Amount (ton)
nearby rivers	water supply, wastewater	451,039,867.00
nearby waterways	wastewater	1,114,870,972.49
nearby seas	wastewater	384,018,635.00



During the Reporting Period, the Northeast BU, the North BU and other project companies have disclosed environment related information publicly in the official websites and other open platforms. We consciously accept public supervision to ensure the public's right to information and oversight.



The disclosed information of the Northeast BU



## Air Pollutant Management

Our operations primarily generate air pollutants such as sulphur oxides, nitrogen oxides, dioxins, carbon monoxide, smoke generated from the waste incineration process and odorous gas generated from wastewater and sludge treatment, such as hydrogen sulfide and ammonia gas.

The Company strictly abides by the *Environmental Protection Law of the PRC, Regulations on the Administration of Discharge Permits* and other national emission standards and develops the Environment Factors Identification and Evaluation Management System and other relevant systems. We also adopt a series of chemical and physical treatment techniques, including semi-dry desulfurization, activated carbon adsorption for heavy metal and organics removal, baghouse dust removal, and Selective Non-Catalytic Reduction (“SNCR”) for the removal of nitrogen oxides, allowing full compliance of air pollutant emissions.

To combat the odorous gas generated from wastewater and sludge treatment, we apply sealing covers to treatment facilities and utilize a negative pressure collection system. We also employ biological, chemical and physical techniques, including biofiltration, plasma deodorization, and activated carbon adsorption to further mitigate odor impact. In addition, we plant air-purifying plants near project sites to absorb odorous gas and thus mitigate impacts on the surrounding environment and communities.

We have established and strictly followed the Safety Management Regulation for Chlorine to standardize the use of liquid chlorine in the disinfecting process of water supply projects. Our project companies have installed chlorine gas absorbers and alarm systems for leakage detection in the chlorination room to mitigate the impact of leakage incidents, and our regular maintenance and inspections ensure the proper functioning of this equipment. In 2023, there was no leakage incident reported in the Company’s water supply business.



The green belt of the wastewater treatment plant



The biochemical pond spraying device at the sewage treatment plant

## Waste Management

Our operations generate hazardous waste, including fly ash, used activated carbon generated from the waste incineration business, and other hazardous wastes such as hazardous sludge, laboratory waste liquid and waste motor oil produced by other businesses. To ensure the efficient management of waste, we implement waste classification management and process it according to relevant requirements.

Our goal is to minimize the generation of hazardous waste and avoid its impact on the environment during production and operations. The Company adopts multiple measures to reduce hazardous waste: developing and implementing standard procedures in the laboratory and improving process efficiency to reduce hazardous waste generation. In water quality monitoring, effluent samples used for experiments are disposed of separately from laboratory wastes, thereby avoiding inappropriate waste mixtures, which directly help generate fewer effluents. Meanwhile, we recycle part of the hazardous waste, such as recovering waste engine oil to use as a lubricant for parts like valves, nuts, and bolts. We treat all hazardous waste safely and properly, in accordance with applicable regulations and standards. Specifically, fly ash, produced from domestic waste incineration, is solidified with cement and chelating agents before being landfilled. Used activated carbon, produced from flue gas treatment, is transported to certified third parties or fed back into the waste incinerator in accordance with local environmental regulations. Hazardous sludge, laboratory waste liquid, waste motor oil and other hazardous waste are stored properly at the designated area before being sent to qualified waste removal companies.

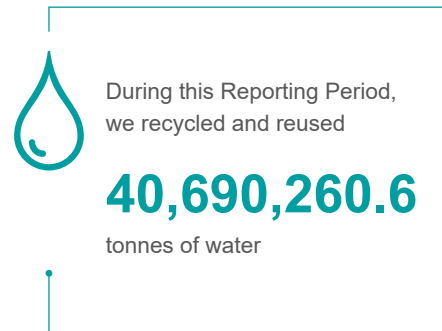
In 2023, the Company recycled, recovered, or disposed of 30.75 tonnes of hazardous waste.

Our non-hazardous waste involved in our business activities includes non-hazardous sludge from wastewater treatment, water supply and sludge treatment businesses, as well as slag from solid waste incineration. We strictly comply with the relevant regulatory requirements to treat non-hazardous wastes. To be specific, the sludge is transported to local landfills for centralized treatment, recycled for landscaping in project companies or collected by certified third parties. For the external disposal of sludge, we entrust professional organizations for centralized transfer, fill out the sludge transfer form, and supervise the process of external transportation of sludge. After treatment by professional institutions, non-hazardous sludge is repurposed for fertilizers, construction materials, and mine restoration, or incinerated for power and heat generation. During the Reporting Period, we disposed of 310,756.75 tonnes of non-hazardous waste through recycling, recovery, and other reduction methods.





## Management of Water Resource



Water is the source of life, and also the key resource of our operations. To enhance water-use efficiency, we implement water reclamation and reuse projects and encourage our business units to recycle compliant tail water through technological advancements. To minimize water wastage, we regularly inspect leaks in pipes, maintain and upgrade water supply equipment, install flow meters on main pipes, and implement pipeline network inspections to timely detect and repair the leakage. In terms of domestic water use, we promote water-saving fixtures and toilets, post water conservation reminders in toilets, and educate employees to foster water conservation awareness.

Treated tail water, compliant with effluent standards, is recycled for equipment cooling, facility cleaning and pharmaceutical preparation in the production and operation process, and is also be used for plant landscaping, and domestic. In some regions, local municipalities use 21,818,713 tonnes of our high-standard treated tail water for watering vehicles and maintaining green belts and replenishing ecological buffer wetland to improve water efficiency.

We have set water use targets, which is to increase recycled water consumption by 20% by 2030, using 2020 as the baseline, with a year-on-year increase in recycled water use. During this Reporting Period, we recycled and reused 40,690,260.6 tonnes of water, achieving the annual target.

### Case

The South BU has been committed to the strategy of promoting water-saving technology and thus has made significant achievements in 2023. It produced 24.62 million tonnes reclaimed water through advanced water resource management and technology innovation, representing its consistency and ability on its promise of saving energy and promoting sustainable development.

Most of the Company's projects have no difficulty in obtaining water sources suitable for production and operation, while some of our water supply projects can be affected by seasonal weather and droughts, resulting in unstable water supply. Our business units and project companies have water availability to address such risks based on their actual operations. For example, during dry seasons, they withdraw water from the midstream rather than near the shore. For groundwater intake projects, they enhance well cluster maintenance and increase well wash depths to ensure a stable source water supply and thus meet clients' demands. In addition, our water diversion projects have established a pipeline inspection system, which greatly manages the safety of single-pipe water transmission. The projects also keep close association with water source suppliers to transmit water timely.



Taixing Huangqiao Industrial Park Water Treatment Plant water tank

## Management of Environmental Impact

SIIC Environment adheres to environmental protection, beautifying the environment, achieving economic benefits, social benefits, and environmental protection simultaneously. The Company rigorously complies with *the Environmental Protection Law of the PRC, the Atmospheric Pollution Prevention and Control Law of the PRC, the Water Pollution Prevention and Control Law of the PRC, the Law of PRC on the Prevention and Control of Environment Pollution Caused by Solid Wastes* and other laws and regulations pertaining to air emissions, wastewater discharge, and solid waste disposal. Our top-down internal environment management system carries over from the headquarters to business units and project operations.

### Improve System Construction

Based on the top-down internal environment management system, our business units have prepared the Operation Project Environmental Protection Management System, Environmental Factor Identification and Evaluation Management System, Sewage Treatment Facility Environmental Protection Supervision and Management Measures, etc. These policies specifically define environmental management requirements, including waste control, up-to-standard discharge of water and air pollutants, standard operating procedures, emergency plans, as well as responsibilities of designated personnel and departments.

The headquarters of the Company leads overall environmental management by defining and reviewing environmental targets, delivering policies, and monitoring and tracking the environmental performance of business units. Compliance with pollutant discharge limitations and resource consumption (including energy, water, and chemicals) from operations are our environmental management priorities. The Company cascades environmental targets down to business units and project companies at the beginning of each year and periodically tracks the progress to ensure they are advanced smoothly. The targets are also tied to the compensation and bonuses of heads of business units and project companies. Regular review and monitoring, training, and technical support are rendered by business units to project companies to enhance their operational performance. For more information on the Company's pollutant discharge and water resources management, please refer to the Pollutant Discharge Management and Water Resources Management sections of this Report.

### Energy and Materials Management

Energy, chemicals and water usage are key concerns in our operations. How to constantly improve energy usage efficiency is not only necessary for reducing costs but also the key to promoting green production and green life. We strictly adhere to the *Energy Conservation Law of the PRC* and have established and implemented internal management systems such as the Production Operation Cost Management System, aiming to continuously improve resource use efficiency. Based on production and operational needs, we have set short-term and medium- to long-term goals for the use of energy, chemicals, and water resources. Each project company has developed and implemented relevant systems, standards, and objectives in accordance with policies set by various business divisions. These established goals are included in the assessment of project companies and relevant personnel. In 2023, the Company continues to strengthen the supervision and management of resource use to ensure effective resource utilization and the achievement of related goals.

## Energy Management

Energy use is a key concern in our operations. We have set energy management goals and implemented energy conservation plans to reduce energy consumption and promote energy efficiency by strengthening energy management, upgrading energy-saving equipment and developing energy-saving technologies.

### Energy Management Targets:

- Taking 2020 as the base year, reduce energy consumption intensity by 10% by 2030.
- Short-term: reduce energy consumption through technological upgrades on existing projects.
- Medium-term: achieve energy savings through refined management, smart water management, and other means.



During the Reporting Period, our energy consumption intensity was

**135,301.78**  
tonnes per million RMB of revenue

Our project companies have also practiced energy-saving measures, such as replacing old high-energy-consuming facilities and equipment with green energy-saving products, to reduce electricity consumption, and so on. At the same time, we actively explore the application of energy-saving technologies in our business operations and continuously refine production management to reduce energy consumption in production and operation.



### Case

The North BU actively implements energy-saving measures, increases environmental protection investment, conducts inspections and replacements of old equipment, and achieves energy savings while reducing pollutant emissions. In April 2023, the Dongguan Dalang Plant in the North China BU inspected and replaced aeration pipes, resulting in a 7% decrease in equipment electricity consumption compared to the same period. There was a 16% year-on-year increase in COD reduction and a 16% year-on-year increase in ammonia nitrogen reduction, achieving significant benefits in energy conservation and emission reduction.

## Chemicals Usage Management

Chemical usage is a necessary procedure in water treatment. On condition that the safe and steady operation of the water treatment business is ensured, we have implemented a range of measures to use chemical and carbon sources more efficiently. For instance, before dosing, we experiment on the main chemicals to determine optimal dosage and dosing approaches. During chemical dosing, we monitor regular water quality indicators such as COD and BOD in real time using online monitoring facilities to reduce the amount of external carbon sources and to reduce chemical consumption. The dosage of chemicals is precisely controlled by the intelligent dosing system to reduce costs and improve efficiency. In terms of management, we have also increased the chemical consumption budget indicators to scientifically control chemical consumption and improve the efficiency of material use.

In addition, we also manage the source of chemicals under the principle of green procurement. We choose carbon sources that exert less environmental impact, produce obvious denitrification, and generate no refractory pollutants. Furthermore, we adjust the dosage of carbon sources based on parameters such as water volume, water quality and temperature to improve efficiency and reduce residual waste.

## Green Office

Green lifestyle is also an important part of ecology-friendly culture construction. A green office is encouraged in our daily operations. We standardize the procurement procedures for office supplies to reduce unnecessary purchases. Green office supplies, office equipment and lighting are chosen as government and industry recommended. We are also actively exploring paperless office practices by reducing paper consumption with the Office Automation (OA) system. In 2023, we reduced 0.96 tonnes of paper consumption.

To reduce solid waste from office activities, we actively practice waste sorting and advocate the "Clean Plate Campaign" to reduce food and kitchen waste. We also encourage employees to save water, electricity, and paper in the office. Notices and reminders are posted in offices, meeting rooms, canteens, and toilets to raise awareness of environmental conservation.

Meanwhile, the management of Company vehicles is further standardized along with regular inspections and maintenance in an effort to prevent fuel leaks and excessive fuel consumption. At the same time, we encourage our employees to use public transport, walking and cycling wherever possible to champion green travel and reduce carbon emissions from commuting.

## Protection of Biodiversity

Biodiversity is the foundation upon which human survival and development depend. It is the lifeblood and cornerstone of the Earth's community of life. We deeply understand the importance of protecting wildlife and maintaining biodiversity. Following the guidelines of ecological protection redlines and environmental impact assessment requirements, we strengthen the concept of ecological protection redlines. We respect the Convention on Biological Diversity and conduct rigorous assessments for project site selection and layout. During engineering and project construction, we protect natural habitats, wetlands, forests, wildlife corridors, and agricultural land. In our daily production and operations, we implement the "Three Simultaneous" approach for projects, taking multiple measures to protect natural ecosystems and promote biodiversity.

In our daily lives, we encourage employees to adopt a non-disturbance and non-harming attitude when encountering wildlife. For injured wildlife, we encourage employees to immediately notify the relevant departments and take appropriate measures to ensure they are not harmed further before receiving rescue.



# Environmental Performance Data<sup>1</sup>

## Summary Table of Key Environmental Indicators<sup>2</sup>

Emissions					
Emission Type	Indicator	Unit	2023	2022	2021
Greenhouse gases <sup>3</sup>	Direct emissions (Scope 1)	tonnes CO <sub>2</sub> e	253,415	105,747	91,823
	Indirect emissions (Scope 2)	tonnes CO <sub>2</sub> e	540,099	475,607	500,252
	Total greenhouse gases emissions	tonnes CO <sub>2</sub> e	793,514	581,354	592,075
	Total greenhouse gases emissions intensity <sup>4</sup>	tonnes CO <sub>2</sub> e /RMB million (operating revenue)	104.78	70.01	81.47
Solid waste	Total discharge of hazardous waste <sup>5</sup>	tonnes	27,090	12,353	11,048
	Hazardous waste discharge intensity	tonnes/RMB million (operating revenue)	3.58	1.49	1.52
	Total discharge of non-hazardous waste	tonnes	2,195,942	2,055,981	2,039,334
	Non-hazardous waste discharge intensity	tonnes/RMB million (operating revenue)	289.97	247.59	280.63
Use of Resources					
Resource Type	Indicator	Unit	2023	2022	2021
Energy consumption	Total direct energy consumption	kilowatt hours	77,597,547	40,566,541	34,323,905
	Intensity of direct energy consumption	kilowatt hours/ RMB million (operating revenue)	10,247	4,885	4,723
	Total indirect energy consumption	kilowatt hours	947,043,320	833,960,036	861,019,078
	Intensity of indirect energy consumption	kilowatt hours/ RMB million (operating revenue)	125,055.24	100,428.71	118,483.43
Water consumption	Total water consumption	tonnes	473,673,439	461,733,613	442,654,447
	Intensity of water consumption	tonnes/RMB million (operating revenue)	62,547.66	55,603.76	60,912.96

<sup>1</sup> The scope of environmental performance disclosure only covers the projects in operation during FY2023.

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

<sup>3</sup> Scope 1 emissions mainly generated from direct energy (petrol, diesel, and natural gas) consumption and waste incineration process. Scope 2 emissions were from the purchased electricity consumption during the Reporting Period.

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

<sup>5</sup> The increase in hazardous waste from wastewater and waste incineration operations during the Reporting Period led to an increase in total discharges.

## Wastewater Treatment Business Line

Emissions					
Emission Type	Indicator	Unit	2023	2022	2021
Air Pollutants	Ammonia gas	/	In compliance	In compliance	In compliance
	Hydrogen sulphide	/	In compliance	In compliance	In compliance
Greenhouse gases <sup>1</sup>	Direct emissions (Scope 1)	tonnes CO <sub>2</sub> e	954.28	1,503.34	2,219.84
	Indirect emissions (Scope 2)	tonnes CO <sub>2</sub> e	448,660.82	411,369.66	414,850.71
Wastewater	Wastewater	tonnes	2,355,231,579.73	2,325,436,490.71	2,509,567,643.12
	COD	tonnes	46,071.37	51,082.59	49,176.70
	BOD	tonnes	10,031.84	11,062.15	11,867.97
	Total suspended particulate matter	tonnes	12,434.69	13,362.83	15,170.96
	Ammonia nitrogen	tonnes	1,618.80	1,754.85	1,938.85
Hazardous wastes <sup>2</sup>	Hazardous sludge	tonnes	3,937.66	3,394.94	3,749.71
	Other hazardous waste <sup>3</sup>	tonnes	129.90	106.51	91.48
Non-hazardous wastes	Regular sludge	tonnes	1,559,625.65	1,538,845.73	1,540,076.95
	Other non-hazardous wastes <sup>4</sup>	tonnes	23,978.63	28,510.42	33,620.94

<sup>1</sup> Scope 1 emissions mainly generated from direct energy consumption and were calculated using *Industrial Enterprises Greenhouse Gas Emissions Accounting and Reporting Guidelines (Trial)* published by National Development and Reform Commission of the PRC. Scope 2 emissions were from the purchased electricity consumption during the Reporting Period and were calculated using the average emission factors of the National Grid as defined in the Notice on the management of greenhouse gas emission reporting by enterprises in the power generation industry from 2023 to 2025 issued by the Ministry of Ecology and Environment of the PRC.

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

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

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



Initiatives and Processes to Reduce Emissions/Discharges						
Initiatives and processes	Indicator	Unit	2023	2022	2021	
Trees	Number of trees able to reach at least five metres in height	trees	23,160	22,499	23,054	
	Amount of CO <sub>2</sub> offset <sup>5</sup>	tonnes CO <sub>2</sub>	532.68	517.48	530.24	
Wastewater treatment	COD reduced after treatment	tonnes	596,033.81	501,372.87	491,457.41	
	BOD reduced after treatment	tonnes	231,404.43	221,042.13	221,204.10	
	Ammonia nitrogen reduced after treatment	tonnes	55,126.81	54,404.74	50,192.46	
Water recycling	Recycled water used	tonnes	39,880,776.60	26,586,468.00	45,286,648.10	
Reclaimed water supply	Reclaimed water produced	tonnes	56,814,215.00	45,109,985.00	66,456,166.00	
Sludge recycling	Regular sludge reused	tonnes	965,556.38	987,978.18	989,721.40	
Use of Resources						
Resource Type	Indicator	Unit	2023	2022	2021	
Energy consumption	Direct energy	Petrol	litres	100,012.92	128,321.85	116,940.10
		Diesel	litres	87,915.44	54,115.70	52,734.34
		Natural gas	cubic metres	228,644.80	495,773.30	840,758.27
		Renewable energy (solar)	kilowatt hours	1,663,402.60	1,732,105.00	1,617,662.00
		Total direct energy consumption	kilowatt hours	5,954,585.02	8,819,367.42	12,318,032.29
	Indirect energy	Purchased electricity	kilowatt hours	786,710,186.21	721,321,514.00	714,028,755.08
Water consumption	Purchased freshwater	tonnes	2,441,164.24	2,135,380.85	2,293,738.85	
Raw materials <sup>6</sup> consumption	Disinfectants	tonnes	39,123.62	36,132.87	32,113.27	
	Adsorbents	tonnes	6,135.18	5,390.08	3,862.19	
	Carbon sources	tonnes	290,186.67	84,904.77	96,047.76	
	Coagulants and flocculants	tonnes	969,418.11	146,859.23	160,848.90	
	Acid-base regulators	tonnes	119,948.60	11,624.06	11,086.24	
	Other raw materials <sup>7</sup>	tonnes	48,239.55	35,776.43	31,614.40	

<sup>5</sup> CO<sub>2</sub> offsets were calculated using the methodology outlined in the *Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 Edition)* published by the Environmental Protection Department and the Electrical and Mechanical Services Department.

<sup>6</sup> During the Reporting Period, the consumption of raw materials such as carbon sources, coagulants and flocculants, and acid-base conditioners increased due to the overall increase in usage.

<sup>7</sup> Other raw materials mainly include hydrochloric acid, lime, liquid oxygen and NS-A Reagent.

## Water Supply Business Line

Emissions							
Emission Type <sup>1</sup>	Indicator	Unit	2023	2022	2021		
Greenhouse gases <sup>2</sup>	Direct emissions (Scope 1)	tonnes CO <sub>2</sub> e	19.42	13.62	20.16		
	Indirect emissions (Scope 2)	tonnes CO <sub>2</sub> e	81,027.69	54,168.76	74,873.79		
Wastewater	Wastewater	tonnes	8,973,313.00	19,426,922.00	14,526,302.71		
Non-hazardous wastes	Regular sludge	tonnes	9,942.62	70,887.00	98,126.24		
	Other non-hazardous wastes <sup>3</sup>	tonnes	89.82	45.45	56.50		
Initiatives and Processes to Resuce Emissions/Discharges							
Initiatives and processes	Indicator	Unit	2023	2022	2021		
Trees	Number of trees able to reach at least five metres in height <sup>4</sup>	trees	6,407	6,384	6,645		
	Amount of CO <sub>2</sub> offset <sup>5</sup>	tonnes CO <sub>2</sub>	147.36	146.83	152.84		
Water recycling	Recycled water used	tonnes	272,287.00	264,750.00	370,000.00		
Use of Resources							
Resource Type	Indicator	Unit	2023	2022	2021		
Energy consumption	Direct energy	Petrol	litres	8,682.93	5,888.00	8,865.00	
		Diesel	litres	50	200	-	
		Total direct energy consumption	kilowatt hours	79,914.70	55,559.42	82,464.200	
	Indirect energy	Purchased electricity	kilowatt hours	142,079,065.60	94,982,920.19	128,870,553.99	
		Water consumption	Surface water	tonnes	399,549,474.08	388,447,336.47	379,267,824.67
			Groundwater	tonnes	69,446,373.00	70,555,173.00	60,447,575.84
Raw materials consumption <sup>6</sup>	Disinfectants	tonnes	8,949.91	6,176.10	5,266.69		
	Coagulants and flocculants	tonnes	8,739.07	9,376.00	5,249.89		
	Water purification agents	tonnes	3,715.75	3,200.47	4,524.32		

<sup>1</sup> Hazardous waste is not necessary in water supply business, thus we do not disclose related information.

<sup>2</sup> Scope 1 emissions mainly generated from direct energy consumption and were calculated using *Industrial Enterprises Greenhouse Gas Emissions Accounting and Reporting Guidelines (Trial)* published by National Development and Reform Commission of the PRC. Scope 2 emissions were from the purchased electricity consumption during the Reporting Period and were calculated using the average emission factors of the National Grid as defined in the *Notice On The Management Of Greenhouse Gas Emission Reporting By Enterprises In The Power Generation Industry From 2023 To 2025* issued by the Ministry of Ecology and Environment of the PRC.

<sup>3</sup> Other non-hazardous wastes mainly include domestic garbage and packaging cardboard boxes.

<sup>4</sup> The number of trees planted in new operating area has been re-calculated during this Reporting Period.

<sup>5</sup> CO<sub>2</sub> offsets were calculated using the methodology outlined in the *Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 Edition)* published by the Environmental Protection Department and the Electrical and Mechanical Services Department.

<sup>6</sup> During the Reporting Period, the disinfectant statistics was revised and 2022 data was updated.

## Sludge Treatment Business Line<sup>1</sup>

Emissions					
Emission Type	Indicator	Unit	2023	2022	2021
Air Pollutants <sup>2</sup>	Ammonia gas	/	In compliance	In compliance	In compliance
	Hydrogen sulphide	/	In compliance	In compliance	In compliance
Greenhouse gases <sup>3</sup>	Direct emissions (Scope 1)	tonnes CO <sub>2</sub> e	1,437.31	1,479.85	1,320.78
	Indirect emissions (Scope 2)	tonnes CO <sub>2</sub> e	10,285.52	9,888.23	10,371.15
Hazardous wastes	Other hazardous wastes <sup>4</sup>	tonnes	2.33	2.87	3.98
Non-hazardous wastes	Regular sludge	tonnes	395,424.60	341,417.50	300,403.07
	Other non-hazardous wastes <sup>5</sup>	tonnes	190.62	186.15	244.00
Initiatives and Processes to Reduce Emissions/Discharges					
Initiatives and processes	Indicator	Unit	2023	2022	2021
Trees	Number of trees able to reach at least five metres in height	trees	2,353	2,233	2,179
	Amount of CO <sub>2</sub> offset <sup>6</sup>	tonnes CO <sub>2</sub> e	54.12	51.36	50.12
Water recycling	Recycled water used	tonnes	112,489.00	125,300.00	109,325.00
Sludge recycling	Regular sludge reused	tonnes	323,573.73	266,450.50	226,402.20

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

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

<sup>3</sup> Scope 1 emissions mainly generated from direct energy consumption and were calculated using *Industrial Enterprises Greenhouse Gas Emissions Accounting and Reporting Guidelines (Trial)* published by National Development and Reform Commission of the PRC. Scope 2 emissions were from the purchased electricity consumption during the Reporting Period and were calculated using the average emission factors of the National Grid as defined in the *Notice On The Management Of Greenhouse Gas Emission Reporting By Enterprises in The Power Generation Industry From 2023 to 2025* issued by the Ministry of Ecology and Environment of the PRC.

<sup>4</sup> Other hazardous wastes mainly include waste motor oil and laboratory waste liquids.

<sup>5</sup> Other non-hazardous wastes mainly include domestic waste.

<sup>6</sup> CO<sub>2</sub> offsets were calculated using the methodology outlined in the *Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 Edition)* published by the Environmental Protection Department and the Electrical and Mechanical Services Department.

Use of Resources						
Resource Type	Indicator	Unit	2023	2022	2021	
Energy consumption	Direct energy	Petrol	litres	13,812.96	13,252.12	-
		Diesel	litres	394,022.65	433,454.24	386,971.79
		Natural gas	cubic metres	157,654.00	128,577.00	149,284.50
		Renewable energy (biogas)	cubic metres	1,964,267.00	2,025,795.00	1,930,148.00
		Renewable energy (solar)	Kilowatt hours	23,175.00	23,175.00	23,175.00
		Total direct energy consumption	kilowatt hours	18,267,974.61	18,742,999.13	17,578,421.06
	Indirect energy	Purchased electricity	kilowatt hours	18,035,288.00	17,338,641.60	17,850,513.00
Water consumption	Purchased freshwater	tonnes	12,897.00	10,152.00	12,037.00	
Raw materials consumption	Straw	tonnes	25,523.13	37,043.79	30,502.75	
	Rice husk	tonnes	43,838.78	33,381.96	26,462.75	
	Other raw materials <sup>7</sup>	tonnes	9,373.25	3,546.54	761.66	

<sup>7</sup> Other raw materials mainly include corncob and wood chips.

## Waste Incineration Business Line<sup>1</sup>

Emissions					
Emission Type	Indicator	Unit	2023	2022	2021
Air pollutants <sup>2</sup>	NO <sub>x</sub>	tonnes	381.68	203.95	214.14
	SO <sub>x</sub>	tonnes	20.08	30.03	30.56
	CO	tonnes	24.55	7.57	27.11
	Smoke	tonnes	5.52	6.72	12.73
	Dioxins <sup>3</sup>	/	In compliance	In compliance	In compliance
Greenhouse gases <sup>4</sup>	Direct emissions (Scope 1)	tonnes CO <sub>2</sub> e	251,004.27	102,750.06	88,262.62
	Indirect emissions (Scope 2)	tonnes CO <sub>2</sub> e	124.77	180.76	156.44
Wastewater	Wastewater	tonnes	405,746.60	135,090.76	104,586.00
	COD	tonnes	4.49	9.28	6.61
	Ammonia nitrogen	tonnes	0.22	0.51	0.09
Hazardous wastes	Used activated carbon from treatment of waste gases generated during waste incineration	tonnes	51.70	106.94	153.45
	Fly ash from domestic waste incineration	tonnes	22,964.71	8,733.39	7,045.23
	Other hazardous wastes <sup>5</sup>	tonnes	3.86	7.91	4.31
Non-hazardous waste	Slag	tonnes	206,659.39	76,088.37	66,806.00

<sup>1</sup> During the Reporting Period, The Company's waste incineration project power generation significantly increased, so the direct emission (scope 1), wastewater and fly ash from domestic waste incineration, slag and other data significantly increased.

<sup>2</sup> Air pollutants only include those generated from waste incineration during the Reporting Period.

<sup>3</sup> During the Reporting Period, dioxins emission did not violate the local emission standards of the project operation site.

<sup>4</sup> Scope 1 emissions mainly generated from direct energy consumption and waste incineration. Scope 1 emissions were calculated using *Industrial Enterprises Greenhouse Gas Emissions Accounting and Reporting Guidelines (Trial)* published by National Development and Reform Commission of the PRC and *Greenhouse Gas Accounting Tool for Chinese Cities (Pilot Version 1.0)* published by the Greenhouse Gas Protocol. This year, the calculation method of greenhouse gas has revised, and the relevant data for 2020 and 2021 were updated simultaneously. Scope 2 emissions were from the purchased electricity consumption during the Reporting Period and were calculated using the average emission factors of the National Grid as defined in the *Notice On The Management Of Greenhouse Gas Emission Reporting By Enterprises In The Power Generation Industry From 2023 to 2025* issued by the Ministry of Ecology and Environment of the PRC.

<sup>5</sup> Other hazardous wastes include waste oil, waste oil drums and laboratory liquid.

Initiatives and Processes to Reduce Emissions/Discharges						
Initiatives and processes	Indicator	Unit	2023	2022	2021	
Trees	Number of trees able to reach at least five metres in height	trees	2,216	1,153	118	
	Amount of CO <sub>2</sub> offset <sup>6</sup>	tonnes CO <sub>2</sub> e	50.97	26.52	2.71	
Water recycling	Recycled water used	tonnes	424,708.00	221,551.30	14,460.17	
Electricity generation from waste incineration	Electricity generated	kilowatt hours	535,092,804.00	149,597,009.00	109,584,249.00	
Waste recycling/reuse	Slag reused	tonnes	206,659.39	74,698.37	64,382.00	
Use of Resources						
Resource Type	Indicator	Unit	2023	2022	2021	
Energy consumption	Direct Energy	Diesel	litres	104,075.45	310,284.96	440,239.00
		Natural gas	cubic metres	534,925.00	900,378.00	-
		Total direct energy consumption	kilowatt hours	53,295,072.41	12,948,614.61	4,344,987.73
	Indirect Energy	Purchased electricity	kilowatt hours	218,780.00	316,960.00	269,256.00
Water consumption	Purchased freshwater	tonnes	2,223,531.00	585,571.12	633,271.00	

<sup>6</sup> CO<sub>2</sub> offsets were calculated using the methodology outlined in the *Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 Edition)* published by the Environmental Protection Department and the Electrical and Mechanical Services Department.



# Caring for People

"Caring for People" is the core concept of the Company's employee management. SIIC Environment is committed to creating an equal, inclusive, and healthy work environment. We are dedicated to safeguarding the physical and mental well-being of our employees and helping them grow together with the Company. We plan to improve our human resources systems and work to increase employees' sense of security and happiness. We also care about society, support environmental education and actively participate in public welfare activities to assume the responsibility of corporate citizens. Additionally, we will actively expand our corporate responsibility and take more powerful actions to support environmental communication and public welfare charity, creating greater value for society.

## Highlights

- Number of work-related fatalities: **0**
- Number of participants in safety training: **5,556**
- Volunteer service hours: **3,999** hours

## Highly Material Issues addressed in this Chapter

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



## SDGs addressed in this Chapter





# Equal, Inclusive and Diverse

## Equal Employment

SIIC Environment is committed to the principle of fair, open, and voluntary employment. The Company strictly complies with applicable laws and regulations including *the Labour Law of the PRC, the Labour Contract Law of the PRC, the Regulation on the Implementation of the Labour Contract Law of the PRC, the Regulation on Public Holidays for National Annual Festivals and Memorial Days, the Employment Act of Singapore, the Employment of Foreign Manpower Act of Singapore*, and other laws and regulations related to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and anti-harassment. During the Reporting Period, the Company had no reported violation of the above laws and regulations.

We have established a sound human resources management system and have developed employee manuals to standardize the code of conduct of employees, covering the management requirements of office procedures, reporting, attendance, performance appraisal, rewards and punishments, compensation and benefits, training and employee rights. Our business units have formulated and implemented their own employment, remuneration, promotion and benefits policies.

- **Compensation:** Remuneration Management System
- **Dismissal and promotion:** Transaction Management System
- **Recruitment, equal opportunity, diversity, and anti-discrimination:** Recruitment Management System, Employee Relations Management Measures
- **Working hours:** Attendance Management System, Overtime On-duty Work Management System
- **Rest periods:** Leave and Holiday Management System
- **Welfare:** Employee Welfare Management System
- **Communication:** Employee Communication Management Measures, Labour Disputes Management Measures
- **Performance assessment:** Performance Appraisal Management System, Rewards and Punishments Management Measures

In preventing child labor and forced labor, the Company abides by the Labour Law of the PRC, *the Provisions on the Prohibition of Using Child Labour* and other applicable laws and regulations. Our business units have developed systems such as *the Recruitment Management System* to prevent child labour, forced labour, or involuntary labour. To ensure lawful and equal employment relationships, we have taken a number of necessary steps. During the recruitment process, we strictly verify candidate information to ensure his or her eligibility. If forced labour or child labour is detected, employees can report it directly to the local labour supervision authorities. We engage in equal and voluntary labour relations with employees and do not sign illegal agreements or contracts with them or withhold their identification documents. In the event of such violations, the Company will immediately establish an investigation team to stop the violation and see it as a warning to further improve our employment management system, thus preventing similar incidents from happening again.

The Company endeavors to create an equal and inclusive workplace and to eliminate any discrimination on the grounds of gender, age, disability, belief, nationality and sexual orientation. We ensure equal pay for equal work and secure the legitimate rights and interests of female employees. During this Reporting Period, the proportion of women in the Company's management team was 10.91%, while the proportion of women among employees was 25.94%. For candidates with special needs, the Company also offers appropriate positions during recruitment to help them better integrate into society and realize their self-worth. During the Reporting Period, the Company employed 20 persons with disabilities.



In 2023,  
the proportion of women in the  
Company's management team

**10.91%**

the proportion of women  
among employees

**25.94%**

In addition, we also maintain a close watch on the labour practices of our business partners. Our business units require contractors to be responsible for construction workers' rest periods, pay reasonable wages and expenses, and take effective measures to protect their health and safety. In addition, we conduct due diligence on our partners when necessary to safeguard the legitimate rights of workers.



In 2023, the Heilongjiang Provincial Federation of Trade Unions announced the list of Provincial Model Workers' Homes, Provincial Model Workers' Small Homes, and Outstanding Trade Union Workers in the Province. The labor union of Mudanjiang Longjiang Environmental Protection Water Service Co., Ltd., a subsidiary of the Northeast BU, was awarded the honorary title of "Provincial Model Workers' Home."

"Provincial Model Workers' Home" is an important honor for the trade union system to commend advanced collectives. It is a significant measure for the Heilongjiang Provincial Federation of Trade Unions to select and commend advanced units, set up examples, and lead the development of trade unions at all levels in the province.

### 黑龙江省总工会文件

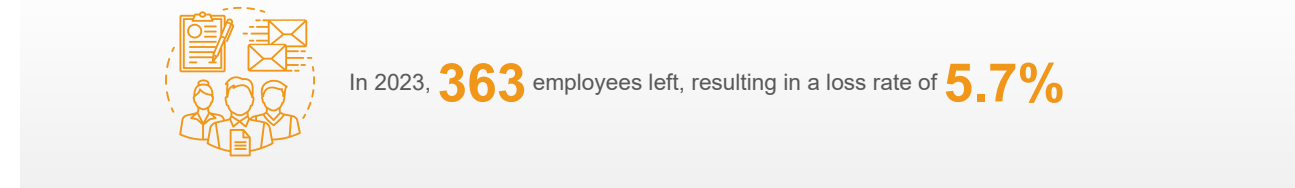
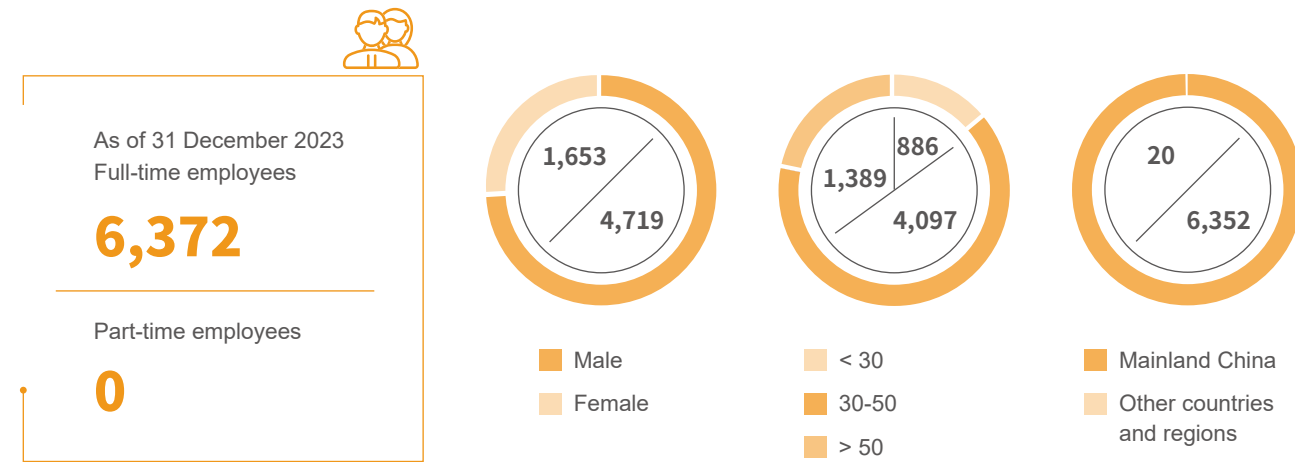
黑工发〔2023〕7号

黑龙江省总工会关于表彰省模范职工之家、  
省模范职工小家、省优秀工会  
工作者的决定

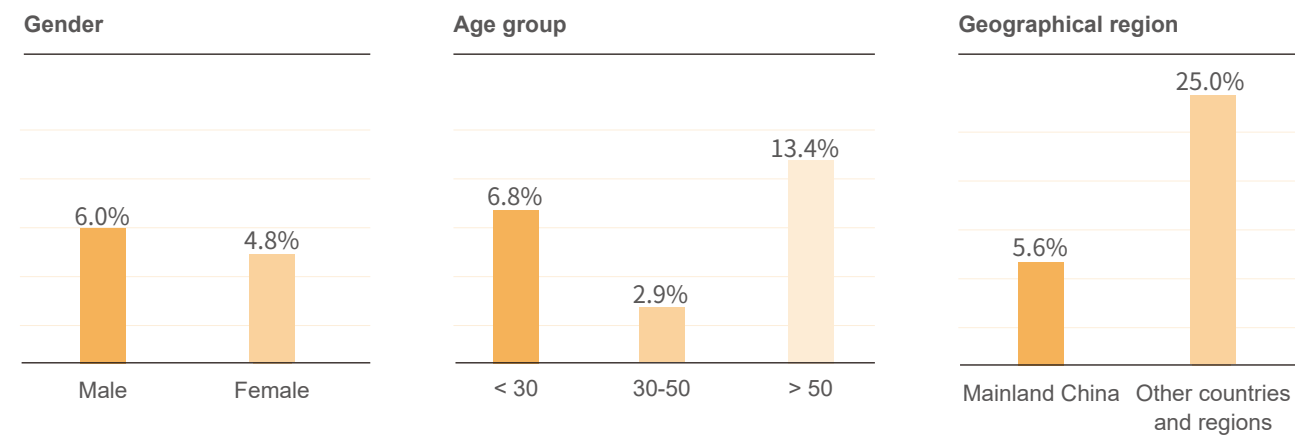
(2023年8月3日)

The Mudanjiang Longjiang Environmental Protection Water Service Co., Ltd. was awarded the honorary title of "Provincial Model Workers' Home."

As of 31 December 2023, the Company had 6,372 employees (including 6,372 full-time employees and 0 part-time employee). A breakdown of employees by gender, age group, and geographical region is shown below:



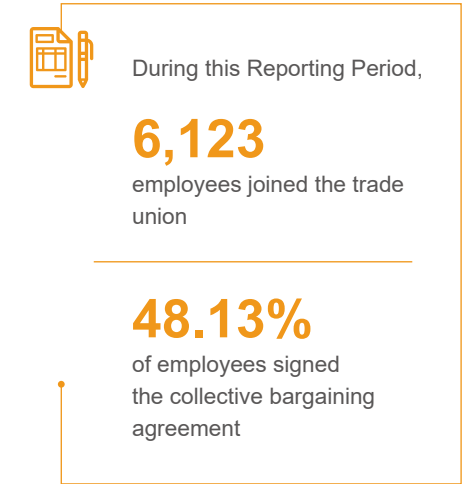
A breakdown of employee turnover by gender, age group, and geographical region is shown below:



## Democratic Management

The Company values open communications with its employees and has established a variety of communication channels and mechanisms. Through employee suggestion boxes, seminars, and internal satisfaction surveys, we ensure that employees are able to express their opinions and suggestions in an efficient and convenient manner and actively participate in the company's decision-making process.

The trade union is an important platform for employees to defend their legitimate rights and interests, as well as an important organization to promote employee communication and solidarity. We encourage employees to join the trade union activities. Through the union, we organize cultural and sporting activities and provide training for union members to support their personal development and career advancement. During this Reporting Period, 6,123 employees joined the trade union and 48.13% of employees signed the collective bargaining agreement, which reflects the positive progress we have made in promoting employee engagement and safeguarding employee rights.



Weifang Municipal Tap Water Limited Company, Sixth Staff Representative Conference, Fourth Plenary Session



## Employee Benefits and Support

The Company develops and implements policies such as *the Employee Benefits Management System* and ensures employee access to benefits and allowances, including statutory benefits (such as endowment insurance, medical insurance, unemployment insurance, industrial injury insurance, maternity insurance and housing accumulation funds), perks and subsidies, and various supplemental benefits. During the Reporting Period, we conducted an employee satisfaction survey, and the overall satisfaction score was 91.06 points. We will optimize management measures based on the survey results to continuously improve employee wellbeing and satisfaction.



During the Reporting Period, employees' overall satisfaction score was

**91.06** points

a total of **37** employees in the Company are enjoying parental leave benefits



We pay close attention to the needs of female employees and provide them with marriage leave, maternity leave and breastfeeding leave and provide parental leave for both parents in strict accordance with relevant requirements. In 2023, a total of 37 employees in the Company are enjoying parental leave benefits. To further enrich their personal lives after work, our business units organize cultural and sports activities for them every International Women's Day, such as dumpling making and flower arrangement workshops. Female employees also receive a half day off and holiday benefits. In addition, our business units provide women-specific health examinations, and organize activities such as women's health lectures to enhance their physical and mental wellbeing.



Organizing International Women's Day consolation activities, presenting holiday gifts to all female employees



Conducting International Women's Day seminar on women's health awareness



Organizing dumpling-making activities for International Women's Day

In addition, the Company actively addresses the needs of employees experiencing difficulties. Some business units provide special funds for employees suffering long-term family financial difficulties and call on other employees to donate. We also pay regular visits to employees in need and extend warm care during special occasions such as festivals.



Organizing visitation activities to console families of employees facing difficulties

Meanwhile, we prioritize the physical and mental wellbeing of our employees and regularly organize sports and cultural activities to promote a work-life balance. During the Reporting Period, our business units and project companies organized a variety of sports and recreational activities to enrich the lives of our employees after work and help them connect with each other. We also held lectures to help our employees build a harmonious social circle from a psychological point of view, cultivate their capabilities to regulate moods and communicate and build up the ability to sustain happiness.



Organizing Employee badminton competition



Holding an employee singing competition



Organizing an employee autumn fun sports event



# Occupational Health and Safety

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

## Workplace Safety

The Company actively carries out the accountability system. Our business units delegate responsibility in each link by signing Safety Responsibility Letters. Safety targets are linked to the bonuses of those responsible. Our workplace safety mechanism is based on three aspects, namely strengthening safety management systems, improving employees' emergency preparedness, and enhancing employee safety education. Our business units have incorporated the mechanism when building their own safety management systems, so as to fully ensure company-wide workplace safety.

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

To effectively manage health and safety risks, our business units have standardized safety incident reporting processes to timely notify the responsible persons and regulatory bodies. We submit regular self-assessment reports on workplace safety risks to regulators, and receive feedback from regulators to further improve our safety management standards and operating practices.

Our business units organize a variety of exercises and training programs to promote workplace safety and raise safety awareness among employees. The training programs include occupational safety education for new employees, safety education for special equipment operators, "Three New" safety training (new processes, new technologies, and new equipment), safety training in preparation for job changes or transfers, education on safety accidents, etc. Through those training programs, employees are trained to learn about occupational health and safety laws and regulations and the Company's policies, knowledge of using safety equipment, and emergency response measures. In 2023, our business units produced and published video tutorials and online courses, further diversifying the format of safety training.



The safety of contractors and associated workers involved in production processes is also an important part of our health and safety efforts. We have formulated the Stakeholder Safety Management System, the Safety Risk Notification Card and the Outside Personnel Safety Notification Letter to communicate our safety management principles to stakeholders and require their adherence to necessary safety rules. Our business units also define safety requirements for external personnel. For example, East BU requires project contractors to sign responsibility letters for workplace safety and fire prevention, and safety commitment letters; and delivers occupational health and safety notices to remind them of the potential safety hazards and precautions during production. North BU requires contractors to sign the Construction Safety Agreement to regulate their practices and carries out regular safety checks during construction to ensure construction safety.



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



Organizing the 2023 Occupational Safety Training



In 2023, our safety production related targets that have been reached are as follows:

Indicator	
Number of safety checks	798 times
Covering rate of safety checks	100%
Rectification rate after safety checks	100%
Achievement status of safety drill indicators	
The number of safety emergency drills	225 times
Covering rate of safety emergency drills	100%
Achievement status of safety training	
Safety training hours	36,389 hours
Covering rate of safety training	87.19%
Number of participants of safety training	5,556 persons
Work-related fatalities and injuries	
Number of work-related fatalities	0 person
Rate of work-related fatality (per 100 employees)	0
Loss of working days due to work-related injuries	157 days
Number of work-related injuries	2 cases
Rate of work-related injuries <sup>1</sup>	0.0324
Safety accident indicators	
Number of safe production responsibility accidents	0 case

In 2024, our planned safety production-related objectives are as follows:

Safety checks targets	
Number of safety checks	at least 1,000 times
Covering rate of safety checks	100%
Rectification rate after safety checks	at least 95%
The achievement status of safety drill indicators targets	
Number of safety emergency drills	at least 200 drills
Covering rate of safety emergency drills	at least 90%
Achievement status of safety training targets	
Safety training hours	18,600 hours
Covering rate of safety training	at least 90%
Work-related fatalities targets	
Number of work-related fatalities	0 person
Rate of work-related fatality (per 100 employees)	0
Safety accident indicators targets	
Number of safe production responsibility accidents	0 case

<sup>1</sup> Rate of work-related injuries=(Total injury cases / total hours worked ) x 200,000.



## Occupational Health

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

The business units have formulated regulations such as Project Company Safety Production Management Measures, Construction Project Safety Management Measures and Safety Production Education and Training Management Regulations based on their own operations and set up the occupational safety management team responsible for comprehensively managing occupational disease hazards. The business units also conduct on-site inspections of occupational hygiene hazards in accordance with the "Three Simultaneity" system management requirements for construction projects. We put up warning signs and instructions in hazardous areas and communicate relevant safety management rules and manuals to our employees. For positions exposed to serious occupational hazards, we also do so at prominent places in the facilities and hire third parties to inspect and assess occupational hazard factors.

We provide professional and technical staff with personal protective equipment such as helmets, gloves and masks as required by law to ensure that they are protected from occupational hazards at work. The protective equipment is also inspected and updated on a regular basis to maintain its functionality and effectiveness. In addition, the Company has paid social security contributions for all full-time employees. The business units have paid commercial insurance based on real situations to provide employees with comprehensive health protection.

Meanwhile, we promise annual occupational health check-ups and other occupational disease screenings for our employees. In addition to the physical check-ups for new employees and annual routine check-ups, we also conduct targeted lung check-ups of occupational diseases for employees in certain positions. Our business units have established "Occupational Health Surveillance Files" to efficiently manage and regulate the storage of employees' health check-up data, ensuring the integrity of the data and information security. In 2023, zero occupational disease related accident happened in the Company. In the future, we will continue to strive for zero occurrences of occupational disease accidents as our goal in occupational disease prevention and control.



The North BU organized occupational health lectures



Organize fire accident and firefighting rescue training

## Employee Training and Development

The Company places high emphasis on the specialized expertise and professional competence of our employees. The Company formulated internal policies such as the Training Management System and the Training Management Measures, and business units draw up annual training plans that include annual training arrangements, training budgets and assessment formats.

Each year, our headquarters and business units offer targeted training programs for different categories of employees, such as managers, specialists, technicians, personnel needing position transfer, and new employees. The programs include cross-department exchange programs, position rotations programs, online and offline seminars, self-study, external training, and skills competitions. The training covers professional and technical skills, research and development skills, health and safety, legislation and regulations, environmental protection, anti-corruption, and others, aiming to improve the overall quality of our employees.

During the Reporting Period, 97.6% of our workforce received training related to career development. The average training hours per employee were 15.2 hours.



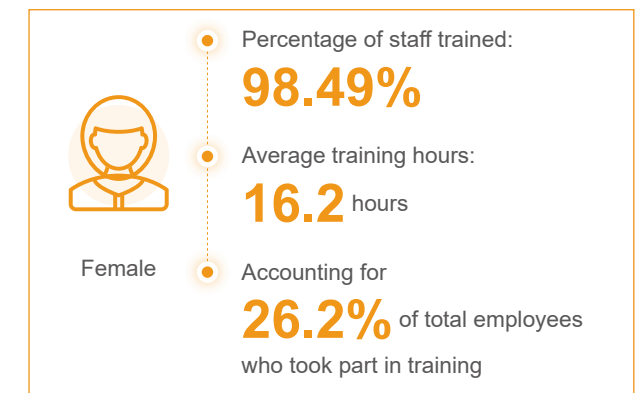
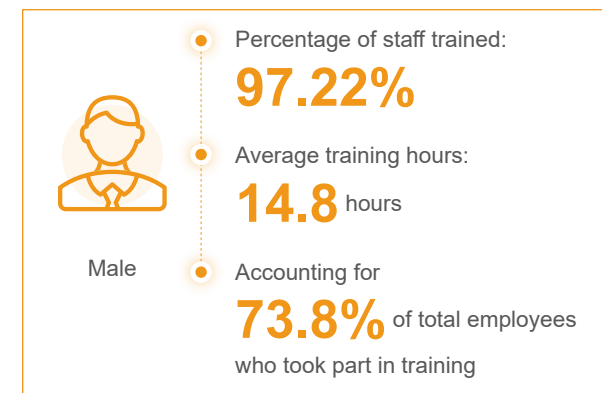
During the Reporting Period, our workforce received training related to career development

**97.6%**

The average training hours per employee were

**15.2** hours

### Portion of trainees and average training hours per employee by gender



### Portion of trainees and average training hours per employee by types



Case

On October 10, 2023, Mudanjiang Longjiang Environmental Protection Water Service Co., Ltd. held the second session of the "Workers' Lecture Hall" activity, inviting senior lecturers from Mudanjiang Technical Institute to conduct training on fitter's professional skills and other technical aspects. The lecturers combined theory and practice, providing in-depth explanations of common mechanical failures, troubleshooting methods, precautions, and other related content in an easy-to-understand manner, greatly benefiting the participants.



The second session of the "Workers' Lecture Hall" activity

## Community Engagement and Contribution

We deliver love and care across our community and give back to society with sincere attitudes and services. SIIC Environment abides by the *Charity Law of the PRC* and follows the principles of legality, voluntariness, and honesty to fulfil corporate social responsibility. Our business units also established policies such as Implementation Measures for Management of Trade Union Funds to clarify requirements for donations and employee activities. The Company actively participates in and holds various community activities, environmental education programmes, and rural regeneration to engage in community public welfare activities. We leverage our expertise and resources to help create a harmonious society on our own terms and in association with the community.

Community investment	Hours of volunteer services
<b>917,000</b> RMB	<b>3,999</b> hours

## Environmental Education

As a leader in environmental protection company, SIIC Environment has been contributing to the cause of environmental protection through maximizing its strengths. We raise public awareness and share environmental knowledge through multimedia communications and open house events. Our business units actively participate in environmental protection and organize various educational activities, so as to spread the eco-friendly philosophy and catalysing public engagement.

Case

In order to further strengthen the employee teams at all levels and comprehensively improve the management, the Central China BU launched the second phase of specialized training on the theme of "Shaping Thinking, Excellent Management" on October 20, 2023. Through this training, employees are equipped with the knowledge of applying theory to practical work and enhancing communication skills and execution efficiency.



Specialized training on the theme of "Shaping Thinking, Excellent Management"



Case

On November 28, 2023, the Xinqianchuan Wastewater Treatment Plant in Huangpi District held an open day event for the public to visit its environmental facilities. Approximately 30 volunteers from the Green River and Green Hills Yangtze River Protection Sub-team and the Wuhan Ecological Environment Volunteer Service Corps participated in the tour. Through the visit and introduction, the volunteers gained an understanding of the construction overview and wastewater treatment process of the sewage treatment plant.



The Xinqianchuan Wastewater Treatment Plant in Huangpi District held an open day event for the public to visit its environmental facilities



Case

On the occasion of the 31st "World Water Day," aiming to enhance the understanding of China among international students and further increase the awareness of young people from both China and abroad in protecting the water environment, the Taiping Wenchang Wastewater Treatment Plant organized the "World Water Day" event, where Chinese and foreign youth joined hands to protect the Songhua River.

During the event, professional technical personnel from the plant explained the sewage treatment process and procedures. Participants also watched environmental education videos, enhancing their understanding of environmental protection knowledge, and further stimulating their enthusiasm for participating in environmental protection efforts.



The Taiping Wenchang Wastewater Treatment Plant organized the "World Water Day" event

Case

In order to enhance environmental awareness among community residents regarding garbage sorting and resource recycling, and to promote a green, low-carbon, civilized, and healthy lifestyle, the youth volunteers from the Northeast BU visited the Hongyun Community in Nanjing Road Street and conducted a public education activity titled "Leading the Way in Garbage Sorting, Creating a Better Environment Together."

They disseminated knowledge about garbage sorting, enhanced the awareness of residents in this field, and attracted nearly 60 community workers and resident representatives. During the event, the volunteers provided comprehensive explanations of the necessity and significance of garbage sorting, as well as practical guidance on sorting kitchen waste, recyclables, hazardous waste, and other types of waste. They also distributed related promotional materials and keepsakes to the participants.



The youth volunteers from the Northeast BU visited the community and conducted a public education and practical activity on garbage sorting

Case

On June 5, 2023, World Environment Day, in order to enhance the emergency response capabilities for dealing with safety and environmental incidents, Chenzhou Southern Water Treatment Co., Ltd. organized a drill for emergency environmental incidents and an open day event for World Environment Day. The activities included emergency drills for firefighting and responding to incidents of abnormal water quality factors in the incoming water.

The on-site staff was divided into nine teams, including emergency rescue, medical aid, and environmental monitoring teams, covering various aspects of incident occurrence, disposal, and follow-up. This drill would effectively improve the efficiency of the public's emergency response to sudden incidents, reducing the losses and impacts caused by such events.



Chenzhou Southern Water Treatment Co., Ltd. organized an emergency environmental incident drill and an open day event for World Environment Day

Case

The Company actively responds to Environmental Day promotional activities by organizing or participating in events such as "National Urban Water Conservation Awareness Week" and "Building Water-Saving Cities to Promote Green and Low-Carbon Development" and encourages employees to participate actively.



The Company actively responds to Environmental Day promotional activities



## Sharing Value

As a responsible corporate citizen, while creating economic benefits, the Company is also committed to working with the community to create social benefits and value, actively fulfilling corporate social responsibilities.

During the Reporting Period, the Company actively engaged in rural revitalization efforts, and participated in various public welfare initiatives, including organizing volunteer activities, charitable donations, and flood relief efforts to contribute tangibly to society. Specifically, the East BU has been assisting Qingyun Village, Midu County, Dali Prefecture, Yunnan Province in its rural revitalization, with a total donation of 160,000 RMB during the Reporting Period.

In addition, we addressed the issue of limited water supply in the dormitory building at Qingyun Primary School, Deju Township, Midu County, Yunnan Province. Qingyun Primary School is the only primary school in Midu County. Upon learning of the difficult access to water in student dormitories, the Company promptly dispatched professional technicians to develop a technical improvement plan. The Company garnered donations of equipment from various companies, and proactively covered the project construction costs. The project was successfully completed before the start of the school year in September, effectively addressing the water supply issue at the school. We hope to collaborate with more compassionate companies and suppliers in the future to continue enhancing the well-being of the people and jointly fulfill corporate social responsibility.

Case

To continue promoting the spirit of dedication, fraternity, mutual assistance, and progress, the "Water Enriching Homes" volunteer service team of Weifang Municipal Water Supply Co., Ltd. carried out urban water supply outreach activities in the local community.

Volunteers patiently explained water usage, water supply rules, online bill payment procedures, and other water-related issues to residents; they conducted user information collection on-site, assisted with water fee inquiries and transactions, offered household water quality testing, customer service supports, and carried out inspection and repair of water meter chamber facilities. Through these services, the team earnestly fulfilled responsibilities and commitments, contributing to the enhancement of residents' well-being and receiving widespread acclaim.



The "Water Enriching Homes" volunteer service team of Weifang Municipal Water Supply Co., Ltd. went to residential communities

Case

The North BU organizes various community public welfare activities and flood relief activities, actively fulfilling corporate social responsibilities, and contributing with love.



"The Gratitude and Tribute to Environmental Health" public welfare activity

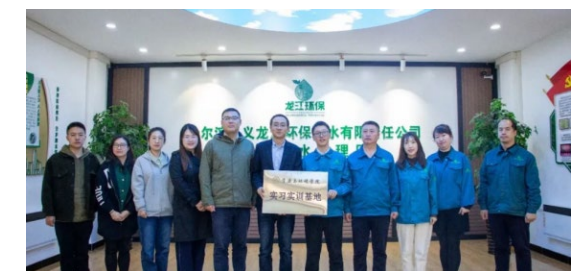


Participated in flood relief efforts in Zhuozhou, Hebei

The Company has deepened cooperation with schools, further facilitating the fusion of industry and education. It has also established channels and methods for students to engage in practical activities, effectively enhancing the quality of talent development. Furthermore, strong support has been provided for student internships and employment to jointly create value through school-enterprise cooperation.

Case

The awarding ceremony for the training and internship base between the College of Resources and Environment of Northeast Agricultural University and the Xinyi Wastewater Treatment Plant was held on October 12, 2023, at the Xinyi Water Treatment Plant. This ceremony aimed to promote the integration of industry and university and deepen the development of school-enterprise cooperation. The successful establishment of this internship training base provides a unique opportunity for the university and the Company to improve the combination and allocation of resources, and to collaboratively nurture professional talents at a wider and deeper level.



Xinyi Sewage Treatment Plant and the Resource and Environment College of Northeast Agricultural University held the plaque awarding ceremony for the training and internship base



## Social Performance Data

Indicator Category	Indicators	Unit	2023	2022	2021
Employment	Total number of employees	-	6,372	6,456	6,284
	Number of male employees	-	4,719	4,802	4,667
	Number of female employees	-	1,653	1,654	1,617
	Number of employees under 30	-	886	956	900
	Number of employees aged 30-50	-	4,097	4,135	4,025
	Number of employees above 50	-	1,389	1,365	1,359
	Number of full-time employees	-	6,372	6,456	6,284
	Number of part-time employees	-	0	0	0
	Number of employees of Mainland China	-	6,352	6,442	6,270
	Number of employees of other countries and regions	-	20	14	14
	Number of disabled employees	-	20	19	22
	Number of ethnic minority employees	-	168	180	181
	Total employee turnover	-	363	269	325
	Turnover rate of male employees	%	6.0	4.6	4.8
	Turnover rate of female employees	%	4.8	3.0	6.3
	Turnover rate of employees aged 30-50	%	6.8	7.2	8.8
	Turnover rate of employees aged 30-50	%	2.9	3.9	3.1
	Turnover rate of employees above 50	%	13.4	2.8	8.9
	Turnover rate of employees of Mainland China	%	5.6	4.1	5.1
	Turnover rate of employees of other countries and regions	%	25.0	21.4	35.7
	Total number of newly hired employees	-	433	456	-
	Number of newly hired male employees	-	324	329	-
	Number of newly hired female employees	-	109	127	-

Indicator Category	Indicators	Unit	2023	2022	2021
Health and safety	Number of newly hired employees under 30	-	154	173	-
	Number of newly hired employees aged 30-50	-	262	265	-
	Number of newly hired employees above 50	-	17	18	-
	Number of employees joined the trade union	-	6,123	6,215	6,081
	Percentage of employees who signed collective bargaining agreement	%	48.13	47.89	48.44
	Number of work-related fatalities	-	0	0	0
	Rate of work-related fatality	%	0	0	0
	Number of lost days due to work injuries	-	157	349	483
	Number of recordable injuries	-	2	1	-
	Number of high-consequence injuries (excluding fatalities)	-	0	0	-
Development and training	Number of employees participated in safety training	-	5,556	5,122	6,100
	Total safety-related training hours	hours	36,389	40,088	23,199
	Average safety-related training hours per person	hours	4.6	7.8	3.8
	Total number of employees trained	-	6,216	5,081	5,198
	Rate of employees trained	%	97.6	78.7	82.7
	Rate of male employees trained	%	73.8	74.4	72.2
	Rate of female employees trained	%	26.2	25.6	27.8
	Rate of senior management trained	%	0.8	1.2	1.0
	Rate of middle-level management trained	%	8.4	6.4	5.4
	Rate of general staff trained	%	81.5	70.7	76.9
Development and training	Rate of technical staff trained	%	9.3	17.1	12.9
	Rate of other employees trained	%	0.1	4.7	3.8
	Average training hours	hours	15.2	12.1	10.0



Indicator Category	Indicators	Unit	2023	2022	2021
	Average training hours of male employees	hours	14.8	12.3	10.0
	Average training hours of female employees	hours	16.2	11.7	10.0
	Average training hours of senior management	hours	31.6	20.1	15.9
	Average training hours of middle-level management	hours	17.0	17.8	16.7
	Average training hours of general staff	hours	12.4	11.9	9.0
	Average training hours of technical staff	hours	40.8	15.6	15.8
	Average training hours of other employees	hours	0.4	2.7	3.8
Supply chain management	Total number of suppliers	-	8,054	6,020	4,417
	Number of suppliers in the Mainland China	-	7,999	5,976	4,373
	Number of suppliers in other locations	-	55	44	44
	Number of suppliers implementing management policies	-	8,054	6,020	4,406
Quality and service	Number of service-related complaints received	-	7	8	7
	Complaint resolution rate	%	100	100	100
Anti-corruption	Number of coorruption cases concluded	-	0	0	0
	Number of employees participating in anti-corruption training	-	5,896	6,197	5,974
	Average anti-corruption training hours per Director	hours	25	1.5	1.5
	Average anti-corruption training hours per employee	hours	1.82	1.39	1.57
Community investments	Hours of volunteer services	hours	3,999	10,448	5,563
	Community investment	RMB 10,000	91.7	108.4	292.5

## Appendix

### Hong Kong Stock Exchange ESG Report Guide Content Index

Mandatory Disclosure	Description	Relevant Sections and Remarks	Page Number
Governance Structure	A statement from the Board containing the following elements: (i) a disclosure of the Board's oversight of ESG issues; (ii) the Board's ESG management approach and strategy, including the process used to evaluate, prioritize and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the Board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Risk Management Board Statement Sustainability Governance	6, 9, 10
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:  Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.  Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.  Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	About the Report	1-2
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About the Report	1-2



General Disclosures and Key Performance Indicators (KPIs)	Description	Relevant Section	Page Number
Environmental			
Aspect A1: Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Pollutant Emission Control	39-42
KPI A1.1	The types of emissions and respective emissions data.	Environmental Performance Data	47-54
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance Data	47-54
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance Data	47-54
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance Data	47-54
KPI A1.5	Description of emission target (s) set and steps taken to achieve them.	Materiality Assessment Pollutant Emission Control	15-16, 39-42
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target (s) set and steps taken to achieve them.	Materiality Assessment Pollutant Emission Control	15-16, 39-42
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Management of water resources Management of Environmental Impact	43, 44-46
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Performance Data	47-54
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Performance Data	47-54
KPI A2.3	Description of energy use efficiency target (s) set and steps taken to achieve them.	Materiality Assessment Management of Environmental Impact	15-16, 44-46
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target (s) set and steps taken to achieve them.	Materiality Assessment Management of Environmental Impact	15-16, 43

General Disclosures and Key Performance Indicators (KPIs)	Description	Relevant Section	Page Number
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not Applicable (the Company's business activities mainly involve providing services and do not involve products)	
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Green Development	39-42, 44-46
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Development	39-42, 44-46
Aspect A4: Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Addressing Climate Change	19-26
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Addressing Climate Change	19-26
Social			
Aspect B1: Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	Equal, Inclusive and Diverse	57-60
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Equal, Inclusive and Diverse	57-60, 75-77
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Equal, Inclusive and Diverse	57-60, 75-77

General Disclosures and Key Performance Indicators (KPIs)	Description	Relevant Section	Page Number
KPI B2.2	Lost days due to work injury.	Occupational Health and Safety	63-67, 75-77
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Occupational Health and Safety	63-67
<b>Aspect B3: Development and Training</b>			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employee Training and Development	63-69
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Employee Training and Development	68-69, 75-77
KPI B3.2	The average training hours completed per employee by gender and employee category.	Employee Training and Development	68-69, 75-77
<b>Aspect B4: Labour Standards</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issue relating to preventing child and forced labour.	Equal, Inclusive and Diverse	57-62
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Equal, Inclusive and Diverse	57-62
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Equal, Inclusive and Diverse	57-62
<b>Aspect B5: Supply Chain Management</b>			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Responsible Procurement	35-36
KPI B5.1	Number of suppliers by geographical region.	Responsible Procurement	35-36, 75-77
KPI B5.2	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Responsible Procurement	35-36, 75-77
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Responsible Procurement	35-36
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Responsible Procurement	35-36

General Disclosures and Key Performance Indicators (KPIs)	Description	Relevant Section	Page Number
<b>Aspect B6: Product Responsibility</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	High-quality Service	29-32
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not Applicable (the Company's business activities mainly involve providing services and do not involve products)	
KPI B6.2	Number of product and service-related complaints received and how they are dealt with.	High-quality Service	29-32
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Technology Innovation	33-34
KPI B6.4	Description of quality assurance process and recall procedures.	High-quality Service	29-32
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	High-quality Service	29-32
<b>Aspect B7: Anti-corruption</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Compliance and Anti-corruption	11-12
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Compliance and Anti-corruption	11-12, 75-77
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Compliance and Anti-corruption	11-12
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Compliance and Anti-corruption	11-12, 75-77
<b>Aspect B8: Community Investment</b>			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Engagement and Contribution	70-74
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Engagement and Contribution	70-74
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Engagement and Contribution	70-77

### Task Force on Climate-Related Financial Disclosures Index

Focus on	Recommended Disclosures	Relevant Section	Page Number
Governance	Describe the board's oversight of climate-related risks and opportunities.	Climate Governance	21
	Describe management's role in assessing and managing climate-related risks and opportunities.	Climate Governance	21
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Climate Strategy	22-24
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Climate Strategy	22-24
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Climate Strategy	22-24
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks.	Climate Risk Management	21-22
	Describe the organization's processes for managing climate-related risks.	Climate Risk Management	21-22
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Climate Risk Management	21-22
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Climate Metrics and Targets	24-25
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Climate Metrics and Targets	24-25, 47-54
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Climate Metrics and Targets	24-25

### GRI Standards Content Index

Statement of Use	SIIC Environment has reported in accordance with the GRI Standards for the period from 1 January 2023 to 31 March 2023.
GRI 1 Used	GRI 1: Foundation 2021

GRI Indicator	Indicator Explanation	Corresponding Chapter	Page
GRI 2: General Disclosures 2021			
G2-1	G2-1 Organizational details	About SIIC Environment	3-6
G2-2	G2-2 Entities included in the organization's sustainability reporting	About this report	1-2
G2-3	G2-3 Reporting period, frequency and contact point	About this report	1-2
G2-4	G2-4 Restatements of information	About this report	1-2
G2-6	G2-6 Activities, value chain and other business relationships	Stakeholder Engagement	13-14
G2-7	G2-7 Employees	Stakeholder Engagement	13-14
G2-8	G2-8 Workers who are not employees	Stakeholder Engagement	13-14
G2-9	G2-9 Governance structure and composition	Corporate Governance Sustainability Governance Structure	5, 9-10
G2-10	G2-10 Nomination and selection of the highest governance body	Corporate Governance Sustainability Governance Structure	5, 9-10
G2-11	G2-11 Chair of the highest governance body	Corporate Governance Board Statement	5, 9
G2-12	G2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Board Statement Sustainability Governance Structure	5, 9-10
G2-13	G2-13 Delegation of responsibility for managing impacts	Board Statement Sustainability Governance Structure	9-10



GRI Indicator	Indicator Explanation	Corresponding Chapter	Page
G2-14	G2-14 Role of the highest governance body in sustainability reporting	Board Statement Sustainability Governance Structure	9-10
G2-15	G2-15 Conflicts of interest	Stakeholder Engagement	13-14
G2-16	G2-16 Communication of critical concerns	Stakeholder Engagement	13-14
G2-17	G2-17 Collective knowledge of the highest governance body	Sustainability Governance Structure	9-10
G2-22	G2-22 Statement on sustainable development strategy	Business Outlook Board Statement Sustainability Governance	4, 9
G2-23	Policy commitments	Sustainability Policy	9
G2-25	Processes to remediate negative impacts	Risk Management	6
G2-26	Mechanisms for seeking advice and raising concerns	Stakeholder Engagement	13-14
G2-27	Compliance with laws and regulations	Compliance and Anti-corruption	11
G2-29	Approach to stakeholder engagement	Stakeholder Engagement	13-14
G2-30	Collective bargaining agreements	Democratic Management	60
GRI 3: Material Topics 2021	G3-1 Process to determine material topics	Materiality Assessment	15-16
	G3-2 List of material topics	Materiality Assessment	15-16
	G3-3 Management of material topics	Materiality Assessment	15-16
GRI 401: Employment 2016	G401-1 New employee hires and employee turnover	Equal, Inclusive and Diverse	57-62
	G401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Equal, Inclusive and Diverse	57-62
	G401-3 Parental leave	Equal, Inclusive and Diverse	57-62
GRI 403: Occupational Health and Safety 2018	G403-1 Occupational health and safety management system	Occupational Health and Safety	63-67
	G403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety	63-67

GRI Indicator	Indicator Explanation	Corresponding Chapter	Page	
GRI 403: Occupational Health and Safety 2018	G403-3 Occupational health services	Occupational Health and Safety	63-67	
	G403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	63-67	
	G403-5 Worker training on occupational health and safety	High-quality Service Occupational Health and Safety	30, 63-67	
	G403-6 Promotion of worker health	Occupational Health and Safety	63-67	
	G403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	63-67	
	G403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety	63-67	
	G403-9 Work-related injuries	Occupational Health and Safety	63-67	
	G403-10 Work-related ill health	Occupational Health and Safety	63-67	
	GRI 404: Training and Education 2016	G404-1 Average hours of training per year per employee	Employee Training and Development Social Performance Data	68-69, 75-77
		G404-2 Programs for upgrading employee skills and transition assistance programs	Employee Training and Development	68-69
G404-3 Percentage of employees receiving regular performance and career development reviews		Employee Training and Development	68-69	
GRI 405: Diversity and Equal Opportunity 2016	G405-1 Diversity of governance bodies and employees.	Board Diversity Equal, Inclusive and Diverse	57-62	
GRI 406: Non-discrimination 2016	G406-1 Incidents of discrimination and corrective actions taken	Equal, Inclusive and Diverse	57-62	
GRI 408: Child Labor 2016	G408-1 Operations and suppliers at significant risk for incidents of child labor	Equal, Inclusive and Diverse	57-62	
GRI 414: Supplier Social Assessment 2016	G414-1 New suppliers that were screened using social criteria	Responsible Procurement	35-36	
	G414-2 Negative social impacts in the supply chain and actions taken	Responsible Procurement	35-36	
GRI 416: Customer Health and Safety	G416-1 Assessment of the health and safety impacts of product and service categories.	High-quality Service	29-32	
	G416-2 Incidents of non-compliance concerning product and service information and labeling	High-quality Service	29-32	

