GREEN ACTION, FOR A SUSTAINABLE FUTURE

Leader Environmental Technologies Limited
Sustainability Report FY2025

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Introduction

Methodology and Guideline

The Sustainability Report ("SR") of Leader Environmental Technologies Limited ("LETL", the "Company" or the "Group") has been prepared with reference to the Global Reporting Initiative ("GRI") Universal Standards 2021, an internationally recognised framework that forms the foundation of the Group's sustainability disclosures. This report also seeks to comply with Rules 711A and 711B of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Rules and Practice Note 7.6 of the Sustainability Reporting Guide. The GRI Content Index for this report is set out on pages 30 to 31, and the SGX Core option has been applied in the presentation of ESG data.

This SR addresses the Environmental, Social and Governance ("ESG") matters arising from the Group's operations primarily in Singapore and China. It outlines the material ESG factors considered by the Group in formulating its strategies to build a sustainable and resilient presence within the environmental industry, with the objective of creating long-term value for its stakeholders. For FY2025, the Board reviewed the material topics previously identified and confirmed their continued relevance to the Group's business and strategic direction.

In accordance with SGX-ST requirements, all listed companies are required to provide climate-related disclosures on a "comply or explain" basis for financial years commencing from 2022. In response, the Group has adopted selected recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), which are presented on pages 6 to 11 of this SR.

The Group also acknowledges the evolving sustainability reporting landscape, including the Singapore Exchange's adoption of the International Financial Reporting Standards ("IFRS") Sustainability Disclosure Standards issued by the International Sustainability Standards Board ("ISSB"). In particular, climate-related disclosures became mandatory from FY2025, with phased implementation requirements extending to the financial year ending 31 December 2030 for non-STI constituent listed companies with a market capitalisation below S$1 billion. The Group is currently reviewing and enhancing its reporting practices to align with these requirements, with full implementation to be reflected in future sustainability reports.

Performance Validation

The Group has not obtained external assurance from independent professional bodies for this Sustainability Report. However, in line with the regulatory requirements mandated by the SGX-ST in December 2021, the Group appointed NLA Consulting Pte. Ltd. ("NLA"), its internal auditor, to review its FY2024 Sustainability Report and the relevant sustainability reporting processes.

The reviews conducted in FY2025 contributed to improvements in the Group's written procedures relating to ESG data collection, target setting processes, materiality assessment and internal communication, strengthening the overall quality and consistency of the Group's sustainability disclosures.

Similar to climate reporting, the Group also seeks to comply with, or explain deviations from, the relevant requirements through the disclosure of selected performance measurements of our significant assets in Singapore and China, which is in line with the SGX Sustainability Reporting Guide.

Feedback

Stakeholders are welcome to provide constructive feedback and suggestions in improving our sustainability report. All queries can be addressed to Mr Dominic Tan (dominic@leaderet.com), the Chief Financial Officer of LETL.

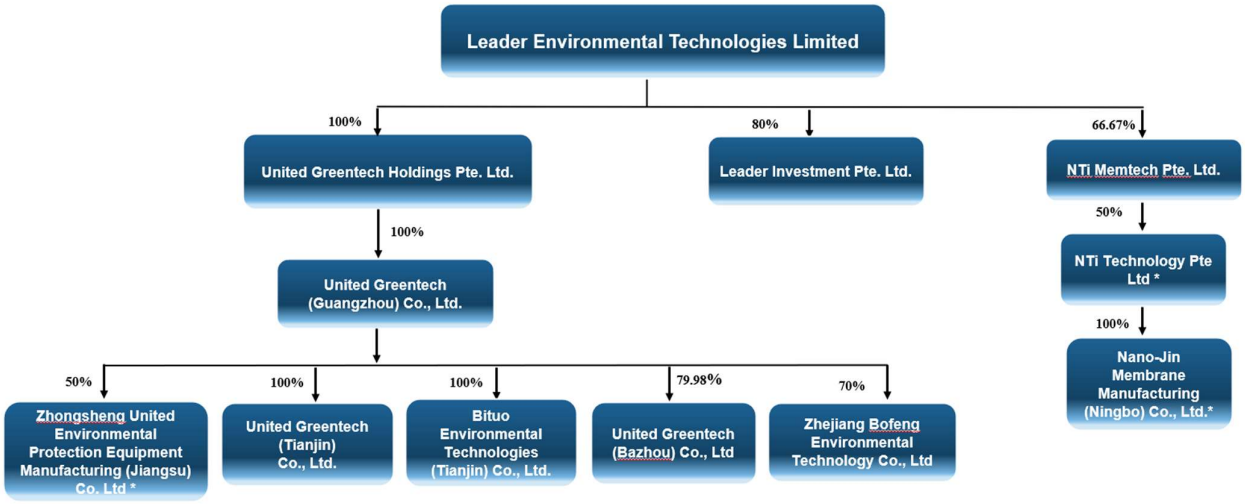
About This Report

This report consists of LETL's ESG strategy, objectives and progress in our targets set in FY2024, with updated performance and targets set in FY2025. The report provides an overview of our risks and opportunities and include forward-looking action plans. In line with SGX's guideline, we are reporting according to three key impact headings: Environmental, Social and Governance, along with description of our management approach and performance data.

The activities reported include the Group's operations in China and Singapore. The ESG data covers one subsidiary in China, **United Greentech (Tianjin) Co., Ltd.**, and one manufacturing subsidiary in Singapore, **NTi Memtech Pte. Ltd.**, which in aggregation contributed significantly to the operating results in FY 2025.

The entities report their performance in all material topics that have been identified at the group level. Sustainability data is given equal weightage in the reporting. The ESG data is reported as 100% since LETL has operational control over the 2 scoped-in entities.

Group Structure – As at 31 December 2025



**: Associated companies*

Sustainability Management Structure

The board of directors ("Board") oversees the management of climate-related risks and ESG issues. The Board is responsible for setting the Company's strategy, policies, and objectives in these areas, and ensuring that they align with the organization's values, purpose, and stakeholders' expectations. The Board also oversees the Company's risk management processes and ensures that climate-related risks are identified, assessed, and adequately addressed.

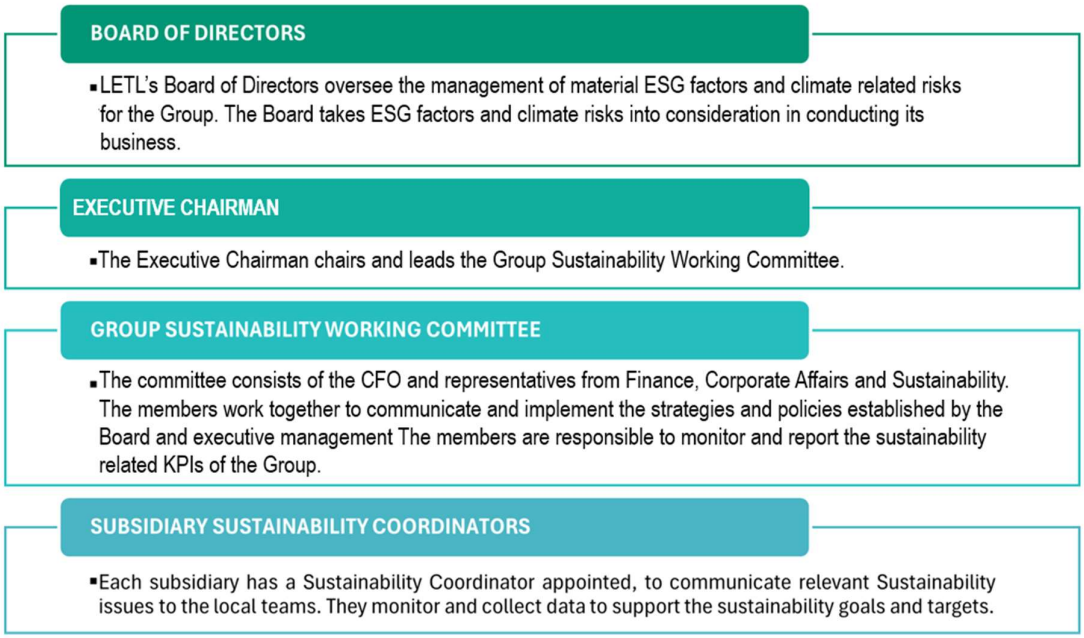
Specifically, the Board's responsibilities related to climate-related risks and ESG include:

- Ensuring that the Company's disclosure of climate-related risks and opportunities is accurate, timely, and transparent, in compliance with the SGX's sustainability reporting requirements.
- Assessing the Company's exposure to climate-related risks, such as physical risks (e.g., extreme weather events, sea-level rise) and transition risks (e.g., regulatory changes, technological disruption), and implementing measures to mitigate these risks.

The management team leads in:

- Developing and implementing ESG policies and programs that align with the SGX's sustainability reporting requirements and guidelines.
- Monitoring the Company's ESG performance and engaging with stakeholders, including investors, customers, employees, and suppliers, to understand their ESG expectations and concerns.
- Ensuring that the Company's culture, values, and behaviours align with ESG principles and contribute to the achievement of the Company's ESG objectives.

Since 2022, the Group has set up a working committee for sustainability reporting. The committee consists of the Executive Chairman, Chief Financial Officer ("CFO") and representatives from Finance, Corporate Affairs and Sustainability team. The members work together to communicate and implement the strategies and policies established by the Board and executive management. The members are responsible to monitor and report the sustainability related Key Performance Indicators ("KPIs") of the Group, and to prepare the contents of the sustainability report.



Board Statement

The Board of Directors of LETL is pleased to present our Sustainability Report ("SR") for the financial year ended 31 December 2025 ("FY2025"). The SR which laid out the Group's initiatives, progress and performances has been endorsed by the Board of Directors and Management.

Despite persistent global economic challenges in 2025, the Group has strategically adapted, focusing on sustainable growth and technological innovation within our core sectors:

1. Provision of engineering, procurement and construction ("EPC") and Operation & Maintenance ("O&M") services in respect of sludge and water treatment plants;

2. Production of high-performance membrane products; and

3. Greentech investments in start-ups in technologies, high-tech products and services relating to environmental protection.

Our membrane technology division has made substantial progress, exemplified by the strategic joint venture with Dr. Ge Hailin, renowned for his long-standing contributions to membrane innovation and extensive industrial applications. This partnership underscores our dedication to developing and deploying advanced membrane solutions that enable superior material separation and energy enhancement, extending beyond traditional water treatment. We are excited to introduce new product lines, including high-efficiency gas separation membranes for industrial applications and innovative membrane condensers designed for energy-efficient food and other dehydration needs, directly addressing food security and energy efficiency challenges. Notably, new membranes are produced without any use or discharge of hazardous or flammable materials, unlike conventional membrane manufacturing processes. These advancements not only enhance our portfolio but also demonstrate our commitment to developing sustainable solutions across diverse sectors.

In our sludge treatment segment, we continue to champion sustainable solutions like Continuous Thermal Hydrolysis ("CTH"), minimizing residues and hence landfill use, and maximizing resource recovery. Our technology reduces the need for landfilling and hence uncontrolled emission of GHG and leachate. The demonstration plant at Changi Water Reclamation Plant was completed in July 2025 and showcased our solution in coupling CTH with pyrolysis to produce biochar. Plant operation results evidenced potential for substantial energy savings.

Recognizing the urgent need for decarbonization, we are committed to helping our clients reduce their carbon footprint through our water, wastewater, and sludge management technologies. We are actively exploring new markets in Southeast Asia, such as Malaysia, to expand our reach and impact.

The Board reaffirms our commitment to strong corporate governance and sustainability leadership. We acknowledge the Singapore Exchange's evolving reporting requirements, particularly the adoption of the ISSB's IFRS Sustainability Disclosure Standards for climate-related information, effective for financial year ending 31 December 2030, for non-STI constituents listed companies with <$1 billion market capitalisation. We are currently reviewing our reporting practices to ensure full compliance, with the updated reporting to be reflected in our next Sustainability Report.

The Board, in collaboration with management, will continue to oversee and refine our sustainability management framework to ensure it remains relevant and effective in advancing our sustainability goals and delivering long-term value to our stakeholders.

Stakeholder Engagement

In 2025, the Group and its subsidiaries actively fostered stakeholder engagement through a variety of initiatives. Recognizing the importance of transparent communication, education and collaborative partnerships, we hosted numerous clients and visitors at key operational sites. The sludge demonstration project at Singapore's Changi Water Reclamation Plant and our NTi membrane manufacturing plant in Tuas served as platforms for sharing LETL's vision of more sustainable sludge management, clean membrane production and membrane deployment.

These engagements provided crucial insights into our clients' evolving needs and facilitated the development of collaborative strategies aimed at collectively reducing energy and emission intensity. By prioritizing open dialogue and active participation, we are strengthening our relationships with stakeholders and driving progress towards shared sustainability goals.

Taking reference from GRI 2021 standard, we have identified and prioritised six key stakeholder groups. Through various channels, we seek to understand their expectations and interests and establish meaningful two-way communication so that we can adjust and improve business practices as appropriate. These are shareholders, clients, suppliers, employees and regulators. We continued to maintain the engagement channels throughout FY2025.

STAKEHOLDER	KEY CONCERN	ENGAGEMENT
Shareholders 	The Group operates as a going concern and builds relations with investors	Annual reports Half year and full year condensed interim financial statements Various investors' meetings, analysts' briefings and corporate roadshows Annual general meetings Corporate website
Clients 	Products can meet stipulated emission and climate-related requirements	Pre-tender meetings Site visits Face-to-face meetings
Suppliers 	Impact on purchase orders of raw materials, systems, and equipment	Project progress meetings On-site inspections Emails and phone calls
Employees 	Stable, safe, and conducive working environment to thrive in	Office setup with proper lighting and equipment Well stocked pantry Supply of first aid kit Flexible work arrangements and hours when applicable
Regulators 	Rules and regulations are adhered to	Third party consultations Regulatory inspections Trainings and course attendance Discussion forums Routine monitoring of communications from regulatory agencies, including through mass media
Institute of Higher Learning 	Understanding of industry's sustainability needs, funding for research initiatives, relevance of R&D output and education of the next generation	Collaboration on R&D projects, internship opportunities and practical training for students, workshops and conferences

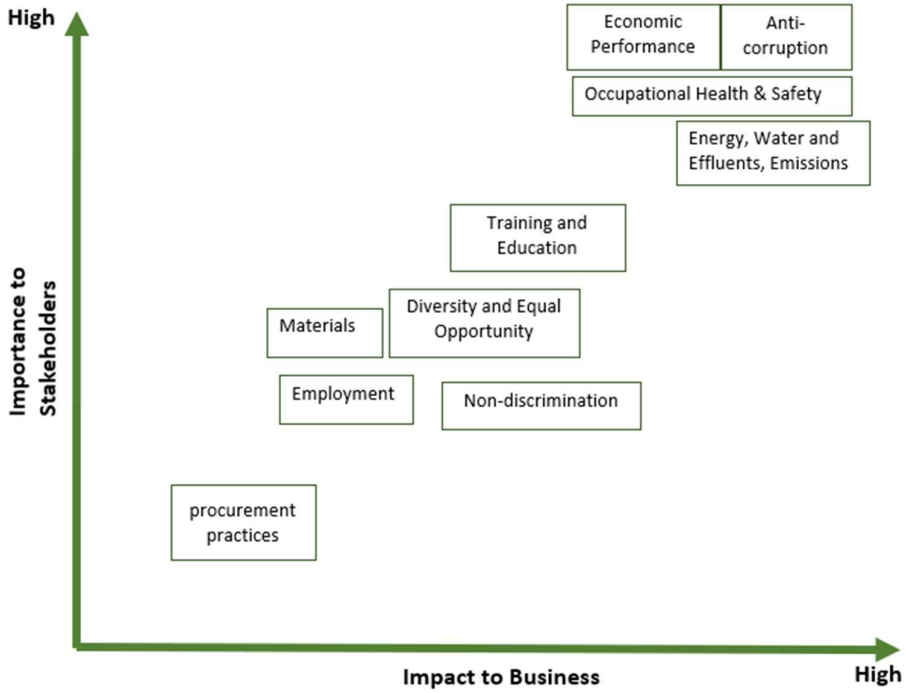
Identification of Material ESG Factors

The Group adopts a targeted approach using questionnaires to determine ESG factors and material factors which are of high importance to our key stakeholders and with significant impact on the Group's businesses. Our materiality approach is closely guided by our core shareholders' value and long-term sustainability of the Group's business.

An internal review and validation of materiality factors was conducted by collecting feedback from key employees who regularly engaged with stakeholder groups, by referencing the topics and disclosures from GRI Standards 2021. In consultation with the management team and the Board, the material factors were confirmed to be the same as in FY2024, since there was no change in the Group's business scope and activities in FY2025 except for the disposal of the Group's AIWater business.

Material ESG Factors

ESG factors are ranked and prioritized based on two parameters: importance to key stakeholders and impact on the Group's business. Based on combined inputs of internal and external stakeholders and our ability to have influence, the material topics of high interest are economic performance, anti-corruption, energy, water and effluents, emissions and occupational health and safety.



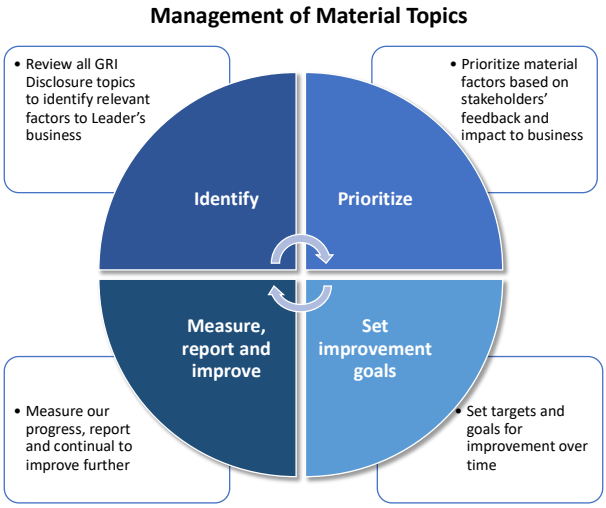
For the material topics, more details are provided in the relevant sections of this report.

Material Topics

An internal review and validation of materiality topics were conducted by collecting feedback from the Board, key management and employees who regularly engaged with stakeholder groups. Based on the feedback, the Sustainability Reporting Working Committee reviewed reports from those in similar industries, to understand if the topics are in line with expectations. Due to the current size and scale of LETL's business, some topics, such as energy and emission have no significant impacts, but we made efforts to include them as we understand these to be of public interest, and that SGX required these metrics to be included for completeness.

In this report, we continue to take reference from GRI Universal Standards 2021. Stakeholders' feedback has ranked these topics as equally high in priority. The material topics were endorsed by the Board of Directors as appropriate to be included in this sustainability report. As there was no change in our business scope and strategic objectives, the material factors were confirmed by the Board and management to be consistent.

In our previous reporting, we outlined a commitment to collect, analyse, and monitor data related to material ESG factors, with the intention of establishing concrete improvement targets in FY2026. With the restructuring largely completed in 2025, we are able to establish preliminary ESG targets moving forward. The dynamic changes in our operational structure and business focus necessitated a reassessment of our material ESG factors and data collection methodologies.



Economic Performance (GRI 201)

GRI Disclosure 201-1 Direct economic value generated and distributed

For the Group's financial performance, including revenue, operating costs, employee wages and benefits, borrowing costs, government subsidies and payments, use of capital, etc, please refer to the relevant pages of the Annual Report ("AR").

GRI Disclosure 201-2 Financial implications and other risks and opportunities due to climate change/ TCFD Recommendations

Climate change is one of the most significant risks facing humankind today. It is difficult to estimate the timing and severity of physical effects of greenhouse gases emissions and associated social consequences. It is particularly challenging to demonstrate sound decision making as a business, given the scale and long-term nature of some of the climate change effects.

The Group recognises and accepts that we need to manage climate risks in the course of our business, as part of the global community. In this section, we have combined the guidelines from GRI standard disclosure 201-2 with the TCFD recommendations.

Governance

The Board is responsible for the overall management of sustainability and climate-related risks. The Board is committed and responsible for strategic decision making. This includes review of risks and opportunities associated with climate change in taking up investments, projects and client commitments. The board reviews material risks and the need for reporting and disclosures, including the Sustainability Report.

The management team takes operational responsibility in identifying, assessing and monitoring effectiveness of control measures on climate-related risks and opportunities. They determine if there are gaps and deficiencies that need to be brought to the attention of the Board.

Strategy

The Group considers climate change both as a potential risk to operations and as an opportunity to develop solutions that support the transition to a lower-carbon economy. As an environmental technology company, our sludge treatment, wastewater management and membrane solutions are designed to improve resource efficiency, reduce energy consumption and support circular economy outcomes.

In evaluating long-term resilience of the Group's business model, management considers both transition risks (such as evolving environmental regulations, carbon-related policies and technology shifts) and physical risks (such as extreme weather events and resource constraints). These considerations are incorporated into the Group's strategic planning, investment decisions and technology development initiatives.

To better understand potential future impacts, the Group has also referenced climate scenario pathways developed by the Intergovernmental Panel on Climate Change (IPCC), which are presented in the following section.

Risk Management

The Group's management team under the leadership of the Executive Chairman is responsible to oversee the identification, development of plans, implementation and monitoring of risks and opportunities. This includes escalation of risk control deficiencies to the Board and facilitating reporting and disclosures of relevant risks and opportunities.

Consequently, the establishment of definitive climate risk assessments and the identification of potential areas for improvement were delayed. However, we were able to maintain a general understanding of our operational climate risk exposure and recognize the potential for our technology solutions to assist our customers in reducing energy intensity, resource consumption, and emissions.

During FY2025, significant business restructuring activities—including the disposal of the AI Water business and the integration of NTi Technology—limited the Group's ability to perform a comprehensive climate risk assessment based on previously collected operational data. Consequently, the establishment of definitive climate risk assessments and detailed improvement targets was deferred. Notwithstanding this, management continues to maintain an overall understanding of the Group's exposure to climate-related risks and has incorporated such considerations into its ongoing risk monitoring and management processes.

Metrics and Targets

In FY2025, the Group undertook significant business restructuring, including the disposal of the AI Water business. As this resulted in changes to the scope of operations and reporting entities, certain previously reported ESG metrics and targets were no longer representative of the Group's current business structure.

Accordingly, the Group has recalibrated its ESG metrics and targets based on the latest available data from its core sludge management and membrane businesses. FY2025 therefore serves as a refreshed baseline year, and the Group will track performance against these revised metrics going forward.

To support the Group's sustainability strategy and ensure accountability in managing material Environmental, Social and Governance ("ESG") factors, the Group has established a set of key metrics and targets. These metrics are aligned with the material ESG topics identified through our materiality assessment and reflect the areas where the Group believes it can most effectively monitor performance and drive continuous improvement.

Where possible, quantitative metrics have been established based on the most recent operational data available for the Group's core businesses, particularly the sludge management and membrane technology segments. These baseline indicators provide a reference point from which the Group will progressively track improvements over time.

The targets are structured across three time horizons—short term ("**ST**"), medium term ("**MT**") and long term ("**LT**")—to reflect the evolving nature of sustainability priorities as the Group continues to grow and strengthen its operational capabilities.

Short-term targets focus on establishing performance baselines and maintaining strong governance practices, while medium- and long-term targets aim to enhance operational efficiency, resource management, workforce development and overall business resilience.

The table below summarises the **Group's key ESG metrics and targets for FY2026**:

S/N	ESG Factors	Short Term (ST)	Medium Term (MT)	Long Term (LT)
1	**Economic Performance**	Strengthen the Group's asset-light business model by focusing on cost management and securing high-quality projects to support stable financial performance.	Build a stable business foundation by expanding recurring and higher-margin project streams, deepening engagements with quality customers, and enhancing overall operational productivity to support sustainable growth.	Build long-term economic resilience through continuous capability development, stable and recurring project revenue streams, and disciplined financial management.
2	**Anti-Corruption**	Maintain zero reported cases of misconduct organisation-wide, ensuring continued adherence to strong ethical standards.	Continue to maintain zero reported misconduct cases across all departments and strengthen ethical culture through communication and periodic policy reviews.	Sustain a long-term record of zero misconduct incidents while embedding ethics into organisational culture through continuous improvement and strong internal controls.
3	**Energy**	**0.0185 MWh / RMB'000 revenue** *(Based on latest available data for sludge and membrane business)*	Aim to progressively reduce energy intensity from the current baseline through annual efficiency improvements of approximately 3% per year, while managing the impact of business growth.	Achieve meaningful long-term reductions in overall energy intensity from the current baseline by continuing annual efficiency improvements, technology upgrades, and operational optimisation.
4	**Water and Effluents**	**0.058 m^3 / RMB'000 revenue** *(Based on latest available data for sludge and membrane business)*	Aim to progressively reduce water intensity from the current baseline through improvements in operational efficiency and process controls, targeting gradual reductions of approximately 3% per year.	Achieve meaningful long-term reductions in water intensity from the baseline by continuing efficiency enhancements, adopting water-saving practices, and exploring recycling or reuse opportunities where feasible.
5	**Emissions**	**147.36 tonnes CO_2-eq** *(Based on latest available data for sludge and membrane business)*	Continue enhancing emissions management by broadening the scope of monitored emission sources (e.g. Scope 3), strengthening reporting processes, and monitoring climate-related developments that may influence the Group's emissions profile as the business grows.	Progressively enhance the Group's long-term emissions strategy by integrating low- or zero-carbon considerations into supplier and sub-contractor engagement (e.g. Scope 3), and exploring pathways that could potentially support movement toward net-zero GHG emissions as the Group grows and technologies evolve.

S/N	ESG Factors	Short Term (ST)	Medium Term (MT)	Long Term (LT)
6	**Employment**	Maintain a stable and competent workforce and support employee retention (on par with industry average) during the Group's growth phase.	Expand the workforce in tandem with project and operational growth, growing our headcount responsibly. Enhance workforce capability and retention by developing a strong core team, expanding career pathways, and fostering a supportive organisational culture, with the aim of maintaining the Group's average turnover rate below the industry average.	
7	**Occupational Health and Safety**	Maintain zero incidents of non-compliance with all health and safety regulations across workplace and project sites.	Embed a mature and proactive safety culture where zero non-compliance and zero serious incidents are consistently achieved, supported by preventive risk management.	
8	**Training and Education**	**13 hours / personnel** Provide essential internal and external training programmes that support skill development and career progression across all levels.	Encourage continuous upskilling through steady growth in average training hours and competency development.	Cultivate a future-ready workforce through sustained development pathways, professional advancement opportunities, and continuous improvement in training intensity to ensure employees build competencies aligned with the Group's long-term growth.
9	**Diversity and Equal Opportunity**	No incidents of discrimination and ensure fair and transparent employment practices in recruitment, promotions and compensation.	Enhance workplace diversity by broadening talent pipelines, promoting inclusive hiring practices, and supporting equitable career progression, with the aim of steadily improving representation across genders, age groups and skill backgrounds as the Group grows.	

Climate Scenario Analysis – SSP1-2.6 and SSP2-4.5

To assess the potential impact of climate change on the Group's operations, we have referenced climate scenario pathways developed by the Intergovernmental Panel on Climate Change ("IPCC"). These pathways combine assumptions about global economic development, energy transition and greenhouse gas emissions, and are widely used in climate-related financial disclosures recommended by the Task Force on Climate-related Financial Disclosures ("TCFD").

Two representative scenarios were selected to illustrate the range of potential climate outcomes and their implications for the Group's business strategy and risk management.

The first scenario, SSP1-2.6, represents a low-emission pathway aligned with strong global climate action, where countries rapidly decarbonise their economies and global warming is limited to approximately 1.8°C above pre-industrial levels by 2100. Under this scenario, transition risks such as regulatory changes and technological disruption may occur earlier and more aggressively, while long-term physical climate risks are moderated.

SSP1-2.6 Scenario (Strong Climate Action, Rapid Decarbonisation, global average temperature increase of about 1.8°C by 2100)

Climate-Related Risks Topics	Short-Term (1–2 Years)	Medium-Term (3–5 Years)	Long-Term (Beyond 5 Years)
Strategy	Accelerate investment in low-carbon technologies and improve energy efficiency across operations. Continue supporting clients with resource-efficient solutions under our performance-based service model.	Expand deployment of advanced sludge and wastewater technologies to support tightening regulatory standards. Strengthen operational decarbonisation and diversify selected operational locations.	Expand deployment of advanced sludge and wastewater technologies to support tightening regulatory standards. Strengthen operational decarbonisation and diversify selected operational locations.
Policy and Legal Risks	Monitor evolving climate regulations and disclosure requirements and incorporate potential compliance costs into project evaluation and pricing.	Strengthen internal governance and regulatory risk assessment as climate policies tighten across key markets.	Align operations with increasingly stringent low-carbon regulatory frameworks through improved efficiency and technology adoption.
Technology Risk	Continue investing in R&D and collaborate with academia and industry partners to enhance treatment technologies.	Expand R&D capabilities to develop sustainable membrane and treatment solutions and reduce risk of technological obsolescence.	Maintain long-term competitiveness through innovation, digital optimisation and investment in next-generation environmental technologies.
Physical Risks	Enhance operational resilience through energy efficiency, water reuse initiatives and supply-chain monitoring.	Diversify membrane production locations and strengthen distributed operational capabilities to reduce disruption risks.	Develop resilient and low-carbon infrastructure with diversified supply chains and multi-location operating models.
Climate-Related Opportunities	Growing demand for low-carbon water treatment technologies will support expansion of sludge, membrane and wastewater solutions.	Increase deployment of advanced treatment technologies and digital optimisation tools across regional markets.	Provide integrated circular environmental solutions supporting national and regional decarbonisation goals.
Products and Services for Resource Efficiency	Improve sludge and membrane technologies to deliver measurable reductions in energy, water and chemical use.	Scale deployment of advanced resource-efficient technologies and strengthen renewable energy adoption in operations.	Position the Group as a provider of ultra-low-emission environmental technologies aligned with global net-zero pathways.
Opportunities in Different Markets	Leverage regional demand for low-carbon water treatment technologies and showcase the Singapore demonstration sludge project.	Expand deployment across ASEAN markets and accelerate commercialization of membrane condenser and gas separation technologies.	Establish regional leadership in circular sludge management and low-emission water technologies through strategic partnerships.

The second scenario, SSP2-4.5, represents a moderate transition pathway, often referred to as a "middle-of-the-road" scenario. Global climate policies progress gradually and emissions decline at a slower pace, leading to an estimated global temperature increase of approximately 2.7°C–3.5°C by 2100. In this scenario, transition risks emerge more gradually but physical climate risks such as extreme weather events and resource stress may intensify over time.

SSP2-4.5 Scenario (Moderate Climate Action, Slower Transition, global average temperature increase of about 2.7-3.5°C by 2100)

Climate-Related Risks Topics	Short-Term (1–2 Years)	Medium-Term (3–5 Years)	Long-Term (Beyond 5 Years)
Strategy	Continue investing in energy-efficient technologies and monitor evolving climate policies.	Gradually expand decarbonisation initiatives across sludge, membrane and wastewater operations.	Strengthen operational resilience and progressively transition toward lower-emission business models.
Policy and Legal Risks	Monitor emerging sustainability reporting requirements and incorporate foreseeable compliance costs into project evaluation.	Strengthen regulatory risk management as climate policies gradually tighten.	Align operations with evolving climate regulations while maintaining cost efficiency.
Technology Risk	Track emerging environmental technologies and strengthen internal R&D capabilities.	Improve membrane and treatment systems through incremental innovation and digital integration.	Maintain competitiveness through continued technology investment and product development.
Physical Risks	Improve preparedness for climate disruptions through energy efficiency, water recycling and operational resilience.	Diversify production sites and strengthen business continuity planning.	Embed climate resilience into facility planning, supply chains and operational design.
Climate-Related Opportunities	Expand adoption of existing sludge, membrane and wastewater solutions that improve efficiency and reduce resource consumption.	Strengthen partnerships and demonstrations to support regional deployment of sustainable technologies.	Provide resilient and cost-effective environmental technologies as industries adapt to climate pressures.
Products and Services for Resource Efficiency	Enhance sludge and membrane technologies to deliver cost-effective efficiency improvements.	Expand deployment of resource-efficient technologies and increase renewable energy integration.	Develop a diversified portfolio of environmentally efficient technologies supporting gradual decarbonisation.
Opportunities in Different Markets	Continue market development in Singapore, China and ASEAN, leveraging demonstration projects and research collaborations.	Expand market penetration as environmental regulations mature across ASEAN.	Strengthen regional presence through partnerships and deployment of efficient water treatment solutions.

These scenarios were also referenced in Singapore's national climate modelling studies conducted by the Centre for Climate Research Singapore ("CCRS"), which examined the implications of different emission pathways for regional climate conditions. By analysing both scenarios, the Group aims to better understand the potential range of climate-related risks and opportunities and to develop strategies that remain resilient under different global decarbonisation pathways.

Users of this report can see the contrast between a lower-emission future aligned with stronger global climate action and a higher-emission future associated with limited mitigation. This comparison helps highlight the range of potential climate outcomes for Singapore and provides essential context for understanding the scale of adaptation measures that may be required under each scenario.

Technology in Action: Integrated Continuous Thermal Hydrolysis (CTH) and Pyrolysis System for Sludge Management

1.PUB CWRP project

In 2025, the Group continued to advance sustainable sludge management through innovation, collaboration, and practical application. Our integrated Continuous Thermal Hydrolysis (CTH) and Pyrolysis system—developed in partnership with Nanyang Technological University (NTU) and Singapore's National Water Agency, PUB—has successfully completed its full demonstration cycle at the Changi Water Reclamation Plant. PUB has provided positive feedback on the project outcomes, recognizing the system's strong performance, operational reliability, and potential for wider application.

The 27-month project, completed in July 2025, validated the Group's proprietary closed-loop sludge management technology designed to meet the key objectives of modern sludge treatment: mass reduction, stabilization, sterilization, resource recovery, and carbon emission reduction. The 5-ton/day demonstration plant treated Anaerobic Digestion (AD) dewatered sludge with 20% dry solids content, confirming both technical feasibility and environmental benefits.

In the CTH system, AD sludge was processed at 220–250°C and 3–5 MPa for 10–30 minutes, effectively disrupting cellular structure and enabling high-efficiency dewatering. Using a plate filter press without chemical additives, the system consistently achieved 70% dry solids (DS) in the discharged sludge cake—automatically dislodged from the plate—corresponding to 80% mass reduction. Specific heat consumption was recorded at up to 300 kWh/ton of AD sludge, approximately 70% lower than conventional heat-drying systems, resulting in over 60% reduction in carbon footprint.

The subsequent pyrolysis stage, conducted at 500–600°C in an oxygen-free, indirectly heated rotary kiln reactor, further enhanced mass reduction performance. The integrated CTH–Pyrolysis system achieved more than 90% mass reduction, while producing biochar with 20% carbon content and a Lower Heating Value ("LHV") of 1,730–1,860 kcal/kg. Heat energy recovery potential was also demonstrated, with entire CTH-Pyrolysis system consumption reduced to 120–147 kWh/ton of sludge under optimized heat recovery conditions.

The final products—pyrolytic gas and biochar—offer promising pathways for circular resource use. PUB and NTU have jointly validated the quality of the biochar, which is now being assessed for applications such as:

- Activated carbon for odour and H_2S control
- Additives for enhancing stability of incinerator bottom ash
- Components in engineered cementitious composites (ECC)
- Fuel supplement as an alternative to imported charcoal

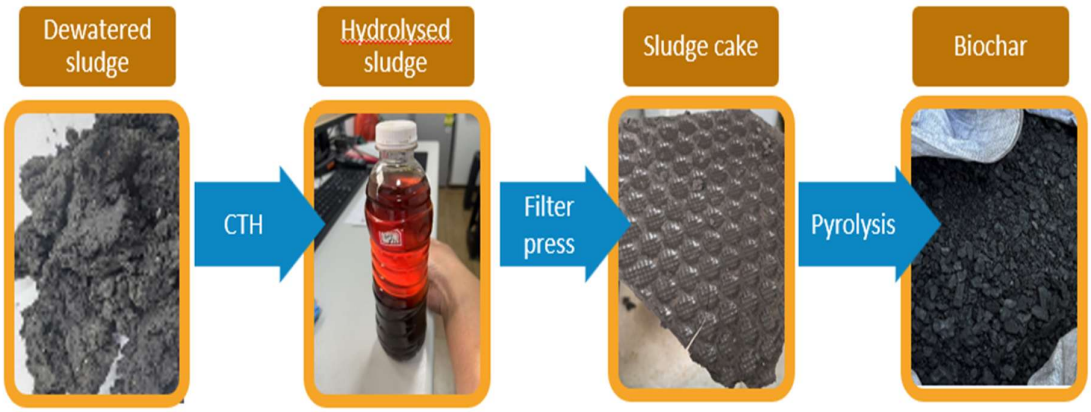
The successful completion of this full-scale demonstration project marks an important milestone for the Group. With encouraging feedback from PUB on both the performance and applicability of the technology, we are well positioned to advance discussions on broader deployment and to collaborate on joint academic publications and technology award submissions.

As we move into FY2026, the results of this project reinforce our commitment to delivering low-carbon, high-efficiency environmental technologies that support Singapore's and the region's long-term sustainability goals.

PUB officers visit to CTH-Pyrolysis plant

Sludge Treatment System housed in containerised modules at Changi Water Reclamation Plant

Sludge dewatering module, view from top



Sample of Sludge, Hydrolysed Sludge, Sludge Cake and Biochar

(To be studied for various uses in collaboration with NTU.)

2.Heping Sludge Treatment Plant, Hualian

In 2025, the Group made significant progress in advancing sustainable sludge management solutions across Asia. In Taiwan, the continuous thermal hydrolysis (CTH) system installed at the Heping Sludge Treatment Plant in Hualien has successfully completed commissioning in 2025.

The Heping facility treats 100 tons/day of dewatered sludge (at 80% moisture content) transported from multiple municipal wastewater treatment plants, including Hsinchu, Bali, Yangmei, Zhudong, Nantou and Linkou. The plant adopts the Group's continuous thermal hydrolysis process followed by plate and frame filter press, reducing sludge moisture content to below 30%, enabling its subsequent use as a resource at a construction residual material treatment facility. The filtrate from sludge dewatering is treated onsite through a wastewater treatment system before being discharged to the sewer network in compliance with local standards.

The technology is based on the principle of using elevated temperature (220–240°C) and pressure (3–5 MPa) to break down the cellular structure of waste activated sludge. This thermal disruption releases water that is otherwise trapped by extracellular polymeric substances (EPS), enabling efficient mechanical dewatering without the need for chemical additives. The resulting dewatered sludge consistently achieves a moisture content of approximately 30%, supporting significant volume reduction and downstream resource recovery.

The plant's process flow includes:

• Sludge conditioning and screening – Adjusting incoming sludge to 85–90% moisture and removing impurities.

• Sludge preheating – Using heat exchanger between incoming sludge and post-reaction mixed liquor, significantly lowering energy demand.

• Continuous thermal hydrolysis – Maintaining steady-state operation with 24-hour processing and a retention time of approximately 10 minutes.

• Cooling and depressurization – Reducing sludge temperature to below 50°C prior to discharge.

• Chemical-free dewatering – Pumping hydrolyzed sludge directly into a plate and frame filter press to achieve ~30% moisture.

Key features of the system include:

• Continuous operation ensuring stable, energy-efficient processing

• Low energy consumption due to no water phase change and high heat recovery

• Zero chemical additives in both hydrolysis and dewatering

• ~70% sludge volume reduction

• Pathogen destruction enabling safe and stable sludge

• Resource recovery potential, with high calorific value and nutrient-rich solids suitable for soil enhancement or as supplementary fuel

• Low carbon emissions, achieving approximately 47% CO_2 reduction compared with traditional thermal drying methods

The successful commissioning of the Taiwan Heping project underscores the Group's ability to deploy scalable, low-carbon sludge solutions across diverse markets. As optimization continues into FY2026, the project strengthens our regional presence and supports our customer's transition toward cleaner, more resource-efficient waste management practices.

Sludge Treatment System housed in Heping Sludge Treatment Plant, Hualian

Sludge Treatment System Feed/Plunger Pump and Filter

Sludge Treatment System Preheating Unit

Sludge Treatment System Heating and Pressure Releasing Unit

Sludge Treatment System Dewatering Unit

Technology in Action: NTi Technology's Membrane Condenser Solutions

NTi Technology is excited to introduce our innovative line of membrane condenser products, designed to revolutionize water and energy recovery in a variety of industrial applications. Leveraging advanced hydrophobic membrane technology, our condensers offer a highly efficient and compact solution for separating liquid water from gas streams.

How it Works:

Our membrane condensers utilize the selective permeability of hydrophobic membranes, which allow gases to pass through while preventing liquid water. When a water vapor-containing gas stream encounters the membrane, a temperature differential causes the vapor to condense on the membrane surface. This process not only recovers valuable water but also releases latent heat, which can be harnessed to significantly enhance the overall energy efficiency of the system.

Pilot and Commercial Applications:

We are actively seeking pilot and commercial partnerships to demonstrate the transformative potential of our membrane condensers in the following key areas:

- **Industrial Processes:** Implement our technology in chemical and manufacturing settings to recover coolant water and reduce energy consumption.
- **Desalination:** Integrate our condensers into water purification and desalination systems to achieve higher water recovery rates and improve process efficiency.
- **HVAC Systems:** Pilot our condensers in air conditioning and refrigeration systems to recover water vapor and optimize energy usage.
- **Waste Heat Recovery:** Partner with industrial clients to capture and reuse waste heat, leading to significant energy savings and reduced environmental impact.
- **Food Dehydration:** Implement our energy efficient membrane condensers, to reduce energy consumption in food drying.

Benefits:

Our membrane condensers offer a sustainable and cost-effective approach to water and energy recovery, leading to:

- Increased water recovery and reuse.
- Enhanced energy efficiency through latent heat recovery.
- Reduced operational costs.
- Lower environmental footprint.

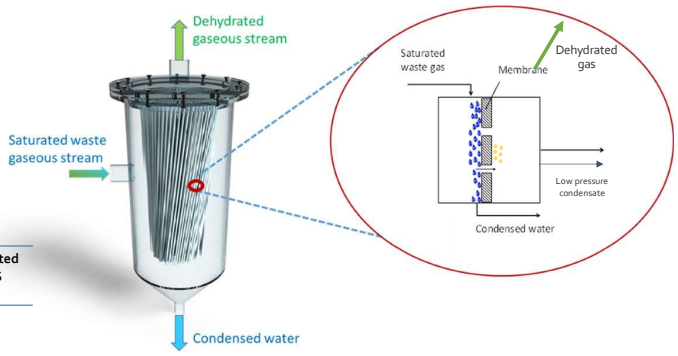
We invite potential partners to explore the possibilities of our membrane condenser technology and collaborate on pilot projects and commercial deployments.

NTi's Membrane Technology – A Game Changer

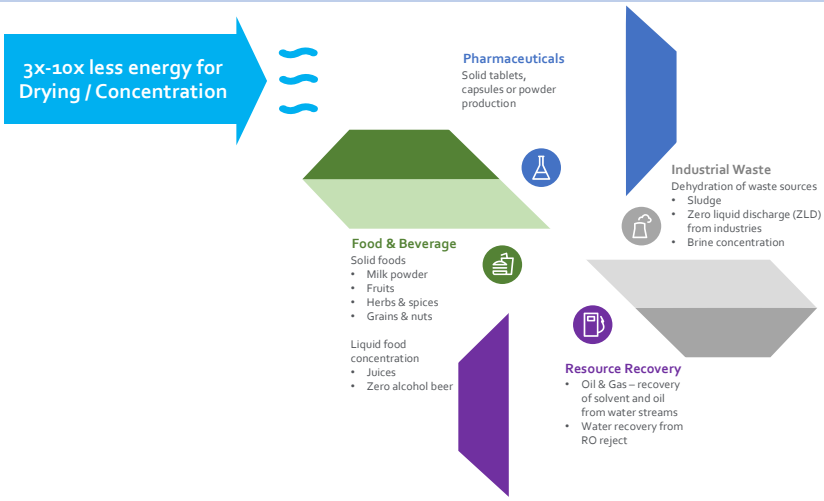
A **membrane condenser** is a hydrophobic membrane that separates liquid water from gas streams. This allows for **energy** and **water recovery** from processes.

Characteristics	
Water recovery	>95%
Energy recovery	40-200kWh/ tonne of water,~80-90% recovery
Chemical tolerance	10% acids, 20% alkali, 1% NaOCl
Bacterial removal	99.9%, class 1000 clean room equivalent

	NTi Nano TIPS	Other TIPS	Supported NIPS
Resistance to breakage	√	√	√
Resistance to peeling	√	√	X
CIP cleaning regime	√	X	X



3x-10x less energy usage for drying and concentration



Anti-Corruption (GRI 205)

At the Group, we are committed to preventing corruption in all of our operations. Through our anti-corruption policies, risk assessments, training and awareness-raising activities, monitoring and evaluation mechanisms, and engagement with stakeholders, we strive to ensure that our operations are conducted with the highest standards of integrity and ethical behaviour. We will continue to monitor and improve our anti-corruption efforts to ensure that they remain effective in preventing corruption and contributing to a more sustainable and equitable world.

Anti-Corruption Policies

We have developed and implemented a comprehensive anti-corruption policy that sets out our commitment to preventing corruption in all of our operations. Our policy includes provisions for:

- Compliance with all applicable laws and regulations related to corruption prevention
- Prohibition of all forms of bribery, extortion, and other corrupt practices
- Clear guidelines on gifts, hospitality, and other expenses that may be seen as giving rise to a conflict of interest
- Procedures for reporting and investigating any suspected incidents of corruption
- Regular training and awareness-raising activities for our employees and stakeholders on anti-corruption policies and practices

Anti-Corruption Risk Assessment

- We conduct risk assessments to identify and evaluate the risks of corruption in our operations and supply chain. Based on the results of these assessments, we have implemented measures to mitigate these risks, including due diligence checks on suppliers and contractors, enhanced monitoring of high-risk areas, and continuous review and improvement of our anti-corruption policies and practices.

Anti-Corruption Training and Awareness

- We believe that training and awareness-raising are essential components of our anti-corruption efforts. We provide regular training to all employees on our anti-corruption policy and related topics, such as conflict of interest，gifts and hospitality. We remind our suppliers and other stakeholders on our anti-corruption expectations and the importance of preventing corruption through regular communication.
- To date, all our directors and senior management team members and key employees have received training on ethical conduct, insider trading and whistle blowing measures. We continue to raise awareness through re-training during FY2025 and regular communication.

Anti-Corruption Monitoring and Evaluation

- The Group has put in place a whistle-blowing policy, where the Audit Committee (“AC”) has oversight and monitors the said policy, which provides for the mechanisms by which employees and other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters to the AC, with the objective of ensuring that arrangements are in place for the independent investigation of such matters for appropriate follow-up action. The policy protects the complainant from detrimental or unfair treatment or victimization when he/she raises any concern in good faith and without malice.
- All such investigations will be undertaken by the AC Chairman and the identity of the complainant is kept confidential.
- During FY2025, there were no complaints, concerns or other matters received from the channel established under the whistle-blowing policy.

Energy (GRI 302)

An organization can consume energy in various forms, such as fuel, electricity, heating, cooling or steam. Energy can be self-generated or purchased from external sources, and it can come from renewable sources (such as wind, hydro or solar) or from non-renewable sources such as coal, petroleum or natural gas).

The Group mainly uses purchased energy, i.e. electricity from the power grid in China and in Singapore. In our membrane production facility in Singapore, solar power became available from November 2022 and is now supplementing between 50-60% of our energy usage.

Recognizing that energy consumption extends beyond our direct operations to encompass upstream and downstream activities, such as consumer product use and end-of-life treatment, we acknowledge the importance of a comprehensive energy management strategy. The dynamic changes in our operational structure and business focus rendered previous data less relevant for establishing a meaningful base year or reference point.

Energy Consumption

The total electricity energy consumed in Singapore and China during FY2025 was 165 MWH (compared to FY2024: 305 MWH – inclusive of the disposed AIWater Group's energy consumption).

This includes 93 MWH (in FY2024: 126 MWH) of solar energy, generated through solar panels installed on the rooftop and used by our 67% owned subsidiary, NTi Memtech Pte Ltd.

For the purpose of this report, the Group had accounted fully the emissions and energy usage without adjusting for actual shareholding.

We have not set specific targets for energy consumption in FY2026 due to ongoing business restructuring and our joint venture company, NTi Technology Pte Ltd, taking over most of the membrane production in its Ningbo, China manufacturing plant.

Energy Intensity

The Group's average energy intensity in FY2025 is 0.007 MWH per thousand RMB revenue (compared to 0.018 MWH per thousand RMB revenue in FY2024; including vehicular fuel consumption). This is a decrease of 61%. The energy consumption consists mainly of purchased electricity in Singapore and China, solar power in Singapore and vehicular fuel consumption in China. We chose total revenue as the intensity measure, as it is objective, and allows for comparison in future years.

Total Energy Consumption & Energy Intensity

Year of Reporting	Total Electricity Purchased MWH	Total Solar Power Consumption MWH	Total Fuel Purchased for Vehicle Usage MWH*	Total Energy Consumption MWH	Metric used to calculate intensity	Total Revenue (Thousand RMB)	Total Energy Intensity by Revenue (MWH per Thousand RMB)	Total Headcount (number of employees)	Total Energy Intensity by Headcount
FY 2025	72	93	48	213	Revenue	29,932	0.007	22	9.7
FY 2024	179	126	257	562	Revenue	30,470	0.018	103	5
FY 2023	184	130	221	536	Revenue	33,044	0.016	101	5
FY2025 vs FY2024	-60%	-26%	-81%	-62%		-2%	-61%	-79%	94%

Note: * Calculated based on 8.9 KWH per Litre of gasoline usage

Solar Power at NTi Memtech

NTi Memtech is consistently striving to reduce carbon footprint in all aspects of business activities. One of such efforts put in action is the deployment of solar facilities on its existing roof. The standard E8 Type factory purchased from Jurong Town Corporation ("JTC") has a gross roof area of 3,358 m^2, of which 1,764 m^2 has been covered by 810 pieces of solar panels, leaving just walkways for maintenance access. The project is based on the Power Purchase Agreement (PPA) signed with Urban Renewables (Singapore) and the project was completed in November 2022.

The total installation is able to generate 400 KWP (peak power) and operational for not less than 4 hours a day based on Singapore's weather conditions on annual average basis, and the generation starts as early as 6 am through 7pm. This means that it is able to cover or supplement majority daily electricity usage.

On the financial aspect, the consumption of 93 MWH solar generated electricity during FY2025 translates to a net saving of about S$15,000. Where the net export during the same period was about 400 MWH. Solar power constitutes 50% of the power consumption at our membrane manufacturing facility in Singapore in FY2025. If NTi moves into mass production in future years, the saving realised from solar power could be even more significant.

Emissions (GRI 305)

GHG emissions are a major contributor to climate change and are governed by the United Nations (UN) 'Framework Convention on Climate Change' and the subsequent UN 'Kyoto Protocol'. In FY2024, the Group's GHG emissions are mainly from company-owned or leased vehicles, business travel from Singapore only and purchased electricity. The total equivalent GHG emission is 85.7 Metric Tonnes (compared to 176.7 Metrics Tonnes in FY2024).

Emissions: Scope 1

In FY2025, GHG Emission from the Group's company-owned and leased vehicles in China is 12.36 MT CO_2 equivalent (compared to 66.91 MT CO_2 equivalent in FY2024). This was calculated using the Carbon Emission Tracking Tool from Global Compact Network Singapore. The Group did not have other Scope 1 emission sources.

Emissions: Scope 2

The Group's Scope 2 emissions are from purchased electricity from providers in Singapore and in China. The total amount of purchased electricity in Singapore was 53,209 KWH (vs 129,688 KWH in FY2024), equivalent to 37 MT CO_2e (vs 54 MT CO_2e in FY2023), using the Carbon Emission Tracking Tool from Global Compact Network Singapore. The decrease in emission in FY2025 was mainly due to decrease in manufacturing activity in its membrane facility in Singapore and disposal of AI activity. About 64% of the Group's total electricity usage was attributed to the membrane plant.

Total amount of purchased electricity in China in FY2025 was 19,258 KWH, equivalent to 17.0 MT CO_2e (vs 49,697 KWH, equivalent to 26.4 MT CO_2e in FY2024). The decrease was mainly due to disposal of AI activity.

Emissions: Scope 3

The Group began to collect data on transportation from employee business travel in our offices in Singapore in 2022. We are able to report partial emission arising from air travel and local transportation (taxi and private hire vehicles) in Singapore, adding up to 29.26 MT CO_2e in FY2024. There was a decrease in business travel in Singapore in FY2025, and the emission equivalent is 23.6 MT CO_2e.The data presented is only a partial reflection of Scope 3 emission. This does not include domestic air travel and employee local transport in China.

The emission data excludes employee commuting to and from work, and that arising from purchased goods. GHG emission for air travel and transportation in Singapore is calculated using the Carbon Emission Tracking Tool provided by Global Compact Singapore.

Emission Intensity

Total GHG Emission & Emission Intensity

Year of Reporting	Total GHG Emissions in MT CO2e	Metric used to calculate intensity	Total Revenue (Thousand RMB)	Total Emission Intensity by Revenue	Total Headcount (number of employees)	Total Emission Intensity by Headcount
FY 2025	85.7	Revenue	29,932	0.003	22	3.90
FY 2024	176.7	Revenue	30,470	0.006	103	1.72
FY 2023	155.4	Revenue	33,044	0.005	101	1.54
FY2025 vs FY2024	-51%		-2%	-50%	-79%	126%

Water and Effluents (GRI 303)

The Group's business in industrial wastewater treatment means that we play a strategic role in supporting clients' need to comply to regulatory discharge standards and to re-use and recycle water. In our own operations, water is consumed in our offices and our membrane manufacturing plant. We have designed our membrane plant to recycle most of the water used in production processes.

Water Consumption and Intensity

Water consumption is the portion of water use that is not returned to the original water source, whilst **Intensity** calculates only the intensity of total water intake of the overhead and production process.

Water Consumption

In FY2025, a total of 313m^3 of water was consumed by the Group (vs 772m^3 in FY2024). The decrease is attributed to the change in reporting scope, as the water consumption in the offices was not metered, but based on lease agreements, where usage was apportioned based on floor space. At the same time, in the membrane manufacturing, process water was re-used and recycled.

Water Intensity

In FY2025 Water intensity worked out to 10 Litres of water per thousand RMB in revenue, vs 25 Litres in FY2024. The decrease of 60% is largely due to the change in reporting scope. We choose total revenue as a measure of water intensity, as it is a key driver to our business, where our goal is to help our clients reuse and reclaim water from wastewater.

Total Water Consumption & Water Intensity

Year of Reporting	Total Water Consumption m3	Metric used to calculate intensity	Total Revenue (Thousand RMB)	Total Water Intensity by Revenue	Total Headcount (number of employees)	Total Water Intensity by Headcount
FY 2025	313	Revenue	29,932	0.010	22	14.23
FY 2024	772	Revenue	30,470	0.025	103	7.49
FY 2023	1,926	Revenue	33,044	0.058	101	19.07
FY2025 vs FY2024	-59%		-2%	-60%	-79%	90%

Waste (GRI 306)

Majority of The Group's operating sites and offices in Singapore and China generate general (non-hazardous) wastes such as paper, packaging materials for materials and food. Our office spaces are leased and managed by building managers, where waste collection and disposal are not handled by tenants. There are currently no practical means of measuring our own waste disposal quantity, since the wastes are mixed in the collection bins and disposed by service companies engaged by the building management.

The Group's membrane manufacturing plant in Singapore sits in its own industrial building. A licensed general waste collector is appointed to collect and dispose of the non-hazardous wastes, mainly packaging materials, gardening wastes and some general wastes. The waste collection and disposal service is currently based on bin-size (660 Litres) and alternate day collection basis. There is some amount of hazardous waste that is being collected by a licensed collector for off-site destruction. We received a destruction note from the service provider to confirm each time such waste has been appropriately treated.

As the membrane division retains the same production mode in FY2025, we will prioritise collecting more waste generation and disposal data; and where appropriate to set improvement goals.

Paper Usage by Headcount

Reporting Year	Paper Usage/ Kg	Total Headcount	Paper Usage/Headcount
FY2025	103	22	4.68
FY2024	452	103	4.39
FY2023	568	101	5.62

Membrane Plant Waste Disposal

Reporting Year	General Waste (estimated volume) m^3	Hazardous Waste Disposal Quantity m^3
FY2025	55.00	0
FY2024	60.00	0
FY2023	51.48	20

Occupational Health and Safety (GRI 403)

The Group continues to benefit from a diverse and talented workforce, enriched by a variety of backgrounds, cultures, and experiences. In FY2025, our team demonstrated remarkable adaptability and resilience amidst significant business restructuring, including the disposal of the AI Water business and the integration of new investors in NTi Technology. This period of transformation required our employees to navigate evolving work dynamics, while still maintaining high levels of productivity and commitment. While the challenges of the COVID-19 pandemic have receded, we have retained and refined flexible work arrangements to support employee well-being and operational efficiency. We remain committed to fostering a collaborative and inclusive work environment that empowers our employees to contribute to our continued growth and sustainable transformation.

The Group maintains rigorous occupational health and safety management systems, tailored to local requirements, across all operating subsidiaries. United Greentech (Tianjin) continues to uphold its commitment to quality, environmental, and occupational health and safety management, as demonstrated by its successful external ISO certification audits in January 2023. NTi Technology, now a key focus of our membrane solutions, has made significant progress in establishing its integrated management systems. Building upon the internal auditing training conducted in June and December 2023, NTi Technology is prioritizing the implementation of robust quality, environmental, and occupational health and safety management systems, with the aim of achieving ISO 9001, ISO 14001, and ISO 45001 certifications. The timing for achieving these certifications will be determined based on business conditions and operational needs throughout FY2026.

As part of the management system processes, hazard identification and risk assessment are conducted and reviewed regularly so that our employees are aware of risk exposures and take appropriate measures to protect themselves and to prevent injuries. Incident reporting and investigation procedures are in place. Employees attend regular safety meetings and training, including evacuation drills, in compliance with local regulations. All our employees are provided with access to medical care through provision of medical and insurance benefits.

During FY2025, our Singapore and China operations did not record any incident of work-related injuries and ill-health among our employees and contractors who work directly with us on projects. Total number of hours worked (estimated based on headcount) reduced in line with the decrease in headcount of staff mainly due to the disposal of AIWater Group.

Reporting Year	Number of Fatalities as a result of work-related injury	Rate of Fatalities as a result of work-related injury	Number of High-consequence work-related injuries (excl fatalities)	Rate of High-consequence work-related injuries (excl fatalities)	Number of Recordable Work-related injuries	Rate of Recordable Work-related injuries	Main types of work-related injuries	Number of Hours Worked (estimated based on headcount)
FY2025	0	0	0	0	0	0	0	44,000
FY2024	0	0	0	0	0	0	0	206,000
FY2023	0	0	0	0	1	0.99	Slip during work	202,000

Note: Rate of Recordable work-related injuries is calculated using OSHA guidelines; (Number of injuries and illnesses × 200,000) / Employee hours worked = Incidence rate). Total number of hours worked (estimated based on headcount) reduced in line with the decrease in headcount of staff mainly due to the disposal of AIWater Group.

Human Capital Development (GRI 404)

Being people centric, the Group promotes fairness, non-discrimination, and equal opportunities throughout the organisation. Investing in staff development through upskilling enables our employees to upgrade their capabilities and grow in abilities to build a future-ready workforce.

Employees at all levels are provided with appropriate training that enables them to not only effectively and efficiently complete their tasks but also for their professional development. Training courses are catered according to the skill sets required for their roles and functions. We aim to build a highly competent, innovative, and skilled team. Due to the Group's restructuring in FY2025, including the disposal of the AI Water business, the overall workforce size decreased. As a result, the total training hours recorded for FY2025 amounted to 145 hours, with an average of 6.6 training hours per employee. Of the total training hours, 93 hours were completed by male employees and 52 hours by female employees.

Recognising the critical importance of leadership continuity and diversity, the Group remains committed to identifying and developing future leaders within its organisation. In FY2025, the Group underwent a significant restructuring following the disposal of its AI Water business, which resulted in a reduction of total employee headcount from 103 in FY2024 to 22 employees in FY2025. The employees associated with the AI segment transitioned to the newly separated entity, while the Group streamlined its workforce to align with its strategic focus on sludge treatment and membrane technologies. This organisational transition also involved changes in management personnel as the Group repositioned its core business segments. Despite the reduction in workforce size, the Group remains committed to maintaining a strong and capable team to support its operations and future growth.

To ensure leadership continuity and build a resilient organisation, the Group will continue to implement a focused talent development and retention strategy for its sludge and membrane businesses. These efforts aim to strengthen internal capabilities, support knowledge transfer, and cultivate the next generation of leaders within the organisation.

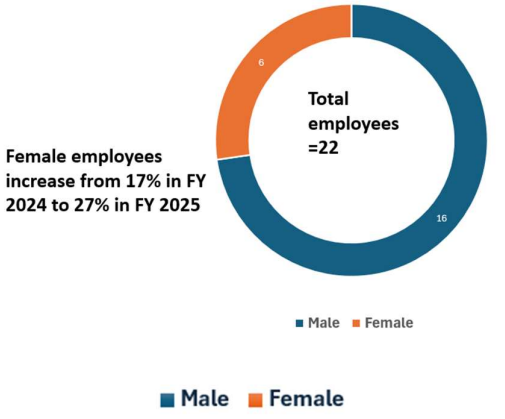
- **Enhanced Career Development Programs:** Offering clear pathways for career progression and skill development.
- **Competitive Compensation and Benefits:** Ensuring our compensation packages remain competitive in the market.
- **Strengthened Employee Engagement:** Fostering a positive and inclusive work environment that values employee contributions.

By prioritizing these initiatives, we aim to reduce employee turnover, cultivate a strong leadership pipeline, and ensure the long-term success of the Group.

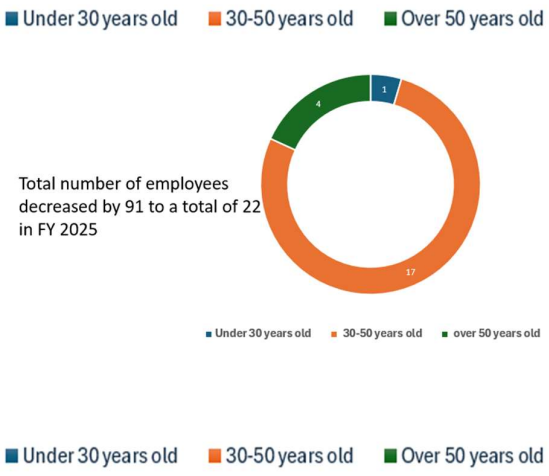
Equality And Diversity Policy (GRI 405)

The Group promotes equality and diversity in the workplace and recruits based on merit in relation to the function. We recognise and value diversity in backgrounds of our employees as well as their knowledge, skills, and experiences, and focus on fostering fairness and providing equal opportunities to create a productive workforce. Due to the nature of the industry that we operate in, there are typically more male employees. Research shows that age diversity in the workplace can improve organizational performance. We have a balanced pool of workforce that brings with them diverse experiences and perspectives.

Gender Diversity

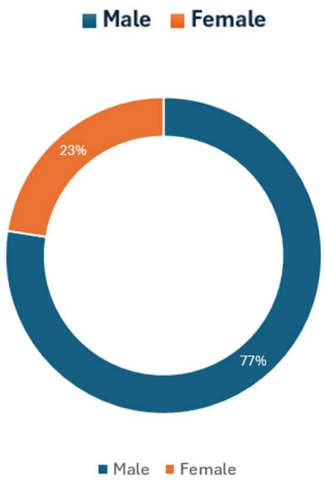


Age Diversity of Employees[1]

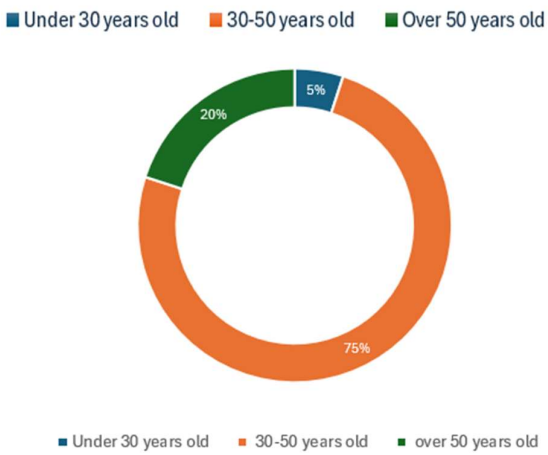


(1): Total number of employees reduced due to the disposal of AIWater Group in FY2025.

Gender Diversity of Turnover



Age Diversity of Turnover



Code Of Conduct

The Group places top priority in upholding high standard of corporate governance and maintaining an ethical corporate environment to safeguard the interests of the shareholders and investors. The Code of Conduct serves as the foundation for the Group's effective corporate governance. Our Code of Conduct provides our employees with clear and documented guidance on acceptable standards of ethical behaviour and raises the employees' awareness of their corporate and social responsibilities towards stakeholders and the expected strict adherence to the Company's established guidelines.

Supply Chain Management

As an international environmental business committed to advancing technology, we recognize the vital role of carbon emission reduction in sustaining our planet and fostering long-term human development. Throughout the entire life cycle, from crafting procurement strategies to managing supply chains, and through product use and maintenance, we seamlessly integrate environmentally friendly practices, community service, and ethical conduct into our daily operations:

1. Supplier Assessment and Selection:
Our suppliers are meticulously chosen from the environmental industry, since we have accumulated more than two decades of experience as users and buyers. They share a strong commitment to environmental protection, emissions reduction, humanitarian care, and social responsibility. We evaluate suppliers across various aspects, including raw material selection, energy-efficient production processes, quality control, and the overall environmental impact of the product life cycle. In procurement, priority is given to products that meet performance requirements and are environmentally sustainable.

2. Focus on Industry Technological Trends:
We stay current with industry technological developments through participation in industry exhibitions, forums, and technical exchanges. We actively seek out new suppliers and promptly integrate emerging technologies and products into our business operations. Prior to full-scale implementation, we conduct small-scale trials and pilot testing to ensure effectiveness and mitigate potential risks.

3. Green and Environmentally Friendly Procurement Process:
Our procurement processes are designed to be green and environmentally friendly, aiming at paperless offices whenever feasible. Considering project requirements, we prioritize the use of local and nearby suppliers to minimize transportation distances, thereby supporting regional economic development.

4. Transparent and Fair Procurement Strategy:
Our procurement strategy is characterized by openness, fairness, and impartiality. Supply partners are confirmed through comprehensive comparisons. We establish strategic partnerships with high-quality collaborators, ensuring a continuous and stable procurement process. This collaborative approach enhances efficiency and reduces costs through complementary advantages and shared resources.

5. Respectful and Mutually Beneficial Procurement Process:
Throughout the procurement process, we adhere to the principles of mutual respect and mutual benefit. Responsibilities and obligations are clearly defined in contracts, technical agreements, integrity agreements, safety agreements, etc., to eliminate the possibility of corruption.

6. Protection of Rights and Advocacy of Social Responsibility:
We prioritize the interests of our partners and employees during the procurement process while actively promoting the practice of social responsibility by both partners and employees.

7. Risk Evaluation and Mitigation:
During the procurement process, we assess technical, business, transportation, and climate risks as needed. We choose viable solutions, develop comprehensive emergency plans, and mitigate risks by obtaining appropriate insurance, such as cargo transportation insurance.

Delegation Of Authority and Payment Approval Policy

The Group has in place delegation of authority and payment approval policy in all subsidiaries in Singapore and China that enhances the control of the payment approval process. Prior to the implementation, our internal auditors were tasked to perform a review of the policy and approval matrixes and to make recommendations to improve. In addition, annual financial audit was also conducted to ensure adherence to the policy.

Business Continuity Plan

While the immediate disruptions caused by the COVID-19 pandemic have subsided, the lessons learned regarding business agility and resilience remain paramount. In FY2025, the Group continued to refine its Business Continuity Plan (BCP) to address a wider range of potential disruptions, including those stemming from strategic restructuring, market volatility, and supply chain adjustments.

Our BCP, which proved invaluable during the pandemic, has been adapted to encompass the evolving scenarios relevant to our current business environment. This ensures that our teams are equipped to navigate unexpected challenges with speed and efficiency. The recovery plan, documented within the BCP, provides clear operational guidance for stakeholders, enabling them to implement mitigation strategies effectively. The BCP's phased assessment approach, as illustrated in the accompanying diagram, allows for a systematic and adaptable response to emerging risks and opportunities. We remain committed to fostering a culture of preparedness and resilience, ensuring the continuity of our operations and the delivery of sustainable solutions to our clients.

Looking Forward to FY2026

As we enter into FY2026, the Group is positioned for focused growth and sustained transformation. Building on the strategic realignments completed in FY2025, we will continue to strengthen our core capabilities in advanced membrane technologies and sludge treatment, while upholding our commitment to responsible and sustainable environmental practices.

Our employees remain central to our long-term success. In FY2026, we will continue to attract and retain high-quality talent, foster a diverse and inclusive workforce, and invest in developing future leaders through structured and impactful training and development programmes.

In line with evolving SGX-ST requirements and the GRI 2021 framework, we will further enhance our climate-related risk and opportunity assessments. We aim to strengthen our ESG Targets, data collection and analytical systems to support more robust ESG reporting and informed implementation across the Group.

With the strategic divestment of our AI Water business now completed, we can improve operational efficiency and environmental performance within our core sludge treatment and membrane technology business.

Our membrane business continued to draw on the capabilities of our joint venture company, NTi Technology Pte. Ltd. ("NTi Tech"), to support the production of high-performance membranes. With manufacturing facilities in both Singapore and China, the Group is well positioned to serve a wider customer base. Building on the Group's strong technical expertise and synergy in both sludge treatment and advanced membrane technologies, we have developed an innovative membrane condenser system which can further enhance the existing CTH platform's performance. Supported by the Living Lab Grant from National Research Foundation, a demonstration plant will commence operation in 2026. This project enables the Group to demonstrate its membrane technology in a live operational environment, deepen system integration and application capabilities, and enhance the commercial readiness of the membrane division, supporting its longer-term growth prospects.

In 2025, we formed a consortium with Econ Technology Co. Ltd. ("Econ"), a subsidiary of Shandong Hi-Speed Co. Ltd., a state-owned enterprise listed on the Shanghai Stock Exchange. The consortium successfully secured contracts worth RMB143.3 million to provide municipal sludge treatment services in Tongxu and Tangying counties in Henan Province, China. The Group will supply its proprietary CTH technology and energy recovery system, with approximately RMB70 million apportioned to the Group. With the joint venture company being formally established with Econ, this partnership underscores our commitment to an asset-light business model. By contributing our proprietary sludge treatment technology, along with our engineering expertise, the Group can participate in sizeable infrastructure projects without taking on significant debt or capital expenditure. The construction and financing of the treatment facilities will be undertaken by Econ and consortium members while the EPC and O&M services will be provided by the joint venture company.

In December 2025, the Group entered into a joint investment agreement with Mr Yang Peng ("YP") to provide EPC and Operation and Maintenance ("O&M") services to treat organic wastes and sludge. Mr YP's technologies comprise a carbon source production process that converts food waste and sludge into organic carbon sources; a bio-iron flocculant that is a highly efficient and cost-effective solution for wastewater treatment and sludge conditioning; and an integrated vacuum press drying system that operates on electricity, offering lower operating cost and higher energy efficiency. We believe that the integration of our combined technical expertise and complementary resources will enhance our project execution capabilities and unlock new market opportunities.

Looking ahead, the Group remains focused on leveraging innovative technologies to support sustainable growth. We will continue to deepen our presence in the environmental solutions sector through the ongoing identification, development and application of advanced technologies aimed at addressing practical environmental challenges across our core business segments.

GRI CONTENT INDEX

Statement of use	Leader Environmental Technologies Limited has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard (s)	Not Applicable

GRI STANDARD	DISCLOSURE	LOCATION	REMARKS
GRI 2: General Disclosures 2021	2-1 Organizational details	SR 2	
	2-2 Entities included in the organization's sustainability reporting	SR 2	
	2-3 Reporting period, frequency and contact point	SR 1	
	2-4 Restatements of information		No restatement of information
	2-5 External assurance		No external assurance
	2-6 Activities, value chain and other business relationships	AR 2-5	
	2-7 Employees	SR 25-27	
	2-8 Workers who are not employees		Not applicable
	2-9 Governance structure and composition	SR 2-4, AR 25	
	2-10 Nomination and selection of the highest governance body	AR 28-38	
	2-11 Chair of the highest governance body	AR 28	
	2-12 Role of the highest governance body in overseeing the management of impacts	SR 2-4	
	2-13 Delegation of responsibility for managing impacts	SR 2-4	
	2-14 Role of the highest governance body in sustainability reporting	SR 2-4	
	2-15 Conflicts of interest	SR 21, AR 22	
	2-16 Communication of critical concerns		No critical concerns were raised during the reporting period.
	2-17 Collective knowledge of the highest governance body	AR 25-26	
	2-18 Evaluation of the performance of the highest governance body	SR 2-4	
	2-19 Remuneration policies	AR 40-41	
	2-20 Process to determine remuneration	AR 37-42	
	2-21 Annual total compensation ratio	AR 40-41	
	2-22 Statement on sustainable development strategy	SR 7	
	2-23 Policy commitments	SR 3-5	
	2-24 Embedding policy commitments	SR 3-12	
	2-25 Processes to remediate negative impacts	SR 21	
	2-26 Mechanisms for seeking advice and raising concerns	SR 21	
	2-27 Compliance with laws and regulations	SR 21	
	2-28 Membership associations		No membership association
	2-29 Approach to stakeholder engagement	SR 4	
	2-30 Collective bargaining agreements		No collective bargaining agreement

GRI STANDARD	DISCLOSURE	LOCATION	REMARKS
GRI 3: Material Topics 2021	3-1 Process to determine material topics	SR 6-10	
	3-2 List of material topics		
	3-3 Management of material topics		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	SR 6 AR 11-12	
	201-2 Financial implications and other risks and opportunities due to climate change	SR 6	
	201-3 Defined benefit plan obligations and other retirement plans	AR 133	
	201-4 Financial assistance received from government	AR 129	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	SR 21	
	205-2 Communication and training about anti-corruption policies and procedures	SR 21	
	205-3 Confirmed incidents of corruption and actions taken	SR 21	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	SR 22	
	302-3 Energy intensity	SR 22	
	302-4 Reduction of energy consumption	SR 22-23	
GRI 303: Water and Effluents 2018	303-5 Water consumption	SR 24	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	SR 23	
	305-2 Energy indirect (Scope 2) GHG emissions		
	305-3 Other indirect (Scope 3) GHG emissions		
	305-4 GHG emissions intensity		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	SR 26-27	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	SR 25-26	
	403-2 Hazard identification, risk assessment, and incident investigation	SR 25-26	
	403-3 Occupational health services	SR 25-26	
	403-4 Worker participation, consultation, and communication on occupational health and safety	SR 25-26	
	403-5 Worker training on occupational health and safety	SR 25-26	
	403-6 Promotion of worker health	SR 25-26	
	403-8 Workers covered by an occupational health and safety management system	SR 25-26	
	403-9 Work-related injuries 403-10 Work-related ill health	SR 25 SR 25	

GRI STANDARD	DISCLOSURE	LOCATION	REMARKS
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	SR 26	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	SR 26-27 AR 26	