



上海实业环境控股有限公司
SIIC ENVIRONMENT HOLDINGS LTD.



2025

Sustainability Report

CONTENTS

02 About This Report

02	Reporting Standards
02	Disclaimer
03	Accessing the Report and
03	Feedback

82 Appendix

82	Hong Kong Exchanges and Clearing Limited "Environmental, Social and Governance Reporting Code" Content Index
93	GRI Standards Content Index

01 About SIIC Environment

Company Profile	04
Business Outlook	06

04 Leading with Innovation and Integrity in Operations

Innovation-Driven Growth	36
Quality Assurance	40
Responsible Procurement	44

02 Sustainable Development Governance

Board Statement	10
Sustainable Development Policy	10
Sustainability Management Framework	11
Stakeholder Engagement and Materiality Assessment	12
Sustainable Development Goals and Practices	14
Corporate Governance	18
Compliance and Risk Management	19

05 Pioneering a Green and Low-Carbon Future

Emission Management	48
Energy and Resource Management	52
Environmental Impact Management	55
Environmental Performance Data	57

03 Pioneering Action Against Climate Change

Climate Governance	24
Climate Strategy	25
Climate Risk Management	30
Climate Indicators and Targets	31
Climate Change Response Actions	33

06 Safeguarding a Better and Harmonious Society

Employee Rights Protection	66
Occupational Health and Safety	74
Industry Development and Exchange	76
Community Engagement and Contribution	78
Social Performance Data	79



About This Report

This sustainability report ("the Report") aims to disclose to investors and other stakeholders the environmental, social, and governance ("ESG") performance of SIIC Environment Holdings Ltd.("SIIC Environment" or the "Company") and its subsidiaries (collectively referred to as the "Group", "we", "us", or "our").

Reporting Scope

Time Frame: Unless otherwise specified, the time frame for this report is from January 1, 2025 to December 31, 2025("Reporting Period").

Business Scope: This Report covers the Group's headquarters and projects operated by its main divisions during the reporting period, including projects of SIIC Environment Holdings (Wuhan) Co., Ltd.("Wuhan BU"), South Water Co., Ltd.("South BU"), SIIC Environment Water Co., Ltd.("Shandong BU"), Longjiang Environmental Protection Group Co., Ltd.("Longjiang BU"), Shanghai Fudan Water Engineering and Technology Co., Ltd.("Fudan BU"), Ranhill Water (Hong Kong) Ltd.("Ranhill BU"), and the solid waste power generation project of Shanghai SIIC Baojin'gang Environmental Resources Technology Co., Ltd.("Baoshan Renewable Energy Utilization Center").¹

Reporting Standards

This Report has been prepared in accordance with and complies with the "Mandatory Disclosure Requirements" and "Comply or Explain" provisions of Appendix C2, the "Environmental, Social and Governance Reporting Guide", to the "Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited"(the "Hong Kong Listing Rules") issued by The Stock Exchange of Hong Kong Limited (the "SEHK"), and has followed the reporting principles of materiality, quantification, balance, and consistency.

Materiality	The Group identifies material ESG issues by communicating with internal and external stakeholders and listening to their expectations and concerns. In this Report, the Group responds to the more material ESG issues with greater emphasis.
Quantitative	The Group has established a data collection system for ESG key performance indicators ("KPIs"). This Report discloses the standards and calculation methodologies used for accounting pollutant emissions, energy consumption, and other indicators.
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.

¹Among the solid waste projects, the Group owns 50% of the equity interests in the Shanghai Pucheng Solid Waste Power Generation Project and the Wenling Solid Waste Power Generation Project, but they are non-consolidated projects and are therefore not included in the scope of the report.

In addition, this Report is prepared in accordance with Rules 711A and 711B of the Listing Manual of Singapore Exchange Securities Trading Limited ("SGX") and with reference to the Sustainability Reporting Guide set out in Practice Note 7.6 to the SGX Listing Manual, and discloses information with reference to the Global Reporting Initiative (GRI) Standards 2021. Climate-related disclosures in this Report are prepared with reference to the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD").

SIIC Environment strives to adhere to the universal sustainability considerations, general principles, and indicators of the aforementioned reporting frameworks, and applies them to report on our sustainability policies, practices, performance, and targets. This report has disclosed certain indicators from the GRI Standards and the TCFD framework. The Group will continue to enhance its sustainability management and further improve the disclosure of relevant standards in the future. For a comprehensive understanding of the Group's ESG performance, this report should be read in conjunction with the Corporate Governance Report published in the Group's Annual Report for the fiscal year ending December 31, 2025.

Disclaimer

This Report presents the Group's sustainability philosophy, actions, and achievements during the Reporting Period. The Group'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 are no false representations, or misleading statements in any material respect.

The Group recorded the ESG data in an online ESG data collection system and audited the data internally before they were released. In 2025, 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.

Accessing the Report and Feedback

This report is available for viewing and download on the websites of Hong Kong Exchanges and Clearing Limited's disclosure platform (www.hkexnews.hk), the SGX website (www.sgx.com), and the Group's official website (www.siicenv.com).

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

About SIIC Environment

Company Profile

SIIC Environment is one of the leading investors and operators in the environmental industry in the People's Republic of China ("PRC"). With over fifteen years of experience in environmental protection operations in China, our principal business activities cover wastewater treatment, water supply, sludge treatment, and solid waste incineration for power generation. We operate projects through models such as BOT, TOT, and BOO. Currently, we have over 250 wastewater treatment and water supply projects, solid waste incineration power generation projects, and sludge treatment projects. Our business spans 20 provinces, municipalities directly under the central government, and special administrative regions across China, managed through five regional headquarters and a solid waste power generation business unit.

We are committed to strengthening our core business and expanding into environmental protection fields such as industrial wastewater treatment, continuously improving market share and profitability. Recognized for our outstanding performance in the industry, the Company has been honored with the title of "Top Ten Water Companies in China" by the E20 Environment Platform, further consolidating our leading position in the first tier of China's water and environmental protection industry.

2025 Annual Performance

6
newly signed/awarded projects
with a total capacity of approximately

380,000
tonnes/day

Net increase in water treatment capacity exceeded

400,000
tonnes/day

Operating revenue of

RMB 7.073 billion

Development Milestones

2010

Shanghai Industrial Holdings Limited (SIHL) reverse-acquired Asia Water.

2011

Acquired controlling interest in United Runtong Water Co., Ltd.(Shandong BU).

2012

Transferred from the SGX Catalist to the SGX Mainboard and renamed to SIIC Environment Holdings Ltd.; acquired controlling interest in South Water.

2018

On March 23, 2018, completed a dual primary listing on the Main Board of Hong Kong in the form of introduction.

2016

Acquired controlling interests in Ranhill and Longjiang.

2015

Acquired controlling interest in Fudan Water.

2019

Established SIIC Technology Hong Kong Company and SIIC Holdings Yangtze River Delta Environmental Resources (Hong Kong) Company Limited, and secured the Shanghai Baoshan Park project.

2024

Established and formed the domestic headquarters company to strengthen and improve the corporate governance system.

2025

Inaugurated the Technology Center, marking a key step forward in the technological innovation strategic layout.

Six Major Divisions and Introduction

Water Treatment

Central China (Wuhan BU)
SIIC Environment Holdings (Wuhan) Co., Ltd.

SIIC Environment Holdings (Wuhan) Co., Ltd. was established in 2003. Based in the Yangtze River Economic Belt, its business scope covers provinces including Hubei, Zhejiang, Shanxi, Ningxia, and Sichuan.

Southern China (Southern BU)
South Water Co., Ltd.

South Water Co., Ltd. was established in 2002. Based in the Greater Bay Area, its business scope covers provinces including Hunan, Guangdong, Jiangsu, Fujian, Guangxi, Yunnan, and the Macau Special Administrative Region.

Northern China (Shandong BU)
SIIC Environment Water Co., Ltd.

SIIC Environment Water Co., Ltd. was established in 2004. Based in the Yellow River Basin, its business scope covers provinces including Shandong, Liaoning, Shanghai, Hunan, Guangdong, and Henan.

Northeast China (Longjiang BU)
Longjiang Environmental Protection Group Co., Ltd.

Longjiang Environmental Protection Group Co., Ltd. was established in 2004. Based in the Northeast region, its business scope covers provinces including Heilongjiang, Jilin, and Inner Mongolia.

Eastern China (Fudan BU)
Shanghai Fudan Water Engineering and Technology Co., Ltd.

Shanghai Fudan Water Engineering and Technology Co., Ltd. was established in 2002. Based in the Yangtze River Delta region, its business scope covers provinces including Shanghai, Jiangsu, Zhejiang, and Henan.

Ranhill (Industrial Wastewater Division)
Ranhill Water (Hong Kong) Ltd.

Ranhill Water (Hong Kong) Ltd. was established in 2013. Focused on the industrial wastewater field, its business scope covers provinces including Jiangxi, Anhui, and Liaoning.

Solid Waste Power Generation



Business Outlook

In 2025, SIIC Environment adhered to the concept of "breakthroughs through mergers and acquisitions, enhancing quality and efficiency", and seized opportunities presented by the "Beautiful China" initiative. Operationally, it consolidated its positive profit trend, continuously optimized its capital structure, strengthened receivables control and cash flow management, and rewarded shareholders with stable dividends. In terms of business development, it promoted the implementation of 6 newly signed projects, striving for a net increase in water treatment capacity of over 400,000 tonnes/day and operational capacity exceeding 300,000 tonnes/day, thereby broadening its business landscape in areas such as wastewater treatment and solid waste power generation. Driven by innovation, it deepened digital operations through its Technology Center and Big Data Center, focusing on industrial water treatment to build a differentiated competitive advantage. Concurrently, it deepened ESG governance, advanced its international layout leveraging the Hong Kong platform, empowered green development with technological innovation, and continuously contributed to the ecological and environmental protection cause.

In 2025, as a significant practice of the Group in promoting resource efficiency and sustainable development, the reclaimed water project of SIIC Environment's Pinghu Wastewater Treatment Plant was successfully selected as one of the first batch of exemplary cases in Zhejiang Province. The project adopts a high-standard treatment process of "fiber filtration+ultrafiltration+reverse osmosis," with key indicators of the produced water quality exceeding over 85% of the national standard. The project maximizes the utility of every drop of water, rejuvenating it with the power of technology and practicing the concept of resource efficiency through water resource recycling, thereby solidifying the foundation of the Group's sustainable development practices.



► Pinghu Wastewater Treatment Plant

At the beginning of 2025, the Xicen Wastewater Treatment Plant built by SIIC Environment was officially put into commercial operation, covering an area of 44.85 mu. Its Phase I treatment capacity reaches 25,000 tonnes per day, with effluent quality meeting the Class III standard for surface water. It is one of the underground wastewater treatment plants with the most optimal effluent standards nationwide.

The project is centered on "AI+Smart Water," establishing a digital twin intelligent management and control system covering the entire production process. Combined with precision aeration and pure oxygen aeration technologies, it precisely adjusts operating parameters and reduces energy consumption, achieving efficient control over the entire wastewater treatment process. Simultaneously, it employs carbon reduction technologies such as photovoltaic power generation and light guide lighting to create a garden-style factory with the functions of an ecological park.

This project not only promotes the upgrade of infrastructure in the Yangtze River Delta Ecological Green Integration Demonstration Zone, injecting green momentum into regional high-quality development, but also breaks the "Not In My Backyard" syndrome associated with traditional wastewater treatment plants. It establishes a smart, low-carbon, and ecological Water Resource Management model, providing a replicable and scalable model for intelligent carbon reduction for the national water industry.



► Xicen Wastewater Treatment Plant Project

The Group will closely align with national strategies, actively seize policy opportunities, and focus on deeply cultivating the markets of the Guangdong-Hong Kong-Macao Greater Bay Area and the Yangtze River Economic Belt. We will strive to promote the deep integration of the innovation and industrial chains, leveraging our accumulated experience and resource advantages in the green and low-carbon field to deeply participate in the construction of a Beautiful China.

Looking ahead, SIIC Environment will focus on the main race track of environmental health, seize new opportunities for innovation and transformation, and continuously consolidate the company's core competitiveness by persistently promoting technological innovation, strengthening the digitalization of water affairs, and promoting digital intelligence empowerment. We will unswervingly practice the development philosophy that "lucid waters and lush mountains are invaluable assets," pursue a green and sustainable development path, and make greater contributions to the environmental health of China and the world.



Sustainable Development Governance

SIIC Environment continuously improves its sustainable development management system, clearly designating the Board of Directors as the highest governance body for sustainability matters. It has established a three-level ESG governance structure covering the "decision-making layer, management layer, and execution layer" to ensure effective alignment between strategic direction, oversight mechanisms, and business implementation. Concurrently, the Group strictly adheres to the principle of compliant operation and maintains a zero-tolerance stance towards corruption, bribery, fraud, and other violations of laws and regulations. Through robust risk management and internal control systems, regular integrity training, independent reporting mechanisms, and supply chain integrity management, the Group systematically prevents and controls compliance risks. It deeply embeds risk control requirements into various business processes, providing a stable and transparent governance foundation for the enterprise's sustainable development.

High Materiality Issues Responded to in this Chapter

- Corporate Governance
- Compliance Operation and Risk Management
- Anti-corruption

Sustainable Development Goals (SDGs) issued by the United Nations Responded to in this Chapter



Chapter Highlights

The ESG Working Group conducted a total of

4 work reports

Completed

3 internal audits

No corruption lawsuits occurred; the number of concluded corruption lawsuits was

0

Board Statement

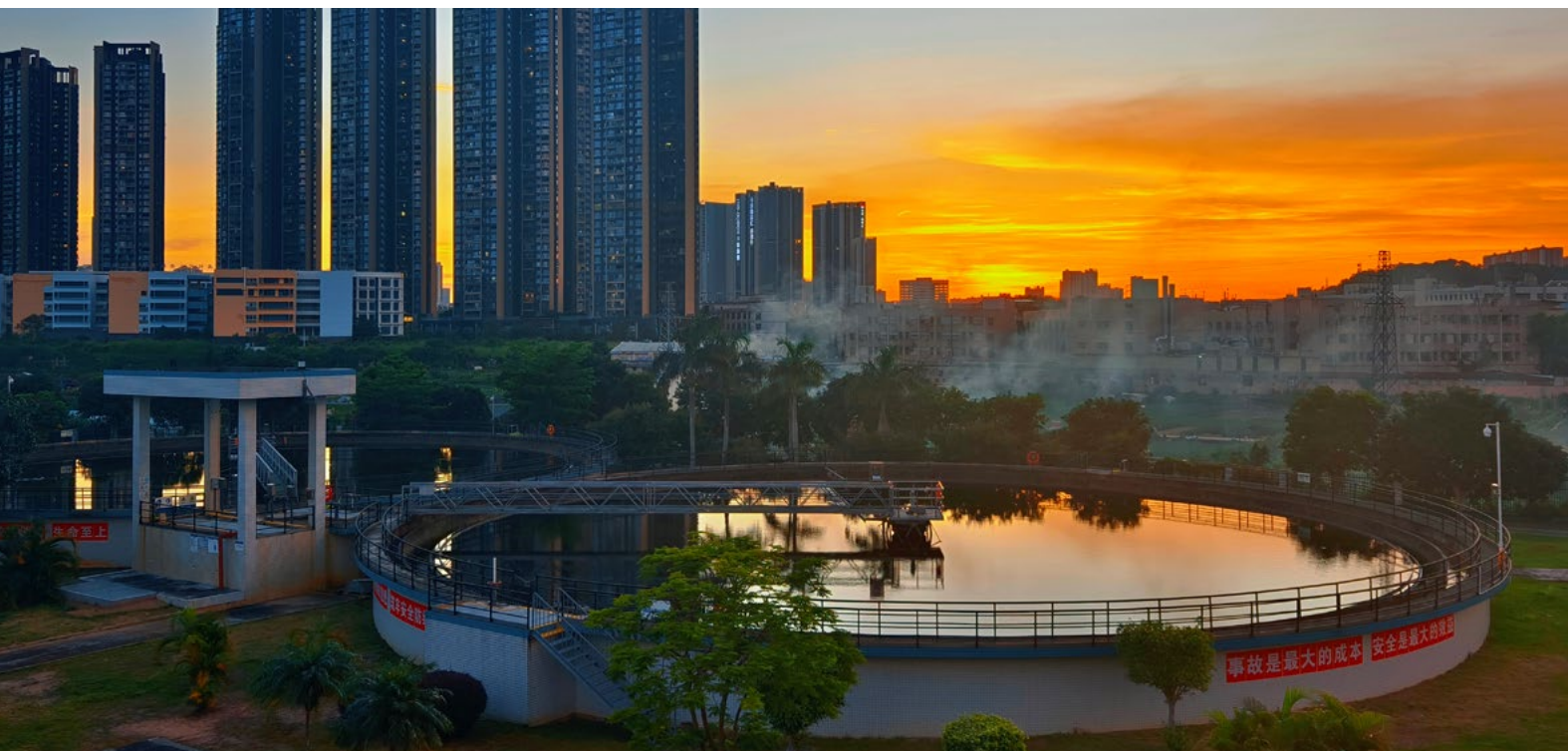
As the highest governance body for the Company's sustainable development, the Board of Directors holds comprehensive responsibility for the Company's ESG strategy and reporting. The Board places high importance on the Company's ESG governance work and hears ESG reports at least twice a year. The Board has identified and assessed significant ESG factors (including ESG risks) facing the Company and continuously oversees the management of related topics. It reviews and confirms material ESG topics annually, incorporating them into the Company's sustainable development plan as priority matters for advancement.

Based on its business strategy and key ESG topics, the Company has established short-term, medium-term, and long-term goals. The Board has reviewed and confirmed the setting of these ESG goals, ensuring they align with the Company's actual business development needs, thereby better fulfilling its sustainable development commitments. The Board also regularly participates in the review and evaluation of ESG goals, promoting the Company's continuous improvement of ESG performance to higher standards.

Sustainable Development Policy

To systematically advance sustainable development, the Company has successively issued institutional documents such as the "SIIC Environment Sustainable Development Policy", the "SIIC Environment ESG Work Management Measures", and the "SIIC Environment ESG Indicator Library Management and Operation Manual". These documents articulate the codes of conduct and basic principles followed in interactions with various stakeholders, as well as clarify the core values considered when selecting business partners.

This year, we updated the aforementioned policy documents based on the requirements of the stock exchange and the current state of the Company's development. Through a method of headquarters coordination and divisional collaboration, we strengthened the communication, understanding, and implementation of policies, comprehensively enhancing the effectiveness of sustainable management. Looking ahead, the Company will establish a regular policy review mechanism, dynamically update policy content as needed, and continuously optimize implementation pathways to ensure that the concept of sustainable development is deeply embedded in the decision-making and operations at all levels of the Group.



Sustainability Management Framework

The Group has established a systematic sustainable development governance structure and has explicitly incorporated ESG-related responsibilities into the terms of reference of the Board of Directors and the Risk and Investment Committee ("Risk Investment Committee").

The Board of Directors, as the highest governance body for sustainable development, authorizes the Risk and Investment Committee to participate in the supervision and management of ESG matters and has established a regular discussion mechanism. At the execution level, the ESG Working Group is responsible for driving ESG initiatives. The Group consists of senior management and personnel from various departments who are familiar with the company's business and ESG-related matters, promoting the implementation of ESG work in specific business operations.

This year, the ESG Working Group conducted a total of 4 work reports and organized ESG training for all employees of the Company. With the support of the ESG Working Group, the Company's various functional departments and subordinate units carried out closed-loop management of ESG practices and cooperated in completing the statistics and collection of relevant data.

Board of Directors

- Decides on and oversees environmental, social, and governance strategies, initiatives, and processes
- Identifies and confirms material environmental, social, and governance matters (including environmental, social, and governance risks), and conducts ongoing management and supervision of related matters
- Regularly reviews the Company's sustainable development performance and the achievement of related goals
- Reviews and approves the environmental, social, and governance report

Risk and Investment Management Committee

- Organizes the formulation of the Company's environmental, social, and governance policies, objectives, and strategies, and conducts deliberations
- Reviews and confirms the prioritization of the Company's environmental, social, and governance matters
- Identifies the Company's risks and opportunities related to environmental, social, and governance matters, and reviews the Company's performance in addressing related risks
- Supervises and evaluates the Company's environmental, social, and governance work, and reviews and monitors the performance and progress of ESG-related goals
- Reviews the Company's compliance in disclosing environmental, social, and governance information, and reports to the Board of Directors for review and approval

ESG Working Group

- Supports the formulation of environmental, social, and governance policies, objectives, and strategies
- Establishes and maintains communication with the Company's stakeholders
- Analyzes and assesses risks related to environmental, social, and governance matters, and regularly submits risk assessment results to the Risk and Investment Committee for deliberation
- Coordinates the implementation of related work in accordance with environmental, social, and governance management policies, objectives, and strategies
- Organizes the collection of ESG-related materials, and participates in the preparation of the environmental, social, and governance report

Stakeholder Engagement and Materiality Assessment

Stakeholder Engagement

SIIC Environment places high importance on the expectations and requirements of all stakeholders. Through diverse channels, we regularly conduct dialogues, actively listen to the opinions and suggestions of key stakeholders, and deeply understand the issues and core requirements they are concerned about. We regard this as an important basis for enhancing ESG governance and performance, and are committed to translating relevant feedback into concrete actions, continuously strengthening the Group's sustainable development performance and responsibility response capabilities.

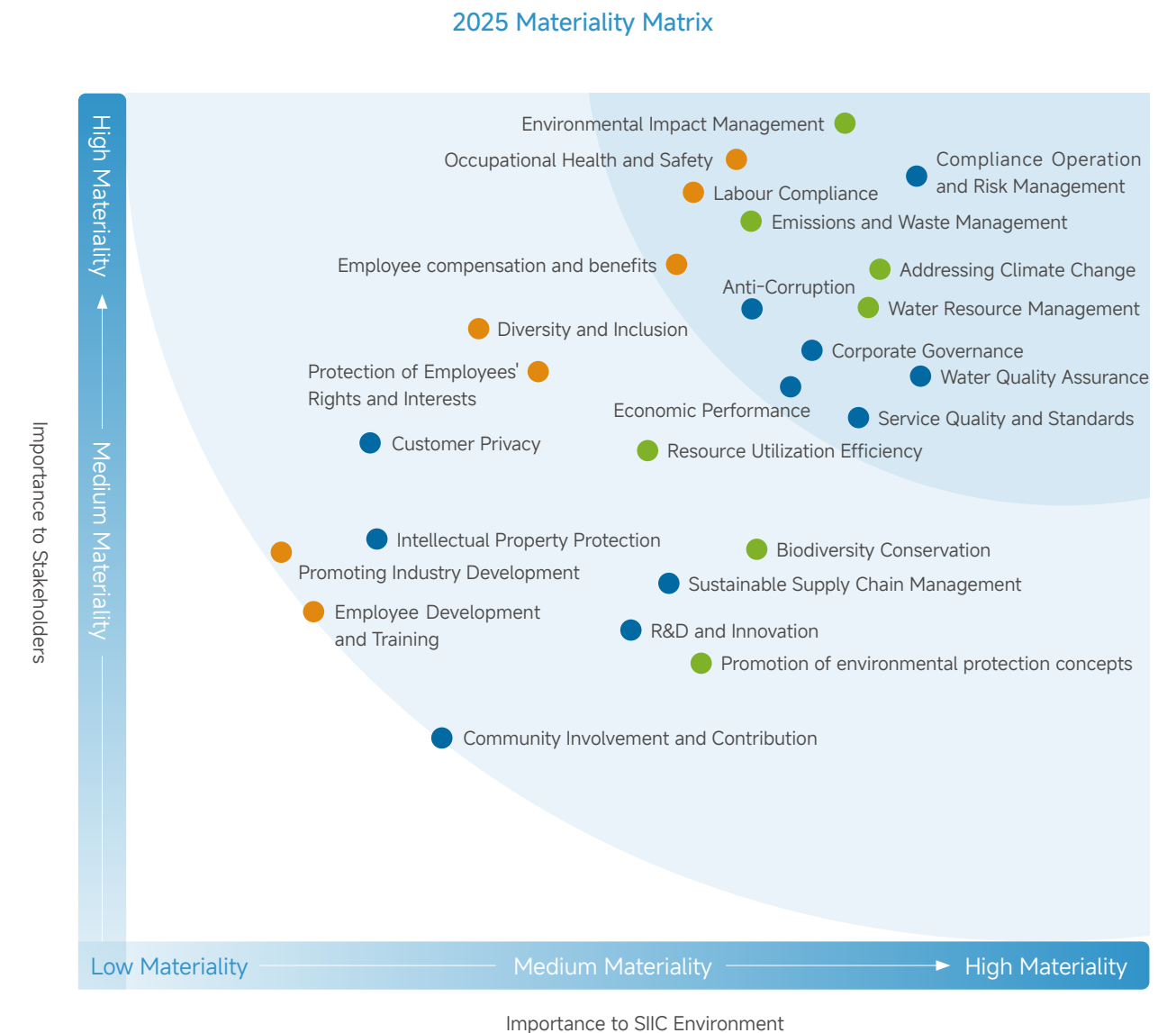
Stakeholder Group	Concerns and Expectations	Communication Channels
 Shareholders and Investors	- Environmental Impact Management - Water Resource Management - Compliance Operation - Anti-Corruption - Resource Utilization Efficiency - Service Quality and Standards - Economic Performance	Annual reports, interim reports, quarterly results, public announcements, circulars, press releases, annual and extraordinary general meetings, non-deal roadshows, individual and group meetings
 Employees	- Occupational Health and Safety - Employee compensation and benefits - Water Quality Assurance	Meetings and Departmental Meetings, Annual Staff Meetings, Questionnaires, Internal Emails
 Customers	- Compliance Operation - Labour compliance - Sustainable Supply Chain Management - Intellectual Property Protection - Customer Privacy	Customer Meetings, Customer Satisfaction Surveys, Field Visits
 Business Partners and Suppliers	- Water Quality Assurance - Emissions and Waste Management - Service Quality and Standards - Occupational Health and Safety	Partner Meetings, Questionnaires, Seminars, Field Visits
 Industry Associations and NGOs	- Water Quality Assurance - Emissions and Waste Management - Compliance Operation - Anti-Corruption	Industry Conferences, Company Website, Official Reports, Online Communication, Offline Research
 Local Communities and the Public	- Water Quality Assurance - Occupational Health and Safety - Service Quality and Standards - Environmental Impact Management - Water Resource Management - Indigenous Peoples' Rights	Volunteer Activities, Public Hearings, Corporate Open Days, Field Research
 Media	- Promotion of environmental protection concepts - Addressing Climate Change - Environmental Impact Management - Community Engagement and Contribution	Press Releases, Interviews, Announcements
 Government and Regulators	- Consumer Rights and Privacy Protection - Emissions and Waste Management - Water Quality Assurance - Addressing Climate Change	Government Meetings, Supervision, Evaluations, Questionnaires, Field Visits

Materiality Assessment

Under the premise that the Company's business structure remains unchanged, we conduct a materiality assessment of internal and external stakeholders every three years through online surveys to identify ESG issues of high materiality to the Group. The scope of related issues is regularly reviewed and optimized based on actual circumstances.

Following the completion of stakeholder questionnaire surveys and analysis in 2023, the Group further clarified issue priorities in 2024 by incorporating the latest trends in international mainstream ESG rating frameworks and industry practices, and through in-depth interviews and thematic discussions with senior management, employees, and external stakeholders.

Building on this, in 2025, we conducted a prudent review and dynamic adjustment of ESG material issues by synthesizing the latest operating environment, regulatory requirements, and stakeholder feedback, ultimately finalizing the key issues to be focused on during this reporting cycle. The final results has received sign-off from the Board of Directors. The results are shown in the figure below.



Sustainable Development Goals and Practices

In response to the identified highly material issues, the Company has established an ESG target system covering the short, medium, and long term. It has also fully integrated the United Nations Sustainable Development Goals ("SDGs") into its overall strategy and development plan, committing to addressing key environmental, social, and economic issues. In 2025, we continuously tracked the implementation progress of various project goals, and combined with the actual operating situation of the year, we dynamically reviewed and optimized action plans to ensure the effective achievement of goals and the continuous improvement of overall ESG performance.

Aspect	Highly Material Issues	Related SDGs	Short-Term Targets	Medium and Long-Term Targets	Progress in 2025	Overachievements/ Shortfalls	Response Chapter
Environmental Aspects	Emissions and Waste Management		No illegal or non-compliant incidents causing significant environmental impact occurred.	Actively explore new technologies, new methods and new models to minimize adverse environmental impacts.	While ensuring 100% compliance with the emission standard, each branch increases investment in environmental protection, continuously optimizes treatment processes and facilities and equipment, improves treatment efficiency, and reduces pollutant emissions and waste discharge.	Progress steadily towards the target.	Pioneering a Green and Low-Carbon Future
	Addressing Climate Change	 	Pilot projects for heat energy utilization from tail water and wastewater treatment; promote the integration of distributed photovoltaics within plants; deepen green development, green procurement, and green office practices.	Plan to achieve carbon peak by 2030 and carbon neutrality by 2060;	The Group continuously improves climate governance, enhancing its ability to identify and manage climate-related risks: Regarding physical risks, a pilot climate scenario analysis was conducted for the first time this year to quantitatively assess the potential impact of physical risks on the business. Regarding transition risks, we actively respond to challenges brought by policies, regulations, and market changes. Simultaneously, each branch actively promotes actions to mitigate climate change, including implementing equipment energy-saving retrofits, optimizing process flows, developing renewable energy, and carrying out afforestation activities. In 2025, the usage of renewable energy (solar energy) reached 9,012, 660.90 kWh; CO2 emissions offset through tree planting reached 833.88 tonnes.	This year, the coverage of quantitative climate scenario analysis remains in the pilot phase. Currently, an in-depth assessment has only been conducted for a single operational site. As such, it does not yet fully reflect the potential financial impact on the Group's overall business under different climate scenarios.	Pioneering Action Against Climate Change
	Environmental Impact Management		Strictly comply with relevant laws and regulations at project locations to ensure environmental data transparency and openness. To expand the coverage of automated and intelligent methods such as precise gas aeration and precise dosing, and gradually realize intelligent operation.	Standardize environmental management methods, improve the environmental management system, implement environmental management policies, accept supervision from all parties, and ensure full compliance with the latest legal and regulatory requirements; contribute to solving China's water pollution, water scarcity, and water safety issues through resource recovery pathways.	Each division has gradually established and certified ISO14001 environmental management system, carried out environmental monitoring, and publicly disclosed environmental management and related information. Each branch gradually sets resource use targets, and reduces the amount of additional carbon sources to reduce drug consumption through precise aeration and drug dosing.	Progress steadily towards the target. In 2025, the Group had no serious violations of relevant standards and regulations.	Pioneering a Green and Low-Carbon Future
	Water Resource Management	 	Establish a water resources monitoring system and regularly assess water resource risks. Promote water-saving equipment and enhance employees' awareness of water-saving.	Formulate sustainable management strategies, build smart water systems, and use new technologies to achieve refined management. Participate in the protection and governance of water resources, strengthen international cooperation, and improve the management level.	Each business unit further optimizes the water treatment process route and improves the efficiency of sewage treatment; Take various measures such as pipe network renovation to reduce the leakage rate of the pipe network and reduce the waste of water resources; actively promotes water conservation initiatives and advocates for reclaimed water reuse to further reduce the volume of purchased fresh water; strictly implements relevant requirements of ecological and environmental departments, fully completes ultra-low emission retrofits, and effectively improves local water environment quality, contributing to the protection and sustainable utilization of water resources.	Progress steadily towards the target. In 2025, water resource risk scenario analysis continued to be conducted.	Pioneering a Green and Low-Carbon Future

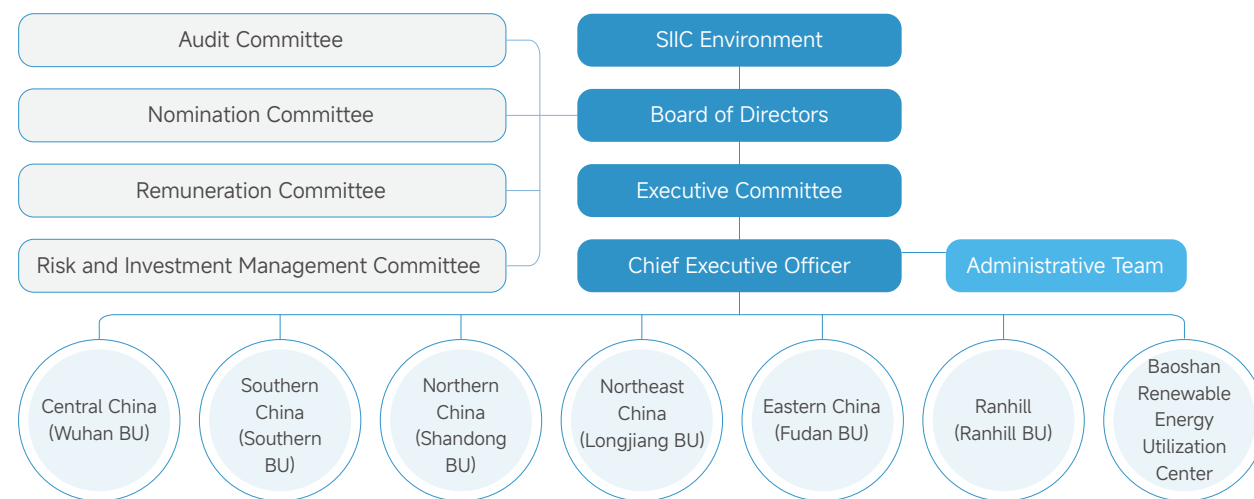
Aspect	Highly Material Issues	Related SDGs	Short-Term Targets	Medium and Long-Term Targets	Progress in 2025	Overachievements/ Shortfalls	Response Chapter
Labor Aspect	Occupational Health and Safety		Achieve the established targets regarding work-related injuries/fatalities, injury rate, safety accidents, safety inspections, safety drills, safety training, occupational health checkups, and social insurance.	Provide employees with a safe working environment, including providing appropriate protective clothing and equipment, safety education and training, and appointing dedicated safety management personnel. Establish an occupational health and safety management system.	The Department of Safety and Environmental Protection acts as the coordinating department, responsible for formulating and implementing the "Production safety Management Measures"; divisions such as Fudan BU and South BU have successfully obtained ISO 45001 management system certification; the headquarters signs "Safety Responsibility Letters" with each operational division, implementing a layered responsibility system for management, while also linking safety performance to the performance bonuses of relevant management personnel. Provide employees with safety education, training, and safety protection items. In 2025, there were no safety production accidents and work-related fatalities, and 48,198.50 hours of training were provided for employees.	Continuously expand the certification scope of the occupational health and safety management system; fully implement the responsibility system for work safety and fire safety goals to ensure employee occupational health and safety, and strengthen Production safety management requirements for relevant parties.	Safeguarding a Better and Harmonious Society
	Labour compliance		Maintain zero incidents of forced labor and child labor.	Maintain zero incidents of forced labor and child labor; ensure that employees' rights related to employment and labor practices are not infringed upon.	Strictly comply with employment-related laws and regulations to ensure the effective implementation of the labor management system.	The company strictly complies with the laws and regulations of the countries in which it operates, and there are no illegal incidents such as forced labor or child labor in 2025.	Safeguarding a Better and Harmonious Society
	Employee compensation and benefits		Improve the compensation and benefits 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.	Continuously improve the Employee compensation and benefits system, establish and refine the talent selection mechanism, and optimize the comprehensive assessment system and training mechanism.	Progress steadily towards the target.	Safeguarding a Better and Harmonious Society
Operational Aspect	Water Quality Assurance		To ensure the safety of water supply and hygiene, the pass rate of water supply quality inspection is maintained at 100%. We will improve the water quality monitoring mechanism.	To meet the public's demand for high-quality water by complying with stricter treatment requirements.	The Group has established a systematic project management system and continuously optimizes operational processes. Each branch relies on standardized policy documents to strengthen the stable and efficient operation of water projects, and ensures management implementation through quarterly supervision and assessment. Several divisions and project companies have obtained ISO 9001 certification. The Group also actively promotes technological research and development as well as innovation, strengthens cooperation with research institutions, and continuously improves environmental water treatment capacity and service levels.	Progress steadily towards the target.	Leading with Innovation and Integrity in Operations
	Service Quality and Standards		To provide customers with quality service and address 100% of customer feedback.	Ensure excellent product and service quality to fulfill our commitments to customers.	Improve the water quality management system, establish smooth multi-channel customer feedback mechanisms, and maintain a 100% complaint resolution rate; promote online business processing and community service activities to enhance convenience for the public; continuously improve management through case reviews and strengthen the "customer-centric" service commitment.	Progress steadily towards the target.	Leading with Innovation and Integrity in Operations
	Anti-corruption		Conduct annual anti-corruption training for the Board of Directors, management and employees; Updating the anti-corruption policy.	To maintain zero cases regarding corrupt practices brought against the Company and its employees; promote a culture of virtue and integrity, and enhance anti-corruption awareness among employees.	Maintain a zero-tolerance policy towards corruption; continuously conduct anti-corruption training for the Board, management, and employees, achieving 100% participation in anti-corruption training for employees and directors; some divisions have signed integrity responsibility letters and established integrity records. In 2025, the number of corruption litigation cases concluded against the Group or its employees is 0.	Progress steadily towards the target.	Sustainable Development Governance
	Compliance Operation and Risk Management		Conduct internal control audits and compliance checks for each branch annually to ensure standardized and effective implementation of measures.	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.	This year, the Company continuously optimizes its risk management system, further clarifying the risk management responsibilities of each business line. The Company has established a Compliance and Risk Control Department and set up a vertically managed Audit Center, gradually strengthening relevant professional staffing and reinforcing the risk governance structure. Simultaneously, risk management requirements were fully integrated into various management systems and daily business processes to ensure the implementation of risk control measures. Furthermore, the "SIIC Environment Holdings Ltd. Definition Standards and Work Requirements for Major Operational Risks" were revised, establishing a layered management and control mechanism between the "Headquarters and Divisions," clearly defining responsibilities and authorities at all levels, effectively promoting the implementation of risk management requirements to the front line of business, and laying a stable foundation for sustainable development.	Continue to strengthen compliance and risk management according to the goals, gradually increasing the internal audit coverage and monitoring the completion of audit rectifications.	Sustainable Development Governance
	Corporate Governance		Strengthen the Board's management and supervision of the Company's ESG matters, enhance the Board's capacity building for sustainable development, and encourage directors to participate in sustainable development-related training.	To continuously improve corporate governance system and capabilities, integrate ESG into corporate governance, strategy and risk management.	A three-tier governance structure comprising the Board-Risk and Investment Management Committee-ESG Working Group has been established. In accordance with stock exchange requirements, the responsibilities and divisions of labor at each level have been further clarified. In 2025, sustainable development-related training was provided to directors, management, and employees.	Continuously improve corporate governance-related construction, regularly conduct sustainable development-related training, enhance board diversity, and integrate ESG work with the company's business development.	Sustainable Development Governance

Corporate Governance

Corporate Governance

SIIC Environment regards sound corporate governance as the foundation of sustainable development. By continuously optimizing its governance structure, it effectively safeguards shareholders' rights and interests and lays a solid foundation for the steady improvement of corporate performance. We strictly adhere to the principles, provisions, and recommendations set out in the Singapore Exchange's Listing Manual, and comply with the applicable code provisions in the revised Code of Corporate Governance contained in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, actively establishing a sound corporate governance system.

The Board bears the core functions of overseeing the Group's overall policies, strategies and objectives, key operational plans, performance results and related indicators, internal control mechanisms, and risk management. To more effectively support the Board in performing its duties, the Group has established the Audit Committee, Nomination Committee, Remuneration Committee, Risk and Investment Management Committee ("Risk Investment Committee"), and Executive Committee under the Board. Each committee has established a clear and defined scope of authority, ensuring the stable and effective operation of the company's governance structure as well as its practical implementation.



SIIC Environment Organizational Chart

Board Diversity

SIIC Environment has always placed strategic importance on Board diversification. It holds that diverse backgrounds not only help improve decision-making quality and management effectiveness but also serve as a crucial cornerstone for driving the Company to achieve its strategic vision and sustainable development goals. As of the end of this reporting period, the Company's Board consists of seven members, including four Executive Directors and three Independent Non-Executive Directors, among whom one is female.

To promote the continuous optimization of the Board structure, the Company has formulated a "Board Diversity Policy" and clearly incorporated relevant requirements into its sustainable development policy. In the process of selecting Board members, the Company comprehensively considers multiple dimensions such as gender ratio, age distribution, cultural background, industry experience, and professional expertise to ensure that the Board composition possesses appropriate diversity and balance.

Compliance and Risk Management

Risk Management

In building its risk management and control system, SIIC Environment strictly follows the requirements of relevant documents such as the "Guidelines for Comprehensive Risk Management of Shanghai Industrial Investment (Holdings) Co., Ltd.(Trial)". Focusing on six core risk areas – customer credit and liquidity, asset management, technological innovation, strategic planning, investment and mergers and acquisitions, and production safety – the Group has established a full-process risk management and control system to ensure compliant operations and stable development.

The Company continuously improves relevant systems and organizational structures. This year, it revised the "SIIC Environment Holdings Ltd. Definition Standards and Work Requirements for Major Operational Risks" and established a layered management and control mechanism between the "Headquarters and Divisions," clearly defining responsibilities and authorities at all levels to ensure effective transmission of risk management requirements to the front line of business.

The Company implements a normalized risk management mechanism, adopting a two-way collaborative model of "bottom-up identification, top-down management and control." Through measures such as monthly risk list updates, quarterly special investigations, key risk indicator analysis, special task responses, and tracking of major risk matters, it achieves dynamic monitoring and timely response to risks.

In 2025, the Company experienced no major risk incidents throughout the year, effectively ensuring asset safety, operational stability, and compliant operations. Looking ahead, the Company will continue to optimize its risk management and control mechanism, deepen its risk prediction and dynamic handling capabilities, accurately adapt to industry transformation needs, and build a solid risk prevention barrier for the enterprise's high-quality development.

At the Headquarters Level

At the headquarters level, the Company further clarified the risk management responsibilities of each business line, established a Compliance and Risk Control Department, and set up an Audit Center with vertical management, gradually strengthening relevant professional staffing. Simultaneously, it optimized financing and fund management to enhance resource allocation efficiency. With the core objectives of "reducing costs, optimizing structure, and strengthening management and control," it coordinated efforts to optimize the domestic and international financing structure, integrate financing channels, and implement centralized fund management; reduced comprehensive financing costs through the establishment of normalized control mechanisms, precisely optimized the term structure of domestic and international financing and channel structure, and strengthened full-process fund control through system construction and account cleanup, continuously improving fund utilization efficiency and risk resistance capabilities, providing solid financial support for the Company's business development and operations.

Furthermore, risk management requirements were integrated into various management systems and daily business processes to ensure the implementation of risk control measures. In terms of risk governance, the Company has established a governance structure where the Board's Risk and Investment Management Committee is responsible for overall comprehensive risk management work. To enhance the systematization and execution efficiency of risk management and control, the Company unified the office automation (OA) systems of the headquarters and divisions, built an integrated information platform for business and finance, and strengthened the vertical management of each business line, promoting the headquarters' transformation towards high-quality management and control, ensuring that risk management requirements run through the entire decision-making and execution process.

At the Branch Level

Based on the Company's overall risk list and actual business conditions, the Compliance and Risk Control Department annually guides each branch in risk identification, assessment, and management. For identified major risks, corresponding prevention and control measures are formulated to ensure effective risk control. This year, the risk identification, assessment, and management mechanisms were further improved, and monitoring of various risks was strengthened. Each branch, based on its own circumstances, strengthened risk prevention and control in areas such as production safety, legal compliance, investment management, and climate change response, and promoted management optimization in multiple aspects.



In terms of asset management risk

we focus on the full lifecycle management of equipment in wastewater treatment plants, establishing standardized operating procedures from selection, installation to maintenance, ensuring the stable and efficient operation of environmental protection facilities and guaranteeing the quality of environmental services.



In terms of production safety risks

we have established a risk classification management and control system, focusing on high-risk aspects such as operations in confined spaces. Through multiple rounds of safety inspections, we achieve 100% closed-loop rectification of hazards, building a comprehensive safety protection network.



In terms of technological innovation risk

we continuously increase R&D investment, deepen industry-university-research cooperation, closely align with market demands to promote technological innovation, enhance the efficiency of achievement transformation, and advance the development of green technologies.



In terms of climate change risk

we strengthen the assessment of extreme weather impacts on business operations, improve emergency plans, enhance facility disaster resilience, regularly update climate risk response plans, conduct specialized training, and bolster employees' capacity to address climate risks.

Internal Control and Risk Management System Framework



Basic Procedures for Risk Assessment



Compliance Management

SIIC Environment has always adhered to a zero-tolerance stance towards unethical business practices such as corruption, bribery, and fraud, and regards compliance management as a core element of corporate governance.

The Company strictly complies with applicable laws and regulations, including the "Company Law of the People's Republic of China", "Supervision Law of the People's Republic of China", "Anti-Money Laundering Law of the People's Republic of China", "Anti-Unfair Competition Law of the People's Republic of China", "Singapore Companies Act", and "Singapore Prevention of Corruption Act". It has also established a comprehensive internal control system covering financial, operational, compliance, information technology controls, and risk management. The Board regularly reviews the effectiveness of this system, while the Audit Committee and the Risk Investment Committee are responsible for identifying, assessing, supervising, and inspecting various risks in the operational process, submitting relevant results to the Board to ensure the continuous effectiveness of internal control mechanisms and proper management of business risks.

This year, we continued to strengthen our internal control and compliance management capabilities and completed the review of internal control deficiency rectifications. Throughout the year, we organized multiple specialized training sessions and learning activities on compliance and risk management, effectively enhancing the risk awareness and professional response capabilities of all employees, supporting the stable achievement of the Company's sustainable development goals.

To prevent internal non-compliance and corruption risks, the Company continuously conducts specialized internal audits and assessments of business ethics in its subordinate divisions. The scope covers key areas such as procurement and accounts payable management, cash and bank internal controls, and revenue and accounts receivable control. Issues identified during audits are promptly addressed with rectifications, and related management systems are simultaneously optimized. In 2025, the Internal Audit Department conducted several internal audit projects, including internal control audits, departure audits, and special audits involving divisions and project companies. It performed internal control tests on project companies under the divisions, supervised and evaluated specific matters related to their operational activities and risk management, and guided divisions in self-examining internal control weaknesses and rectification items.

Each branch has also formulated and implemented multiple internal policies related to anti-corruption, including the "Measures for the Management of Conflict of Interest (Trial)", and carries out internal audit work as planned. During this reporting period, the Company had no violations of laws and regulations concerning bribery, extortion, fraud, and money laundering.

2025

Completed
3 internal audits

Number of concluded
corruption lawsuits
0

Anti-corruption

The Company firmly opposes all forms of corruption, strictly complies with relevant laws and regulations, and maintains a fair and transparent business environment. To effectively prevent and detect fraud, the Company has established an internal "Whistleblowing Policy", which details the criteria for identifying fraudulent acts, reporting channels, complaint handling procedures, division of investigation responsibilities, and measures for whistleblower confidentiality and protection. This policy covers directors, senior management, all employees, as well as external partners such as suppliers and contractors.

When fraud is discovered or suspected, all employees of the Company can report it to the Audit Committee, Executive Directors, or management. All suspected fraud incidents are investigated and, upon verification, are immediately reported upwards; in serious cases, they are reported directly to the

Board via the Audit Committee. The Company maintains strict confidentiality regarding whistleblower information and prohibits any form of harassment or retaliation.

The Company prioritizes anti-corruption and integrity building as key tasks, actively organizing related education and training. By strengthening the culture of integrity and honesty, conducting anti-corruption cautionary learning, carrying out self-inspection and rectification for potential risks, and urging management to comply with integrity and self-discipline regulations.

The headquarters conducts anti-corruption training for all directors and employees at least once a year, ensuring 100% coverage. Each branch also actively organizes diverse anti-corruption training activities to strengthen employees' awareness of integrity and self-discipline, embedding business ethics principles into daily operations and management.



Pioneering Action Against Climate Change

Facing the increasingly severe challenges of climate change, SIIC Environment attaches great importance to the potential impacts of climate-related risks and opportunities on business operations, asset value, and long-term sustainable development. We incorporate climate issues into the oversight scope of the Board and senior management, comprehensively identifying physical risks and transition risks across the four dimensions of governance, strategy, risk management, and metrics and targets, and formulate corresponding mitigation and adaptation measures. At the operational level, the Company continuously promotes energy efficiency improvement, clean energy substitution, smart Water Resource Management, and green office practices, steadily reducing greenhouse gas emission intensity; simultaneously, it strengthens climate resilience building, improves emergency plans, and enhances infrastructure protection capabilities. Looking ahead, SIIC Environment will further enhance the transparency and comparability of climate data disclosure, supporting global net-zero goals with concrete actions and achieving synergy between economic benefits and environmental responsibility.

High Materiality Issues Responded to in this Chapter

- Addressing Climate Change

Sustainable Development Goals (SDGs) issued by the United Nations Responded to in this Chapter



Chapter Highlights

Greenhouse gas emissions (Scope 1 and Scope 2) decreased by

5,822.63 tonnes

compared to 2024

CO₂ emissions offset through tree planting:

833.88 tonnes

Amount of renewable energy consumption:

105,183, 592.89 kWh,

a year-on-year increase of 2.54%

Climate Governance

SIIC Environment deeply integrates climate change response into its governance structure, establishing a three-tier governance system of "Board-Risk Investment Committee-ESG Working Group." This ensures climate issues are not only incorporated into high-level strategic vision but also effectively translated into executable, traceable, and accountable daily management practices.



The Board reviews the overall status of climate-related risks and opportunities at least once a year and conducts a comprehensive assessment prior to the preparation of the annual financial report. To enhance the governance level's understanding and decision-making capacity regarding climate issues, the Company continuously improves the climate literacy of the Board and management through internal training and external professional resources, ensuring that climate risks and opportunities are appropriately considered in strategic planning, investment decisions, and daily operational management.

Looking ahead, the Company will explore incorporating key climate performance indicators into the performance evaluation system for senior management, gradually promoting the organic integration of climate goals and incentive mechanisms, and strengthening management's accountability in fulfilling sustainable development commitments.

Climate Strategy

We continuously conduct climate-related assessments, evaluating the potential impacts of climate change on the Company's operations or supply chain, and formulate response strategies and measures for the identified risks.

The Group adopts the Shared Socioeconomic Pathways (SSPs), the most widely used new emission scenarios driven by different socioeconomic models, as presented in the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC). Based on an analysis of global climate change trends, combined with relevant studies such as the International Energy Agency's (IEA) "Net Zero Roadmap: A Global Pathway", under current energy consumption and industrial development trends, achieving the goal of limiting global warming to 1.5° C above pre-industrial levels is nearly impossible. Therefore, the Company excludes SSP1-1.9(the scenario limiting global warming to within 1.5° C) and uses the remaining four of the five SSPs scenarios for climate risk analysis.

To ensure the scientific nature and consistency of the assessment results in policy formulation, investment decisions, and asset lifecycle management, this assessment adopts the multi-timescale analysis framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD). Considering the key timelines of China's "Dual Carbon" goals and the comparability of mainstream climate scenario data, the years 2030, 2060, and 2090 were selected as the assessment timeframes for short-term, medium-term, and long-term, respectively.

The Group has not yet identified or quantified the monetary value and percentage of assets or business activities affected by climate-related risks or linked to climate-related opportunities, nor is it able to assess the expected impacts and associated changes. Going forward, the Group will continue to increase resource allocation to enhance related disclosures in line with reporting requirements.

Scenario: SSP1-2.6

Interpretation: Low emissions, high sustainability scenario; active global emission reduction; warming controlled within 2° C by 2100.

Scenario: SSP2-4.5

Interpretation: Medium emissions scenario; continuation of current policy trends; warming of approximately 2-3° C by 2100.

Scenario: SSP3-7.0

Interpretation: High emissions, regional rivalry scenario; weak international cooperation; warming of 3-4° C by 2100.

Scenario: SSP5-8.5

Interpretation: Very high emissions scenario; fossil fuel-dominated energy system; warming exceeding 4° C by 2100.



Climate Risks

In terms of physical risks, the company focuses on extreme weather events, sea level rise caused by sustained temperature increases, water scarcity, and water pollution. It effectively mitigates these risks through advanced water treatment technologies and water recycling systems.

Climate-Related Risks	Risk Description	Potential Financial Impact	Impact Cycle	Response Strategy
Acute risks	- Extreme weather such as typhoons, storms, and floods, may damage the Company's buildings and facilities, resulting in business interruption; increased risk of effluent discharge with an impact on water quality and quantity - Strong winds and freezing rain may cause damage to power supply facilities and disrupt operations - Extreme weather will cause increased health and safety risks to employees, and may lead to supply chain disruptions	- Cause loss of assets and increased costs to operate and maintain the Company's business due to business interruption. - This places additional strain on normal plant operations and increases operating expenses. - Higher cost for human resource	Short-term	- When selecting sites and planning business operations, the possibility and impact of climate-related disasters are considered, and climate factors are incorporated into the assessment. - Create contingency plans and conduct emergency drills in advance to ensure operational stability during extreme weather. - Improve disaster preparedness of relevant personnel and provide them with necessary training.
Physical risks	- Climate change-induced rising sea levels from climate change may cause facility damage and increase the energy consumption of drainage - Higher temperature may exacerbate odor impacts from wastewater treatment plants, adding additional cooling equipment and treatment costs - Changes in groundwater level conditions caused by climate change may lead to uneven settlement of infrastructure and structural damage. - Higher temperatures may pose chronic health risks to frontline employees.	- Facilities damage causes financial loss and increase infrastructure maintenance costs. - Higher energy costs. - Higher costs for odor treatment - Higher cost for human resource	Medium and Long-term	- Climate-related factors are considered during site selection and business planning, and insurance is purchased in advance for relevant assets. - Regular monitor water quality and odor conditions, progressively enhance the environmental monitoring information platform to improve monitoring efficiency. - 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.
Chronic Risks				

This year, the company piloted the use of climate scenario analysis models for quantitative assessment of physical risks, taking the Fengxian project of Fudan BU as a pilot. During the analysis, key parameters such as project location, total insured amount, and total asset value were input to preliminarily identify potential physical risks to project assets under different climate scenarios (e. g., high temperatures, extreme rainfall). Based on this pilot experience, the company plans to gradually expand climate scenario analysis to all business locations Looking ahead to enhance the systematic nature and compliance of climate risk management.

The results indicate that high-temperature related risks are the most prominent physical threat. Heatwaves are rated as "Very High"(VH) across all scenarios. In the long-term SSP5-8.5 scenario, the number of heatwave days increases nearly threefold compared to the baseline period; the number of high-temperature days shows an explosive growth, increasing by more than 57 times, representing the highest increase among all indicators.

Coastal hydrological risks also intensify with rising emission scenarios. In the SSP5-8.5 scenario, storm surge height increases by 77.4% in the long term, while sea level rises by 27.6% simultaneously, placing significant pressure on coastal assets. Regarding other hazards, extreme precipitation increases by 31.4% in the long-term SSP5-8.5 scenario, with windstorm and hail risks showing slight increases; flood risks remain stable across all scenarios, with no significant changes observed.

Overall, extreme high temperatures represent the most significant and continuously worsening climate physical risk across all scenarios. Under high-emission pathways, this risk may compound with storm surges and extreme precipitation to form multi-hazard events, potentially impacting business operations and asset safety.

SSP1-2.6

Hazard Level Evolution					Hazard Value Evolution							Hazard Relative Change (vs Current)			
Peril	Current	Near	Medium	Far	Peril	Current	Near	Medium	Far	unit	trend	Peril	Near	Medium	Far
Flood (Fluvial & Pluvial)	L	L	L	L	Flood (Fluvial & Pluvial)	0.01	0.01	0.01	0.01	meters	↔	Flood (Fluvial & Pluvial)	0.0%	0.0%	0.0%
Storm Surge	H	VH	VH	VH	Storm Surge	0.85	0.98	1.12	1.22	meters	↗	Storm Surge	15.6%	32.8%	44.1%
Sea Level Rise	H	H	H	H	Sea Level Rise	2.38	2.24	2.10	2.00	meters (asl)	↘	Sea Level Rise	-5.6%	-11.7%	-15.7%
Precipitation (Extreme)	M	M	M	M	Precipitation (Extreme)	185.00	190.00	203.00	214.00	mm/24hr	↗	Precipitation (Extreme)	2.7%	9.1%	15.7%
Wind	M	M	M	M	Wind	81.76	83.70	84.14	84.45	mph	↗	Wind	2.4%	2.9%	3.3%
Tornado	H	H	H	H	Tornado	193.37	189.66	188.52	189.03	mph	↘	Tornado	-1.9%	-2.5%	-2.2%
Hail	L	L	L	L	Hail	1.56	1.62	1.90	2.01	cm	↗	Hail	8.6%	18.2%	18.2%
Hot Days	L	M	M	M	Hot Days	0.80	6.90	11.70	12.70	days	↗	Hot Days	762.5%	1362.5%	1487.5%
Heatwave	VH	VH	VH	VH	Heatwave	18.05	23.36	29.70	32.14	days	↗	Heatwave	29.4%	64.5%	78.1%
Drought Severity	M	L	L	L	Drought Severity	15.30	13.20	13.60	11.90	severity	↘	Drought Severity	-13.7%	-11.1%	-22.2%
Wildfire	L	L	L	L	Wildfire	0.88	0.78	0.81	0.88	meters	↘	Wildfire	-11.7%	-7.6%	-8.3%
Frost Days	L	L	L	L	Frost Days	18.40	16.30	13.10	13.00	days	↘	Frost Days	-11.4%	-28.8%	-29.3%
Cold wave	M	M	M	M	Cold wave	16.90	14.98	13.75	14.09	days	↘	Cold wave	-11.4%	-18.6%	-16.6%
Earthquake **	L	L	L	L	Earthquake **	0.05	0.05	0.05	0.05	g	↔	Earthquake **	0.0%	0.0%	0.0%

SSP2-4.5

Hazard Level Evolution					Hazard Value Evolution							Hazard Relative Change (vs Current)			
Peril	Current	Near	Medium	Far	Peril	Current	Near	Medium	Far	unit	trend	Peril	Near	Medium	Far
Flood (Fluvial & Pluvial)	L	L	L	L	Flood (Fluvial & Pluvial)	0.01	0.01	0.01	0.01	meters	↔	Flood (Fluvial & Pluvial)	0.0%	0.0%	0.0%
Storm Surge	H	VH	VH	VH	Storm Surge	0.85	0.98	1.16	1.31	meters	↗	Storm Surge	16.0%	37.1%	54.6%
Sea Level Rise	H	H	H	VH	Sea Level Rise	2.38	2.24	2.06	1.91	meters (asl)	↘	Sea Level Rise	-5.7%	-13.2%	-19.4%
Precipitation (Extreme)	M	M	M	M	Precipitation (Extreme)	185.00	196.00	200.00	236.00	mm/24hr	↗	Precipitation (Extreme)	5.9%	8.1%	27.6%
Wind	M	M	M	M	Wind	81.76	83.50	84.88	85.56	mph	↗	Wind	2.1%	3.8%	4.6%
Tornado	H	H	H	H	Tornado	193.37	190.93	188.87	187.25	mph	↘	Tornado	-1.3%	-2.3%	-3.2%
Hail	L	L	L	M	Hail	1.56	1.62	1.90	2.01	cm	↗	Hail	4.4%	21.9%	29.2%
Hot Days	L	L	M	M	Hot Days	0.80	4.20	12.50	20.10	days	↗	Hot Days	425.0%	1462.5%	2412.5%
Heatwave	VH	VH	VH	VH	Heatwave	18.05	20.03	34.21	42.05	days	↗	Heatwave	11.0%	89.5%	133.0%
Drought Severity	M	M	M	M	Drought Severity	15.30	15.90	17.40	15.90	severity	↗	Drought Severity	3.9%	13.7%	3.9%
Wildfire	L	L	L	L	Wildfire	0.88	0.75	0.76	0.79	meters	↘	Wildfire	-14.6%	-14.2%	-10.0%
Frost Days	L	L	L	L	Frost Days	18.40	16.50	10.70	7.60	days	↘	Frost Days	-10.3%	-41.8%	-58.7%
Cold wave	M	M	L	L	Cold wave	16.90	15.76	11.57	10.74	days	↘	Cold wave	-6.7%	-31.5%	-36.4%
Earthquake **	L	L	L	L	Earthquake **	0.05	0.05	0.05	0.05	g	↔	Earthquake **	0.0%	0.0%	0.0%

SSP3-7.0

Hazard Level Evolution					Hazard Value Evolution							Hazard Relative Change (vs Current)			
Peril	Current	Near	Medium	Far	Peril	Current	Near	Medium	Far	unit	trend	Peril	Near	Medium	Far
Flood (Fluvial & Pluvial)	L	L	L	L	Flood (Fluvial & Pluvial)	0.01	0.01	0.01	0.01	meters	↔	Flood (Fluvial & Pluvial)	0.0%	0.0%	0.0%
Storm Surge	H	VH	VH	VH	Storm Surge	0.85	0.99	1.20	1.41	meters	↗	Storm Surge	16.8%	42.2%	66.1%
Sea Level Rise	H	H	H	VH	Sea Level Rise	2.38	2.23	2.02	1.82	meters (asl)	↘	Sea Level Rise	-6.0%	-15.0%	-23.6%
Precipitation (Extreme)	M	M	M	M	Precipitation (Extreme)	185.00	194.00	228.00	245.00	mm/24hr	↗	Precipitation (Extreme)	4.9%	23.2%	32.4%
Wind	M	M	M	M	Wind	81.76	83.91	84.96	88.02	mph	↗	Wind	2.6%	3.9%	6.7%
Tornado	H	H	H	H	Tornado	193.37	190.59	188.91	186.22	mph	↘	Tornado	-1.4%	-2.3%	-3.7%
Hail	L	L	L	M	Hail	1.56	1.63	1.84	2.25	cm	↗	Hail	4.6%	18.2%	44.6%
Hot Days	L	M	M	H	Hot Days	0.80	5.60	16.70	34.00	days	↗	Hot Days	600.0%	1987.5%	4150.0%
Heatwave	VH	VH	VH	VH	Heatwave	18.05	19.06	37.69	53.41	days	↗	Heatwave	5.7%	105.5%	195.9%
Drought Severity	M	L	M	L	Drought Severity	15.30	13.90	15.30	13.30	severity	↘	Drought Severity	-3.2%	0.0%	-13.1%
Wildfire	L	L	L	L	Wildfire	0.88	0.76	0.79	0.79	meters	↘	Wildfire	-14.0%	-10.0%	-10.9%
Frost Days	L	L	L	L	Frost Days	18.40	16.60	10.90	6.00	days	↘	Frost Days	-9.8%	-40.8%	-67.4%
Cold wave	M	M	L	L	Cold wave	16.90	18.41	11.10	8.50	days	↘	Cold wave	8.9%	-34.3%	-49.7%
Earthquake **	L	L	L	L	Earthquake **	0.05	0.05	0.05	0.05	g	↔	Earthquake **	0.0%	0.0%	0.0%

SSP5-8.5

Hazard Level Evolution					Hazard Value Evolution							Hazard Relative Change (vs Current)			
Peril	Current	Near	Medium	Far	Peril	Current	Near	Medium	Far	unit	trend	Peril	Near	Medium	Far
Flood (Fluvial & Pluvial)	L	L	L	L	Flood (Fluvial & Pluvial)	0.01	0.01	0.01	0.01	meters	↔	Flood (Fluvial & Pluvial)	0.0%	0.0%	0.0%
Storm Surge	H	VH	VH	VH	Storm Surge	0.85	1.00	1.25	1.50	meters	↗	Storm Surge	18.5%	48.2%	77.4%
Sea Level Rise	H	H	VH	VH	Sea Level Rise	2.38	2.22	1.97	1.72	meters (asl)	↘	Sea Level Rise	-6.6%	-17.2%	-27.6%
Precipitation (Extreme)	M	M	M	M	Precipitation (Extreme)	185.00	213.00	218.00	243.00	mm/24hr	↗	Precipitation (Extreme)	15.1%	17.8%	31.4%
Wind	M	M	M	M	Wind	81.76	84.62	86.07	88.17	mph	↗	Wind	3.5%	5.3%	7.8%
Tornado	H	H	H	H	Tornado	193.37	190.22	188.06	185.38	mph	↘	Tornado	-1.6%	-2.7%	-4.1%
Hail	L	L	L	M	Hail	1.56	1.68	2.00	2.42	cm	↗	Hail	7.9%	28.5%	55.3%
Hot Days	L	M	M	H	Hot Days	0.80	6.30	19.70	47.00	days	↗	Hot Days	687.5%	2362.5%	5775.0%
Heatwave	VH	VH	VH	VH	Heatwave	18.05	22.82	45.39	68.17	days	↗	Heatwave	26.4%	151.5%	277.7%
Drought Severity	M	L	M	M	Drought Severity	15.30	14.70	16.90	20.00	severity	↗	Drought Severity	-3.9%	10.5%	30.7%
Wildfire	L	L	L	L	Wildfire	0.88	0.63	0.79	0.90	meters	↘	Wildfire	-6.2%	-10.5%	2.2%
Frost Days	L	L	L	L	Frost Days	18.40	15.40	8.30	2.30	days	↘	Frost Days	-16.3%	-54.9%	-87.5%
Cold wave	M	M	L	L	Cold wave	16.90	14.99	10.03	7.01	days	↘	Cold wave	-11.3%	-40.7%	-58.5%
Earthquake **	L	L	L	L	Earthquake **	0.05	0.05	0.05	0.05	g	↔	Earthquake **	0.0%	0.0%	0.0%

In terms of transition risks, SIIC Environment actively responds to the challenges posed by the transition to a low-carbon economy. It continuously optimizes its business energy structure, promotes process innovation and operational efficiency improvements to reduce dependence on fossil fuels, while simultaneously increasing its investment and strategic deployment in the fields of renewable energy and energy-saving technologies.

Climate-Related Risks	Risk Description	Potential Financial Impact	Impact Cycle	Response Strategy	
Transition Risks	Policy and Legal Risks	- The company's wastewater treatment and solid waste incineration operations may be subject to regulatory restrictions on greenhouse gas emissions or face additional regulatory measures. - National policies and requirements from stock exchanges or other regulatory bodies regarding climate-related disclosures are further strengthened. - Failure to meet stricter emissions compliance requirements and establish an effective internal response mechanism could expose you to potential litigation risks.	- Companies comply with the climate reporting obligations of the Hong Kong Stock Exchange and the SGX, and the reporting requirements will be gradually expanded, with higher quality emissions data required, resulting in increased compliance costs. - Industry standards and regulatory measures for greenhouse gas emissions are becoming increasingly stringent, resulting in higher compliance costs. - Projects may require upgrades or retrofits, leading to additional investment or increased operational costs.	Short to Medium Term	- Pay close attention to climate-related laws and regulations, and adjust the Company's strategic direction and development plan in a timely manner according to policy changes. - Carry out research on GHG emission reduction and gradually explore the possibility of reducing carbon emissions in wastewater treatment and waste incineration.
	Pricing of greenhouse gas emissions.	The government has introduced a number of levies (e.g. carbon tax, carbon emission allowance, fuel tax, etc.).	- Additional costs arising from increased energy costs or offsetting through transactions. - Costs along the supply chain (e. g., production of chemical agents, equipment manufacturing) may rise. - The company may face more intense market competition, driving the energy transition.	Medium-term	- Pay attention to relevant laws and regulations in a timely manner and dynamically adjust the Company's operations. - Reduce energy consumption and carbon emissions through technological improvement and production process optimization.
	Technological Risk	- To meet increasingly stringent greenhouse gas emission requirements, the demand for decarbonization technology innovation and related research topics continues to rise, and the company may face greater technological pressure from competitors. - Production processes may need to be adjusted to adapt to new technologies, resulting in a short-term decrease in productivity.	- Increased investment in the research for addressing GHG emissions. - Lower revenues due to lower production capacity. - Facing growing expectations from stakeholders, the company needs to make more stringent commitments. - The energy-intensive nature of the business may require the company to exert additional effort and incur extra costs.	Medium and Long-term	- The company accelerates research into low-carbon technologies and topics to enhance its competitiveness in decarbonization technologies. - Optimize internal management and operations to control transition costs. - Optimize production processes and supply chain management to improve resource utilization efficiency and reduce energy costs.
	Market Risk	- Stricter environmental policies could lead to a rises in the price of chemicals used in water treatment - Climate change may lead to fluctuations in raw material and fuel prices	- Potential increase in operating costs due to rising chemical and fuel prices. - Promoting clean energy throughout the supply chain may result in increased operating costs.	Short to Medium Term	- Raise standards for supplier evaluation, gradually move toward green procurement and integrate suppliers' environmental performance into the selection process. - Improve inventory management and reduce the risk of under- or overstocking

Climate Opportunities

The company has identified several opportunities arising from climate change, including enhancing resource efficiency, developing renewable energy, and expanding environmental protection businesses. It has actively promoted energy-saving technology upgrades, green power applications, and low-carbon service innovation to achieve synergistic growth between environmental benefits and commercial value.

Climate-related Opportunity	Opportunity Description
Energy Efficiency	Energy-saving technology innovation and equipment upgrade applications. Information Platform Construction Improve the energy efficiency of business operations, reduce operating costs and GHG emissions by replacing low-energy or renewable energy equipment and developing energy-saving process technologies. Information platform construction helps the company effectively monitor and manage electricity and chemical usage across various business segments, improving operational efficiency while saving costs.
Energy Sources	Renewable Energy Actively promoting the development and use of renewable energy sources such as photovoltaics helps further reduce greenhouse gas emissions and save energy procurement costs, aligning with the national energy industry transformation policy.
Products and Services	Environmental business Compared with traditional power generation, waste-to-energy incineration generates fewer carbon emissions and helps alleviate urban waste disposal pressure, offering significant environmental benefits. If waste incineration projects have the opportunity to participate in carbon emission reduction trading, they will generate incremental income. Additionally, wastewater treatment produces environmental benefits and aligns with energy conservation and environmental protection policy objectives.



Climate Risk Management

The company has established a systematic climate risk management system, clearly defining the shared responsibility of the Risk Investment Committee and senior management for overall climate-related risk control, including the design, implementation, supervision, and regular effectiveness review of the system. Management continuously reviews the business and operational processes of all headquarters departments, proactively identifies potential high-risk areas, and formulates corresponding control procedures and mitigation measures to ensure that risk management requirements are integrated into daily decision-making and operations.

Within this framework, the company adopts a standardized process of "Risk Identification – Risk Assessment and Validation – Risk Response and Monitoring" for the full-cycle management of climate-related issues.



Through literature research, internal interviews, peer benchmarking, and other methods, the company initially identifies physical climate risks and transition risks that may affect its business operations. Relevant risks include infrastructure damage caused by extreme weather events, changes in water supply and quality, and the potential impact of policy transitions on technological pathways and investment directions.



Initially identified climate risks are incorporated into the assessment process of the company's risk management and internal control system and submitted to the Board of Directors, the Risk Investment Committee, and management for review. Through regular review and feedback mechanisms, risk assessment results are confirmed or adjusted, ensuring that climate risk management is effectively integrated into the overall risk control framework.



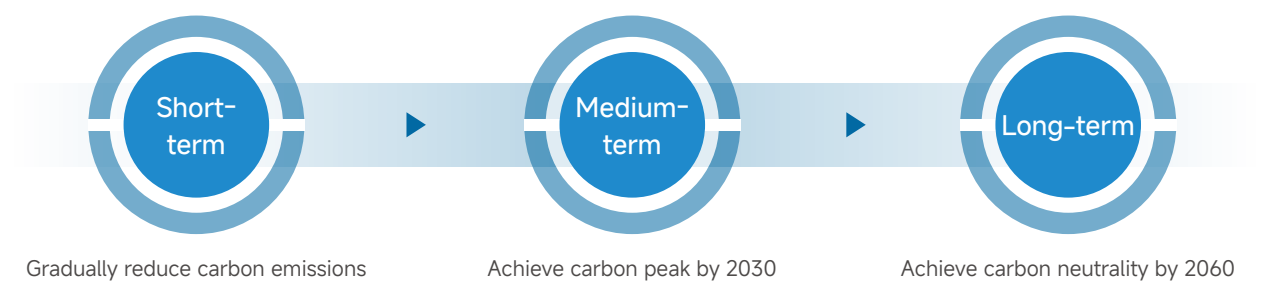
Based on risk assessment results, the company urges its subordinate business divisions to formulate specific response measures to ensure risks are controllable and under control. Main measures include: investing in climate-resilient infrastructure to enhance resilience, optimizing operational efficiency to reduce dependence on climate, and establishing natural disaster emergency plans to mitigate the impact of extreme weather events.

Climate Indicators and Targets

SIIC Environment regards emission reduction as a key driver of climate action and continuously advances greenhouse gas emission management. The company has established greenhouse gas emission management targets, actively takes measures to control carbon dioxide emissions from its business operations, and annually collects and calculates greenhouse gas emission data, regularly reviewing emission reduction effectiveness and continuously optimizing relevant measures.

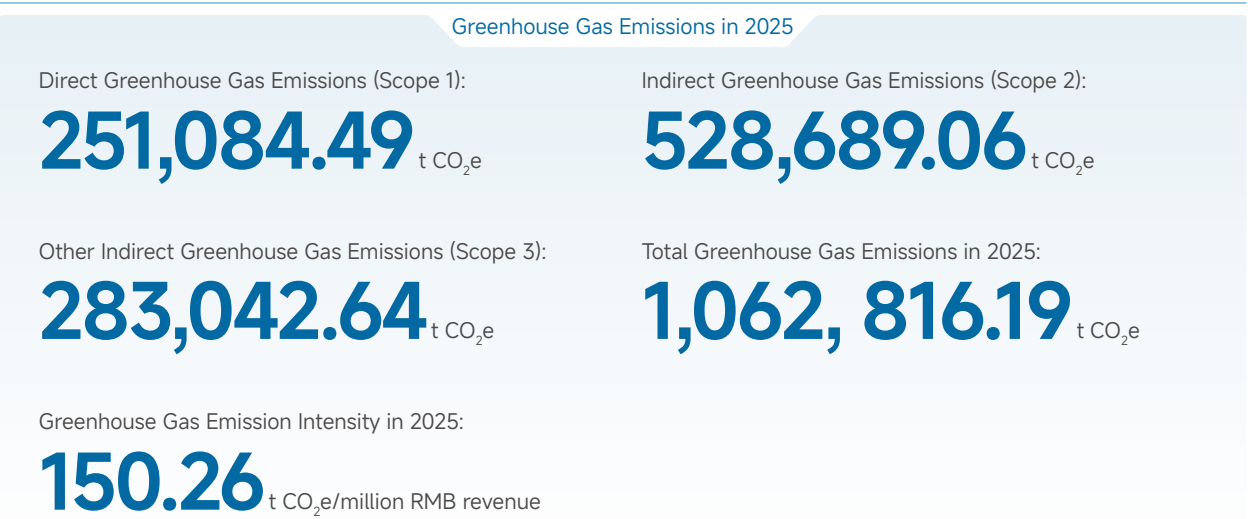
The Group did not utilize any carbon credits in 2025 and will assess, subject to resource availability, the potential use of carbon credits to offset a portion of its greenhouse gas emissions in the future. Carbon pricing has not yet been incorporated into the Group's decision-making processes. Going forward, the Group will closely monitor carbon price trends and developments in carbon tax regulations, adjust its strategies as appropriate to manage climate-related risks, and continue to align with international standards and industry best practices by identifying and applying relevant sector-specific metrics to enhance climate-related disclosures.

SIIC Environment Greenhouse Gas Emission Targets



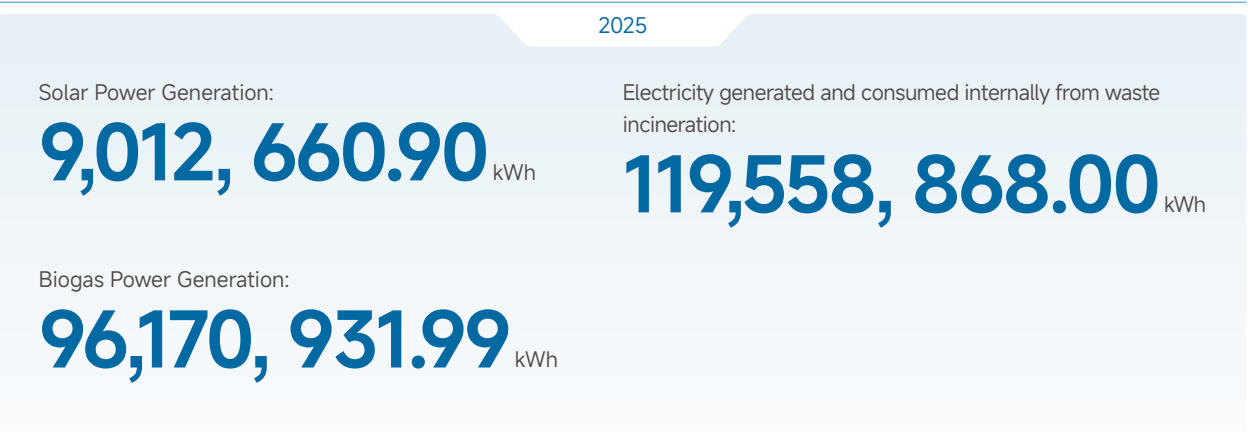
During this reporting period, the company's direct greenhouse gas emissions (Scope 1) mainly came from on-site direct energy use and solid waste incineration; indirect greenhouse gas emissions (Scope 2) mainly came from purchased electricity.

Regarding other indirect emissions (Scope 3), the company further expanded its disclosure scope in 2025. Based on the original categories of "Purchased Goods and Services," "Capital Goods," "Business Travel," and "Employee Commuting," two new categories – "Fuel and Energy Related Activities" and "Waste Generated in Operations" – were added. This makes the calculation of indirect emissions more comprehensive and provides a reference for deepening emission reduction management in the future.



To achieve its greenhouse gas emission reduction targets, the company adopts a variety of emission reduction measures, including increasing the application of renewable energy, improving energy efficiency, optimizing process flows to reduce direct emissions, and promoting ecological compensation. In addition, the company further offsets greenhouse gas emissions by carrying out tree-planting activities at project sites. As of the end of this reporting period, a total of 36,153 trees have been planted, which is estimated to offset approximately 833.88 tonnes of carbon dioxide equivalent annually.

Currently, the main renewable energy sources used by the company include solar energy, waste-to-energy incineration, and biogas power generation. In 2025, the related usage was as follows:



Climate Change Response Actions

To address climate change, the Group continuously promotes energy efficiency improvements and green office practices. In production operations, it controls greenhouse gas emissions through measures such as energy substitution, efficiency improvements, information-based monitoring and management of energy consumption, replacement of equipment with energy-efficient models, and process improvements. Various divisions and new project companies actively implement energy-saving initiatives, update to green and energy-efficient products, phase out high-energy-consumption equipment, and explore the application of energy-saving technologies in processes to promote refined production management.

Case

All business segments of the Group actively respond to the national "Dual Carbon" goals and the "Water+Photovoltaic" strategic layout, continuously expanding the scale of renewable energy application. By replacing traditional fossil fuels with clean energy sources such as waste-to-energy incineration, solar power, and biogas, the Group effectively reduces operational carbon emissions.

In specific practices, the Group extensively deploys distributed photovoltaic facilities on suitable sites such as rooftops and pond surfaces. Taking the Xicen Water Purification Plant as an example, this factory systematically introduced photovoltaic power generation and light guide lighting technologies. The electricity generated by the photovoltaic system is integrated into the internal power grid for "self-generation and self-consumption," saving approximately RMB 100,000 in electricity costs annually while reducing reliance on purchased electricity, establishing it as a demonstration project for the green upgrading of water utility facilities.

Simultaneously, the Group encourages employees to adopt green office and commuting practices, prioritizing public transportation, walking, or cycling. It improves the official vehicle management system, conducts regular maintenance to reduce fuel consumption and leakage risks; promotes paperless office practices, fully utilizes the Office Automation (OA) system, upgrades energy-saving lighting systems, prioritizes the procurement of energy-saving and environmentally friendly products certified by national and industry standards, and strictly controls the office supplies procurement process to avoid waste. Additionally, conservation reminders are posted in office areas, meeting rooms, canteens, restrooms, and other locations to advocate a green lifestyle and cultivate environmental awareness among employees.

To enhance adaptability and resilience to climate change, the Group starts with policy formulation and measure implementation, actively carrying out climate response actions by developing emergency plans, participating in standard setting, and promoting technological innovation.

Addressing climate risks such as extreme high temperatures, heavy rain, blizzards, freezing rain, and floods, each branch establishes comprehensive emergency plans and response mechanisms for sudden environmental incidents based on actual operating conditions and regional climate characteristics, while strengthening early warning systems for extreme weather. Simultaneously, measures such as equipment ventilation and cooling, as well as cold and freeze protection, ensure operational stability. Safety training for employees on heatstroke prevention, cold protection, and slip prevention is strengthened, and anti-slip strips are installed on roads to comprehensively enhance safety awareness and response capabilities.

Case

In order to enhance climate resilience against extreme weather, Yinchuan SIIC Environment Binhe Sewage Treatment Co., Ltd., in conjunction with multiple departments of Suyin Industrial Park, conducted a flood prevention emergency rescue drill in August 2025. The drill simulated emergencies including water accumulation in the plant area and backflow into the electrical distribution room caused by heavy rainfall, tested the entire response process including contingency plan activation, sandbag blocking, pumping and drainage operations, personnel evacuation, and cross-departmental coordinated rescue. The drill effectively verified the feasibility of the emergency mechanism and proposed improvement measures for aspects such as information transmission, material reserves, and evacuation familiarity, further strengthening the linkage effectiveness between the enterprise and the park during climate emergencies and fortifying the defense line during the flood season.



Leading with Innovation and Integrity in Operations

SIIC Environment upholds the core values of "Resilience, Innovation, Integrity, and Win-win," focusing on providing high-quality drinking water, excellent water supply services, and comprehensive environmental solutions. We place great importance on the key role of big data and intelligence in production operations, committing to creating superior value for customers through the continuous improvement of relevant systems. We concentrate on scientific research and technological innovation, widely applying precision chemical dosing systems in water treatment projects, and ensuring efficient and stable project operation from multiple dimensions including specialization, energy efficiency, precision, and safety. At the same time, we actively progress together with supply chain partners, jointly promoting the green and healthy development of the industry.

High Materiality Issues Responded to in this Chapter

- Innovation-Driven Growth
- Quality Assurance
- Responsible Procurement

Sustainable Development Goals (SDGs) issued by the United Nations Responded to in this Chapter



Chapter Highlights

R&D expenditure of RMB

23.241 million

Suppliers complying with relevant supplier management regulations:

3,475

Customer complaint resolution rate:

100 %

Innovation-Driven Growth

Innovation is the "engine" of corporate value creation. We regard innovation as a core driving force, constructing a dual-driven development model of "Technological Innovation+Management Empowerment." Adhering to the principle of innovation-driven development, we actively explore and implement various technical means, develop and promote intelligent water systems, and continuously improve service quality and competitiveness.

R&D System Construction

SIIC Environment is committed to building a comprehensive innovation R&D management system, continuously optimizing processes based on R&D management practices, ensuring the implementation of systems, advancing scientific research management towards standardization and formalization, and comprehensively consolidating the R&D management foundation.

2025

The Group's R&D expenditure amounted to approximately RMB

23.241 million.

Successfully accepted invention patent applications

7

Successfully accepted utility model patent applications

19

Case

Inauguration of SIIC Environment Technology Center

In November 2025, SIIC Environment officially unveiled its Technology Center in Harbin, marking a critical step in the Company's strategy for technological innovation and digital-intelligent transformation. This center will focus on three core tasks: major technological breakthroughs, achievement transformation, and collaborative innovation, aiming to become the core engine driving the technological upgrading and industrial development of the main business. By building an open innovation system and promoting the research, introduction, and engineering application of cutting-edge technologies, the center is dedicated to solving practical operational difficulties, accelerating the implementation of green technologies, and solidifying the innovation foundation for the Company's long-term sustainable development and industry progress.



► Inauguration of SIIC Environment Technology Center

As a National High-Tech Enterprise and the host unit for a "Postdoctoral Scientific Research Workstation" in the environmental engineering field, the Group's Longjiang BU established the "Cold Region Water Environment Technology R&D Center." Focusing on R&D for water environment treatment technologies in severe cold regions, it continuously strengthens the core competitiveness of the industry through technological innovation and drives technological change in the cold region water environment sector. It has been awarded three authoritative qualifications: "National Science Popularization Base for Ecological Environment," "Heilongjiang Provincial Engineering Research Center for Soil Remediation," and "Provincial Enterprise Technology Center."

Intellectual Property Protection

SIIC Environment values intellectual property compliance management, adhering to regulations such as the Trademark Law of the People's Republic of China and the Patent Law of the People's Republic of China. It establishes intellectual property management mechanisms based on business realities, such as the Patent Management Measures, Scientific Research Confidentiality System, and Intellectual Property Protection System., These measures effectively integrate intellectual property protection management into the company's entire business development process and provide guidance for innovative achievements.

To protect SIIC Environment's innovative achievements, it actively applies for and maintains patent rights. In case of any infringement, it promptly seeks legal advice. Simultaneously, we value the cultivation of intellectual property awareness, conducting specialized training based on business needs to ensure that employees are familiar with relevant laws and regulations and enhance their compliance awareness. During this reporting period, no violations of relevant laws and regulations occurred.

Information Platform Construction

In 2025, SIIC Environment continued to promote its corporate digital transformation and improve its information platform construction. The company has established multiple information platforms. As a practitioner of digital upgrade in the environmental industry, it has achieved panoramic digital management and control over the Group's five major business segments and project companies by creating a central hub platform for production operations. This assists in precise decision-making and empowers green development with intelligence. Furthermore, the water supply segment under the Group deepens the digital empowerment of customer service, expanding service channels such as mini-programs and online business halls to continuously optimize user experience and satisfaction.

Additionally, centered around the company's digital transformation strategy, we steadily advance the integration of business and finance through information technology. We have built a unified core basic database and implemented multiple key business modules, embedding internal control rules to support management decisions. Based on these achievements, we are implementing the Group's sub-treasury system construction deployment, formulating detailed plans, and establishing special working groups to promote the implementation of core functions such as centralized account control, intensive fund operation, and dynamic risk warning. This upgrades fund management to being "visible, controllable, adjustable, and usable," solidifying the digital and control foundation for the company's sustainable development.

Case

The Longjiang BU leverages a zero-code development platform to permeate digitalization throughout the entire process, including production reporting, equipment inspection, warehouse management, and chemical analysis. This achieves a triple breakthrough in efficiency, cost, and quality: reports can be generated within minutes, improving decision-making response speed by 70%; unified management and control of 28 subsidiaries and 64 warehouses significantly reduces capital occupation for spare parts; the "Equipment Inspection and Control" system reduces false fault reports by 58%, shortens fault response and repair time from 19.2 days to 12.7 days, and reduces downtime by 42%; the chemical data module provides precise support for process optimization and cost control, driving profound changes in management.



► Production Reporting Dashboard

Case

The Xicen Water Purification Plant operated by SIIC Environment is not only a leading underground wastewater treatment plant with national effluent standards but also a model for the company's "Information Platform Construction." By deeply integrating industrial internet, big data, and artificial intelligence technologies, it has constructed a "Digital Twin" intelligent management platform. This achieves 3D visualization of the entire plant, real-time equipment monitoring, and scientific decision-making, vividly illustrating the digital leap from "pollution control" to "intelligent pollution management" and providing a benchmark case for the industry's intelligent transformation.



► Xicen Water Purification Plant: Creating a New Benchmark for Smart Water Resource Management

Technological Innovation Achievements

In 2025, SIIC Environment continued to make significant progress in the field of environmental technology innovation. Relying on the company's technology R&D system, it successfully applied several industry-leading water treatment technologies while developing an AI and digital twin smart water platform. This has gained recognition for advantages such as high-standard effluent, energy saving and consumption reduction, and intelligent operation. Looking ahead, the company will continue to deepen technology R&D, focusing on the integration of pollution reduction, carbon reduction, and digitalization, to promote the green upgrade of the environmental protection industry and create long-term value for environmental governance and social development.

Case

The Longjiang BU of SIIC Environment has deeply cultivated technological innovation in wastewater treatment in cold regions. The jointly developed project "Key New Materials and Technologies for Ultra-Deep Phosphorus Removal and a Resilient Low-Carbon Water Treatment System" won the Second Prize of the Heilongjiang Provincial Science and Technology Progress Award. The team successfully constructed a characteristic strain library for cold regions, screening multiple functional strains with efficient nitrogen and phosphorus removal capabilities under low-temperature environments: the low-temperature nitrifying bacteria have been deployed for emergency applications to address influent shock loading; low-temperature resistant Enterobacter effectively solves the problem of ammonia nitrogen removal under low-temperature conditions; and cold-tolerant Bacillus successfully addresses the pain point of odor control. Related technologies have applied for 4 invention patents, and 2 SCI papers have been published, providing innovative support for biological wastewater treatment in cold regions.

Case

The Shandong BU of SIIC Environment jointly applied for the project "Water Treatment Process and Application for Source Water Polluted by High Algae and High Odor Compounds," which won the Second Prize of the 2025 Science and Technology Award from the China Water Association (a total of 10 awards, reported to the Ministry of Science and Technology). This highlights the company's achievements in water supply safety and technological innovation.

This technology has been successfully applied to the Bailang River Water Quality Improvement Project, the first large and medium-sized project in China to adopt an advanced pretreatment system. It effectively solves the treatment challenges of high-algae, high-odor source water and has been included by the Ministry of Housing and Urban-Rural Development in the Guidelines for "Controlling Key Water Quality Indicators in Urban Water Supply Plants" as a demonstration case for the "advanced oxidation for odor removal" technology.



► Interior of the Biological Carbon Fluidized Bed

Case

Driven by technological innovation towards high-quality development, SIIC Environment has practiced and achieved a series of technological results in multiple locations. For example, the innovative application of the "waste control by waste" Fenton process at the Pinghu East Wastewater Treatment Plant in Zhejiang saves nearly 10 million RMB in costs annually; the sludge reduction technology developed by the Fudan BU effectively increases treatment load; the Shandong BU adopted a new pre-ozonation process, achieving high-quality water supply while significantly reducing water production costs. By establishing specialized research centers and laboratories, the company continuously promotes technological breakthroughs and achievement transformation, providing a practical "SIIC Solution" for the green development of the industry.

New Process Device: The First "Pre-Ozonation Advanced Oxidation Biological Fluidized Bed" in China

Self-developed Ozone Catalyst Sample



► Innovative Practice, Forging a Green Benchmark

Quality Assurance

| Water Quality Assurance

SIIC Environment prioritizes customer needs, strictly complies with laws and regulations related to product and service quality, and continuously improves its quality management system, committed to providing high-quality services. In the environmental protection business sector, the Group strictly adheres to national and industry standards such as the "Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB 18918-2002)", "Standards for Drinking Water Quality (GB 5749-2022)", and "Water Quality Standards for Urban Water Supply (CJ/T 206-2005)".

The Group has established a systematic project management system and continuously optimizes operational processes. Based on internal management systems and standard operating procedures, each branch formulates and implements internal management documents such as the Water Quality Management System, Internal Control Manual for Water Quality Assessment and Production Management, and Specifications for Production Operation Management of Wastewater Treatment Projects to ensure the stable and efficient operation of water projects. Simultaneously, operational performance is evaluated through quarterly supervision and assessment mechanisms to ensure the implementation of various management measures.

Regarding quality management system construction, SIIC Environment encourages its branches and project companies to establish corresponding systems based on the ISO 9001 standard. Currently, several branches and project companies have obtained ISO 9001 certification. The Group will continue to strengthen quality management and improve service levels to better respond to customer needs. Looking ahead, we will further increase investment in technology R&D and innovation, actively explore efficient environmentally friendly water treatment technologies to meet evolving environmental requirements and customer expectations. By strengthening cooperation with research institutions and related enterprises, we will introduce advanced management experience and technology, laying a solid foundation for the company's sustainable development.

High-Quality Wastewater Purification

SIIC Environment always upholds high standards and quality principles, ensuring the continuous and stable operation of wastewater treatment facilities that meet regulatory standards, and continuously promotes process upgrades and enhancements. We have established a full-process water quality management system and standardized operation system covering influent testing, process optimization, and effluent monitoring to ensure that water quality consistently meets discharge requirements.

To address industry development trends and increasingly stringent environmental standards, we enhance treatment capacity and effluent quality through continuous technological innovation. For example, in some projects, processes such as advanced oxidation and bioaugmentation are applied to enhance the removal efficiency of refractory pollutants; advanced wastewater treatment is implemented in specific areas to achieve effluent quality meeting Class III surface water standards.

Simultaneously, the company introduces intelligent monitoring technology for real-time monitoring and early warning of key water quality indicators, promoting continuous process optimization and further enhancing the stability and reliability of the wastewater treatment system. Looking ahead, we will continue to commit to challenging stricter environmental standards, promoting the upgrade of wastewater treatment from "compliant discharge" to "ultra-low emission," and contributing to the continuous improvement of regional water environment quality.

Ensuring Clean Water Supply

In ensuring clean water supply, SIIC Environment strictly follows relevant national and local standards, continuously improving internal management and operational processes to safeguard drinking water safety and quality, and protect public health and safety. The Group has established a "three-level water quality monitoring and assurance system," comprehensively utilizing online monitoring, laboratory sample analysis, and third-party regular testing to achieve effective monitoring of water quality throughout the entire process from source to user tap. Each water supply project company is equipped with a water quality early warning system, enabling timely process adjustments based on real-time water quality data to ensure a stable and reliable water supply. Simultaneously, some projects regularly publish water quality test reports through public channels to enhance information transparency and actively accept supervision from stakeholders.

Case

Weifang Hanting Water Supply Safety Technology Innovation

In Hanting District, Weifang City, SIIC Environment has built a strong drinking water safety line through multi-dimensional technological innovation. Source control is managed via permanganate-powdered activated carbon pretreatment at the intake. Investments were made to upgrade the "ozone+biological activated carbon" advanced treatment and clarifier processes, significantly improving water quality and supply capacity. A full-chain water quality testing system was established, implementing internal control management stricter than national standards to comprehensively ensure the drinking water safety of the district's population. This demonstrates the commitment to environmental protection and people's livelihood responsibilities through technology, contributing to the sustainable development of regional water resources.



► Weifang Hanting Water Supply Safety Technology Innovation

Service Assurance

SIIC Environment places great importance on product and service quality management, committed to building a high-quality, high-standard management system. By continuously improving systems and optimizing management methods and processes, it continuously enhances the stability and reliability of product quality. A dedicated department within the Group handles external complaints and customer-related needs. Simultaneously, systematic customer satisfaction surveys are conducted according to internal regulations such as the Customer Satisfaction Survey Management System. We collect customer feedback through various channels including questionnaires, email, website message boards, WeChat public accounts, and service hotlines to gain in-depth understanding of needs and continuously optimize service quality. The company actively practices the "customer-centric" philosophy, continuously improving service levels and ensuring customer water safety.

To address the growth in the number of water users, SIIC Environment has taken multiple measures to ensure convenient access to clean drinking water for customers and residential communities. We have established an online water supply application platform, allowing customers to handle applications and installations through our website or WeChat public account, providing a "doorstep" service experience. Simultaneously, the company carries out "Water Service Entering Communities" activities, setting up temporary service points within residential areas to handle business, distribute convenience service cards, and promote water conservation knowledge.

For water supply projects in cold northern regions, we deploy special cold protection and insulation preparations before winter. By strengthening facility freeze protection, optimizing operational management, and enhancing emergency response capabilities, we ensure the safe and stable operation of the water supply system under severe cold conditions. Specific measures include:



Comprehensive Inspection and Maintenance of Water Supply Facilities

Inspect and repair water supply facilities prone to freezing, and take thermal insulation measures to ensure normal operation under low temperatures.



Multi-Channel Winter Freeze Prevention Publicity

Dissipate winter freeze prevention tips through multiple channels, promoting knowledge of safe water use in winter and enhancing user awareness of freeze prevention.



Formation of Emergency Thawing Teams

Establish emergency thawing teams on 24-hour standby, ready to respond to sudden freezing conditions at any time to ensure normal water use for users.

During this reporting period, we received 6 service-related customer complaints, primarily concerning water quality, water pressure, and water volume issues. Upon receiving these complaints, our project companies immediately contacted the customers to obtain more information, actively helped them resolve the feedback issues, and continued to conduct customer follow-up surveys after the problems were resolved to ensure comprehensive solutions. In 2025, we achieved our annual customer complaint resolution rate target of 100%. To prevent similar complaints, the company regularly reviews complaint cases and updates existing management systems when necessary.

Information Security Assurance

To strengthen the customer information security management system, the Group's project companies have formulated and strictly implemented the Customer Information Confidentiality Management System, established a customer privacy protection reward and punishment mechanism, and systematically standardized the full-process data management. Through regular information security inspections and specialized data protection training, we continuously enhance the risk prevention awareness and practical operation capabilities of all employees, effectively safeguarding customer data asset security. Additionally, our technical team continuously maintains critical hardware and software, strengthening technical solutions to prevent risk events such as data leaks, data theft, and illegal access.

In 2025

the Group conducted
44
information security inspections

and organized
35
training sessions

totaling
343 hours

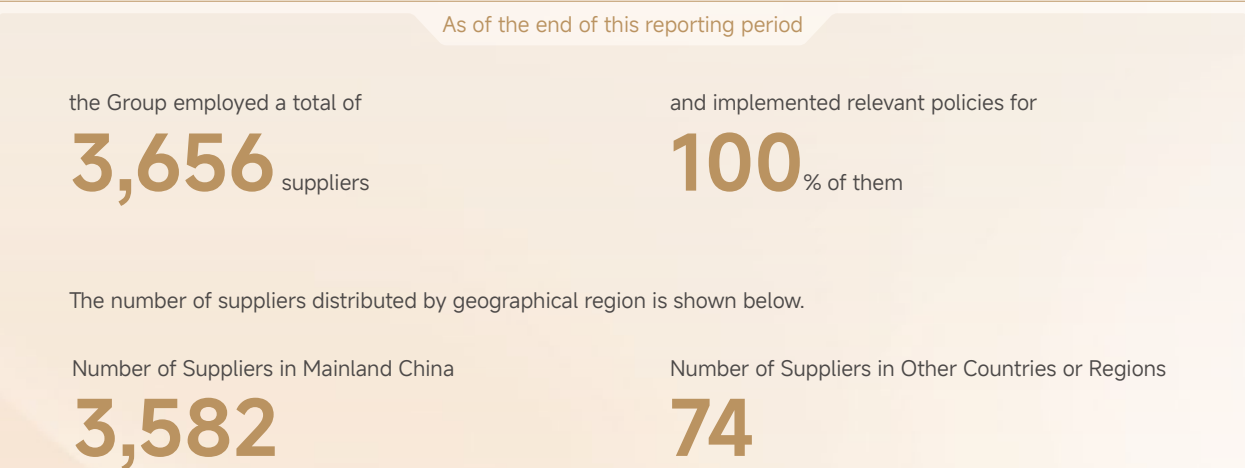
Responsible Procurement

Supplier Management

SIIC Environment strictly complies with the Tendering and Bidding Law of the People's Republic of China, the Regulations on the Implementation of the Tendering and Bidding Law of the People's Republic of China, and other relevant laws and regulations. Supported by systems, SIIC Environment and its subsidiaries have built a standardized supplier management system, formulating systems such as the Procurement Management System, Bidding Management Measures, and Contract Management Measures, and implementing a dynamic update mechanism to ensure systems align with regulatory requirements, adhering to fair, open, and transparent procurement principles.

We have established a comprehensive supplier evaluation and management system. During the supplier admission phase, a cross-departmental evaluation team conducts admission inspections, and the review team comprehensively evaluates their qualification documents. The Group follows the principle of segregation of incompatible duties in internal control, implementing a hierarchical authorization approval process of "Functional Department Preliminary Evaluation-Management Final Review." In 2025, we focused on strengthening the review of three key areas: environmental protection, business ethics, and health and safety.

The Group's branches are gradually improving their supplier lists, building supply chain information management systems, while deeply integrating ESG concepts, incorporating factors such as environmental protection and social responsibility into supplier assessment mechanisms. Each branch includes content such as production safety and environmental protection in contract clauses, and prioritizes suppliers with ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System certifications. The supplier list undergoes dynamic hierarchical management, eliminating unqualified ones through regular reviews.



Green Procurement

SIIC Environment is committed to promoting the synergy between corporate sustainable development and supply chain responsibility. During the procurement process, it prioritizes establishing cooperation with suppliers with excellent environmental performance, focusing on their performance in environmental protection, resource conservation, and low-carbon recycling. By strengthening the main responsibility for procurement, we continuously increase the proportion of green and low-carbon products and services procured, and continuously improve the green procurement management system, strengthening supervision and inspection of system implementation, thereby systematically increasing the scale of green procurement.

Supply Chain Risk Control and Management

SIIC Environment places great importance on supply chain risk management and control, comprehensively identifying and managing potential risks from supplier admission, contract performance, to daily supervision to ensure supply chain stability and sustainable development.

During the supplier selection stage, we strictly review admission conditions; those not meeting standards are not introduced. During the cooperation process, we continuously monitor supplier performance; for underperforming or non-compliant suppliers, we require rectification and terminate cooperation if necessary. Additionally, to reduce the risk of supply chain disruption, we adopt a multi-supplier strategy and establish a reserve mechanism for similar types of suppliers to ensure stable supply of key materials.

For specific risk areas, we have established targeted management mechanisms. Environmental Risk: Review suppliers' environmental compliance; require rectification from suppliers violating environmental regulations; suspend cooperation with those failing to meet standards. Quality Risk: Regularly conduct spot checks on supplied materials; handle non-conforming products according to contract terms to ensure material quality meets standards. Safety Risk: Implement a "four-step control process" including qualification pre-review, responsibility letter signing, safety training, and site inspection, supplemented by a Safety Notification to enhance safety awareness of construction personnel.

In 2025, each business unit further clarified the core objectives of green procurement: energy saving and consumption reduction, carbon and emission reduction, and cost savings. These objectives were clearly defined and continuously improved in relevant systems to ensure procurement activities fully comply with environmental requirements. For example, under the same conditions, priority is given to energy-saving equipment and chemicals with lower pollution, reducing environmental impact, energy consumption, and emissions from the source, solidly promoting the implementation of the green procurement strategy.

To further strengthen compliance management, we have formulated the Conflict of Interest Avoidance System and sign Integrity Contracts with suppliers. Each branch regularly conducts integrity audits on suppliers to ensure the fairness and transparency of procurement activities. At the same time, we have established emergency plans. In case of sudden incidents like supply interruption, we quickly activate alternative suppliers based on a ranking mechanism to ensure business continuity.

In 2025, we continuously optimized the supplier management system. For example, the Baoshan Renewable Energy Utilization Center upgraded its supplier admission and annual review system, incorporating environmental protection, sustainability, labor relations, and material quality into considerations; non-compliant ones cannot pass the review. In the annual evaluation stage, suppliers are divided into three levels (A, B, C) based on performance. Level A suppliers are prioritized for cooperation, Level B are required to improve, and Level C are blacklisted and terminated from cooperation, identifying and reducing supply chain risks through a dynamic management mechanism.

We not only focus on supplier price, quality, and service but also consider environmental protection, sustainability, and labor relations as important evaluation criteria. Through a comprehensive supply chain management system, we ensure supply chain stability and compliant operation.



Pioneering a Green and Low-Carbon Future

SIIC Environment closely follows the national strategy of "promoting green development and promoting harmonious coexistence between humans and nature," focusing on its main environmental protection business, strictly controlling its operational environmental footprint, and actively responding to the challenges of global climate change. We are committed to implementing a green operation strategy, minimizing ecological impact through the implementation of full-process control of pollutants, waste, and resources; simultaneously, relying on technological innovation and refined management, we continuously improve the efficiency of energy and chemical use, accelerate the application of renewable energy technologies, and contribute to the achievement of ecological protection and climate governance goals.

High Materiality Issues Responded to in this Chapter

- Emissions and Waste Management
- Water Resource Management
- Environmental Impact Management

Sustainable Development Goals (SDGs) issued by the United Nations Responded to in this Chapter



Chapter Highlights

Hazardous waste disposed of through reduction methods in 2025:

37.80 tonnes

Non-hazardous waste disposed of through reduction methods in 2025:

320,420.18 tonnes

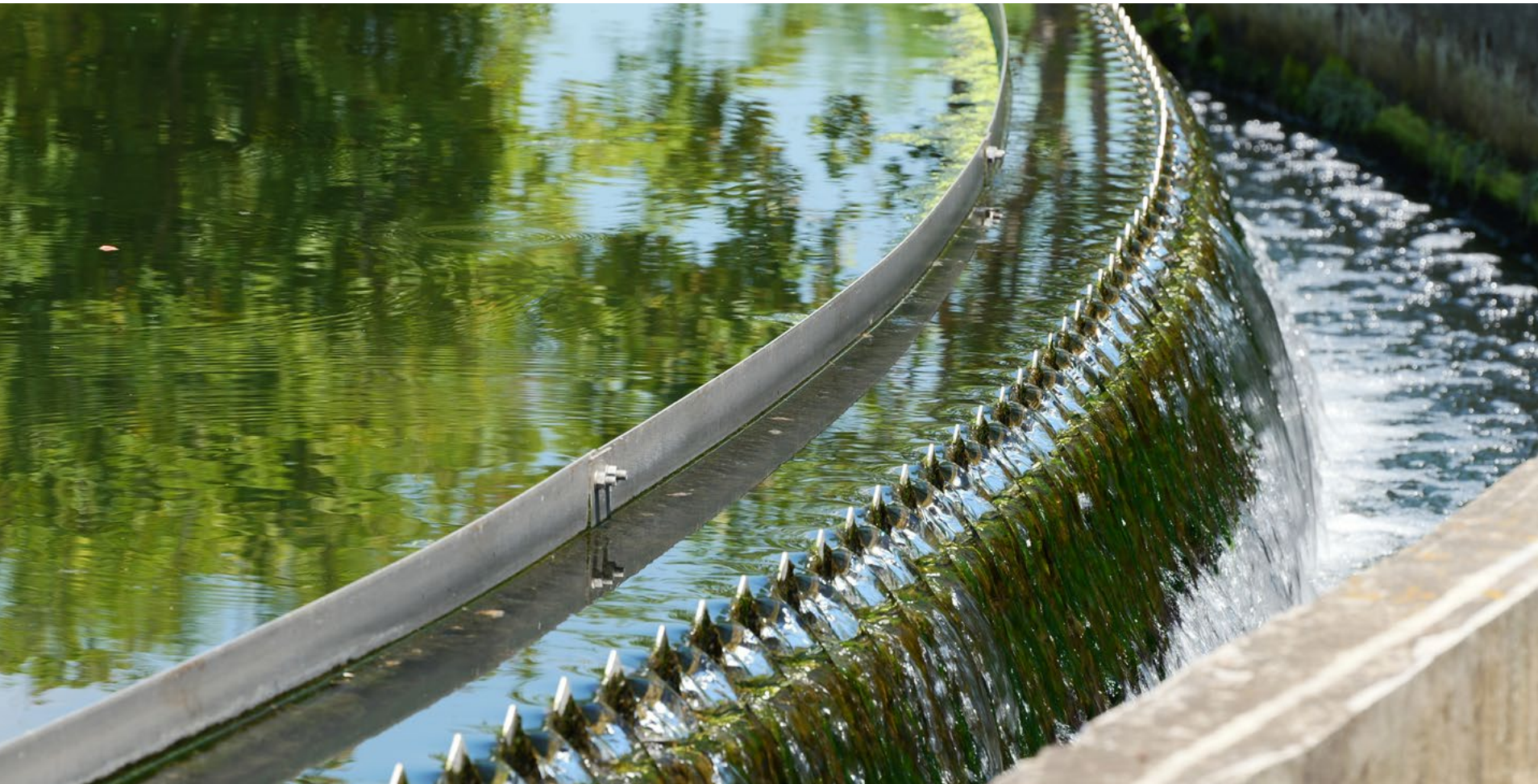
Recycled water volume in 2025 increased by

1.62 % year-on-year

Emission Management

SIIC Environment complies with the "Environmental Protection Law of the People's Republic of China", the "Air Pollution Control Ordinance", and the "Regulations on the Management of Pollutant Discharge Permits", strictly implementing national discharge standards for wastewater, air emissions, and solid waste treatment, including the "Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB 18918-2002)", "Environmental Quality Standards for Surface Water (GB 3838-2002)", "Standard for Pollution Control on Municipal Solid Waste Incineration (GB 18485-2014)", "Emission Standards for Odor Pollutants (GB 14554-1993)", "Disposal of Sludge from Municipal Wastewater Treatment Plant-Quality of Sludge for Land Improvement (GB/T 24600-2009)", "Disposal of Sludge from Municipal Wastewater Treatment Plant-Quality of Sludge for Greening (GB/T 23486-2009)", "Standard for Pollution Control on Hazardous Waste Storage (GB 18597-

2023)", etc. The Group has established an environmental management system covering all elements including wastewater, sludge, exhaust gas, and waste, ensuring emission compliance through intelligent monitoring and dynamic optimization. Project companies have established and implemented relevant policies, including the "Online Monitoring Management Regulations for Water Pollution Sources," the "Environmental Protection Management System for Operating Projects," and the "Environmental Aspects Identification and Evaluation Management System," to comprehensively govern wastewater discharge, pollutant monitoring, and environmental compliance, ensuring that emissions meet regulatory standards and environmental risks are effectively controlled. During this reporting period, the Group has no serious violations of relevant standards and regulations.



WasteWater Resource Management

The main pollutants generated by the Group's wastewater treatment business include Chemical Oxygen Demand (COD), Biochemical Oxygen Demand (BOD), ammonia nitrogen, total nitrogen, total phosphorus, and suspended solids. During operations, to ensure comprehensive compliance of pollutant discharge, we combine information systems to conduct real-time monitoring of water quality, regularly conduct sampling tests and routine laboratory analyses on pollutants in the wastewater. Based on water quality changes, we can timely adjust process parameters and actively explore refined process management models. For wastewater treatment facilities and equipment, we strictly manage them according to operating specifications, regularly carrying out routine work such as daily maintenance and repairs. At the same time, we add and modify environmental protection facilities based on actual conditions to ensure stable operation of wastewater equipment and continuously improve treatment efficiency.

The Group applies existing technologies and process optimization measures to improve system operation efficiency and reduce the concentration of pollutant emissions in effluent. It adopts ozone catalytic oxidation, activated carbon adsorption and ultrafiltration processes to purify water bodies, and carries out the addition, renovation of environmental protection facilities and related training as needed. Each project branch ensures that key equipment of wastewater projects operates normally, spare parts and production chemicals are sufficient and delivered in a timely manner, so as to guarantee the normal operation of wastewater projects. For example, the Eastern Pinghu Wastewater Treatment Plant in Zhejiang innovatively introduces high-alkalinity wastewater into the Fenton oxidation process to replace traditional liquid caustic soda. This innovative practice of "treating waste with waste" saves the enterprise nearly ten million yuan in costs every year.

Adhering to the principle of ecological priority, SIIC Environment strictly complies with relevant emission standards to ensure water safety. We prioritize the internal recycling of wastewater and the use of reclaimed/reused water to minimize external discharge. By building and operating advanced wastewater treatment plants, the tailwater from plants is deeply purified to meet discharge standards. The treated wastewater is discharged into surrounding rivers, watercourses and sea areas that meet environmental protection requirements, so as to maintain the health and stability of the aquatic ecosystem and regional water environment. At the same time, we actively promote water-saving technologies and equipment, such as the recycling of tailwater within water plants, to reduce the consumption of tap water.

Case

The Longjiang Branch cooperates with professional teams to implement "from basic to excellent" control of wastewater treatment plants through simulation software, neural network learning, precise chemical dosing and precise aeration systems. It ensures efficient and precise operation of water treatment units through a multi-dimensional system covering safety, precision, energy saving and professionalism. In the inspection process, robots are used to detect five indicators: ammonia nitrogen, total nitrogen, total phosphorus, COD and nitrate nitrogen. Compared with manual monitoring, the annual reduction of waste liquid reaches 48.63%.

Discharge Destination of Treated Wastewater	Business Segments	Output (Tonnes)
Surrounding River Basins	Water Supply, Sludge, and Wastewater Segments	399,570,195.00
Surrounding Watercourses	Wastewater Treatment Sector	1,290,529,024.67
Surrounding Sea Areas	Wastewater Treatment Sector	410,057,314.48

Waste Gas Management

SIIC Environment is committed to responsibly managing its impact on air quality and reducing the environmental effects of exhaust emissions. Through multi-stage purification systems, chlorine safety management and a series of inspection mechanisms and refined supervision, the Group ensures effective control of various air emissions during operation, such as sulfur oxides, nitrogen oxides, odorous gases and smoke released during waste incineration. Meanwhile, attention is paid to the control of unorganized emissions. Through sealing, negative pressure collection and technologies such as biofiltration, plasma deodorization and activated carbon adsorption, odorous gases are collected and treated properly to avoid air pollution.

Waste Management

Hazardous wastes generated in the Group's operations mainly include fly ash from solid waste incineration, waste activated carbon, a small amount of hazardous sludge from other businesses, laboratory waste liquid, waste engine oil, etc. As an environmental protection enterprise, SIIC Environment regards resource conservation and waste reduction as core priorities. To minimize environmental impact, we implement strict reduction and compliant disposal processes, and are committed to the green management of the full life cycle of all wastes. Through comprehensive recycling and resource utilization programs, waste emissions to air, water and soil are reduced. All hazardous wastes are disposed of in compliance with national regulations and centrally treated by qualified third-party companies in the region in a harmless manner.

The Group actively promotes the effective utilization and recycling of various resources, especially the recycling of by-products generated in operations, so as to contribute to green buildings and urban greening. For example, slag recovered from waste-to-energy projects is used for brick-making to support urban greening; ash from biomass combustion is made into fertilizer, and sludge from domestic wastewater treatment is used for composting in landscape and greening projects.

Waste Reduction

Refined Sludge Dewatering Control

Each plant monitors sludge moisture content daily and adjusts the dewatering system according to changes, keeping moisture content strictly below design and EIA standards.



Standardized Laboratory Operations

Standardize the operation of testing instruments and meters, accurately prepare related chemical reagents, and reduce the production of hazardous waste liquid.

Pollution Control during Equipment Maintenance

During equipment maintenance and repair, standardize operations to reduce oil dripping and leakage during the process.

During this reporting period

the Group disposed of

37.80 tonnes

of hazardous waste through reduction methods such as recycling or recovery.

the Group disposed of a total of

320,420.18 tonnes

of Harmless waste through reduction methods such as recycling and recovery.

Case

The Nanchang Ecological and Environmental Protection Committee and the Office of the Air, Water and Soil Pollution Prevention Committee announced the "Waste-Free Cell" list for 2025. The Nanchang Xiaolan Wastewater Treatment Plant operated by the Lianxi Branch under SIIC Environment was included in the list.

Xiaolan Wastewater Treatment Plant is the first centralized wastewater treatment facility serving industrial parks in Jiangxi Province, with a designed treatment capacity of 75,000 tonnes per day. Its tailwater discharge strictly complies with the Class A standard of the Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002). In coping with the challenges of substantial solid waste generation and relatively high potential hazardous waste risks associated with industrial wastewater treatment processes, the factory aimed to establish a "Zero-Waste Factory" by systematically implementing the "5R Zero-Waste Construction Model"(Reduce, Reuse, Recycle, Rule, Reach), promoting the transformation from end-of-pipe pollution control to resource recycling. Relevant initiatives help enhance resource efficiency, reduce environmental burden, and support the local "Zero-Waste City" construction process.



► Nanchang Xiaolan Wastewater Treatment Plant

Energy and Resource Management

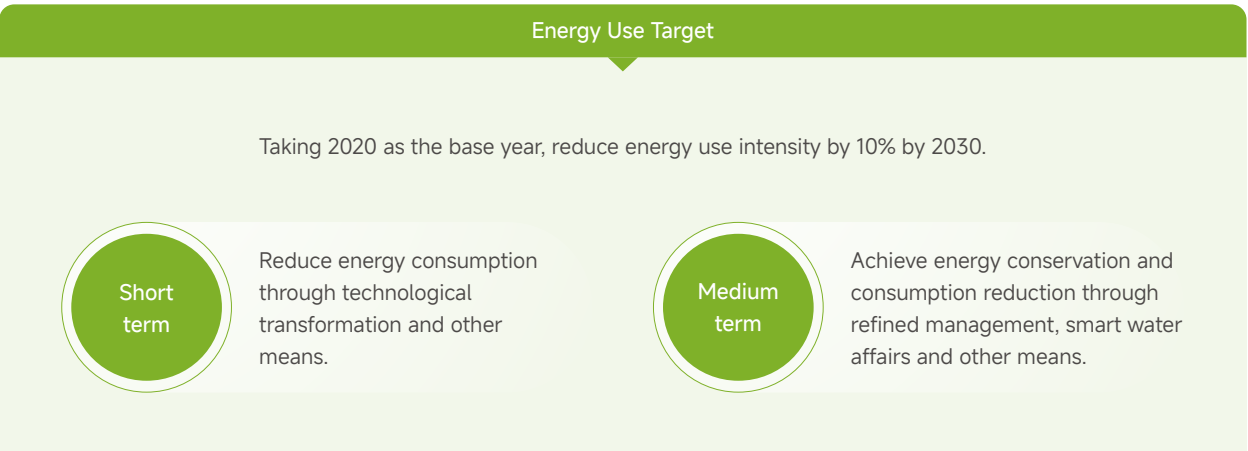
In the field of energy saving and consumption reduction, SIIC Environment focuses on core businesses such as water supply, wastewater treatment, sludge treatment and solid waste disposal, and comprehensively promotes an energy efficiency lean management model. It implements refined control over energy consumption in the entire production and operation process to maximize energy use efficiency in all links.

| Energy Management

Based on the previous year's resource and energy consumption baseline, SIIC Environment scientifically formulates annual energy consumption control targets and strictly implements a monthly energy consumption tracking mechanism in daily operations. For abnormal energy consumption data found in monitoring, the Group immediately organizes personnel to analyze the causes and formulate feasible rectification measures based on expert advice to continuously improve energy efficiency. During the reporting period, the Group advanced energy efficiency goals by implementing measures such as optimizing key equipment operations, deploying intelligent dosing and aeration systems, and replacing aging assets with high-efficiency equipment in select projects.

To further strengthen resource management, the Group promotes project companies to improve production resource management systems, focusing on controlling energy consumption indicators in key process links and monitoring energy efficiency of major energy-consuming equipment and facilities. At the same time, all departments improve control indicators, assessment of production resource indicators and energy efficiency benchmarking systems to ensure the implementation of energy conservation and consumption reduction. The Group has built a systematic equipment energy efficiency evaluation model, comprehensively evaluates various equipment according to scientific energy efficiency standards, accurately identifies low-efficiency equipment, and realizes efficient and stable operation through optimized operation modes and precise process parameter adjustment.

The Group encourages its subsidiary project companies to continuously increase the use of clean energy, promote the establishment of a sufficient, safe and clean energy supply system, actively advance the deep integration of intelligent operations and the concept of green and low-carbon development, develop and apply online process regulation tools, transform advanced process regulation methods into platform-based applications, significantly improve the stability and reliability of system operation, and effectively promote energy conservation and consumption reduction in production processes. For example, parameters of fans and water pumps are adjusted according to water quality conditions, which greatly reduces resource waste while ensuring efficient and stable operation of the water supply system.



During this reporting period

our energy use intensity was

165,623.70 kWh/million-yuan revenue

and the amount of consumption of renewable energy reached

105,183, 592.89¹ kWh

a year-on-year increase of

2.54%

Case

The Longjiang Branch has launched a biohydrogen production demonstration project. It uses low-efficiency carbon sources from water plants as fermentation substrates, and is equipped with carbon source dissolution and mixing devices, bacterial culture and supplementation devices, hydrogen purification and storage devices, hydrogen fuel cell demonstration devices, instrument control devices and other facilities, promoting the resource utilization of organic waste and the application of clean hydrogen energy technology.

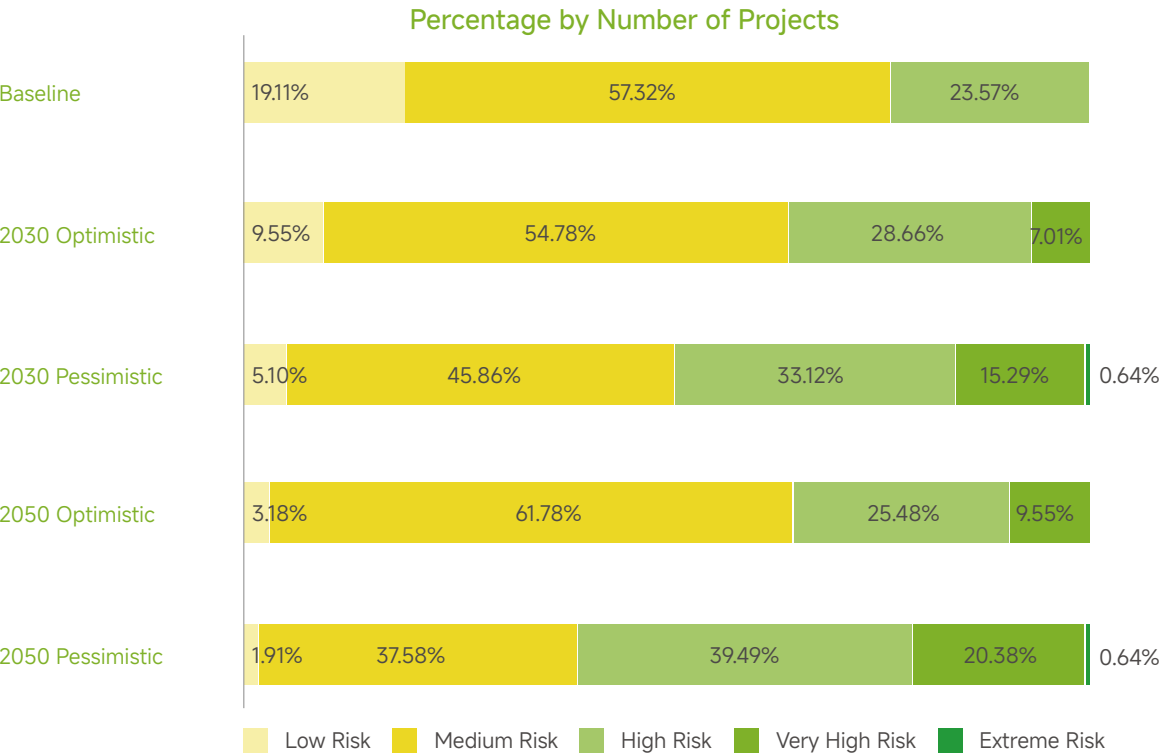
| Water Resource Management

Water shortage is a severe challenge facing the world. As a responsible enterprise, SIIC Environment actively responds to the national water conservation policy, incorporates water conservation and consumption reduction into its core of operation management, is committed to reducing project water consumption through technological and management optimization, and ensures that all wastewater is discharged up to standard after proper treatment. During the project development and environmental impact assessment phase, we also fully consider the impact on local water resources and strive to protect the legitimate water rights of residential communities and other stakeholders. During the reporting period, to scientifically assess water resource-related risks, the Company continued to conduct scenario analysis using the WWF RiskFilter Suite, and formulated more resilient water security and water conservation plans for projects

located in high-risk areas. This tool integrates seven water stress indicators, including drought index, water resource depletion, baseline water stress, blue water scarcity, remaining available water volume, drought probability, and prediction of changes in drought frequency.

In 2025, we continued to apply the same assessment method as in previous years and conducted a comprehensive water risk analysis for all existing operating projects based on the latest project portfolio data. The assessment covered the baseline scenario and two future climate scenarios for 2030 and 2050: the "2° C scenario" under continued current policies and the "pessimistic scenario (3.5–4.0° C)" with rising emissions. The results are presented by percentage of the number of projects, providing data support for the Group to formulate adaptive management strategies.

¹ The renewable energy consumption reported herein encompasses biogas and solar power to maintain data comparability and consistency with prior reporting periods. Waste-to-energy generation, though operational, is excluded due to data volatility caused by external factors such as waste supply scheduling and variations in calorific value.



The water risk assessment results of the current year show that under the baseline scenario, approximately 57% of the projects are at medium risk, 23% at high risk, and only 19% at low risk. With the deepening impact of climate change, in the optimistic scenario for 2030, the proportion of medium-risk projects decreases slightly to 55%, while the proportion of high-risk projects increases to 29%; in the pessimistic scenario, the proportion of high-risk projects rises significantly to 33%, and extremely high-risk projects appear for the first time, reflecting that future water stress will pose more severe challenges to operations.

By 2050, the proportion of high-risk projects will increase further under both optimistic and pessimistic scenarios — reaching 25% in the optimistic scenario and as high as 40% in the pessimistic scenario. This indicates that long-term climate change may lead to severe water shortage in some regions. Overall, water resource risks show an upward trend over time, especially under the scenario of rising emissions, with accelerated risk diffusion, highlighting the urgency of strengthening adaptive management and resilience building.

In addition, relying on its nationwide network of environmental protection and water affairs projects, SIIC Environment actively invests in, constructs, and operates a series of projects including municipal and industrial wastewater treatment, reclaimed water reuse, and comprehensive environmental water governance. These projects have effectively improved regional water environment quality and public health standards, and also made substantial contributions to the sustainable utilization of water resources by reducing direct wastewater discharge

and providing alternative water sources, fully reflecting the Group's comprehensive capabilities and social responsibility in Water Resource Management. During the reporting period, the Company's wastewater inflow remained stable, with no issues in securing the water required for operations.

SIIC Environment actively responds to the water conservation policy and has comprehensively established and implemented a three-level Water Resource Management system of "production – reclamation – reuse". In operations, we extensively apply reclaimed water from wastewater treatment plants to auxiliary production links such as equipment flushing, pharmaceutical production, sludge dewatering, greening and cooling, effectively saving fresh water consumption; the treated high-standard tail water is reused for campus landscaping, daily miscellaneous use, municipal greening maintenance and other fields, significantly improving the recycling rate of water resources. In addition, we continuously reduce system water consumption by regularly monitoring pipeline network leakage, strengthening facility maintenance and upgrading; we also popularize water-saving appliances in campuses, combine signage guidance and staff training to deepen a company-wide water-saving culture, achieving a balance between environmental and economic benefits.

The Group has formulated water use targets: taking 2020 as the base year, the recycled water volume will increase by 20% by 2030, and the proportion of recycled water will be increased year by year. During the current reporting period, we recycled and reused a total of 79,651, 697.9 tonnes of water, having achieved the annual target.

Environmental Impact Management

Pharmacy Use Management

Scientific management of chemicals is a core part of SIIC Environment's water treatment business. We are committed to maximizing treatment efficiency while minimizing environmental impact. To achieve this goal, we have established a full-process management and control system covering intelligent control, quality management, process optimization, and institutional guarantees.



Optimizing Chemical Dosing

Relying on online monitoring equipment and intelligent dosing control systems, we track and detect indicators that are prone to exceeding standards in real-time, and dynamically optimize the combination and dosage of dosing chemicals according to different water quality and treatment needs, achieving accurate and automatic dosing and avoiding repeated or excessive use from the source. For projects adopting special technologies such as Fenton process, the system specifically optimizes the ratio and dosage of chemicals such as hydrogen peroxide and ferrous sulfate in real time.



Strict Control of Chemical Quality

We strictly control the quality of chemicals by screening high-quality suppliers and conducting strict incoming inspection to ensure the quality of all chemicals is qualified. On this basis, each project company must analyze the unit consumption of chemicals item by item in the monthly production analysis report and explain the reasons for deviations. In cases of over-budget consumption, the headquarters will issue notifications and provide on-site guidance to assist in adjustments.



Process Parameter Optimization

We extend our management and control to the process and operation levels. By strengthening online water quality control in all links of the production process, we can timely adjust the combination and operation mode of water treatment processes, optimize process parameters in a targeted manner, and dynamically adjust dosing strategies to cope with water quality fluctuations, maximize the stable compliance of effluent quality, and form a complete closed-loop management from chemical dosing to compliant effluent.



Biodiversity Conservation

The national "14th Five-Year Plan" focuses on promoting green development, emphasizing ecological and environmental protection, and synergistically promoting high-quality economic development and high-level ecological and environmental protection. SIIC Environment is committed to promoting biodiversity protection, deeply serving national strategies such as the integrated development of the Yangtze River Delta, the construction of the Yangtze River Economic Belt and the Guangdong-Hong Kong-Macao Greater Bay Area, and the ecological governance of the Yellow River Basin, demonstrating its responsibility in building a Beautiful China.

All projects of SIIC Environment strictly implement national and international environmental standards. Before the start of construction of new projects, a comprehensive assessment of the local ecological environment is carried out, and priority is given to avoiding natural habitats and ecologically sensitive areas to minimize interference with the biological environment. At the project operation and technical support level, we have set up special technology centers for water environment microorganisms, membrane industry and other fields, and established professional R&D teams, successfully developing innovative products such as low-temperature microbial agents and integrated biological deodorization equipment, as well as establishing an activated sludge health assessment system. This system can provide scientific guidance for the optimization of process parameters based on microbial health, thereby effectively ensuring that wastewater treatment facilities can achieve stable and compliant discharge even under adverse environmental conditions.

During the reporting period, no significant impact on biodiversity or endangered species was found. In the future, we will continue to monitor the potential impact of projects on biodiversity and continuously optimize management practices.

Case

Xicen Wastewater Treatment Plant in Qingpu District, Shanghai adopts a fully buried eco-friendly design and integrates an AI+smart water system for precise control, with effluent quality stably meeting Grade III surface water standards. The treated tail water can be directly reused for river water replenishment and landscape irrigation, realizing the purification transformation from wastewater to ecological resources. At the same time, the upper part of the plant is built as an open ecological park, combined with carbon reduction technologies such as photovoltaic power generation, effectively promoting the improvement of regional water environment and the enhancement of ecosystem service functions.



Environmental Performance Data¹

Summary of Key Environmental Performance²

Emissions					
Emission Type	Indicators	Unit	2025	2024	2023
Greenhouse Gases ³	Direct Emissions (Scope 1)	Tonnes CO ₂ e	251,084.49	251,467.61	253,415.28
	Indirect Emissions (Scope 2)	Tonnes CO ₂ e	528,689.06	534,128.57	540,098.81
	Other Indirect Emissions (Scope 3) ⁴	Tonnes CO ₂ e	283,042.64	167,019.72	-
	Total Greenhouse Gases Emissions	Tonnes CO ₂ e	1,062,816.19	952,615.90	793,514.08
	Total Greenhouse Gases Emissions Intensity ⁵	Tonnes /RMB million	150.26	125.41	104.78
Solid Waste	Total Discharge of Hazardous Waste	Tonnes	26,823.41	28,491.56	27,090.17
	Hazardous Waste Discharge Intensity	Tonnes /RMB million	3.79	3.76	3.58
	Total Discharge of Non-hazardous Waste	Tonnes	2,359,275.40	2,174,328.94	2,195,942.13
	Non-hazardous Waste Discharge Intensity	Tonnes CO ₂ e/RMB million	333.56	287.13	289.97

Use of Resources					
Resource Type	Indicators	Unit	2025	2024	2023
Energy Consumption	Total Direct Energy Consumption	Kilowatt Hours	126,094,074.69	129,449,611	77,597,547
	Intensity of Direct Energy Consumption	Kilowatt Hours/ RMB million (Operating Revenue)	17,827.52	17,041.81	10,246.61
	Total Indirect Energy Consumption	Kilowatt Hours	1,045,362,388.09	1,011,184,566	947,043,320
	Intensity of Indirect Energy Consumption	Kilowatt Hours/ RMB million (Operating Revenue)	147,796.18	133,120.66	125,055.24
Water Consumption	Total Water Consumption	Tonnes	499,873,244.52	477,097,752	473,673,439
	Intensity of Water Consumption	Tonnes /RMB million	70,673.44	62,809.08	62,547.66

¹The scope of environmental performance disclosure only includes projects in operation during the financial year.

²The Environmental Performance Summary Table covers environmental data from the Company's four main business segments (wastewater treatment, water supply, sludge treatment, and solid waste incineration power generation).

Scope 1 greenhouse gases primarily originate from greenhouse gas emissions generated by direct energy use (gasoline, diesel, natural gas) across various operational business segments and emissions from the solid waste power generation process. Scope 2 greenhouse gas emissions primarily come from the use of purchased electricity during the reporting period. Scope 3 greenhouse gas emissions primarily come from other indirect emissions during the reporting period, including purchased goods and services, capital goods, fuel-and energy-related activities, waste generated in operations, business travel (this year includes only air travel), and employee commuting.

³The increase in Scope 3 greenhouse gas emissions data this year is primarily due to the addition of two categories,"waste generated in operations" and "fuel-and energy-related activities," to the accounting scope.

⁴The increase in Scope 3 greenhouse gas emissions data this year is primarily due to the addition of two categories,"waste generated in operations" and "fuel-and energy-related activities," to the accounting scope.

⁵GHG 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.

Wastewater Treatment Business Line

Emissions					
Emission Type	Indicators	Unit	2025	2024	2023
Air Pollutants	Ammonia gas	/	In compliance	In compliance	In compliance
	Hydrogen Sulfide	/	In compliance	In compliance	In compliance
Greenhouse Gases ¹	Direct Emissions (Scope 1)	Tonnes CO ₂ e	941.83	1,039.20	954.28
	Indirect Emissions (Scope 2)	Tonnes CO ₂ e	438,323.00	444,895.11	448,660.82
Wastewater	Wastewater Discharge	Tonnes	2,464,052,419.55	2,470,981,920.93	2,355,231,579.73
	COD	Tonnes	49,452.53	46,297.51	46,071.37
	BOD	Tonnes	12,671.13	9,919.23	10,031.84
	Suspended Particulate Matter	Tonnes	16,151.75	12,609.02	12,434.69
	Ammonia Nitrogen	Tonnes	1,525.23	1,413.86	1,618.80
Non-hazardous Wastes ²	Hazardous Sludge	Tonnes	4,366.94	4,687.16	3,937.66
	Other Hazardous Waste ³	Tonnes	197.86	163.67	129.90
Non-hazardous Wastes	Regular Sludge	Tonnes	1,825,946.10	1,606,928.17	1,559,625.65
	Other Non-hazardous Wastes ⁴	Tonnes	24,573.45	25,875.49	23,978.63

Initiatives and Processes to Reduce Emissions/Discharges					
Initiatives and Processes	Indicator	Unit	2025	2024	2023
Trees	Number of Trees Able to Reach at Least Five Metres in Height	Trees	25,263	24,859	23,160
	Amount of CO2 Offset ⁵	Tonnes CO ₂	581.05	571.77	532.68
Wastewater Treatment	COD Reduced After Treatment	Tonnes	551,052.80	542,311.40	596,033.81
	BOD Reduced After Treatment	Tonnes	259,092.81	246,169.04	231,404.43
	Ammonia Nitrogen Reduced After Treatment	Tonnes	61,047.37	58,374.52	55,126.81
Water recycling	Recycled Water Used	Tonnes	75,912,251.00	76,531,026.00	39,880,776.60
Reclaimed Water Supply	Reclaimed Water Production	Tonnes	61,918,589.00	64,544,146.98	56,814,215.00
Sludge Recovery	Regular Sludge Reused	Tonnes	979,008.30	914,573.10	965,556.38

¹Scope 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 provincial average emission factors of the National Grid as defined in the Announcement on Issuing 2022 Provincial Electricity CO₂ Emission Factors issued by the Ministry of Ecology and Environment of the PRC.

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

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

⁴Other 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.

⁵CO₂ 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	2025	2024	2023
Energy Consumption	Direct Energy	Petrol	Litres	119,547.63	123,531.00	100,012.92
		Diesel	Litres	57,504.64	64,835.59	87,915.44
		Natural Gas	Cubic Metres	398,370.00	272,607.40	228,644.80
		Renewable Energy (Solar)	Kilowatt Hours	1,664,874.90	1,692,801.50	1,663,402.60
		Total Direct Energy Consumption	Kilowatt Hours	5,950,648.64	6,434,150.67	5,954,585.02
	Indirect Energy	Purchased Electricity	Kilowatt Hours	880,538,220.09	846,491,766.68	786,710,186.21
Water Consumption	Purchased Freshwater	Tonnes	2,372,955.52	2,345,981.79	2,441,164.24	
Raw Material Consumption	Disinfectants	Tonnes	37,013.13	40,672.58	39,123.62	
	Adsorbents	Tonnes	6,793.54	8,513.38	6,135.18	
	Carbon Sources	Tonnes	98,478.58	96,381.30	290,186.67	
	Coagulants and Flocculants	Tonnes	163,246.43	149,519.20	969,418.11	
	Acid-base Regulators	Tonnes	27,708.41	32,457.57	119,948.60	
	Other Raw Materials ⁶	Tonnes	38,502.90	47,969.80	48,239.55	

⁶Other raw materials mainly include hydrochloric acid, lime, liquid oxygen and NS-A Reagent.

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Water Supply Business Line

Emissions					
Emission Type ¹	Indicator	Unit	2025	2024	2023
Greenhouse Gases ²	Direct Emissions (Scope 1)	Tonnes CO ₂ e	13.82	14.98	19.42
	Indirect Emissions (Scope 2)	Tonnes CO ₂ e	78,224.96	78,502.49	81,027.69
Wastewater	Wastewater	Tonnes	4,690,321.00	7,681,379.00	8,973,313.00
Non-hazardous Wastes	Regular Sludge ³	Tonnes	9,609.44	9,873.87	9,942.62
	Other Non-hazardous wastes ⁴	Tonnes	89.75	86.02	89.82

Initiatives and Processes to Reduce Emissions/Discharges					
Measures and Procedures	Indicators	Unit	2025	2024	2023
Trees	Number of Trees Able to Reach at Least Five Metres in Height	Trees	6,042	6,030	6,407
	Amount of CO ₂ offset ⁵	Tonnes CO ₂	138.97	138.69	147.36
Water Recycling	Recycled Water Used	Tonnes	1,860,447.00	231,251.00	272,287.00

Use of Resources					
Resource Type	Indicator	Unit	2025	2024	2023
Energy Consumption	Petrol	Litres	6,223.14	6,743.59	8,682.93
	Diesel	Litres	0	0	50
	Total Direct Energy Consumption	Kilowatt Hours	56,533.77	61,261.76	79,914.70
	Purchased Electricity	Kilowatt Hours	145,495,684.00	146,007,865.00	142,079,065.60
Water Consumption	Surface Water	Tonnes	413,720,852.00	405,640,647.00	399,549,474.08
	Groundwater	Tonnes	81,538,404.00	67,011,129.00	69,446,373.00
Raw Material Consumption ⁶	Disinfectant	Tonnes	7,968.35	7,933.57	8,949.91
	Coagulant and Flocculant	Tonnes	11,730.24	12,551.81	8,739.07
	Water Purification Agents	Tonnes	3,499.65	3,307.40	3,715.75

¹Hazardous waste is not necessary in water supply business; thus, we do not disclose related information.

²Scope 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 provincial average emission factors of the National Grid as defined in the Announcement on Issuing 2022 Provincial Electricity CO₂ Emission Factors issued by the Ministry of Ecology and Environment of the PRC.

³During the year, there was a change in the method of disposal of hazardous sludge, which was mostly changed to landfill treatment; therefore, the amount of recycled hazardous sludge is no longer disclosed.

⁴Other non-hazardous wastes mainly include domestic garbage and packaging cardboard boxes.

⁵CO₂ 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.

⁶During the Reporting Period, the consumption of coagulants and flocculants fluctuated due to the changes of the type of chemicals.

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Sludge Treatment Business Line⁷

Emissions					
Emission Type	Indicator	Unit	2025	2024	2023
Air Pollutants ⁸	Ammonia Gas	/	In compliance	In compliance	In compliance
	Hydrogen Sulfide	/	In compliance	In compliance	In compliance
Greenhouse Gases ⁹	Direct Emissions (Scope 1)	Tonnes CO ₂ e	1,435.43	1,615.57	1,437.31
	Indirect Emissions (Scope 2)	Tonnes CO ₂ e	11,605.68	10,231.48	10,285.52
Hazardous Waste	Other Hazardous Waste ¹⁰	Tonnes	6.98	7.58	2.33
Non-hazardous Wastes	Regular Sludge	Tonnes	278,853.80	299,265.48	395,424.60
	Other Non-hazardous wastes ¹¹	Tonnes	28.00	189.35	190.62

Initiatives and Processes to Reduce Emissions/Discharges					
Measures and Procedures	Indicator	Unit	2025	2024	2023
Trees	Number of Trees Able to Reach at Least Five Metres in Height	Trees	2,632	2,533	2,353
	Amount of CO ₂ offset ¹²	Tonnes CO ₂	60.53	58.25	54.12
Water Recycling	Recycled Water Used	Tonnes	147,265.90	123,377.50	112,489.00
Sludge Recovery	Regular Sludge Reused	Tonnes	207,671.30	233,021.82	323,573.73

⁷Since 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.

⁸Since 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.

⁹Scope 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 provincial average emission factors of the National Grid as defined in the Announcement on Issuing 2022 Provincial Electricity CO₂ Emission Factors issued by the Ministry of Ecology and Environment of the PRC.

¹⁰Other hazardous wastes mainly include waste motor oil and laboratory waste liquids.

¹¹Other non-hazardous wastes mainly include domestic waste and screening waste and grit.

¹²CO₂ 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	2025	2024	2023
Energy Consumption	Petrol	Litres	12,181.19	12,545.55	13,812.96
	Diesel	Litres	443,074.00	438,753.60	394,022.65
	Natural Gas	Cubic Metres	97,093.00	185,435.00	157,654.00
	Renewable Energy (Biogas)	Cubic Metres	1,606,335.00	1,692,953.00	1,964,267.00
	Renewable Energy (Solar)	Kilowatt hours	23,175.00	23,175.00	23,175.00
	Total Direct Energy Consumption	Kilowatt hours	15,858,105.00	17,316,012.22	18,267,974.61
	Indirect Energy	Purchased Electricity	Kilowatt hours	19,048,624.00	18,429,034.00
Water Consumption	Purchased Fresh Water	Tonnes	9,216.00	9,089.00	12,897.00
Raw Material Consumption	Straw	Tonnes	31,220.09	26,530.24	25,523.13
	Rice Hulls	Tonnes	21,927.93	25,799.00	43,838.78
	Other Raw Materials ¹	Tonnes	3,052.49	6,040.30	9,373.25

Waste Incineration Business Line²

Emissions

Emission Type	Indicator	Unit	2025	2024	2023
Air Pollutants ³	NOx	Tonnes	372.57	380.91	381.68
	SOx	Tonnes	27.58	28.47	20.08
	CO	Tonnes	31.45	19.39	24.55
	Smoke	Tonnes	8.49	6.92	5.52
	Dioxins ⁴	/	In compliance	In compliance	In compliance
Greenhouse Gases ⁵	Direct Emissions (Scope 1)	Tonnes CO ₂ e	248,693.41	248,797.86	251,004.27
	Indirect Emissions (Scope 2)	Tonnes CO ₂ e	179.39	164.03	124.77
Wastewater	Wastewater	Tonnes	329,741.05	299,635.03	405,746.60
	COD	Tonnes	9.54	12.44	4.49
	Ammonia Nitrogen	Tonnes	0.18	0.25	0.22

¹Other raw materials mainly include corn cobs, wood chips, and composite auxiliary materials.

²During this reporting period, the data statistics scope for the Company's solid waste projects changed, leading to significant fluctuations in data such as water reuse volume and natural gas consumption for this segment.

³Air pollutants only include those generated from waste incineration during the Reporting Period.

⁴During the Reporting Period, dioxins emission did not violate the local emission standards of the project operation site.

⁵Scope 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 provincial average emission factors of the National Grid as defined in the Announcement on Issuing 2022 Provincial Electricity CO₂ Emission Factors issued by the Ministry of Ecology and Environment of the PRC.

Emissions

Emission Type	Indicator	Unit	2025	2024	2023
Hazardous Waste	Used Activated Carbon from Treatment of Waste Gases Generated During Waste Incineration	Tonnes	42.46	50.56	51.70
	Fly Ash from Domestic Waste Incineration	Tonnes	22,189.97	23,566.44	22,964.71
	Other Hazardous Wast ⁶	Tonnes	19.20	16.15	3.86
Non-hazardous Wastes	Slag	Tonnes	22,251.63	232,110.56	206,659.39

Initiatives and Processes to Reduce Emissions/Discharges

Measures and Procedures	Indicator	Unit	2025	2024	2023
Trees	Number of Trees Able to Reach at Least Five Metres in Heighzt	Trees	2,216	2,216	2,216
	Amount of CO ₂ Offset ⁷	Tonnes CO ₂	53.33	50.97	50.97
Water Recycling	Recycled Water Used	Tonnes	1,731,734.00	1,497,666.00	424,708.00
Electricity generation from Waste Incineration	Power Generation	Kilowatt Hours	566,174,730.00	546,728,950.00	535,092,804.00
Waste Recycling/reuse	Slag Reused	Tonnes	220,174.86	232,110.56	206,659.39

Use of Resources

Resource Type	Indicator	Unit	2025	2024	2023
Energy Consumption	Diesel	Litres	104,984.00	91,800.00	104,075.45
	Natural Gas	Cubic Metres	900,167.00	1,336,649.00	534,925.00
	Total Direct Energy Consumption	Kilowatt Hours	104,228,787.28	105,638,186.16	53,295,072.41
	Purchased Electricity	Kilowatt Hours	279,860.00	255,900.00	218,780.00
Water Consumption	Purchased Freshwater	Tonnes	2,231,817.00	2,090,905.00	2,223,531.00

⁶Other hazardous wastes include waste lead batteries, laboratory waste liquids, waste mineral oil, materials contaminated by waste mineral oil and laboratory waste liquids.

⁷CO₂ 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.



Safeguarding a Better and Harmonious Society

SIIC Environment is committed to building an inclusive and motivating working environment, helping employees achieve career advancement and personal growth, and promoting mutual development and win-win progress between the company and its employees. We always prioritize the physical and mental health of our employees and lay a solid foundation for the common growth of employees and the company. The Group further upgrades its human resource management system and effectively enhances employees' sense of belonging and well-being through more caring initiatives. At the same time, we actively fulfill our corporate citizenship responsibilities, promote environmental science popularization, participate in public welfare and charity projects, consciously undertake social missions, and continuously deepen and expand our social value contribution.

High Materiality Issues Responded to in this Chapter

- Labour compliance
- Occupational Health and Safety
- Employee compensation and welfare

Sustainable Development Goals (SDGs) issued by the United Nations Responded to in this Chapter



Chapter Highlights

Number of work-related fatalities:

0

Number of participants in safety training:

1,488

Volunteer service hours:

3,205

Employee Rights Protection

Safeguarding the legitimate rights and interests of employees has always been one of the core development philosophies of SIIC Environment. We fully comply with national labor laws and regulations, effectively protect employees' basic rights, and strive to create a fair, healthy and respectful working environment.

At the same time, we also attach great importance to the protection of labor rights in the supply chain and outsourcing services, and actively build responsible bilateral partnerships. We clearly require our partners to ensure that workers enjoy reasonable rest time, fair remuneration and safe and healthy working conditions, and effectively protect the legitimate rights and interests of construction workers and other relevant workers. Where necessary, we conduct compliance reviews on our partners to urge them to strictly abide by labor laws and industry standards.

| Equal Employment

SIIC Environment takes "Equality, Diversity, and Inclusion" as the cornerstone of sustainable development, and this concept runs through the entire process of talent management. We strictly follow national and international labor standards, establish a non-discriminatory and equal employment mechanism in recruitment, promotion and other processes, strive to create a working environment where both dignity and opportunity exist, and regard employee diversity as a source of innovation. The Group adheres to the principle of responsible employment and fully complies with local labor laws and regulations in all regions of operation, including the "Labor Law" and "Labor Contract Law" of mainland China, as well as the "Employment Act" and "Foreign Workers Act" of Singapore, establishing a full-cycle management and control system covering employment. We explicitly prohibits child labor and forced labor, with these requirements clearly stipulated in the "SIIC Environment Sustainable Development Policy". During the recruitment process, the Company implements risk-mitigation measures such as identity verification and background checks. Should any suspected cases of child labor or forced labor arise, the Company will immediately initiate an investigation and take corrective actions. During the 2025 reporting period, no labor disputes or major labor compliance incidents occurred.

In terms of gender equality, the Group strictly implements the equal pay for equal work system, and effectively protects the legitimate rights and interests of female employees. During this reporting period, women accounted for 10.24% of the management team and approximately 25.69% of the total employees, and we continue to promote a balanced gender ratio. In terms of diversity and inclusion, the Group

respects and attracts talents from different cultural, ethnic and national backgrounds, prioritizes the employment of local employees in countries where we operate to promote local employment, and enhances the international capability of the team through cross-cultural communication. In 2025, the Group employed 155 people from ethnic minority groups; where business conditions permit, we also provide suitable positions for special groups such as persons with disabilities, ensuring that they can perform their duties and give full play to their strengths, and fully fulfill our commitment to diverse and inclusive employment.

In specific practices, we implement the principle of equality through both institutional safeguards and cultural development. The recruitment process always adheres to the open and transparent principle of ability first and job matching; the salary and welfare system is regularly audited to ensure internal fairness and continuously narrow the gender pay gap. In terms of career development, the Company provides equal training resources and clear promotion paths for all employees, with a special focus on supporting female employees and minority groups to move into management and core technical positions.

We have established a comprehensive human resources governance structure, with the employee handbook as the core normative document, covering management requirements from employee onboarding to off boarding, including key modules such as responsibility division, attendance control, performance evaluation, salaries and benefits, career development, and rights protection. On this basis, each business segment further refines targeted management systems.

Salary and Incentive System

Formulated the Salary Management Measures to establish a flexible salary mechanism benchmarked against the market and linked to performance.

Personnel Mobility Management

Clarified standardized processes for promotion, transfer, and dismissal through the Mobility Management Regulations.

Fair Employment Practices

Implemented the principles of diverse recruitment and equal employment through the Recruitment and Anti-discrimination Guidelines and Employee Relationship Management Regulations.

Working Hours Control

Strictly complied with statutory working hours through the Attendance and Overtime Management Measures, standardizing overtime approval and compensation mechanisms.

Leave Rights Protection

Formulated the Employee Leave Management Regulations to ensure the implementation of various statutory and paid leave.

Employee Welfare System

Provided medical, pension, and additional supplementary benefits through the Employee Welfare Management Measures.

Communication and Dispute Resolution

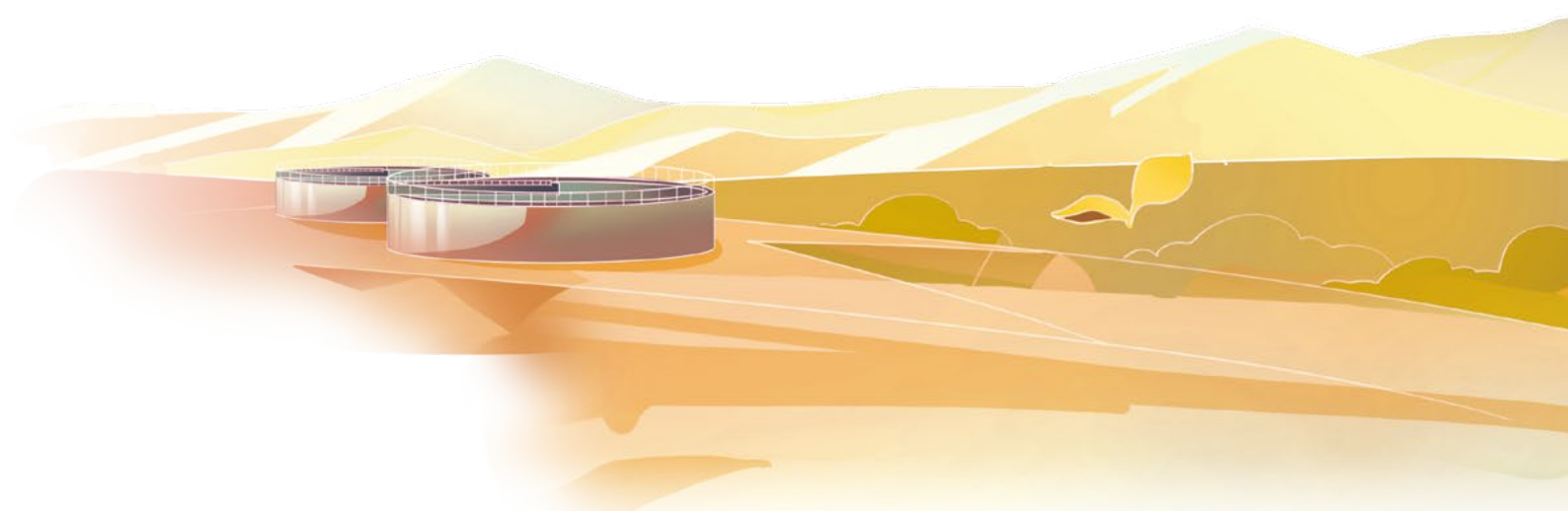
Established Employee Communication Mechanisms and Labor Dispute Mediation Procedures to smooth two-way communication channels.

Performance and Reward and Punishment Management

Implemented performance tracking and behavioral constraints through the Performance Management System and Reward and Punishment Implementation Rules.

To strengthen rights protection, we have set up an independent anonymous reporting hotline and online complaint channels, and conduct regular employment compliance audits, effectively preventing potential violation risks through system optimization and internal supervision.

During this reporting period, we initiated a special upgrade of the salaries and benefits system. Each business segment completed the revision of core documents such as the Salary Management Measures, Welfare Implementation Rules, and Performance Appraisal System, further optimizing the fairness and flexibility of the salary structure. This series of measures not only reflects the Group's emphasis on employee rights but also lays a solid foundation for long-term stable labor relations.



As of December 31, 2025

the Group had a total of

6,512 employees

all

6,512 are full-time employees

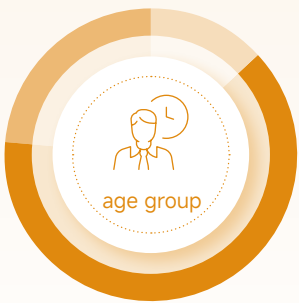
with

0 part-time employees

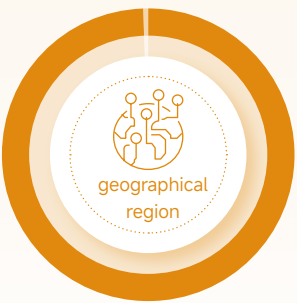
Categorized by gender, age group, and geographical region as follows:



Male Employees: 4,843
Female Employees: 1,669



Below 30: 1,027
Below 30 Years Old: 3,844
Over 50 Years Old: 1,641



Mainland China: 6,506
Other Countries or Regions: 6

During this reporting period

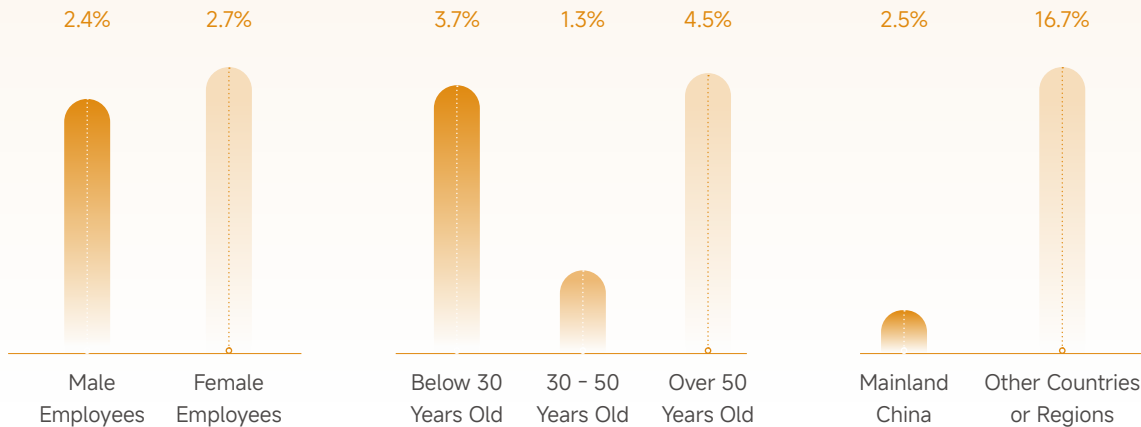
the number of employee turnovers was

162

with an overall turnover rate of

2.49%

The turnover rates by gender, age, and region are as follows:



Democratic Management

SIIC Environment regards democratic management as an important part of modern corporate governance, committed to building an open, transparent, and trustworthy employee participation mechanism. We firmly believe that the extensive participation of employees is an important foundation for the company's scientific decision-making and sustainable development.



We have taken a series of measures, such as improving the system of employee representative conferences, establishing and improving multi-level communication channels, and implementing transparency in factory affairs, to effectively safeguard employees' rights to information, participation, expression, and supervision in business management, system construction, safety supervision, and rights protection.



Our management maintains direct and candid communication with employees by setting up a "President's Mailbox," conducting "Management Meetings," and organizing regular employee surveys.



The trade union shoulders the core responsibility of protecting employee rights. In addition to representing employees in safeguarding their legitimate rights and interests, it also regularly organizes cultural and sports activities and skills upgrading courses to promote communication and connection among employees and support their career development.

Staff Training and Development

In accordance with the development plans of each business division and the career growth requirements of employees, SIIC Environment has formulated normative documents such as the Training Management System and Training Management Measures, constructing a comprehensive and refined training management framework that fully covers various positions including technical, managerial, and functional roles. This system, guided by the core principle of "cultivating green professional capabilities and empowering employees' comprehensive growth," organically integrates ESG concepts, environmental compliance standards, and low-carbon operational techniques throughout the entire training process, achieving full coverage for all employees while taking into account the differentiated learning needs of different genders and job levels. The company actively advocates a corporate culture of proactive learning, integrates high-quality internal and external training resources, promotes the inheritance and accumulation of experience, and assists in the overall improvement of team capabilities; simultaneously, it deeply cultivates talent echelon construction, actively exchanges talent cultivation experiences with peers, and achieves collaborative co-existence and common development for employees and the enterprise.

In the implementation phase of training, the headquarters and each business division formulate annual specialized training plans, clarifying the training schedule, budget allocation, and assessment standards, and conduct tiered and categorized training precisely matching the needs of different groups. For management personnel, special training on topics such as climate risk and opportunity analysis and ESG governance system construction is

primarily conducted to enhance green decision-making capabilities. For experts and technical personnel, the focus is on upgrading professional skills and enhancing R&D capabilities to strengthen core business competencies. Customized adaptive training courses are designed for transferred employees and new recruits to help them quickly adapt to job requirements and consolidate their foundation for performance. Training formats are diverse and rich, encompassing cross-departmental exchange seminars, job rotation practices, integrated online and offline interactive teaching, self-directed learning enhancement, external specialized training, and skills competitions. Simultaneously, external industry experts are regularly invited to conduct special lectures, balancing the professionalism and convenience of training. Furthermore, specialized anti-corruption training is conducted for all employees to fortify the ideological defense line for compliant performance. The training content comprehensively covers multiple fields such as professional technology, R&D and innovation, health and safety, laws and regulations, environmental protection, anti-corruption, business etiquette, and risk identification, comprehensively enhancing employees' comprehensive qualities.

At the employee development level, the Group has constructed a scientific, fair, and motivating performance management system, providing solid support for employees' career development. Through measures such as conducting capability transformation coaching, optimizing online and offline training platforms, customizing personalized career development paths, and strengthening regular performance coaching, the Group systematically helps employees enhance their professional skills and comprehensive literacy.

Case

During the reporting period, we systematically carried out five major categories of training activities: young cadre cultivation, young talent empowerment, production skills improvement, team collaborative management, and on-the-job training of technical talents. These activities effectively fulfilled our employee development responsibilities, strengthened core business performance capabilities, and solidified the talent foundation for the high-quality and sustainable development of the company's core environmental business.



► The SIIC Environment Young Cadre Training Class (First Session) was successfully held



► SIIC Environment First Young Talent Training Class

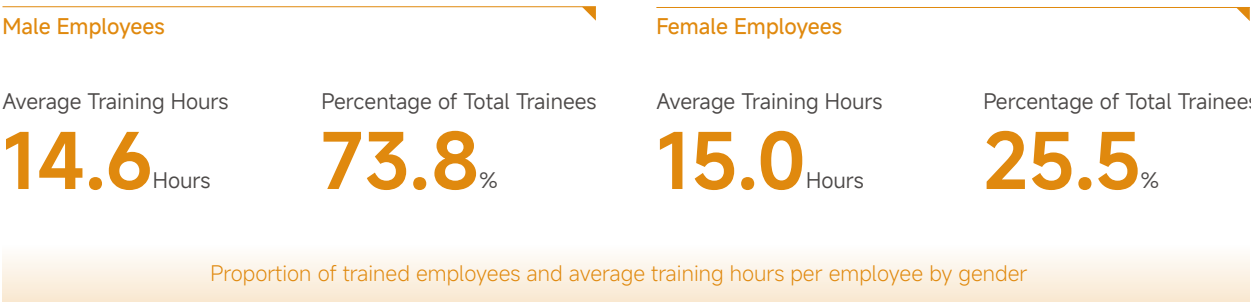


► The Wuhan BU successfully organized production training and labor and skills competition activities



► The Party Committee of the Longjiang BU held the kick-off meeting for the first batch of young technical professionals to undergo on-the-job training

During this reporting period, 100% of the Group's employees received training related to career development, with the average training time of approximately 14.7 hours per employee.



Employee Welfare and Care

The Group has established and continuously improves a systematic employee welfare management system, aiming to comprehensively protect employee rights and enhance overall well-being. This system strictly follows internal regulations such as the Employee Welfare Management System to ensure that statutory benefits (including "Five Social Insurances and One Housing Fund") are fully and timely implemented. On this basis, we provide diversified allowances and supplementary benefits, such as commercial insurance, regular health check-ups, paid leave, and other care programs, to respond to the diverse needs of employees at different life stages. We regularly review the implementation effectiveness of welfare policies and collect employee feedback through internal communication channels to ensure the allocation of welfare resources keeps pace with the times.

Cultural and Sports Activities

The Group attaches great importance to the physical and mental balance of employees and team cohesion. During the reporting period, it systematically carried out diverse cultural and sports activities, including sports events and cultural experiences. The activity design balanced fun and collaboration, aiming to enhance employees' sense of belonging, promote cross-departmental communication, and practice the concept of work-life balance.

Case

- Organized Traditional Costume Experience Organized the activity for Women's Day



- Organized fun sports activities



- Held the 3rd employee badminton tournament



- Held an employee basketball game

Employee Sympathy

SIIC Environment places employee well-being at its core and has established a systematic care mechanism. To effectively support employees in need, the company promotes the establishment of special assistance funds in multiple branches and organizes employee mutual aid. It strictly follows the "Five Must-Visits" principle, providing timely financial assistance and humane care to employees with serious illnesses or living difficulties. Regular visits are conducted during traditional festivals, translating corporate responsibility into concrete warm actions and committing to building an inclusive and mutually supportive working environment.

Case

On February 5, 2025, the first working day after the holiday, the leadership team of SIIC Environment visited and extended New Year greetings to Fudan Water, boosting team morale. During the symposium, the leadership, aligning with the Group's strategy, required Fudan Water to deepen its presence in the Yangtze River Delta, expand new projects, and strengthen account receivable recovery to ensure a stable capital chain.



- SIIC Environment leaders visited Fudan Water for the New Year's visit

Case



- Yang Bin, General Manager of the Wuhan BU, and his team visited Hanxi Phase III to conduct Spring Festival visit activities

Occupational Health and Safety

The Group regards Production safety as an inviolable red line and firmly believes that employee health is the foundation of the company's long-term development. We strictly comply with relevant laws and regulations, including the People's Republic of China Law on Work Safety and the People's Republic of China Law on the Prevention and Control of Occupational Diseases, systematically construct and continuously optimize the occupational health and safety management system, and effectively safeguard the safety and health of employees. Through continuous efforts, branches such as the Fudan BU and South BU of the Group have successfully obtained ISO 45001 Management System Certification. During the entire reporting period, the Group had no serious violations of laws or regulations.

Occupational Health

SIIC Environment always puts the life, health, and safety of employees first, and fulfills this commitment by establishing a systematic management system. We have established and continuously improved a series of core systems, including the Occupational Health Management System and the Occupational Disease Hazard Notification System, aimed at preventing and controlling occupational hazards in production and operations from the source, providing a clear basis for the standardized management and systematic supervision of safe production.

At the specific implementation level, the Occupational Health Management Team holds comprehensive responsibility, strictly adhering to the "Three Simultaneities" requirement for construction projects. It dynamically monitors hazard factors at the worksite and sets up prominent warning signs and safety instructions in high-risk areas. We not only commission third-party professional institutions

for regular testing and assessment to ensure the effectiveness of prevention and control measures but are also committed to equipping and maintaining standard-compliant personal protective equipment (such as helmets, protective masks, specialized gloves, etc.) for employees in relevant positions. Simultaneously, each branch organizes targeted safety training and occupational health check-ups (Such as specialized lung examinations) annually to strengthen employee awareness and achieve proactive risk control.

To respond to potential work-related injuries or occupational health incidents, we have established comprehensive emergency response and assurance procedures, ensuring the ability to quickly carry out rescue operations, properly conduct incident investigations, and provide timely support for work-related injury identification and comprehensive protection for employees.

In 2025, the Group recorded no occupational disease incidents.

and training system. Within this unified framework, each branch further formulates targeted implementation rules based on its business characteristics, such as the Project Company Production safety Management Measures, Construction Project Safety Management Measures, and Production safety Education and Training Management Regulations, thereby forming a comprehensive, multi-level institutional safeguard network to ensure that Production safety requirements run through all operational links.

During this reporting period, the Group firmly established the concept of safe development and continuously strengthened Production safety management. During this period, a total of 5 work-related injury incidents occurred, with no work-related fatalities. To prevent safety risks, the Group organized a total of 1,044 safety inspections and 292 emergency drills throughout the year, continuously improving hazard identification and management capabilities and employees' emergency response skills, effectively safeguarding employees' occupational health and operational safety.

Production Safety

The Group regards safe production as the bottom line and lifeline of its business operations. It has established a systematic Production safety management framework, setting up Department of Safety and Environmental Protection as the coordinating unit responsible for formulating and implementing the Production safety Management Measures. These measures clearly define annual safety goals, delineate management responsibilities at all levels, establish regular reporting mechanisms, and formally incorporate Production safety performance into management assessment indicators.

To implement safety responsibility for all employees, the headquarters signs Safety Responsibility Letters with each operating branch, implementing a layered responsibility management system, while also linking safety performance to the performance bonuses of relevant management personnel. The Group's safety management mechanism comprehensively covers the following three core areas: Construction of safety protection systems, enhancement of employees' emergency response capabilities, and improvement of the safety education



► The Wuhan BU conducted fire safety drills and knowledge training.



► SIIC Environment Production safety Committee



► SIIC Environment leaders led teams to conduct pre-holiday Production safety inspections



In 2025, the Production safety-related targets we have achieved are as follows:

Safety Checks Target		
Number of Safety Inspection No less than 700 times	Coverage Rate of Safety Inspection 100%	Rectification Rate of Safety Inspection No Less Than 98%
Safety Drill Target		
Number of Safety Emergency Drills No less than 200 sessions	Coverage Rate of Safety Emergency Drill No Less Than 90%	
Safety Training Objectives		
Hours of Safety Training 18,600 hours	Coverage Rate of Safety Training No Less Than 90%	
Work-related fatalities and injuries targets		
Number of Work-Related Fatalities 0 persons	Work-related Fatality Rate (per 100 employees)) 0	Work-Related Injury Rate Maintain the annual work-related injury rate at 0.25% or below by 2030.
Safety accident target		
Number of Production safety Responsibility Accidents 0 items		

Industry Development and Exchange

SIIC Environment firmly believes that the overall progress of the industry and open collaboration are key to driving a sustainable future. We actively participate in industry associations, technical forums, and policy discussions, maintaining close dialogue with peers, academic institutions, and regulatory authorities to jointly explore cutting-edge technologies and best practices in the environmental protection field.

In 2025, we hosted and participated in several industry communication events, sharing the company's innovative achievements and management experience in areas such as the circular economy and waste resource utilization. At the same time, we also pay close attention to the evolution of industry standards and specifications, integrating relevant requirements into our own operations and strategic planning to promote the overall improvement of the industrial chain.

Case

In April 2025, the International Water Leaders Summit, themed "Smart Water • High-Quality Development," was held in Hong Kong, and SIIC Environment was invited to participate. As a representative enterprise of China's water industry, the Company actively participated in global dialogues on high-quality water development, discussing new opportunities and prospects for cooperation in water development with policymakers, renowned experts, scholars, and government officials from the global water supply industry.



Case

In April 2025, the 26th China International Environmental Protection Exhibition (IE Expo China) was grandly held in Shanghai. SIIC Environment showcased its innovative achievements in water services, solid waste treatment, and sludge resource utilization under the theme of "Carrying Forward the Glory, Creating New Brilliance". Through electronic screens, sand tables, and physical models, the Company intuitively presented benchmark projects serving major national strategies, demonstrating its responsibility and commitment to promoting green and low-carbon development and building a Beautiful China.



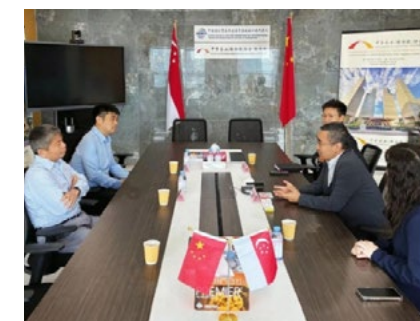
Case

In 2025, Shanghai SIIC Baojin'gang Environmental Resources Technology Co., Ltd. successfully undertook the "Engineering Capacity Workshop (Resource Regeneration)" activity of the World Federation of Engineering Organizations (WFEO) General Assembly. At the Baoshan Renewable Energy Utilization Center, it showcased a model of a "plant-based, ecological" modern factory to nearly 60 domestic and foreign guests, along with core technologies such as waste-to-energy incineration, wet waste disposal, deep flue gas de-whitening, and zero wastewater discharge. This received high recognition from international experts, highlighting the "Chinese Solution" of China's engineering technology contributing to the global green transformation.



Case

On July 9, 2025, a delegation from SIIC Environment visited the Singapore Representative Office of the China Council for the Promotion of International Trade and the China Enterprises Association (Singapore) to exchange views on topics such as bilateral economic and trade cooperation, green industry synergy, and multinational corporate governance. As a leading Chinese water company and an environmental protection enterprise listed in Singapore, the Group made clear its intention to leverage Singapore's regional hub advantages, actively participate in Sino-Singapore green economy cooperation, and steadily expand overseas markets.



Case

On October 10, 2025, the Group organized a specialized training session titled "Focusing on New Trends in the Water Industry, Exploring New Pathways for Intelligent Operations". Three industry experts from the E20 Environment Platform were invited to provide instruction, covering the Company's senior management, department heads, and project teams. Online learning was concurrently conducted, aiming to enhance the team's understanding and capabilities regarding the transformation of the water industry and smart operations.



Community Engagement and Contribution

SIIC Environment regards community engagement as an important pillar for achieving sustainable development and has established a systematic management mechanism. We have formulated a clear community investment strategy, focusing on three key areas: environmental education, community well-being, and local integration. Through the establishment of dedicated budgets and employee volunteer programs, we ensure the effective investment and long-term management of resources.



Environmental Awareness and Advocacy

SIIC Environment regards environmental awareness and advocacy as a core measure for fulfilling corporate social responsibility and enhancing public environmental awareness. We systematically plan and implement diversified environmental education programs, dedicated to disseminating green concepts and practical knowledge to employees, partners, community residents, and students.

Case

During the National Environment Day on June 5th, Longjiang Environmental Protection Group, guided by the principle of "Leading the Way in Building a Beautiful China", practiced the concept of ecological civilization and local environmental protection policies. Leveraging its expertise in the water services industry, the Group conducted diverse environmental protection practice and publicity activities to fulfil its corporate social responsibility in ecological environmental protection and advance ecological civilization. The Group headquarters collaborated with subsidiaries to host a multi-stakeholder environmental protection public open day involving government, academia, enterprises, and society. Over a hundred representatives from various sectors toured the R&D centre and wastewater treatment plant, showcasing technological advancements in environmental protection. The Mudanjiang subsidiary invited local high school teachers and students to visit the wastewater treatment plant, where they observed intelligent pollution control facilities and popularized science education on wastewater treatment, promoting environmental awareness among youth. The Zhaodong subsidiary participated in an environmental theme event hosted by the local ecological environment bureau, concurrently conducting policy and regulatory learning alongside grassroots environmental

awareness promotion to enhance public understanding of water environmental protection work. The Nenjiang subsidiary organized employees to carry out garbage cleaning activity in open channels and will advance the routine environmental management of open channels, conveying environmental protection concepts through practical actions and uniting the efforts of all sectors of society in ecological and environmental protection.



Social Welfare Activities

Positioning itself as a "responsible corporate citizen," the Group actively promotes community integration and sustainable development. During the reporting period, it fully fulfilled its corporate social responsibility by creating social value through diverse public welfare initiatives, contributing to rural revitalization and improvement of community well-being. Throughout the reporting period, the Group deeply engaged in various public welfare undertakings, including volunteer services, charitable donations, and emergency response actions such as flood control and disaster relief, giving back to society through concrete actions. Simultaneously, it has continuously committed itself to the rural revitalization strategy and supported the development of underdeveloped regions through targeted assistance programs. The Group formulated and released the "Measures for External Donation Management of SIIC Environment Holdings Ltd." and established a long-term assistance mechanism. It allocates funds annually to support the Qingmai Complete Primary School in Deju Township, Midu County, donating RMB 130,000 during the reporting period specifically for the renovation of the school's teaching buildings, so as to improve educational infrastructure and support the development of rural education.

Case

In August 2025, following a sudden fire in the adjacent factory area, SIIC Environment South Water (Chenzhou Company) immediately activated its emergency response, demonstrating excellent risk management and social responsibility. The Company proactively opened up its facility area to serve as a command center for firefighting and vehicle dispatch, and provided crucial water support using treated compliant tail water and on-site firefighting facilities, ensuring rescue efficiency. Concurrently, employees provided on-site technical assistance and logistical support. This action successfully assisted in controlling the fire, highlighting the Company's firm commitment to deeply integrate operational resources and professional capabilities into the community's public safety system and actively create shared value.



► SIIC Environment South Water Service Chenzhou Company Emergency Assistance in Fire Rescue

Social Performance Data

Indicator Category	Indicators	Unit	2025	2024	2023
Employment	Total Number of Employees	People	6,512	6,252	6,372
	Number of Male Employees	People	4,843	4,630	4,719
	Number of Female Employees	People	1,669	1,622	1,653
	Number of Employees Under 30	People	1,027	808	886
	Number of Employees Aged 30-50	People	3,844	4,045	4,097
	Number of Employees Above 50	People	1,641	1,399	1,389
	Number of Full-Time Employees	People	6,512	6,252	6,372
	Number of Part-Time Employees	People	0	0	0
	Number of employees of China's Mainland	People	6,506	6,232	6,352
	Number of Employees in Other Countries or Regions	People	6	20	20
	Number of Disabled Employees	People	20	20	20
	Number of Ethnic Minority Employees	People	155	166	168
	Total Employee Turnover Rate	People	162	242	363
	Turnover Rate of Male Employees	%	2.4	4.0	6.0
	Turnover Rate of Female Employees	%	2.7	3.6	4.8
	Turnover Rate of Employees Under 30	%	3.7	4.1	6.8
	Turnover Rate of Employees Aged 30-50	%	1.3	3.7	2.9
	Turnover Rate of Employees Above 50	%	4.5	4.1	13.4
	Turnover Rate of Employees of Mainland China	%	2.5	3.9	5.6
	Turnover Rate of Employees of Other Countries or Regions	%	16.7	0.0	25.0
	Total Number of Newly Hired Employees	People	380	453	433
	Number of Newly Hired Male Employees	People	293	338	324
	Number of Newly Hired Female Employees	People	87	115	109
	Number of Newly Hired Employees Under 30	People	185	165	154
	Number of Newly Hired Employees Aged 30-50	People	189	272	262
	Number of Newly Hired Employees Above 50	People	6	16	17
	Number of Employees Joined the Trade Union	People	6,168	6,085	6,123
	Percentage of Employees Who Signed Collective Bargaining Agreement	%	46.92	49.84	48.13
Health and Safety	Number of Work-Related Fatalities	People	0	0	0
	Work-Related Fatality Rate	%	0	0	0
	Number of Lost Days due to Work Injuries	Days	335	385	157
	Number of Recordable Injuries	Items	5	4	2
	Number of High-consequence Injuries (Excluding Fatalities)	Items	0	0	0

Indicator Category	Indicators	Unit	2025	2024	2023
Health and Safety	Number of Employees Participated in Safety Training	People	6,512	6,161	6,372
	Total Safety-related Training Hours	Hours	48,198.5	37,663.5	36,388.5
	Average Safety-related Training Hours Per Person	Hours	7.39	6.11	4.61
Development and Training	Total Number of Training Employees	People	6,512	6,252	6,216
	Rate of Employees Trained	%	100	100	97.6
	Rate of Male Employees Trained	%	73.8	74.1	73.8
	Rate of Female Employees Trained	%	25.5	25.9	26.2
	Rate of Senior Management Trained	%	0.8	0.7	0.8
	Rate of Middle-level Management Trained	%	5.6	7.4	8.4
	Rate of General Staff Trained	%	83.4	82.8	81.5
	Rate of Technical Staff Trained	%	10.6	9.0	9.3
	Rate of Other Employees Trained	%	0.6	0.1	0.1
	Average Training Hours	Hours	14.6	13.8	15.2
	Average Training Hours of Male Employees	Hours	14.6	13.3	14.8
	Average Training Hours of Female Employees	Hours	15.0	15.1	16.2
	Average training Hours of Senior Management	Hours	47.7	19.2	31.6
	Average Training Hours of Middle-level Management	Hours	24.3	11.4	17.0
	Average Training Hours of General Staff	Hours	11.4	12.7	12.4
	Average Training Hours of Technical Staff	Hours	32.1	25.8	40.8
	Average Training Hours of Other Employees	Hours	4.3	29.8	0.4
Supply Chain Management	Total Number of Suppliers	Number of Employees	3,656	3,670	8,054
	Number of Suppliers in Mainland China	Number of Employees	3,582	3,611	7,999
	Number of Suppliers in Other Locations	Number of Employees	74	59	55
	Number of Suppliers Implementing Management Policies	Number of Employees	3,656	3,670	8,054
Quality and Service	Number of Service-related Complaints Received	Items	6	6	7
	Complaint Resolution Rate	%	100	100	100
Anti-Corruption	Number of Coorruption Cases Concluded	Items	0	0	0
	Number of Employees Participating in Anti-corruption Training	People	6,512	6,252	5,896
	Average Anti-corruption Training Hours Per Director	Hours	10	9.2	25
	Average Anti-corruption Training Hours Per Employee	Hours	1.30	1.49	1.82
Community Investments	Hours of Volunteer Services	Hours	3,205	3,314	3,999
	Amount of Charitable Donations	10,000 yuan	55.7	77.7	91.7

Appendix

Hong Kong Exchanges and Clearing Limited "Environmental, Social and Governance Reporting Code" Content Index

Mandatory Disclosure Requirements	Description	Related Chapter	Page Number
Governance Structure	A statement from the Board containing the following: (i) Disclosure of the Board's oversight of ESG matters; (ii) The Board's ESG management approach and strategy, including the process for assessing, prioritizing and managing significant ESG-related matters, including risks to the issuer's business; and (iii) How the Board reviews progress against environmental, social and governance related objectives and explains how they relate to the issuer's business.	Sustainable Development Governance	11-21
Reporting Principles	Describe or explain how the following reporting principles are applied in the preparation of environmental, social and governance reports.	About This Report	02
Scope of Reporting	Explain the reporting scope of the ESG report and describe the process for selecting which entities or operations to include in the ESG report. If there is a change in the scope of reporting, the issuer should explain the difference and the reasons for the change.	About This Report	02

General Disclosure and Key Performance Indicators	Description	Related Chapter	Page Number
Environmental Aspect			
Aspect A1: Emissions			
General Disclosure	Information on emissions of exhaust gases and greenhouse gases, discharges into water and land, and generation of hazardous and non-hazardous waste, including: (a) Policy; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer	Emission Management	48-51
KPI A1.1	The types of emissions and respective emissions data.	Environmental Performance Data	57-63
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).		
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		

General Disclosure and Key Performance Indicators	Description	Related Chapter	Page Number
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	57-63
KPI A1.5	Description of emission target (s) set and steps taken to achieve them.	Stakeholder Engagement and Materiality Assessment Emission Management Sustainable Development Goals and Practices	12-13
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.		48-51 14-17
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Energy and Resource Management Energy Management	53-54 55-56
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	57-63
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).		
KPI A2.3	Description of energy use efficiency target (s) set and steps taken to achieve them.	Stakeholder Engagement and Materiality Assessment Energy Management	12-13 52-53
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.	Stakeholder Engagement and Materiality Assessment Water Resource Management	12-13 53-54
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: Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Emission Management Environmental Impact Management	48-51 55-56
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.		

General Disclosure and Key Performance Indicators	Description	Related Chapter	Page Number
Social Aspect			
Aspect B1: Employment			
General Disclosure	Information on remuneration and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare: (a) Policy; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer	Equal Employment	66-68
KPI B1.1	Total workforce by gender, employment type, age group, and geographical region	Equal Employment Social Performance Data	66-68 80-81
KPI B1.2	Employee turnover rate by gender, age group, and geographical region		
Aspect B2: Health and Safety			
General Disclosure	Information on providing a safe working environment and protecting employees from occupational hazards: (a) Policy; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer	Occupational Health and Safety	74-75
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational Health and Safety Social Performance Data	74-75 80-81
KPI B2.2	Lost days due to work injury.		
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Occupational Health and Safety	74-75
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Staff Training and D evelopment Occupational Health and Safety	69-71 74-75
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Staff training and development	69-71 80-81
KPI B3.2	The average training hours completed per employee by gender and employee category.	Social Performance Data	69-71
Aspect B4: Labor Standards			
General Disclosure	Information on preventing child labor or forced labor: (a) Policy; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer	Protection of Employees' Rights and Interests	66-73
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.		
KPI B4.2	Description of steps taken to eliminate such practices when discovered.		

General Disclosure and Key Performance Indicators	Description	Related Chapter	Page Number
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain	Supplier Management	44-45
KPI B5.1	Number of suppliers by geographical region	Supplier Management Social Performance Data	44-45 80-81
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.		
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supplier Management	44-45
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.		
Aspect B6: Product Responsibility			
General Disclosure	Information on the health and safety, advertising, labeling, privacy matters, and remedies regarding products and services provided: (a) Policy; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer	Quality Assurance	40-43
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.	Quality of service	42-43
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Innovation-Driven Growth	36-39
KPI B6.4	Description of quality assurance process and recall procedures.	Quality Assurance	40-43
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.		
Aspect B7: Anti-Corruption			
General Disclosure	Information on preventing bribery, extortion, fraud, and money laundering: (a) Policy; and (b) Information on compliance with relevant laws and regulations that have a significant impact on the issuer	Compliance and Risk Management	19-21
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 Risk Management Social Performance Data	19-21 80-81
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Compliance and Risk Management	19-21
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Compliance and Risk Management Social Performance Data	19-21 80-81

General Disclosure and Key Performance Indicators	Description	Related Chapter	Page Number
Aspect B8: Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Engagement and Contribution	78-79
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).		
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Engagement and Contribution Social Performance Data	78-79 80-81

Part D: Climate-related Disclosures		Related Chapter	Page Number
Governance			
19. The issuer shall disclose information on the following aspects:		Climate Governance	24
(a) Information about the governance body or individual responsible for overseeing climate-related risks and opportunities. Specifically, the issuer shall identify the relevant body or individual and disclose the following information:			
(i) How the body or individual determines whether current or future skills and competencies are adequate to oversee the strategies for addressing climate-related risks and opportunities;			
(ii) The manner and frequency with which the body or individual is informed about climate-related risks and opportunities;			
(iii) How the body or individual considers climate-related risks and opportunities when overseeing the issuer's strategy, major transaction decisions, and risk management procedures and related policies, including whether the body or individual considers trade-offs associated with such climate-related risks and opportunities.			
(iv) How the body or individual oversees the setting of goals related to climate-related risks and opportunities and monitors progress toward achieving them, including whether and how relevant performance indicators are incorporated into compensation policies; and			
(b) The role of management in the governance processes, controls, and procedures used to monitor, manage, and oversee climate-related risks and opportunities, including the following information:			
(i) Whether the role is delegated to specific management personnel or a management committee and how such personnel or committee is supervised; and			
(ii) Whether management uses controls and procedures to assist in overseeing climate-related risks and opportunities, and if so, how these controls and procedures are integrated with other internal functions.			
Strategy			
Climate-related Risks and Opportunities	20. The issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect its cash flows, access to financing, or cost of capital in the short, medium, or long term. Specifically, the issuer shall:	Climate Strategy	25

Part D: Climate-related Disclosures		Related Chapter	Page Number
Climate-related Risks and Opportunities	(a) Describe the climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, access to financing, or cost of capital in the short, medium, or long term;	Climate Strategy	25
	(b) For each climate-related risk identified by the issuer, explain whether the issuer considers the risk to be a climate-related physical risk or a climate-related transition risk;		
	(c) For each climate-related risk and opportunity identified by the issuer, specify the time horizon (short, medium, or long term) over which it could reasonably be expected to affect the issuer; and		
	(d) Explain how the issuer defines short, medium, and long term, and how these definitions relate to the planning horizons used in its strategic decisions.		
Business Model and Value Chain	21. The issuer shall disclose information to enable an understanding of the current and anticipated effects of climate-related risks and opportunities on its business model and value chain. Specifically, the issuer shall disclose the following:		
	(a) A description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and		
Strategy and Decision-Making	(b) A description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated.		
	22. The issuer shall disclose information to enable an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:		
	(a) Information regarding how the issuer has responded and plans to respond to climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose the following information:		
	(i) Current and anticipated changes to the issuer's business model, including resource allocation, in response to climate-related risks and opportunities;		
	(ii) Any adaptation or mitigation activities that have been undertaken or are anticipated (directly or indirectly);		
	(iii) Any climate-related transition plan of the issuer (including information on key assumptions used in developing the transition plan and the factors the plan relies upon), or an appropriate negative statement if the issuer does not have such a plan;		
	(iv) How the issuer plans to achieve any of the climate-related targets mentioned above (including any greenhouse gas emission targets, if applicable); and		
	(b) Information on how the issuer's current and future plans will provide resources for the actions disclosed in accordance with paragraph 22(a).		

Part D: Climate-related Disclosures		Related Chapter	Page Number
Strategy and Decision-Making	23. The issuer shall disclose the progress against the plans disclosed in accordance with paragraph 22(a) in the previous reporting periods.	Climate Strategy	25
Current Financial Effects	24. The issuer shall disclose the following qualitative and quantitative information:		
	(a) How climate-related risks and opportunities have affected the issuer's financial position, financial performance, and cash flows in the reporting period; and		
	(b) Information on the climate-related risks and opportunities identified in paragraph 24(a) where there is a significant risk of material adjustment to the carrying amounts of assets and liabilities reported in the relevant financial statements for the next reporting year.		
Expected Financial Effects	25. The issuer shall disclose the following qualitative and quantitative information:		
	(a) How the issuer expects its financial position to change in the short, medium, and long term, considering its strategy for managing climate-related risks and opportunities, and taking into account:		
	(i) Its investment and disposal plans; and		
	(ii) The planned sources of funding to implement its strategy; and		
	(b) How the issuer expects its financial performance and cash flows to change in the short, medium, and long term, based on its strategy for managing climate-related risks and opportunities.		
Climate Resilience	26. After considering the climate-related risks and opportunities identified by the issuer, the issuer shall disclose information to enable an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments, or uncertainties. The issuer shall assess its climate resilience using climate-related scenario analysis in a manner commensurate with its circumstances. When providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:		
	(a) The issuer's assessment of its climate resilience as of the reporting date aims to help understand::		
	(i) The effects, if any, of the results of the analysis on the issuer's strategy and business model, including how the issuer needs to respond to the effects identified in the climate-related scenario analysis;		
	(ii) The areas of significant uncertainty considered in the issuer's assessment of climate resilience; and		
	(iii) The issuer's ability to adjust its short, medium, and long-term strategy and business model in light of climate developments;		
	(b) How and when the climate-related scenario analysis was conducted, including:		
	(i) The inputs used, including:		

Part D: Climate-related Disclosures		Related Chapter	Page Number
Climate Resilience	(1) The climate-related scenarios used by the issuer in the analysis and their sources;	Climate Strategy	25
	(2) Whether the analysis covered multiple different climate-related scenarios;		
	(3) Whether the climate-related scenarios used in the analysis relate to climate-related transition risks or climate-related physical risks;		
	(4) Whether the issuer used scenarios that consistent with the latest international agreements on climate change in its scenarios;		
	(5) Why the issuer considered the selected climate-related scenarios relevant to assessing its resilience to climate-related changes, developments, or uncertainties;		
	(6) The time horizons used by the issuer in the analysis; and		
	(7) The scope of operations covered by the issuer's analysis (e. g., the operating locations and business units covered by the analysis);		
	(ii) The key assumptions made by the issuer in the analysis; and		
	(iii) The reporting period for which the climate-related scenario analysis was conducted.		
Risk Management			
27. The issuer shall disclose the following information:		Climate Risk Management	30
(a) The processes and related policies used by the issuer to identify, assess, prioritize, and monitor climate-related risks, including information on the following aspects:			
(i) The inputs and parameters used by the issuer (e. g., data sources and the scope of operations covered by the process);			
(ii) Whether and how the issuer uses climate-related scenario analysis to identify climate-related risks;			
(iii) How the issuer assesses the nature, likelihood, and magnitude of the effects of the relevant risks (e. g., whether the issuer considers qualitative factors, quantitative thresholds, or other criteria used);			
(iv) Whether and how the issuer prioritizes climate-related risks relative to other types of risks;			
(v) How the issuer monitors its climate-related risks; and			
(vi) Whether and how the issuer has changed the processes it used compared to the previous reporting period;			
(b) The processes used by the issuer to identify, assess, prioritize, and monitor climate-related opportunities (including information on whether and how the issuer uses climate-related scenario analysis to identify climate-related opportunities); and			
(c) How and to what extent the processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.			

Part D: Climate-related Disclosures

Related
Chapter

Page Number

Metrics and Targets			
Greenhouse Gas Emissions	28. The issuer shall disclose its absolute total greenhouse gas emissions for the reporting period, expressed in metric tonnes of carbon dioxide equivalent, broken down into:	Climate Indicators and Targets	31-32
	(a) Scope 1 greenhouse gas emissions;		
	(b) Scope 2 greenhouse gas emissions; and		
	(c) Scope 3 greenhouse gas emissions;		
	29. The issuer shall:		
	(a) Unless otherwise required by the jurisdiction or another exchange where the issuer is listed, measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004);		
	(b) Disclose the methodology used to measure its greenhouse gas emissions, including:		
	(i) The measurement approach, inputs, and assumptions used by the issuer to measure its greenhouse gas emissions;		
	(ii) The reasons why the issuer chose that measurement approach, inputs, and assumptions for measuring its greenhouse gas emissions; and		
	(iii) Any changes to the measurement approach, inputs, or assumptions made by the issuer during the reporting period and the reasons for those changes;		
	(c) For Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information on any required contractual instruments that help understand that emissions information; and		
	(d) For Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included in the issuer's measurement of Scope 3 greenhouse gas emissions, based on the Scope 3 categories described in the Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).		
Climate-Related Transition Risks	30. The issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.		
Climate-Related Physical Risks	31. The issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.		
Climate-Related Opportunities	32. The issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.		

Part D: Climate-related Disclosures

Related
Chapter

Page Number

Capital Deployment	33. The issuer shall disclose the amount of capital expenditure, financing, or investment deployed towards climate-related risks and opportunities.	Climate Indicators and Targets	31-32
Internal Carbon Pricing	34. The issuer shall disclose the following:		
	(a) An explanation of whether and how the issuer applies carbon pricing in decision-making (e. g., investment decisions, transfer pricing, and scenario analysis); and		
	(b) The price per metric tonne of greenhouse gas emissions used by the issuer to assess the cost of its greenhouse gas emissions;		
Remuneration	35. The issuer shall disclose whether and how climate-related considerations are incorporated into remuneration policies, or provide an appropriate negative statement. This may form part of the disclosures made pursuant to paragraph 19(a)(iv).		
Industry-Based Metrics	36. The Exchange encourages issuers to disclose industry-based metrics associated with one or more particular business models or activities, or with other common features that characterize participation in an industry. In determining which industry-based metrics to disclose, the Exchange encourages issuers to reference the industry-based metrics associated with the disclosure topics described in the Guidance on Industry-based Disclosure of the International Financial Reporting Standard S2 and other international environmental, social, and governance reporting frameworks, and to consider their applicability.		
Climate-Related Targets	37. The issuer shall disclose (a) the qualitative and quantitative climate-related targets it has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emission targets. The issuer shall disclose for each target:		
	(a) The metric used to set the target;		
	(b) The purpose of the target (e. g., mitigation, adaptation, or science-based initiative);		
	(c) The scope of the target (e. g., whether the target applies to the entire group or only part of the issuer, such as a specific business unit or geographical region);		
	(d) The period over which the target applies;		
	(e) The base period from which progress is measured;		
	(f) Any milestones or interim targets (if any);		
	(g) If it is a quantitative target, whether it is an absolute target or an intensity target; and		
	(h) How the latest international agreement on climate change (including jurisdictional commitments emanating from that agreement) has informed the issuer's target setting.		

Part D: Climate-related Disclosures		Related Chapter	Page Number
Climate-Related Targets	38. The issuer shall disclose the methodology for setting and reviewing each target, and how it monitors progress against each target, including:	Climate Indicators and Targets	31-32
	(a) Whether the target and the methodology for setting the target have been validated by a third party;		
	(b) The issuer's process for reviewing the target;		
	(c) The metrics used to monitor progress; and		
	(d) Any revisions to the target and the reasons for those revisions.		
	39 The issuer shall disclose information regarding its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.		
	40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, the issuer must disclose:		
	(a) Which greenhouse gases are covered by the target;		
	(b) Whether the target covers Scope 1, Scope 2, or Scope 3 greenhouse gas emissions;		
	(c) Whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer has a net greenhouse gas emissions target, the issuer shall separately disclose its related gross greenhouse gas emissions target;		
	(d) Whether the target was derived using a sectoral decarbonization approach; and		
	(e) Whether the issuer plans to use carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. Regarding plans to use carbon credits, the issuer shall disclose:		
	(i) The extent and manner in which the use of carbon credits is relied upon to achieve any net greenhouse gas emissions target;		
	(ii) Whether the carbon credits will be validated or certified by any third-party scheme;		
	(iii) The type of carbon credit, including whether the underlying offset is a carbon removal based on nature or technology, and whether the underlying offset is achieved through emissions reductions or removals; and		
	(iv) Any other significant factors necessary to understand the credibility and integrity of the carbon credits the issuer plans to use (e. g., assumptions regarding the permanence of the carbon offset).		
Applicability of Cross-Industry Metrics and Industry-Based Metrics	41. When preparing disclosure contents to comply with the provisions of paragraphs 21 to 26 and 37 to 38, the issuer shall refer to (i) the cross-industry indicators (see paragraphs 28 to 35) and (ii) the industry indicators (see paragraph 36) and consider their applicability.		

GRI Standards Content Index

User Instructions	SIIC Environment has reported the information cited in this GRI Content Index in accordance with the GRI Standards for the period from January 1, 2025 to December 31, 2025.		
GRI 1 Used	GRI 1: Foundation 2021		
Indicators	Indicator Description	Related Chapter	Page Number
GRI 2: General Disclosure 2021			
G2-1	G2-1 Organizational details	About SIIC Environment	04-07
G2-2	G2-2 Entities included in the organization's sustainability reporting	About This Report	02-03
G2-3	G2-3 Reporting period, frequency and contact point	About This Report	02-03
G2-4	G2-4 Restatements of information	About This Report	02-03
G2-6	G2-6 Activities, value chain and other business relationships	Stakeholder Engagement and Materiality Assessment	12-17
G2-7	G2-7 Employees	Stakeholder Engagement and Materiality Assessment	12-17
G2-8	G2-8 Workers who are not employees	Stakeholder Engagement and Materiality Assessment	12-17
G2-9	G2-9 Governance structure and composition	Corporate Governance Sustainable Development Governance Structure	11 18-19
G2-10	G2-10 Nomination and selection of the highest governance body	Corporate Governance Sustainable Development Governance Structure	11 18-19
G2-11	G2-11 Chair of the highest governance body	Corporate Governance Board Statement	11 18-19
G2-12	G2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Board Statement Sustainable Development Governance Structure	10-11 18-19
G2-13	G2-13 Delegation of responsibility for managing impacts	Board Statement Sustainable Development Governance Structure	10-11
G2-14	G2-14 Role of the highest governance body in sustainability reporting	Board Statement Sustainable Development Governance Structure	10-11
G2-15	G2-15 Conflicts of interest	Stakeholder Engagement and Materiality Assessment	21 12-17
G2-16	G2-16 Communication of critical concerns	Stakeholder Engagement and Materiality Assessment	12-17
G2-17	G2-17 Collective knowledge of the highest governance body	Sustainable Development Governance Structure	11
G2-22	G2-22 Statement on sustainable development strategy	Business Outlook Board Statement Sustainable Development Governance Structure	6-7 10-11
G2-23	G2-23 Policy commitments	Sustainable Development Policy	10

User Instructions	SILC Environment has reported the information cited in this GRI Content Index in accordance with the GRI Standards for the period from January 1, 2025 to December 31, 2025.		
G2-25	G2-25 Processes to remediate negative impacts	Corporate Governance	18-19
G2-26	G2-26 Mechanisms for seeking advice and raising concerns	Stakeholder Communication and Materiality Assessment	12-17
G2-27	G2-27 Compliance with laws and regulations	Compliance and Risk Management	21
G2-28	G2-28 Membership associations	Community Engagement and Contribution	76-79
G2-29	G2-29 Approach to stakeholder engagement	Stakeholder Engagement and Materiality Assessment	12-16
G2-30	G2-30 Collective bargaining agreements	Protection of Employees' Rights and Interests	66-67
GRI 3: Material Topics 2021	G3-1 Process to determine material topics	Stakeholder Engagement and Materiality Assessment	12-17
	G3-2 List of material topics	Stakeholder Engagement and Materiality Assessment	10-17
	G3-3 Management of material topics	Stakeholder Engagement and Materiality Assessment	12-17
GRI 401: Employment 2016	G401-1 New employee hires and employee turnover	Equal Employment	68
	G401-2 Benefits provided to full-time employees (excluding temporary or part-time employees)	Equal Employment	71-73
	G401-3 Parental leave	Equal Employment	67
GRI 403: Occupational Health and Safety 2018	G403-1 Occupational health and safety management system	Occupational Health and Safety	74-75
	G403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety	74-75
	G403-3 Occupational health services	Occupational Health and Safety	74-75
	G403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	74-75
	G403-5 Worker training on occupational health and safety	Occupational Health and Safety	74-75
	G403-6 Promotion of worker health	Occupational Health and Safety	74-75
	G403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	74-75

User Instructions	SILC Environment has reported the information cited in this GRI Content Index in accordance with the GRI Standards for the period from January 1, 2025 to December 31, 2025.		
GRI 403: Occupational Health and Safety 2018	G403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety	74-75
	G403-9 Work-related injuries	Occupational Health and Safety	74-75
	G403-10 Work-related ill health	Occupational Health and Safety	74-75
GRI 404: Training and Education 2016	G404-1 Average hours of training per year per employee	Staff training and development Social Performance Data	74-75 80-81
	G404-2 Programs for upgrading employee skills and transition assistance programs	Staff training and development	74-75
	G404-3 Percentage of employees receiving regular performance and career development reviews	Staff training and development	74-75
GRI 405: Diversity and Equal Opportunity 2016	G405-1 Diversity of governance bodies and employees	Corporate Governance Equal Employment	18-19 66-68
GRI 406: Non-discrimination 2016	G406-1 Incidents of discrimination and corrective actions taken	Equal Employment	66-68
GRI 408: Child Labor 2016	G408-1 Operations and suppliers at significant risk for incidents of child labor	Equal Employment	66
GRI 414: Supplier Social Assessment 2016	G414-1 New suppliers that were screened using social criteria	Supplier Management	44-45
	G414-2 Negative social impacts in the supply chain and actions taken	Supplier Management	44-45
GRI 416: Customer Health and Safety 2016	G416-1 Assessment of the health and safety impacts of product and service categories	Service Assurance	40-43
	G416-2 Incidents of non-compliance concerning product and service information and labeling	Service Assurance	40-43



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