Blooming Sustainability:
Growing Positive Impact

**Leader Environmental Technologies Limited
Sustainability Report FY 2023**

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Introduction

Methodology and Guidelines

The Sustainability Report ("SR") of Leader Environmental Technologies Limited ("Leader") is prepared with reference to the Global Reporting Initiative ("GRI") Universal Standards 2021, an internationally recognised framework which forms the core of the Group's disclosure for sustainability reporting. In addition, it also seeks to comply to the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Rules 711A, 711B and Practice Note 7.6 of the Sustainability Reporting Guide. The GRI Content Index can be referenced from pages 34 to 36 of this SR. In presenting ESG data, the SGX-Core option was used.

The SR addresses Environmental, Social, and Governance ("ESG") concerns associated with the Group's business activities in Singapore and China. It outlines the significant ESG factors considered by the Group when shaping its strategic objectives to establish a sustainable presence in the environmental industry, aiming to generate enduring value for its primary stakeholders.

All listed companies are required to provide climate reporting on a 'comply or explain' basis in their sustainability report from the financial year commencing 2022. In light of this, the Group has adopted and implemented certain recommendations from the Task Force on Climate-related Financial Disclosures ("TCFD") which can be found on pages 14 - 17 of the SR.

Performance Validation

The Group has not sought external assurance from independent professional bodies. However, the Group has appointed NLA Consulting Pte. Ltd., an internal auditor, to perform a review of its sustainability reporting process, a regulatory requirement as mandated by the SGX-ST in December 2021.

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

Feedback

Stakeholders are welcome to provide constructive feedback and suggestions for improving our sustainability report. All queries can be addressed to Ms Lau Dee Dee at deedee@leaderet.com.

About This Report

This report comprises Leader's ESG strategy, objectives and progress in our targets which were set in FY 2023. It provides an overview of the risks and opportunities and includes forward-looking action plans. In line with SGX's guideline, we are reporting under three key impact headings: Environmental, Social and Governance, together with relevant descriptions of our management approach and performance data.

The activities reported include Leader's operations in China and Singapore. The ESG data covers the 6 subsidiaries in China and one manufacturing site in Singapore. The entities reported their performances in all material topics that have been identified at the group level. Sustainability data is given equal weightage in the reporting. The ESG data is reported as 100% since Leader has operational control over all the entities.
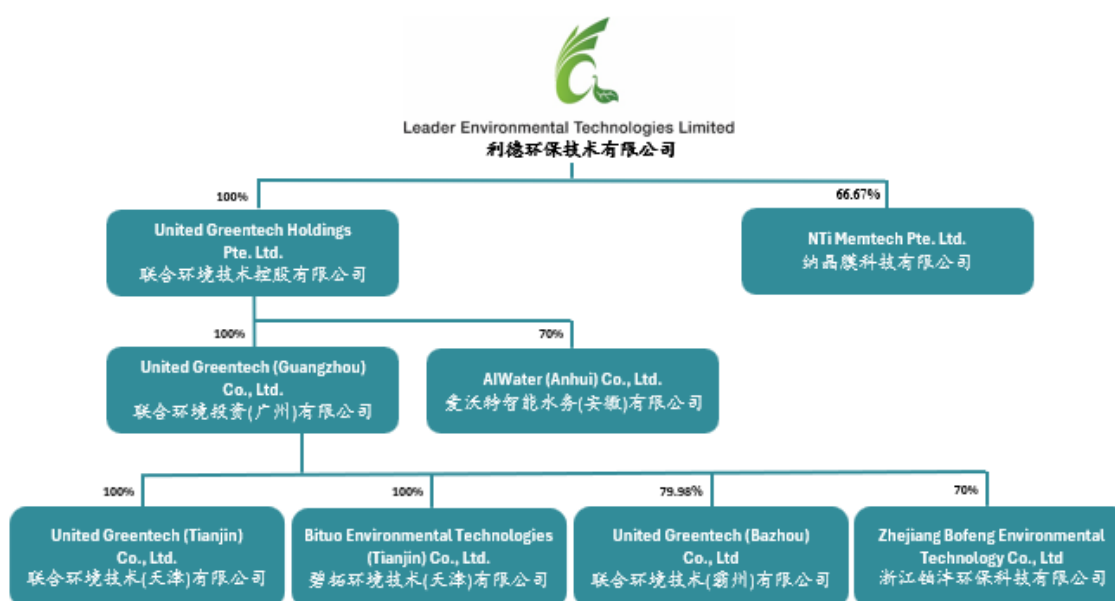
Sustainability Management Structure

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

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

- Ensuring that the company's disclosure of climate-related risks and opportunities is accurate, timely, and transparent, in compliance with the SGX's sustainability reporting requirements.

- Assessing the company's exposure to climate-related risks, such as physical risks (e.g., extreme weather events, sea-level rise) and transition risks (e.g., regulatory changes, technological disruptions), and implementing measures to mitigate these risks.

The management team leads in:

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

In 2022, we set up a working committee with representatives from Finance, HR and Sustainability. The committee consists of the Executive Director, Group Financial Controller ("GFC") and representatives from Finance, Corporate Affairs, and Sustainability. The members work together to communicate and implement the strategies and policies established by the Board and executive management. The members are responsible for monitoring and reporting the sustainability related Key Performance Indicators ("KPIs") of the Group, and for preparing the main contents of the sustainability report.

BOARD OF DIRECTORS

- Leader's Board of Directors oversee the management of material ESG factors and climate related risks for the group. The Board takes ESG factors and climate risks into consideration in conducting its business.

EXECUTIVE DIRECTOR/ FINANCE DIRECTOR

- The Executive Director chairs and leads the Group Sustainability Working Committee.

GROUP SUSTAINABILITY WORKING COMMITTEE

- The committee consists of the Group Financial Controller and representatives from Finance, Corporate Affairs and Sustainability. The members work together to communicate and implement the strategies and policies established by the Board and executive management. The members are responsible to monitor and report the sustainability related KPIs of the group.

SUBSIDIARY SUSTAINABILITY COORDINATORS

- Each subsidiary has a Sustainability Coordinator appointed, to communicate relevant Sustainability issues to the local teams. They monitor and collect data to support the sustainability goals and targets.

Board Statement

The Board of Directors of Leader is pleased to present our seventh Sustainability Report ("SR") for the financial year ended 31 December 2023 ("FY 2023"). The SR which lays out the Group's initiatives, progress and performances has been endorsed by the Board of Directors and Management.

Entering 2023, as the global pandemic gradually subsided, the three-year economic impact of the pandemic had become increasingly apparent. Governments worldwide were tightening their fiscal policies, and the bleak economic outlook made investment in new projects ever more challenging. These factors posed significant difficulties for the development of Leader's business.

The rapid development of artificial intelligence technology on a global scale is currently creating a wave of AI "integration into everything." Simultaneously, the concept of sustainable development is increasingly permeating society, with ESG gaining high attention globally, and the realization of "dual carbon" goals is imperative. For those of us in the environmental protection industry, these trends represent great business opportunities.

With the acquisition of an oil sludge treatment company, Zhejiang Bofeng Environmental Technology Co., Ltd., the Group had made another forward stride in its transformation to being a technology-driven company. The acquisition creates a new revenue stream for the Group in the oil and gas industry while offering its potential customers an innovative and sustainable solution which minimises the environmental impact of their oil exploration activities.

In line with the Group's sustainability initiatives and commitment, it plans to deploy additional resources to its research and development activities on its recently acquired oil sludge treatment technologies so as to enhance and expand their functionalities and breadth of applications. Such technological advancements will maintain the Group's cutting-edge capabilities, enabling it to grow its environmental related business in the oil and gas industry, as there are more than 100 oil fields being explored each year in China.

In addition to the Chinese market, the Group is also exploring other potential markets in the Southeast Asian region, namely, Indonesia and Malaysia. Climate change is perceived as a pressing global issue in the world today. Many corporates acknowledge the urgency to accelerate their decarbonisation efforts, and have set carbon-neutrality/net-zero targets and the various pathways towards achieving net-zero emission. The Group reckons that as an environmental company, it can play a pivotal role in helping our customers reduce the carbon footprint generated from their water, wastewater, and sludge management activities.

Notwithstanding the seemingly slow economic upturn in China, the Group has continued to actively source for new projects via its networks, as it intends to leverage on its patented technologies to build a sizeable portfolio of sludge treatment and Artificial Intelligence ("AI") water management projects. The Group's sludge treatment technologies, especially the Continuous Thermal Hydrolysis, with Pyrolysis, offer customers a more sustainable solution for reducing the mass of the sludge produced from wastewater treatment plants to as low as less than 10%, instead of dumping voluminous wet sludge at landfills.

As an indication of effort at growing presence in Southeast Asia, the Group was awarded a demonstration plant in Singapore. The sludge demonstration plant has been designed and shall be installed at Changi Water Reclamation Plant in FY 2024 and be operational till end of FY 2025. The second phase of the project shall include research on the potential uses of biochar with Nanyang Technological University. With initiation of the demonstration plant project in Singapore, the Group has begun discussions in Malaysia for such projects.

The application of AI in water treatment projects help customers optimise operating conditions and hence reduce their overall operating costs in terms of energy consumption

and chemical usage. The optimised operating conditions resulting in improved efficiency and better performance of their water treatment plants, would lead to reduced carbon emissions. In FY 2023, the Group secured 15 new AI-water projects in China to treat 1.5 million ton/day of municipal and industrial wastewater. This growth further boosted confidence of the Group to continue investing in AI talent in line with its strategic direction as a technology driven environmental business.

The Group's high performance membranes production facility had begun small scale production while increasing R&D talent to build manpower and capability. The membrane division has filed a total of 8 patents to date with 4 added in the past year. The improved membranes shall enhance water treatment performance at water production facilities and could potentially reduce energy consumption which in turn shall reduce a facility's carbon footprint. During FY 2023, the membrane facility hosted several visits by potential customers. With concerted effort to market its membrane products by the Group, NTi hopes to build a portfolio of project track records over the next three years.

Management strongly believes that proper execution of the above-mentioned sustainability plans will deliver strong and sustainable long-term growth for the Group. Together with the senior management team, the Board reviewed and agreed that the material factors reported are consistent with its current business scope and activities.

Board diversity is another corporate concern in recent years. As one of the key drivers of a company's long-term sustainability strategy, a diverse board can offer a cognitive diversity of perspectives in addressing a range of issues from strategy to corporate governance, to addressing social and environmental stewardship.

Recognizing the significance of a well-rounded Board composition encompassing diverse skills, experience, knowledge, gender, insights, and relevance to the Group's decision-making, the Board is committed to maintaining an optimal mix. The nominating committee will annually assess and update the diversity policy, aligning it with the Group's evolving business needs. The primary objective is to enhance the Board's overall strength, fostering decisions that best serve the Group's key stakeholders in the long term.

In alignment with the Group's sustainable objectives, the Board places a strong emphasis on accountability and governance. Although a sustainability management framework is already in effect, the Board, in its crucial oversight role, will collaborate closely with Management. This collaboration aims to ensure the ongoing relevance of the sustainability management framework in advancing the Group's sustainability goals.

Stakeholder Engagement

We have identified and prioritised five key stakeholder groups. Through various channels, we seek to understand their expectations and interests and establish meaningful two-way communication so that we can adjust and improve business practices as appropriate. These are shareholders, clients, suppliers, employees, and regulators. We continued to maintain the engagement channels throughout FY 2023.

STAKEHOLDER	KEY CONCERN	ENGAGEMENT PLATFORM
Shareholders	The Group operates as a going concern and builds relations with investors	Annual reports Half year and full year condensed interim financial statements Various investors' meetings, analysts' briefings and corporate roadshows Annual general meetings Corporate website
Clients	Products can meet stipulated emission and climate-related requirements	Pre-tender meetings Site visits Face-to-face meetings
Suppliers	Impact on purchase orders of raw materials, systems, and equipment	Project progress meetings On-site inspections Emails and phone calls
Employees	Stable, safe, and conducive working environment to thrive in	Office setup with proper lighting and equipment Well stocked pantry Proper safe distancing, supply of sanitiser, masks, and ART kits Flexible work arrangements and hours when applicable
Regulators	Rules and regulations are adhered to	Third party consultations Regulatory inspections Trainings and course attendance Discussion forums Routine monitoring of communications from regulatory agencies, including through mass media

Technology meeting with NTU School of Civil & Environmental Engineering, Emeritus Professor Ng Wun Jern, Professor & President's Chair Wang Rong, Professor Zhou Yan and Dr Adil of Separation Technologies Applied Research and Translation (START).

Learning from Mr Pang Chee Meng, Chief Engineering & Technology Officer, about PUB's strategy for long term sustainability of Singapore's water resources.

NTi engaging with visitors from Central Taiwan Science Park, to showcase membrane products and capability.

Identification of Material ESG Factors

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

In FY 2022, an internal review and validation of materiality factors was conducted by collecting feedback from key employees who regularly engaged with stakeholder groups, by referencing the topics and disclosures from GRI Standards 2021. In consultation with the management team, the material factors were confirmed to be the same in FY 2023, since there was no change in the Group's business scope and activities.

The Group received feedback from the SGX Sustainability Reporting Review 2023 jointly published by Singapore Exchange Regulation (SGX RegCo) and the Centre for Governance and Sustainability (CGS) at the NUS Business School for its FY 2022 report. We hope to progressively address the recommendations given in the review by the end of FY 2024.

Material ESG Factors

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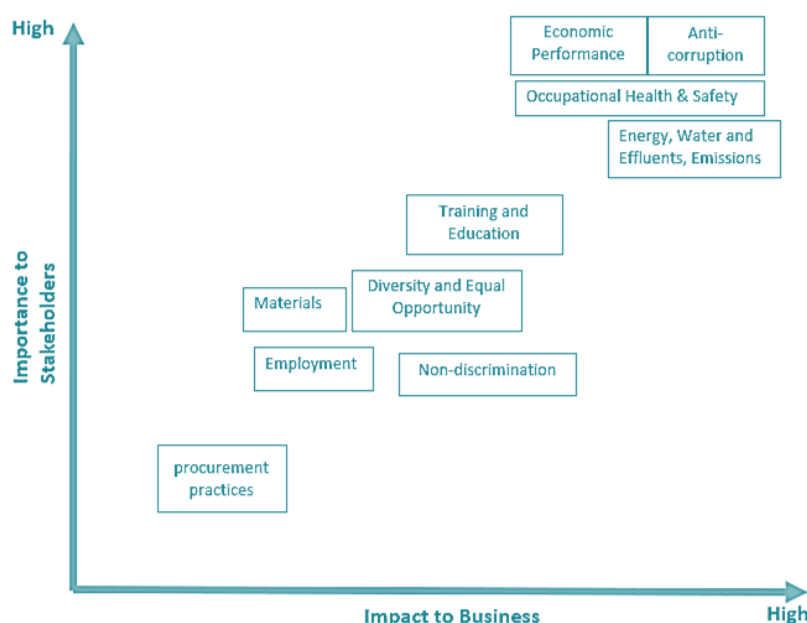
For the material topics, we have provided more details in the relevant sections of this report.

Summary of Material Factors and Progress

As a continuation of our FY 2021/2022 reports, we provide an update of our progress against the targets.

Key ESG Factors	Prior Year Targets	Progress Update on Prior Year Targets	Present Year Targets
Business Discipline	Continue to build recurring income from sludge and industrial wastewater treatment. Capture opportunities in oil & gas sector for oily sludge treatment. Develop opportunities in markets outside of China for sludge and wastewater treatment using our AI technologies.	The Group continues to enhance sludge and wastewater treatment technologies in FY 2023. To date, the Group has filed a total of 49 patents, out of which 34 have been awarded. In FY 2023, 10 patents were added. In addition, the Group has registered 23 software copyrights in total, 17 of which were added in FY 2023. These will enhance its competitiveness in its AIWater solution. The Group's sludge and AIWater solution generated 33 Mill RMB of revenue in FY 2023. The revenue arose from the implementation of 8 AIWater projects. The team signed 15 additional contracts for AIWater late in the year, and these have yet been able to generate revenue. United Greentech Tianjin was recognised as a high technology SME in December 2023.	To realise revenue for 15 new AIWater contracts signed in late 2023, and to continue the momentum to capture bigger market share in O&M through the deployment of AIWater software and solution. To increase revenue contribution from municipal sludge and oily sludge treatment systems. To produce sizeable membrane products and to generate sales from its membrane division.
Product Excellence	Continue to build track record in sludge and AI water solutions, and work with our clients to realise benefits of cost savings and reduced emissions. Launch new products and add new applications to our membrane product portfolio by 2025.	In FY 2023, our team implemented 8 AIWater projects and helped our clients to reduce operating costs and carbon emissions. The Group was awarded a sludge demonstration project with partial funding by Singapore government in FY 2023. The plant would be completed in FY 2024. Leader would then continue to work with NTU to research the application for the biochar from the demonstration plant. It began early discussions in Malaysia with the intention to develop strategic partnership in sludge management. The membrane plant continued to develop and enhance membrane product features such as consistency in flux, strength, and durability. Throughout FY 2023, the plant continued small scale production and R&D effort, to improve quality and stability in-use. The team filed 4 new patents.	Continue to build track record in sludge and AI water solutions, and work with our clients to realise benefits of cost savings and reduced emissions. Launch new products and add new applications to our membrane product portfolio by 2025.

SUSTAINABILITY REPORT

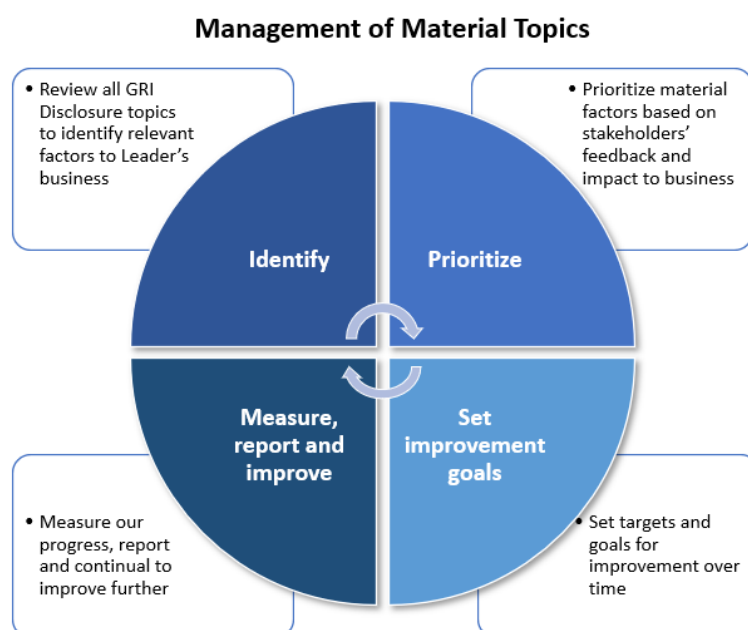| Key ESG Factors	Prior Year Targets	Progress Update on Prior Year Targets	Present Year Targets
Occupational Health and Safety	Maintain zero incident via continuous compliance with our Occupational Health and Safety ("OHS") Management system and proactive approach to identify potential threats. Strictly adhere to measures imposed by local health authorities in relation to COVID-19. Adopt third party certification to ISO 45001 Occupational Health and Safety Management Systems in our key operations in the near term.	Leader's key subsidiaries, United Greentech Tianjin and AIWater Hefei achieved certification to ISO 9001, ISO 14001 and ISO 45001 in FY 2023. The operations in China achieved zero environmental, health and safety incidents during the year. However, an employee at the Singapore membrane plant slipped during maintenance activity. He received outpatient treatment and was absent from work for 3 days. All employees continued to be vaccinated against Covid-19.	Maintain zero incident via continuous compliance with our Occupational Health and Safety ("OHS") Management system and proactive approach to identify potential threats. NTi targets to achieve ISO 9001/ ISO 14001 and ISO 45001 quality, environmental and occupational health and safety management system certification during FY 2024.
Human Capital Development	Sharpen our strategic focus on AI and low carbon technologies by increasing our talent pool and seek opportunities to collaborate with institutes of higher learning. Develop and retain talent through competitive remuneration, reward, and recognition measures.	In 2023, the Group had 43 new hires to maintain proper staffing level. All new hires undergo on the job trainings as part of the job orientation. For the new technology team members, regular virtual and face-to-face meetings are conducted for technology knowledge exchanges and discussions. The Group has an on-going joint R&D project on the uses of biochar from sludge treatment with Nanyang Technology University. Its AIWater R&D has an active on-going collaboration with Hefei Institute of Physical Science – Chinese Academy of Sciences. Employees attended training in risk management, Sustainability reporting, ISO 9001/ 14001/ 45001 standards awareness and internal auditing, first-aid, employment legislation and so on, to build competencies and keep abreast of changes and developments.	Continue to build on our talent pool, set up internal mentoring and collaboration teams to increase depth and breadth in our technology offerings. To put in place a performance based variable compensation programme to motivate and incentivise individuals and teams by end of FY 2024.
Corporate Governance	We will continue to comply with all legal and regulatory requirements and protect the interests of all stakeholders. Review our risk management processes to keep track of changes in requirements and expectations, including climate-related risks and opportunities.	The Group remains committed to compliance with regulations and uphold best practices in corporate transparency, strict adherence to legislations and environmental laws. The Group's policies were reviewed and updated as part of a routine annual review. An overview of our approach to address the TCFD recommendations is included in this report.	Improve our disclosures on Sustainability and climate-related risks and opportunities, to establish performance baseline for emission, resource efficiency and establish appropriate objectives and targets by FY 2024.
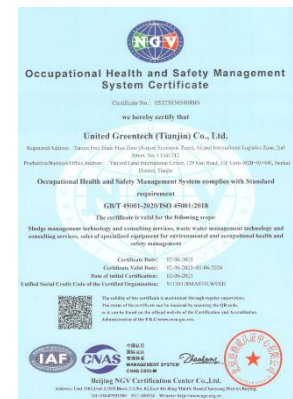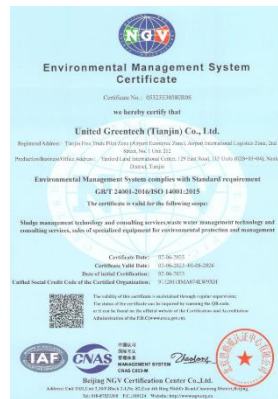
Material Topics

An internal review and validation of materiality topics were conducted by collecting feedback from key management and employees who regularly engaged with stakeholder groups. Based on the feedback, the Sustainability Reporting Working Committee reviewed reports from those in similar industries, to understand if the topics are in line with expectations. Due to the current size and scale of Leader's business, some topics, such as energy and emission are not significant impacts, but we made efforts to include them as we understand these to be of public interest.

These material topics take reference from GRI Universal Standards 2021. Stakeholders' feedback has ranked these topics as equally high in priority. The material topics were endorsed by the Board of Directors as appropriate to be included in this sustainability report. As there was no change in our business scope and strategic objectives, the material factors were confirmed by the management to be consistent with FY 2022.

Our commitment was to collect, analyse and monitor data related to material ESG factors in FY 2022 and FY 2023, with a view to establish improvement targets in FY 2024.

Management of Material Topics

- Review all GRI Disclosure topics to identify relevant factors to Leader's business

Identify

- Prioritize material factors based on stakeholders' feedback and impact to business

Prioritize

Measure, report and improve

- Measure our progress, report and continual to improve further

Set improvement goals

- Set targets and goals for improvement over time

In FY 2022, targets were not set for the material factors due to the impacts from the COVID-19 pandemic. The level of business activity was so low, such that targets were not meaningful. In FY 2023, our data showed increase in physical activities. We aim to establish FY 2024 as the base year to set appropriate targets for future improvement.

Economic Performance (GRI 201)

GRI Disclosure 201-1 Direct economic value generated and distributed

For the company's financial performance, including revenue, operating costs, employee wages and benefits, borrowing costs, government subsidies and payments, use of capital, etc, please refer to pages 11-12 and 20 of the annual report ("AR").

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

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

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

Governance

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

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

Risk Management

Leader's management team under the leadership of the Group CEO has responsibility to oversee the identification, development of plans, implementation and monitoring of risks and opportunities. This includes escalation of risk control deficiencies to the Board and facilitating reporting and disclosures of relevant risks and opportunities.

The management team conducted a preliminary review of Leader's operations and supply chain. We gathered some initial data on energy, resource use and emissions for FY 2022. We continued the collection of data in FY 2023, with a view to identify potential aspects for improvement. This gave us a general view of our exposure to climate risks in our own operations. At the same time, it shows us business opportunities in our technology solutions with the potential to lower energy intensity, resource consumption and emissions for our clients.

Strategy

Leader's overall strategy in addressing climate-related risks is to:

- Continue business transformation to invest in technologies that support energy and emission reduction, carbon capture and circular economy.

- Lower carbon footprint of our own operations and in delivering of our solutions. In line with Singapore government goals to peak emission no later than 2030 and achieve net-zero emissions by 2050, Leader is keeping this target in mind as our business continues to evolve.

- Diversify our physical locations to reduce supply chain impacts in the long term.

- We are not yet able to quantify the full financial impacts of climate-related risks and opportunities on the total business. However, we focus on helping clients to reduce energy and resource consumption and lower operating costs. In such contracts, it is often on the premise of "no-cure, no pay". We believe this is a more sustainable business model.

We have identified the following climate-related risks and opportunities and the corresponding management plans:

1. Climate-Related Risks

Climate-related risks are divided into two major categories: (1) risks related to the transition to a lower-carbon economy and (2) risks related to the physical impacts of climate change.

a. Transition Risks
Policy and Legal Risks

Our operations could potentially be exposed to risks from changes in government policies and regulations. These include potentially higher costs in energy, water, materials used in our production operations, insurance, and costs to manage and comply with new climate-related regulations.

- We are monitoring the changes in policies and regulations in markets where we are operating, related to sustainability reporting, climate-related disclosures, and local regulations. When evaluating new business opportunities, we include considerations of such risks in costing, pricing and decision making.

Technology Risk

Our technology solutions for clients could face competition from newer lower-carbon, energy-efficient alternatives that could make our solutions in sludge, wastewater, and membrane products less attractive.

- As a technology business, we are investing in technology development continually. We regularly engage in discussions with academia, technopreneurs, clients and investors to have better understanding of new research outcomes and competing technologies.

- Since FY 2022, the company appointed Dr Ng Wun Jern as Scientific Advisor to the Group, as an additional channel for insights in areas such as strategic business

partnerships, scientific and technological trends, and people talent, to widen our perspective on associated risks and opportunities. Dr Ng Wun Jern joined the Board on 26 February 2024 as an Independent Director.

- The membrane business continues building capability in its R&D Centre in Singapore, with the view to develop more sustainable products while keeping pace with developments made by competitors.

- We are adopting and developing AI to integrate into our wastewater management solution, with the view to change the traditional operation and maintenance approaches at existing assets and greenfield developments.

- As part of its business, Leader has in place a strategic plan to invest in promising "Green Technologies" as a way to leap-frog technological developments and so more rapidly adapt to and capture climate-related business opportunities.

b. Physical Risks

Our operations and supply chains could be affected by physical environmental risks, such as extreme weather events and availability of resources like energy and water. This could affect our assets, premises, ability to serve our clients, logistics and transportation and employee safety.

- We seek to reduce our carbon footprint by keeping our work premises compact, multi-functional and by locating close to our key clients and employees, wherever feasible. Both within our own premises and for our clients, we are working on energy efficiency with cost savings, water re-use and recycling, and new applications for sludge treatment by-products. It is our ongoing ambition and goal to achieve circularity in our sludge and wastewater management solutions.

- In view of potential supply chain concerns, we intent to establish alternative membrane production facilities outside of Singapore to be closer to end-users and raw material suppliers. The membrane manufacturing facility in Tuas Singapore is supplementing energy needs with solar power, as detailed on page 24 of the SR.

- The Group established office premises in different cities to have better access to local talent and to spread out location-related risks, such that alternative office premises could be accessible as contingency. Coming out of the pandemic, we are setting up work processes such that employees could work remotely.

Climate-Related Opportunities

The urgency to mitigate and adapt to climate change also produce opportunities for Leader, as we seek to transform our business to meet the challenge for decarbonisation. We see the following as opportunities as an environmental business.

Products and Services for Resource Efficiency

Leader's solutions in sludge and wastewater management are designed to achieve better resource utilisation efficiency, lower emission and cost savings for our customers. We continue to tap current technologies such as automation and AI to enhance our technologies. This supports the decarbonisation and sustainability goals of our clients, our business and the planet.

Our Green Investment strategy is in place, as we continually scout for scalable, significant, and sustainable technological products and services which synergizes with our existing portfolio.

At our own premises, we are putting in place programmes to reduce energy and emission intensity. Our premises are designed to use natural lighting and LED as much as possible. Our Singapore membrane manufacturing plant is supplementing energy requirements by solar power.

Opportunities in Different Markets

Leader's sludge and wastewater management solutions can potentially create benefits in terms of lowering energy and emission intensities. While we have some project success in China, we are seeking opportunities to make an impact in Singapore and other ASEAN countries. In FY 2023, we received partial funding from Singapore government to build and operate a demonstration sludge plant in Singapore. This is an opportunity for Leader to showcase its sludge management solution and benefits. The project awarded included research collaboration with Nanyang Technological University to identify potentially scalable applications for biochar products. Discussions with Malaysia's sludge management agency for opportunities in sludge and biochar uses are on-going. We continue to seek partnerships with local agencies and financial institutions as a way to diversify our transition and physical risks.

Metrics and Targets

We have set the following targets and metrics to measure our progress in managing climate-related risks and opportunities:

- Grow green technology portfolio and improve revenue in near term;

- Reduce energy and emission intensities at our own facilities;

- Establish alternative manufacturing locations for our membrane business to diversify risks and to be closer to suppliers and customers.

Customer Success Stories

Leader focuses on proprietary AI technology for intelligent water and energy management. With rich experience in realizing energy saving and cost reduction for water treatment plants, the company integrates AI, algorithm models and proprietary concentration gradient theory to achieve informatization, digitalization, intelligence and automation of water treatment plant operations while ensuring compliance with regulatory standards and achieving energy saving and cost reduction.

Through machine learning algorithm model and functional optimization, Leader's AI Water management technology is improved through continuous iteration, so that each wastewater plant has a dedicated, professional, and tireless AI-enabled "Water System Expert" on site. It can simulate key indices and operating parameters of different sections under various operating conditions according to the algorithm model, so as to optimize energy and chemical consumption while ensuring compliance, and at the same time, promptly provide expert diagnosis solutions for abnormal operating conditions and provide guidance to operators to make adjustments to realize self-operating optimization of the system.

1. Plant A

Plant A has a total treatment capacity of 80,000 m³/d and was constructed in three phases. It mainly serves the industrial park of an Economic Development Zone in Fujian Province, and receives industrial wastewater from printing and dyeing, leather tanning, food industries and domestic sewage.

The trade effluent must comply to Category 1A standard in the "Pollutant Discharge Standard for Urban Sewage Treatment Plants" (GB18918-2002), and the treated effluent of the sewage treatment plant is directly discharged into the sea.

Through a contractual agreement, Leader deploys its AIWater Management Solution at Plant A with the goals to achieve consistently stable effluent discharge quality, reduction in chemical usage and energy efficiency. After the implementation of the system, the treatment cost is reduced by 0.13 RMB/m3. This is achieved through reduction in energy, chemicals, and liquid oxygen consumptions of 20%, 30% and 50% respectively. Over a 12-month period, the total savings is more than 2.3Mill RMB. During the corresponding period, this also means that there is avoidance of 3,200 Tonnes of GHG emission to the atmosphere.

2. Plant B

Plant B primarily handles domestic wastewater from the surrounding area. The designed capacity is 5,000 m3/day. The processing sequence includes "coarse screening - fine screening - cyclone sedimentation tank - A2/O - secondary treatment - coagulation sedimentation - activated sand filtration - sodium hypochlorite disinfection."

The treated water quality meets the B Standard of The Municipality's "Pollutant Discharge Standards for Urban Wastewater Treatment Plants".

Leader entered into an agreement with the owner to optimize and digital its operation using Leader's AIWater management system. Through the AIWater system, the treatment processes become transparent and finely controlled, achieving significant energy-saving goals.

Post-implementation, the average cost savings are approximately 0.5 RMB per m3 of water, with savings of about 55% reduction in chemical cost. Additionally, there is a 10% reduction in electricity costs. From August 2022 till December 2023, this resulted in total savings of 900,000 RMB. The reduced energy and chemical usage result in equivalent reduction in GHG emission of 628 Tonnes.

Installation of AIWater Control and Instrumentation Systems at Plant A.

Incorporation of Digital twin in the AIWater system allows easy monitoring, control, and expert response.

Anti-Corruption (GRI 205)

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

Anti-Corruption Policies

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

- Compliance with all applicable laws and regulations related to corruption prevention

- Prohibition of all forms of bribery, extortion, and other corrupt practices

- Clear guidelines on gifts, hospitality, and other expenses that may be seen as giving rise to a conflict of interest

- Procedures for reporting and investigating any suspected incidents of corruption

- Regular training and awareness-raising activities for our employees and stakeholders on anti-corruption policies and practices

Anti-Corruption Risk Assessment

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

Anti-Corruption Training and Awareness

- We believe that training and awareness-raising are essential components of our anti-corruption efforts. We provide regular training to all employees on our anti-corruption policy and related topics, such as conflict of interest and gifts and hospitality. We also provide training to our suppliers and other stakeholders on our anti-corruption expectations and the importance of preventing corruption.

- To date, all our directors and senior management team members and key employees have received training on ethical conduct, insider trading and whistle blowing measures. We continue to raise awareness through regular communication.

Anti-Corruption Monitoring and Evaluation

- Leader has put in place a whistle-blowing policy, where the AC has oversight and monitors the said policy, which provides for the mechanisms by which employees and other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters to the Independent Non-Executive Directors of the Company, with the objective of ensuring that arrangements are in place for the independent investigation of such matters for appropriate follow-up action. The policy protects the complainant from detrimental or unfair treatment or victimization when he/she raises any concern in good faith and without malice.

- All such investigations will be undertaken by the Audit Committee ("AC") Chairman and the identity of the complainant is kept confidential.

- During FY 2023, there were no complaints, concerns or other matters received from the channel established under the whistle-blowing policy.

Energy (GRI 302)

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

Leader mainly uses purchased energy, i.e., electricity from the power grid in China and in Singapore. In our membrane production facility, solar power became available in November 2022, and is now supplementing our energy usage.

Energy consumption can also occur throughout the upstream and downstream activities connected with an organization's operations. This can include consumers' use of products the organization sells, and the end-of-life treatment of these products. In this report, we only report on energy usage within Leader, mainly at the premises and locations where we operate.

We did not set specific target for energy consumption and energy intensity, as the business is at a growing stage and impact from reduced business activity due to the COVID-19 pandemic. We continued to monitor consumption in FY 2023, with a view to establish a base year/ reference year, so that meaningful targets can be made.

Energy Consumption

The total energy consumed in Singapore and China during FY 2023 was 314 MWH (compared to FY 2022: 84 MWH). This includes 130 MWH (in FY 2022: 9.6 MWH) of solar energy, generated through solar panels installed on the rooftop of our subsidiary, NTi Memtech Pte. Ltd. ("NTi"). Though Leader owns 67% of the company, we have control over its operation, and therefore all emissions and energy usage, etc are presented in full without adjusting for actual shareholding. This represented an increase of 273% over FY 2022 energy consumption. The increase was due to the return of the workforce to physical offices and sites. In FY 2022, due to the COVID-19 pandemic control measures, many of our employees were working remotely.

We did not set specific target for energy consumption as the business is at a growing stage and operating at reduced activity levels due to the COVID-19 pandemic in FY 2022, and part of FY 2023. These figures explain the dilemma that the Group faces in rationalising and setting meaningful targets. In FY 2024, the Group expects further increase in energy consumption as China and Singapore economies return to full normalcy.

We will continue to monitor consumption in FY 2024 and intend to fix FY 2024 as the base year for setting future improvement targets.

Energy Intensity

The Group's average energy intensity in FY 2023 is 0.016 MWH per thousand RMB revenue (compared to 0.003 MWH per thousand RMB revenue in FY 2022; including vehicular fuel consumption). This is almost a 400% increase, arising from both increase in physical activities and the decrease in total revenue of 41%. The energy consumption consists mainly of purchased electricity in Singapore and China, solar power in Singapore and vehicular fuel consumption in China. We chose total revenue as the intensity measure, as it is objective, and allow comparison in future years.

Total Energy Consumption & Energy Intensity

Year of Reporting	Total Electricity Purchased MWH	Total Solar Power Consumption MWH	Total Fuel Purchased for Vehicle Usage MWH*	Total Energy Consumption MWH	Organisation Metric used to calculate intensity	Total Revenue (Thousand RMB)	Total Energy Intensity by Revenue (MWH per Thousand RMB)	Total Organisational Headcount (number of employees)	Total Energy Intensity by Headcount
FY 2023	184	130	221	536	Revenue	33,044	0.016	101	5
FY 2022	75	10	101	185	Revenue	55,984	0.003	74	3
Change	146%	1259%	120%	189%		-41%	390%	36%	112%

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

Solar Power at NTi

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

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

From the real-time data, since the operation of solar installation till 31 Dec 2023, NTi has avoided 267.83 Tonnes of coals used for power generation, avoided 318.05 Tonnes of CO_2 generation and this is also equivalent to 435 trees planted.
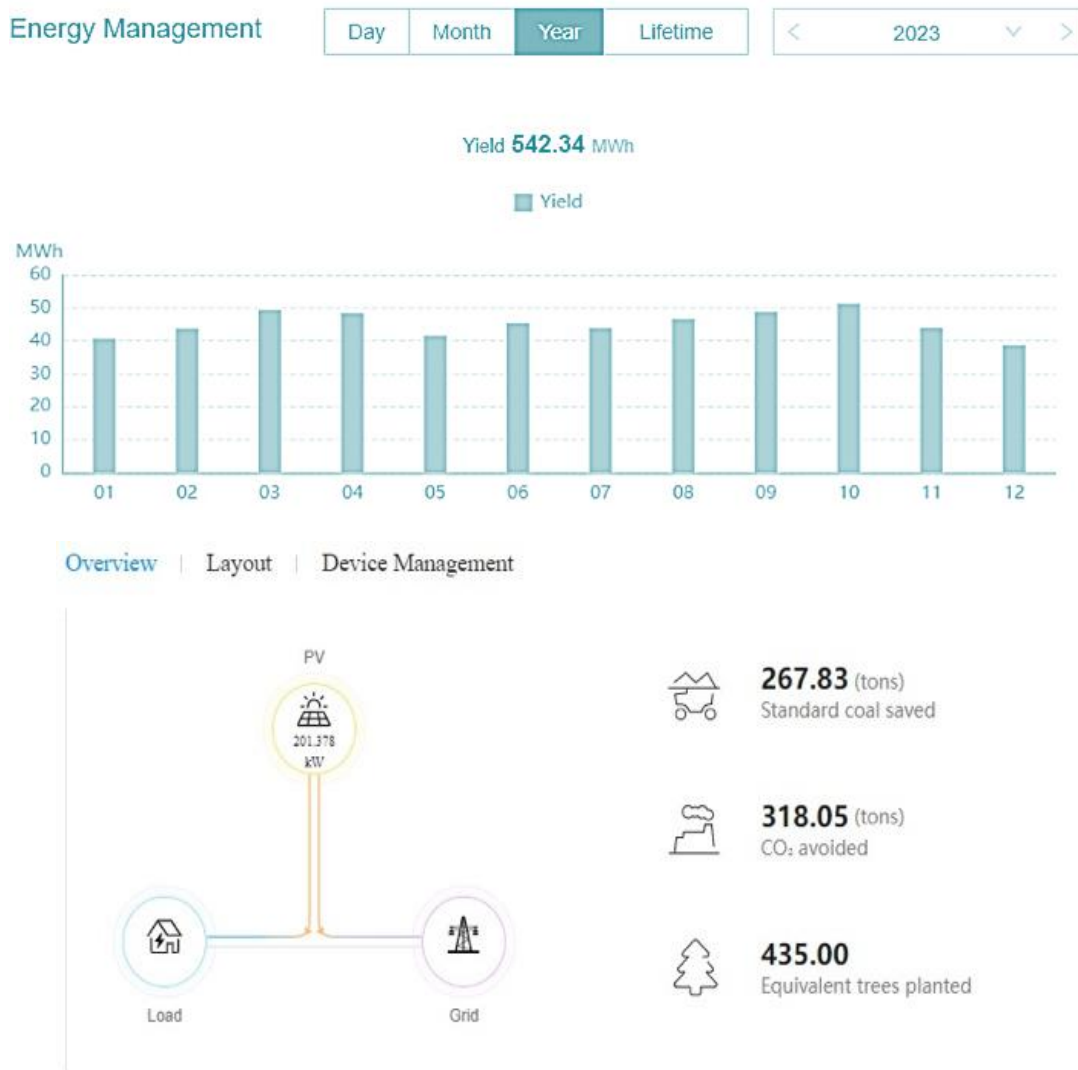
Figure 1 NTi Real-time Solar Generation Status Nov 2022 to Dec 2023

On the financial aspect, the consumption of 130,212 KWH solar generated electricity during FY 2023 translates to a net saving of S$22,400. Where the net export during the same period was about 400 MWH. Solar power constitutes 55% of the power consumption at our membrane manufacturing facility in Singapore in FY 2023. As NTi moves into mass production in future years, the saving realised from solar power could be even more significant.

Emissions (GRI 305)

GHG emissions are a major contributor to climate change and are governed by the United Nations (UN) 'Framework Convention on Climate Change' and the subsequent UN 'Kyoto Protocol'. In FY 2022 and FY 2023, Leader's GHG emissions are mainly from company owned or leased vehicles, business travel from Singapore only and purchased electricity. The total equivalent GHG emission is 155.4 Metric Tonnes (compared to 62.3 Metrics Tonnes in FY 2022). The GHG emission is expected to increase further as we work on gathering more data, and due to increase in business travel in FY 2024.

We did not set specific emission target as the business is at a growing stage, with much reduced business activity particularly in China, where there were strict covid-19 control measures throughout FY 2022. As we continue to work on details of collecting more relevant

data coupled with increase in business activity, we aim to set FY 2024 as a base year and reference year to set improvement targets.

Emissions: Scope 1

In FY 2023, GHG Emission from the Group's company owned and leased vehicles in China is 57.6 MT CO_2 equivalent (compared to 10.72 MT CO2equivalent in FY 2022). This was calculated using the Carbon Emission Tracking Tool from Global Compact Network Singapore. The Group did not have other Scope 1 emission sources.

Emissions: Scope 2

Leader's Scope 2 emissions are from purchased electricity from providers in Singapore and in China. The total amount of purchased electricity in Singapore was 111,157 KWH (vs 35,006 KWH in FY 2022), equivalent to 46.3 MT CO2e (vs 14.3 MT CO2e in FY 2022), using the Carbon Emission Tracking Tool from Global Compact Network Singapore. The increase in emission in FY 2023 was mainly due to increase in manufacturing activity in its membrane facility in Singapore. About 56% of the Group's total electricity usage was attributed to the membrane plant.

Total amount of purchased electricity in China in FY 2023 was 72,833 KWH, equivalent to 38.7 MT CO2e (vs 39,643 KWH, equivalent to 22.8 MTCO2e in FY 2022). The increase was due to return to office of employees and included winter heating. The electricity consumption is based on utility bill records for the year.

Emissions: Scope 3

Leader began to collect data on transportation from employee business travel in our offices in Singapore in 2022. We are able to report partial emission arising from air travel and local transportation (taxi and private hired vehicles) in Singapore, adding up to 12.8 MT CO2e in FY 2023. The data presented is only partial reflection of Scope 3 emission. This does not include domestic air travel and employee local transport in China during FY 2023.

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

Absolute GHG Emissions in MT CO2 equivalent

57.59	85.02	12.83

Total 155.4 MT

MT CO2 equivalent
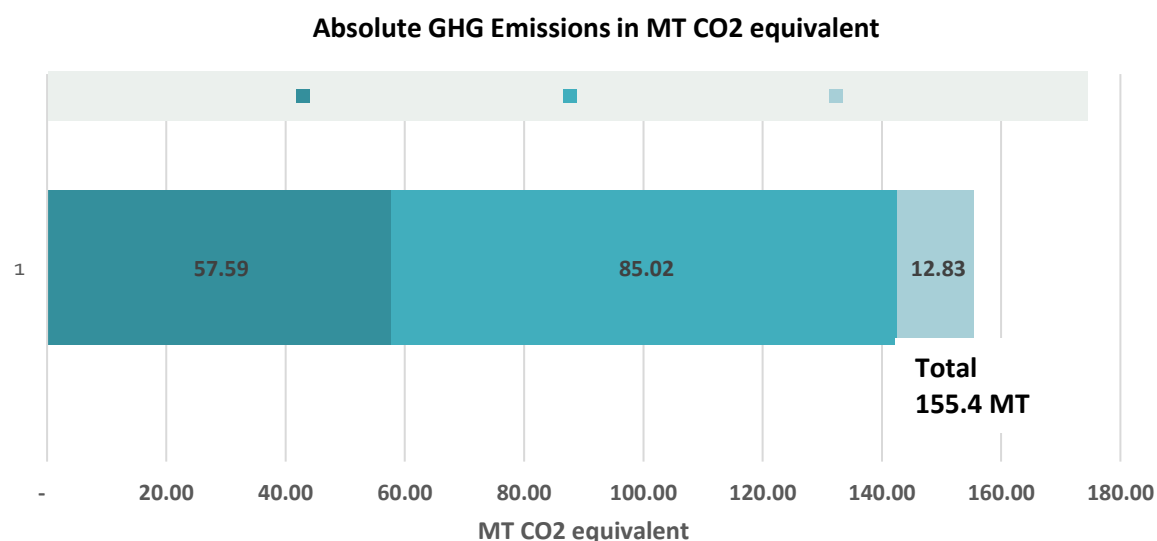
Emission Intensity

Total GHG Emission & Emission Intensity

Year of Reporting	Total GHG Emissions in MT CO2e	Organisation Metric used to calculate intensity	Total Revenue (Thousand RMB)	Total Emission Intensity by Revenue	Total Organisational Headcount (number of employees)	Total Emission Intensity by Headcount
FY 2023	155.4	Revenue	33,044	0.005	101	1.54
FY 2022	62.29	Revenue	55,984	0.001	74	0.84
Change	149%		-41%	323%	36%	83%

Water and Effluents (GRI 303)

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

Water Consumption And Intensity

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

Water Consumption

In FY 2023, a total of 1,926 m3 of water was consumed by the Group (vs 1,829 m3 in FY 2022). This was only a slight increase, as the water consumption in the offices were not metered, but were based on lease agreements, where usage was apportioned based on floor space. At the same time, in the membrane manufacturing, process water was re-used and recycled.

Water Intensity

In FY 2023 Water intensity worked out to 58.3 Litres of water per thousand RMB in revenue, vs 23.8 Litres in FY 2022. The increase in intensity is largely due to drop in group revenue of 41%. We choose total revenue as a measure of water intensity, as it is a key resource to our business, even as it is our goal to help our clients to reuse and reclaim wastewater.

We did not set targets for water consumption and intensity, as during the past 2 years, the COVID-19 pandemic reduced much of our business activity. We will be monitoring our water consumption in FY 2024, and aim to set FY 2024 as a base year for improvement targets.

Total Water Consumption & Water Intensity

Year of Reporting	Total Water Consumption m3	Organisation Metric used to calculate intensity	Total Revenue (Thousand RMB)	Total Water Intensity by Revenue	Total Organisational Headcount (number of employees)	Total Water Intensity by Headcount
FY 2023	1,926	Revenue	33,044	0.058	101	19.07
FY 2022	1,892	Revenue	55,984	0.034	74	25.57
Change	2%		-41%	72%	36%	-25%

Waste (GRI 306)

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

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

As the membrane division moves into higher volume of production in FY 2024, we will put effort into collecting more waste generation and disposal data; and where appropriate to set improvement goals.

Paper Usage by Headcount

Reporting Year	Paper Usage/ Kg	Total Headcount	Paper Usage/Headcount
FY 2023	568	101	5.62
FY 2022	762	74	10.30

Membrane Plant Waste Disposal

Membrane Plant Waste Disposal	General Waste (estimated volume) m3	Hazardous Waste Disposal Quantity m3
FY 2023	51.48	20
FY 2022	25.74	0

Occupational Health and Safety (GRI 403)

Leader has a growing pool of talented employees, bringing with them diverse background, culture, and experience to grow together with the company. In the face of COVID-19 pandemic they continued to serve and were able to work remotely in part while complying with local public health and workplace safety authorities' requirements.

Occupational health and safety management systems are tailored to local requirements and implemented at operating subsidiaries. AIWater has its quality, occupational health and safety and environmental management systems certified to ISO 9001, ISO 14001 and ISO 45001. United Greentech (Tianjin) had its quality, environmental and occupational health and safety management system external audited in January 2023. NTi underwent integrated management system standards and internal auditing training in June and December 2023. NTi targets to achieve certification to ISO 9001, ISO 14001 and ISO 45001 standards in FY 2024.

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

All our employees are provided with access to medical care through provision of medical and insurance benefits.
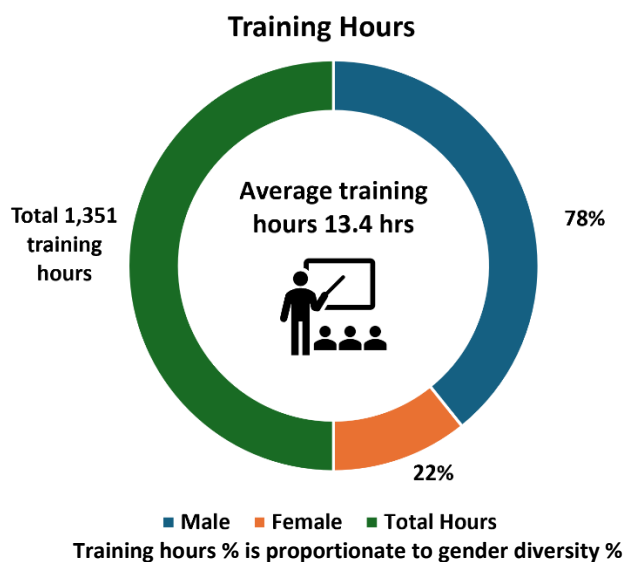
During FY 2023, we had an incident whereby a membrane plant employee tripped and was treated as an outpatient. He was on medical leave for 3 days. Our China operations did not record any incident of workplace injuries and ill-health among our employees and contractors who work directly with us on projects.

Reporting Year	Number of Fatalities as a result of work-related injury	Rate of Fatalities as a result of work-related injury	Number of High-consequence work-related injuries (excluding fatalities)	Rate of High-consequence work-related injuries (excluding fatalities)	Number of Recordable Work-related injuries	Rate of Recordable Work-related injuries	Main types of work-related injuries	Hours Worked (Estimated based on headcounts)
FY 2023	0	0	0	0	1	0.99	Slip during work	202,000
FY 2022	0	0	0	0	0	0		148,000

Reporting Year	Number of Fatalities as a result of work-related Ill Health	Number of cases of recordable work-related Ill Health	Main types of work-related Ill Health
FY2023	0	0	0
FY2022	0	COVID-19 infections among employees which might have arisen from work premises, were not included.	COVID-19 pandemic was on-going.

Human Capital Development (GRI 404)

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

Training Hours

Average training hours 13.4 hrs

78%

Total 1,351 training hours

22%

■ Male ■ Female ■ Total Hours

Training hours % is proportionate to gender diversity %

Employees at all levels are provided with appropriate training that enables them to not only effectively and efficiently complete their tasks but also for their professional development. Training courses are catered according to the skill sets required for their roles and functions. We aim to build a highly competent, innovative, and skilled team.
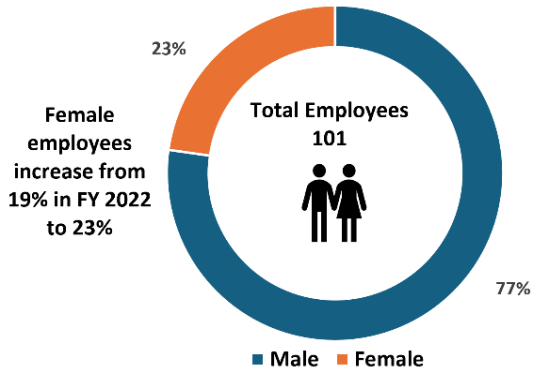
Beyond human capital management, we strive to identify and groom future leaders internally to ensure a robust pipeline of future leaders who bring diverse perspectives to the Group. The total number of employees increased to 101 in FY 2023 (vs FY 2022:74). This is an increase of 35.6% from FY 2022. During the reporting period, there were 13 employees who resigned, representing a turnover rate of 12.9%.
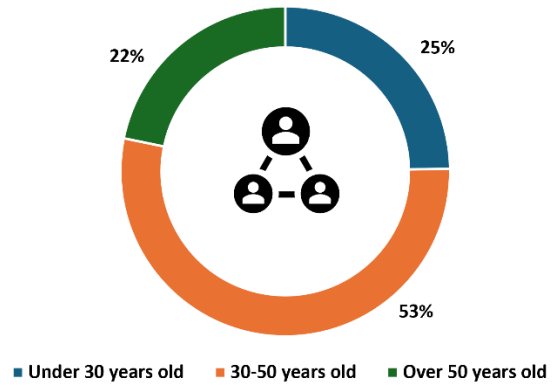
Equality And Diversity Policy (GRI 405)

The Group promotes equality and diversity in the workplace and recruits based on merit in relation to the function. We recognise and value diversity in backgrounds of our employees as well as their knowledge, skills, and experiences, and focus on fostering fairness and providing equal opportunities to create a productive workforce.

Due to the nature of the industry that we operate in, there are typically more male employees. Research shows that age diversity in the workplace can improve organizational performance. We have a balanced pool of workforce that brings with them diverse experiences and perspectives.
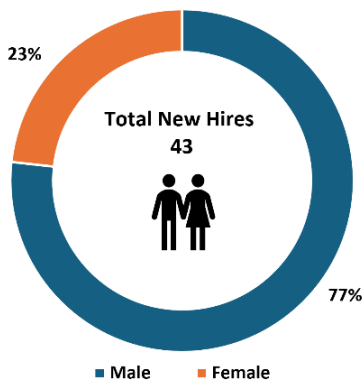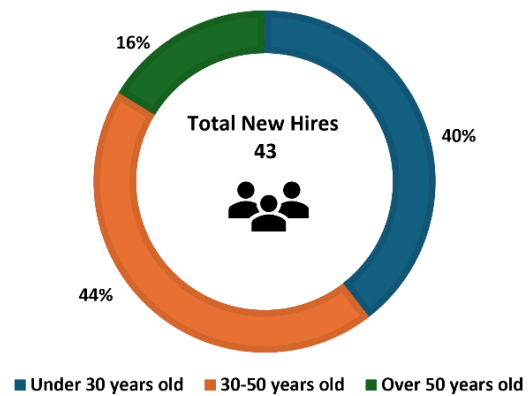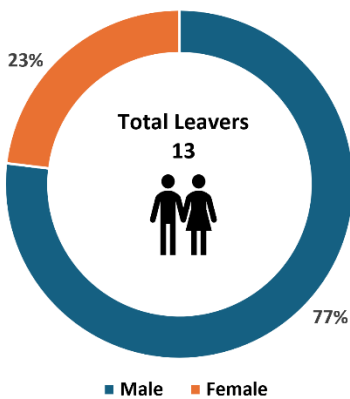
Gender Diversity

Total Employees
101

Female employees increase from 19% in FY 2022 to 23%

23%

77%

■ Male ■ Female

Age Diversity

25%

53%

22%

■ Under 30 years old ■ 30-50 years old ■ Over 50 years old

Gender Diversity of New Hires

Total New Hires
43

23%

77%

■ Male ■ Female

Age Diversity of New Hires

Total New Hires
43

40%

44%

16%

■ Under 30 years old ■ 30-50 years old ■ Over 50 years old

Gender Diversity of Turnover

Total Leavers
13

23%

77%

■ Male ■ Female

Age Diversity of Turnover

23%

46%

31%

■ Under 30 years old ■ 30-50 years old ■ Over 50 years old
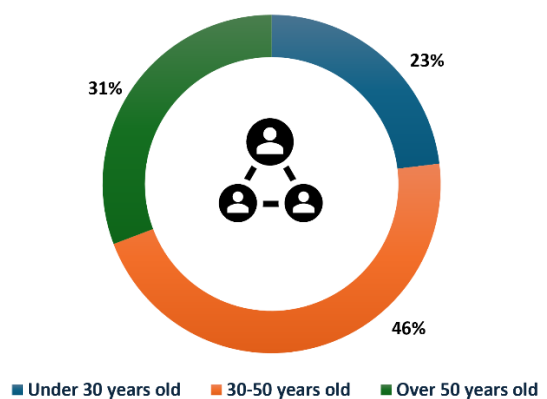
Code Of Conduct

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

Supply Chain Management

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

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

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

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

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

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

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

7. Risk Evaluation and Mitigation:

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

Delegation Of Authority And Payment Approval Policy

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

Business Continuity Plan

With the global impact of COVID-19, business operations had to be adapted quickly to minimize potential impacts and mitigation steps had to be implemented appropriately.

Having a Business Continuity Plan ("BCP") helped our teams to be better equipped to deal with the many unexpected scenarios that were evolving at a fast pace and to constantly adapt to the changing environment.

The recovery plan is documented within the BCP together with the operational guidance to allow the stakeholders to put them into action. The BCP phases of assessment are illustrated in the diagram below.

PHASES OF ASSESSMENT

Looking Forward In FY 2024

The Group shall continue to drive progress in FY 2024 through our people, technologies, and our culture, by engaging our current employees, attracting best-in-class talents, and increasing the diversity of our workforce.

In line with the requirements of the SGX-ST, the Group will focus on evolving the identification, assessment and monitoring the effectiveness of control measures on climate-related risks and opportunities. With the conscientious collection of relevant data, we will address gaps and deficiencies and achieve overall progress both in reporting and implementation.

We continue to focus on the development and utilisation of AI in wastewater. Through machine learning, predictive and early intervention capabilities, we aim to achieve informatization, digitalization, intelligence and automation of water treatment plant operations while ensuring compliance with regulatory standards and achieving maximized energy saving and cost reduction.

We anticipate growing our sludge management solution, including developing scalable options for biochar uses commercially, as this fits our strategic push for circularity in our technology offerings. The completion of the Singapore sludge demonstration plant and the research outcomes on biochar applications with Nanyang Technological University will open new opportunities in China and ASEAN. At the same time, NTi looks toward building a project portfolio so that its superior membrane quality could be validated in scale.

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION	REMARKS
GRI 2: General Disclosures 2021	2-1 Organizational details	SR 4	
	2-2 Entities included in the organization's sustainability reporting	SR 4	
	2-3 Reporting period, frequency and contact point	SR 3	
	2-4 Restatements of information		No restatement of information
	2-5 External assurance		No external assurance
	2-6 Activities, value chain and other business relationships	AR 2 - 7	
	2-7 Employees	SR 29	
	2-8 Workers who are not employees		Not applicable
	2-9 Governance structure and composition	AR 25	
	2-10 Nomination and selection of the highest governance body	SR 28 - 43	
	2-11 Chair of the highest governance body	AR 27 - 28	
	2-12 Role of the highest governance body in overseeing the management of impacts	SR 4 - 5	
	2-13 Delegation of responsibility for managing impacts	SR 4-5	
	2-14 Role of the highest governance body in sustainability reporting	SR 4 - 5	
	2-15 Conflicts of interest	SR 20, AR 22	
	2-16 Communication of critical concerns		No critical concerns were raised during the reporting period
	2-17 Collective knowledge of the highest governance body	AR 26 - 27	
	2-18 Evaluation of the performance of the highest governance body	SR 4 - 5	
	2-19 Remuneration policies	AR 44 - 45	
	2-20 Process to determine remuneration	AR 44 - 45	
	2-21 Annual total compensation ratio	AR 48 - 50	
	2-22 Statement on sustainable development strategy	SR 5 - 7	
	2-23 Policy commitments	SR 5 - 7	
	2-24 Embedding policy commitments	SR 5 - 7	
	2-25 Processes to remediate negative impacts	SR 20 - 21	
	2-26 Mechanisms for seeking advice and raising concerns	SR 20 - 21	
	2-27 Compliance with laws and regulations	SR 20 - 21	
	2-28 Membership associations		No membership association
	2-29 Approach to stakeholder engagement	SR 8	

	2-30 Collective bargaining agreements	No collective bargaining agreement
GRI 3: Material Topics 2021	3-1 Process to determine material topics	SR 10 - 13
	3-2 List of material topics	
	3-3 Management of material topics	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	SR 14, AR 11-12 and 20
	201-2 Financial implications and other risks and opportunities due to climate change	SR 14 - 17
	201-3 Defined benefit plan obligations and other retirement plans	AR 155 and 158
	201-4 Financial assistance received from government	AR 153
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	SR 20 - 21
	205-2 Communication and training about anti-corruption policies and procedures	SR 20 - 21
	205-3 Confirmed incidents of corruption and actions taken	SR 20 - 21
GRI 302: Energy 2016	302-1 Energy consumption within the organization	SR 21 - 23
	302-3 Energy intensity	SR 22
	302-4 Reduction of energy consumption	SR 21 - 22
GRI 303: Water and Effluents 2018	303-5 Water consumption	SR 25 - 26
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	SR 23 - 25
	305-2 Energy indirect (Scope 2) GHG emissions	
	305-3 Other indirect (Scope 3) GHG emissions	
	305-4 GHG emissions intensity	
GRI 306: Waste 2020	306-3 Waste generation	SR 26
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	SR 28
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	SR 28
	403-2 Hazard identification, risk assessment, and incident investigation	SR 28
	403-3 Occupational health services	SR 28
	403-4 Worker participation, consultation, and communication on occupational health and safety	SR 28
	403-5 Worker training on occupational health and safety	SR 28

	403-6 Promotion of worker health	SR 28
	403-8 Workers covered by an occupational health and safety management system	SR 28
	403-9 Work-related injuries	SR 28
	403-10 Work-related ill health	SR 28
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	SR 28
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	SR 28-29