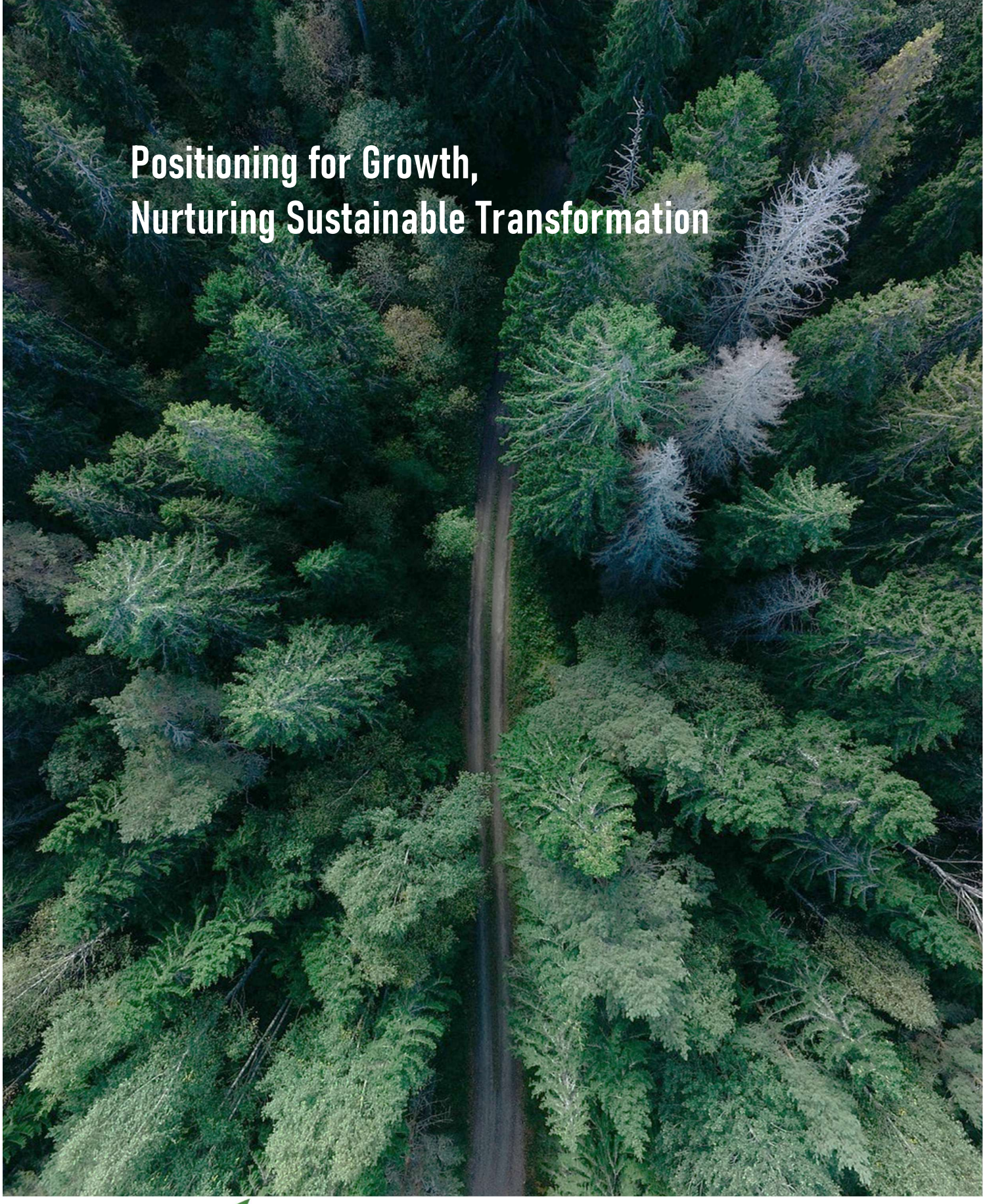

Leader Environmental Technologies Limited
Sustainability Report FY2024

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Introduction

Methodology and Guideline

The Sustainability Report (“SR”) of Leader Environmental Technologies Limited (“LETL, the Company or the Group”) 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 30 to 31 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 stakeholders. For this FY2024 report, the Board conducted a review of the previously reported material topics and confirmed these to be relevant.

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 11-13 of this SR.

In alignment with the Singapore Exchange's new mandate, effective from FY2025, to adopt the climate-related requirements of the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards, issued by the International Sustainability Standards Board (ISSB), we are currently reviewing our reporting practices. The full implementation of changes will be reflected in our next sustainability report.

Performance Validation

The Group has not sought external assurance from independent professional bodies. However, the Group had 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. The review conducted in FY2023 resulted in improvements in written procedures for data collection, materiality assessment and communication.

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

Feedback

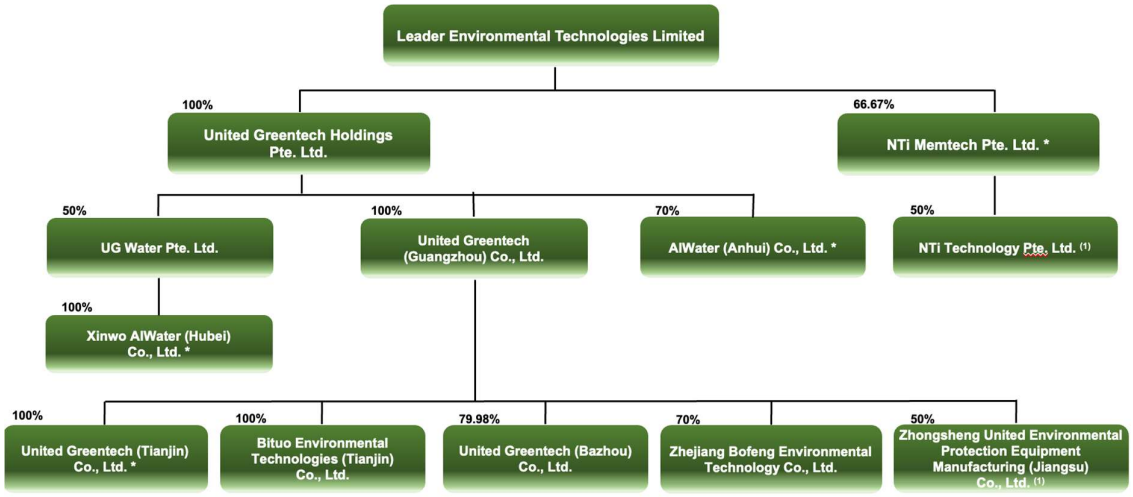
Stakeholders are welcome to provide constructive feedback and suggestions in improving our sustainability report. All queries can be addressed to Mr. Dominic Tan (dominic@leaderet.com) and Ms. Lau Dee Dee (deedee@leaderet.com).

About This Report

This report consists of LETL's ESG strategy, objectives and progress in our targets set in FY2023, with updated performance during FY2024. It provides an overview of our risks and opportunities and include forward-looking action plans. In line with SGX's guideline, we are reporting according to three key impact heading: Environmental, Social and Governance, along with description of our management approach and performance data.

The activities reported include the Group's operations in China and Singapore. The ESG data covers 3 subsidiaries in China and one manufacturing subsidiary in Singapore which in aggregation contributed significantly to the operating results in FY2024. The entities report their performance in all material topics that have been identified at the group level. Sustainability data is given equal weightage in the reporting. The ESG data is reported as 100% since LETL has operational control over all 4 scoped-in entities.

Entities in Scope for FY2024 Sustainable Report (marked with *)



(1) Associated companies

Sustainability Management Structure

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

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

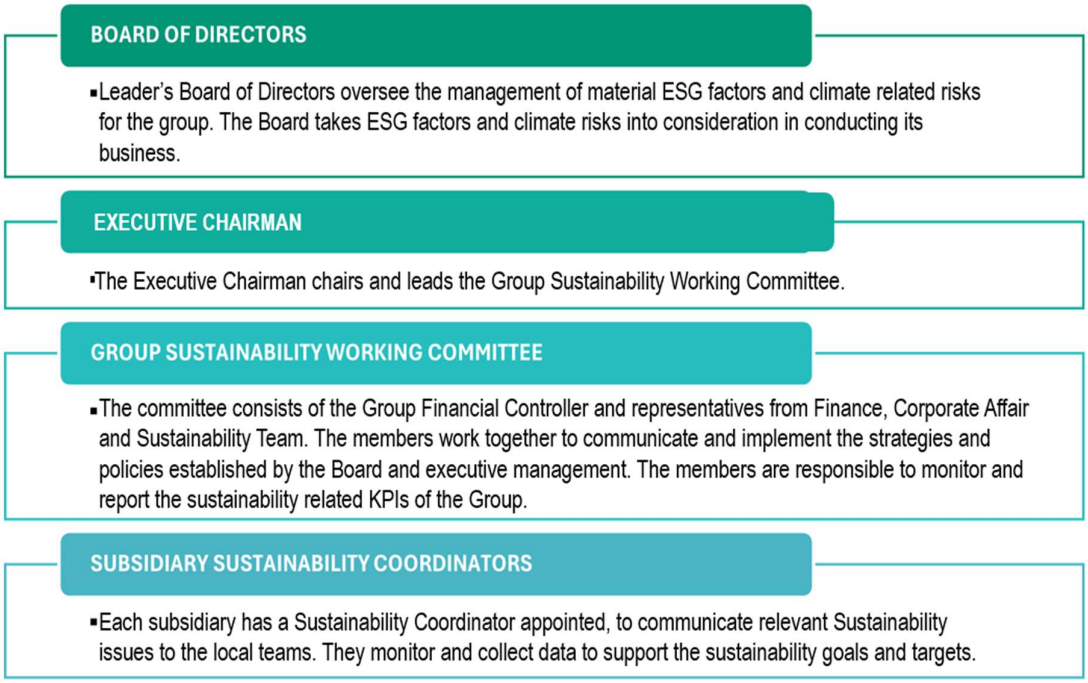
- Ensuring that the Company's disclosure of climate-related risks and opportunities is accurate, timely, and transparent, in compliance with the SGX's sustainability reporting requirements.
- Assessing the Company's exposure to climate-related risks, such as physical risks (e.g., extreme weather events,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

The management team leads in:

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

Since 2022, the Group has set up a working committee for sustainability reporting . The committee consists of the Executive Chairman, Group Financial Controller ("GFC") and representatives from Finance, Corporate Affairs and Sustainability team.

The members work together to communicate and implement the strategies and policies established by the Board and executive management. The members are responsible to monitor and report the sustainability related Key Performance Indicators ("KPIs") of the Group, and to prepare the contents of the Sustainability Report.



Board Statement

The Board of Directors of LETL is pleased to present our seventh Sustainability Report ("SR") for the financial year ended 31 December 2024 ("FY2024"). The SR which laid out the Group's initiatives, progress and performances has been endorsed by the Board of Directors and Management.

Despite persistent global economic challenges in 2024, the Group has strategically adapted, focusing on sustainable growth and technological innovation within our core sectors:

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

2. Provision of operation and maintenance services in respect of sludge, oil sludge and water treatment plants;

3. Production of high performance membrane products; and

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

The Board recognizes the transformative potential of AI in optimizing water utility engineering, design, operation and maintenance management. While we have proposed the disposal of the AIWater Group as part of our strategic realignment, our commitment to leveraging AI for sustainable solutions remains steadfast. Our past achievements in securing significant AI Water projects in China have demonstrated the efficacy of this approach, and we will continue to explore AI-driven efficiencies in our remaining operations.

Our membrane technology division has made substantial progress, exemplified by the strategic joint venture with Dr. Ge Hailin, renowned for his long-standing contributions to membrane innovation and extensive industrial applications. This partnership underscores our dedication to developing and deploying advanced membrane solutions that enable superior material separation and energy enhancement, extending beyond traditional water treatment. We are excited to introduce new product lines, including high-efficiency gas separation membranes for industrial applications and innovative membrane condensers designed for energy-efficient food and other dehydration needs, directly addressing food security and energy efficiency challenges.

Notably, the new membranes are produced without any use or discharge of hazardous or flammable materials, unlike conventional membrane manufacturing processes. These advancements not only enhance our portfolio but also demonstrate our commitment to developing sustainable solutions across diverse sectors, and we are confident they will contribute to a robust portfolio of project track records in the coming years.

In our sludge treatment segment, we continue to champion sustainable solutions like Continuous Thermal Hydrolysis ("CTH"), minimizing landfill waste and maximizing resource recovery. Our technology reduces the need for landfilling and hence uncontrolled emission of GHG. The demonstration plant at Changi Water Reclamation Plant, progressing through FY2024 and into 2025, remains a crucial project, showcasing our solution in coupling CTH with pyrolysis to produce biochar – a carbon sink. The project will continue to phase 2, on the potential uses of biochar with research team from Nanyang Technological University ("NTU"). In the meantime, a commercial scale sludge treatment system is expected to go operational by mid 2025 in Taiwan.

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

The Board reaffirms our commitment to strong corporate governance and sustainability leadership. We acknowledge the Singapore Exchange's evolving reporting requirements, particularly the adoption of the ISSB's IFRS Sustainability Disclosure Standards for climate-related information, effective for financial year ending 31 December 2025. We are currently reviewing our reporting practices to ensure full compliance, with the updated reporting reflected in our next Sustainability Report.

We remain dedicated to board diversity, recognizing its vital role in fostering innovation and effective decision-making. In line with this commitment, we welcomed:

a) Dr. Ng Wun Jern joined our Board as an Independent Non-Executive Director in February 2024, bringing substantial expertise in environmental engineering and technology commercialization. With a distinguished academic career, including founding the Nanyang Environment & Water Research Institute (NEWRI), and extensive industry experience in designing and implementing large-scale wastewater treatment facilities, will be instrumental in guiding our strategic direction and fostering innovation within our environmental technology solutions.

b) Mr. Lane Zhao, with over 20 years of experience in ESG-focused investment, who joined the Board as Non-Independent Non-Executive Director. He brings extensive expertise in green energy, cleantech, and sustainable solutions to the board. His proven track record in leading successful investments, will be invaluable as we drive our sustainability initiatives forward.

c) Ms. Ng Sook Zhen as Independent Non-Executive Director, bringing her expertise in commercial law, arbitration and corporate governance.

We will continue to assess and enhance our board composition to ensure it aligns with our evolving business needs and stakeholder expectations. The Board, in collaboration with management, will continue to oversee and refine our sustainability management framework to ensure it remains relevant and effective in advancing our sustainability goals and delivering long-term value to our stakeholders.

Stakeholder Engagement

In 2024, the Group and its subsidiaries actively fostered stakeholder engagement through a variety of initiatives. Recognizing the importance of transparent communication and collaborative partnerships, we hosted numerous clients and visitors at key operational sites.

The sludge demonstration project at Singapore's Changi Water Reclamation Plant and our NTi membrane manufacturing plant in Tuas served as platforms for sharing LETL's vision of more sustainable sludge management, clean membrane production and membrane deployment. Our AI Water projects in Hefei also garnered attention from the water treatment companies, further amplifying our commitment to innovative and sustainable solutions.

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

Taking reference from GRI 2021 standard, we have identified and prioritised five key stakeholder groups. Through various channels, we seek to understand their expectations and interests and establish meaningful two-way communication so 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 FY2024.

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

Identification of Material ESG Factors

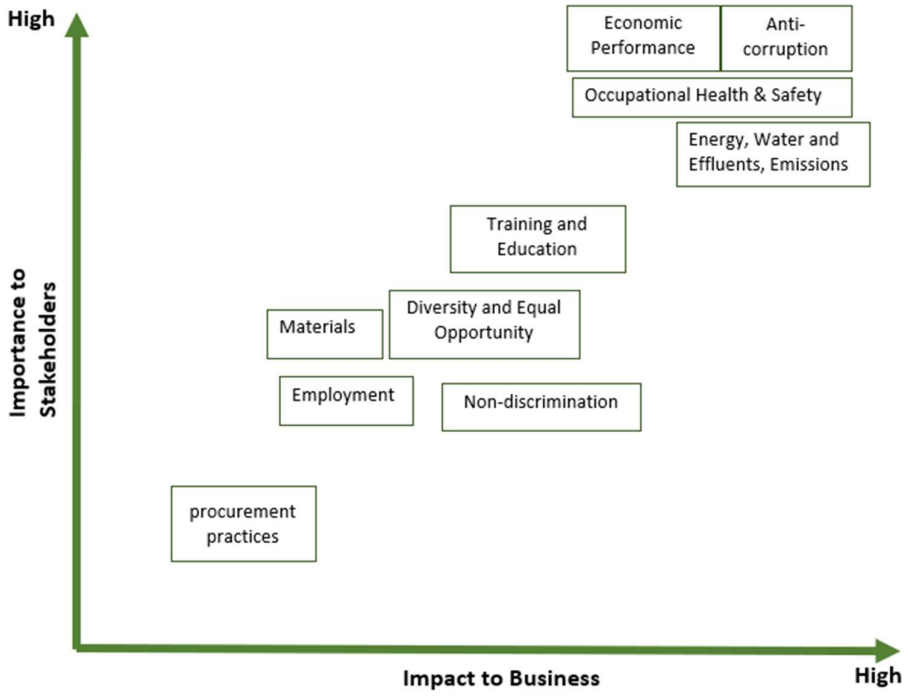
The Group adopts a targeted approach using questionnaires to determine ESG factors and material factors which are of high importance to our key stakeholders and with significant impact on the Group's businesses. Our materiality approach is closely guided by our core shareholders' value and long-term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

An internal review and validation of materiality factors was conducted by collecting feedback from key employees who regularly engaged with stakeholder groups, by referencing the topics and disclosures from GRI Standards 2021. In consultation with the management team and the Board, the material factors were confirmed to be the same in FY2023, since there was no change in the Group's business scope and activities in FY2024.

The Group received feedback from the SGX Sustainability Reporting Review 2023 jointly by Singapore Exchange Regulation (SGX RegCo) and the Centre for Governance and Sustainability (CGS) at the NUS Business School for its FY2022 report. In this report, we have addressed the recommendation to include all the SGX required metrics and to reflect the Board's leadership responsibilities in sustainability and climate change issues.

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

Summary of Material Factors and Progress

As a continuation of our previous years' reports, we provide an update of our progress against the targets.

Key ESG Factors	Prior Year Targets	Progress Update on Prior Year Targets	FY 2025 Goals
Business Discipline	**AI Water:** To realise revenue for 15 new AI Water 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. **Sludge Management:** To increase revenue contribution from municipal sludge and oily sludge treatment systems. **Membrane Division:** To produce sizeable membrane products and to generate sales from its membrane division.	**AI Water:** We successfully operationalized over 20 AI Water projects, exceeding our initial contract target. However, in alignment with a strategic shift to focus on our core strengths, we have made the decision to dispose the AI Water business. **Sludge Management:** While we did not achieve significant revenue from sludge treatment systems in 2024, we have made substantial progress in securing new projects. We are optimistic that these efforts will translate into a significant revenue increase in FY 2025. **Membrane Division:** A key milestone in 2024 was our partnership with Dr. Ge Hailin, resulting in the establishment of NTi Technology in October. This new entity will drive innovation in advanced water membranes, explore applications in challenging industrial water treatment, and develop new product lines, including gas separation membranes and membrane condensers for drying.	**Strategic Transition:** Successfully execute the potential disposal of the AI Water business while ensuring minimal disruption to ongoing operations. **Sludge Revenue Growth:** Achieve substantial revenue growth in sludge treatment systems, leveraging our secured projects and advanced technologies. **NTi Technology Expansion:** Drive initial revenue from NTi Technology, focusing on the launch of new membrane products and applications in targeted industrial sectors. **Innovation and Development:** Invest in research and development to advance our membrane condenser technology for drying applications, contributing to energy efficiency and sustainability in the food industry. **Market Penetration:** Expand our market presence in targeted industrial water treatment sectors, leveraging NTi Technology's advanced membrane solutions.
Product Excellence	**AI Water and Sludge Management:** 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. **Membrane Division:** Launch new products and add new applications to our membrane product portfolio by 2025.	Building upon the success of FY2023, demonstrating significant cost reductions and carbon emission savings for our clients, we continued to advance our technological solutions in FY2024. **AI Water:** We successfully operationalized a total of over 20 AI Water projects, exceeding our initial expectations and further validating the efficacy of our AI-driven water management systems. **Sludge Management:** The Singapore government-funded sludge demonstration project, initiated in FY2023, progressed significantly in FY2024. However, due to unforeseen technical complexities and the need for more in-depth	**AI Water Transition:** Successfully complete the potential strategic disposal of the AI Water business, ensuring minimal disruption to client services and maximizing asset value. **Sludge Management:** 1. Successfully complete the Changi Water Reclamation Plant demonstration project by mid-2025, with a comprehensive report on biochar applications developed in collaboration with NTU. 2. Finalize and secure at least one strategic partnership in Malaysia for sludge management solutions. 3. Secure initial revenue from sludge management systems.

Key ESG Factors	Prior Year Targets	Progress Update on Prior Year Targets	FY 2025 Goals
		research, the project timeline has been extended to mid-2025. We have maintained our collaboration with NTU and are actively pursuing the research of biochar applications derived from the demonstration plant. Our discussions with potential strategic partners in Malaysia regarding sludge management also continued, laying the groundwork for future collaboration. **Membrane Division:** The membrane plant continued its research and development efforts in FY2024, focusing on enhancing product features such as flux consistency, strength, and durability. Small-scale production continued, with a focus on improving quality and in-use stability.	**Membrane Division (NTi Technology):** 1. Drive significant revenue growth from NTi Technology, focusing on the launch of new membrane products and applications in targeted industrial sectors. 2. Advance research and development of membrane condenser technology for drying applications, aiming for a pilot-scale demonstration by the end of FY2025. 3. Secure new industrial clients for the tough to treat industrial water membranes. 4. File new patents related to gas separation membranes
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. NTi Memtech targets to achieve ISO 9001, ISO 14001 and ISO 45001 quality, environmental and occupational health and safety management system certification during FY2024.	In FY2024, we are pleased to report that we maintained a record of zero workplace injuries and incidents, demonstrating the effectiveness of our Occupational Health and Safety (OHS) Management system. In our membrane business, the certification to ISO management system standards had to be delayed due to change in business structure.	For FY2025, our goal is to continue this exemplary record by ensuring continuous compliance with our OHS Management system and implementing a proactive approach to identify and mitigate potential hazards. We will further enhance our safety protocols through ongoing training, regular risk assessments, and active employee engagement in safety initiatives. NTi Technology will prioritize the establishment and implementation of robust quality, environmental, and occupational health and safety management systems, with the aim of achieving ISO 9001, ISO 14001, and ISO 45001 certifications. The timing for achieving these certifications will be determined based on business conditions and operational needs throughout FY2025.
Human Capital Development	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 FY2024.	In FY2024, despite challenging financial circumstances, we remained committed to strengthening our human capital, a key component of our long-term sustainability strategy guided by SGX and GRI 2021 frameworks. We successfully expanded our talent pool, particularly in critical technical areas, and initiated the formation of internal mentoring and collaboration teams aimed at enhancing our technological	Looking ahead to FY2025, we will prioritize the following: Firstly, we will continue to refine and fully deploy the internal mentoring and collaboration teams, focusing on knowledge sharing and innovation within our core technologies in Sludge and Membrane solutions. Secondly, we will re-evaluate and, implement a revised performance-based compensation program that

Key ESG Factors	Prior Year Targets	Progress Update on Prior Year Targets	FY 2025 Goals
		offerings. However, due to the Company's financial performance, the implementation of the performance-based variable compensation program was deferred. The Group has an on-going joint R&D project on the uses of biochar from sludge treatment with NTU. Its AI Water R&D has an active on-going collaboration with Hefei Institute of Physical Science – Chinese Academy of Sciences. Both continue to make progress, improving our technological track records. Employees attended training in risk management, Sustainability reporting, internal communication sessions on deploying AI technologies, new membrane products and so on, to build competencies and keep abreast of changes and developments.	aligns with our new strategic objectives in Sludge and Membrane and incentivizes sustainable growth. Thirdly, we will focus on targeted talent development programs to ensure our workforce is equipped with the skills needed to support our strategic shift towards advanced membrane technologies and sludge treatment. These initiatives are essential for driving innovation, enhancing operational efficiency, and ensuring the long-term sustainability of our business.
Corporate Governance	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 FY2024.	The Group remains committed to compliance with regulations and uphold best practices in corporate transparency, strict adherence to legislations and environmental laws. Directors and senior management attended training to ensure they keep up to date with changes. The Group's policies were reviewed and updated as part of a routine annual review. The Board conducted a review of the Group's sustainability reporting practice and confirmed the material topics for inclusion in this report. However, the Group did not define quantitative objectives and targets due to on-going business restructuring.	The Group will continue to align its reporting on sustainability and climate change to SGX's new mandate, to implement IFRS Sustainability Disclosures through the ISSB Standard. This will be implemented in the Group's FY2025 report. With the potential disposal of the AI-Water business, the Group will focus on revising its objectives and targets throughout FY2025.

Material Topics

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

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

In our previous reporting, we outlined a commitment to collect, analyse, and monitor data related to material ESG factors throughout FY2022 and FY2023, with the intention of establishing concrete improvement targets in FY2024.

However, due to the significant business restructuring activities undertaken during 2024, including the potential strategic disposal of the AI Water business and the establishment of NTi Technology, we were unable to establish meaningful and relevant ESG targets. The dynamic changes in our operational structure and business focus necessitated a reassessment of our material ESG factors and data collection methodologies.

Economic Performance (GRI 201)

GRI Disclosure 201-1 Direct economic value generated and distributed

For the 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 12-13 and 21 of the Annual Report ("AR").

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

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

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

Governance

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

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

Risk Management

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

FY2024 presented significant challenges to our ongoing sustainability data analysis, primarily due to the potential disposal of the AI Water business and the integration of new investors within NTi Technology. These substantial restructuring activities necessitated a shift in focus and limited our capacity to fully analyse the Group's operations and supply chain data, which we had initially gathered in FY2022 and continued collecting till FY2024.

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

Strategy

The Group'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, the Group is keeping this target in mind as our business continue 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 competitions 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 technologies.
- Dr. Ng Wun Jern's unique blend of academic rigor and industry-proven experience will strengthen our strategic decision-making and drive innovation in our environmental solutions.
- The membrane business continues building capability in its R&D Centre in Singapore, with the view to develop more sustainable products.
- We are adopting and developing AI to integrate into our wastewater management solution, with the view to change the traditional operation and maintenance approaches.
- As part of its business, the Group has in place a strategic plan to invest in promising "Green Technologies" as a way to adapt 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 long term 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 pages 21 and 22.

- The Group established office premises in different cities to have better access to local talent and 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 the Group, as we seek to transform our business to meet the challenge for decarbonisation. As an environmental technologies business, we see this as an opportunity.

Products and Services for Resource Efficiency

The Group's solutions in AI Water, sludge and membranes are designed to achieve better resource 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.

In 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

The Group's sludge, membrane 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 FY2023, we received partial funding from Singapore government to build and operate a demonstration sludge plant in Singapore. This is an opportunity for the Group to showcase its sludge management solution and benefits. The project awarded included research collaboration with NTU 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. Our Membrane Condenser drying solution and gas separation membranes are looking to make our mark. 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 in our own operations;

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

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

The Group is at the forefront of sustainable sludge management, pioneering innovative solutions that address both environmental and resource recovery challenges. Through a collaborative partnership with NTU and a Singapore government agency, The Group has developed and implemented an integrated CTH and Pyrolysis system at the Changi Water Reclamation Plant, Singapore. This demonstration project showcases the Group's commitment to transforming waste into valuable resources while significantly reducing carbon emissions.

The core objectives of modern sludge treatment are multifaceted: mass reduction, stabilization, sterilization, energy and resource recovery, and minimizing carbon emissions. The Group's proprietary closed-loop sludge management technologies, centered on CTH and pyrolysis, are designed to achieve these goals. At the Changi Water Reclamation Plant, a demonstration plant with a 5 ton/day capacity treats dewatered Anaerobic Digestion (AD) sludge, which has a 20% dry solids content.

Board of Directors and Auditors visit to CTH plant

In the integrated sludge treatment system, the AD sludge was fed into the CTH system to disrupt the sludge's cellular structure such that inter-cellular water and intra-cellular water were released, the released water was then removed with a plate filter press without the addition of any chemicals to achieve more than 70% sludge mass reduction, and the sludge cake, which could automatically drop from the plate, contained about 65%-70% DS content.

In the CTH system, the sludge is kept in the reactor for 10-30 minutes at 220°C-250 °C and a pressure of 3MPa-5MPa. The working pressure in the reactor is higher than the water-saturated vapor pressure ensuring the water is kept in liquid state without evaporation to conserve the latent heat energy (540 Kcal/kg water). The sludge cake then further undergoes pyrolysis at 500°C - 600°C in a rotary kiln reactor. The pyrolysis reactor maintains an oxygen-free environment and is operated in indirect heating mode.

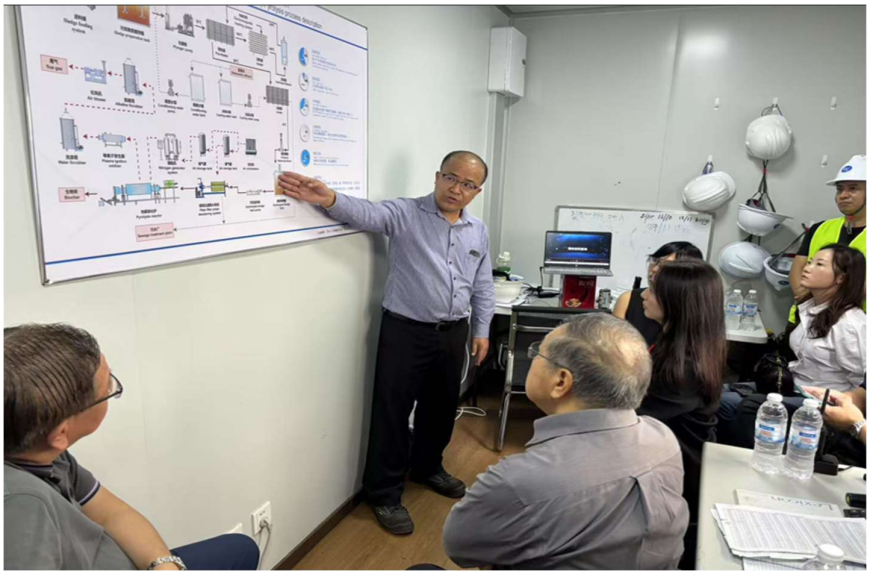
The final products of the pyrolysis system are pyrolytic carbon and pyrolytic gas. The pyrolytic gas contained heat energy that could be recovered and be used in the process. The sludge mass reduction in the integrated sludge treatment system is 90% with the final product being pyrolytic carbon, and the produced pyrolytic carbon has a lower heating value (LHV) of about 1,800-2,000 Kcal/kg.

Furthermore, NTU is researching applications for the pyrolytic carbon produced at the demonstration plant. Their studies focus on using it as feedstock for value-added materials, including:

- Activated carbon for air pollution control (odor and H_2S removal)
- Additives for safe placement of incinerator bottom ash
- Engineered cementitious composites (ECC) with enhanced workability
- Fuel supplements as an alternative to imported charcoal

The Group's objective is to develop a suitable cost-effective CTH-pyrolysis technology with appropriate pyrolytic carbon application to achieve completely closed-loop sludge management.

The carbon emission from the CTH + pyrolysis integrated system for dewatered AD sludge treatment can be reduced substantially due to carbon utilization and carbon sink (as in the pyrolytic carbon). Based on the theoretical calculation, compared to the heat drying and incineration sludge treatment process, the carbon emission in the 5 tons/d CTH and Pyrolysis sludge treatment system with pyrolysis gas heat energy recovery could save about 1.48 tons CO_2/d or 490 tons CO_2/year, which equal to 27,000 trees. If the treatment capacity is 100 tons/d, the CO_2 emission saved is 9,800 tons/year, which is equal to 540,000 trees.



Group Deputy CTO explaining the CTH process to the Board of Directors & Auditors

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

Sludge dewatering module, view from top

Sample of Sludge Cake produced from sludge

Sample of biochar produced: For further research studies in collaboration with NTU

Technology in Action: NTi Technology's Membrane Condenser Solutions

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

How it Works:

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

Pilot and Commercial Applications:

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

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

Benefits:

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

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

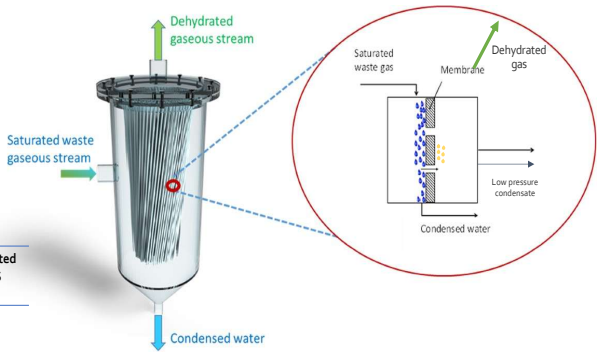
We invite potential partners to explore the possibilities of our membrane condenser technology and collaborate on pilot projects and commercial deployments.

NTi's Membrane Technology – A Game Changer

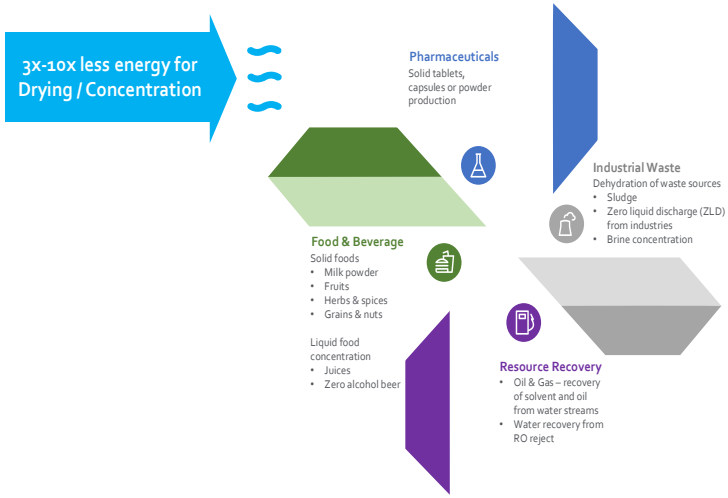
A **membrane condenser** is a hydrophobic membrane that separates liquid water from gas streams.
This allows for **energy** and **water recovery** from processes.

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

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



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



Anti-Corruption (GRI 205)

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

Anti-Corruption Policies

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

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

Anti-Corruption Risk Assessment

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

Anti-Corruption Training and Awareness

- We believe that training and awareness-raising are essential components of our anti-corruption efforts. We provide regular training to all employees on our anti-corruption policy and related topics, such as conflict of interest, gifts and hospitality. We remind our suppliers and other stakeholders on our anti-corruption expectations and the importance of preventing corruption through regular communication.
- To date, all our directors and senior management team members and key employees have received training on ethical conduct, insider trading and whistle blowing measures. We continue to raise awareness through re-training during FY2024 and regular communication.

Anti-Corruption Monitoring and Evaluation

- The Group has put in place a whistle-blowing policy, where the Audit Committee (“AC”) has oversight and monitors the said policy, which provides for the mechanisms by which employees and other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters to the AC, with the objective of ensuring that arrangements are in place for the independent investigation of such matters for appropriate follow-up action. The policy protects the complainant from detrimental or unfair treatment or victimization when he/she raises any concern in good faith and without malice.
- All such investigations will be undertaken by the AC Chairman and the identity of the complainant is kept confidential.
- During FY2024, there were no complaints, concerns or other matters received from the channel established under the whistle-blowing policy.

Energy (GRI 302)

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

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

Recognizing that energy consumption extends beyond our direct operations to encompass upstream and downstream activities, such as consumer product use and end-of-life treatment, we acknowledge the importance of a comprehensive energy management strategy. However, due to the significant business restructuring activities in FY2024, including the potential disposal of the AI Water business and the integration of NTi Technology, we were unable to establish specific targets for energy consumption and energy intensity. The dynamic changes in our operational structure and business focus rendered previous data less relevant for establishing a meaningful base year or reference point.

Energy Consumption

The total energy consumed in Singapore and China during FY2024 was 305 MWH (compared to FY2023: 314 MWH). This includes 126 MWH (in FY2023: 130 MWH) of solar energy, generated through solar panels installed on the rooftop of our subsidiary, NTi Memtech. Though the Group 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. The slight decrease is attributed to the change in reporting entities.

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 FY2022, and part of FY2023. These figures explain the dilemma that the Group faces in rationalising and setting meaningful targets. Due to on-going business restructuring, the Group did not set quantitative targets in energy consumption.

Energy Intensity

The Group's average energy intensity in FY2024 is 0.018 MWH per thousand RMB revenue (compared to 0.016 MWH per thousand RMB revenue in FY2023; including vehicular fuel consumption). This is an increase of 14%. The energy consumption consists mainly of purchased electricity in Singapore and China, solar power in Singapore and vehicular fuel consumption in China. We chose total revenue as the intensity measure, as it is objective, and allows for comparison in future years.

Total Energy Consumption & Energy Intensity

Year of Reporting	Total Electricity Purchased MWH	Total Solar Power Consumption MWH	Total Fuel Purchased for Vehicle Usage MWH*	Total Energy Consumption MWH	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 2024	179	126	257	562	Revenue	30,470	0.0185	103	5.46
FY 2023	184	130	221	536	Revenue	33,044	0.0162	101	5.30
FY 2022	75	10	101	185	Revenue	55,984	0.0033	74	2.50
FY2024 vs FY2023	-3%	-3%	16%	5%		-8%	14%	2%	3%

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

Solar Power at NTi Memtech

NTi Memtech is consistently striving to reduce carbon footprint in all aspects of business activities. One of such efforts put in action is the deployment of solar facilities on its existing roof. The standard E8 Type factory purchased from 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 6am 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 December 2024, NTi Memtech has avoided 500 Tonnes of coals used for power generation, avoided 594 MT of CO_2 generation and this is also equivalent to 812 trees planted.

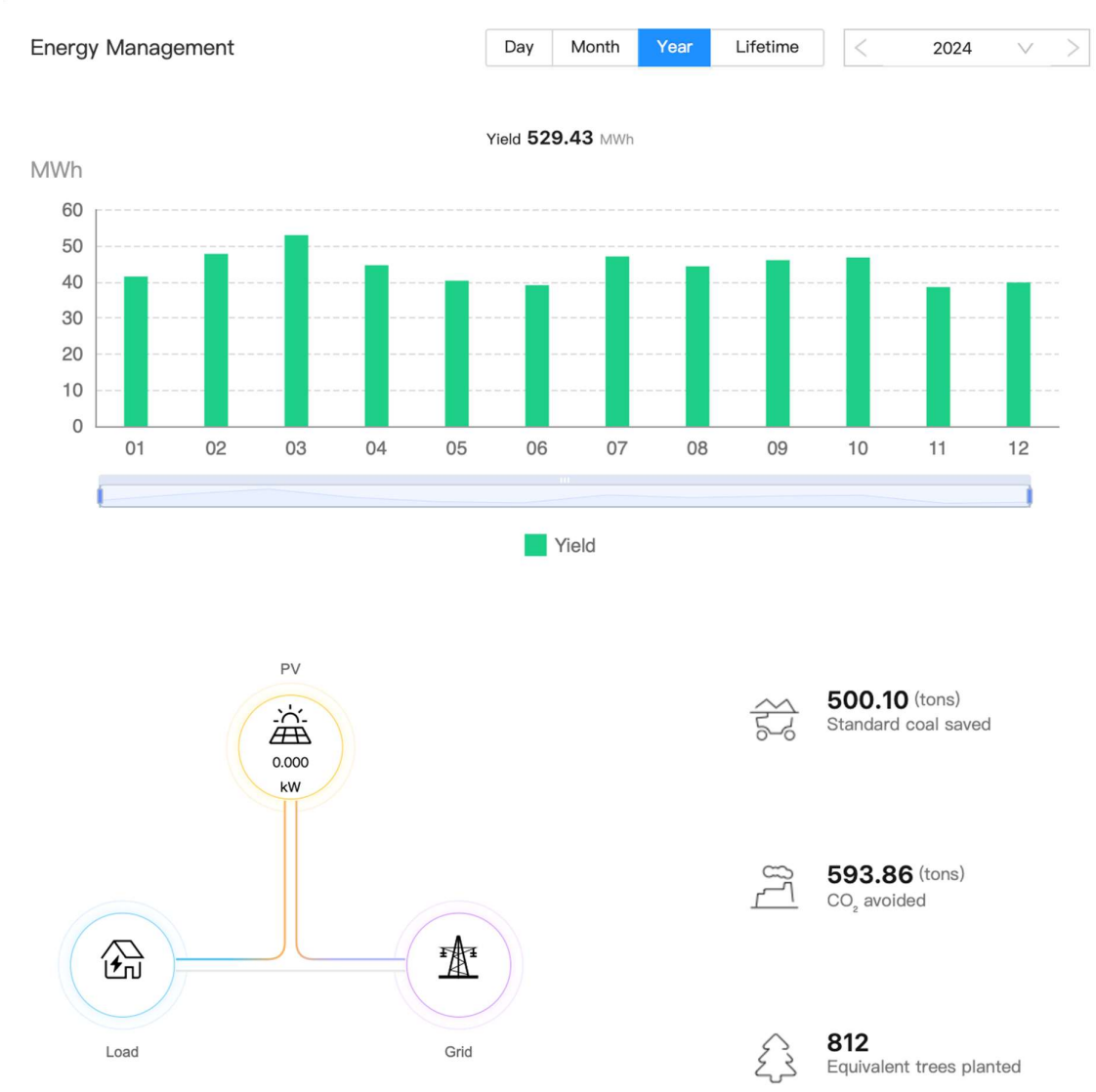


Figure 1 NTi Memtech Real-time Solar Generation Status Nov 2022 to Dec 2024

On the financial aspect, the consumption of 126 MWH solar generated electricity during FY2024 translates to a net saving of about S$20,000. Where the net export during the same period was about 400 MWH. Solar power constitutes 50% of the power consumption at our membrane manufacturing facility in Singapore in FY2024. 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 FY2024, the Group's GHG emissions are mainly from company-owned or leased vehicles, business travel from Singapore only and purchased electricity. The total equivalent GHG emission is 176.7 Metric Tonnes (compared to 155.4 Metrics Tonnes in FY2023).

Emissions: Scope 1

In FY2024, GHG Emission from the Group's company-owned and leased vehicles in China is 66.91 MT CO_2 equivalent (compared to 57.6 MT CO_2 equivalent in FY2023). This was calculated using the Carbon Emission Tracking Tool from Global Compact Network Singapore. The Group did not have other Scope 1 emission sources.

Emissions: Scope 2

The Group's Scope 2 emissions are from purchased electricity from providers in Singapore and in China. The total amount of purchased electricity in Singapore was 129,688 KWH (vs 111,157 KWH in FY2023), equivalent to 54 MT CO_2e (vs 46.3 MT CO_2e in FY2023), using the Carbon Emission Tracking Tool from Global Compact Network Singapore. The increase in emission in FY2024 was mainly due to increase in manufacturing activity in its membrane facility in Singapore. About 64% of the Group's total electricity usage was attributed to the membrane plant.

Total amount of purchased electricity in China in FY2024 was 49,697 KWH, equivalent to 26.4 MT CO_2e (vs 72,833 KWH, equivalent to 38.7 MT CO_2e in FY2023). The decrease was mainly due to the change in reporting entities.

Emissions: Scope 3

The Group began to collect data on transportation from employee business travel in our offices in Singapore in 2022. We are able to report partial emission arising from air travel and local transportation (taxi and private hired vehicles) in Singapore, adding up to 12.8 MT CO_2e in FY2023. There was an increase in business travel in Singapore in FY2024, and the emission equivalent is 29.36 MT CO_2e.The data presented is only partial reflection of Scope 3 emission. This does not include domestic air travel and employee local transport in China.

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

Emission Intensity

Total GHG Emission & Emission Intensity

Year of Reporting	Total GHG Emissions in MT CO2e	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 2024	176.7	Revenue	30,470	0.0058	103	1.72
FY 2023	155.4	Revenue	33,044	0.0047	101	1.54
FY 2022	62.29	Revenue	55,984	0.0011	74	0.84
FY2024 vs FY2023	14%		-8%	23%	2%	12%

Water and Effluents (GRI 303)

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

Water Consumption and Intensity

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

Water Consumption

In FY2024, a total of 772m^3 of water was consumed by the Group (vs 1,926m^3 in FY2023). The decrease is attributed to the change in reporting scope, 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 FY2024 Water intensity worked out to 25 Litres of water per thousand RMB in revenue, vs 58 Litres in FY2023. The decrease of 57% is largely due to the change in reporting scope. We choose total revenue as a measure of water intensity, as it is a key driver to our business, where is our goal to help our clients to reuse and reclaim wastewater.

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 2024	772	Revenue	30,470	0.025	103	7.49
FY 2023	1,926	Revenue	33,044	0.058	101	19.07
FY 2022	1,892	Revenue	55,984	0.034	74	25.57
FY2024 vs FY2023	-60%		-8%	-57%	2%	-61%

Waste (GRI 306)

Majority of The Group's operating sites and offices in Singapore and China generate general (non-hazardous) wastes such as paper, packaging materials for materials and food. Our office spaces are leased and managed by building managers, 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.

The Group'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. Each time we received destruction note form the service provider to confirm that it has been appropriately treated.

As the membrane division moves into higher volume of production in FY2025, we will prioritise collecting more waste generation and disposal data; and where appropriate to set improvement goals.

Paper Usage by Headcount

Reporting Year	Paper Usage/ Kg	Total Headcount	Paper Usage/Headcount
FY2024	452	103	4.39
FY2023	568	101	5.62
FY2022	762	74	10.30

Membrane Plant Waste Disposal

Reporting Year	General Waste (estimated volume) m^3	Hazardous Waste Disposal Quantity m^3
FY2024	60.00	0
FY2023	51.48	20
FY2022	25.74	0

Occupational Health and Safety (GRI 403)

The Group continues to benefit from a diverse and talented workforce, enriched by a variety of backgrounds, cultures, and experiences. In FY2024, our team demonstrated remarkable adaptability and resilience amidst significant business restructuring, including the potential disposal of the AI Water business and the integration of new investors in NTi Technology. This period of transformation required our employees to navigate evolving work dynamics, while still maintaining high levels of productivity and commitment. While the challenges of the COVID-19 pandemic have receded, we have retained and refined flexible work arrangements to support employee well-being and operational efficiency. We remain committed to fostering a collaborative and inclusive work environment that empowers our employees to contribute to our continued growth and sustainable transformation.

The Group maintains rigorous occupational health and safety management systems, tailored to local requirements, across all operating subsidiaries. United Greentech (Tianjin) continues to uphold its commitment to quality, environmental, and occupational health and safety management, as demonstrated by its successful external ISO certification audits in January 2023. NTi Technology, now a key focus of our membrane solutions, has made significant progress in establishing its integrated management systems. Building upon the internal audit training conducted in June and December 2023, NTi Technology is prioritizing the implementation of robust quality, environmental, and occupational health and safety management systems, with the aim of achieving ISO 9001, ISO 14001, and ISO 45001 certifications. The timing for achieving these certifications will be determined based on business conditions and operational needs throughout FY2025.

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 FY2024, our Singapore and China operations did not record any incident of work-related injuries and ill-health among our employees and contractors who work directly with us on projects.

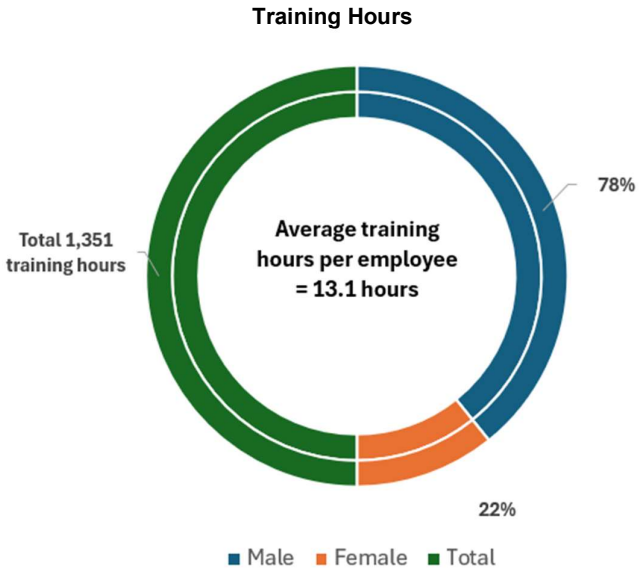
Reporting Year	Number of Fatalities as a result of work-related injury	Rate of Fatalities as a result of work-related injury	Number of High-consequence work-related injuries (excl fatalities)	Rate of High-consequence work-related injuries (excl fatalities)	Number of Recordable Work-related injuries	Rate of Recordable Work-related injuries	Main types of work-related injuries	Number of Hours Worked (estimated based on headcount)
FY2024	0	0	0	0	0	0	0	206,000
FY2023	0	0	0	0	1	0.99	Slip during work	202,000
FY2022	0	0	0	0	0	0		148,000

Note: Rate of Recordable work-related injuries is calculated using OSHA guidelines; (Number of injuries and illnesses × 200,000) / Employee hours worked = Incidence rate)

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
FY2024	0	0	0
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.



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.

Recognizing the critical importance of leadership continuity and diversity, we remain committed to identifying and developing future leaders within the Group. In FY2024, our total employee count increased slightly from 101 in FY2023 to 103, indicating continued growth. However, we experienced a significantly higher employee turnover rate of 23.3% (24 employees) compared to 12.9% in the previous year. This elevated turnover, particularly among employees with AI technology backgrounds, reflects the high demand for their specialized skills in the current market. Due to the restructuring of our membrane business, there was a change of management staff.

To address this challenge and ensure a robust pipeline of future leaders, we will implement a multi-faceted talent retention and development strategy in FY2025 for the Group's sludge and membrane businesses. This will include:

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

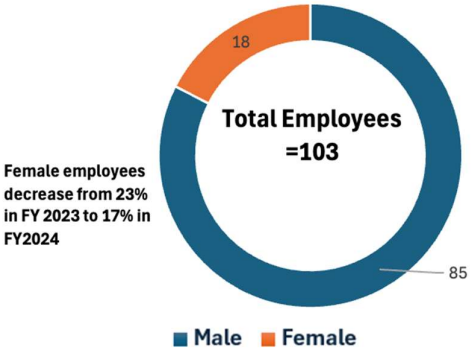
By prioritizing these initiatives, we aim to reduce employee turnover, cultivate a strong leadership pipeline, and ensure the long-term success of the Group.

Equality And Diversity Policy (GRI 405)

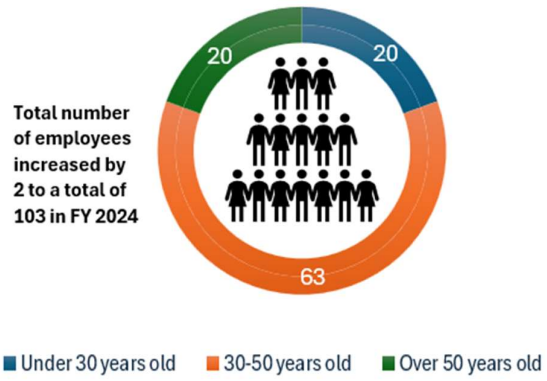
The Group promotes equality and diversity in the workplace and recruits based on merit in relation to the function. We recognise and value diversity in backgrounds of our employees as well as their knowledge, skills, and experiences, and focus on fostering fairness and providing equal opportunities to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

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

Gender Diversity

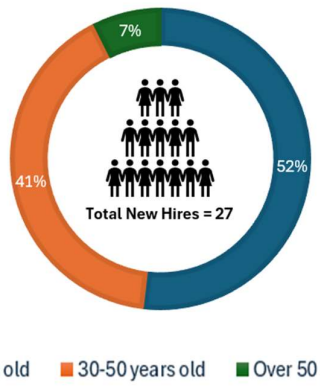


Age Diversity of Employees

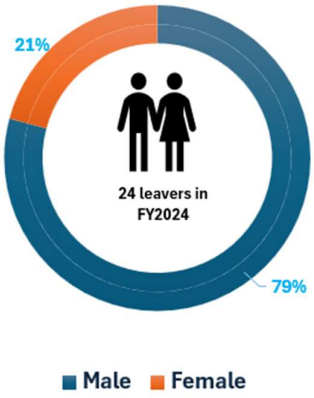


Gender Diversity of New Hire

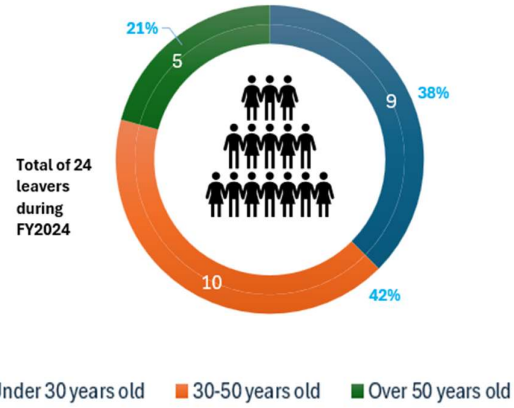
Age Diversity of New Hires



Gender Diversity of Turnover



Age Diversity of Turnover



Code Of Conduct

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

Supply Chain Management

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

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

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

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

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

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

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

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

Delegation Of Authority and Payment Approval Policy

The Group has in place delegation of authority and payment approval policy in all subsidiaries in Singapore and China that enhances the control of the payment approval process. Our internal auditors have been tasked to perform a review of the policy and approval matrixes and there were no significant findings noted in the internal audits conducted in FY2023 and FY2024.

Business Continuity Plan

While the immediate disruptions caused by the COVID-19 pandemic have subsided, the lessons learned regarding business agility and resilience remain paramount. In FY2024, the Group continued to refine its Business Continuity Plan (BCP) to address a wider range of potential disruptions, including those stemming from strategic restructuring, market volatility, and supply chain adjustments.

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

Looking Forward In FY2025

As we move into FY2025, the Group is poised for a period of focused growth and sustainable transformation. Building upon the strategic realignments of FY2024, we will prioritize the development of our core strengths in advanced membrane technologies and sludge treatment, while maintaining our commitment to responsible environmental practices.

Our people are our most invaluable asset. In FY2025, we are committed to attracting and retaining top-tier talent, cultivating a diverse and inclusive workforce, and nurturing the next generation of leaders through focused and impactful development programs.

In alignment with the evolving requirements of the SGX-ST and the GRI 2021 framework, we will enhance our climate-related risk and opportunity assessments, establishing robust data collection and analysis systems to inform our reporting and implementation strategies.

While we have strategically divested our AI Water business, we will continue to explore and integrate AI-driven solutions where applicable, focusing on optimizing operational efficiencies within our remaining core segments.

We anticipate significant growth in our sludge management solutions, particularly in the development of scalable biochar applications. The completion of the Singapore sludge demonstration plant and the research outcomes from our collaboration with NTU will pave the way for expansion into key markets like China and ASEAN.

NTi Technology will be a key driver of our growth, as we focus on expanding our product portfolio and validating our superior membrane quality through successful project deployments. We will also focus on the development of our new membrane condenser technology.

Ultimately, our goal is to solidify our position as a leader in sustainable environmental technologies, driving positive impact for our clients and stakeholders while delivering long-term value.

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION	REMARKS
GRI 2: General Disclosures 2021	2-1 Organizational details	SR 2	
	2-2 Entities included in the organization's sustainability reporting	SR 2	
	2-3 Reporting period, frequency and contact point	SR 1	
	2-4 Restatements of information		No restatement of information
	2-5 External assurance		No external assurance
	2-6 Activities, value chain and other business relationships	AR 2-6	
	2-7 Employees	SR 25	
	2-8 Workers who are not employees		Not applicable
	2-9 Governance structure and composition	SR 2-3, AR 26	
	2-10 Nomination and selection of the highest governance body	AR 29-38	
	2-11 Chair of the highest governance body	AR 28	
	2-12 Role of the highest governance body in overseeing the management of impacts	SR 2-3	
	2-13 Delegation of responsibility for managing impacts	SR 2-3	
	2-14 Role of the highest governance body in sustainability reporting	SR 2-3	
	2-15 Conflicts of interest	SR 19, AR 23	
	2-16 Communication of critical concerns		No critical concerns were raised during the reporting period.
	2-17 Collective knowledge of the highest governance body	AR 25-26	
	2-18 Evaluation of the performance of the highest governance body	SR 2-3	
	2-19 Remuneration policies	AR 44-45	
	2-20 Process to determine remuneration	AR 45-47	
	2-21 Annual total compensation ratio	AR 48-50	
	2-22 Statement on sustainable development strategy	SR 4-5	
	2-23 Policy commitments	SR 4-5	
	2-24 Embedding policy commitments	SR 4-5	
	2-25 Processes to remediate negative impacts	SR 19	
	2-26 Mechanisms for seeking advice and raising concerns	SR 19	
	2-27 Compliance with laws and regulations	SR 11,19	
	2-28 Membership associations		No membership association
	2-29 Approach to stakeholder engagement	SR 6	
	2-30 Collective bargaining agreements		No collective bargaining agreement

GRI 3: Material Topics 2021	3-1 Process to determine material topics	SR 7-11
	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 11 AR 12-13
	201-2 Financial implications and other risks and opportunities due to climate change	SR 11-13
	201-3 Defined benefit plan obligations and other retirement plans	AR 157-159
	201-4 Financial assistance received from government	AR 151
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	SR 19
	205-2 Communication and training about anti-corruption policies and procedures	SR 19
	205-3 Confirmed incidents of corruption and actions taken	SR19
GRI 302: Energy 2016	302-1 Energy consumption within the organization	SR 20-22
	302-3 Energy intensity	SR 20
	302-4 Reduction of energy consumption	SR 20-22
GRI 303: Water and Effluents 2018	303-5 Water consumption	SR 23
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	SR 21-22
	305-2 Energy indirect (Scope 2) GHG emissions	
	305-3 Other indirect (Scope 3) GHG emissions	
	305-4 GHG emissions intensity	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	SR 25-26
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	SR 24
	403-2 Hazard identification, risk assessment, and incident investigation	SR 24
	403-3 Occupational health services	SR 24
	403-4 Worker participation, consultation, and communication on occupational health and safety	SR 24
	403-5 Worker training on occupational health and safety	SR 24
	403-6 Promotion of worker health	SR 24
	403-8 Workers covered by an occupational health and safety management system	SR 24
	403-9 Work-related injuries	SR 24
	403-10 Work-related ill health	SR 24
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	SR 25
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	SR 25-26 AR 27