



江苏联合水务科技股份有限公司

2023 Environmental, Social and Governance(ESG) Report



Vision

United Water strives to be a great company!

Growth

Return

Excellence

Ambition

Talents

About United Water

Jiangsu United Water Technology Co., Ltd. (Stock Code: 603291.SH) is a comprehensive water utility company with a broad range of operations that include tap water production and supply, sewage treatment, resource recovery, and the management of water environments and aquatic ecosystems in river and lake basins. Through investment, construction, and management that span from the source to the tap, the Company has established a complete industrial chain within the water utility sector.

At present, United Water boasts agreements and planned processing capabilities for tap water supply, sewage treatment, and resource recovery projects that total approximately 2.7 million tons per day. These projects span 9 provinces and 16 cities in China, encompassing 26 operating companies and a water supply operation in Dhaka, the capital of Bangladesh.

United Water champions a win-win model that aligns the interests of society, investors, employees, and customers to foster reforms and growth within China's water utility industry. The Company consistently applies an investment philosophy that merges Eastern and Western management ideals, places a high value on human resources, and underlines the importance of efficiency and conservation. This approach ensures the provision of high-quality water to consumers and eco-friendly water treatment services that contribute to environmental protection.

Corporate Core Values

Unity, Integrity, Endeavor, and Mutual Success

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Message from the Chairman

Sustainability: Bringing "Greatness" Within Reach

The year 2023 has been a landmark year for United Water, highlighted by our successful debut on the Shanghai Stock Exchange, ascending to a new level of high-quality development. Spanning two decades from its inception to growth, we have adhered to the service philosophy of "providing high-quality water and environmentally friendly water treatment services." In areas such as investment, construction, operation, and technical services within the water utility industry, the Company has cultivated unique core competitive strengths. As a publicly-listed company, we are committed to continuing regulated operations, constantly enhancing our corporate governance and operational efficiency and achieving a harmonious integration of maximizing social contributions, shareholder interests, and customer value.

In our operational sphere and along our value chain, United Water has consistently upheld responsible practices, contributing positively to the economy, the environment, and society at large. Regarding environmental protection, in response to goals aimed at reaching a carbon peak and achieving carbon neutrality, we pursue environmentally sound water utility operation models, embrace cutting-edge water treatment technologies and equipment, and enhance the efficiency and reuse of water resources. These efforts minimize wastewater discharge and pollution, improve aquatic ecosystems, and safeguard water environments.

From a social perspective, our management ethos of "delivering high-quality water and services with integrity" drives us to continually elevate service standards and foster customer trust and satisfaction. Our active participation in community building, public service initiatives, and support of education, healthcare, and poverty eradication reflects our dedication to social stewardship. Since inception, we have prioritized our employees' rights

and welfare, fostering an engaging work atmosphere, refining training and rewards systems, and amplifying our workforce's sense of fulfillment and contentment.

Since going public, we have steadfastly adhered to the tenets of standardization, transparency, efficiency and responsible governance. We've consistently enhanced our governance structures and systems, reinforced internal controls and risk management and protected the legitimate rights and interests of our shareholders. Our commitment to fair competition has resulted in the continuous improvement of our corporate governance standards. As part of our dedication to better integrate Environmental, Social, and Governance (ESG) initiatives, we've transformed the "Strategic Committee" into the "Strategy and ESG Committee," thereby establishing a robust framework for ESG management and decision-making. Moreover, we've established an ESG working group dedicated to ensuring that our ESG goals are not only set but effectively realized and implemented.

As a demand of our era, sustainable development provides us with the "broadest perspective" to scrutinize our corporate strategy and actions, standing as a crucial cornerstone on our path to "Greatness". In 2024, United Water welcomes the dawn of another two decades. Guided by principles of sustainability and a commitment to responsibility, we are steadfast in our journey towards realizing our vision of becoming a GREAT water utility company. With unwavering dedication, we embark on the next twenty years of excellence and success.

Chairman and CEO of United Water

Phillip Weijing Yu





Our 20-Year Journey

Over the past two decades, United Water has bravely navigated the industry's challenging currents and confronted its formidable waves. With the cutting of a red ribbon twenty years ago, we embarked on an ambitious journey, bringing a newcomer's enthusiasm and a commitment to evolve with the times. Reflecting on our journey, we've advanced with resolve, overcome obstacles, and celebrated significant achievements, broadening our reach throughout numerous provinces in China and other Belt and Road countries in South and Southeast Asia. These twenty years represent the vibrancy of our youth and the foundation from which we soar to new heights!

2003

- United Water was established.

2004

- Signed the first water utility project – the urban water supply project in Suqian City, Jiangsu Province.

2006

- Signed the first sewage treatment endeavor – the wastewater treatment project in Tongxiang Economic Development Zone, Zhejiang Province.

2008

- Signed the urban sewage treatment project in Suizhou City, Hubei Province.

2009

- Signed the urban water supply project in Xianning City, Hubei Province.

2011

- Became a member of the Shanghai Water Resources Foundation (SWRF).

2012

- Signed the Gengche sewage treatment project in Suqian City, Jiangsu Province, and acquired the urban sewage treatment project in Ruichang City, Jiangxi Province.

2013

- Signed the sewage treatment and reclaimed water reuse project in Ningxia Ecological Textile Demonstration Park.

2014

- Received the International Finance Corporation (IFC) of the World Bank Group's "2014 Business of Change Award".
- Recognized as the "Annual Growth Enterprise in Water Services for Small and Medium Cities" by China Water Network.
- Signed the industrial cluster water supply project in Sanmenxia City, Henan Province.
- Signed the coal chemical industrial park water supply project in Xinjiang County, Shanxi Province.

2015

- The IFC of the World Bank Group became a new shareholder in United Water.

2016

- Signed the urban sewage treatment and reclaimed water reuse project in Quwo County, Shanxi Province.

2017

- Initiated the process for listing A-shares; engaged in the sewage treatment project in Xinjiang County Coal Chemical Industrial Park, Shanxi Province; acquired the Siyuan water supply project in Xianning City, Hubei Province.

2018

- Signed the first integrated urban water supply and drainage project – the water supply and drainage PPP project in Jishan County, Shanxi Province.

2019

- Signed the first overseas water utility project – the Dhaka New Town PPP water supply project in Bangladesh.

2020

- Featured on the "Sullivan 2020 China New Infrastructure Enterprise List".
- Ventured into water environment management with the north moat ecological restoration project in Jingzhou City, Hubei Province.
- Signed the industrial and domestic wastewater treatment project in Jingzhou Economic and Technological Development Zone, Hubei Province. Signed the wastewater treatment project in Nuanquan Industrial Park, Ningxia.
- Signed the water supply EPC+O project in Xinmi City, Henan Province.

2021

- Established Shanghai Boruisi Environmental Technology Co., Ltd.

2022

- Signed the urban and rural integrated water supply EPC+O projects in Pinghe County and Nanjing County, Fujian Province.
- Began water operational services for the Dhaka New Town PPP water supply project in Bangladesh.

2023

- Listed on the main board of A-shares at the Shanghai Stock Exchange..



Corporate Core Values

"Unity, Integrity, Striving, and Mutual Success" represent the essence of United Water, forged through practical actions over its 20-year journey of robust development. They are the guiding principles and core values that have driven United Water employees to strive for the Company's sustained development since its inception.

In 2014, these four core values were first announced and disseminated throughout the Group after being initiated by Group headquarters, crafted through a collective writing process and refined discussions. In July 2023, Mr. Phillip Weijing Yu, the Chairman and President of the Group, led senior management from the headquarters and key regional managers to revisit the core values of "Unity, Integrity, Striving, and Mutual Success," and initiated a discussion on specific behaviors guided by these values.

"I am part of United Water, and this is how we understand and embody our corporate culture values!" After extensive internal discussions, United Water finalized its definition of the core values of corporate culture, along with the behaviors "What We Advocate" and "What We Oppose," serving as guidelines and standards for the daily actions of all United Water employees. Following the announcement of the core values and behavioral descriptions across the entire group, a surge of enthusiasm for learning about these core values swept through the Company's Shanghai headquarters and all the regional companies and departments.

Recalling past achievements, we're inspired; facing the future's grand plans, we're ready to lead. To truly embody our core corporate values, we must engage "wholeheartedly" in understanding and practicing them, allowing these values to become the powerful motivational force that drives all of us at United Water. This is the real significance behind our exploration of the core values' definitions and associated behaviors. Moving forward, United Water will further cultivate a positive learning environment throughout the company, continually expanding the variety of learning methods. Our goal is to deepen, actualize, and personalize the learning of the corporate culture, boosting every employee's sense of identity, belonging, and happiness. By solidifying our spiritual foundation and steering our collective mindset, we aim to contribute to high-quality growth, adding a significant chapter in the water services industry in this new era.

Unity

Support

Reject

A commitment to the collective interest and a broad perspective

- Embrace the corporate culture and implement the Company's vision and mission.
- Keep pace with the Company's development, integrating personal work objectives with the Company's goals, striving to align individual actions with the collective interests.
- Possess a strong sense of ownership, ensuring any actions detrimental to the Company's interests are promptly reported and resolutely prevented to safeguard the Company's benefits.

- Placing personal or narrow interests first, showing indifference to the Company's objectives and collective benefits.
- Ignoring behaviors that harm the Company's interests or tarnish its image, not reporting or addressing issues and allowing situations to worsen.

Mutual respect, active communication, and embracing diversity

- Listen attentively to the views of others, think from their perspective, communicate actively, and make positive changes aligned with the actual situation.
- Understand others' work, acknowledge their contributions, support their growth, and express gratitude for their help.
- During company meetings, actively contribute ideas and share personal thoughts, and firmly carry out the decisions made.

- Disregarding constructive feedback, interpreting alternative viewpoints as personal criticism and even retaliating against them.
- When facing problems, lacking constructive, clear opinions or suggestions, and not actively seeking solutions. Instead, engaging in private complaints and spreading negative sentiments.
- Forming cliques and causing divisions, criticizing colleagues behind their backs, spreading rumors and trouble, and undermining unity.
- Insulting, threatening, harassing colleagues, or even engaging in physical altercations.

Close collaboration, striving together to achieve shared goals

- Coordinate seamlessly between processes and collaborate effectively. Proactively fill roles in work gaps and fully leverage individual strengths. Mobilize resources from all parties to address issues and accomplish work goals.
- Comply with job allocations, and ensure thorough and comprehensive handovers in line with procedures and processes.
- Engage actively in mentorship and readily share experiences and information. Offer advice and support to others and assist in overcoming difficulties and challenges, helping them enhance work quality.

- Fail to communicate or seek help when unable to complete tasks on one's own, resulting in working in isolation and merely going through the motions.
- Overly concerned with delineating responsibilities, passing the buck when duties overlap or problems arise, yet claiming credit alone when it comes to honors. When conflicts occur in work, consider issues solely from an individual perspective and disregard the overall work goals.
- Exhibiting misguided individualism, considering oneself as the core and crucial element, and emphasizing one's own role above all.

Integrity

Support

Strictly comply with national laws and regulations as well as company policies and procedures

- Abide by laws and regulations, diligently study and strictly follow company rules and procedures and fulfill job responsibilities as per position requirements.
- Remind and stop any behavior that violates rules and regulations immediately.

Reject

- Engaging in illegal or disorderly conduct, failing to learn, adhere to company regulations, or fulfill job duties.
- Taking advantage of loopholes in company policies, engaging in fraud or deception for personal gain.

Endeavor

Support

Proactive, pioneering, and innovative

- Engage deeply in acquiring business expertise and skill enhancement, focusing on practical application, embracing innovation and constantly improving work performance.
- Conduct regular retrospectives to gather insights and lessons learned and persistently refine work practices and processes.

Reject

- Refusing to learn and improve, stagnating in past achievements, adhering to old ways and being stubbornly conservative, content with the status quo and giving up on making an effort.
- Facing issues without in-depth understanding or research, settling for superficial solutions.
- Lacking work enthusiasm, procrastinating, passively underperforming, and completing tasks only under direct supervision. Demonstrating inertia in thought, excessive reliance on the direction of others, and a lack of initiative in problem-solving.

Be pragmatic and consistent in words and actions

- Follow up on work progress promptly, complete tasks on time, and ensure work data and results are accurate and reliable.
- Be consistent in words and actions, and treat suppliers, clients, superiors, and other colleagues with sincerity.
- Promptly and truthfully inform the company of any positions or job changes of parents, spouses, children, or other relatives in companies with potential conflicts of interest, as well as any other situations that may pose a conflict of interest.

- Fabricating or utilizing false data to create fictitious work achievements. Deliberately distorting, exaggerating, or fabricating facts, generating or spreading rumors.
- Utilizing deceptive tactics to mislead and foster cooperation between the Company and unqualified suppliers or clients. Encouraging or enticing suppliers, distributors, intermediaries, clients, or partners to collaborate with competitors or peers in the industry.
- Ignoring, concealing, or covering up fraudulent activities.

Facing difficulties fearlessly, confronting challenges head-on, embracing significant responsibilities with courage, and striving tirelessly

- Eagerly challenge oneself with higher work goals and welcome new tasks with enthusiasm.
- When faced with difficulties and challenges, embrace them directly, make bold breakthroughs, dedicate complete efforts to resolving issues and seek solutions to fulfill tasks.
- When multitasking, prioritize tasks based on urgency and importance, plan work schedules logically and complete tasks in an organized and effective manner.

- Withholding information and failing in communication and reporting duties, which delays the opportunity to solve problems.
- Putting off tasks at the sign of trouble, making excuses when held accountable, procrastinating, being overly cautious and showing fear in critical moments.
- Blindly charging ahead, boasting about oneself and being overly ambitious for grand achievements.

Mutual Success

Support

By sharing successes and challenges, employees and the Company empower each other and foster collective growth

- Value and protect the Company's reputation and image.
- Actively embody the corporate culture and values, and inspire colleagues to have positive ideas and take constructive actions.
- Have a strong sense of collective pride, strive for honors for the Company, care for, and contribute to its long-term development, achieving mutual success with the Company.

Reject

- Turning a blind eye to behaviors and remarks that damage the Company's image or even endorsing them.
- Not adhering to strict personal conduct, making statements or actions that bring negative consequences to the Company, or even spreading remarks that undermine the Company's image.
- Showing disinterest in the Company's business and development, not actively participating in company-organized activities, and often remaining detached from the group.

Adhere to professional ethics and faithfully fulfill job responsibilities

- Fulfill work responsibilities as per job requirements without seeking personal gain.
- Demonstrate a strong commitment to execution, ensuring tasks are completed on time without compromise.

- Violating professional ethics by leveraging one's position for personal gain.
- Establishing employment relationships with other companies without the Company's consent, directly or indirectly investing, operating, holding positions, owning shares, or serving as a representative or advisor in other companies or organizations that have business relations with or are in direct or indirect competition with the Company.
- Unauthorized probing, leaking, disseminating, or spreading the Company's trade secrets and confidential information.

Benefit each other, develop through cooperation, and contribute to society

- Securing benefits for the Company while ensuring a mutually beneficial relationship and long-term cooperation with suppliers and clients.
- Actively participate in social welfare activities and serve community groups. This not only contributes to society but also increases corporate reputation and recognition, enhancing the Company's public image.

- Focusing solely on short-term gains, lacking team spirit and long-term vision, and pursuing individual agendas.
- Setting corporate profits against social contributions, demonstrating narrow-minded thinking.

Business Overview

China

- 1 Helan, Ningxia
- 2 Hongze, Ningxia
- 3 Sanmenxia, Henan
- 4 Henan, Xinmi
- 5 Linfen, Shanxi
- 6 Xinjiang, Shanxi
- 7 Jishan, Shanxi
- 8 Suqian, Jiangsu
- 9 Xianning, Hubei
- 10 Suizhou, Hubei
- 11 Jingzhou, Hubei
- 12 Tongxiang, Zhejiang
- 13 Ruichang, Jiangxi
- 14 Zhangzhou, Fujian
- 15 Huabei, Anhui
- 16 Shenzhen, Guangdong

Overseas

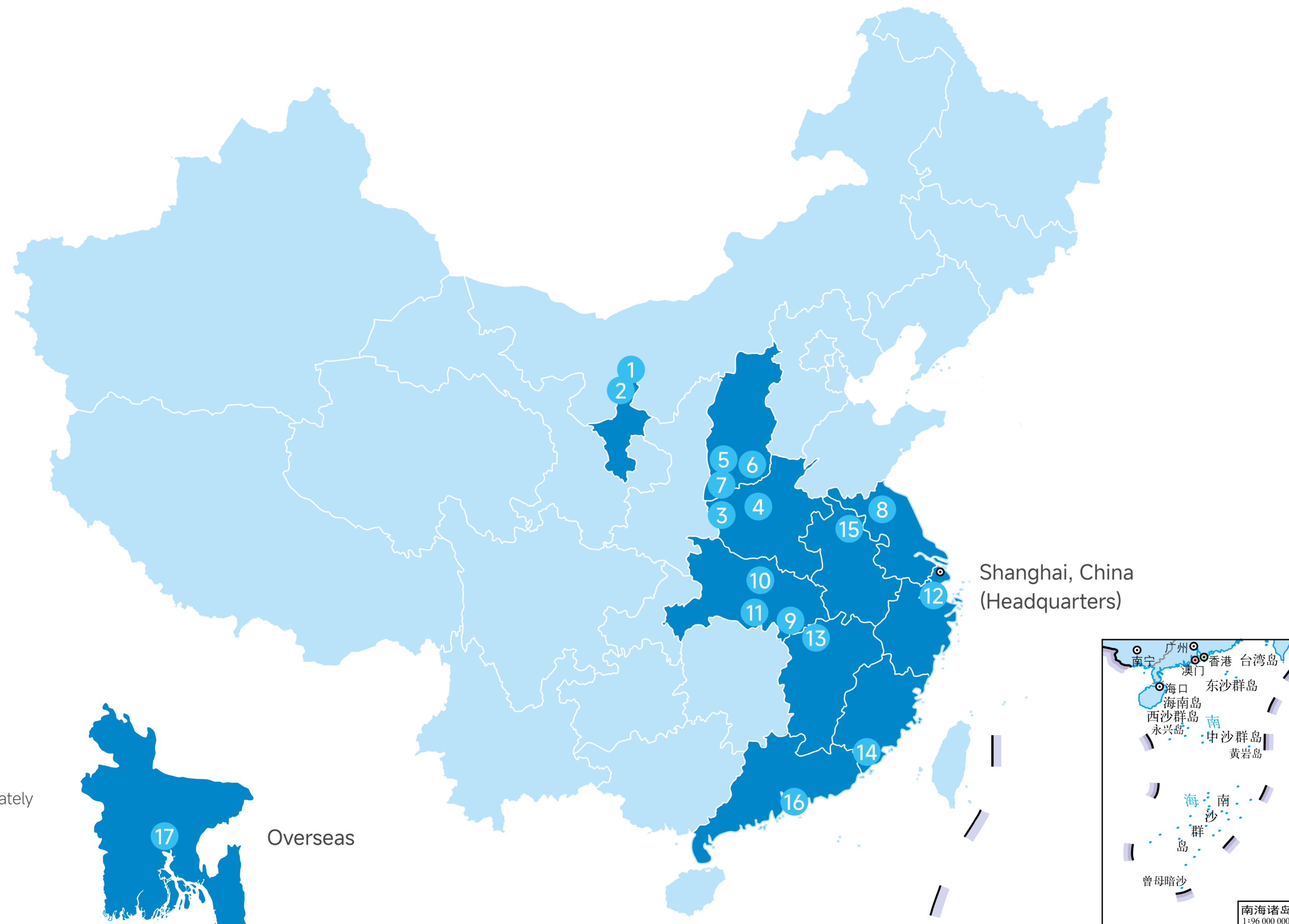
- 17 Bangladesh

Contractual capacity: Approximately

2.7 million tons per day

Completed capacity

1.4 million tons per day



Key Operational Details

As of the end of 2023,

Water supply plants

8

Sewage treatment plants

11

Water supply contractual capacity

2,100,000

tons per day

Sewage treatment contractual capacity

600,000

tons per day

Completed water supply capacity

905,000

tons per day

Completed sewage treatment capacity

483,000

tons per day

Water environment treatment

1,231,738.82

square meters

Total active patents

14



Our Achievements in 2023

United Water was honored with the title of "Model Workers' Home of Jiangsu Province" by the Jiangsu Provincial Federation of Trade Unions.

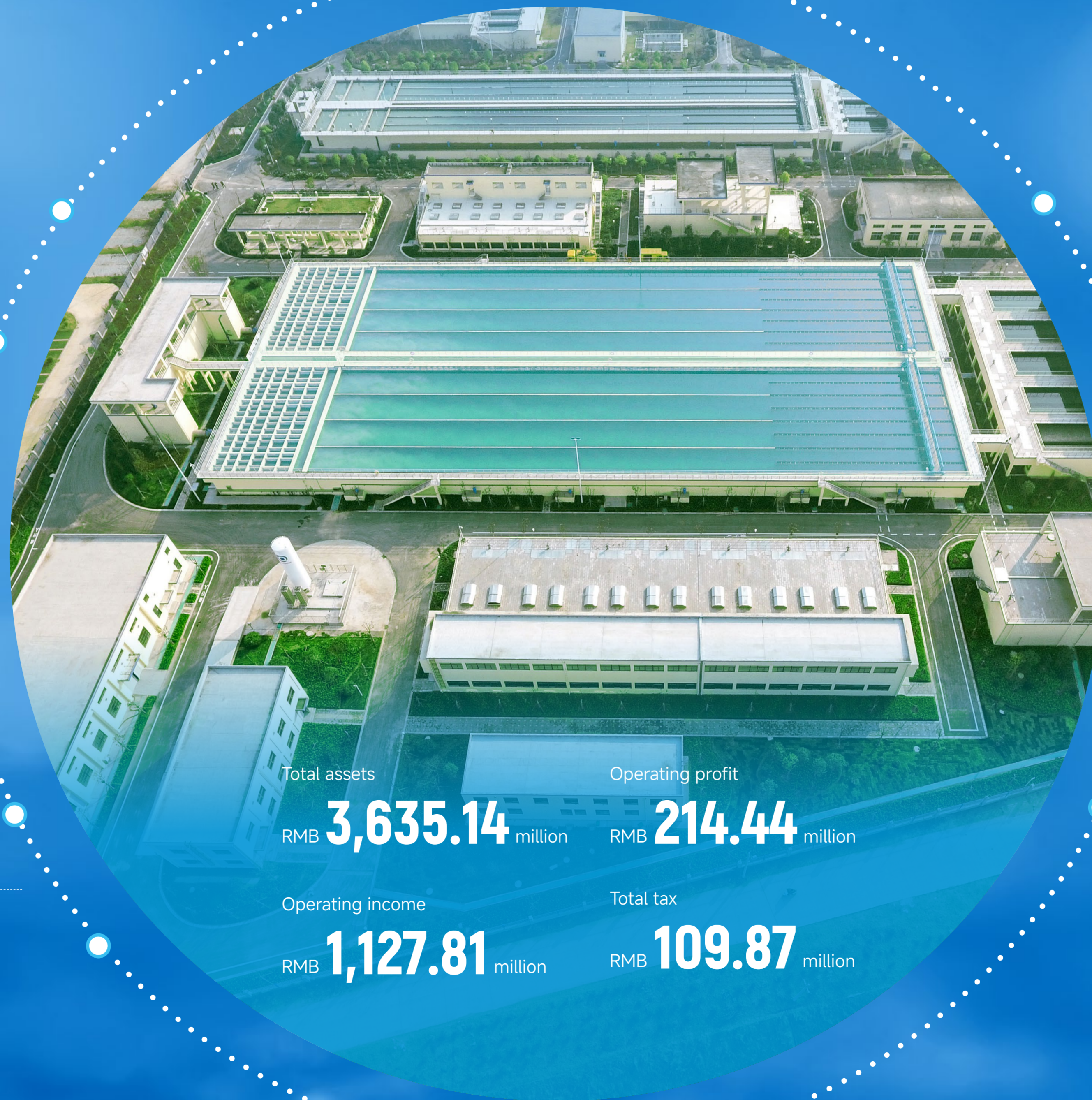
United Water garnered the "2023 Suqian City Mayor Quality Award" and the "2023 Suqian City Quality Management Excellence Award".

United Water Suqian Water Supply Company won the titles of "Harmonious Labor Enterprise of Jiangsu Province" and "Advanced Mass Sports Unit of Suqian City".

The wastewater treatment plant renovation project in Nuanquan Industrial Park, Helan County, with a capacity of 25,000 tons/day, undertaken by Suqian United Municipal Engineering Co., Ltd., was lauded with the "2023 Suqian City 'Xiangyu Cup' Quality Engineering Award".

Suqian Gengche Wastewater Treatment Co., Ltd. was recognized as a "2023 Municipal Water-Saving Enterprise" by the Suqian Municipal Water Resources Bureau and the Suqian Municipal Industry and Information Technology Bureau.

Xianning United Water Co., Ltd. was bestowed the title of "2022 Loving Enterprise" by the Xianning Volunteer Association.



The trade union of Xianning United Water Co., Ltd. was commended as an "Advanced Collective of City's Trade Unions for 2022" by the Xianning Municipal Federation of Trade Unions.

Xianning United Water Co., Ltd. and Xianning United Municipal Engineering Co., Ltd. were put on the "Xianning City Credible Enterprises" list for 2022.

Xianning United Water Co., Ltd. and Xianning Siyuan Water Co., Ltd. achieved third place in a ranking of water usage efficiency among 19 national high-tech zones in Hubei Province.

Sanmenxia United Water Co., Ltd. was awarded the title of "Sanmenxia City Garden Unit" by the Sanmenxia Municipal Urban Management Bureau.

Sanmenxia United Water Co., Ltd. received commendation as an "Advanced Unit in Urban Water Supply and Sanitation Management" from the Sanmenxia Municipal Health and Family Planning Supervision Bureau.

ESG Management

To elevate our ESG governance, United Water has instituted a three-tiered structure comprising supervision, management, and implementation, with clearly defined roles and responsibilities. We have also established a Strategy and ESG Committee at the board level, ensuring the effective enactment of ESG initiatives.

United Water Board of Directors

Oversee and approve ESG-related policies and programs.

Strategy and ESG Committee

Steer the Company by formulating ESG strategies, monitoring progress, and evaluating effectiveness; Report to the board and aid in the identification and assessment of ESG-related risks and opportunities.

ESG Working Group

Under the Strategic and ESG Committee's guidance, engage with the Securities Affairs Department, various functional departments, and project companies to advance the actualization of ESG objectives.



Stakeholder Engagement

United Water is deeply committed to engaging with all stakeholders. By analyzing our operational and managerial spectrum, issue relevance, and a multitude of impact factors, we pinpoint and engage with key internal and external stakeholders. Through diverse communication channels, we grasp stakeholder expectations and needs, thereby fostering harmonious and mutually beneficial relationships.

Stakeholders	Expectations & Requirements	Communication Methods	Response Measures
<p>Government & Regulatory Bodies</p>	<ul style="list-style-type: none"> Operate within legal and compliance frameworks Generate social value Align with national strategies 	<ul style="list-style-type: none"> Regular exchanges and updates Timely reporting schedules Comprehensive site evaluations 	<ul style="list-style-type: none"> Compliance-focused operational management Welcoming of regulatory oversight Fulfillment of governmental management directives Proactive engagement with national strategies
<p>Shareholders & Investors</p>	<ul style="list-style-type: none"> Deliver consistent and reliable returns Maintain transparency and openness in information Mitigate operational risks 	<ul style="list-style-type: none"> Transparent disclosure of information Inclusive shareholder assemblies Detailed performance briefing events Interactive investor relations platforms 	<ul style="list-style-type: none"> Prudent business operations Exploration of profit enhancement possibilities Consistent dissemination of reports and corporate updates Intensified investor relations
<p>Customers</p>	<ul style="list-style-type: none"> Provide a reliable water supply of high quality Ensure up-to-standard discharge of wastewater Cultivate a favorable business climate Offer exceptional customer service 	<ul style="list-style-type: none"> Customer satisfaction polling Efficient feedback and grievance resolution processes Personalized customer outreach communications Accessibility to open information 	<ul style="list-style-type: none"> Commitment to excellence in products and services Attentiveness to customer needs Defense of consumer rights
<p>Suppliers & Partners</p>	<ul style="list-style-type: none"> Uphold openness, transparency, and ethical standards Supply high-quality products and services Pursue mutual benefits and collaborative success 	<ul style="list-style-type: none"> Daily dialogues and interactions Strategic collaborative efforts Sector-specific networking events 	<ul style="list-style-type: none"> Strengthening of supplier management Establishment of a responsible supply chain Encouragement of supplier development
<p>Employees</p>	<ul style="list-style-type: none"> Safeguard fundamental rights and interests Promote occupational health and workplace safety Encourage professional growth and skill development Emphasize employee well-being and open communication 	<ul style="list-style-type: none"> Accessible communication mailbox Representation in employee congress Employee activities 	<ul style="list-style-type: none"> Offering a competitive compensation and benefits package Provision of opportunities for learning and career advancement Guaranteeing employee health and safety Prioritizing employee engagement and dialogue
<p>Natural Environment</p>	<ul style="list-style-type: none"> Conserve water resources Improve ecological environment Address climate change challenges Promote resource recycling 	<ul style="list-style-type: none"> Thorough environmental impact evaluations Publicly accessible environmental data Campaigns to raise environmental consciousness 	<ul style="list-style-type: none"> Advancement of water treatment services Promotion of water resource recycling Innovation in eco-friendly technologies Adoption of low-carbon and sustainable practices Advocacy for water conservation awareness
<p>Communities & the General Public</p>	<ul style="list-style-type: none"> Support initiatives for rural revitalization Engage in philanthropic endeavors Support community development 	<ul style="list-style-type: none"> Dissemination of public advisories Initiatives for community volunteerism 	<ul style="list-style-type: none"> Management of rural water environments Participation in charitable and volunteer services Contributions to philanthropy and community support

Sustainability Materiality Assessment

United Water employs a rigorous issue analysis process to precisely identify and assess critical issues relevant to its own development. Considering the Company's current business trajectory, macroeconomic policies, peer benchmarks, and global capital market trends in ESG ratings, United Water has methodically identified 26 key issues that affect both the organization and its stakeholders. The Company has also gathered pertinent feedback from various stakeholders—including employees, investors, industry partners, regulatory bodies and non-governmental organizations—through comprehensive surveys. This feedback is used to pinpoint and prioritize substantive issues, which are then addressed in this report with clear management strategies designed to enhance the Company's ESG performance and better meet stakeholder expectations and needs.

Approach

Identification

Identify and catalog significant sustainability concerns within the Company and analyze stakeholder interest to compile a list of 26 critical issues.

Evaluation

Conduct stakeholder surveys to merge the perspectives of the "importance to United Water's sustainable development" with the "importance to stakeholders," aiding in issue prioritization.

Response

Determine the significance of substantive issues through thorough evaluation and analysis, articulate various management strategies, and concentrate on transparent reporting and responses.

Materiality Matrix

Governance	<ul style="list-style-type: none"> 1 Enhance governance level 2 Protect investor rights 3 Ensure compliance and robust operations 4 Promote fair competition 5 Combat corruption and fraud 6 Manage supply chain effectively
Environmental	<ul style="list-style-type: none"> 7 Strengthen the environmental management system 8 Address climate change challenges 9 Manage water resources effectively 10 Promote energy efficiency and reduce consumption 11 Implement effective waste management 12 Invest in green technology research and development 13 Conserve biodiversity 14 Promote green environmental practices
Social	<ul style="list-style-type: none"> 15 Boost technological innovation 16 Safeguard intellectual property rights 17 Improve water quality management 18 Maintain pipeline network operational 19 Improve the business environment 20 Enhance privacy and information security 21 Uphold employee rights 22 Focus on employee care and development 23 Ensure occupational health and safety 24 Foster collaborative success and establish win-win partnerships 25 Align with national strategies 26 Encourage volunteerism and public welfare



Transcending Borders, United by Water

The Bangladesh Water Supply Project

Ensuring a stable water supply is a fundamental aspect of public welfare. At the dawn of 2023, Dhaka's Purbachal new township, Bangladesh's bustling capital, witnessed the inauguration of a pristine and reliable water flow. This initiative stands as a testament to the expertise and dedication of United Water's international construction team, propelling a sustained impetus for enhanced living standards and the economic growth of local communities and enterprises.

Origin Launching the First Water Utility Public-Private Partnership (PPP) Project

On November 11, 2019, United Water formally entered into a PPP agreement with the Government of Bangladesh in Dhaka to develop water supply and distribution infrastructure in Purbachal new township. This venture, a collaborative investment, construction, and management effort in the partnership with Bangladesh's Delcot Group, represents the country's inaugural venture into water-related PPP projects. It is also United Water's first foray into international investment, construction, and management of a water supply initiative. The project celebrated the receipt of its Phase I Commercial Operation Certificate on January 30, 2023, meeting the objective of launching the project's Phase I while simultaneously laying the groundwork for Phase II.



On-site signing of PPP contract

The successful conclusion of Phase I signifies United Water's progression from the construction to the operational stage, epitomizing the Company's commitment to international projects. This milestone has enriched the Company's experience in global market expansion and project establishment.



Ensuring Clean Tap Water for the New Township

Designing water treatment for a capacity of

340,000
tons per day

In alignment with The Purbachal New Township is immediate and long-term water requirements, the project provides a designed capacity of 340,000 tons of water daily. The initial phase involves sourcing from 15 deep tube wells, each over 250 meters deep, with subsequent phases planning to incorporate water from treatment plants to guarantee superior water extraction standards. The project includes a state-of-the-art water quality testing center capable of conducting 10 routine tests for microbial indicators, residual chlorine, and turbidity, as well as over 50 other water quality parameters, thereby setting a new benchmark for water quality testing in Bangladesh. Throughout its operations, the Company diligently complies with contractual testing protocols and schedules, fine-tunes dosing concentrations to meet user distribution needs, routinely purges the network, and ensures the delivery of potable water that meets all quality criteria.

Addressing user concerns within

24 hours

Committed to the ethos of "delivering high-quality water and services with integrity," the Company has assembled a proficient installation team to oversee the full spectrum of user services—from application and survey to installation, approval, and water delivery—often completing the process within the same day to amplify customer satisfaction. United Water has established a customer service and billing center to offer comprehensive services, including consultations, transaction management and payments. It has also introduced a user-friendly website for streamlined online transactions. A responsive hotline has been implemented, along with a work order processing system, to guarantee resolutions to customer issues within a 24-hour timeframe. Furthermore, the Company proactively facilitates door-to-door outreach to gauge customer needs and address any concerns related to water usage, taking customer satisfaction as the benchmark for its service quality.



Phase I Project Completion Ceremony



Fostering Deep Community Sentiments

Enhancing water access for **2,000,000** residents

With the completion of the Purbachal New Town water supply and distribution project, over two million residents will enjoy access to high-quality water services. This transition from previous challenges in accessing potable water to the provision of safe and reliable water marks a significant uplift in the residents' quality of life. This public utility project has not only improved the standard of living but has also bolstered social welfare and development, sparking optimism for the future among both residents and business owners. Although the complex network of water pipelines is hidden underground, the profound impact on the well-being and security of the Bangladeshi people is clear and profound.



Chairman and CEO of United Water Phillip Weijing Yu and his delegation were at the Bangladesh project site

Creating **601** job opportunities

United Water, committed to the principles of mutual growth and prosperity, has created 601 local jobs through its recruitment and construction endeavors. Throughout the project, the Company has prioritized fostering a workplace that values diversity and inclusivity, offering cultural sensitivity training to enhance communication and teamwork.

The project's long-term impact is far-reaching, extending beyond immediate infrastructure enhancements and community enrichment. It serves as a conduit for nurturing local talent within the water utility industry. Habibur Rahman, a local project hire, has benefited from extensive technical support and knowledge exchange. Moreover, United Water has formed a collaborative effort with Yangzhou University, appointing two Bangladeshi students in China as management interns. After completing a year of rotational training at the Company's domestic projects, these students will return to contribute to the New Town water supply project, equipped with cutting-edge management insights and experiences.



"For the past year, I've been immersed in this incredible team, and it has been an immensely fulfilling journey. As an engineer, being part of such a dynamic group is the ideal setting to deepen my understanding of water supply projects and further develop my professional skills."



—Habibur Rahman, Project Production Supervisor

The year 2023 marks the decade milestone of the Belt and Road Initiative, with Bangladesh standing as the first South Asian nation to engage with this cooperative endeavor. Reflecting on this moment, the successful launch of the Purbachal new township water supply project takes on special importance. The principles of harmony, coexistence, and mutual benefit, long cherished by the Chinese, have been fundamental to the triumph of United Water' inaugural international PPP venture. The Company is confident that trust and collaboration will pave the way for greater opportunities and shared prosperity, charting an improved course for development.



G reen Planet

◇ Annual environmental protection investments

RMB **141.739** million

◇ Annual wastewater treatment volume

144.19 million tons

◇ CO₂ emissions per economic output unit

0.67 tons of CO₂ equivalent per RMB 10,000

Contributing to UN SDGs





Water Resource Management

Water resources are crucial for the socio-economic progression of a nation. United Water dedicates itself to delivering superior water treatment services, advancing water resource management, elevating water use efficiency, and advocating for the conservation, safeguarding, and scientific stewardship of water resources. These efforts are aimed at enhancing the water environment and ensuring the perpetual flow of clean rivers that sustain life.



Long-term Water Quality Enhancement

United Water prioritizes sewage treatment and is committed to the continual upgrading of sewage treatment plants, addressing substandard water bodies, and other related initiatives. The Company is dedicated to fostering innovation and application in sewage treatment technologies, refining treatment processes, and boosting the treatment capacity and efficiency to ensure that effluent quality consistently meets regulatory standards. By curtailing pollutant discharges at the source, United Water considerably reduces the risk of environmental water pollution.

Annual wastewater treatment volume

144.19 million tons

Annual reduction in pollutants, quantified by Chemical Oxygen Demand (COD)

44,894 tons

Water Resource Risk Analysis

To enhance our understanding and control of water resource security, and to swiftly identify and mitigate potential risks and hidden dangers, United Water has mandated its subsidiaries to perform thorough water resource risk analyses. This process includes evaluating potential threats, such as water pollution and scarcity, and formulating practical risk response strategies based on these assessments. These strategies guide the prevention of water resource risks and foster the scientific and systematic management of the Company's water resources.

Case | United Water Ongoing Water Resource Risk Analysis

The United Water Suqian Water Supply Company conducts an annual water resource risk analysis, culminating in the Water Resource Risk Analysis Report. This report focuses on two primary risks: raw water pollution and shortages. For each risk, appropriate measures are implemented.

Raw Water Pollution

Involves on-site investigations of potential contamination sources, the creation of a Pollution Source Investigation Report for the Catchment Area, and the development of specific plans to address different pollution risks.

Raw Water Shortages

Features a canal reserve that is kept in "hot standby" mode, enabling the switch to alternative water sources within 30 minutes. The Company also collaborates closely with the Water Resources Bureau to monitor and regulate the primary water source, ensuring prompt action against any shortfall in raw water.

Case | Water Quality Enhancement Project by United Water Jingzhou Shenlian Environmental Technology Co., Ltd.

United Water Jingzhou Shenlian Environmental Technology Co., Ltd. has garnered significant expertise in wastewater treatment over the years. It employs a highly effective treatment process encompassing "coagulation sedimentation, primary sedimentation tanks, hydrolysis acidification, AAO, and Fenton oxidation" to ensure that the quality of discharged effluent consistently meets the set standards. With an investment of RMB 215 million in the second phase of their standard-upgrading project for industrial wastewater, the Company has expanded its treatment capabilities from 30,000 tons to 52,000 tons per day. This expansion has not only elevated the wastewater treatment capacity but has also secured Level A standard compliance for effluent discharge, significantly mitigating the environmental impact of domestic and industrial wastewater in Jingzhou Economic and Technological Development Zone.



Case | Jishan United Water Co., Ltd.'s Contribution to the Sustainable Development of Jishan Date Industry

Jishan County, Shanxi Province, known for its concentration of date processing enterprises, has faced serious wastewater discharge as a byproduct of economic growth. To tackle the pollution from date processing, Jishan United Water Co., Ltd. established a local wastewater treatment facility dedicated to the date processing industry. This facility treats the wastewater centrally before transferring it to the Jishan County wastewater treatment plant for further purification to meet discharge standards. The initiative has significantly bettered the local environment, improved the water quality of the Fen River in Jishan, and guaranteed that "clear waters flow into the Yellow River." Moreover, the treated wastewater from the date processing can replace carbon source agents in the sewage plant, reducing the need for additional agents and aiding the Jishan County plant in decreasing operational expenses. This project exemplifies the harmonious balance of economic advancement, environmental protection, and societal welfare.

Efficient Utilization of Water Sources

United Water is committed to the judicious use of water resources and is proactively engaging in the recycling and reuse of water. The Company is devoted to enhancing production processes to minimize water wastage, aiming to mitigate the impacts of water scarcity and to guarantee the sustainable consumption of these vital resources.

Our efforts are directed toward repurposing wastewater into a valuable resource. We are reusing treated water in industrial operations, urban landscape irrigation, and street cleaning, thus actively promoting the cycle of water resource recycling.

Recycled water reuse



We have deployed advanced technology to improve our water treatment processes and infrastructure, including the construction of a process effluent water recycling system, to enhance water reuse efficiency.

Process and facility enhancements



Strategic water supply management

By meticulously managing the allocation of unprocessed water in accordance with demand, we maintain an equilibrium between water input and output, avert the overtopping of purification facilities, and enhance the utilization efficiency of raw water.



Water balance assessments

Through consistent water balance evaluations, we gain insights into our water consumption patterns, identify opportunities for conservation, and reinforce our water management practices, all of which advance our water usage efficacy.



Case | Efficient Process Discharge Water Reuse by Xianning United Water Co., Ltd.

Xianning United Water Co., Ltd. has exemplified efficient water resource management and environmental stewardship by establishing recovery and treatment systems for process discharge at Wangying and Panwan water plants. The Panwan water plant has attained full reuse and zero discharge of its process discharge water, including from backwash, sand traps, flocculation, sedimentation, and sludge dewatering processes. Meanwhile, the Wangying water plant has successfully repurposed backwash water. These systems have not only curtailed water plant process consumption, elevated the reuse rate, and improved water supply capacity but also safeguarded river waters from contamination, thus making a significant ecological contribution. In 2023, these two plants recycled a combined total of 837,000 tons of process discharge water.



Case | Secondary Water Reuse Project by Suizhou United Water Co., Ltd.

In alignment with national water conservation objectives, Suizhou United Water Co., Ltd. has been delivering reclaimed water to the Suizhou High-Tech Zone since 2019 for urban greening and street sanitation. The Company extended its services in 2023, supplying treated wastewater to the Guodian Changyuan Suizhou Power Plant for cooling purposes. The secondary water reuse system supports a daily delivery of approximately 50,000 to 60,000 tons of reclaimed water, depending on the secondary water pump house's equipment. This proactive approach has significantly boosted water resource efficiency and is contributing to the collaborative development of a water-conserving society.

◊ Freshwater withdrawals

224.9646 million tons

◊ Water plant self-consumption

4.3996 million tons

◊ Water plant self-consumption rate

1.96 %

◊ Recycled water output

49.9427 million tons



Pipeline Network Leakage and Loss Management

Effective management of pipeline network leakage and losses is crucial for water conservation. United Water is dedicated to continuously improving its oversight and mitigation strategies for leaks and losses within the network. By implementing advanced monitoring and comprehensive management practices, the company systematically reduces water wastage attributable to leakage, thereby contributing significantly to water conservation.



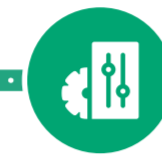
Equipment maintenance and renewal

We prioritize regular upkeep and modernization of production facilities and aging pipelines. By maintaining the integrity of storage structures and systematically replacing worn components such as valves, pipes, and meters, we significantly cut down on water loss during distribution.



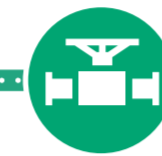
Pipeline network surveillance and upkeep

A comprehensive patrol plan has been established for the water supply network to detect and address leaks. By intensifying inspections of critical pipelines and valves, we curb physical losses like leaks and overflows, and boost emergency response and repair efficiency to forestall substantial water resource depletion.



Optimized water pressure regulation

We maintain scientifically determined pressure levels within the pipeline network, carefully modulating the water pressure dispatched from the plant. The strategic use of variable frequency drives for pressure management further prevents pipeline ruptures and system failures.



Meticulous valve management

Leveraging data from flow and pressure monitoring stations, we specifically target the older segments of the network with valve adjustments to control flow and pressure. This approach is aimed at further reducing leakage, while still ensuring essential water supply in the areas with the lowest pressure.



Smart leakage detection

By enhancing our GIS and DMA systems, we achieve real-time monitoring of flow and pressure at key points, areas, major nodes, end-users, and large consumers in plants and the entire pipeline network, allowing for the swift identification and repair of leaks. A comprehensive management ledger for pipeline network leakage has been created, offering a detailed analysis for informed decision-making in our water-saving and leak prevention initiatives.



Case

Integrated Approach to Managing Pipeline Network Leakage and Losses

In 2023, Jishan United Water Co., Ltd. embarked on an ambitious project to renovate its water distribution network, investing upwards of RMB 60 million to modernize aging pipelines. The initiative saw an overhaul of 43.8 kilometers of water supply infrastructure and the installation of individual meters for 8,144 households. Following the upgrades, the Company swiftly created detailed maps of the new pipelines and implemented real-time monitoring systems for water volume and pressure to optimize distribution and minimize the risk of pipeline bursts across various zones. To further enhance network integrity, procedures for regular mainline inspections, centralized leak reporting, and the strategic dispatch of repair teams were established. The introduction of a rewards program for leak detection galvanized the participation of all stakeholders, contributing to a dramatic reduction in water network losses. This multifaceted strategy yielded a substantial decrease in the Company's network leakage rate in 2023.



Eco-Environmental Protection

United Water embraces a philosophy centered on "natural recovery and ecological restoration," with a steadfast commitment to "improve water environment quality" through the "establishment of ecological habitats" aimed at "reinvigorating biodiversity." This approach has cultivated a comprehensive technical framework encompassing "source control, ecological construction, energy optimization, and smart operations." The Company employs a holistic and methodical strategy for "water management," "environment building," and "empowerment," taking proactive steps in the ecological restoration and safeguarding of rivers, lakes, pivotal water bodies, and rural water environments. These efforts are instrumental in creating conducive habitats for aquatic life, continuously enriching the diversity of biological communities and biodiversity, and elevating the quality of the water ecosystem.

Implementation of Water Environment Management

The stewardship of water resources is a commitment that spans decades. Confronted with acute challenges in water pollution and ecological restoration, United Water utilizes its cutting-edge technologies in water pollution mitigation and aquatic ecosystem rehabilitation to actively participate in the governance and ecological revitalization of river and lake basins, thus enhancing the aquatic environment's quality and promoting the sustainable development of ecological habitats.

River and lake ecological restoration and protection efforts

United Water has achieved notable success in mitigating water pollution in river and lake basins, rejuvenating numerous aquatic ecosystems, and formulating a vision for aquatic ecological restoration.

Rural water environment management

In alignment with the *Action Plan for the Battle Against Agricultural and Rural Pollution*, United Water is committed to the ongoing suppression and management of water pollution in agricultural and rural areas, bolstering the ecological rejuvenation of the countryside.

Case | Water Quality Improvement Project at Dayan Lake (Ganjia Pond Outlet Channel) in Jiayu County

Dayan Lake in Hubei Province had, over an extended period of external management, seen an accumulation of excessive phosphorus, nitrogen, and organic content in its sediment due to the overuse of fertilizers and feeds, which severely compromised the water quality. The Ganjia Pond outlet channel, situated at the northeastern fringe of Dayan Lake, showcases a model project for the treatment of aquaculture effluent. With a focus on ecological restoration to safeguard water quality, improve contaminated water bodies, and protect the integrity of the lake's environment, United Water has implemented a series of restoration measures, including the creation of serpentine wetlands, the installation of eco-friendly phosphorus removal barriers, the establishment of deep purification ponds, and the development of river cleaning zones. These initiatives have not only enhanced the water quality of the Ganjia Pond outlet channel but also mitigated the influx of pollutants into Dayan Lake, setting a precedent for the effective treatment of aquaculture water pollution in the region and contributing to the enhancement of rural life.



Biodiversity Protection

United Water is dedicated to the promotion of aquatic ecological conservation, enhancing the management and protection of water catchment areas and ecological buffer zones. Through refining the food chain and optimizing the distribution of aquatic flora and fauna—particularly by creating habitats and strategically designing food-producing plants—we provide suitable environments for aquatic organisms. Our ongoing enhancement of biological community diversity and ecosystem biodiversity boosts the self-purification ability of rivers and lakes, effectively increasing the ecological capacity of the aquatic environment. This endeavor is in line with our vision to foster a harmonious coexistence between humanity and nature.

Case | Ecological Restoration of Jingzhou North Moat

The Jingzhou North Moat, traversing densely inhabited historical urban areas, had suffered from significant sedimentation due to combined sewer overflows, unregulated domestic wastewater discharge, and diminished ecological variety. In an effort to revitalize the Jingzhou North Moat's ecology, United Water employed on-site purification technology at points of discharge to capture suspended particles and reduce murkiness, thereby lessening the inflow of pollutants into the river. Water quality assessments revealed a stark contrast; where untreated water failed to meet basic standards, treated water achieved the Grade V designation for surface water environmental quality, substantially curtailing pollution from heavily tainted sources and fostering the holistic management of Jingzhou's urban water environment.



Case | Yangjia Lake Aquatic Ecology Remediation Project in Chibi City

Yangjia Lake, spanning 122,940 square meters, is the sole large urban park water body in Chibi City. As a critical component of the city's ecological space planning, it is essential for linking the upstream and downstream water systems. In recent years, due to insufficient governance, the lake experienced serious sediment accumulation, complications from an obsolete pipeline network, and widespread unauthorized connections, resulting in frequent leaks and contamination. Furthermore, stormwater discharges during rainfall events severely degraded the water quality to below Grade V standards. With the lakebed largely desolate, the edge of ecosystem collapse called for immediate ecological restoration.

In restoring Yangjia Lake's ecology, United Water implemented foundational strategies of "water management" and "environment building." Through exogenous control and endogenous reduction, we first established riparian wetlands, ecological revetments, and tiered enhanced wetlands using natural methods, significantly relieving environmental pressure from initial rainwater, runoff, and sewage. We then reshaped the terrain and improved the composition of animal habitats to foster a robust underwater forest, thus bolstering the lake's self-purification capabilities and resilience. Moreover, we transformed the once-uniform shoreline into a dynamic one that adapts to water level changes, supports natural filtration, maintains biological habitats, and accommodates a range of activities.

The project profoundly diminished pollutant inflow into the water system and bolstered the water's natural self-cleaning properties. The waters of the river and lake reclaimed their natural states and ecological functions, evidenced by increased vegetation cover and a richer diversity of species, including birds and aquatic life. We achieved comprehensive three-dimensional ecological restoration, realizing our ecological vision of "waterways teeming with life, supporting both flora and fauna, and harmoniously coexisting with human activity."






Climate Action

United Water recognizes the threats posed by climate change and proactively addresses various extreme weather events. Our commitment to energy conservation and emission reduction supports the broader objective of mitigating global warming and aligns with the national ambitions of achieving carbon peak and carbon neutrality.

Responding to Extreme Weather

United Water has developed comprehensive emergency plans and proactive measures to address different extreme weather scenarios, ensuring business continuity and reducing the adverse effects of climate change.

 <p>Cold Wave and Low-Temperature Conditions</p>	<ul style="list-style-type: none"> • We have implemented an emergency repair strategy for anti-freezing in the water supply network, featuring a tiered response mechanism, the simulation of anti-freeze repairs, and specific operational guidelines for real-world incidents. • A specialized cold weather inspection team performs regional assessments to identify potential risks and vulnerabilities, guaranteeing the proper functioning of equipment. • Our team is ready and equipped to quickly resolve any issues related to water usage that arise during cold waves and low-temperature events.
 <p>High-Temperature Conditions</p>	<ul style="list-style-type: none"> • We have developed a high-temperature prevention plan for equipment, incorporating cooling measures such as additional tubular and plate heat exchangers. We also increased equipment inspections to ensure the stable operation of core facilities within the plant during hot weather • To mitigate high-temperature impacts on wastewater treatment, we consistently monitor and analyze water quality, adjusting treatment processes in line with seasonal variations to maintain optimal efficiency. • The safety of outdoor personnel is a priority; work schedules are adjusted to minimize heat exposure, and a range of measures to prevent heatstroke and provide cooling are in place.
 <p>Extreme Precipitation Events</p>	<ul style="list-style-type: none"> • Our emergency response strategy for flood risks includes ongoing training and education on drainage practices for staff, enhancing their flood prevention capabilities and emergency response skills. • Drainage networks and related infrastructure undergo rigorous inspections. In the event of potential hazards, we swiftly coordinate emergency repairs.

Promoting Energy Conservation & Emission Reduction

United Water is dedicated to refining its energy management system. By implementing energy-efficient designs and equipment, embracing the development of clean energy, and enhancing the management of energy consumption, the Company proactively pursues initiatives for energy conservation and emission reduction to foster sustainable, low-carbon growth.

Enhancing energy management

The Company has implemented an *Energy Management System* and convenes regular meetings focused on energy-saving and consumption reduction to scrutinize and refine the Company's energy use, thus bolstering our management of energy consumption.

Implementing energy-saving designs

Our engineering construction integrates design strategies that prioritize low energy consumption and high energy efficiency, actively employing state-of-the-art processes and equipment to target prudent energy use and conservation from the outset.

Utilizing energy-saving equipment

In line with national standards, the Company is committed to the acquisition of high-efficiency equipment, opting for devices that minimize energy loss and offer superior environmental benefits, such as air suspension blowers, modern energy-efficient transformers, and variable frequency water pumps, to curtail energy usage.

Intensifying energy consumption management

Leveraging the smart water utility platform, the Company conducts comprehensive monitoring and analysis of electricity use across the production cycle, optimizes scheduling plans, enhances the efficiency of operational units, diminishes energy use in production, and fine-tunes the input of raw materials. This leads to the smart and calculated addition of reagents, reducing both reagents and energy consumption.

Waste Management

United Water rigorously complies with the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, *Law of the People's Republic of China on the Prevention and Control of Solid Waste Environmental Pollution*, *Law of the People's Republic of China on the Prevention and Control of Air Pollution*, *Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution*, among other legal requirements. The Company has crafted internal protocols including *Wastewater Generation and Treatment Management Procedures*, *Solid Waste Management Procedures*, *Waste Gas Generation and Treatment Management Procedures*, and *Noise Generation and Treatment Management Procedures*. Employing thorough management practices and operating techniques, the Company ensures that all wastewater, solid waste, hazardous gases, and noise generated during operations are within regulatory discharge limits.

Solid Waste

The Company's solid waste predominantly consists of sludge, chemical packaging bags, waste oil drums from machinery, oil-saturated cotton yarn, scrap parts from equipment servicing, and refuse from the daily operations and offices of the production staff.



Treatment methods

We adopt bespoke treatment and disposal strategies for various solid waste categories to minimize waste, recover resources, and ensure safe disposal, thereby effectively managing diverse waste types within the Company.

Noise

Production-related noise primarily originates from equipment such as horizontal centrifugal pumps and ambient noise at the plant boundaries.



Treatment methods

We utilize advanced low-noise equipment. In cases where production site boundaries are close to sensitive areas, additional equipment soundproof covers and noise barriers are installed. Inspection and maintenance personnel are equipped with the appropriate protective gear.

Wastewater

The Company's wastewater primarily consists of clean wastewater from sewage treatment projects, sludge filter water from water supply projects, and domestic wastewater from production staff.



Treatment methods

Waste liquids generated during water quality testing are collected by the water quality testing center and disposed of by qualified waste disposal companies. Domestic wastewater is treated in septic tanks before it joins the municipal sewage network, whereas wastewater from cleaning during water production is discharged directly into the municipal sewage system. Rainwater is channeled into the municipal stormwater system after collecting in the plant's stormwater network.



Case | Sludge Resource Utilization

In an effort to mitigate sludge-induced environmental pollution and enhance resource efficiency, Jingzhou Shenlian Water Co., Ltd. processed a total of 18,110.50 tons of sludge in 2023, all of which was repurposed by brick manufacturers for brick production, thereby neutralizing harmful substances and reducing ecological harm. Ningxia Helan United Water Co., Ltd. managed 28,266.90 tons of sludge in the same year, with approximately 30% processed by professional companies for land improvement and afforestation, significantly advancing the resourceful use of sludge.

Green Philosophy Advocacy

Leveraging its sectoral strengths, United Water actively embraces its environmental obligations, endorses eco-friendly practices, engages in green community initiatives, and educates the public on the importance of water conservation and environmental stewardship. The Company fosters community involvement in protecting the environment, thereby contributing to the building of an ecological civilization.

Green & Low-Carbon Office Practices

At United Water, we actively champion the adoption of eco-friendly office and lifestyle habits among our employees. We encourage our staff to minimize resource and energy consumption in their daily activities and simultaneously amplify our environmental protection initiatives. We drive our subsidiary companies to initiate green public welfare projects, thereby raising our employees' environmental consciousness. Through tangible actions, our employees demonstrate their commitment to sustainable development and contribute to preserving the natural ecosystem.

Paper Conservation

We are transitioning to modern conferencing systems to facilitate paperless operations and promote the dual-sided use of paper and recycling efforts to diminish paper waste.



Water Conservation

We foster a culture of water conservation, urging employees to promptly turn off taps to significantly reduce water wastage.



Electricity Conservation

We endorse the practice of promptly switching off various electrical appliances and carefully managing air conditioning temperatures in office spaces to curtail electricity consumption.



Low-Carbon Commuting

We support our employees' efforts to commute in eco-friendly ways, such as utilizing public transportation, to actively lower energy use and shrink our carbon footprint.



Environmental Science and Public Education

United Water is dedicated to disseminating environmental protection principles and actively embraces its social responsibilities. Through various outreach efforts and by offering tours of water treatment facilities, we enhance public understanding of environmental stewardship, spurring a greater collective awareness of safeguarding water environments and conserving water resources.

Case | Promoting Water Stewardship and Fostering Environmental Harmony

On March 25, 2023, Xianning United Water Co., Ltd. engaged in the "World Water Day" and "China Water Week" awareness campaigns, hosted by the Xianning Municipal Bureau of Water Resources and Lakes. The Company engaged citizens with hands-on introductions to tap water, consultations on water services, demonstrations of water quality testing, and information sessions on household water metering. This direct engagement equipped the public with extensive knowledge of responsible water use and conservation, fostering a culture of water-saving practices and nurturing a balanced coexistence between communities, water resources, and society.



Case | Nurturing Young Ambassadors for Water Conservation

In line with the 32nd "National Urban Water Conservation Promotion Week," United Water Suqian Water Supply Company organized an educational event at the Suqian Branch of the Nanjing Normal University Affiliated Elementary School. The theme was "Embrace Your Role as Water-Saving Guardians, Together We Build a Beautiful City." Conservation educators enlightened the students about the journey of tap water from source to tap and the purification process and shared practical water-saving tips. The initiative culminated with the students pledging to be eco-friendly "little warriors," equipped with the knowledge to protect water resources and the resolve to help build a picturesque urban landscape.



Case | Energizing Conservation through Employee Incentives

United Water Suqian Water Supply Company has pioneered an energy-saving incentive program that rewards departments for reducing energy use through technological improvements and managerial innovation. Quarterly, the Company evaluates the actual costs of electricity and chemicals. Departments that spend less than budgeted receive 20% of the cost savings as bonuses for their staff. In 2023, the Company cut production electricity expenses by RMB 1,769,500, leading to the allocation of RMB 353,900 in energy-saving bonuses, which significantly boosted employee engagement in energy-saving activities.

Enhanced Environmental Management

United Water actively engages with the national mandates on environmental protection and the pursuit of green, low-carbon development, maintaining strict compliance with laws and regulations such as the *Environmental Protection Law of the People's Republic of China*. Within its operational and production realms, the Company upholds its environmental protection duties by crafting and applying policies like *Environmental Management Program Management Procedures*, *Energy Management Regulations*, and *Environmental, Safety, and Occupational Health Training Regulations*. United Water is dedicated to the continuous enhancement of its environmental management system, underscoring Environmental Impact Assessments (EIAs) for its projects, strengthening control over environmental risks, refining environmental emergency management, consistently undertaking emergency simulations, and promoting environmental protection education and training. By doing so, the Company is committed to aligning its growth with environmental stewardship.

○ The total investment in environmental protection reached

RMB **141.739** million

representing **23.87** % of operational revenue

○ United Water, along with its **three** branches— Suqian Minxin Water Quality Testing Co., Ltd., Suqian Gengche Wastewater Treatment Co., Ltd., and Suqian United Municipal Engineering Co., Ltd.—

all achieved ISO 14001 Environmental Management System certification and GB/T 24001-2016 Environmental Management System certification.

○ The Company organized **22** environmental protection training sessions throughout the year

with full participation from

301 employees

reflecting a training coverage rate of

100 %

Underscoring EIAs for projects

Emphasizing EIAs for construction projects, the Company thoroughly evaluates the potential environmental effects during both the construction and operational stages. It gives special attention to soil and water conservation and to landscaping activities throughout the construction phase, rigorously managing construction practices to curtail any adverse environmental consequences resulting from project execution.

Refining environmental emergency management

United Water is focused on extensively bolstering its environmental emergency response capabilities. It encourages its subsidiaries to draft *Emergency Response Plans for Sudden Environmental Incidents*, streamlines the emergency response to unforeseen environmental pollution and ecological disruptions, conducts regular simulations in line with these plans, augments its workforce's emergency handling skills, and ensures swift and effective reactions to environmental emergencies.

Strengthening environmental hazard prevention and control

The Company embeds the mitigation of environmental threats into its everyday management, improving the detection, assessment and preliminary control of environmental hazards like noise, dust and water pollution during the execution of current projects. It maintains a detailed registry of significant risks and regularly performs inspections to guarantee the adherence to hazard mitigation protocols on-site.

Promoting environmental protection education and training

United Water actively fosters environmental education and training, systematically instructing its workforce on environmental laws, cutting-edge technologies and the ethos of environmental care to deeply root a culture of environmental mindfulness.

Key Environmental Performance

	Indicator	Unit	2023 Values
Energy Consumption	Electricity Consumption	Kilowatt-hours (kWh)	130,418,203
	Gasoline Consumption	Liters (L)	154,466.54
	Diesel Consumption	Liters (L)	55,535.46
	Natural Gas Consumption	Cubic meters (m ³)	135,137.28
	LPG Consumption	Kilograms (kg)	5,643
	Total Energy Consumption	10,000 tons of standard coal equivalent	16,451.62
	Energy Consumption Density	10,000 tons of standard coal equivalent per RMB 10,000 of revenue	0.15
Greenhouse Gas Emissions	Greenhouse Gas Emissions (Scope 1)	Tons of CO ₂ equivalent	799.38
	Greenhouse Gas Emissions (Scope 2)	Tons of CO ₂ equivalent	74,377.5
	Total Greenhouse Gas Emissions	Tons of CO ₂ equivalent	75,176.88
	CO ₂ Emissions per Unit of Output	Tons of CO ₂ equivalent per RMB 10,000 of revenue	0.67
Water Resource Management	Rate of Water Used Internally	Percentage (%)	1.96
	Volume of Wastewater Treated	Tons	144,185,580
	Reduction in Pollutants (COD)	Tons	44,894
Exhaust Emissions	Volume of Nitrogen Oxides Emitted	Tons	0.00816
	Volume of Sulfur Oxides Emitted	Tons	0.000528
	Volume of Particulate Matter and Suspended Particles Emitted	Tons	0.00504
	Emissions of Volatile Organic Compounds	Tons	0.00036
Waste Emissions	Volume of Hazardous Waste ¹	Tons	12.72
	Volume of Waste Recycled and Reused ²	Tons	94,891

1. Mainly from waste oil, laboratory waste liquid

2. Total amount of sludge transported and disposed of (Domestic sewage plant and industrial sewage plant sludge dewatering, drying after the sludge disposal qualification of professional companies to treat, power generation, brick making, etc.)



R eliable Partner

◇ Total water planned treatment capacity

2.7 million tons per day

◇ Comprehensive compliance rate of water supply quality

100 %

◇ Charitable contributions

RMB **1,543,300**

Contributing to UN SDGs





Stable Water Supply

Water is essential to life, and the integrity of water quality is imperative for people's health and quality of life. United Water dedicates itself to enhancing water quality, boosting water supply capabilities, and refining service levels, ensuring the provision of safer, more reliable and higher-quality water to numerous households, thereby increasing consumer satisfaction and well-being.

Ensuring Water Supply Quality

The Company is committed to stringent control over water quality safety, establishing a holistic water supply security system that extends from the source to the tap. Our goal is to elevate the standard of our water supply from simply being compliant to being exceptional.

◇ Total water planned treatment capacity

2.7 million tons per day



Source control

We have set up a comprehensive emergency plan for water source quality and a rigorous inspection system. We monitor water quality hourly to effectively preempt water source contamination. For raw water safety, we've established a water quality linkage mechanism with local ecological and water resource departments. Moreover, our water quality testing center intensifies the monitoring of raw water indicators such as odor, dissolved oxygen, UV-245, and algae count according to seasonal changes, ensuring water quality safety.



Conducting water source monitoring



Case

Xianning Xiangquan Water Quality Testing Co., Ltd. Successfully Passing the Water Supply Sector's Toughest "National Exam" Again

In 2023, Xianning Xiangquan Water Quality Testing Co., Ltd. participated in the 16th National Urban Water Supply and Drainage Industry Inspection and Testing Institution Quality Control Assessment, facilitated by the Water Supply Quality Monitoring Center of the National Ministry of Housing and Urban-Rural Development. The Company achieved "Qualified" across all categories. This assessment by the Ministry is widely regarded as the most authoritative in the national water supply and drainage inspection and testing fields, thus being dubbed the industry's ultimate "National Exam." The Company has consistently showcased excellence by achieving a 100% pass rate in all the eight national and provincial quality control assessments and capability verifications it has participated in.



Water treatment process

"Maintaining the standard of water supply quality" is the company's most crucial lifeline. We are dedicated to advancing our water treatment processes, increasing monitoring at all stages, and ensuring 24/7 operations. Our state-of-the-art treatment includes coagulation, sedimentation, filtration, disinfection, and advanced processes like pre- and post-ozone treatment combined with biological activated carbon filtration to guarantee consistently superior water quality.



Strengthening water quality testing

We have improved the water quality management and testing framework within our plants, executing a tiered testing strategy and performing ongoing assessments of source water, finished water, and distribution networks. By enhancing the frequency and scope of water quality testing, consistently monitoring at endpoints and across the network, and intensively scrutinizing any anomalies, we ensure that our water quality test results not only meet but significantly surpass national standards.



Strengthening water quality testing

◇ Comprehensive compliance rate of water supply quality

100%

Enhancing Water Supply Capabilities

The Company persistently channels funds into bolstering our water supply infrastructure, along with the renovation and upkeep of our pipeline network. This strategic investment propels the advancement of our water supply capabilities. Through continuous improvements in our water distribution management, we ensure the reliability of the water supply, thereby delivering water that is both high in quality and efficiently distributed.

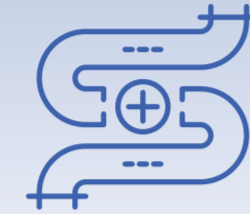


Water supply infrastructure construction

We are actively improving the water intake systems at various plants and pumping stations, ramping up investments in pipeline construction to enhance the network layout, and reinforcing the infrastructure for basic rural water supply. These improvements are fundamental to constructing a durable and secure water supply network that consistently delivers safe and reliable water.



Water supply infrastructure construction



Optimized water distribution management

Our integration of smart water utility systems enables us to monitor network pressure across regions in real time. We handle real-time information regarding water pressure, quality, energy usage, secondary supply equipment, and operational data from water treatment facilities. Through comprehensive surveillance using an integrated platform, we gain a profound understanding of the water supply dynamics, enabling us to make informed and judicious decisions for a stable water supply.



Water distribution management



Pipeline network facility inspection

We have intensified the scrutiny and maintenance of our production equipment and facilities. Personnel are assigned to the 24-hour monitoring of essential areas such as power distribution rooms and pump houses, facilitating the early detection of issues, swift repair of malfunctions, and the quick resolution of potential risks. The frequency and thoroughness of inspections of water supply facilities have been increased to proactively address any hidden dangers, ensuring the uninterrupted functioning of our water supply systems.



Pipeline facility inspection



Case | Ensuring Water Supply Safety: Diligent Valve Inspection during Routine Checks

On January 16, 2023, the pipeline network division of Sanmenxia United Water Co., Ltd. conducted its routine inspection of an 8-kilometer raw water pipeline and a 6-kilometer distribution pipeline. The Company recognizes the critical nature of these original distribution pipelines, which are predominantly situated along riverbanks in areas out of reach for vehicles. Consequently, the department mandates monthly on-foot patrols to guarantee that every valve receives attention. Adopting a mentorship model, seasoned employees lead the newcomers through the inspection processes, acquainting them with the precise locations and operational statuses of the valves. This meticulous inspection process, carried out over a day, ensures the safety and reliability of each valve, thereby safeguarding the raw water supply during the Spring Festival and maintaining the integrity of the overall water supply.



Staff inspecting the pipeline

Propelling Urban-Rural Water Supply Integration

Water safety is crucial for public welfare, rural revitalization, and urban development. The Company is dedicated to enhancing the urban-rural water supply guarantee system and advancing the integration of urban and rural water supplies. We aim to address the difficulties faced by the public, especially in rural areas, in accessing drinking water, providing improved water services for urban and rural residents.

Case | Strategic Planning to Bridge the "Last Mile" in Water Supply

In Jishan County, the uneven distribution of water source locations poses a significant challenge, especially during dry years. To address issues such as the dispersion of water sources and limited regulation capabilities, Jishan United Water Co., Ltd. implemented a project to integrate water sources with the supply network. This involved extending the pipeline network and renovating old networks, transforming isolated water supply areas into an interconnected supply system. Efforts were made to bridge the "last mile" of water supply in remote areas like Dongqu and Qiaokou. This ensures unified scheduling and shared water resources in urban zones, achieving complete urban water supply coverage. It effectively resolved the drinking water challenges for Jishan County residents.

Case | Advancing Urban-Rural Water Supply Integration for Rural Revitalization

On August 18, 2023, Xianning Siyuan Water Co., Ltd. celebrated the completion of the Xian'an District Henggouqiao Town Urban-Rural Integrated Water Supply Project. With a total investment of RMB 60 million and a construction timeline of one year, the project increased the daily water supply capacity from 20,000 to 50,000 tons. Consequently, the service now reaches 180,000 individuals, up from 110,000, providing them with safe, reliable, and superior water, and ushering in a new era of sustainable development for picturesque rural communities.



Emergency Water Supply Assurance

The Company is dedicated to the continual enhancement of our emergency management systems and protocols. We devise a variety of emergency water supply strategies and bolster our response capabilities to solidify our emergency water supply assurance.



Equipping emergency supplies

Our emergency supply stockpile has been meticulously refined to guarantee the availability of repair materials, tools, and equipment for immediate use.



Improving emergency response capabilities

We have established comprehensive training and drill plans tailored for emergency situations, routinely orchestrating and executing specialized exercises for our emergency plans. These drills and simulated exercises are meticulously designed and conducted in accordance with well-defined procedures, significantly improving our capacity to manage emergency situations effectively.



Strengthening emergency repairs

An emergency water supply repair squad has been put into place, complete with a 24-hour on-call system. Our customer service hotline operates around the clock, and our repair teams are always ready to respond promptly to any incidences of pipeline failure, ensuring that repairs are conducted and normal water supply is restored as swiftly as possible.



Number of annual emergency drills

61

Executing operations for emergency water supply assurance

Premium Services

United Water consistently prioritizes customers, continuously improving the capacity of its water supply services. The Company is committed to fostering a service environment that boasts streamlined processes, affordability, and high efficiency. By embedding the concept of optimizing the business environment into all facets of water supply services, United Water is steadfast in its pursuit to enhance the customer service experience and the effectiveness of its water supply services.

Optimizing Access to Water Services

"The business environment is perpetually evolving towards improvement, but never attaining perfection." The Company persistently innovates its offerings to refine the process of securing water services, ensuring more convenience, efficiency, and quality for its users. Such relentless enhancement propels the business environment forward, fostering high-quality development within a superior business climate.



The "One Visit" service policy simplifies the water supply installation process considerably.

Jishan United Water Co., Ltd. focuses on enhancing the efficiency of water installation as a key breakthrough. Adhering to the principles of minimal steps, simplicity, time efficiency, and peak performance, the Company is on a continuous quest to refine the installation process. Through its WeChat public account, it has implemented the "One Visit" service policy. The Company even accepts applications when certain documents are absent, striving to fulfill user needs in the quickest possible manner. For select customers, a proactive tracking service system addresses potential issues and risks.

In the 2022 business environment assessment in Yuncheng City, Shanxi Province, Jishan County excelled, with its "Access to Water Services" ranking third in the city.



The establishment of a "Water, Electricity, and Gas Shared Service Hall" has introduced the "110" service model.

Xianning United Water Co., Ltd. is at the forefront of service innovation. Its shared service hall delivers a seamless "one-stop" service where "water, electricity, and gas" are managed collectively at a single counter, including integrated installation services. The "110" service model for water installation—signifying 1 working day for application acceptance, survey, design, and connection (excluding the time for road excavation and construction approval), 1 step for the water connection, and 0 required documents—streamlines the quality of water services to "50-1U" (with "50" denoting no runaround, applications, materials, approvals, or fees, and "1U" indicating superior service), thereby simplifying and expediting the process.

In Hubei Province's 2022 business environment assessment, the Xianning High-Tech Zone ranked impressively third out of 19 national high-tech zones for the "Access to Water Services" indicator.



Proactive planning of water needs helps businesses accelerate their operations.

Zhangzhou United Water Co., Ltd. provides industrial enterprises with tailored, and attentive service, as market representatives deliver one-on-one, proactive assistance. By tapping into the "Zhangzhou City Construction Project Approval Management System" for early-stage construction project details (including project planning, land planning and approval, engineering construction approval, construction permit, etc.), the Company offers preemptive services, granting preliminary technical advice and water services at the earliest project stages.



Upgrading Service Experience

The Company is dedicated to refining service mechanisms, spearheading initiatives for public benefit, and constantly advancing its service capabilities and standards to ensure user transactions are both convenient and satisfying.



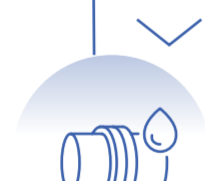
Streamlining service processes

The Company simplifies water installation procedures, cuts wait times, and integrates services for water, electricity, and gas, ultimately reducing the time customers spend obtaining services. Additionally, it facilitates various payment options such as bank transfers, Alipay, WeChat, and others, enabling users to settle their bills conveniently from home.



Guaranteeing information transparency

The Company openly shares details regarding residential water prices, non-residential water rates, and special industry tariffs through multiple channels, including service outlets, WeChat public accounts, and government websites. This approach not only protects the rights of businesses accessing water services but also instills user confidence in water usage and service consumption.



Issuing water outage alerts

The Company swiftly circulates notifications and updates on water supply services through official websites, WeChat public accounts, community WeChat groups, and mass text messages. This proactive communication ensures that users are well-informed about the latest service developments and can access water services promptly.

Safeguarding Customer Rights and Interests

The Company consistently organizes promotional educational initiatives and customer satisfaction surveys, actively addresses customer complaints, and diligently safeguards the rights and interests of our clients. Through these efforts, we substantially elevate the quality of our water supply services.



United Water Suqian Water Supply Company boasts a customer complaint resolution rate of

100 %



with a customer satisfaction rate of

98 %



Xianning United Water Co., Ltd. maintains a customer complaint resolution rate of

100 %



with a customer satisfaction rate of

96 %



Promotional educational activities

We proactively carry out a variety of promotional and educational activities, ensuring extensive dissemination of knowledge, providing counsel on consumer rights protection, and bolstering customer comprehension of our products and services.



Information security measures

We have established robust methods for managing information security and systems to maintain the confidentiality of customer data. Regular training on customer information security management is conducted to guarantee the protection of customer information effectively.



Customer satisfaction surveys

We routinely perform water service satisfaction surveys and hold customer forums, gathering feedback and suggestions to create targeted improvement actions and plans, thereby enhancing our interaction and communication with customers.



Community Involvement

The development of a company is inextricably linked to the support and understanding of the community. United Water leverages its corporate strengths and industry characteristics to actively integrate into local communities, focusing on public welfare volunteering, cultural heritage, and development needs. By building positive community relations, the Company aids in fostering a healthy and harmonious social development, committing to being a responsible and caring enterprise.

Public Welfare Volunteering

United Water is dedicated to contributing to the public good and engaging in community development activities. Our active participation in charitable efforts, including educational donations, compassionate outreach, and support in volunteer services, reflects our commitment to serve, contribute to, and reciprocate the goodwill of the community while striving to create a harmonious homeland.



Charitable donations

RMB **1,543,300**



Employee volunteer service hours

1,389.5 hours



Instances of employee participation in volunteer activities

459



United Water contributes funds to the Suqian Township Association



United Water Suqian Water Supply Company engages in volunteer tree planting



Jishan United Water Co., Ltd. conducts a comforting visit to a nursing home



Sanmenxia United Water Co., Ltd. organizes employee blood donation drive



Case | Upholding the Tradition of Reverence for the Elderly during the Double Ninth Festival

On the Double Ninth Festival in 2023, the volunteer service team from Tongxiang Shenhe Water Co., Ltd., led by the Company's Senior Vice President and Tongxiang General Manager, Luo Bin, visited a local nursing home to extend holiday wishes to the seniors. Volunteers spent time engaging with the elderly, expressing concern for their health, offering holiday blessings, and advising them on staying warm and healthy. Additionally, they distributed fruits, bread, milk, and other comforting items to provide care and assistance, embodying the traditional virtue of respecting the elderly.



Heritage Preservation

In response to the national call for rural revitalization, United Water actively focuses on supporting rural revitalization industry projects. The Company supports agricultural and rural development through the procurement of agricultural products, thereby aiding in the expansion of rural revitalization efforts and contributing to local intangible cultural heritage protection projects.



Case | Supporting Intangible Cultural Heritage Projects to Boost Rural Industrial Revitalization

Tangerine peel ginger candy, originating from Guangdong, is part of the third batch of municipal-level intangible cultural heritage protection projects in Meizhou City. In 2023, in collaboration with Fengshun County Gold Food Factory in Guangdong Province, United Water customized tangerine peel ginger candy gift boxes for the Mid-Autumn Festival for its employees and customers, embodying the motto "United Water's spirited journey enriches Fengshun." United Water actively supports the development of town and village enterprises in Fengshun County, invigorating the "driving force" for rural revitalization and painting a beautiful landscape of rural prosperity!



Event Support

Over the years, United Water has consistently acknowledged the close connection between water utility enterprises and social development, engaging in various public welfare activities and sports events. Leading with sports culture, we actively sponsor and participate in major sports events, contributing to the development of sports in its localities. The Company places great importance on each sports event, encouraging its employees to demonstrate their skills and spirit, thus promoting the balanced, high-quality, and vigorous development of mass sports.

Supporting the Passionate Launch of the Suqian Marathon

In 2023, United Water partnered again with the Suqian Marathon, jointly witnessing this high-profile, high-quality event. On April 2, the Jingdong Suqian Marathon officially started, with 12,000 runners gathering in this City of Water Charm, running from the Ancestral Home of Xiang Wang to the Suqian Olympic Sports Center along the most beautiful track. As official sponsor of the 2023 Jingdong Suqian Marathon, United Water fully supported and serviced the event, dispatching a 22-member staff service team to designated service points, preparing small gifts like sun hats and arm packs for participants. In this Suqian Marathon, the Company innovatively introduced the "United Water New Journey Race within a Race" segment, inviting marathon runners to participate in teams through various channels, attracting more participants to the event, and injecting robust "momentum" into the marathon.



Chairman and President Phillip Weijing Yu (first from the right) presenting awards to the winners



142 United Water employees participated in the race, forming a "hundred-person team"

The marathon ethos of "self-challenge, surpassing limits, and relentless perseverance" is deeply embedded in the DNA of United Water's development, maintained through responsibility and contended for quality. Beyond the perfectly aligned spirit of perseverance, Phillip Weijing Yu, Chairman and President of the Company, mentioned "hometown" when discussing the reason behind the renewed collaboration with Suqian Marathon. Twenty years ago, United Water was established in the land of West Chu, and Suqian - a young city blending cultural heritage with modern progression - provided significant momentum for United Water's inception. Supporting Suqian Marathon signifies backing the cultural and sports industry development in Suqian, represents a gesture of giving back to our hometown, and stands as the best testament to United Water's active engagement in social responsibilities.

Jishan United Water Co., Ltd. Actively Engaged in Jishan Marathon

On May 14, 2023, The 2023 Jishan Marathon kicked off amid a sea of flags and a wave of spectators at the Shanxi Yuncheng Jishan County Committee Square, marking the race's exhilarating start. This event brought together over 3,000 participants from 9 countries and 17 provinces (cities, autonomous regions) within China, all revved up for a spirited competition. Their passionate pursuit of speed beautifully captured the essence of the Jishan Marathon's allure.

As a significant contributor to Jishan's development, Jishan United Water Co., Ltd. organized a team of 9 competitors and a 40-person volunteer team to actively partake in this event. On the racecourse, United Water's competitors, with their agile forms, fully demonstrated the Company's pioneering spirit of perseverance and the marathon spirit of "self-challenge, surpassing limits, unwavering endurance, and relentless perseverance"; off the course, the volunteers from United Water devoted themselves with the utmost seriousness, sincerest smiles, and most enthusiastic service, providing support and care to the participants and spectators.



Competitor and volunteer teams of Jishan United Water Co., Ltd.

United Water Dragon Boat Team Clinched Second Place in the 2023 Suqian Harvest Festival Dragon Boat Race

On September 23, 2023, the much-anticipated "2023 Suqian ' Harvest Festival Dragon Boat Race" heatedly commenced on the ancient Yellow River in Suqian, marking the city's first-ever dragon boat race in celebration of the Harvest Festival. Thirty-three dragon boat teams competed fiercely, with each participant showcasing their best performance and style, presenting a splendid aquatic spectacle to the audience. After intense competition, the United Water team, with high spirits and exceptional cohesion and combativeness, successfully secured second place in the competition. Phillip Weijing Yu, Chairman and President of the Company, along with Liu Meng, Director and Executive Vice President, attended the opening and closing ceremonies and watched the race on site.

Set against the backdrop of water charm and featuring dragon boats, this aquatic sport celebrating the harvest attracted numerous spectators, making the competition site bustling with activity, and the riverside vibrant with flags and the sound of drums. The spirit of unity, pursuit, and vigorous effort displayed in the dragon boat race, deeply rooted in the spiritual core of the Chinese nation, aligns closely with the development DNA of United Water. After a tense competition, the United Water team, paddling with passion, achieved second place in the men's 300 meters straight race with a time of 1 minute 13 seconds 18. In this clash between paddles and water, the United Water spirit of "unity, integrity, striving and mutual success" was vividly demonstrated.



United Water team secured second place in the competition

E xcellent in Operations

Completion of anti-corruption training

100 %

Investment in production safety

RMB **6,179,800**

Number of emergency drills

61

Contributing to UN SDGs



Corporate Governance

United Water rigorously complies with the latest stipulations of the *Securities Law of the People's Republic of China*, the *Corporate Governance Guidelines for Listed Companies*, the *Stock Listing Rules of the Shanghai Stock Exchange*, among other pertinent regulations. By upholding the tenets of transparency, fairness and accountability, and integrating these with the Company's management practices, we have developed a standardized corporate governance framework and an advanced risk management system, elevating our governance standards and compliance requirements.

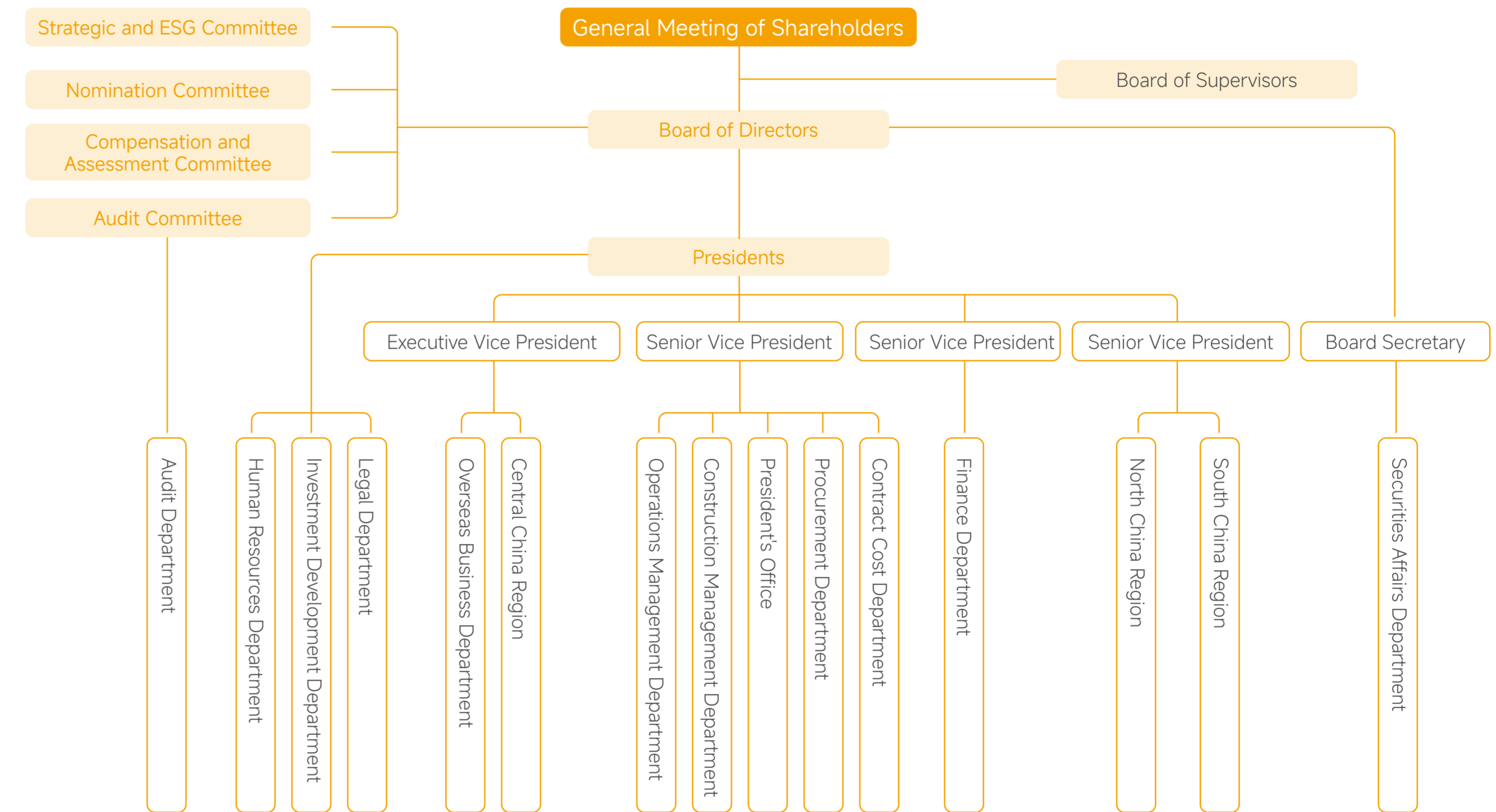
Corporate Governance Framework

The Company has instituted a comprehensive "1+3+5+N" system of governance structures, creating a clear decision-making process and delineating authority with a model known as "Three Meetings and One Layer," thereby ensuring governance consistency and regulatory adherence.

The General Meeting of Shareholders is the supreme decision-making entity of the Company, exercising authority over major company matters as prescribed by law. The Board of Directors, accountable to Shareholders and all stakeholders, is the executive decision-making body responsible for outlining the Company's strategic goals and making key business decisions. Within the Board's structure are four specialized committees—Strategy and ESG Committee, Audit Committee, Nomination Committee and Compensation and Assessment Committee—each of which provides regular reports to the Board.

The Board of Supervisors is answerable to all shareholders and operates in accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Corporate Governance Guidelines for Listed Companies* and other relevant legislation. Its role is to oversee the conduct of the Board of Directors, the senior management and their respective members, as well as the Company's financial operations, internal controls, risk management and information disclosure, thereby safeguarding the legal rights and interests of the Company and its shareholders, employees and other stakeholders.

Diagram of United Water Governance Structure



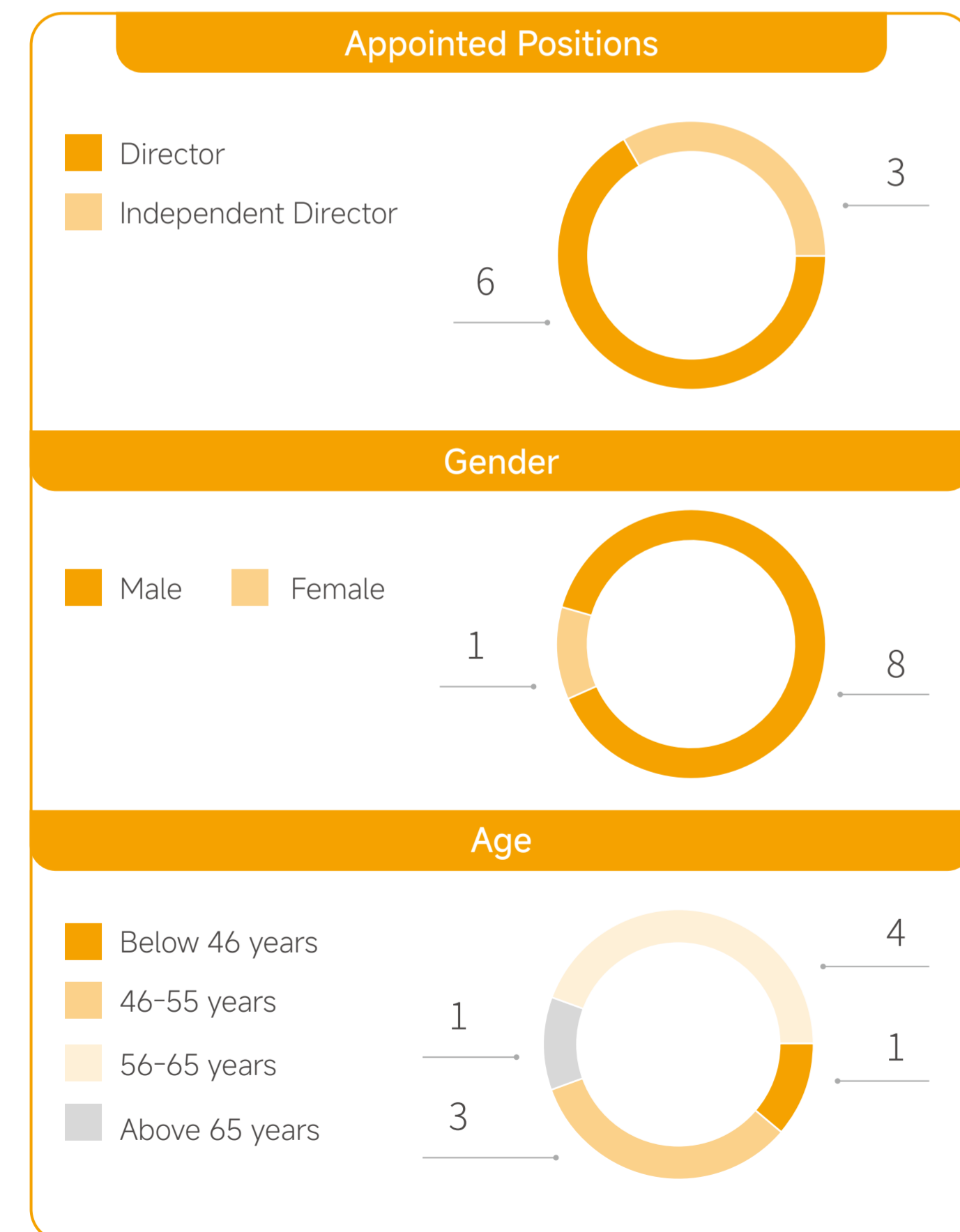
During the reporting period

<p>The General Meeting of Shareholders convened</p> <p>3 times addressing 20 items</p>	<p>The Board of Directors held</p> <p>7 sessions discussing 40 topics</p>	<p>The Board of Supervisors met</p> <p>7 times covering 18 subjects</p>	<p>The Audit Committee</p> <p>4 meetings the Compensation and Assessment Committee</p> <p>2 meetings</p>	<p>the Nomination Committee</p> <p>3 meetings the Strategy and ESG Committee</p> <p>1 meeting</p>
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- 1** Articles of Association
- 3** Rules of Procedure for the General Meeting of Shareholders, Rules of Procedure for the Board of Directors, Rules of Procedure for the Board of Supervisors
- 5** Detailed Work Protocols for the President, Detailed Work Protocols for the Board of Directors' Strategy and ESG Committee, Detailed Work Protocols for the Board of Directors' Nomination Committee, Detailed Work Protocols for the Board of Directors' Audit Committee, Detailed Work Protocols for the Board of Directors' Compensation and Assessment Committee
- N** A number of supporting systems including the Independent Directors' Work System, Information Disclosure Management System, etc.

Board of Directors' Effectiveness

The Company has developed a well-structured organization and procedural guidelines for the Board of Directors to guarantee effective and systematic managerial decision-making. The current Board is composed of nine members (eight males and one female), which includes three independent directors with a varied mix of expertise in finance, financial oversight, corporate governance, and environmental water services. All members serving on the Board's specialized committees are directors, each of the Audit Committee, Nomination Committee, and Compensation and Assessment Committee featuring two independent directors, with the Audit Committee including one independent director who is a certified accountant.



Investor Communications

United Water complies with regulations pertaining to information disclosure by publicly listed companies, having established internal policies such as Investor Relations Management Methods and Information Disclosure Management System. These policies guarantee investors' rights to receive information and participate in significant company matters.

The Company has produced and released four standard reports and 86 interim announcement and associated documents, ensuring the information disclosed is timely, accurate, and comprehensive. In addition to extensive information disclosure, United Water prioritizes in-depth communication with investors through various channels, including on-site research meetings, investor inquiries, and the e-interactive platform.

In strict accordance with its Articles of Association, United Water safeguards the voting rights of minority shareholders. In 2023, the Company conducted a hybrid shareholders' meeting with both physical and online voting options. Minority shareholders cast their votes on several key proposals, such as the 2023 compensation plan for directors, supervisors, and senior executives, authorization of financial and guarantee limits for the Company and its subsidiaries, the reappointment of the auditor, the 2022 profit distribution plan, the appointment of additional directors, and the election of the second Board of Directors and Board of Supervisors.

Risk Management

Risk management is crucial for the stable operation of an enterprise. United Water has established and continuously refines the Company's risk management and internal control systems. The Board of Directors is charged with overseeing risk management and governance, while the Audit Committee regularly supervises and evaluates the effectiveness of internal controls, reporting their findings and progress to the Board.

United Water is committed to enhancing risk identification, evaluation, and mitigation processes. Regular risk assessments allow the Company to be aware of potential threats and opportunities, leading to a comprehensive understanding of critical business sectors and the improvement of risk monitoring and early warning systems. This process improves oversight of market, operational, and regulatory risks. Business department heads are required to report financial performance and objectives from short- to long-term perspectives to the Board, along with potential operational risks. Concurrently, the Company has developed and continuously upgrades its response strategies and contingency plans, bolstering employee awareness of risk to ensure swift, orderly, and effective reactions to unforeseen events.

United Water continuously refines its financial internal control management mechanism in compliance with the Company Law of the People's Republic of China, Stock Listing Rules of the Shanghai Stock Exchange, Basic Norms for Enterprise Internal Control, and other pertinent regulations, as well as the Company Articles of Association. The Company has developed related systems, such as the Financial Internal Control Management Manual and Internal Audit System, to advance the standard implementation of financial internal control management. Furthermore, it annually contracts professional accounting firms to audit the effectiveness of internal controls over financial reporting, aiming to mitigate potential risks and ensure the Company's compliant and robust operation.



Business Ethics

Commitment to business ethics is a core responsibility of every company. United Water continuously refines its business ethics and anti-corruption frameworks, enforces the *Anti-Fraud and Reporting System*, and firmly opposes all forms of bribery, corruption, fraud, extortion, embezzlement, and other inappropriate conduct that contravenes business ethics standards. Such commitment fosters a culture of integrity and cultivates a reputable and upright business environment in collaboration with employees, suppliers, and partners.



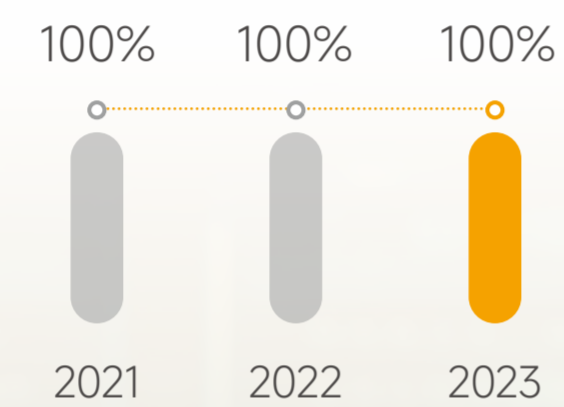
Average anti-corruption training duration per employee in 2023

1 hour

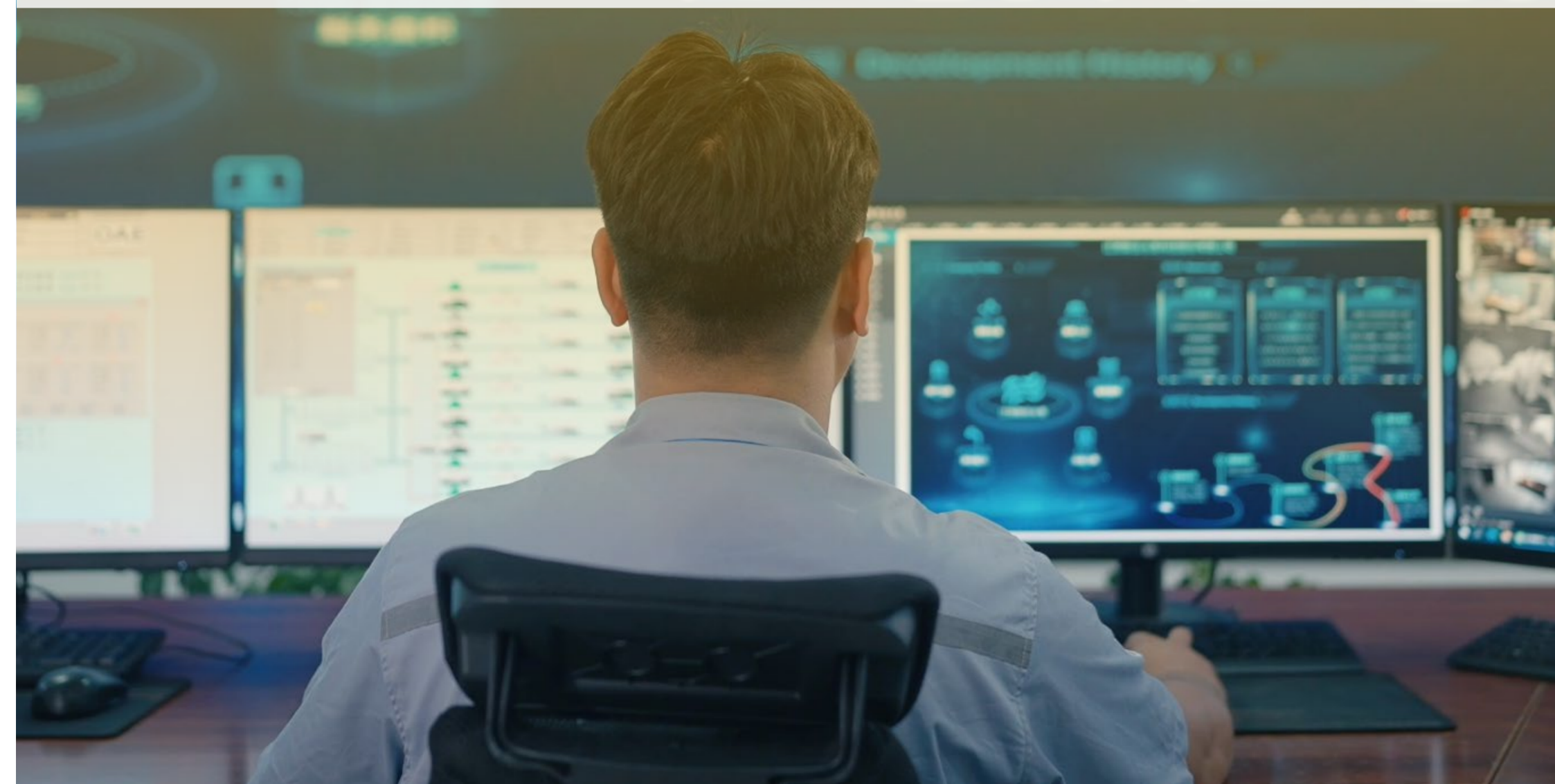


Number of corruption-related lawsuits filed in 2023

0



Anti-corruption training coverage



The Company has established and put into effect the *Employee Code of Conduct*, which categorically forbids bribery and corruption. This code is integrated into the United Water Employee Handbook. Through targeted internal training and information dissemination, the Company assures that all employees understand and adhere to its professional ethics, mandating compliance with the code of conduct in all business activities and daily operations.



The Company has heightened the enforcement of business ethics and anti-corruption standards among suppliers, creating a rigorous supplier evaluation system and incorporating ethical requirements into the supply chain management process. This ensures that all partners throughout the supply chain adhere to the code of business ethics.



To manage business ethics risks effectively, United Water has bolstered its monitoring and detection efforts by establishing a robust internal reporting and investigation framework. The Company has set up a dedicated reporting mailbox, ensuring that whistleblowers are protected from unlawful discrimination, retaliation, and any adverse treatment during investigations. This allows employees to report any suspected ethical violations safely and with ease. The Company also upholds a "zero tolerance" policy toward breaches of business ethics, implementing decisive actions to address misconduct and guarantee prompt resolution of any ethical infractions.

Responsible Procurement

A stable and sustainable supply chain is the cornerstone of high-quality development. The Company is committed to promoting the standardized evolution of the supply chain, enhancing the supplier management system, and forging a mutually beneficial procurement relationship with its suppliers, thus creating a robust sustainable supply chain ecosystem together.

Standardized Procurement

United Water is committed to strict adherence to laws and regulations, including the *People's Republic of China Bidding Law* and its implementing regulations. This commitment drives the continuous enhancement of our procurement management system, contributing to a robust procurement management framework that bolsters the standardization and professionalization of our supply chain management.

Constantly improving systems and norms

In 2023, the Company updated and refined its internal policies and standard procurement documentation, including the *United Water Group Procurement Management System* and *United Water Group Bidding Management System*, further streamlining its supply chain management processes.

Reinforcing supply chain integrity

The Company has implemented strict cross-departmental oversight of all procurement actions, complete with specific channels for reporting infractions to guarantee legality, adherence to regulations, and fairness. In the reporting period, we blacklisted eight suppliers for breaches of integrity. To prevent such issues, we have introduced a system for diverse bidder recommendations, including the full disclosure of recommenders' identities.



The Company has developed a professional centralized procurement platform, enabling it to manage unified bidding for bulk materials and the procurement of materials and services required by various operating entities within the Group. This approach significantly enhances procurement quality and efficiency, reduces costs, and lessens procurement risks. During the reporting period, purchases led by the Procurement Department accounted for over 70% of the Group's total procurement volume.

Developing centralized procurement platforms.

The Company ensures that procurement contracts clearly define material technical standards and outline procedures and penalties for non-compliance. Key Quality Control Points (QCPs) are established for critical equipment to oversee production processes and pre-shipment inspections. The quality inspection team conducts tests in accordance with contractual stipulations before warehousing materials. For materials like activated carbon and certain chemicals that require off-site testing, we employ third-party inspections. Additionally, all stored materials are covered by a warranty period.

Advancing quality control measures

Comprehensive Process Control

The Company maintains an extensive management system covering supplier admission, evaluation, rectification, and removal. This system ensures a standardized approach to managing and dynamically updating our supplier list, guaranteeing that suppliers fulfill their obligations satisfactorily. In the reporting period, we collaborated with 498 suppliers.



Supplier Selection and Admission

We exercise stringent control over the selection of suppliers, leveraging various departments and channels to identify candidates, reviewing their qualifications meticulously, and performing on-site verifications to ensure authenticity. We strictly bar any affiliated companies from the bidding process and apply sanctions and warnings where deception or collusive bidding is detected.

Supplier Evaluation and Rectification

We have instituted a detailed assessment mechanism where each department evaluates suppliers annually. Suppliers are rated as "Excellent," "Good," "Fair," or "Poor" during collective reviews, and these evaluations are integrated into an annual supplier performance report, which informs updates to the Group Supplier Directory. Actions corresponding to their ratings are taken, ranging from prioritizing purchases to mandating improvements, or ceasing procurement activities.

Supplier Removal

Suppliers who receive a "Poor" rating in annual evaluations, or those identified with substantial quality, safety, environmental, or integrity failings, will have their contracts discontinued. They will also be removed from the supplier list and barred from quoting or participating in bids for a period of three years.

Enhanced Growth for Mutual Benefit



Enhancing sustainable capabilities

During on-site visits, our expert team offers specific recommendations for improving production quality, safety and business management, aiding suppliers in reaching elevated operational standards.



Promoting sustainable certification

We encourage and mandate that suppliers engaged in long-term partnerships for critical equipment and materials acquire certifications in quality, environmental, and health and safety management systems, thus improving their ESG management practices.

Suppliers obtained quality management system certification

41.96 %

Suppliers obtained environmental management system certification

22.69 %

Suppliers obtained occupational health and safety management system certification

22.69 %





Line of Safety Defense

Safety is paramount. United Water forges a unanimous commitment to safety and significantly enhances the safety infrastructure. We build a strong physical safety base and augment information security measures, thereby reinforcing comprehensive security in the digital era and endeavoring to foster a secure, dependable, and stable operational environment, thoroughly reinforcing our line of safety defense.

Safety Production Management

The Company commits to the ethos of "safety first, prevention as a priority, and comprehensive management," emphasizing the importance of safety in production activities, consistently advancing our safety production management system, affirming the fundamental responsibility for safety in production, and bolstering capabilities to identify and mitigate safety risks, all to safeguard the welfare and safety of every individual at production and operational locations.

Strengthening Safety System Building

Adhering strictly to the Safety Production Law of the People's Republic of China and supplementary legal and regulatory stipulations, and guided by the Guideline of China Occupational Safety and Health Management System (GB/T33000-2016), the Company has instituted a suite of safety production management protocols, including Safety Production Control Procedures, Fire Safety Management Procedures, and Chemical Management Procedures, to certify the efficacy and uniformity of our safety management processes.

A Safety Production Committee, presided over by the President, has been formed as the primary governing entity for safety production management. The committee is supported by a Safety Production Office responsible for providing safety guidance, while safety production teams and officers at various operational entities execute safety-related duties. A monthly safety production reporting system ensures integrated and effective safety management, guaranteeing rigorous adherence to safety norms.

Driving Safety Risk Prevention and Control

In 2023, the Company developed the Hazard Identification and Risk Assessment System, concentrating on preemptive safety measures at production facilities. Assessments of current safety conditions were conducted across various operational entities, a dual-prevention mechanism encompassing risk categorization, control and the investigation and resolution of potential hazards was established, and the perpetual effectiveness of risk management was upheld through the following initiatives:

Upgrading security systems

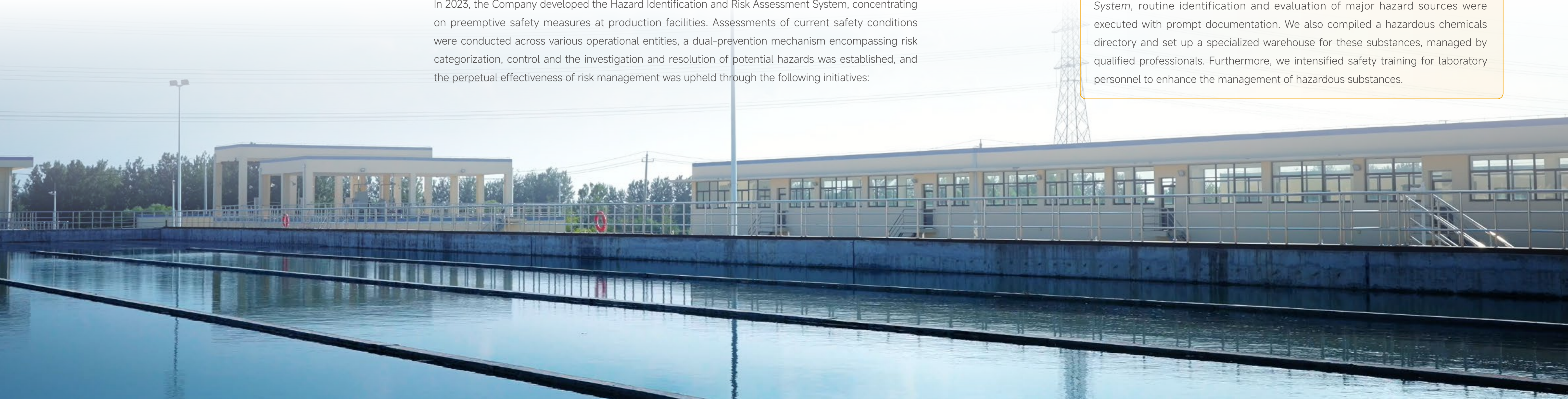
The Company enhanced its security video surveillance to encompass all vital risk areas, enabling real-time risk oversight, swift detection, and immediate action.

Augmenting on-site monitoring

Custom safety inspection protocols were crafted for distinct sectors within our water plants, certifying compliance with safety management standards and reinforcing our capacity to prevent and manage safety risks.

Strengthening hazardous chemicals management

The Company consistently observed the *Regulations on the Safe Management of Hazardous Chemicals* among other pertinent statutes. Policies like *Hazardous Waste Management*, *Hazardous Material Storage Management*, and *Hazardous Substances Usage Management* were instituted to oversee a comprehensive management cycle from the acquisition, storage, and distribution, to the disposal of hazardous substances. Leveraging the *Hazard Identification and Risk Assessment System*, routine identification and evaluation of major hazard sources were executed with prompt documentation. We also compiled a hazardous chemicals directory and set up a specialized warehouse for these substances, managed by qualified professionals. Furthermore, we intensified safety training for laboratory personnel to enhance the management of hazardous substances.



Ensuring On-site Safety

The Company adheres to a comprehensive set of engineering safety protocols, including Safety Education Training and Safety Technical Disclosure Management, Safety Inspection and Correction Management, and Detailed Rules for Safety Management and Performance Assessment. These protocols encompass safety standards, technical disclosures, performance evaluations, and corrective actions. We employ multiple safety management strategies to ensure the effective execution of engineering safety management tasks.



Defining safety responsibilities

The Company mandates specific safety production qualifications for contractors, entering into safety commitment letters and agreements that address environmental protection, occupational health, and safe construction. These agreements integrate safety management responsibilities into the contractors' performance criteria, promoting an enhancement of their safety management practices.



Standardizing safety standards

Regulations such as Safety Signage Management, Safety Protective and Emergency Equipment Management, Safety Tag Usage, and Construction Site Safety Standardization have been instituted. These guidelines detail the requirements for safety equipment, cultivate a safety-aware culture, and set standards for civil construction, thereby streamlining the management of construction site safety.



Conducting safety inspections

The Company maintains a consistent inspection and oversight routine for construction sites. Regular on-site reviews and safety disclosures are conducted to monitor adherence to safety practices, ensuring the safety of personnel on all active projects.

Ensuring On-site Safety

Embracing the "prevention-first, self-rescue, unified command and clear-cut responsibility" ethos, the Company has developed *Emergency Response Plans for Production Safety Incidents* and *On-site Production Safety Incident Handling Protocols*. These documents specify baseline emergency response procedures, outline organizational roles and responsibilities, and mandate emergency response actions. We also regularly conduct varied emergency response drills to evaluate and refine the effectiveness of our emergency plans, bolstering our ability to manage diverse emergencies and protect our employees' well-being and property.

In 2023, United Water and its three subsidiaries, Suqian Gengche Wastewater Treatment Co., Ltd., Suqian Minxin Water Quality Testing Co., Ltd., and Suqian United Municipal Engineering Co., Ltd., were certified under the ISO 45001 Occupational Health and Safety Management System.

Total safety production investment
RMB **6,179,800**

Fatalities from safety incidents
None

Safety inspections conducted
294

Emergency drills performed
61



Developing of Safety Culture

The Company is proactive in fostering a robust safety culture through targeted safety training sessions, safety knowledge contests, the display of safety slogans, and banners. Such efforts disseminate a comprehensive understanding of production safety among staff members, enhance safety consciousness, and meld safety culture into everyday practices, thus cultivating an environment where "safety is everyone's concern, and the company guarantees it".

In 2023, there were **2,742** participants in safety training programs,

accumulating **589.25** hours of instruction

Case | Embracing "Safety Production Month" to Reinforce Safety Awareness

In June 2023, the 22nd National "Safety Production Month" was observed. United Water, aligning with the theme "Safety is Everyone's Business, Everyone is Ready for Emergencies," undertook a duty to assure production safety and initiated an array of activities that significantly contributed to the overall enhancement of safety protocols.



Hubei

United Water's six Xianning-based subsidiaries executed the *Safety Production Month Activity Plan*, conducting training, weekly case analyses, first-aid instruction, emergency exercises and public safety lectures. These initiatives merged theoretical and practical learning, fostering unity and collaboration in our safety endeavors.



Jiangsu

United Water Suqian Water Supply Company engaged in exhaustive safety audits, focusing on essential areas, specialized departmental safety checks, and thorough maintenance of production infrastructure to mitigate risks. It also hosted safety knowledge tests for its leadership, leveraging assessments as tools for learning and application.



Shanxi

Jishan United Water Co., Ltd. arranged a series of "Emergency Drills," including simulations for escaping a building fire, handling fire-fighting gear, and navigating confined spaces. These drills markedly improved safety consciousness and emergency preparedness among employees.



Ningxia

Ningxia Hongze Water Purification Co., Ltd. carried out fire safety mock drills. Participants rigorously followed emergency protocols, while evaluators provided real-time feedback, pinpointing areas for improvement to enhance future readiness.

Occupational Health and Safety

United Water prioritizes the safety and health of its employees, rigorously complies with laws and regulations such as the *Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases* and the *Management Methods for Reporting Occupational Disease Hazards*, and is dedicated to advancing its occupational health and safety management system to provide comprehensive safeguards for the physical and mental well-being of employees within a secure work environment.

Occupational Health and Safety Measures

Improving working conditions

United Water Suqian Water Supply Company engaged in exhaustive safety audits, focusing on essential areas, specialized departmental safety checks, and thorough maintenance of production infrastructure to mitigate risks. It also hosted safety knowledge tests for its leadership, leveraging assessments as tools for learning and application.

Prioritizing health management

The Company arranges regular occupational health checks for employees, maintains health records and establishes monitoring files, ensuring ongoing vigilance over their health status.

Strengthening safety coverage

Employees are offered a range of insurances, including employer liability, personal accident and production safety, to provide extensive safety coverage.

In 2023



Occupational disease incidence rate

0 %



Number of work injury cases among employees

3



Employee work injury rate

0.21 %



Total days lost to work injuries

85



Days lost per million in revenue due to work injuries

0.075



Injury rate per million hours worked

0.73

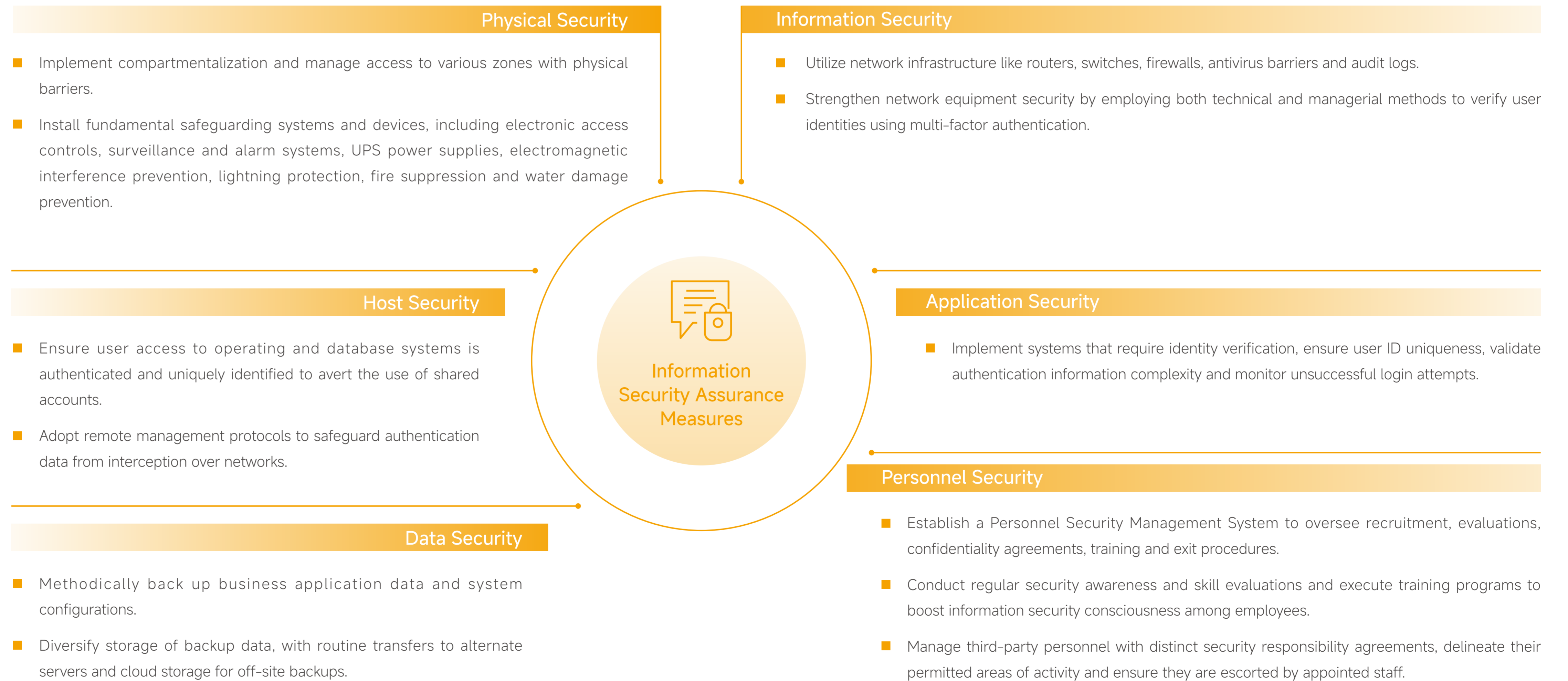


Information Security Protection

In response to the growing threat landscape in cyber security, United Water places significant emphasis on information security within its operational safety strategy. The Company is relentless in refining its information security management system, implementing a variety of security measures and establishing a formidable defense to shield vital corporate data and business systems from threats.

Information Security System Construction

United Water strictly abides by the *Data Security Law of the People's Republic of China* and other information security regulations, has formed an information security leadership team, and has crafted and implemented 18 information and data security management protocols, including the Information Security Management Method. These protocols cover strategic and organizational structure, document control, security audits, asset protection, crisis management, and more, to execute comprehensive information security oversight. Throughout the reporting period, there were no occurrences of information breaches.





Information Security Protection Measures

The Company is committed to continually enhancing its information security infrastructure and implementing diverse measures to ensure the effective functioning of our information security management system. The goal is to establish a secure, controllable, and actively managed information system security environment, thereby significantly improving our digital security posture.

Information security attack and defense drills

The Company proactively conducts attack and defense drills to identify network vulnerabilities, swiftly addresses potential security risks, and increases our team's awareness and responsiveness to security threats. Over the reporting period, we successfully completed four such exercises.

Information security compliance management

Working in tandem with the water service production control system, the Company has achieved a Level Three network security protection rating, continually enhancing the security and manageability of our information systems in accordance with legal and regulatory requirements.

Information security awareness promotion

The Company prioritizes strengthening network security incident awareness and risk identification skills among employees by mandating annual information security training for all management levels. Additionally, key personnel are selected for specialized external training in information network security management to deepen their understanding and commitment to information security.

In 2023

Number of on-site/network safety training sessions

3

Number of participants in training

400



Case

"Combining Forces" in Promotion and Education to Construct a Network Security "Firewall"

In an effort to elevate the information security consciousness among all staff members, United Water launched a "Network Security Publicity Week" in September 2023. Partnering with external expert agencies, we hosted a series of informative activities, including network security workshops, case study discussions and skill-building training. These targeted and hands-on events served to enrich our employees' understanding of network security, data security management, and emergency network security responses, fostering a shared responsibility for the collective reinforcement of our network security "firewall."

A dvanced Technology

Number of R&D personnel

7

R&D investment

RMB 1,763,000

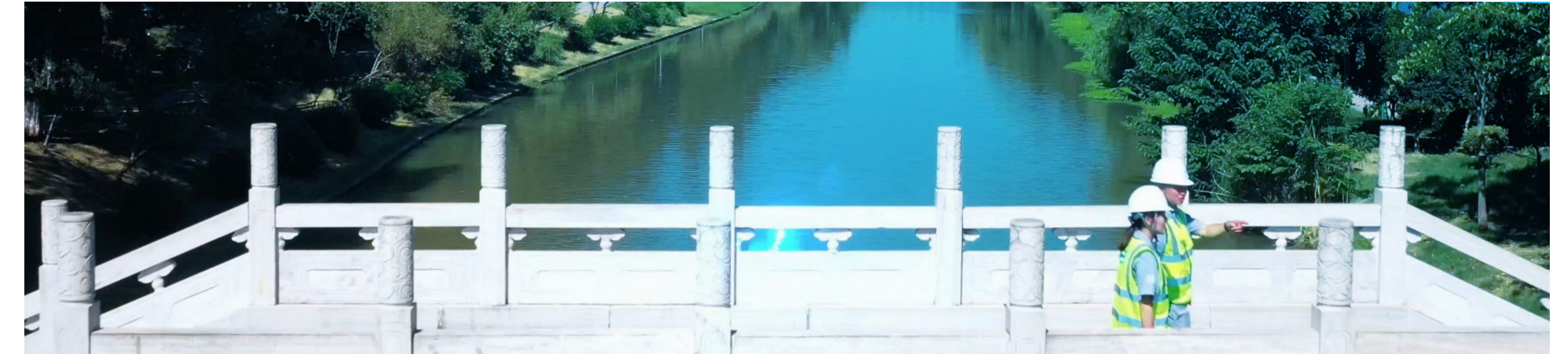
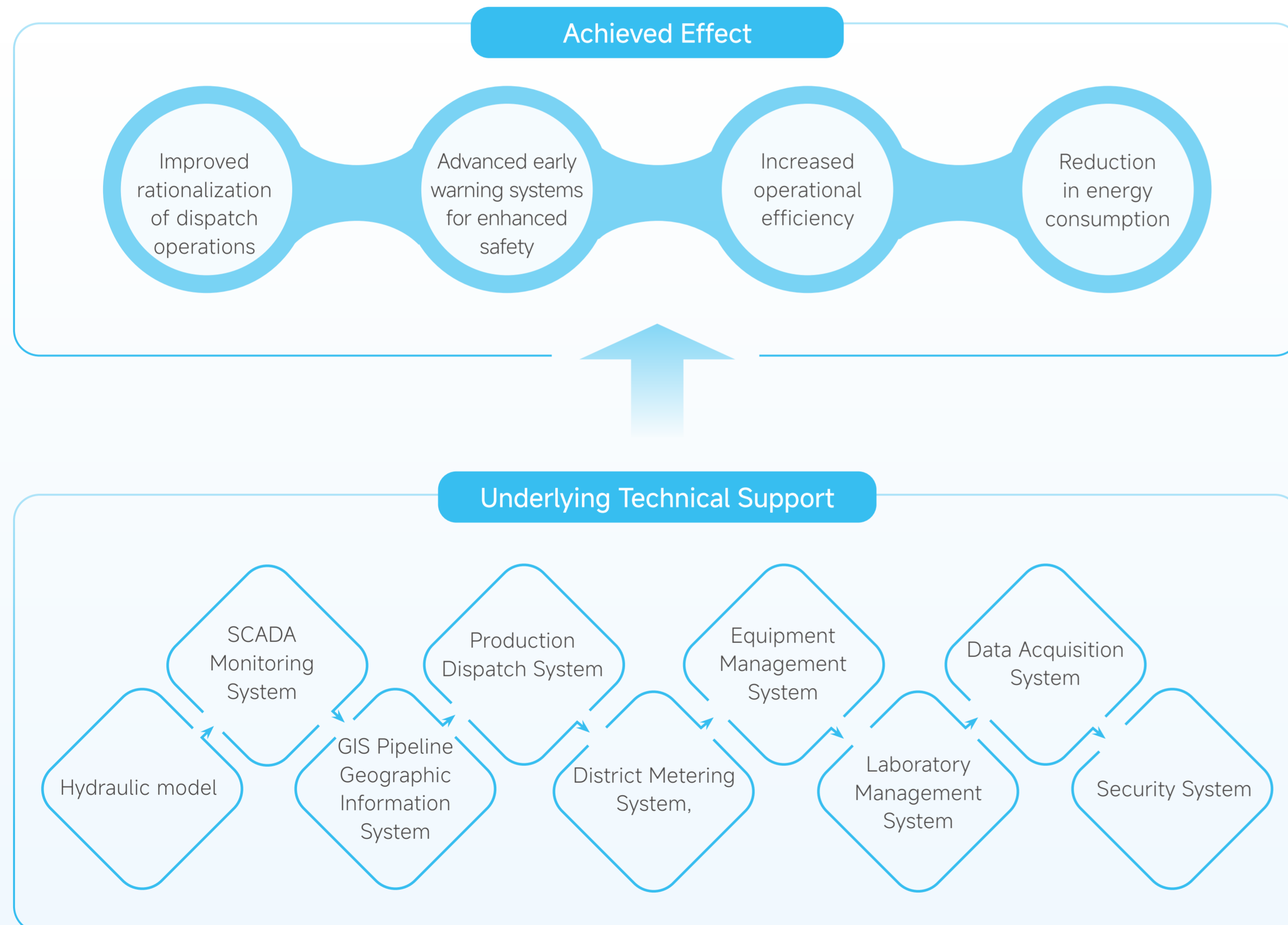
Achievement of intellectual property management system certification

Contributing to UN SDGs



Smart Water Utilities

The development of smart water utilities is essential for the standardization and efficiency of water utility management. In response to the growing requirements imposed by an expanding supply and drainage network, United Water is leveraging advanced technologies to enhance the GIS system and establish a DMA (District Metered Area) metering platform. These initiatives aim to refine the digitalization of pipeline network operations and boost network management efficiency. Our progressive expansion in both the scope and sophistication of smart water utilities marks our steady advancement towards their full realization.



Comprehensive Information Collection

By employing a variety of sensors, networks, platforms, and application systems, we collect detailed, real-time data on the operational status of the water utility infrastructure, water resource distribution and usage, as well as water environment quality and risks. This enables us to perform intelligent analysis and decision-making, leading to more effective management and optimization of water services.

Intelligent Analysis & Decision-Making

Utilizing our dispatch system operation platform, we maintain a clear and comprehensive view of water supply and demand across all serviced areas. Monitoring water usage data and analyzing both real-time and historical data allow us to swiftly refine our dispatching strategies. Critical water quality indicators, such as turbidity and pH levels, are centrally monitored around the clock, ensuring continuous oversight of water safety.

Real-Time Service Processing

We motivate our subsidiaries to adopt cutting-edge technological methods in creating an "Internet + Water Service" smart platform. This initiative facilitates real-time online management of various services, including water bill payments, applications for new connections, changes in account names, inquiries about water quality and pressure, service suspensions or terminations, user information updates, alterations in water usage patterns, repair services, as well as handling complaints and suggestions. The platform is designed to offer users a more streamlined and efficient service experience.



Case | Elevating Customer Experience in Water Usage with a Smart Hub

Nanjing County United Water Co., Ltd. has developed a comprehensive smart water dispatch center that integrates multiple functionalities: a smart water platform, production dispatching system, revenue system, hotline system, SMS platform, installation management, metering, equipment management, DMA district control, laboratory management, electronic archiving and an online customer service center. Utilizing information technology, this center delivers prompt and precise macro-level data concerning both urban and rural water supplies, which aids in decision-making to ensure the safety of drinking water, enhance regulatory capabilities within the industry and contribute to the public good. Moreover, the dispatch center has the ability to monitor the operational status of the water supply system in real-time and precisely regulate the production, management and service operations, thereby concurrently improving the Company's management effectiveness and service quality.

R&D Innovation

United Water is committed to an innovation-centric development strategy, promoting the inventive integration of scientific research and technology development, and bolstering collaborative industry exchanges. Leveraging technology as a catalyst, we strive to amplify the core competitiveness of our field and capitalize on our subsidiary, Shanghai Boruisi Environmental Technology Co., Ltd., to fortify, refine, and broaden our business reach.



Number of R&D personnel

7



R&D investment

RMB **1,763,000** ten thousand

Shanghai Boruisi Environmental Technology Co., Ltd. was recognized as a high-tech enterprise

Talent Team Development

Aligned with our corporate growth strategies, the Company seeks to attract and hire elite technical talent with expertise in both R&D and management. A *Technical Personnel Development, Training and Recruitment System* has been established, along with a dedicated funding pool for talent development, enhancing our educational and training mechanisms. We organize sophisticated training courses for professional technical personnel, conduct expert academic seminars, and offer specialized skill training for various positions. By sending our top talents to reputable institutions for advanced training, practical business experience, and internships, we ensure that our professional staff undertakes at least 10 days of diverse training each year. Looking ahead, we plan to further enlarge our R&D team through campus recruitment and broader hiring initiatives, to ensure a robust talent infrastructure that supports our future growth.

Employee Innovation Incentive

The Company has instituted frameworks such as the *Technology Achievement Transformation and Incentive Reward Measures*, the *R&D Personnel Performance Assessment and Reward System* and the *Open Innovation and Entrepreneurship Platform Management System*. These structures create a well-rounded R&D investment accounting model, an organizational mechanism for the implementation of technological advancements, incentive schemes and an accessible platform promoting innovation and entrepreneurship. A system for evaluating and rewarding talent performance is in place, energizing the inventiveness and inspiration of our scientific and technology staff. Building on a foundation of refined R&D management and incentives, we facilitate professional training both internally and externally and motivate our R&D staff to engage in industry expos, technology exchange summits and technical forums, thereby perpetually advancing our capacity for technological innovation.

Transformation of Innovative Achievements

Confronting three significant challenges in water environment management—ecosystem destruction from external pollution, the inability to recreate habitats for aquatic ecosystems, and the excessive costs and delays of conventional management—the Company harnesses its strengths to offer innovative water management solutions. It zeroes in on "point-source in situ purification," "aquatic ecosystem habitat construction," and "smart operation and maintenance," all while spearheading patent-focused R&D in these domains.

Point-source in Situ Purification

The Company has secured intellectual property rights for four pioneering technologies: a point-source in situ purification system (ZL202222261868.X), a floating wetland system (ZL202220437968.0), a coastal in situ sewage treatment device (ZL202220444120.0) and a riverine self-suction trash collection and water purification unit (ZL202221263851.1). Notably, the point-source purification system and the floating wetland have been successfully implemented in Jingzhou City's Jingzhou North Moat water environment restoration pilot, demonstrating their efficacy in mitigating source pollution and reducing the river's contaminant load.



Practical application of the patented floating wetland system



Practical application of the patented point-source in situ purification system

Aquatic Ecosystem Habitat Construction

With four proprietary technologies—a modular submerged plant growth unit (ZL202220561971.3), a modular artificial fish habitat (ZL202220422312.1), a modular filler system (ZL202230098727.3) and an avian habitat framework (ZL202220580335.5)—the Company has made strides in ecological restoration. The artificial fish habitat and avian system, in particular, have been deployed in the Yangjia Lake project in Chibi City, yielding a full-spectrum ecological revival of the water body. This approach has enhanced vegetation cover, augmented bird and aquatic populations, and bolstered overall biodiversity.

Smart Operation and Maintenance

Smart operation and maintenance come with benefits in two areas. In the initial survey phase, it enables rapid data collection on water quality, ecosystems and discharge points and facilitates targeted technical solutions. In the maintenance phase, this smart approach allows for autonomous monitoring and remote early warnings, potentially saving over 80% on labor costs. The Company has developed ten software copyrights, such as AI-driven water monitoring, big data analysis of water environment detection, dynamic collection and management, information management of discharge and 3D visualization detection, and is gearing up to advance the application of these innovations.

Strengthening Industry-University-Research Collaboration

The Company champions industry-university-research synergy, leveraging partnerships with Shanghai Jiao Tong University, East China University of Science and Technology and Donghua University to foster technological collaboration that benefits from the channel, talent, and platform of these institutions. Employees of United Water have been appointed as external graduate advisors at Donghua University, contributing to the advancement of high-quality specialized education. Its subsidiary, Shanghai Boruisi Environmental Technology Co., Ltd., as a key member of the Shanghai SME International Cooperation Association Double Carbon Development Center, is intensifying collaborations to fuel scientific advancements toward carbon neutrality.



Case

Synergistic Development through University-Enterprise Collaboration

In order to promote the integration of agricultural non-point source pollution control technologies and the replication of models, and facilitate the organic integration of industry, university and research, Shanghai Boruisi Environmental Technology Co., Ltd. and Shanghai Jiao Tong University have forged a partnership on the "Agricultural Non-point Source Pollution Control Project." This alliance draws on the university's rich talent pool and technological prowess and combines it with Boruisi's R&D innovation to co-develop new products, technologies, processes, materials, and equipment for agricultural pollution mitigation, aiming to deliver superior management solutions for non-point source agricultural pollution.

Intellectual Property Rights

United Water prioritizes the protection of intellectual property rights, adhering to relevant laws, including the *Trademark Law of the People's Republic of China*, *Copyright Law of the People's Republic of China*, *Patent Law of the People's Republic of China* and *Opinions on Strengthening Intellectual Property Rights Protection*, and establishing comprehensive internal management protocols to safeguard patents and enhance intellectual property security. The Company respects the intellectual property and creativity of others, ensuring lawful and fair use of partners' information, materials, products and intellectual property to foster an environment conducive to innovation.

Refining Institutional Systems

The Company has established the *Intellectual Property Management System* and the *Research and Development Organization Management System* to standardize processes for the review, transfer, commercialization, usage management and the issuance of rewards and penalties for various intellectual property categories. Additionally, the *United Water Internal Reward System "Growing Together with the Company"* has been created to motivate staff to actively engage in patent writing and applications. Furthermore, confidentiality agreements are implemented with both internal personnel and external partners to define, protect, and manage trade secrets with clear measures.

Strengthening Internal Management

Following the Company's internal policies, we continuously fortify the management of intellectual property documentation and applications, prompt employees to actively document valuable innovations, and swiftly proceed with securing patents, trademarks, copyrights and other forms of intellectual property rights to ensure the Company's innovations are legally safeguarded.

Enhancing Training Initiatives

The Company boosts internal awareness of intellectual property rights through diverse strategies such as holding in-house training sessions and inviting external experts to speak. These efforts aim to deepen employees' understanding of intellectual property significance, clarify their roles in protecting these assets, increase their engagement in application and protection processes, and establish a robust foundation of knowledge supporting the Company's innovative growth.



In 2023

The Company was certified by the intellectual property management system

New patents over the year

5

Total active patents

14



Talent Oriented

◇ Total number of employees

1,407

◇ Localization rate for overseas employment

82.22 %

◇ Investment in employee training

RMB **845,000**

◇ Total hours of employee training

23,768.02

Contributing to UN SDGs



Employment & Protection of Employee Rights

United Water is dedicated to protecting employee rights, ensuring legal and compliant employment practices, providing robust support and open communication channels and guaranteeing that each employee experiences fairness and respect with their legal rights vigorously upheld.

Committing to Compliant Employment

United Water rigorously adheres to the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and other relevant legislation. We are constantly refining our systems, including the Recruitment Management Methods and Recruitment Management Processes, to maintain lawful employment practices, offer equal job opportunities to all applicants, forbid forced and child labor and eliminate discrimination, thus properly treating employees of different genders, religious beliefs and cultural backgrounds, and fostering an equitable and respectful workplace. Within the reporting period, the rate of labor contract signings among employees reached 100%.

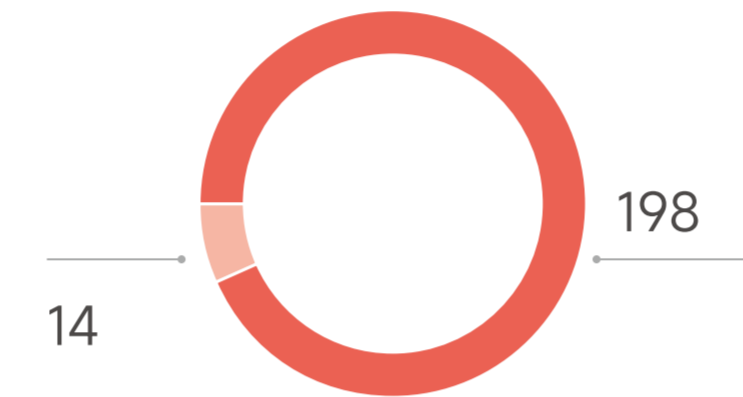
The Company is enhancing its talent acquisition strategies by utilizing both "online and offline" and "external and internal" referral methods to attract exceptional candidates. We engage in active school-enterprise collaboration, offering internships, management trainee programs, and academic partnerships to boost our appeal and reach in the talent market.

Total number of employees

1,407

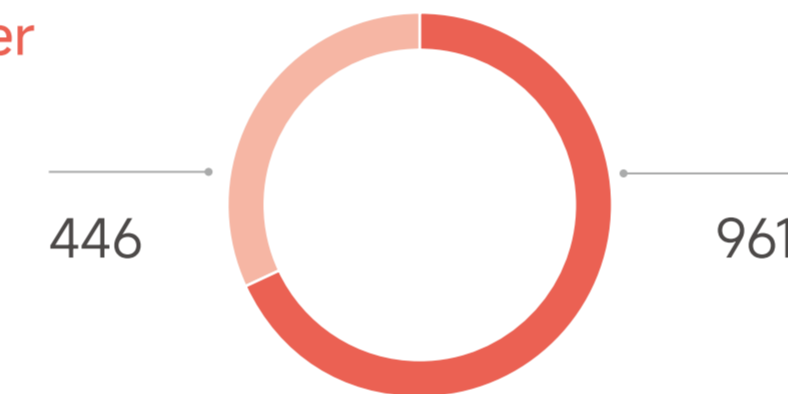
Number of new hires

- Job seekers hired during the reporting period
- New graduate hires



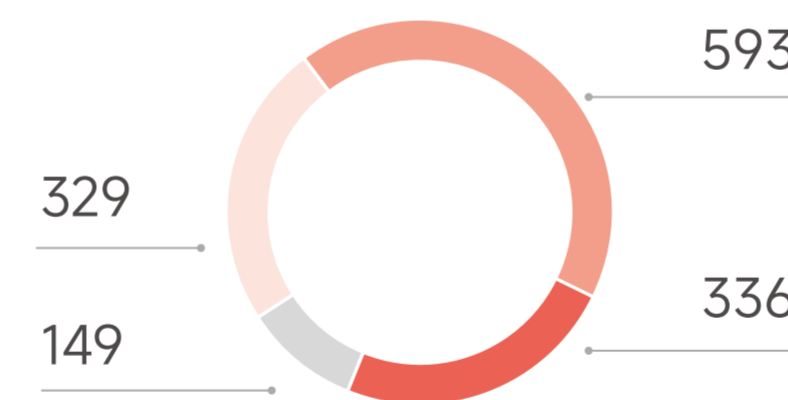
Employee distribution by gender

- Male
- Female



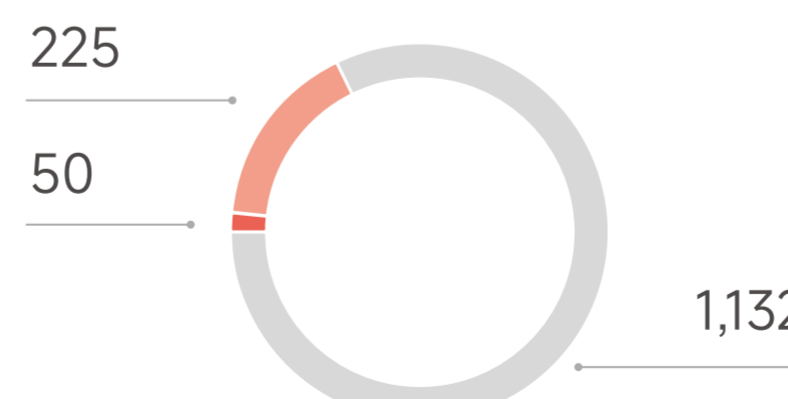
Employee distribution by age group

- Under 30 years
- 31-40 years
- 41-50 years
- Over 50 years



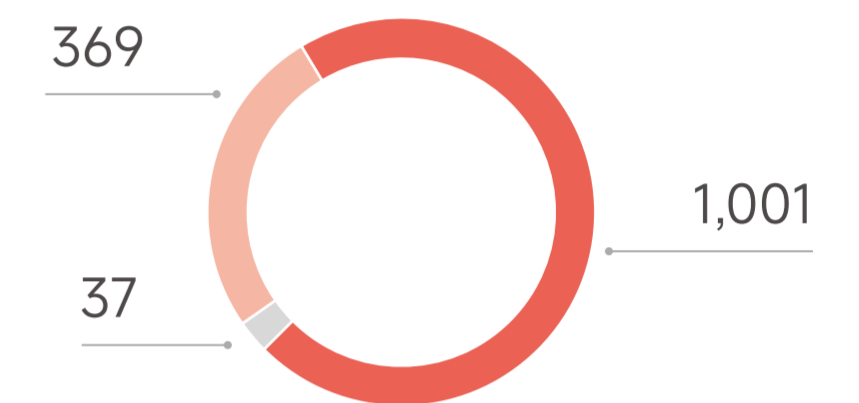
Employee distribution by management level

- Senior management
- Middle management
- General staff



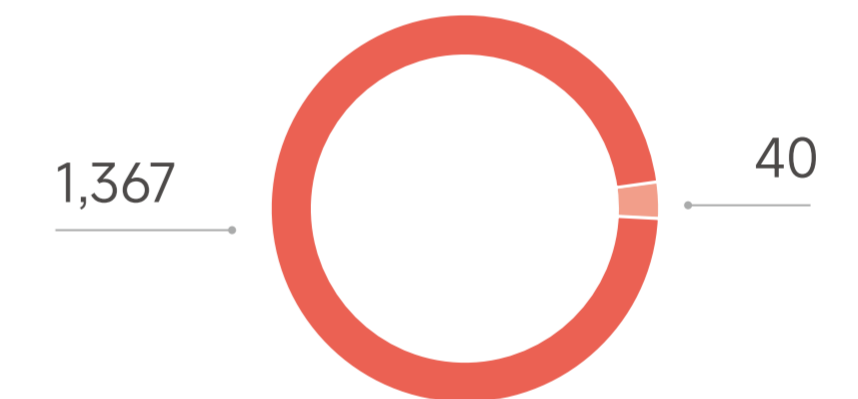
Employee distribution by education

- Associate degree or below
- Bachelor's degree
- Graduate degree/MBA or higher



Employee distribution by region

- China
- Overseas



Proportion of ethnic minority employees

1.28%



Proportion of employees with disabilities

0.14%



Upgrading Compensation and Benefits

To attract, motivate, and retain talent, the Company is dedicated to developing a nuanced compensation management system. This system correlates with the position's value, individual skills, and work performance contributions. It encompasses year-end bonuses and performance incentives for surpassing goals. Underpinned by fairness and equity, the system serves as a powerful motivator for our employees' enthusiasm.

The Company has established a comprehensive welfare and benefits system, including the United Water Group Employee Welfare Policy for Major Holidays. This policy guarantees that all employees receive paid annual leave, including for marriage and bereavement, and ensures complete and punctual payment of social insurance and housing fund contributions, in line with national requirements. Depending on specific circumstances, employees benefit from a variety of welfare options, such as holiday perks, seasonal bonuses, meal vouchers, transportation allowances and condolence payments, providing robust support for their professional and personal lives.



In 2023,
Parental leave return rate

95.65%

Advancing Democratic Management

The Company champions democratic management, endorsing the formation of trade unions in its subsidiaries, and routinely orchestrating employee dialogue activities. These activities empower employees to voice their unique needs, with the assurance that their feedback will be heard and their rights to information, participation, expression and oversight will be protected.

Information dissemination:



We've established a public notice board to freely broadcast information, ensuring that employees receive timely updates about company policies and developments, thus aiding the enforcement of internal policies and the oversight role of the workforce.

Feedback mechanism



The creation of symposiums, employee representative councils, suggestion boxes, and other varied, unimpeded channels of feedback, along with staff assigned to aggregate and consider employee suggestions, fosters a culture of active staff participation

Democratic surveys



We conduct impartial surveys on a range of issues, including the employee canteen services, to gain a full understanding of staff needs and to tailor our work plans accordingly.



Case | Symposium for New Employees: Engaging with "New Voices" to Propel Growth

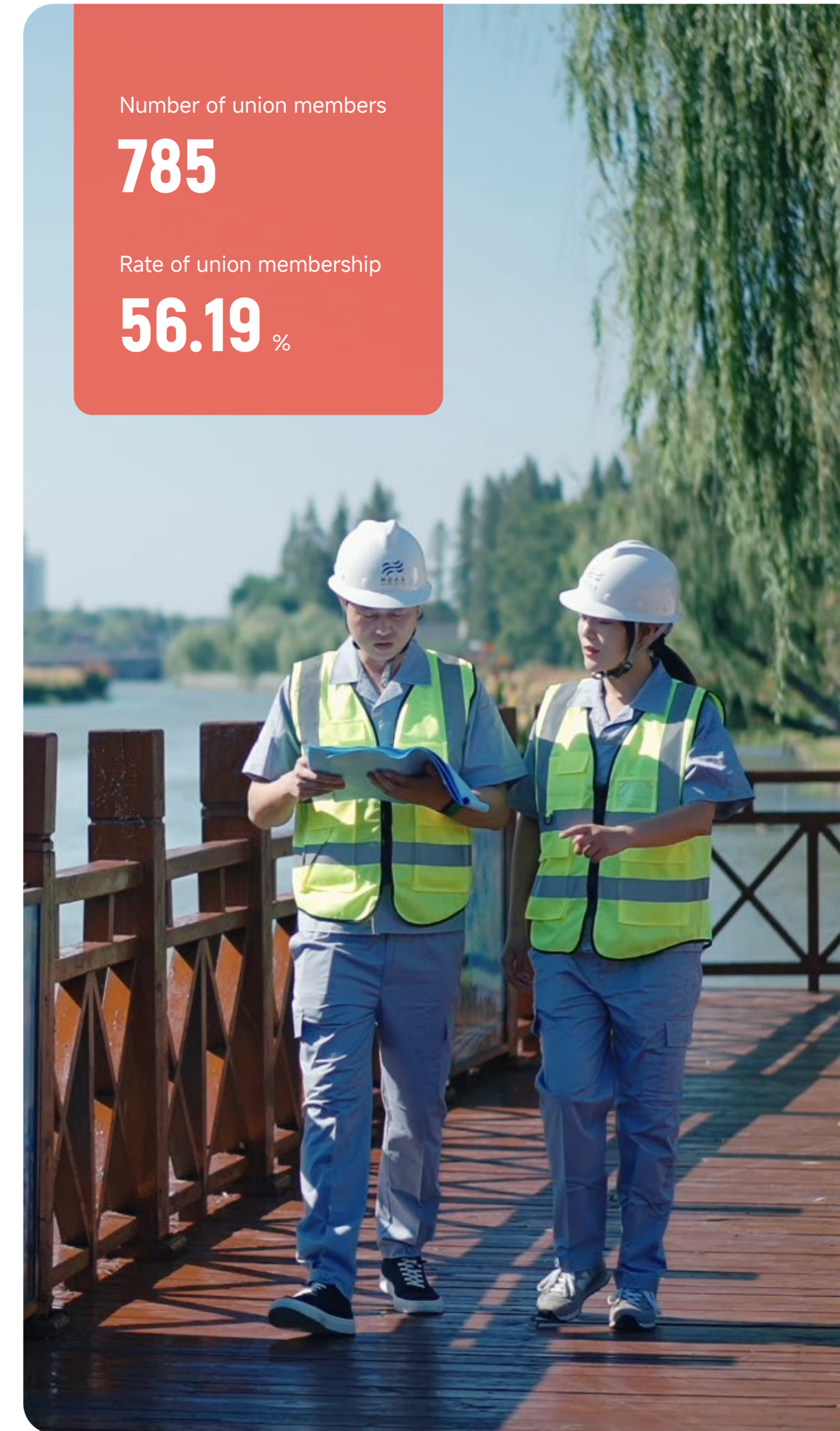
In June 2023, the Company convened a symposium for group leaders and newly recruited young employees, attended by the management committee, the Human Resources Department, and 13 new staff members. These fresh recruits shared their experiences and insights since joining United Water, demonstrating their dedication and concern for the Group's progress. Leadership and HR addressed the new employees' concerns attentively and methodically, compiling their suggestions to enhance the Company's trajectory and optimize future operations. This symposium not only fostered dialogue between the younger workforce and management but also strengthened these employees' sense of identity and belonging within the Company.

Number of union members

785

Rate of union membership

56.19%



Diversity & Employee Care

United Water places a high value on addressing the distinct needs of each employee, ensuring that everyone can find their niche, experience the Company's compassionate care and fully realize their worth and potential. Together, we strive to maintain a familial, cordial and positive workplace atmosphere.

In 2023,



Official local employees in Bangladesh project

37



Local employment rate

82.22%

Promoting Equality & Inclusion

Upholding a "people-first" approach, the Company respects and upholds each employee's rights, actively endorses global human rights protocols, such as the *Universal Declaration of Human Rights*, and rigorously observes labor laws across all operational territories. We guarantee equal opportunity and treatment in every professional phase—from hiring and employment to salary, training, and advancement. The United Water Employee Handbook strictly forbids any form of misconduct, including insults, intimidation or harassment, striving to cultivate an equitable, welcoming and transparent work environment.

In Bangladesh, our commitment to local employment strategies involves recruiting and nurturing local talent and bolstering their operational skills through early-stage mentorship with experienced Chinese peers. We also offer a scholarship recruitment initiative for Bangladeshi students, reserving positions for emerging management prospects and implementing numerous strategies to expedite the goal of a fully localized workforce. Additionally, we provide specialized training for internationally stationed staff to ease cultural and linguistic transitions and to enhance their understanding of local business etiquette, thus improving communication with local colleagues. A variety of language resources are supplied to accommodate diverse linguistic needs. An Employee Assistance Program (EAP) is launched to provide support for those dealing with personal or occupational challenges.

Case | Fostering International Student Recruitment in China to Forge a Path for Sino-Foreign Exchange

Under the guidance of the Belt and Road Initiative and in collaboration with Yangzhou University's International College, a targeted recruitment drive was launched to attract Bangladeshi students in China. The objective was to nurture a reserve of young, local talent for the Group's international endeavors. Following a comprehensive selection process that included informational briefings, preliminary screenings, written assessments and final interviews, two exceptional Bangladeshi interns were chosen. They underwent an intensive training regime, providing them with both theoretical knowledge and practical experience, with the prospect of future employment within the Company

Highlighting Employee Care & Support

The Company is deeply invested in employee welfare, striving to fully comprehend and respond to the varied needs of its workforce, both in the workplace and beyond. Steadfast support is extended to employees in challenging situations, with particular attention to the needs of female employees, retirees, and those in frontline roles. Such compassionate actions reflect the Company's core values of humanitarian concern and responsibility, fostering a nurturing environment where every individual feels valued.



United Water Suqian Water Supply Company rallied to collect over RMB 70,000 in aid for an employee's mother diagnosed with a meningioma, facilitating her successful surgery and recovery.



Suizhou United Water Co., Ltd. commemorated "August 1st" with a veterans' symposium, distributing festive gifts and expressing heartfelt thanks, inspiring them to maintain their outstanding work ethic.



Xinjiang Jinhua Ecological Environment Engineering Co., Ltd. and Xinjiang Guolong Sewage Treatment Co., Ltd. hosted a seminar titled "Caring for Women: Creating a 'Heartful' Homeland," focusing on psychological health and empowering female employees with new perspectives on mental well-being.



Xianning United Water Co., Ltd. provided frontline workers enduring the summer heat with cooling aids such as watermelons and mineral water as a gesture of the Company's support.



Advancing Work-Life Harmony

The Company champions the importance of a work-life equilibrium, organizing a rich tapestry of cultural and recreational activities like birthday celebrations, reading initiatives, marathons, sports days and team outings. These events are designed to enhance the quality of leisure time, reduce job-related stress, and inspire a positive, enthusiastic approach to both professional and personal life.



Annual excursions are arranged to honor the exceptional performance of distinguished employees.



Pinghe United Water Co., Ltd. celebrated the Mid-Autumn Festival with "Bo Bing," a cherished regional tradition and recognized cultural heritage, fostering camaraderie and cultural appreciation among staff.s.



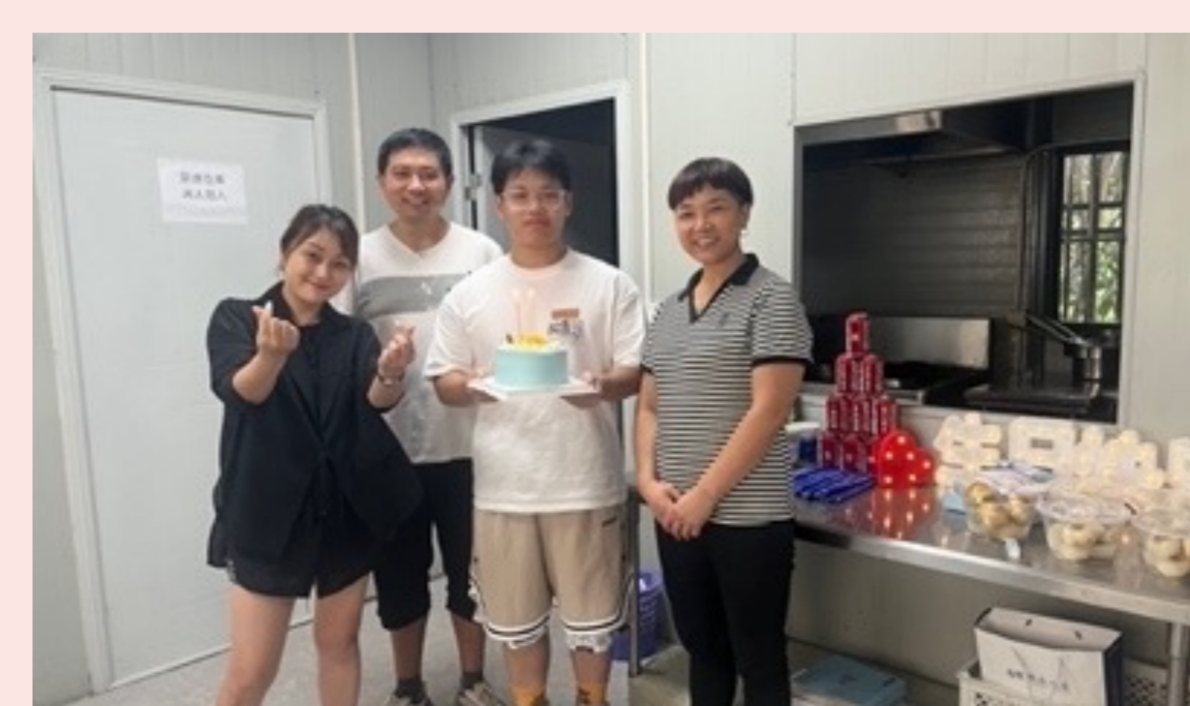
Jishan United Water Co., Ltd. hosted a mountain climbing team-building activity themed "Leaping Over the Dragon Gate to Reach New Heights," which not only bolstered employees' physical fitness but also enhanced team cohesion.



Ningxia Helan United Water Co., Ltd. and Ningxia Hongze Water Purification Co., Ltd. periodically stage cultural and sports activities, such as rope skipping, lantern crafting, hot pot gathering, and barbecue events, enhancing the Company's dynamic ethos.



Xianning United Water Co., Ltd. held the 2023 Fun Sports Meeting to offer a blend of friendly competition and leisure, boosting team spirit.



Tongxiang Shenhe Water Co., Ltd. and Ruichang United Water Co., Ltd. express gratitude to their employees with quarterly birthday events, acknowledging their dedication and service.

Talent Cultivation & Development

Recognizing that talent is the cornerstone of corporate advancement, United Water is devoted to the nurturing and professional growth of its workforce. A robust training framework, coupled with tailored career trajectories, energizes employees' potential, fostering professional progression and preparing them to navigate the complexities of the market.

Reinforcing Talent Development

The Company places a strong emphasis on constructing a cohesive talent development framework, offering systematic training for all staff members. This approach is designed to endow every individual with the skills, knowledge, and competencies required, unlocking their full potential and harmonizing personal ambitions with the Company's strategic goals.

Improving Training & Promotion Programs

The Company leverages training and promotion to enhance its internal training system continually, focusing on nurturing key talent through multi-level, distinctive training programs. Integration training for new employees facilitates rapid assimilation into the corporate culture, ensures understanding of business processes, and aids in role adaptation. For managers, leadership development content is crafted to refine leadership and decision-making skills. Through the consistent nurturing of high-quality, professional talent, the Company fosters a learning organization and guarantees comprehensive support and development for employees at various career stages.

Talent Development Programs

This program fortifies the management and technical talent pipeline, targeting young internal talents. It provides systematic training encompassing job rotation, vocational skills, specialized intensive courses, and practical research, thus preparing these young talents to become the next generation of leaders in management and technology. As of 2023, 18 participants have completed two sessions.

Youth Talent Program

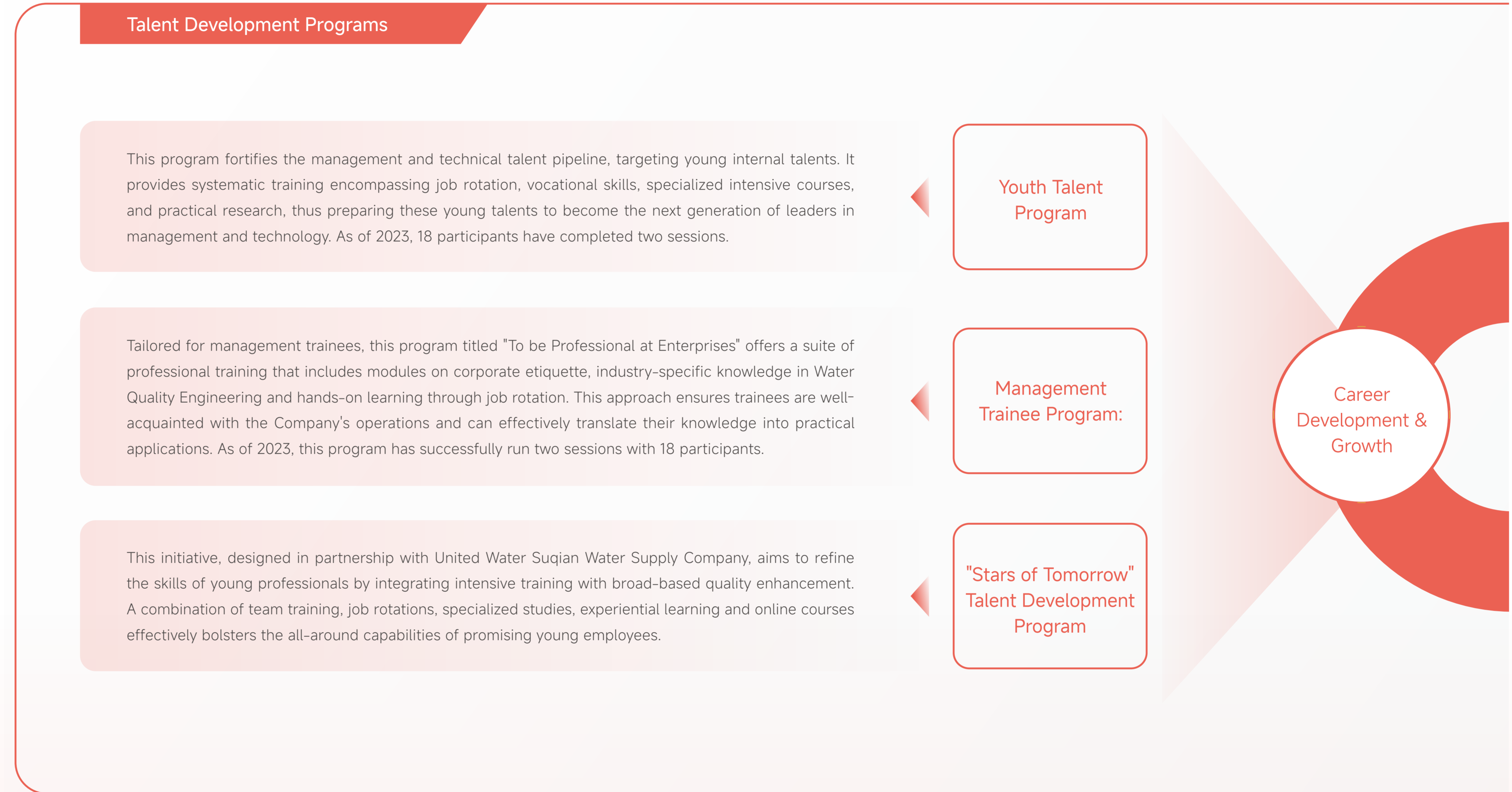
Tailored for management trainees, this program titled "To be Professional at Enterprises" offers a suite of professional training that includes modules on corporate etiquette, industry-specific knowledge in Water Quality Engineering and hands-on learning through job rotation. This approach ensures trainees are well-acquainted with the Company's operations and can effectively translate their knowledge into practical applications. As of 2023, this program has successfully run two sessions with 18 participants.

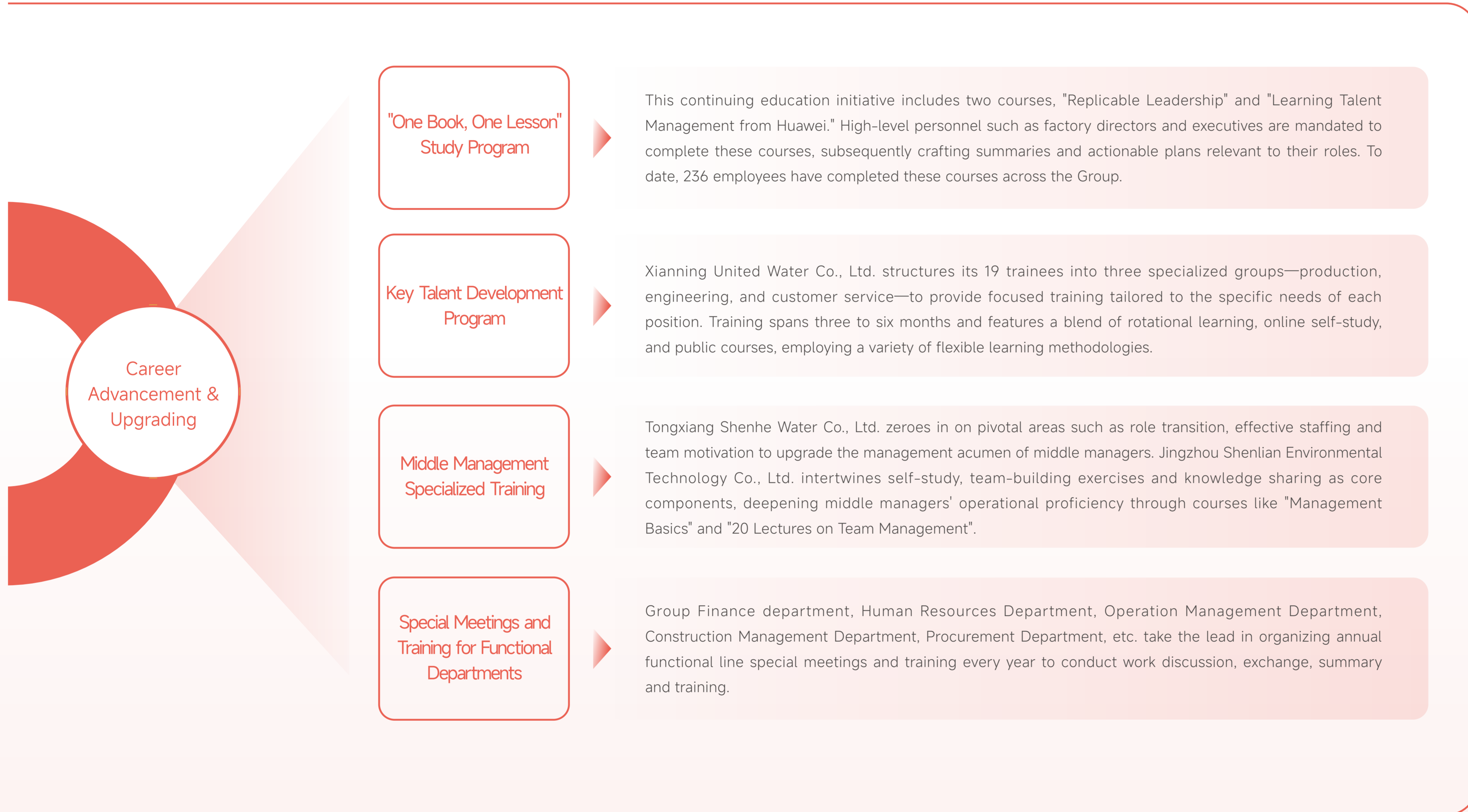
Management Trainee Program:

This initiative, designed in partnership with United Water Suqian Water Supply Company, aims to refine the skills of young professionals by integrating intensive training with broad-based quality enhancement. A combination of team training, job rotations, specialized studies, experiential learning and online courses effectively bolsters the all-around capabilities of promising young employees.

"Stars of Tomorrow" Talent Development Program

Career Development & Growth





Creating Distinctive Training Mechanisms

With the Company's practical business needs in mind, distinctive training mechanisms have been formulated, incorporating "Internal Trainers" and "Mentor-Apprentice" systems to harness and amalgamate the knowledge of seasoned professionals internally. This strategy promotes knowledge sharing between novices and veterans, fostering a cadre of professionals adept in both expertise and leadership, thus solidifying the talent foundation essential for the Company's sustained growth.

"Internal Trainer" System

Adhering to the *United Water Internal Trainer Management System*, a robust selection, development and reward framework for internal trainers has been instituted. Competitive evaluations drive annual trainer selections, offering a five-tier progression pathway with corresponding rewards, perpetuating the fortification of the internal training cadre. As of 2023, the Company boasts 17 certified internal trainers and 48 accredited courses.

As of 2023, the Company boasts **17** certified internal trainers and **48** accredited courses.

"Mentor-Apprentice" System

The *United Water Group Mentor-Apprentice Management System (Trial)* delineates essential technical roles within subsidiary companies, aligning them with the requisite skills and experiences of personnel to select mentor-apprentice pairings. This standardized mentorship process is monitored, evaluated and rewarded by the Human Resources Department, culminating in the effective transfer of specialized knowledge and experience, thereby elevating the caliber and productivity of professional talent development.

2023



Total investment in employee training
RMB **845,000**



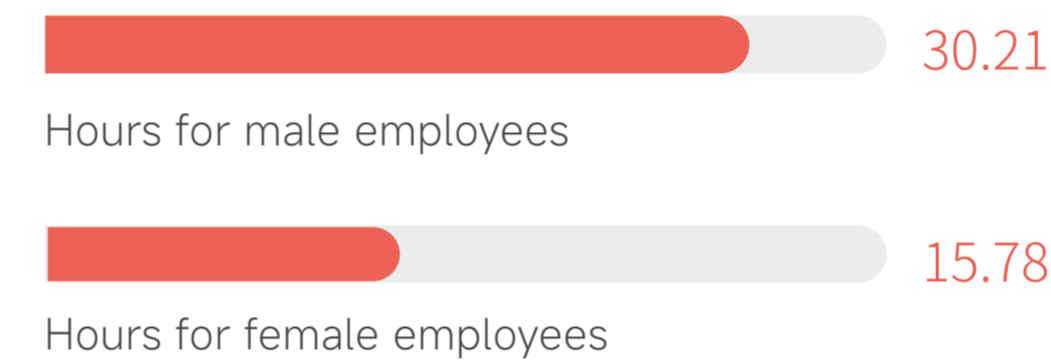
Total employee training participations
3,338



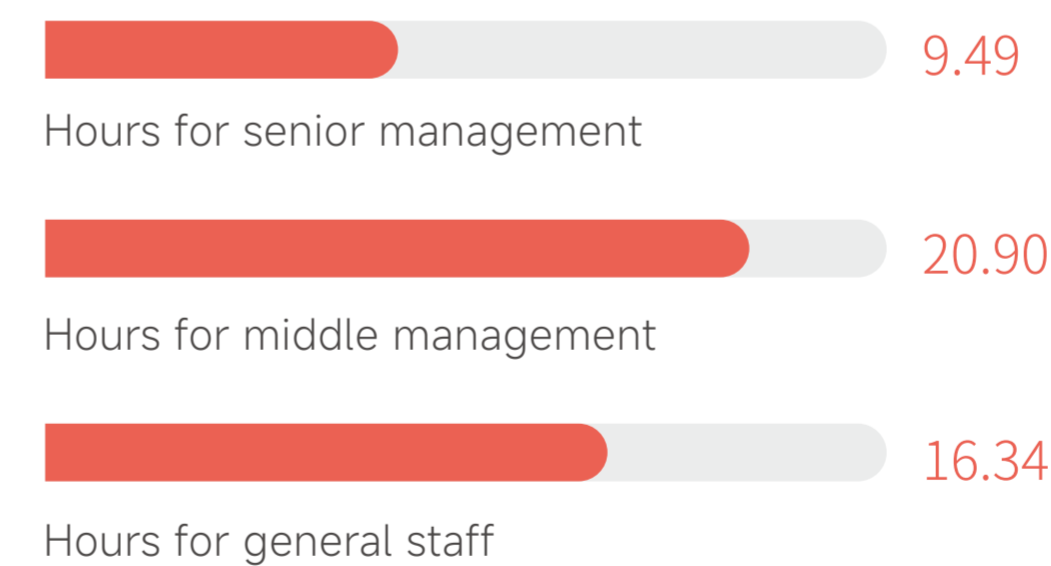
Average training hours allocated per employee
17.01 hours



Overall training hours completed by employees
23,768.02 hours



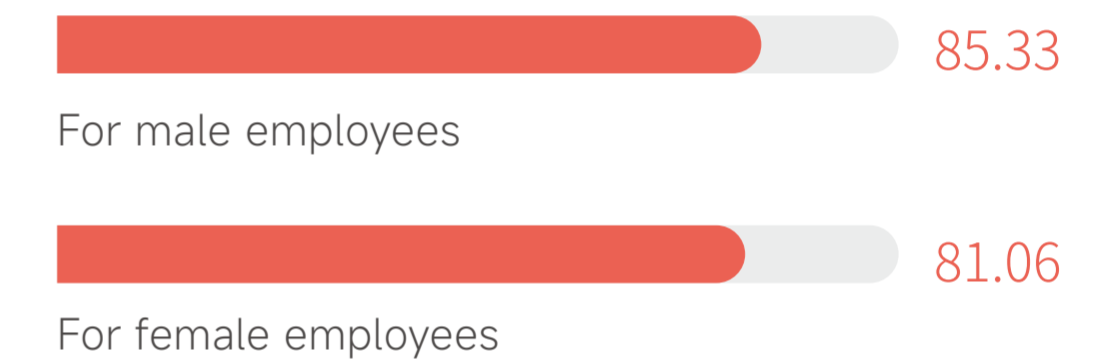
Breakdown of average training hours by gender



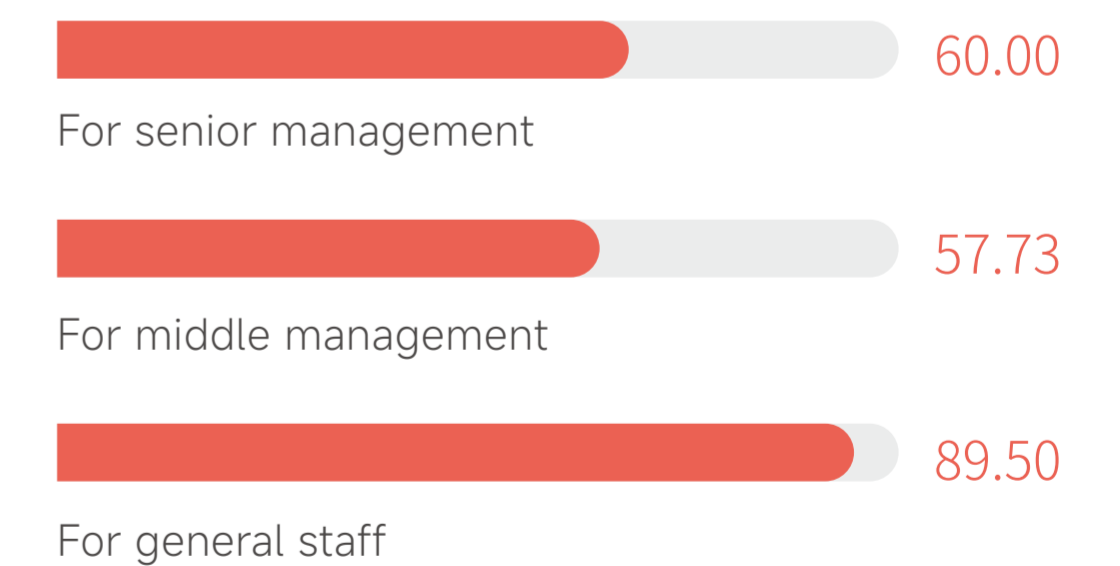
Breakdown of average training hours by employee category



Rate of employee training coverage
83.36 %



Training coverage by employee category



Training coverage by employee category



Career Development

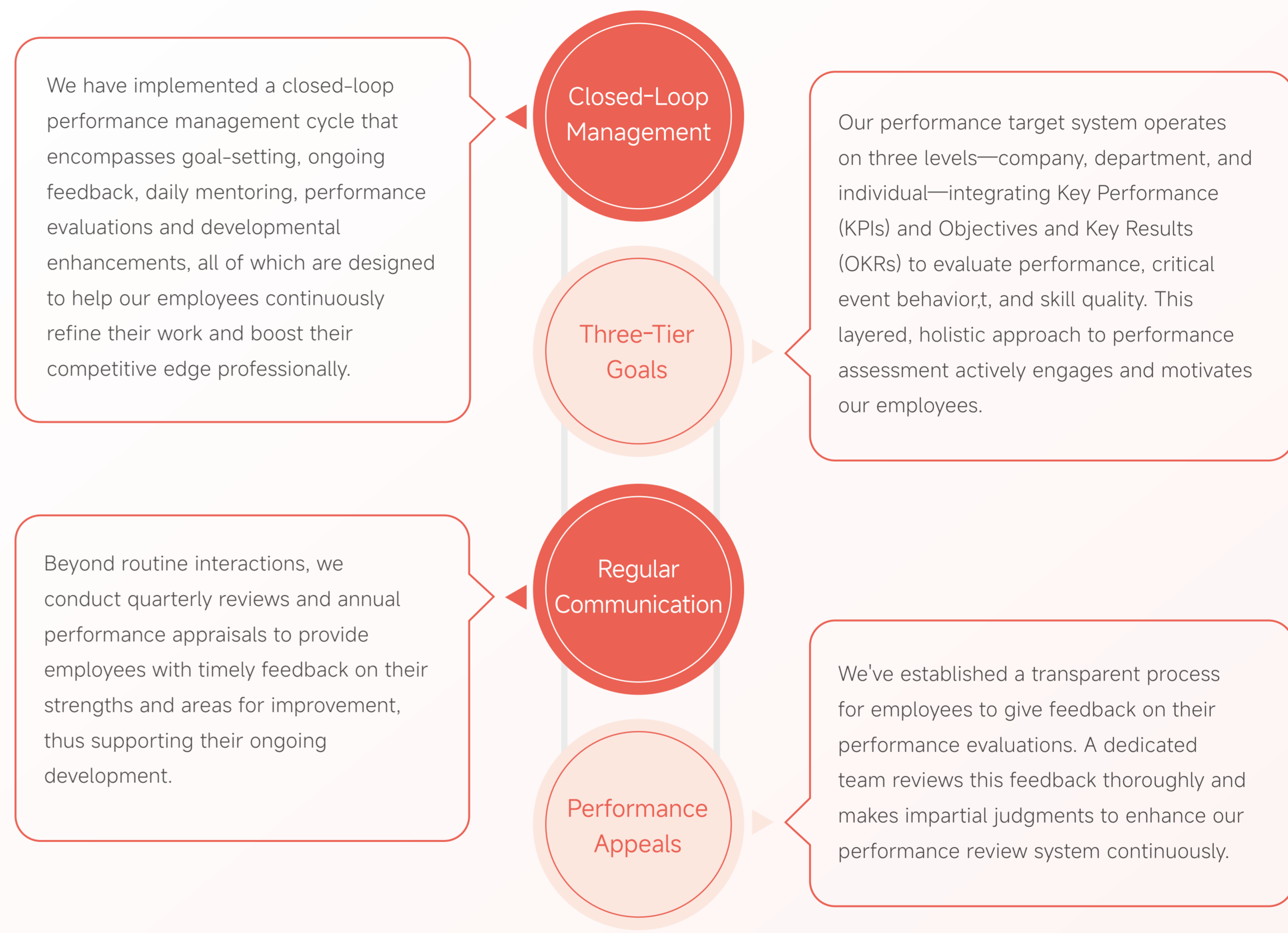
United Water places a high value on the outstanding performance of each employee, offering equal opportunities for promotion and extensive possibilities for career development. This commitment is realized through the creation of clear promotion paths, the implementation of standardized performance management systems, the provision of varied growth incentives, and the acknowledgment and rewarding of employee contributions and achievements from a spectrum of perspectives. The aim is for employees to reach new heights in their professional journeys while contributing positively to the Company's enduring success.

Accessible promotion channels

We have established dual career development paths for technical and managerial growth, with annual performance evaluations and promotion opportunities open to all staff members, guaranteeing both lateral and upward mobility within the Company and fostering an equitable, transparent promotion process.



Scientific performance management



Growth and development incentives

In 2023, we launched the United Water Group "Co-Development with Me and the Company" Internal Reward System, incentivizing employees who contribute valuable suggestions, advance their skills or garner external accolades. This initiative motivates our entire workforce to pursue lifelong learning and active engagement, fostering both personal growth and the Company's advancement.

United Water

Twenty Key Figures in Two Decades

"Just as when ten thousand archers draw their bows to release a single arrow, the aim is true and the target always struck." For over two decades, the team at United Water has banded together, forging excellence through collective effort. In celebration of our twentieth year, we have proudly instituted the "United Water Twenty Key Figures in Two Decades Award". This award seeks to honor the dedication and relentless endeavors of those within the Company over this substantial period. We shall reflect upon the growth and heritage of United Water during these two decades, galvanizing our staff to embrace the future with solidarity and tenacity.



General Manager of United Water Group Suqian Region

Zeng Zhen



Project Manager of Construction Management Center at United Water Group

Shen Wenqi



General Manager of Suqian United Municipal Engineering Co., Ltd.

Liang Dan



Manager of Water Production Department at Sanmenxia United Water Co., Ltd.

Xiao Yaya



Finance Director of United Water Group Hubei Region

Wei Fen



Electrical Engineer of Mechanical and Electrical Equipment Department at Jiangsu United Water Technology Co., Ltd.

Zhang Xiaochao



Deputy General Manager of Suqian United Municipal Engineering Co., Ltd.

Zhang Dong



Maintenance Supervisor of Yanghe Service Center at Jiangsu United Water Technology Co., Ltd.

Zang Shiwei



Senior Finance Manager of United Water Group

Mao Shuyun



Water Production Consultant of Jiangsu United Water Technology Co., Ltd.

Zhou Yunsheng





Deputy Manager of Pipeline Department at Jiangsu United Water Technology Co., Ltd.

Han Chao



Water Quality Testing Supervisor of Suqian Minxin Water Quality Testing Co., Ltd.

Tu Jinping



Supervisor of Mechanical and Electrical Department at Suizhou United Water Co., Ltd.

Zhang Zhengyuan



Manager of Water Production Department I at Xianning United Water Co., Ltd.

Huang Wanchun



Pipeline Maintenance Worker of Pipeline Department at Xianning Siyuan Water Co., Ltd.

Shi Jibing



Electrical Engineer of Mechanical and Electrical Equipment Department at Xianning United Water Co., Ltd.

Wan Chaowei



Manager of Engineering Cost Department at Xianning United Municipal Engineering Co., Ltd.

Huang Chen



Assistant to the General Manager at Ruichang United Water Co., Ltd.

Wang Dingguo



Manager of Pipeline Customer Service Department at Sanmenxia United Water Co., Ltd.

Zhang Xiaobo



Electrical Engineer of Technical Department at Shanxi Lianzhuo Municipal Engineering Co., Ltd.

Wang Zhangeng



三十年 20人 杰出贡献奖



Appendix

About This Report

This report represents the inaugural Environmental, Social, and Governance (ESG) report of Jiangsu United Water Technology Co., Ltd. It conveys the Company's stance, achievements, and significant performance in sustainable development, adequately addressing stakeholder concerns.

Definition of Terms

In this report, "Jiangsu United Water Technology Co., Ltd." may be alternatively referred to as "United Water," "the Company," or "we" for brevity and readability.

Time Range

This report covers the period from January 1, 2023, to December 31, 2023, although some content may briefly cover activities from adjacent years. This is an annual report.

Reporting Scope

All information and figures disclosed herein are sourced from United Water and its subsidiaries.

Assurance of Accuracy

The Company asserts that this report is free from any false records, misleading assertions, or material omissions, and we accept full responsibility for its veracity, precision, and comprehensiveness.

Sources of Information

Data for this report originates from the Company's official records, statistical and financial reports, and sustainability practice documents, all compiled and validated by our ESG team. All financial figures mentioned are denominated in Renminbi (RMB), unless indicated otherwise.

Reporting Principles

This report is composed in adherence to the Global Sustainability Standards Board's GRI Sustainability Reporting Standards (GRI Standards), the Chapter 8 Social Responsibility of the *Guidelines for Self-Regulation of Listed Companies by Shanghai Stock Exchange*, and the national standard *Guidance on Social Responsibility Reporting (GB/T36001-2015)*.

Report Availability

Both the Chinese and English versions of this report are accessible on the Company's website at <http://www.united-water.com>. Should any discrepancies arise between the two versions, the Chinese text will take precedence.

Invitation for Feedback

In our pursuit of reporting excellence, we welcome your perspectives and suggestions. For any inquiries or proposals regarding this report, please contact us via email at IR@united-water.com or telephone at 021-62370178.

Key performance

Economic performance

Indicator	Unit	2023
Total assets	Million RMB	3,635.14
Operating income	Million RMB	1,127.81
Operating profit	Million RMB	214.44
Total tax	Million RMB	109.87
Contractual capacity	Million tons per day	2.7
Completed capacity	Million tons per day	1.4

Governance performance

Anti-corruption

Indicator	Unit	2023
Average anti-corruption training duration per employee	Hour	1
Anti-corruption training	%	100

Intellectual property protection

Indicator	Unit	2023
New patents over the year	/	5
Total active patents	/	14

Environmental performance

Environmental management

Indicator	Unit	2023
Environmental protection investment	Million RMB	141.74
Proportion of environmental protection investment in operating revenue	%	12.57
Number of environmental training	Times	22
Environmental training personnel	/	301

Indicator	Unit	2023
Coverage rate of environmental protection training	%	100

Energy consumption

Indicator	Unit	2023
Gasoline	Liters (L)	154,466.54
Diesel Consumption	Liters (L)	55,535.46
Natural Gas Consumption	m ³	135,137.28
LPG Consumption	kg	5,463
Electricity Consumption	kWh	130,418,203
Total Energy Consumption	10,000 tons of standard coal equivalent	16,451.62
Energy Consumption Density	10,000 tons of standard coal equivalent per RMB 10,000 of revenue	0.15

Greenhouse Gas Emissions

Indicator	Unit	2023
Greenhouse Gas Emissions (Scope 1)	Tons of CO ₂ e	799.38
Greenhouse Gas Emissions (Scope 2)	Tons of CO ₂ e	74,377.5
Total Greenhouse Gas Emissions	Tons of CO ₂ e	75,176.88
CO ₂ Emissions per Unit of Output	Tons of CO ₂ e per RMB 10,000 of revenue	0.67

Water Resource Management

Indicator	Unit	2023
Freshwater withdrawals	Million tons	224,9646
Water plant self-consumption	Million tons	4,3996
Rate of Water Used Internally	%	1.96
Recycled water output	Million tons	49,9427
Volume of Wastewater Treated	Tons	144,185,580
Reduction in Pollutants (COD)	Tons	44,894

Exhaust Emissions

Indicator	Unit	2023
Volume of Nitrogen Oxides Emitted	Tons	0.00816
Volume of Sulfur Oxides Emitted	Tons	0.000528
Volume of Particulate Matter and Suspended Particles Emitted	Tons	0.00504
Emissions of Volatile Organic Compounds	Tons	0.00036

Waste Emissions

Indicator	Unit	2023
Volume of Hazardous Waste ¹	Tons	12.72
Volume of Waste Recycled and Reused ²	Tons	94,891

Social performance

R&D Innovation

Indicator	Unit	2023
R&D investment	RMB	1,763,000
Number of R&D personnel	persons	7

Customer equity

Indicator	Unit	2023
United Water Suqian Water Supply Company		
Customer complaint resolution rate	%	100
Customer satisfaction rate	%	98
Xianning United Water Co., Ltd.		
Customer complaint resolution rate	%	100
Customer satisfaction rate	%	96

Supply chain management

Indicator	Unit	2023
Suppliers obtained quality management system certification	%	41.96
Suppliers obtained environmental management system certification	%	22.69
Suppliers obtained occupational health and safety management system certification	%	22.69

Employment

Indicator	Unit	2023
Total number of employees	Persons	1,407
Job seekers hired during the reporting period	Persons	198
New graduate hires	Persons	14
Labor contract signing rate	%	100
Employee union membership rate	%	56.19
Number of employees by gender		
Male	Persons	961
Female	Persons	446
Number of employees by age group		
Under 30 years	Persons	336
31-40 years	Persons	593
41-50 years	Persons	329
Over 50 years	Persons	149
Number of employees by management level		
Senior management	Persons	50
Middle management	Persons	225
General staff	Persons	1,132
Employee distribution by education		
Associate degree or below	Persons	1,001
Bachelor's degree	Persons	369
Graduate degree/MBA or higher	Persons	37

Indicator	Unit	2023
Employee distribution by region		
China	Persons	1,367
Overseas	Persons	40

DEI

Indicator	Unit	2023
Proportion of female employees	%	31.70
Proportion of ethnic minority employees	%	1.28
Proportion of employees with disabilities	%	0.14
Parental leave return rate	%	95.65

Employee training

Indicator	Unit	2023
Total expenditure on staff training	RMB	845,000
Total employee training participations	/	3,338
Overall training hours	Hours	23,768.02
Average training hours allocated per employee	Hours	17.01
Training hours for male employees	Hours	30.21
Training hours for female employees	Hours	15.78
Training hours for senior management	Hours	9.49
Training hours for middle management	Hours	20.90
Training hours for general staff	Hours	16.34
Rate of employee training coverage	%	83.36
Training coverage for male employees	%	85.33
Training coverage for female employees	%	81.06

Indicator	Unit	2023
Training coverage for senior management	%	60.00
Training coverage for middle management	%	57.73
Training coverage for general staff	%	89.50

Occupational health and safety

Indicator	Unit	2023
Total safety production investment	RMB	6,179,800
Fatalities from safety incidents	Person	0
Safety inspections	Times	294
Emergency drills	Times	61
Safety training	Participants	2,742
Total duration of safety training	Hours	589.25
Incidence of occupational disease	%	0
Number of work injury cases among employees	/	3
Total days lost to work injuries	Days	85
Days lost per million in revenue due to work injuries	Days	0.075

Community engagement

Indicator	Unit	2023
Charitable donations	RMB	1543,300
Employee volunteer service hours	Hours	1,389.5
Employee participation in volunteer service activities	/	459



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