



**DARCO**

SOLUTIONS TO WATER & WASTE



DEVELOPING SOLUTIONS FOR  
**SUSTAINABILITY**

SUSTAINABILITY REPORT 2017

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## CORPORATE PROFILE

Established in 1999, Darco Water Technologies (the “**Group**”) is principally a systems integrator involved in the designing, building, operating and maintaining of water management processes that employ the membrane, ion exchange and thermal technologies.



## CHAIRMAN'S STATEMENT

### DEAR STAKEHOLDERS,

On behalf of our Board of Directors, it is my pleasure to present our Sustainability Report for the financial year ended 31 December 2017 ("FY2017").

Darco is always determined to make a positive impact to the environment by providing comprehensive solutions to our customers. As the economy developed, the Group diligently kept pace with the changing demands of different industries and strived to enhance its engineering capability in the environmental protection industry.

Today, apart from designing, manufacturing and servicing water and wastewater systems for a wide range of industries, including electronics, petrochemicals, pharmaceuticals and food and beverage, the Group has since evolved into an integrated environmental solutions provider.

In this year's report, we will focus on the sustainability aspects of Wuhan Kaidi, one of the largest contributors to the Group's 2017 results. In view of huge business opportunities in the growing China market, the Group has acquired an additional 12% of the total equity interest in Wuhan Kaidi, bringing the Group's shareholdings to 72%.

Since incorporation, Wuhan Kaidi has always focused its corporate responsibility to ensure that wastewater is properly treated and clean drinking water is available to the people, by extending their business scope and investing in new technologies.



CHAIRMAN'S  
**STATEMENT**

Faced with ever increasing world populations, rural areas are fast becoming urbanised and cities around the world are faced with mounting challenges to support the influx. Having access to clean and safe drinking water, as well as proper treatment of wastewater, is imperative for a stable society and economic development.

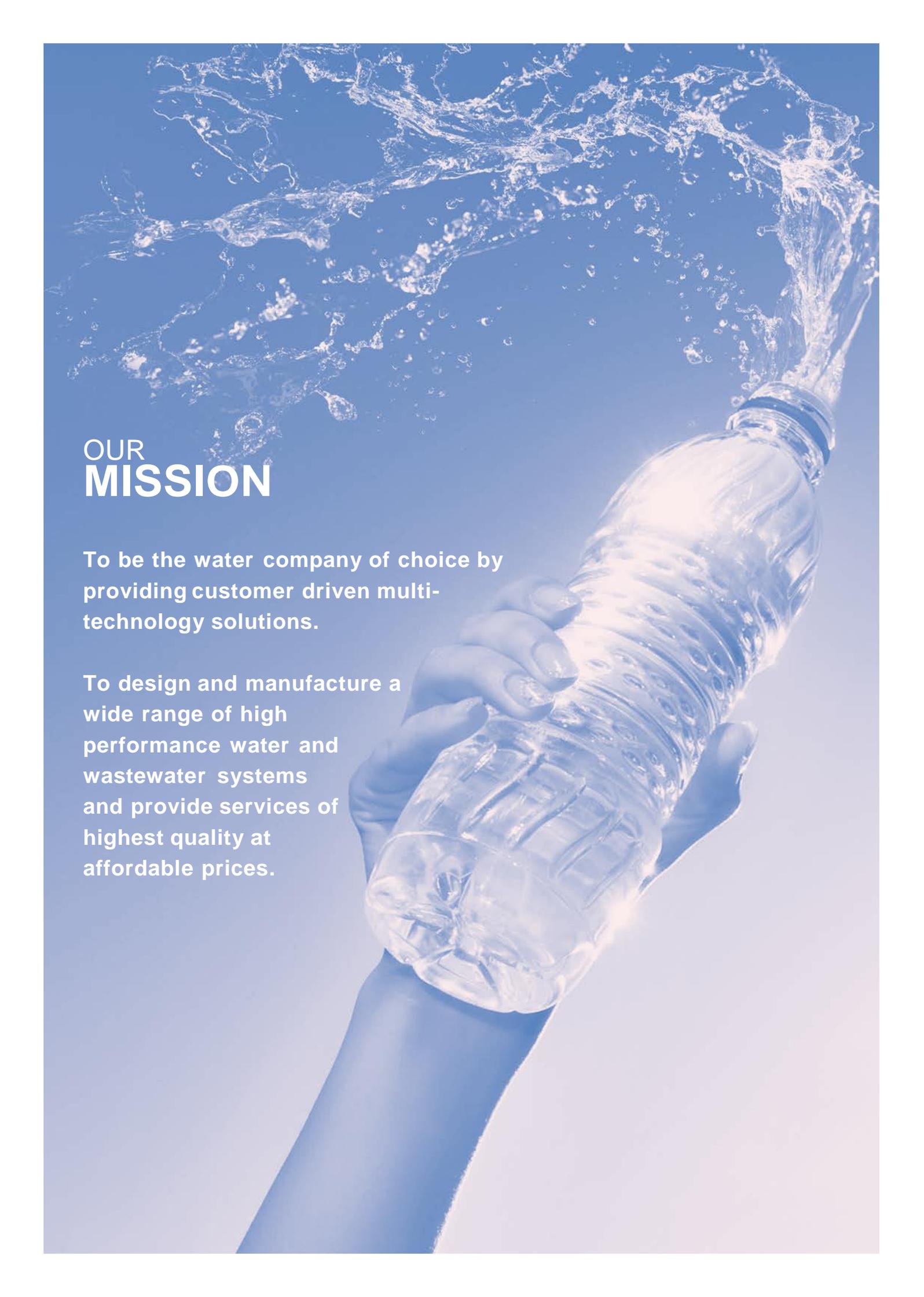
To further this cause, Wuhan Kaidi has completed more than 600 water treatment projects in the power, municipal, steel metallurgy, petrochemical, coal chemical, paper, food, pharmaceutical and other industries, and holds more than 20 proprietary and patented technologies with independent intellectual property rights.

Lastly, we wish to confirm that the Board has considered sustainability issues as part of its strategic formulation, determined the material environmental, social and governance (“**ESG**”) factors and overseen the management and monitoring of the material ESG factors.

At Darco, we will continue to be committed to providing sustainable technologies and solutions to provide safeguard our water supply and environment for our future generations.

**WANG YAOYU**  
*Executive Chairman*





## OUR MISSION

To be the water company of choice by providing customer driven multi-technology solutions.

To design and manufacture a wide range of high performance water and wastewater systems and provide services of highest quality at affordable prices.

# SCOPE OF SUSTAINABILITY REPORT

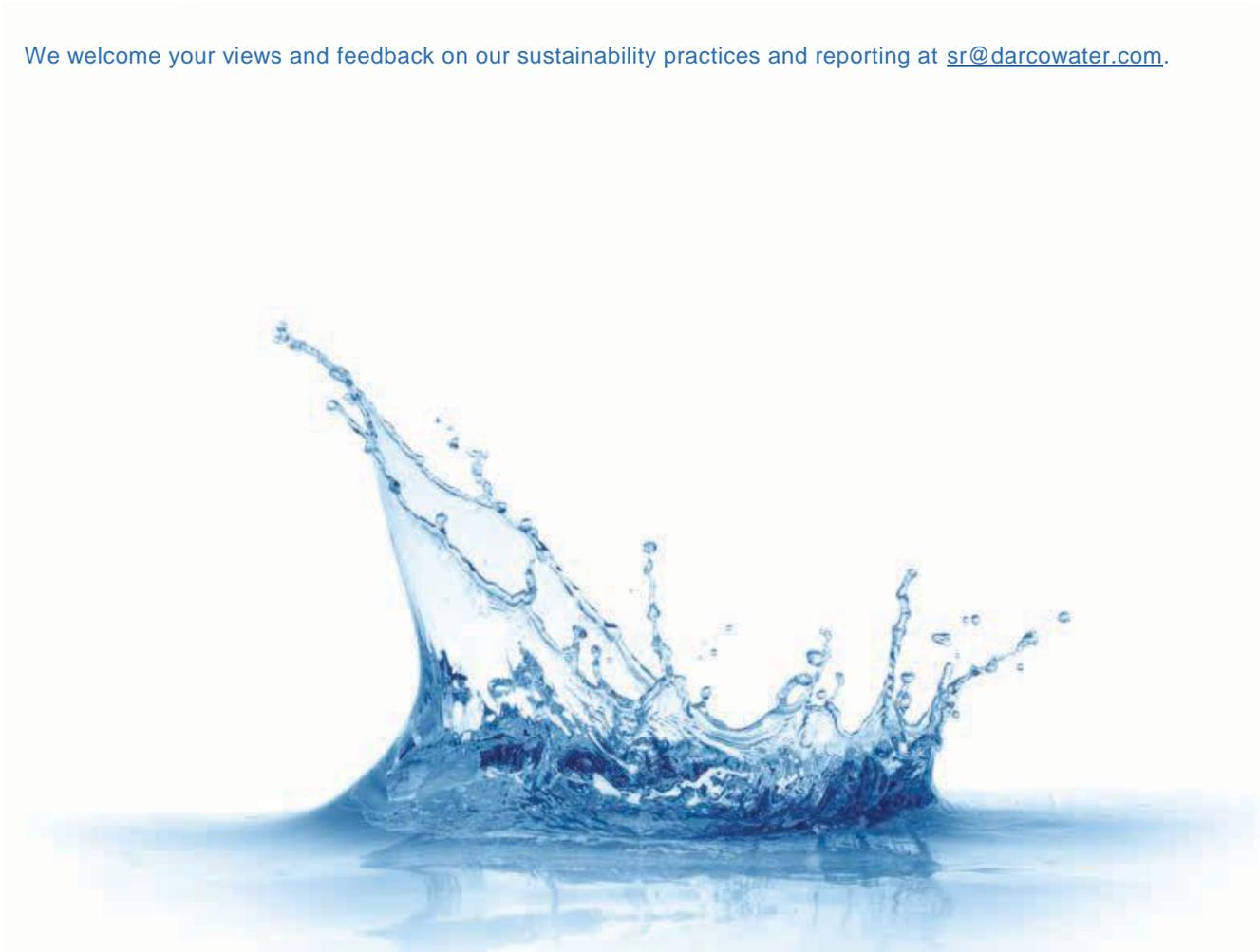
Darco Water Technologies Limited (“**Darco**” or the “**Group**”) and its subsidiaries is a provider of integrated engineering and knowledge-based water treatment solutions and waste water treatment. Established in 1999 to design, fabricate, assemble, install, commission and service engineered water systems for industrial use, the Group has since expanded into air management system, soil remediation and solid-waste recycling.

The scope of the report covers information on material sustainability aspects of Darco, covering Wuhan Kaidi Water Services Co., Ltd. (“**Wuhan Kaidi**”) relating to the Water Treatment segment in China, from 1 January 2017 to 31 December 2017 unless otherwise specified. This should sufficiently address stakeholders’ concerns in relation to sustainability issues arising from the major business operations of the Group.

This report is prepared in accordance with the Global Reporting Initiative (“**GRI**”) Standards: Core Option as it provides a set of an extensive framework that is widely accepted as a global standard for sustainability reporting. It also considers the Sustainability Reporting Guide in Practice Note 7.6 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual. In preparing our report, we applied the GRI’s principles for defining report content and report quality by considering the Group’s activities, impacts and substantive expectations and interests of its stakeholders.

## Sustainability Contact

We welcome your views and feedback on our sustainability practices and reporting at [sr@darcowater.com](mailto:sr@darcowater.com).



# APPROACH TO SUSTAINABILITY

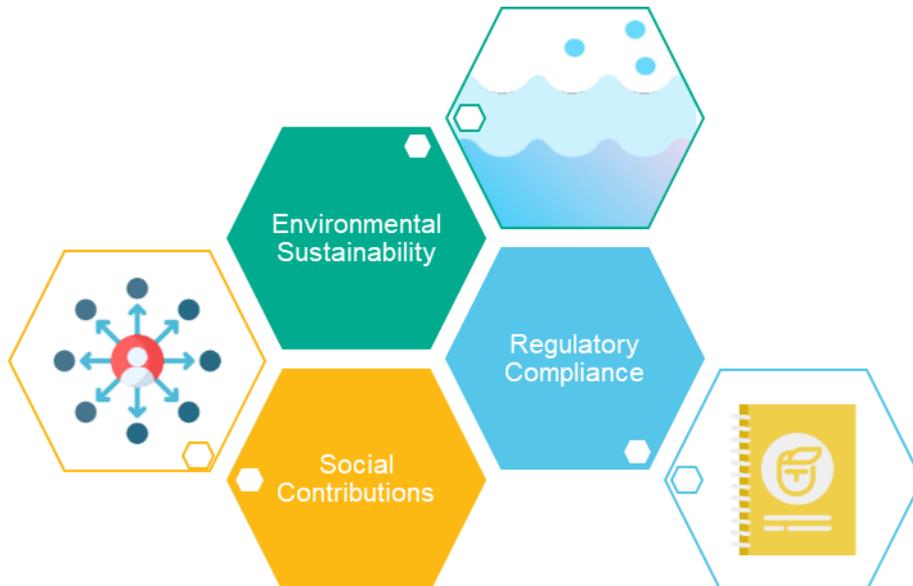
## Sustainability Organisational Structure

Sustainability is a vital part of our corporate strategy for achieving long-term growth. The values we create for our people, the environment and society at large very much determine our financial performance. We developed a sustainability organisational structure to move things forward.



## Sustainability Strategy

At the Group, our sustainability strategy aims to create integrated values. Together with disciplined execution of our strategy and a commitment to doing business responsibly, we commit to deliver value to all our stakeholders through the following:



The sustainable strategy is underpinned by our Employee Code of Conduct, which establishes a clear tone at the top with regards to employees' business and ethical conduct. The strategy is also guided by external sources, including the Global Reporting Initiative Standards and Sustainability Reporting Guide in Practice Note 7.6 of the Singapore Exchange Listing Rules.

# APPROACH TO SUSTAINABILITY

## Sustainability Materiality Matrix

We recognise the need to continuously develop our responsible business approach in order to address growing stakeholder expectations around our impact on the environment, economy and society. As such, we periodically consult with our stakeholders to determine the issues that are most relevant to them and Darco. Some of our stakeholder's comments can be found in **Appendix B**.

Using a materiality index, we align our responsible business priorities with Darco's principal business and operational risks. We have also developed metrics to help us measure our progress, as indicated in our sustainability scorecard in **Appendix A**. We will review and adjust the matrix each year, as the external and business context changes.



# OUR PERFORMANCE

## **How We Measure Our Performance**

Our sustainability strategy is embedded into the appropriate parts of our business, with dedicated teams for each focus area, and coordination by our relevant departmental managers.

Progress will be tracked in two key ways: measuring performance against metrics, and evaluating how well the programs have advanced, through a series of 'commitments'.

## **Metrics and Targets**

We have established key performance indicators for each of the three focus areas outlined in our sustainability strategy. As this is our first year adopting sustainability reporting, we will be establishing targets within the next year to hold ourselves accountable and track how we are doing.

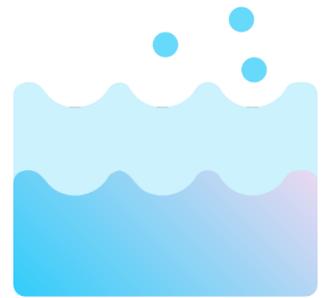
Periodically, we plan to introduce new metrics and update targets to ensure alignment with our strategy.

## **Commitments**

To ensure we have a robust sustainability program in place, we will also publish the key initiatives we plan to implement within the next year.

# Environmental SUSTAINABILITY

**We are committed to providing world-class water management services that add tangible value to the communities we serve and to operate. We strive to maintain those facilities with a strong emphasis on the triple bottom line of economy, environment and society.**



## Water Treatment

Water is the source of life. It is necessary to ensure that wastewater is properly treated and clean drinking water is available to the people. We focus on the needs of the people and strive to solve the water supply problem by extending our business scope and investing in technologies to treat wastewater and provide people with safe drinking water.

The main business areas of Wuhan Kaidi are as follows:

- Industrial water treatment, including desalinated water treatment, reclaimed water reuse, pure water preparation, condensed water treatment, seawater desalination.
- Industrial wastewater treatment, including treatment of industrial wastewater to achieve standard or zero discharge,
- Municipal water supply and drainage, including municipal tap water, municipal sewage, landfill leachate treatment.

Wuhan Kaidi has completed more than 600 water treatment projects in the power, municipal, steel metallurgy, petrochemical, coal chemical, paper, food, pharmaceutical and other industries. They also have more than 20 proprietary and patented technologies with independent intellectual property rights, and recently introduced condensate cone separation technology from the United Kingdom and evaporation crystallisation technology from the United States.

In addition, Wuhan Kaidi have established strategic partnerships with many colleges and universities and well-known enterprises in the water industry, and has established a leading market position and outstanding competitive advantages in the field of water treatment.

# ENVIRONMENTAL SUSTAINABILITY

## Case Studies: Water Treatment



### ***Seawater Desalination***

Completed in 2015, the China Resources Haifeng Power Plant Desalination EPC Project has an operational capability of 21,600 m<sup>3</sup>/day.

This is the first seawater desalination project using the EPC model in China. The project uses multi-layer and multi-grid horizontal filters in the filtration process.



### ***Zero Discharge System***

Utilising the patented VCC One-Step!™ technology from the United States, the Tianjin Beijiang Power Plant Wastewater Desulphurisation Zero Discharge Project is designed to process sulphurised wastewater at a rate of 24 m<sup>3</sup>/hour.

After undergoing a precipitation and filtration process, the treated sulphurised wastewater will be passed through the VACOM evaporative crystallisation system to produce the crystalline salt and water, which will be recycled.



### ***Municipal Wastewater***

Commencing construction in 2015, the Yinchuan Binhe New District Sewage Treatment Plant (Phase 1) has a total operational capacity of 50,000 tonnes/day. This operational capacity is expected to reach 150,000 tonnes/day in 2030.

# ENVIRONMENTAL SUSTAINABILITY

## Emissions and Use of Resources



### *Emissions*

Emissions for the Wuhan Kaidi include Greenhouse Gas (“GHG”) (Scope 1) emissions from petrol claims for personal vehicles, GHG (Scope 2) emissions from the use of purchased electricity in Wuhan Kaidi’s Wuhan office, GHG (Scope 3) emissions from business air travel, and municipal wastewater and solid waste generated by the office staffs. No hazardous waste were generated by Wuhan Kaidi in FY2017.

In FY2017, the total GHG emissions intensity of Wuhan Kaidi was 1.01 kgCO<sub>2</sub>e/¥’000.



### *Purchased Electricity*

Wuhan Kaidi’s electricity consumption came from regular operations of the office. In FY2017, the total electricity consumption intensity of Wuhan Kaidi is 0.96 kWh/¥’000. All employees stringently complied with Wuhan Kaidi’s policy of saving energy.

Wuhan Kaidi utilised electricity-saving light bulbs at its office building as well as educated its employees about energy conservation and emission reductions. To ensure the effective use of electricity, Wuhan Kaidi conducted the following practices:

- Turn off lights, computers and air conditioning system before clocking out
- Place energy saving reminder labels next to switches
- Clean office equipment (such as refrigerator, air-conditioner) regularly to maintain high efficiency
- Use energy saving equipment
- Set temperature of air conditioners to 25°c

Wuhan Kaidi established policies and procedures to reduce energy consumption in the office, to assess the energy efficiency, to increase the use of clean energy, if possible, to set applicable targets to monitor energy consumption, and to ensure power is turned off when electrical appliances are not in use.

# ENVIRONMENTAL SUSTAINABILITY

## Emissions and Use of Resources (cont'd)



### Water Consumption

Wuhan Kaidi water consumption is mainly from domestic water use. In FY2017, the total water consumption intensity of Wuhan Kaidi was 6.22 litres/¥'000. To further improve the utilisation efficiency of water resources, the Group adopted the following practices:

- Place posters on 'Saving Water' to encourage water conservation
- Strengthen inspection and maintenance on water taps and fixing dripping taps immediately to avoid wastage
- Use water saving equipment



### Paper

Paper was mainly consumed by the Wuhan Kaidi's office. In FY2017, the total weight of paper recycled by Wuhan Kaidi is 231 kg. We strive to reduce paper waste at source by adopting the following practices:

- Think before print
- Set duplex printing as the default mode for most network printers
- Use email to reduce fax paper consumption
- Separate single-sided paper and double-sided paper for better recycling
- Use the back of old single-sided documents for printing or as draft paper

## KEY STATISTICS: Environmental Sustainability

Performance Indicators	2017	Units
Completed water treatment projects	>600	Number
Intellectual property rights registered	>20	Number
Environmental and operating expenditures	350	¥'000
Carbon emission intensity	1.01	kgCO <sub>2</sub> e/ ¥'000
Electricity consumption intensity	0.96	kWh/¥'000
Water consumption intensity	6.22	litres/¥'000
Paper recycled	231	kg

## REGULATORY COMPLIANCE

**To maintain a fair, ethical and efficient business and working environment, Darco strictly adheres to the local laws and regulations relating to anti-corruption and bribery, irrespective of the area or country where the Group conducts its business.**



### Legal Compliance

In FY2017, the Group, through its Company Secretary, has updated the Board on relevant new laws and regulations affecting the Company. From time to time, and through Board meetings and other meetings, both formal and informal, our Chief Executive Officer (“**CEO**”) has been advising our Directors of the changing commercial and business risks faced by our Company.

The Directors are also updated regularly with changes to the SGX-ST Listing Rules, risk management, corporate governance, insider trading and the key changes in the relevant regulatory requirements and financial reporting standards and the relevant laws and regulations to facilitate effective discharge of their fiduciary duties as Board or Board Committees members. New releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority (“**ACRA**”) which are relevant to the Directors are circulated to the Board by the Company Secretary.

The Directors are encouraged to attend seminars and receive training to improve themselves in the discharge of Directors’ duties and responsibilities. Changes to regulations and accounting standards are monitored closely by the Management. To keep pace with such regulatory changes, the Company provides opportunities for ongoing education and training on Board processes and best practices as well as updates on changes in legislation and financial reporting standards, regulations and guidelines from the SGX-ST Listing Rules that affect the Company and/or the Directors in discharging their duties. Such training costs are borne by the Company.

In FY2017, the Group was not in violation of any of the relevant laws and regulations in relation to bribery, extortion, fraud and money laundering that have a significant impact on the Group.

# REGULATORY COMPLIANCE

## Preventing Bribery and Corruption

The Group prohibits all forms of bribery and corruption. The Group requires all employees to strictly abide by professional ethics and eliminate any corruption and bribery. All employees are expected to discharge their duties with integrity, to act fairly and professionally, and to abstain from engaging in bribery activities or any activities, which might exploit their positions against the Group's interests.

Whistle-blowers can report verbally or in writing to the senior management of the Group for any suspected misconduct with full details and supporting evidence. The management will conduct investigations against any suspicious or illegal behaviour to protect the Group's interests. The Group advocates a confidentiality mechanism to protect the whistleblowers against unfair dismissal or victimisation. Where criminality is suspected, a report is made to the relevant regulators or law enforcement authorities when the management considers necessary.

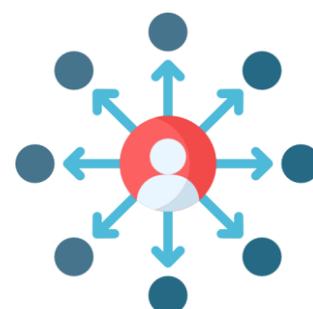
In addition, the staff handbook lays out the Group's expectation and guiding provisions on code of conduct. The Group encourages employees, customers, suppliers, or other parties to report incidents relating to any conflicts of interest, extortion, bribery, fraud and money laundering.

## KEY STATISTICS: Regulatory Compliance

Performance Indicators	2017	Units
Regulatory and compliance incidents	0	Number
Confirmed incidences of corruption and actions taken	0	Number
Non-compliance with laws and/or regulations which resulted in significant fines and non-monetary sanctions	0	Number
Non-compliance with environmental laws and/or regulations which resulted in significant fines and non-monetary sanctions	0	Number

# SOCIAL CONTRIBUTIONS

People are the cornerstone of our businesses. One of our most important and fundamental responsibilities lies in respecting and protecting the rights of all employees. Creating an environment where every employee can maintain both physical and mental health is essential to ensuring that they can maximise their potential.



## Talent Retention

Personal and professional development is an ongoing journey. The Group considers an effective learning and development program to be a critical part of keeping our employees motivated and encouraging them to build a strong sense of loyalty and pride towards our business.



### *Training and Development*

In October 2017, a Company-wide training was conducted by Wuhan Kaidi to improve quality, environment, occupational health and safety awareness of the company's staff, and to further standardise the company's operation. The training comprised of the following:

- New quality management requirements (GB/T19001 & GB/T50430)
- New environmental management requirements (GB/T14001) and environmental awareness training
- Occupational health and safety management requirements (GB/T28001) and safety awareness training
- Environmental factors identification and evaluation
- Hazard identification and risk assessment

Through our training and education programme, we are developing people, improving their employability and growing their careers in the engineering industry.

# SOCIAL CONTRIBUTIONS

## Talent Retention (cont'd)



### ***Equal Opportunity***

We endeavour to be an equal opportunity employer to provide a fair workplace for employees, following the principles of equality and non-discrimination. Recruitment, remuneration, promotion, and benefits are required to be handled based on objective assessment, equal opportunity and non-discrimination regardless of gender, race, marital status, pregnancy, disability, age or family status.

The Group attracts talent through fair, and flexible recruitment strategy that includes recruitment application, job description, job applications, interview, selection, approval, and job offer. Promotion is based on performance and suitability.

The Group offers competitive remuneration to attract and retain talented staff members. Remuneration packages (which includes the necessary social benefits) are reviewed periodically to ensure consistency with employment market. Dismissal also complies with employment laws and regulations relating to non-discrimination.



### ***Encouraging Work-Life Balance***

We organised a variety of employee activities to help them relax their mind and body, develop teamwork, explore their talent, so as to develop a positive attitude in both work and life.

To enhance employee teamwork and cohesion, improve employee health and improve employee work-life balance, Wuhan Kaidi has been organising periodic employee gatherings during major festivals and annual orientation for new staff.

# SOCIAL CONTRIBUTIONS

## Occupational Health and Safety

We are committed to maintaining a healthy and safe workplace for employees, and to preventing workplace injuries and illnesses. As noted above, we conducted periodic trainings to improve quality, environment, occupational health and safety awareness of the company's staff, and to further standardise the company's operation.

In FY2017, there is no instances of serious incidents and workplace injuries in Wuhan Kaidi.

## Others

We also seek to create long-term economic benefits for our communities through supplier development, supporting a reliable local supply network to drive economic growth.

All of our suppliers and contractors must adhere to our requirements regarding safety, health, security and the environment, as well as the principles of our Standards of Business Conduct. We are also focused on developing local businesses through regular meetings with them to ensure they are aware of the opportunities created by our projects and understand our requirements.

## KEY STATISTICS: Social Contributions

Performance Indicators	2017	Units
Investment in training	291	¥'000
Training hours per staff	24	Hours
Employee turnover	23.1	%
Percentage of female employees	26.9	%
No. of serious incidents	0	Number
No. of workplace injuries	0	Number
Percentage purchase from local suppliers	9.3	%

## APPENDIX A: SUSTAINABILITY SCORECARD

### Financial Results (Wuhan Kaidi)

Performance Indicators	2017	Units
Revenue	120,582	¥'000

### Environmental Sustainability (Wuhan Kaidi)

Performance Indicators	2017	Units
Completed water treatment projects	>600	Number
Intellectual property rights registered	>20	Number
Environmental and operating expenditures	350	¥'000
Carbon emission intensity	1.01	kgCO <sub>2</sub> e/ ¥'000
Electricity consumption intensity	0.96	kWh/ ¥'000
Water consumption intensity	6.22	litres/ ¥'000
Paper recycled	231	kg

### Regulatory Compliance (Wuhan Kaidi)

Performance Indicators	2017	Units
Regulatory and compliance incidents	0	Number
Confirmed incidences of corruption and actions taken	0	Number
Non-compliance with laws and/or regulations which resulted in significant fines and non-monetary sanctions	0	Number
Non-compliance with environmental laws and/or regulations which resulted in significant fines and non-monetary sanctions	0	Number

# APPENDIX A: SUSTAINABILITY SCORECARD

## Social Contributions (Wuhan Kaidi)

Performance Indicators	2017	Units
Investment in training	291	¥'000
Training hours per staff	24	Hours
Employee turnover	23.1	%
Percentage of female employees	26.9	%
No. of serious incidents	0	Number
No. of workplace injuries	0	Number
Percentage purchase from local suppliers	9.3	%

## APPENDIX B: CONSULTING OUR STAKEHOLDERS

We listen to our stakeholders and engage with them on an ongoing and ad hoc basis. An overview of our approach and rationale is set out below (with stakeholders listed in alphabetical order), together with the feedback we have received.

Stakeholders	How we listen	Why we do it	What you've told us
Customers	<ul style="list-style-type: none"> <li>Visit to customers' office</li> <li>Telephone calls/ email</li> <li>Progress meeting</li> <li>Updates on research and development</li> </ul>	<ul style="list-style-type: none"> <li>Consistently improve on technical and technology</li> <li>Upgrade of project infrastructure and operation standard to exceed customers' expectations</li> </ul>	<ul style="list-style-type: none"> <li>On-time delivery</li> <li>Meet quality requirements</li> <li>Progress of contract execution</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Employee feedback mailbox</li> <li>Office Automation (OA) system</li> <li>WeChat groups</li> <li>Employee caring session</li> </ul>	<ul style="list-style-type: none"> <li>Comply with manpower rules and regulations</li> <li>Develop and maintain multiple communication channels to obtain feedback from employees</li> </ul>	<ul style="list-style-type: none"> <li>Salary increment</li> <li>Improve employee welfare and benefits</li> </ul>
Government and Regulators	<ul style="list-style-type: none"> <li>Visit to Government office</li> <li>Understand industry regulation</li> <li>Subscribe to Government website</li> <li>Telephone calls</li> <li>Training and meeting</li> <li>Exchange meeting</li> <li>Give suggestion via industry association</li> </ul>	<ul style="list-style-type: none"> <li>Uphold the highest standards of corporate governance and ethical behaviour</li> <li>Participate in government-related events</li> <li>Timely submission and payment of taxes</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with SGX rulings and local laws and regulations</li> <li>Fully understand all regulations applicable to the company</li> </ul>
Suppliers/ Business Partners	<ul style="list-style-type: none"> <li>Visit to suppliers' office</li> <li>Telephone calls/ emails</li> <li>Audit inspection</li> <li>Site survey</li> <li>Supplier evaluation</li> <li>Open tender</li> </ul>	<ul style="list-style-type: none"> <li>Build strategic business relationship</li> <li>Fair competition</li> <li>Perform periodic supplier evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Timely payment</li> <li>Adhere to agreement terms</li> </ul>

## APPENDIX C: GRI CONTENT INDEX

The GRI Content Index references the Darco Water Technologies Limited Sustainability Report 2017 (“SR”), the Annual Report 2017 (“AR”) and the Darco Corporate Website (“Web”).

Disclosure Number	Disclosure Title	Page Reference and Remarks	
<b>GRI 102: General Disclosures</b>			
Organisational Profile	102-1	Name of organisation	<ul style="list-style-type: none"> <li>AR: Corporate Profile (Page 1)</li> </ul>
	102-2	Activities, brands, products, and services	<ul style="list-style-type: none"> <li>AR: Corporate Profile (Page 1)</li> </ul>
	102-3	Location of headquarters	<ul style="list-style-type: none"> <li>AR: General Information – Note 1 to the Financial Statements (Page 59)</li> </ul>
	102-4	Location of operations	<ul style="list-style-type: none"> <li>AR: Operations Review (Page 13)</li> <li>AR: Group Structure (Pages 14)</li> <li>AR: Our Regional Presence (Pages 16)</li> <li>AR: Investment in Subsidiaries – Note 5 to the Financial Statements (Pages 93-101)</li> <li>Web: <a href="https://darcowater.com/company-info/contact-us">https://darcowater.com/company-info/contact-us</a></li> </ul>
	102-5	Ownership and legal form	<ul style="list-style-type: none"> <li>AR: General Information – Note 1 to the Financial Statements (Page 59)</li> </ul>
	102-6	Markets served	<ul style="list-style-type: none"> <li>AR: Segment Information – Note 24 to the Financial Statements (Pages 120-126)</li> </ul>
	102-7	Scale of organisation	<ul style="list-style-type: none"> <li>AR: Corporate Profile (Page 2-3)</li> <li>AR: Segment Information – Note 24 to the Financial Statements (Pages 120-126)</li> </ul>
	102-8	Information on employees and other workers	<ul style="list-style-type: none"> <li>SR: Social Contributions (Pages 15-17)</li> </ul>
	102-9	Supply chain	<ul style="list-style-type: none"> <li>SR: Social Contributions (Pages 15-17)</li> </ul>
	102-10	Significant changes to the organisation and its supply chain	<ul style="list-style-type: none"> <li>Web: <a href="https://darcowater.com/About%20Darco/company-info/our-business">https://darcowater.com/About%20Darco/company-info/our-business</a></li> </ul>
	102-11	Precautionary Principle or approach	<ul style="list-style-type: none"> <li>AR: Corporate Governance Report (Pages 18-44)</li> </ul>
	102-12	External initiatives	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>
	102-13	Membership of associations	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>

## APPENDIX C: GRI CONTENT INDEX

Disclosure Number	Disclosure Title	Page Reference and Remarks
<b>GRI 102: General Disclosures (cont'd)</b>		
Strategy	102-14	Statement from senior decision-maker <ul style="list-style-type: none"> <li>AR: Chairman's Statement (Pages 4-7)</li> <li>Web: <a href="https://darcowater.com/Investor%20Information/company-info/chairman-statement">https://darcowater.com/Investor%20Information/company-info/chairman-statement</a></li> </ul>
	102-15	Key impacts, risks, and opportunities <ul style="list-style-type: none"> <li>AR: Corporate Profile (Page 2-3)</li> <li>AR: Independent Auditor's Report (Pages 49-53)</li> </ul>
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior <ul style="list-style-type: none"> <li>SR: Sustainability Strategy (Page 6)</li> <li>Web: <a href="https://darcowater.com/About%20Darco/company-info/our-mission">https://darcowater.com/About%20Darco/company-info/our-mission</a></li> </ul>
	102-17	Mechanisms for advice and concerns about ethics <ul style="list-style-type: none"> <li>AR: Corporate Governance Report (Pages 18-44)</li> </ul>
Governance	102-18	Governance structure <ul style="list-style-type: none"> <li>AR: Corporate Governance Report (Pages 18-44)</li> </ul>
	102-19	Delegating authority <ul style="list-style-type: none"> <li>AR: Corporate Governance Report (Pages 18-44)</li> </ul>
	102-20	Executive-level responsibility for economic, environmental, and social topics <ul style="list-style-type: none"> <li>SR: Sustainability Organisational Structure (Page 6)</li> </ul>
	102-21	Consulting stakeholders on economic, environmental, and social topics <ul style="list-style-type: none"> <li>SR: Consulting Our Stakeholders (Page 20)</li> </ul>
	102-22	Composition of the highest governance body and its committees <ul style="list-style-type: none"> <li>AR: Corporate Governance Report (Pages 18-44)</li> </ul>
	102-23	Chair of the highest governance body <ul style="list-style-type: none"> <li>AR: Corporate Governance Report (Pages 18-44)</li> </ul>
	102-24	Nominating and selecting the highest governance body <ul style="list-style-type: none"> <li>AR: Corporate Governance Report (Pages 18-44)</li> </ul>
	102-25	Conflicts of interest <ul style="list-style-type: none"> <li>AR: Corporate Governance Report (Pages 22-47)</li> <li>AR: Statistics of Shareholdings (Pages 142-143)</li> <li>AR: Directors' Statement (Pages 45-48)</li> <li>SR: Sustainability Strategy (Page 6)</li> </ul>

## APPENDIX C: GRI CONTENT INDEX

Disclosure Number	Disclosure Title	Page Reference and Remarks
GRI 102: General Disclosures (cont'd)		
Governance (cont'd)	102-26	Role of highest governance body in setting purpose, values, and strategy
		• AR: Corporate Governance Report (Pages 18-44)
	102-27	Collective knowledge of highest governance body
		• AR: Corporate Governance Report (Pages 18-44)
	102-28	Evaluating the highest governance body's performance
		• AR: Corporate Governance Report (Pages 18-44)
	102-29	Identifying and managing economic, environmental, and social impacts
		• SR: Sustainability Materiality Matrix (Page 7)
	102-30	Effectiveness of risk management processes
		• AR: Corporate Governance Report (Pages 18-44)
	102-31	Review of economic, environmental, and social topics
		• SR: Sustainability Report (Pages 1-32)
	102-32	Highest governance body's role in sustainability reporting
		• SR: Sustainability Organisational Structure (Page 6)
	102-33	Communicating critical concerns
		• SR: Sustainability Materiality Matrix (Page 7)
	102-34	Nature and total number of critical concerns
		• SR: Sustainability Materiality Matrix (Page 7)
	102-35	Remuneration policies
		• AR: Corporate Governance Report (Pages 18-44)
	102-36	Process for determining remuneration
		• AR: Corporate Governance Report (Pages 18-44)
	102-37	Stakeholders' involvement in remuneration
		• AR: Corporate Governance Report (Pages 18-44)

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Disclosure Number	Disclosure Title	Page Reference and Remarks
<b>GRI 102: General Disclosures (cont'd)</b>		
Governance (cont'd)	102-38	Annual total compensation ratio • AR: Corporate Governance Report (Pages 18-44)
	102-39	Percentage increase in annual total compensation ratio • AR: Corporate Governance Report (Pages 18-44)
Stakeholder Engagement	102-40	List of stakeholder groups • SR: Consulting Our Stakeholders (Page 20)
	102-41	Collective bargaining agreements • Not applicable
	102-42	Identifying and selecting stakeholders • SR: Consulting Our Stakeholders (Page 20)
	102-43	Approach to stakeholder engagement • SR: Sustainability Strategy (Page 6)
	102-44	Key topics and concerns raised • SR: Consulting Our Stakeholders (Page 20)
Reporting Practice	102-45	Entities included in the consolidated financial statements • AR: Subsidiaries – Note 6 to the Financial Statements (Pages 90-91) • AR: Associate – Note 7 to the Financial Statements (Pages 92-93)
	102-46	Defining report content and topic Boundaries • SR: Sustainability Materiality Matrix (Page 7)
	102-47	List of material topics • SR: Sustainability Materiality Matrix (Page 7)
	102-48	Restatements of information • Not applicable
	102-49	Changes in reporting • Not applicable
	102-50	Reporting period • SR: Scope of Sustainability Report (Page 5)
	102-51	Date of most recent report • Not applicable
	102-52	Reporting cycle • Annual
	102-53	Contact point for questions regarding the report • SR: Scope of Sustainability Report (Page 5)

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Disclosure Number	Disclosure Title	Page Reference and Remarks
<b>GRI 102: General Disclosures (cont'd)</b>		
Reporting Practice (cont'd)	102-54	Claims of reporting in accordance with the GRI Standards <ul style="list-style-type: none"> <li>SR: Scope of Sustainability Report (Page 5)</li> </ul>
	102-55	GRI content index <ul style="list-style-type: none"> <li>SR: GRI Content Index (Pages 21-32)</li> </ul>
	102-56	External assurance <ul style="list-style-type: none"> <li>No external assurance</li> </ul>
<b>GRI 200: Economic Disclosures</b>		
Economic Performance	201-1	Direct economic value generated and distributed <ul style="list-style-type: none"> <li>SR: Sustainability Scorecard (Pages 18-19)</li> </ul>
	201-2	Financial implications and other risks and opportunities due to climate change <ul style="list-style-type: none"> <li>Not applicable</li> </ul>
	201-3	Defined benefit plan obligations and other retirement plans <ul style="list-style-type: none"> <li>Not applicable</li> </ul>
	201-4	Financial assistance received from government <ul style="list-style-type: none"> <li>Not applicable</li> </ul>
Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage <ul style="list-style-type: none"> <li>Not applicable</li> </ul>
	202-2	Proportion of senior management hired from local community <ul style="list-style-type: none"> <li>Not applicable</li> </ul>
Indirect Economic Impacts	203-1	Infrastructure investments and services supported <ul style="list-style-type: none"> <li>Not applicable</li> </ul>
	203-2	Significant indirect economic impacts <ul style="list-style-type: none"> <li>Not applicable</li> </ul>
Procurement Practices	204-1	Proportion of spending on local suppliers <ul style="list-style-type: none"> <li>SR: Social Contributions (Pages 15-17)</li> </ul>

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Disclosure Number	Disclosure Title	Page Reference and Remarks
<b>GRI 200: Economic Disclosures (cont'd)</b>		
Anti-Corruption	205-1	Operations assessed for risks related to corruption • Not applicable
	205-2	Communication and training about anti-corruption policies and procedures • Not applicable
	205-3	Confirmed incidents of corruption and actions taken • There is no incidences of corruption.
Anti-Competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices • There is no legal actions for anti-competition.
<b>GRI 300: Environment Disclosures</b>		
Materials	301-1	Materials used by weight or volume • Not applicable
	301-2	Recycled input materials used • SR: Sustainability Scorecard (Pages 18-19)
	301-3	Reclaimed products and their packaging materials • Not applicable
Energy	302-1	Energy consumption within the organisation • SR: Environmental Sustainability (Pages 9-12)
	302-2	Energy consumption outside of the organisation • Not applicable
	302-3	Energy intensity • SR: Environmental Sustainability (Pages 9-12) • SR: Sustainability Scorecard (Pages 18-19)
	302-4	Reduction of energy consumption • SR: Environmental Sustainability (Pages 9-12)
	302-5	Reductions in energy requirements of products and services • Not applicable

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Disclosure Number	Disclosure Title	Page Reference and Remarks	
GRI 300: Environment Disclosures (cont'd)			
Water	303-1	Water withdrawal by source	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
	303-2	Water sources significantly affected by withdrawal of water	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
	303-3	Water recycled and reused	<ul style="list-style-type: none"> <li>• SR: Environmental Sustainability (Pages 9-12)</li> <li>• SR: Sustainability Scorecard (Pages 18-19)</li> </ul>
Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
	304-2	Significant impacts of activities, products, and services on biodiversity	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
	304-3	Habitats protected or restored	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
Emissions	305-1	Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> <li>• SR: Environmental Sustainability (Pages 9-12)</li> </ul>
	305-2	Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> <li>• SR: Environmental Sustainability (Pages 9-12)</li> </ul>
	305-3	Other indirect (Scope 3) GHG emissions	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
	305-4	GHG emissions intensity	<ul style="list-style-type: none"> <li>• SR: Environmental Sustainability (Pages 9-12)</li> <li>• SR: Sustainability Scorecard (Pages 18-19)</li> </ul>
	305-5	Reduction of GHG emissions	<ul style="list-style-type: none"> <li>• SR: Environmental Sustainability (Pages 9-12)</li> </ul>

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Disclosure Number	Disclosure Title	Page Reference and Remarks
<b>GRI 300: Environment Disclosures (cont'd)</b>		
Emissions (cont'd)	305-6	Emissions of ozone-depleting substances (ODS) <ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
	305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions <ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
	303-3	Water recycled and reused <ul style="list-style-type: none"> <li>• SR: Environmental Sustainability (Pages 9-12)</li> <li>• SR: Sustainability Scorecard (Pages 18-19)</li> </ul>
Effluents and Waste	306-1	Water discharge by quality and destination <ul style="list-style-type: none"> <li>• SR: Environmental Sustainability (Pages 9-12)</li> </ul>
	306-2	Waste by type and disposal method <ul style="list-style-type: none"> <li>• SR: Environmental Sustainability (Pages 9-12)</li> </ul>
	306-3	Significant spills <ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
	306-4	Transport of hazardous waste <ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
	306-5	Water bodies affected by water discharges and/or runoff <ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
Laws and Regulations	307-1	Non-compliance with environmental laws and regulations <ul style="list-style-type: none"> <li>• There is no non-compliance with environmental laws and regulations.</li> </ul>
Supplier Environmental Assessments	308-1	New suppliers that were screened using environmental criteria <ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
<b>GRI 400: Social Disclosures</b>		
Employment	401-1	New employee hires and employee turnover <ul style="list-style-type: none"> <li>• SR: Sustainability Scorecard (Pages 18-19)</li> </ul>
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees <ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
	401-3	Parental leave <ul style="list-style-type: none"> <li>• Not applicable</li> </ul>

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Disclosure Number	Disclosure Title	Page Reference and Remarks
GRI 400: Social Disclosures (cont'd)		
Labor / Management Relations	402-1 Minimum notice periods regarding operational changes	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
Occupational Health and Safety	403-1 Workers representation in formal joint management-worker health and safety committees	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	<ul style="list-style-type: none"> <li>• SR: Occupational Health and Safety (Page 17)</li> <li>• SR: Sustainability Scorecard (Pages 18-19)</li> </ul>
	403-3 Workers with high incidence or high risk of diseases related to their occupation	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
	403-4 Health and safety topics covered in formal agreements with trade unions	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
Training and Education	404-1 Average hours of training per year per employee	<ul style="list-style-type: none"> <li>• SR: Social Contributions (Pages 15-17)</li> <li>• SR: Sustainability Scorecard (Pages 18-19)</li> </ul>
	404-2 Programs for upgrading employee skills and transition assistance programs	<ul style="list-style-type: none"> <li>• SR: Social Contributions (Pages 15-17)</li> </ul>
	404-3 Percentage of employees receiving regular performance and career development reviews	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
	405-2 Ratio of basic salary and remuneration of women to men	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>

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Disclosure Number	Disclosure Title	Page Reference and Remarks
GRI 400: Social Disclosures (cont'd)		
Non-Discrimination	406-1 Incidents of discrimination and corrective actions taken	• Not applicable
Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	• Not applicable
Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	• Child labour is strictly prohibited.
Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	• Forced and compulsory labour is strictly prohibited.
Security Practices	410-1 Security personnel trained in human rights policies or procedures	• Not applicable
Rights of Indigenous Peoples	411-1 Incidents of violations involving rights of indigenous peoples	• Not applicable
Human Rights Assessment	412-1 Operations that have been subject to human rights reviews or impact assessments	• Not applicable
	412-2 Employee training on human rights policies or procedures	• Not applicable
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	• Not applicable

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Disclosure Number	Disclosure Title	Page Reference and Remarks
<b>GRI 400: Social Disclosures (cont'd)</b>		
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs • SR: Social Contributions (Pages 15-17)
	413-2	Operations with significant actual and potential negative impacts on local communities • Not applicable
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria • Not applicable
	414-2	Negative social impacts in the supply chain and actions taken • Not applicable
Public Policy	415-1	Political contributions • Not applicable
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories • Not applicable
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services • Not applicable
Marketing and Labelling	417-1	Requirements for product and service information and labeling • Not applicable
	417-2	Incidents of non-compliance concerning product and service information and labeling • Not applicable
	417-3	Incidents of non-compliance concerning marketing communications • Not applicable

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Disclosure Number	Disclosure Title	Page Reference and Remarks
GRI 400: Social Disclosures (cont'd)		
Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
Socioeconomic Compliance	419-1 Non-compliance with laws and regulations in the social and economic area	<ul style="list-style-type: none"> <li>• There is no non-compliance with socioeconomic laws and regulations.</li> </ul>



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