



粵豐環保電力有限公司

Canvest Environmental Protection Group Company Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 1381

SUSTAINABILITY REPORT  
2019

*Capturing Immense Opportunity  
Creating Sustainable Growth*





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# 1. ABOUT THIS REPORT

Canvest Environmental Protection Group Company Limited (“Canvest” or the “Group”) (stock code: 1381.HK) is pleased to present our Sustainability Report 2019 (the “Report”), providing an overview of our commitment to sustainability. We continue to disclose and discuss the key performance of the Group in environmental, social and governance (“ESG”) areas to stakeholders through engaging AECOM Asia Company Limited, a professional sustainability reporting consultant, in preparing the Report.

The Report covers the sustainability performance of all our offices and operating waste-to-energy plants<sup>1</sup> that are wholly-owned by Canvest (“Operating Projects”) for the period from 1 January 2019 to 31 December 2019 (“FY2019” or “Reporting Period”). Unless otherwise specified, the ESG performance of our contractors and suppliers are not reflected in this Report. This Report has been prepared in accordance with the GRI Standards: Comprehensive option<sup>2</sup>, its *Electric Utilities Sector Disclosures*, and the *Environmental, Social and Governance Reporting Guide* (the “ESG Reporting Guide”) under Appendix 27 to the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (“SEHK”). The Chinese and English versions of the Report<sup>3</sup> are also available on our corporate website ([www.canvestenvironment.com](http://www.canvestenvironment.com)) and the website of HKEXnews ([www.hkexnews.hk](http://www.hkexnews.hk)).

We welcome all stakeholders and the public to provide valuable comments and suggestions to [info@canvest.com.hk](mailto:info@canvest.com.hk) on this Report and our sustainability performance.

<sup>1</sup> The Report covers material issues arising from Canvest’s core WTE business, whereas other business areas such as environmental hygiene and related services are not material to our operations and are not reflected in this Report.

<sup>2</sup> GRI refers to Global Reporting Initiative.

<sup>3</sup> In case of inconsistency or discrepancy between the Chinese and English versions of the Report, the English version shall prevail.



## 2. MESSAGE FROM OUR CHAIRLADY

### To All Honorable Stakeholders:

Sustainability has steadily transformed over the years from concept to reality. Today, sustainability has become an integral part of how Canvest operates. As the largest non-state-owned waste-to-energy (“WTE”) enterprise in Guangdong Province, Canvest has been committed to building a cleaner energy future while helping our communities thrive. A commitment that Canvest has strengthened and expanded by contributing to the offset of greenhouse gas (GHG) emissions through avoidance of methane released from landfills and GHGs generated at fossil-fueled power plants. Moreover, Canvest strongly values its interaction with local communities, facilitating their access to education and employment and sustainable economic growth. Now more than ever, Canvest is dedicated to managing municipal solid waste (“MSW”) in an environmentally and socially responsible means through implementing new technologies and approaches to reduce air emissions and material consumption of our projects.

We are aware of our important role in sustainable development and we act on it. Since 2015, the United Nations’ Sustainable Development Goals (“SDGs”) provide a blueprint for a better and more sustainable future by addressing a wide range of global challenges. We recognise the SDGs’ importance and fully support them. To promote transparency and comparability, more and more companies around the world are aligning their sustainability strategies to the SDGs. We have identified 12 specific SDGs that are most closely connected with our business, environment and people, and we intend to set new sustainability targets that demonstrate our contribution to the achievement of the goals. Envisioning a sustainable and circular development model for cities, the Group has continued to make solid business progress and expand our geographical reach of WTE business. Currently, the Group has secured 30 WTE projects, with 14 projects in operation, and the remaining 16 projects under planning and construction.

Subsequent to the rolling out of major policies, including the “Plan on Urban Household Waste Treatment Facilities Construction for the 13th Five Year Plan Period” (十三五全國城鎮生活垃圾無害化處理設施建設規劃) and “Notice on the Implementation Plan of Municipal Solid Waste Sorting System” (生活垃圾分類制度實施方案的通知), the State Council further unveiled the “Circular of the Ministry of Housing and Urban-Rural Development and other Departments on Implementing the Classification System for Municipal Solid Waste in Cities at or above the Prefecture” (住房和城鄉建設部等部門關於在全國地級及以上城市全面開展生活垃圾分類工作的通知) in June 2019 to promote the waste sorting initiatives, which targeted to establish municipal solid waste sorting system in 46 selected key cities by 2020, and in all prefecture and above level cities by 2025. While the introduction of these environmental policies provided directives and created immense development opportunities in the WTE industry, they also actively encourage resource conservation and environmental protection. Canvest actively responds to the new policies, continuously develops new strategies and brings innovation to processes. We believe we are capable to seize the momentum brought forth by the new wave of environmental policies, and continue our mission “to protect the green ecology, and to contribute to the clean energy”.





## MESSAGE FROM OUR CHAIRLADY

At Canvest, we are actively engaged in creating sustainable long-term value for all stakeholders every day. Climate change is undoubtedly the primary focus of Canvest that we will take the lead to address the issue. During the Reporting Period, the Group fulfilled its corporate social responsibility and contributed to environmental protection by innocuously treated 5,911,952 tonnes MSW, sold 2,062,642 MWh of green electricity, saved 630,006 tonnes of standard coal and offset 2,809,524 tonnes of carbon dioxide equivalent emissions.

Adhering to our corporate philosophy to “unite as one, work meticulously and strive for excellence”, I am pleased to see our commitment in sustainability and the efforts that we have made to achieve the goals. Societal change is never easy, but we recognise it is our responsibility to make long term and positive impact. Our work continues, and I look forward to ushering in this new era for the betterment of those we serve today and future generations.

**Lee Wing Yee Loretta**

*Chairlady*

Hong Kong, 2 July 2020







### 3. ABOUT CANVEST

Canvest Environmental Protection Group Company Limited, a company incorporated in the Cayman Islands and headquartered in Hong Kong, is principally engaged in the operation and management of WTE plants and provision of environmental hygiene and related services. Currently, the Group has 30 WTE projects, covering 12 provinces and a municipality across China. The Group was listed on the Main Board of SEHK on 29 December 2014 (stock code: 1381).

#### PROJECT HIGHLIGHTS







## ABOUT CANVEST

The following table shows the status of our WTE plants as of the date of our Annual Report 2019:

Project	Location	Daily MSW processing capacity	Installed power generation capacity
<b>In the operation stage:</b>			
<b>Eco-Tech I WTE Plant</b>	Dongguan, Guangdong Province	1,800 tonnes	36 MW
<b>Eco-Tech II WTE Plant</b>	Dongguan, Guangdong Province	1,500 tonnes	50 MW
<b>Kewei WTE Plant</b>	Dongguan, Guangdong Province	1,800 tonnes	30 MW
<b>China Scivest I WTE Plant</b>	Dongguan, Guangdong Province	1,800 tonnes	42 MW
<b>China Scivest II WTE Plant</b>	Dongguan, Guangdong Province	1,200 tonnes	36 MW
<b>Zhanjiang WTE Plant</b>	Zhanjiang, Guangdong Province	1,500 tonnes	30 MW
<b>Zhongshan WTE Plant*</b>	Zhongshan, Guangdong Province	1,040 tonnes	24 MW
<b>Lufeng WTE Plant</b>	Lufeng, Guangdong Province	Phase 1: 1,200 tonnes Phase 2: 400 tonnes (planning)	Phase 1: 30 MW Phase 2: 12 MW (planning)
<b>Xinyi WTE Plant**</b>	Xinyi, Guangdong Province	950 tonnes	24 MW
<b>Laibin WTE Plant</b>	Laibin, Guangxi Zhuang Autonomous Region	Phase 1: 1,000 tonnes Phase 2: 500 tonnes (planning)	Phase 1: 24 MW Phase 2: Planning
<b>Beiliu WTE Plant</b>	Beiliu, Guangxi Zhuang Autonomous Region	Phase 1: 700 tonnes Phase 2: 350 tonnes	24 MW
<b>Xingyi WTE Plant</b>	Xingyi, Guizhou Province	Phase 1: 700 tonnes Phase 2: 500 tonnes	Phase 1: 12 MW Phase 2: 12 MW
<b>Xinfeng WTE Plant</b>	Xinfeng, Jiangxi Province	Phase 1: 400 tonnes Phase 2: 400 tonnes	15 MW

\* Zhongshan WTE Plant was under a management agreement in 2019, and its performance data is excluded in this Report.

\*\* Xinyi WTE Plant commenced its trial operation in the first half of 2020, and its performance data is excluded in this Report.





## ABOUT CANVEST

Project	Location	Daily MSW processing capacity	Installed power generation capacity
<b>Under construction or in planning stage:</b>			
<b>Machong WTE Plant</b>	Dongguan, Guangdong Province	2,250 tonnes	80 MW
<b>Qingyuan WTE Plant</b>	Qingyuan, Guangdong Province	Phase 1: 1,500 tonnes Phase 2: 1,000 tonnes	50 MW
<b>Xuwen WTE Plant</b>	Xuwen, Guangdong Province	Phase 1: 500 tonnes Phase 2: 250 tonnes	Phase 1: 12 MW Phase 2: 6 MW
<b>Dianbai WTE Plant***</b>	Maoming, Guangdong Province	Phase 1: 1,500 tonnes Phase 2: 750 tonnes	Phase 1: 25 MW Phase 2: 25 MW
<b>Shaoguan WTE Plant</b>	Shaoguan, Guangdong Province	Phase 1: 700 tonnes Phase 2: 350 tonnes	24 MW
<b>Qiandongnan Prefecture South Area WTE Plant</b>	Liping, Guizhou Province	Phase 1: 700 tonnes Phase 2: 350 tonnes	15 MW
<b>Zaozhuang WTE Plant</b>	Zaochuang, Shandong Province	Phase 1: 1,000 tonnes Phase 2: 800 tonnes	Phase 1: 15 MW Phase 2: 15 MW
<b>Shen County WTE Plant</b>	Shen County, Liaocheng, Shandong Province	Phase 1: 700 tonnes Phase 2: 500 tonnes	15 MW
<b>Baoshan WTE Plant</b>	Shanghai	3,800 tonnes	126 MW
<b>Jingjiang WTE Plant</b>	Jingjiang, Jiangsu Province	Phase 1: 800 tonnes Phase 2: 400 tonnes	Phase 1: 15 MW Phase 2: 7.5 MW
<b>Jianyang WTE Plant</b>	Jianyang, Sichuan Province	Phase 1: 1,500 tonnes Phase 2: 1,500 tonnes	Phase 1: 18 MW Phase 2: 18 MW
<b>Ruili WTE Plant</b>	Ruili, Yunnan Province	Phase 1: 600 tonnes Phase 2: 400 tonnes	Phase 1: 15 MW Phase 2: Planning
<b>Xiangyun WTE Plant</b>	Xiangyun, Yunnan Province	1,000 tonnes	18 MW
<b>Wuchang WTE Plant</b>	Wuchang, Heilongjiang Province	600 tonnes	12 MW
<b>Mancheng WTE Plant</b>	Mancheng, Hebei Province	Phase 1: 500 tonnes Phase 2: 500 tonnes	24 MW
<b>Linfen WTE Plant</b>	Linfen, Shanxi Province	Phase 1: 800 tonnes Phase 2: 400 tonnes	Phase 1: 15 MW Phase 2: 15 MW
<b>Yingkou WTE Plant</b>	Yingkou, Liaoning Province	Phase 1: 1,500 tonnes Phase 2: 750 tonnes	Phase 1: 30 MW Phase 2: 15 MW

\*\*\* Dianbai WTE Plant commenced its trial operation in the first half of 2020, and its performance data is excluded in this report.



ABOUT CANVEST

### SUSTAINABLE DEVELOPMENT GOALS

Sustainability is increasingly integrated into our business strategies, creating value and synergies with the external world and accelerating the achievement of the United Nations SDGs. Our sustainability strategy provides a common framework for the sustainability activities across the Group. It articulates how the SDGs are connected with our business, environment and people.



## Business



### Affordable and Clean Energy

Ensure access to affordable, reliable, sustainable and modern energy for all.

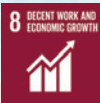
#### Target 7.2

By 2030, increase substantially the share of renewable energy in the global energy mix.

### Canvest's Operations

Design, build and operate WTE projects, providing a safe and technologically advanced means of waste disposal that generates clean and renewable energy.

In 2019, we converted 5,911,952 tonnes of MSW into green energy, benefitting over 1,586,600 households.



### Decent Work and Economic Growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

#### Target 8.5

By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

### Canvest's Operations

Promote decent work and work-life balance, including sound remuneration system, benefits and subsidies, recruitments and promotions.







## ABOUT CANVEST

**Industry, Innovation and Infrastructure**

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.

**Target 9.4**

By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

**Canvest's Operations**

Enhance WTE operation through implementation of new technologies and approaches.

In 2019, we have adopted the Polymeric Non-catalytic Reduction (PNCr) system at our WTE plants to further reduce NO<sub>x</sub> emissions.

**Sustainable Cities and Communities**

Make cities and human settlements inclusive, safe, resilient and sustainable.

**Target 11.6**

By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.

**Canvest's Operations**

Provide sanitation, cleaning and collection services, general industrial waste treatment and hazardous waste disposal.





ABOUT CANVEST

Environment



**Responsible Consumption and Production**

Ensure sustainable consumption and production patterns.

**Target 12.2**

By 2030, achieve the sustainable management and efficient use of natural resources.

**Canvest's Operations**

Our contractors and suppliers are requested to uphold environmental, social and business ethics in accordance with Canvest's *QHSE Management Manual* and *Social Responsibility Management Manual*.



**Climate Action**

Take urgent action to combat climate change and its impacts.

**Target 13.1**

Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

**Canvest's Operations**

Our WTE plants contribute to the offset of GHG emissions through avoidance of methane released from landfills and GHGs generated at fossil fuel power plants.

In 2019, we have sold 2,062,642 MWh of green electricity, saving 630,006 tonnes of standard coal and offsetting 2,809,524 tonnes of CO<sub>2</sub> emissions.



**Life Below Water**

Conserve and sustainably use the oceans, seas and marine resources for sustainable development.

**Target 14.1**

By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.

**Canvest's Operations**

In our WTE plants, leachate released from MSW are treated on-site and subsequently reused in our operations.

During the Reporting Period, the Group has reused 89% of the treated wastewater.



**Life on Land**

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

**Target 15.5**

Take urgent and significant action to reduce the degradation of natural habits, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.

**Canvest's Operations**

WTE is a sustainable and effective means to treat MSW by reducing approximately 90% of the waste volume, while the bottom ash can be utilized for eco-brick manufacturing, thereby the need for landfill space is greatly reduced.





## ABOUT CANVEST

## People



### No Poverty

End poverty in all its forms everywhere.

#### Target 1.2

By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.

### Canvest's Operations

Donate on community infrastructure projects, charities, poverty reduction, disaster relief and environmental advocacy. Our employees are also encouraged to support community projects and good causes.



### Quality Education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

#### Target 4.4

By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

### Canvest's Operations

The general public are invited to visit our WTE plants on a monthly basis. Each of our WTE plants is equipped with a dedicated exhibition venue with interactive exhibits and a feast of multimedia tools, illustrating information related to environmental science, advanced WTE process, and sustainability.

In 2019, over 32,640 visitors in total came to look around our WTE plants.



### Gender Equality

Achieve gender equality and empower all women and girls.

#### Target 5.1

End all forms of discrimination against all women and girls everywhere.

### Canvest's Operations

Committed to complying with laws and regulations on the protection of rights and interests of different genders.



### Reduced Inequalities

Reduce inequality within and among countries.

#### Target 10.2

By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

### Canvest's Operations

Provide a work environment free of discrimination and offer equal opportunities for all, ensuring our employees are not discriminated or deprived of any opportunity due to age, gender, sexual orientation, relationship, family status, disability, race, ethnicity, nationality, economic status, religious and political beliefs.



## 4. STAKEHOLDER ENGAGEMENT

 GRI 102-42

### COMMUNICATION WITH STAKEHOLDERS

Canvest believes that stakeholder communication is a dynamic process that should be continuously conducted. Through regular communications with our internal and external stakeholders, we are able to better align our sustainability strategy with stakeholders' expectations and identify risks and opportunities.

To foster effective communication with our stakeholders, we have provided various communication channels, from day-to-day contact to regular meetings and public events by following our *External Communication Procedure* and *Customer Service Management Procedure*. These measures help us better understand the needs of our internal and external stakeholders.

We extend our sustainability approach to our value chain through our *Contractor Management Procedure* and *Supplier Management Procedure*, which outline our contractor and supplier evaluation procedures, enabling us to align our vision with them in areas such as economic benefit, work quality, environmental protection, and occupational health and safety.

Incorporating our stakeholders' opinions into our business strategies is essential to strive for continuous improvement in our operations. The communication process ensures our operations is aligned with our stakeholders' expectations. Through receiving feedbacks from different channels, we strive to maintain a balance between the needs and expectations of various stakeholder groups.







STAKEHOLDER ENGAGEMENT

GRI 102-40

GRI 102-43

Our communication channels with stakeholders include:

 <p><b>Investors, Shareholders</b></p> <ul style="list-style-type: none"> <li>• General meetings</li> <li>• Annual Report and Interim report</li> <li>• Announcements and circulars</li> <li>• Investor roadshows</li> </ul>	 <p><b>Business Partners</b></p> <ul style="list-style-type: none"> <li>• Regular/ad hoc meetings</li> <li>• Site visits</li> <li>• Announcements and circulars</li> <li>• Telephone/email</li> </ul>	 <p><b>Employees</b></p> <ul style="list-style-type: none"> <li>• Work/project meetings</li> <li>• Performance review meetings</li> <li>• Internal publications</li> <li>• Employee relations/community activities</li> <li>• Employee suggestion box</li> </ul>	 <p><b>Customers</b></p> <ul style="list-style-type: none"> <li>• Meetings</li> <li>• Audits and inspections</li> <li>• Site visits</li> <li>• Customer satisfaction questionnaire</li> <li>• Telephone/email</li> </ul>
 <p><b>Contractors, Suppliers</b></p> <ul style="list-style-type: none"> <li>• Tendering process</li> <li>• Regular and ad hoc meetings</li> <li>• Audits and inspections</li> <li>• Telephone/email</li> </ul>	 <p><b>Industry Associations</b></p> <ul style="list-style-type: none"> <li>• Industry association activities</li> <li>• Exhibitions</li> <li>• Site visits</li> <li>• Telephone/email</li> </ul>	 <p><b>Non-Governmental Organisations</b></p> <ul style="list-style-type: none"> <li>• Site visits</li> <li>• Telephone/email</li> </ul>	 <p><b>Media</b></p> <ul style="list-style-type: none"> <li>• Press releases</li> <li>• Site visits</li> <li>• Telephone/email</li> </ul>



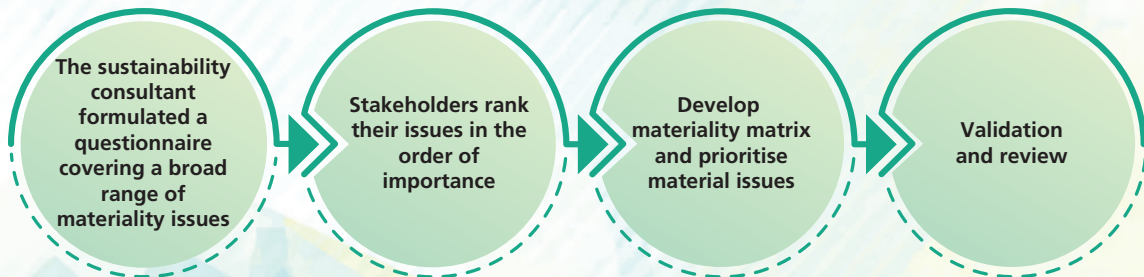


STAKEHOLDER ENGAGEMENT

**MATERIALITY ASSESSMENT**

To better understand stakeholders’ opinions on Canvest’s efforts and performance on sustainable development, we distributed surveys to our stakeholders to identify the topics they considered important in our operations. These topics span across economic, environmental and social aspects. Stakeholders were asked to identify additional issues that they perceived to be important to our business, and provided feedback on our ESG management and reports. The survey was administered by the sustainability consultant for impartiality.

**Canvest’s Materiality Assessment Process**



**Materiality Matrix**

A detailed analysis on the survey had been prepared by the sustainability consultant to identify the material topics. Prioritisation of the topics took into account both the importance to stakeholders and the significance of the impacts. Topics are positioned in the order of importance/significance of the impacts from bottom to top/left to right. As our stakeholders increasingly value the environmental performance of our operation and our environmental protection efforts, relevant topics are amongst the top of the list. The top 10 material topics identified are addressed in detail throughout the Report.

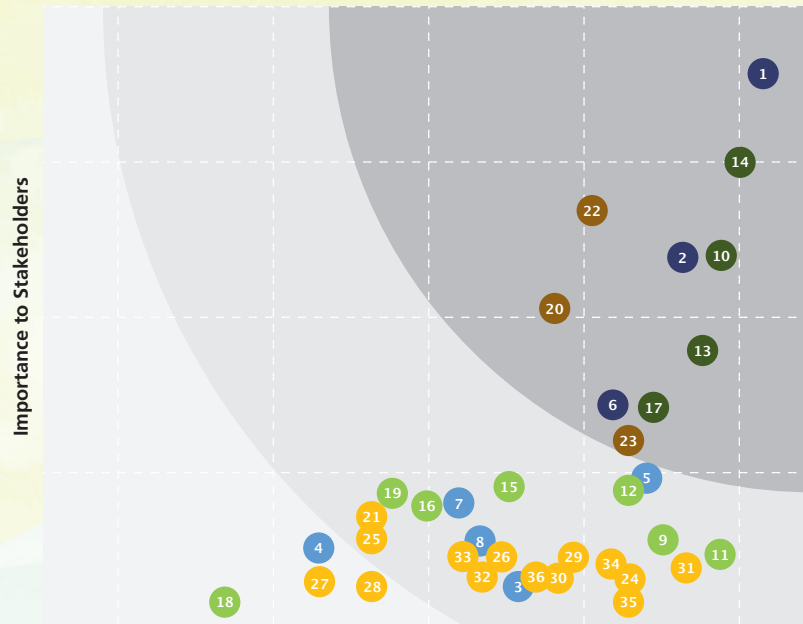






STAKEHOLDER ENGAGEMENT

GRI 102-44   GRI 102-46   GRI 102-47   GRI 102-49



Significance of Economic, Environment and Social Impacts

Economic	Environmental	Social	
<ul style="list-style-type: none"> <li>1. <b>Economic Performance</b></li> <li>2. <b>Market Presence</b></li> <li>3. Indirect Economic Impacts</li> <li>4. Procurement Practices</li> <li>5. System Efficiency</li> <li>6. <b>Research and Development</b></li> <li>7. Anti-Corruption</li> <li>8. Anti-Competitive Behaviour</li> </ul>	<ul style="list-style-type: none"> <li>9. Material Usage</li> <li>10. <b>Energy Efficiency</b></li> <li>11. Usage of Water Resources</li> <li>12. Greenhouse Gas Management and Climate Change Mitigation</li> <li>13. <b>Wastewater and Waste Management</b></li> <li>14. <b>Environmental Compliance</b></li> <li>15. Supplier Environmental Assessment</li> <li>16. Environmental Grievance Mechanisms</li> <li>17. <b>Environmental Education</b></li> <li>18. Biodiversity</li> <li>19. Construction Management</li> </ul>	<ul style="list-style-type: none"> <li>20. <b>Labour Practices and Employment Welfare</b></li> <li>21. Labor Relations</li> <li>22. <b>Occupational Health and Safety</b></li> <li>23. <b>Training and Education</b></li> <li>24. Diversity and Equal Opportunity</li> <li>25. Supplier Social Assessment</li> <li>26. Labor Practices Grievance Mechanisms</li> <li>27. Child Labour and Forced Labour</li> <li>28. Rights of Indigenous Peoples</li> <li>29. Human Rights Assessment</li> </ul>	<ul style="list-style-type: none"> <li>30. Local Communities</li> <li>31. Social Compliance</li> <li>32. Customer Privacy</li> <li>33. Grievance Mechanisms for Impacts on Society</li> <li>34. Disaster/Emergency Planning and Response</li> <li>35. Anti-Discrimination</li> <li>36. Customer Health and Safety</li> </ul>



STAKEHOLDER ENGAGEMENT

GRI 102-44    GRI 102-46    GRI 102-47    GRI 102-49

**Canvest's Top 10 Material Topics**

Material Topics	Impacts and Scope								GRI Standards
	Investors, Shareholders	Employees	Customers	Business Partners	Contractors, Suppliers	Industry Associations	NGOs	Media	
1. Economic Performance	✓	✓	✓	✓	✓	✓	✓	✓	GRI 201: Economic Performance
2. Market Presence	✓	✓	✓	✓	✓	✓	✓	✓	GRI 202: Market Presence
3. Research and Development	✓	✓	✓	✓	✓	✓	✓	✓	Electric Utilities Sector Disclosures: Research and Development
4. Energy Efficiency	✓	✓	✓		✓	✓	✓	✓	GRI 302: Energy
5. Wastewater and Waste Management	✓	✓	✓		✓	✓	✓	✓	GRI 306: Effluents and Waste
6. Environmental Compliance	✓	✓	✓	✓		✓	✓	✓	GRI 307: Environmental Compliance
7. Environmental Education	✓	✓	✓	✓	✓	✓	✓	✓	Not Applicable
8. Labour Practices and Employment Welfare		✓		✓	✓	✓	✓		GRI 401: Employment
9. Occupational Health and Safety	✓	✓	✓	✓	✓	✓		✓	GRI 403: Occupational Health and Safety
10. Training and Education	✓	✓		✓	✓	✓	✓		GRI 404: Training and Education



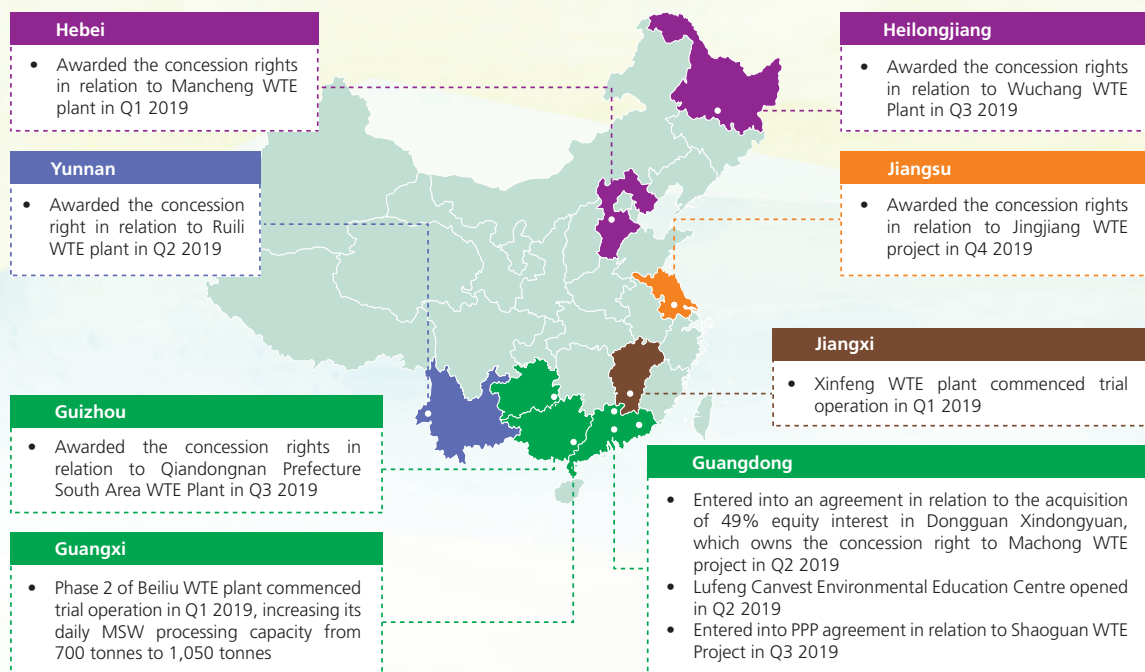




## 5. OUR SUSTAINABLE BUSINESS

At Canvest, we believe that sustainability is about fulfilling our responsibility to operate our waste treatment facilities and to generate clean energy concurrently. We pledge to reduce our greenhouse gas emissions through upgrading energy efficiency and implementing advanced technology for our WTE plants. The Group successfully seized development opportunities by adhering to the core development strategy of "To make progress while ensuring stability and coordinated development". As of the date of our Annual Report 2019, the daily MSW processing capacity of all the operating, secured and announced projects has reached 45,640 tonnes in total.

In 2019, Canvest further expanded its presence to various provinces, which is detailed in the map below:



In addition, the Group has also successfully explored new business model and commenced project-level cooperation with our strategic shareholder, Shanghai Industrial Holdings Limited ("SIHL"), via the establishment of a non-wholly-owned project company of the Group, which would be principally be engaged in the investment, construction and operation of a WTE project located in Circular Economy Industrial Park in Shen County, Shandong Province. The setting up of project company with SIHL was a significant milestone. It represented a new business development model which leveraged on the resources and advantages of both parties to create tremendous synergies to explore new market opportunities. Besides, the Group entered into an agreement with SIIC Environment Tech (Hong Kong) Limited to establish a company to invest, construct and operate a WTE project in Yangtze River Delta Region.



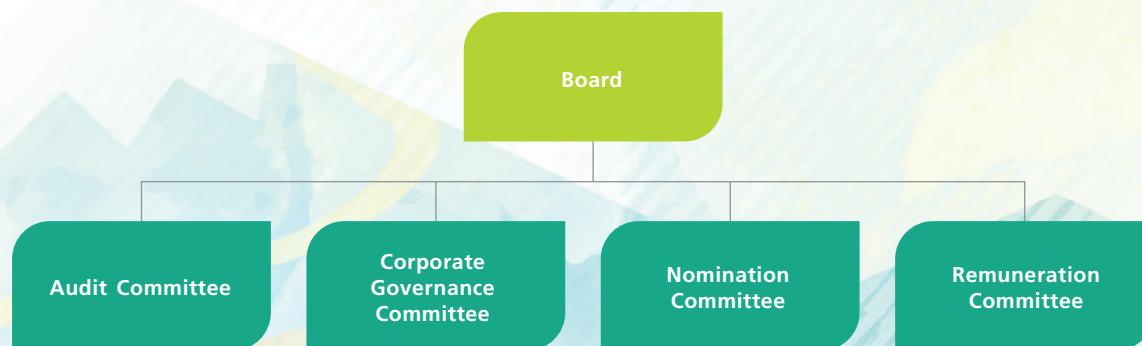
## OUR SUSTAINABLE BUSINESS

**CORPORATE GOVERNANCE**

Maintaining high standards of corporate governance is vital to upholding our reputation and enhancing our Group's and shareholders' long-term benefits. Establishing a high level of corporate governance can showcase the Group's high standard of credibility and transparency. It also strengthens the confidence of the shareholders and the public.

The Board's responsibility is to formulate the Group's overall strategies and making major corporate and operational decisions of the Group. During the year ended 31 December 2019 and as at 31 December 2019, the Board comprises of 11 directors in total, with 4 executive directors, 3 non-executive directors and 4 independent non-executive directors, overseeing different functions to protect the interest of our stakeholders. (Note)

The Board administers four committees, namely, Audit Committee, Corporate Governance Committee, Nomination Committee, and Remuneration Committee.



The Group's long-standing corporate policies and procedures were created to ensure all business activities are conducted with high levels of integrity. Delegated by the Board, the Corporate Governance Committee develops and reviews policies and practices on corporate governance, ensuring that business is conducted with sound governance, business ethics and corporate integrity to safeguard the interests of stakeholder. Meanwhile, the Audit Committee oversees internal control procedures of the Group and reviews and monitors the Group's compliance with its whistleblowing policy.

We also take an active role in managing risks through the risk management and internal control systems. These risks include those that could have a medium to long-term impact on the Group's sustainability, including climate-related risks. The internal audit department of the Group works with the external professional consultancy company accountable and reports directly to the Audit Committee. Through continuous internal audit and reporting from time to time, the internal audit department ensures the effective operation of the internal control system. The effectiveness of the risk management and internal control systems is also reviewed annually by the Board.

***Additional information on the Group's corporate structure, core business and corporate governance can be found in the Company's Annual Reports and announcements.***

Note: A non-executive director, Mr. Lai Yui, has resigned from his position with effect from 30 June 2020.





## OUR SUSTAINABLE BUSINESS

**ANTI-CORRUPTION AND INTEGRITY**

Canvest is committed to upholding high standards of integrity and business ethics, and maintain a zero-tolerance policy on unethical behaviors such as bribery and corruption. With oversight from the Board, Canvest has placed high priority in executing anti-corruption policy within the Group. The descriptions of each type of unethical behaviors has been clearly stipulated in our *Anti-Corruption and Anti-Bribery Management Procedure*, providing definitions and examples of behaviour that may be considered as corruption and bribery to ensure our employees are clear on how to avoid conflict of interest, bribery, extortion, fraud and money laundering, at the same time providing suitable and confidential communication channels for our employees to report any suspicion of corruption and bribery.

In addition, the Group adheres to all applicable regulations and laws, including the *Anti-Unfair Competition Law of the PRC*, *Criminal Law of the PRC*, and the *Prevention of Bribery Ordinance of Hong Kong*. We strictly forbid activities in relation to bribery, extortion, fraud and money laundering, and the audit committee is responsible for conducting corruption risk assessments for all project companies.

In 2019, Canvest launched the *Implementation Plan for Probity, Working Guidelines for the Identification of Probity-Related Risks, Probity Standards for Employees* and required all departments and project companies for their subsequent implementation. The definitions regarding the breach of probity and the process for identifying the associating risks are stipulated in the documents. We also require our employees to behave with the highest standards of integrity and professionalism. In 2019, no concluded legal cases regarding corrupt practices were brought against the Group.

In respect to the protection of intellectual property rights, Canvest recognises the importance of respecting not only its own intellectual property rights but also that of our stakeholders. Canvest strictly abides by all applicable laws and regulations relating to the Group's intellectual property rights, as well as to observe the intellectual property rights of our vendors. In addition, to prevent the leakage of sensitive and confidential information, the Group has communicated internally through an office automation system with an independent server, which provides high-level confidentiality and stable file transmission.

**QUALITY, HEALTH, SAFETY AND ENVIRONMENT MANAGEMENT SYSTEM**

Our long-standing commitment to maintaining high environmental standards and sustainable practices underpins our approach to waste management. In addition to strictly abiding to all relevant environmental laws and regulations related to our business operations, we are committed to acting as a pioneer in environmental management within the WTE industry. By the end of the 13th Five Year Plan, the average incineration rate was scheduled to reach 54% nation-wide, which translates into tremendous development potential for Canvest while improving our environmental management system will be our first priority.



OUR SUSTAINABLE BUSINESS

**Quality, Health, Safety and Environment (QHSE) Management System**

Since 2015, Canvest has implemented an inclusive and effective quality, health, safety and environment (QHSE) management system to uphold our quality. The *QHSE Management Manual* is formed in accordance to the requirements of ISO9001, ISO14001 and OHSAS18001, covering our daily WTE operations and other related services. The Manual acts as a basis for Canvest to improve its quality services, environmental management and occupational health and safety management.

Our QHSE Management System provides a clear and systematic approach for conducting environmental management and enabling early identification of risks. It also contributes to our competitive advantages since it provides quality assurance of environmental management and occupational health and safety performance for our external stakeholders.

**Social Responsibility Management Policy**

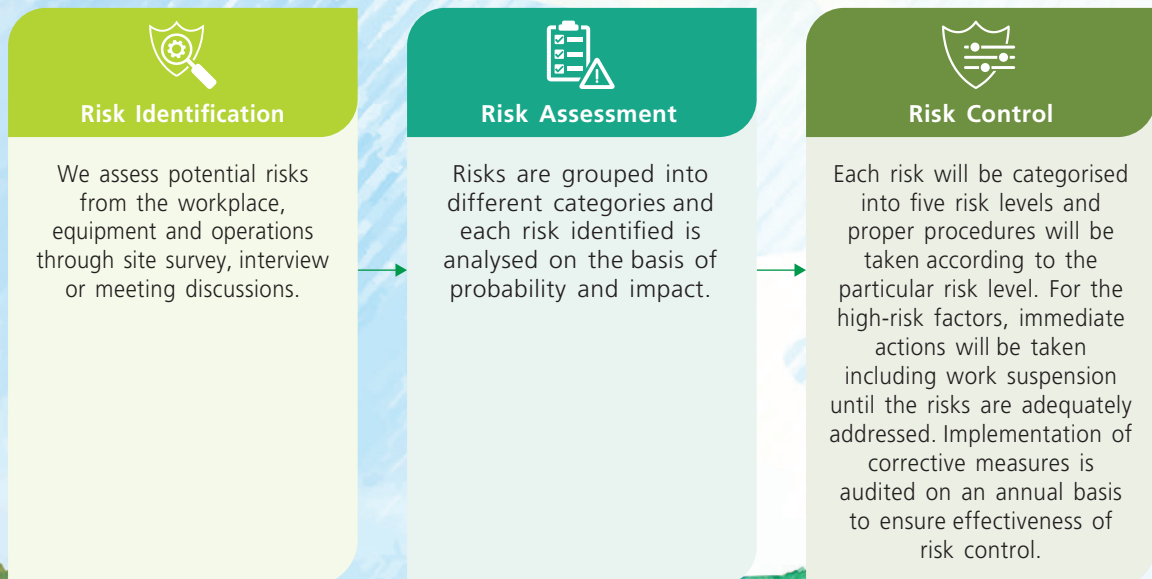
Canvest has established the *Social Responsibility Management Manual* according to the SA8000 standards as well as relevant laws and regulations since 2015. The Manual set out the proper procedures for uphold safety and ethical behaviour throughout our operations and supply chain management.

**Internal Audit**

Internal audit is intended to contribute to the sound management and strengthened management structure of our Group. We carry out annual internal audits from a fair and impartial perspective. The effectiveness and suitability of our QHSE Management System assures compliance with the relevant standards and regulations. We abide by our *Internal Audit Control Procedure*, which covers the scope and responsibility of the internal audit department and stipulates the internal audit procedures.

**QHSE Risk Assessment**

Canvest has assessed and prioritised each identified risk according to its consequence and its likelihood. Since 2016, we established the *Risk Identification, Assess and Control Procedure* to help us in identifying and assessing the potential risks in our business operations. It assures that adequate risk management is in place and followed, and appropriate remedial actions are implemented when necessary.







## OUR SUSTAINABLE BUSINESS

## Potential Risk Sources and Our Focus Areas



## SUPPLY CHAIN MANAGEMENT

We have extended our social and environmental management along our value chain. We work with our suppliers to acquire the right products and services that best meet our business needs in a cost-effective manner while maintaining a high level of integrity and ethical standards. The Group has adopted standardised procedures, including the *Tender Management Procedure* and *Business Contract Management Procedure*, specifying the tender procedure and contract administration process, to ensure fair and transparent management of suppliers and contractors.

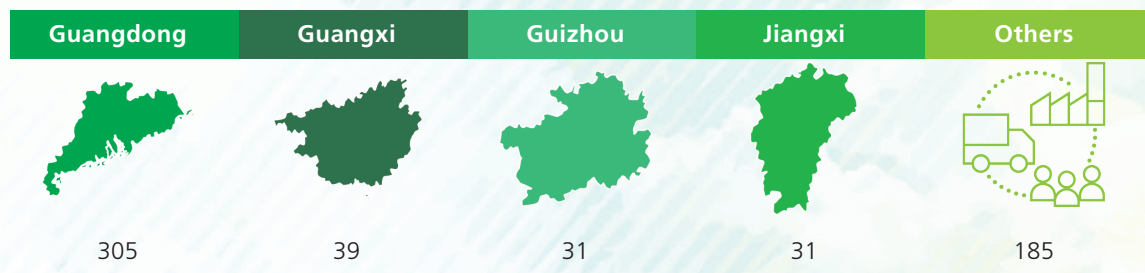
In 2019, the Group procured from a total of 591 suppliers for our operating projects and projects under construction. For our projects under construction, the Group procured from a total of 308 suppliers with a total supply value of RMB2,265 million, in which RMB87 million was attributable to a joint venture of the Group. For our operating projects, the Group procured from a total of 331 suppliers with a total supply value of RMB522 million in 2019.

Canvest is committed to supporting the local economic development while meeting the Group's business needs. Therefore, during our procurement process, preference is given to the suppliers in the same province as the locations of our operating projects. In 2019, our operating projects are located in Guangdong Province, Guangxi Zhuang Autonomous Region, Guizhou Province and Jiangxi Province, and 69% of the total supply value was from local suppliers from these regions.



## OUR SUSTAINABLE BUSINESS

## Number of Suppliers, by geographical region



## Sustainable Procurement

Through practising sustainable procurement, we have incorporated our sustainable business strategy along our supply chain. We believe that the practice of sustainable procurement does not only benefit the Group, but also benefits the society as a whole, while minimising our impacts on the environment. Within Canvest, the practice of robust environmental management system is incorporated in our suppliers with 58% of them certified to ISO14001 Environmental Management System and 53% of our suppliers are certified to OHSAS 18001 Occupational Health and Safety Management System in 2019.

## Incorporating Sustainability in Supplier Selection

To uphold fair and transparent management of suppliers and contractors, the Group has adopted standardised procedures, including the *Tender Management Procedure* and *Business Contract Management Procedure*, specifying the tender procedure and contract administration process. In addition, stringent measures and monitoring systems are applied to our procurement process, which involves assessment of the tenderers' quality of service and financial capabilities, as well as their track records related to compliance, occupational health and safety, and environmental practices.

Not only are our contractors and suppliers expected to comply with applicable laws and regulations, they are also expected to firmly uphold environmental, social and business ethics in accordance with Canvest's *QHSE Management Manual* and *Social Responsibility Management Manual* which include the prohibitions of our contractors and suppliers to employ child labour, forced labour, practice of corruption and bribery etc.

## WTE OPERATION CONTROL

To effectively reduce our energy consumption in the long run, Canvest is committed to improving energy efficiency throughout its operations while assuring safety and reliability of production equipment. Considering as facilities age, their operational efficiency may decline, and the associated risk of component failure may be higher than the facilities newly commissioned. To ensure the reliability of facilities and equipment, Canvest has stipulated the *Production Equipment Control Procedure* to strengthen our production equipment management, decrease unscheduled downtime, and maintain their asset value.







## OUR SUSTAINABLE BUSINESS

Throughout our operations, we strictly abide by the procedure to ensure equipment maintenance, inspection and assessment are carried out promptly. Identification and detection of anomalies in performance or potential premature failure of equipment are allowed through regular equipment maintenance, inspection and assessment. Effective and appropriate mitigation measures are then deployed to sustain our operational efficiency while reducing the risk of unplanned disruptions to our operations.

**Emergency Preparedness and Response**

To improve our emergency response capacities, the Group has implemented the *Emergency Preparedness and Response Control Procedure* to ensure our employees has the resilience to act against various emergency events, including personal injury and accident, fire, chemical spill, explosion, power outage, environmental accident, natural disaster, outbreak of infectious diseases and food poisoning.

In 2019, our facilities achieved an average availability of 90%, and the transmission and distribution losses remained at a low level of 0.71%. We strive to improve the reliability and safety of our operations while balancing our economical, environmental and social performances.

**Emergency Environmental Incidents Response Plan**

In order to allow early identification of environmental incidents and deploy sufficient resources in response to different magnitude of emergency environmental incidents, Canvest has stipulated the *Emergency Environmental Incidents Response Plan* since 2019.

The response plan aims to improve the emergency response system for environmental pollution, enhance the prevention and early warning mechanism, and build capacity of staff in handling environmental emergency situations.

In addition, by abiding to the response plan, Canvest strives to reduce the environmental risks incurred during the operational phase of projects, as well as ensuring the environmental pollution incidents are under control within the site boundary. The Group's ultimate goal is to minimise the harm caused on the employees, properties, environment and society and to safeguard the health of the general public, and safety of properties, as well as fostering the sustainable growth of our society.



## 6. OUR ENVIRONMENT

At Canvest, we recognise environmental excellence as the cornerstone of our management framework. We are fully devoted to protecting the environment while achieving economic benefits through proactive implementation of eco-friendly and energy-saving technologies to mitigate the environmental impacts introduced by our projects. We commit to utilise all resources, including water, fuel and other natural resources efficiently and conservatively. We also pledge to identify sources of waste generation and minimise all forms of pollution arising from our projects. The Group’s environmental performance of all operations is regularly monitored by dedicated environmental professionals of our strategic investors such as Olympus Capital and International Finance Corporation (IFC).



**Air Emissions**



**Waste Management**



**Wastewater Treatment**



**Odour Control**



**Noise Control**



**Use of Resources**



**Reduction of GHG Emissions**



**Environmental Conservation**



**Climate-Related Risk**

*At Canvest, we strongly recognise the importance of protecting our environment. Therefore, we have identified the 9 environmental aspects that are most relevant to our operations. Our performance and strategies to tackle these environmental issues are detailed in the following sub-sections.*

### AIR EMISSIONS

Canvest invests in environmental protection and clean technologies to ensure continuous improvement in our environmental performance. The Group has incorporated advanced and sophisticated flue gas treatment technologies into our operating projects, along with standardised procedures such as the *Operation Environmental Control Procedure* and *Production & Operation Management Procedure* to set out stringent monitoring requirements, ensuring air emissions are under control.



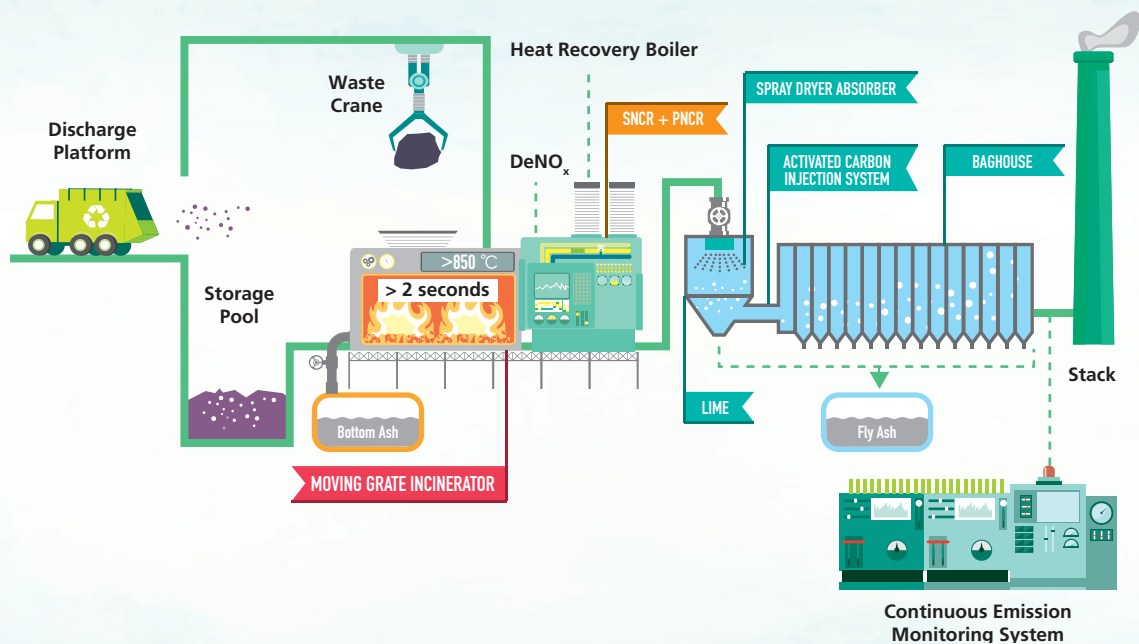




OUR ENVIRONMENT

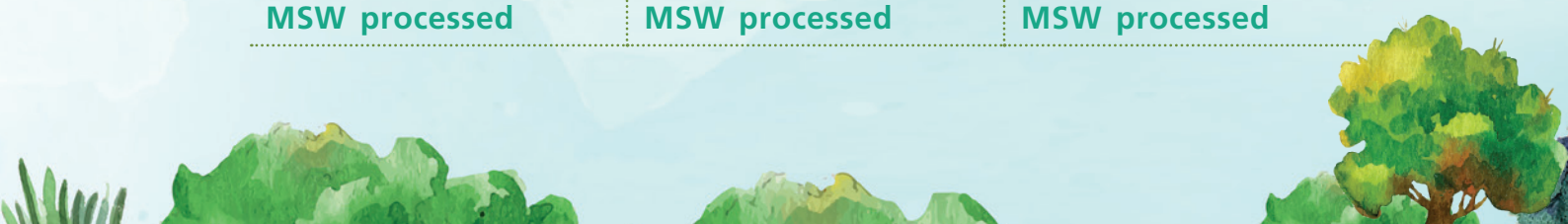
Among all emission sources of air pollutants, unregulated release of flue gas would inevitably cause negative environmental impacts to the surrounding areas. Being a by-product waste generated from the incineration process, flue gas is comprised of a variety of air pollutants, namely particulate matter, heavy metals, persistent organic compounds, acid and other gases. To ensure our operations comply with applicable environmental laws and regulations in the PRC, our WTE plants employ a carefully controlled combustion process with temperature maintained in excess of 850°C for at least 2 seconds and sophisticated air pollution control systems. Continuous emission monitoring systems (CEMS) are also installed at all of our WTE plants to enable real-time disclosure of continuously monitored parameters to the public via on-site electronic display board(s). CEMS's data is also accessible via our corporate website to encourage public supervision, further demonstrating our unwavering commitments to our society and environment.

In April 2019, the government of Guangdong Province updated the *Emission Standard of Air Pollutants for Boilers (DB 44/765-2019)*, tightening the emission standard for nitrogen oxides (NO<sub>x</sub>). In response to this regulatory change, Canvest has adopted the polymeric non-catalytic reduction (PNCR) system at selected projects to further reduce NO<sub>x</sub> emissions. PNCR system uses modified polymers in powder form, which has higher NO<sub>x</sub> removal efficiencies compared with ammonia or urea solutions typically used in a conventional selective non-catalytic reduction (SNCR) system. We commit to satisfy the ever more stringent national emission standards.



**Air Emission Performance**

<p><b>Particulate Matter (PM):</b>  <b>67</b> tonnes                  Intensity: <b>11 g/tonne of MSW processed</b></p>	<p><b>Sulphur Dioxide (SO<sub>2</sub>):</b>  <b>297</b> tonnes                  Intensity: <b>50 g/tonne of MSW processed</b></p>	<p><b>Nitrogen Oxides (NO<sub>x</sub>):</b>  <b>3,178</b> tonnes                  Intensity: <b>538 g/tonne of MSW processed</b></p>
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## OUR ENVIRONMENT

**WASTE MANAGEMENT**

We commit to avoid waste as much as we can. Where waste generation is inevitable, we will ensure that all wastes generated are recycled or properly disposed of in line with statutory requirements. Residual materials from our incineration process make up the majority of the waste generated, including fly ash collected from the flue gas treatment system, bottom ash discharged from the incinerators, and sludge generated from wastewater treatment processes. To prevent nuisance associated with waste handling and disposal, we align our operations with prevailing regulatory requirements and we strive to meet industry best practices. The Group's *Operation Environmental Control Procedure* and *Production & Operation Management Procedure* provide detailed guidance on the handling of all effluents, hazardous and non-hazardous waste generated from our operations, and reduction of waste generation and discharges to water and land.

**Fly Ash Treatment Measures**

Fly ash refers to the ash particles that are entrained in flue gas that are subsequently collected from the flue gas treatment system. Raw fly ash has high content of heavy metals and dioxins, hence it is classified as hazardous waste before stabilisation. All fly ash collected is first stored in silos in accordance with *Standard for Pollution Control on Hazardous Waste Storage (GB18597-2001)*, then chelating agent and cement are used to stabilise and solidify the fly ash to fulfill the requirements as stipulated in *Standard for Pollution Control on Landfill Site of Municipal Solid Waste (GB16889-2008)* before final disposal at designated waste landfills.

**Solid Waste Treatment Measures**

The majority of solid waste generated from WTE operations is the bottom ash from MSW incineration, contributing to about 91% of the total solid waste generated in 2019. As an inert material, bottom ash is considered as a non-hazardous waste and is utilised as a raw material to produce eco-bricks.







OUR ENVIRONMENT

**Integrated Utilisation of Bottom Ash**



Bottom ash discharged from incinerators is collected by qualified contractors, in which scrap metals are separated out from bottom ash for recycling. The bottom ash is utilised as a raw material to produce eco-bricks, an alternative to conventional cement bricks that supports sustainable construction.



We strictly abide by *Standard for Pollution Control on the Storage and Disposal Site for General Industrial Solid Wastes (GB18599-2001)* for the collection, transportation and treatment of bottom ash.



**1. Production of Eco-Bricks      2. Metal Recovery**

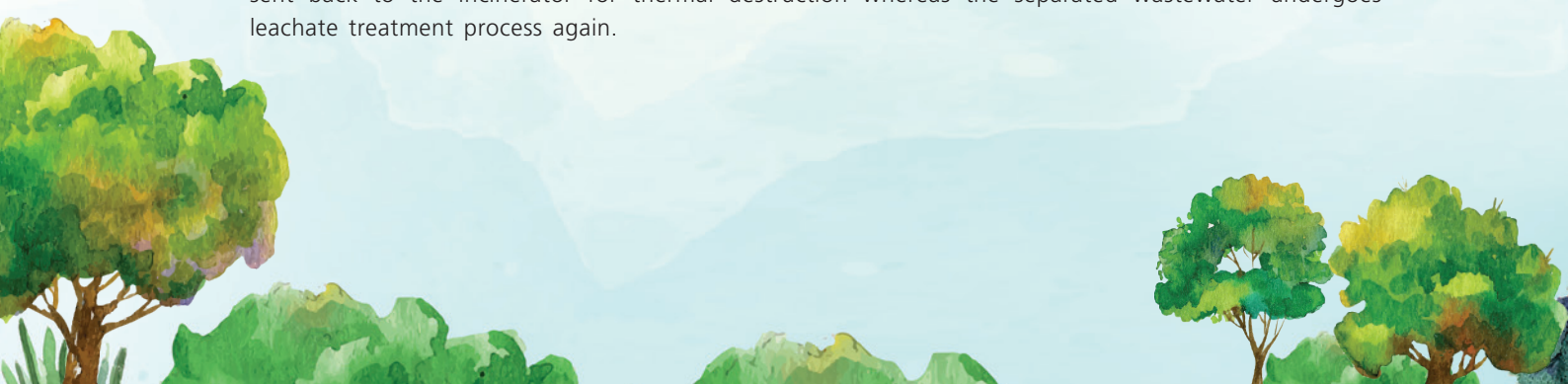
Bottom ash is thoroughly mixed with cement, chelating agent, stone dust and sand, then compressed by a molding machine to produce eco-bricks without the use of high-temperature combustion process. Bottom ash eco-bricks have high strength and good durability, and can be used for road paving or constructing brick wall.

Through separating scrap metals from the bottom ash, the metals could be recovered for saving GHGs and energy associated with the productions of products and materials from virgin inputs. Eventually, valuable natural resources that would otherwise been lost could be recovered effectively.



**Sludge Treatment Measures**

Apart from the fly ash and bottom ash generated during the incineration process, sludge is generated from the leachate treatment process within our WTE plants. By utilising sludge dewatering equipment, the excess water content in the sludge is removed and the sludge cake produced after treatment is sent back to the incinerator for thermal destruction whereas the separated wastewater undergoes leachate treatment process again.





OUR ENVIRONMENT

Waste Generated from WTE Projects in 2019<sup>a</sup>

Hazardous Waste (Fly Ash)<sup>b</sup>

Waste generated: **117,300** tonnes

Intensity: **0.057 tonnes/MWh of electricity sold**

Non-hazardous Waste (Bottom Ash)<sup>c</sup>

Waste generated: **1,194,373** tonnes

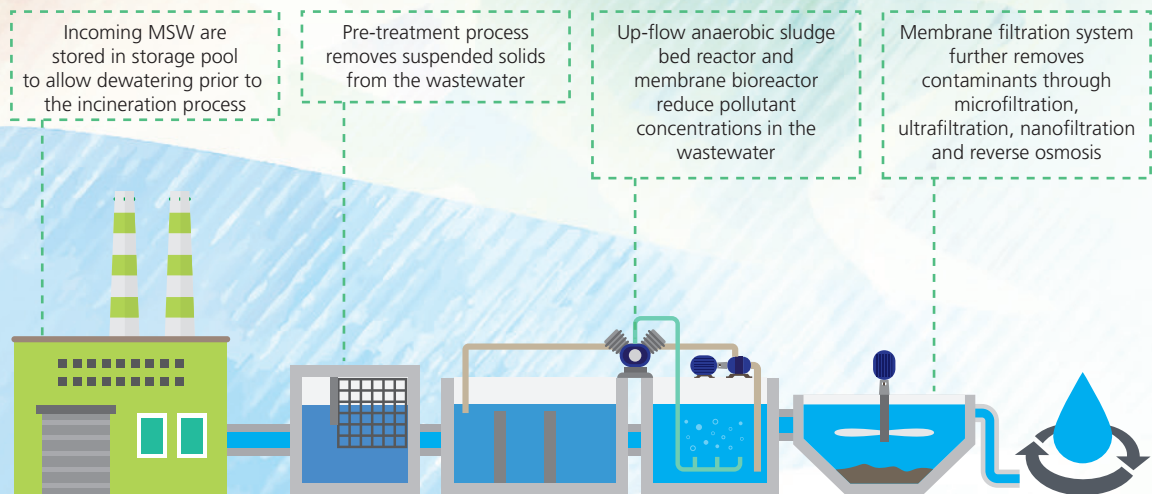
Intensity: **0.579 tonnes/MWh of electricity sold**

Notes:

- a: Fly ash itself is a by-product of flue gas treatment that comprises the captured pollutants as well as the materials used for flue gas treatment such as lime and activated carbon. The amount of fly ash generated indicates the amount of pollutants our flue gas treatment system removed from the air. Meanwhile, the generation of bottom ash depends on the inert content of incoming MSW, which is beyond Canvest's control.
- b: The figure reported is the amount of fly ash before stabilisation.
- c: All bottom ash is collected by qualified contractors for integrated utilisation.

WASTEWATER TREATMENT

To ensure excellent burnout of feedstock, it is essential for MSW to undergo drying prior to the incineration process. Subsequently, the leachate separated from the MSW during the dewatering process is delivered to the on-site leachate treatment plant. Our leachate treatment system is designed and operated to comply with *The Reuse of Urban Recycling Water — Water Quality Standard for Industrial Uses (GB/T19923–2005)* and *The Reuse of Urban Recycling Water — Water Quality Standard for Urban Miscellaneous Water Consumption (GB/T18920–2002)* by strictly following the Group's *Operation Environmental Control Procedure* and *Production & Operation Management Procedure*. During the Reporting Period, the Group treated 692,505 tonnes of raw leachate with COD discharge reduction of approximately 23,852 tonnes.



89% of our treated effluents is reclaimed to replenish circulatory cooling water, landscape irrigation water, and truck washing water.





## OUR ENVIRONMENT

## Treated Effluents from WTE Projects in 2019

Discharge to Municipal Wastewater Treatment Plants	Reuse within WTE plants	Total Treated Effluents
60,785 m <sup>3</sup>	+ 476,098 m <sup>3</sup>	= 536,883 m <sup>3</sup>

## ODOUR CONTROL

The Group has employed promising operating practices within our WTE plants to alleviate odour impacts to our staff and the public. We strictly adhere to the *Emission Standards for Odour Pollutants (GB14554-1993)*, which stipulates the odour pollutants concentration limits. In order to prevent the fugitive release of odour, we have adopted fully enclosed structural design for all plant rooms.

## Odour Control Measures



Negative pressure is maintained to prevent fugitive release of odours throughout the plant.



Through the forced draft fans, the odourous pollutants extracted from the plant rooms are diverted towards the incinerator and is co-combusted as a combustion gas. Through thermal destruction, the pollutants in odorous air is destroyed.



To prevent the leakage of odorous gas during the maintenance of our incinerator, the odorous gas is treated by activated carbon filters.

## NOISE CONTROL

Understanding that noise control is essential to minimise the impacts to our surrounding neighbours and the workforce onsite, we are committed to developing effective noise mitigation measures to protect the sensitive receivers. Throughout our operations, our Group complies with *Hygienic Standard for the Design of Industrial Enterprises (GBZ1-2010)* and *Emission Standard for Industrial Enterprises Noise at Boundary (GB12348-2008)*, which stipulate the noise limits applicable to various land uses at the boundary of the plant.



## OUR ENVIRONMENT

**Engineering Measures**

Use of low-noise equipment and machinery to minimise noise pollution at source

Deploy mufflers, noise isolation enclosure and vibration damper to reduce noise when the use of high-noise equipment is unavoidable

Apply soundproofing construction materials to absorb the vibrations

**Natural Noise Reduction/Planning Measures**

Implement proper and careful layout planning at an early stage to move noise generating sources as far away from noise sensitive receivers as possible

Incorporate landscape works on-site to create a natural sound buffer for noise reduction

**USE OF RESOURCES**

Canvest concerns about the impacts of use of resources on depletion of natural resources. Henceforth, Canvest endeavours to enhance efficiency in the usage of fuel oil, natural gas and water. In recognition of the importance of conserving energy and maximising the power generation efficiency, the Group has launched *Implementation Measures for Energy Saving of Power Plant* to devise annual energy saving targets, which includes specific requirements, implementation measures and key performance indicators for energy saving in WTE plant operations.

Meanwhile, we continue to adopt comprehensive resource utilisation strategies and adhere to the requirements as specified in *Resource Control Procedure*, as well as *Social Responsibility Guidelines — Requirements on the Use of Electricity and Requirements on the Use of Water*. In addition, we proactively advocate for reducing energy consumption in our workplace.

**Total Fuel Consumption Management**

Fuel consumption accounts for our major energy use in our operations. During the Reporting Period, the Group consumed 706 tonnes and 778 tonnes of fuel oil and natural gas respectively, as well as 294,877 MWh of internal electricity consumption. To keep track, compare and depict any abnormalities in our energy consumption in a timely manner, we keep detailed records of resources and material consumption for our each WTE project. Taking into account the risk of equipment failure or decline in efficiency, regular condition surveys are conducted to update the status of equipment so as to plan for any necessary overhaul and refurbishment works. In addition, the amount of fuel and electricity consumed by major equipment are recorded and analysed regularly to ensure the operational and energy efficiencies in our WTE plants.

**Direct Energy Consumption of Operating Projects in 2019 (GJ)\***

<b>Fuel Consumption</b>	<b>Energy Consumption</b>	<b>Total Energy Consumed:</b>
Fuel oil: <b>29,574</b>	Electricity: <b>1,061,556</b>	<b>1,126,343</b>
Natural gas: <b>35,213</b>	+	=
		<b>Energy intensity (GJ of energy consumed/tonne of MSW processed): 0.191</b>

\* Energy consumption is calculated based on the conversion factors provided in *China Energy Statistical Yearbook 2018*.



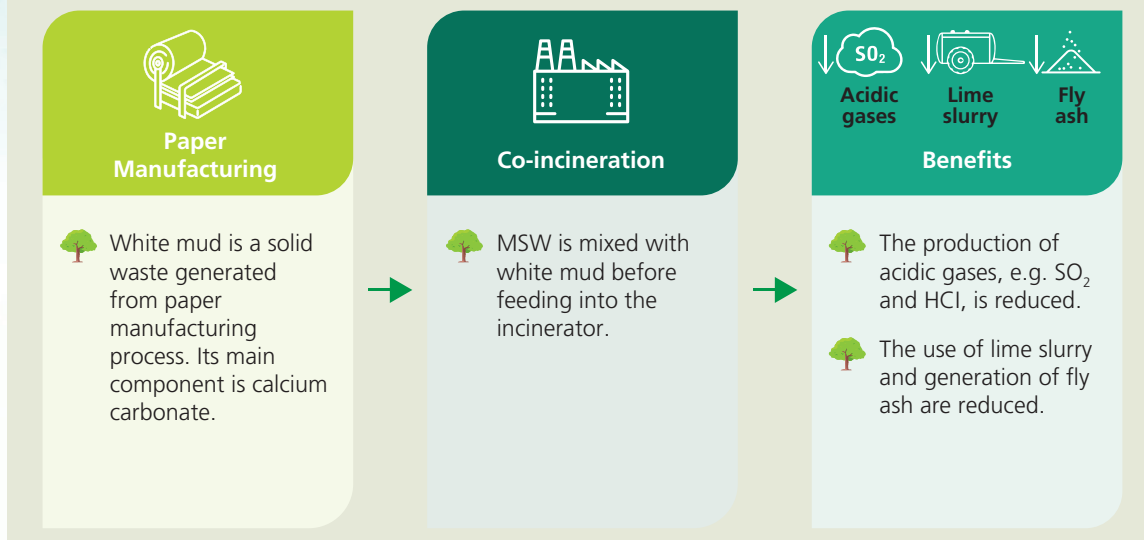


OUR ENVIRONMENT

Key Materials Used in 2019 (tonne)			
Lime	Activated Carbon	Urea	Ammonia Water
41,487	2,667	5,647	6,079
PNCR Material	Hydrochloric Acid	Sodium Bicarbonate	Coagulant & Flocculant
436	458	183	273

**Integrated Solution for Operation Enhancement and Resource Utilisation**

Since 2019, Laibin WTE Plant has been recycling white mud from a local paper manufacturing plant as a deacidifying agent. By mixing the white mud (which is of high alkalinity) with MSW when feeding into the incinerator, it helps reduce the production of acidic gases, e.g. SO<sub>2</sub> and HCl. It also benefits the flue gas treatment process as less lime slurry is needed for flue gas desulphurisation, and in turn helps generating less flue gas treatment residues. Moreover, the reduced acidity of the flue gas could lead to less corrosion of the heat transfer surfaces of the boiler, thereby prolonging the working life of the plant equipment.





OUR ENVIRONMENT

**Sustainable Water Management**

Water is not an unlimited source while it is a necessity for Canvest’s operations. For all our WTE projects, we follow the statutory procedures to carry out environmental impact assessment and assess the impacts on the local water resources. As part of the engineering study, due considerations are given to water stress, water conflicts and water supply risks to ensure sustainable management of water resources. Through applying the concept of sustainable water management, we utilise our water resources wisely through adopting recirculating cooling water systems for most of our processes instead of conventional single-pass cooling systems. In addition, our wastewater generated within the WTE processes and treated on-site strictly adheres to *The Reuse of Urban Recycling Water — Water Quality Standard for Industrial Uses (GB/T19923–2005)* for on-site reuse or *“Integrated Wastewater Discharge Standard” (GB8978–1996)* for discharge to the municipal sewer. Treated wastewater can be reused in our operations as cooling water, irrigation water for landscaping or water for garbage truck washing. Besides, we proactively promote water conservation behaviour within the workplace.

**Water Consumption in 2019 (m³)**

**Freshwater Consumption**

**9,474,384**

**Freshwater Intensity (m³/MWh)**

**4.593**

**Freshwater Withdrawal by Source (m³)**

**Surface Water**

**2,975,964**

**+**

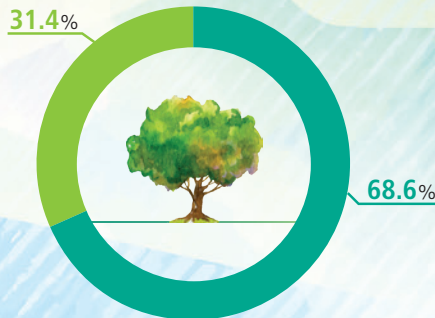
**Municipal Water Supplies  
or Other Water Utilities**

**6,498,420**

**=**

**Total Freshwater  
Withdrawal**

**9,474,384**



Municipal water suppliers or other facilities  
Surface water (e.g. rivers, streams, lakes, ponds, etc.)







## OUR ENVIRONMENT

## REDUCTION OF GHG EMISSIONS

We strive to minimise our greenhouse gas emissions as part of our continuous effort to combat climate change. We uphold the principles of accuracy and transparency through disclosing our data processed and analysed on a scientific manner. In addition, we are one of the leaders in the WTE industry adopting the methodology as stated in Clean Development Mechanism ("CDM") of the United Nations Framework Convention on Climate Change (UNFCCC) to calculate GHG emissions and offset from our operating WTE projects. The GHG emission calculation methodologies account for CO<sub>2</sub> equivalent emitted from fossil fuels used for electricity generation, emissions from the combustion of MSW, and methane released from the wastewater treatment process. Meanwhile, the GHG offset accounts for the avoidance of methane release from landfills and displacing conventional fossil fuel power usage by treating MSW at our WTE plants for electricity generation.



### Our Projects' Contribution

From Waste to Energy



### Avoided Scenario

Methane emitted from landfill disposal

In 2019, the Group has treated 5,911,952 tonnes of MSW, representing a year-to-year increase of 19%. The Group has supplied 2,062,642,680 kWh of green electricity onto the grid, saving 630,006 tonnes of standard coal and offsetting 2,809,524 tonnes of carbon dioxide equivalent emissions.

#### GHG Emissions in 2019 (tonne CO<sub>2</sub> equivalent)

Scope 1 (Direct Emissions) <sup>a</sup>	Scope 2 (Energy Indirect Emissions) <sup>b</sup>	Scope 3 (Other Indirect Emissions) <sup>c</sup>
<b>4,459,286</b>	<b>3,222</b>	<b>248</b>
<b>Sources:</b> <ul style="list-style-type: none"> <li>❖ Waste incineration and leachate treatment processes</li> <li>❖ Fuel oil and natural gas used for operation</li> </ul>	<b>Sources:</b> <ul style="list-style-type: none"> <li>❖ Non-renewable electricity used for operation</li> </ul>	<b>Sources:</b> <ul style="list-style-type: none"> <li>❖ Air travel by employees</li> </ul>
<b>Total GHG Emissions</b>	<b>GHG Emissions Offset</b>	<b>Net GHG Emissions</b>
<b>4,462,756</b>	<b>2,809,524</b>	<b>1,653,232</b>
<b>GHG Intensity (tonne CO<sub>2</sub> equivalent/tonne of MSW processed)</b>	<b>Net GHG Intensity (tonne CO<sub>2</sub> equivalent/tonne of MSW processed)</b>	
<b>0.755</b>	<b>0.280</b>	



## OUR ENVIRONMENT

*Notes:*

- a: The calculation for Scope 1 emissions is referenced to CDM methodology: *ACM0022: Alternative Waste Treatment Processes (Version 2.0)*.
- b: Emission factors for non-renewable electricity used for operation in Scope 2 emissions are referenced to the latest available emission factor released by CLP Power Hong Kong Limited and the 2015 National Baseline Grid Emission Factor in China issued by the Ministry of Ecology and Environment of the PRC.
- c: The calculation method for GHG emissions from air travel is based on the International Civil Aviation Organisation (ICAO) Carbon Emissions Calculator.

### ENVIRONMENTAL CONSERVATION

To preserve natural resources and biodiversity, we are committed to minimising environmental pressures caused by our business operations. All of our WTE projects are subject to environmental impact assessments such that development over ecologically sensitive areas are avoided at the very beginning of facility planning. Furthermore, the Group's *Environmental Factors Identification, Evaluation and Control Procedure* provides clear guidelines on identifying and evaluating potential environmental impacts from our operation activities as well as ensuring necessary actions are taken to effectively control the identified impacts.

All emissions and effluents generated from our WTE projects are strictly monitored and adequately treated in compliance with prevailing environmental laws and regulations. As a responsible WTE operator, we place high priority in ensuring that our business activities would not cause any adverse environmental impact to the surrounding air, water bodies, land and ecological sites.

Besides, to foster a culture of environmental conservation within the workplace, we regularly organise tree planting activities for our employees to participate.



*Landscaping to increase greenery coverage in our WTE plants*



*Organised 6 tree planting activities among our project companies in FY2019*







OUR ENVIRONMENT

**CLIMATE RISK ASSESSMENT**

As a leading WTE provider in China, Canvest plays a significant role in regulating greenhouse gas emissions and combating climate change in the local context. The *Global Risk Report 2020* published by the World Economic Forum has announced that climate-related issues dominate all of the top five long-term risks by likelihood for the first time in history. In response to climate change, we have commenced a climate risk assessment in 2019 to identify potential significant climate-related risks and opportunities posed to our business operations. In addition, HKEx’s consultation paper on *Review of the Environmental, Social and Governance Reporting Guide and Related Listing Rules* has introduced a new aspect (subject to “comply or explain”) requiring disclosure of the significant climate-related issues which have impacted, and those which may impact the issuer, and the actions taken to manage them.

Our climate risk assessment takes into account recommendations made by the Task Force on Climate-related Financial Disclosures (“TCFD”) and is conducted under the four categories of Governance, Strategy, Risk Management, and Metrics and Targets.



Governance	Strategy	Risk Management	Metrics and Targets
Canvest’s Governance on climate-related risks and assessment	Disclosure of the potential climate-related risks and opportunities related to Canvest’s major business operations	Identification, assessment and management of climate-related risks	Metrics and targets used to evaluate Canvest’s performance on managing its climate-related issues

**Climate Adaptation and Resiliency**

In areas subject to flooding, heavy rainfall and similar events can put the operation of our WTE plants at risk. We therefore take appropriate measures in order to avoid or minimise risks. In 2019, Canvest has formulated and implemented the *Management System Against Typhoons and Floods* to enhance Canvest’s resiliency to typhoons and floods, minimising the financial loss and ensuring the safety of people. We have also set up an Emergency Control Centre and the Prevention for Typhoons and Floods Task Force for arranging precautionary and emergency measures to cope with extreme weather events.

**Emergency Control Centre**

Canvest’s Emergency Control Centre is responsible for the overall prevention of typhoon and flood damage. When such extreme weather strikes, the Emergency Control Centre shall commence the emergency plan promptly, and organise and direct rescues.

**Task Force Against Typhoons and Floods**

The task force is responsible for monitoring typhoons and thunderstorms in the local area, informing the Group on the latest weather condition through WeChat (social media platform), notifying the relevant departments to conduct protection measures, carrying out safety inspection to ensure all measures are implemented accordingly, and arranging the duty shifts during typhoon/flooding. Besides, the task force is also responsible to report and summarise all the emergency circumstances, formulate policy, standard and plan regarding typhoon and flood prevention for the Group.



OUR ENVIRONMENT

Climate-Related Risks

Risks	Potential Impacts
<p><b>Physical Risks</b></p> <p>Extreme weather induced by climate change during the wet season (i.e. from April to October).</p>	<p>Typhoon and floods cause potential damages to the incinerators/leachate treatment facilities/plant rooms etc. Financial loss would be incurred if the WTE plant’s operation or the transportation network of the garbage truck is disrupted.</p>
<p><b>Transition Risks</b></p> <p>Increasingly stringent environmental regulations on pollutant emission has prompted technological improvements or innovations in order to meet the new requirements.</p>	<p>Regulatory cost and compliance cost on pollutant emission will be increased.</p>

Climate-Related Opportunities

Opportunities	Potential Benefits
<p><b>Policies Support</b></p> <p>In 2019, the General Office of the State Council of the People’s Republic of China introduced the concept of “Zero-Waste Cities” in the Plan for Pilot Development of “Zero-Waste Cities” in supporting waste reduction and reliance on landfills.</p>	<p>Canvest will benefit from the policy to support its expansion of WTE business for reducing the amount the waste disposed of at landfills.</p>







## OUR ENVIRONMENT

**Management of Climate-Related Risks**

The precautionary and mitigation measures for typhoons and floods has been stipulated in the Management System Against Typhoons and Floods, which are highlighted as follows:

- The Task Force Against Typhoons and Floods will check the sufficiency of precautionary resources and emergency kits. They will direct the responsible department to replenish such resources if deficit is found.
- The Operational Department should remove the waste and materials stockpiled in exposed areas to prevent them to be blown and pose threats to people.
- Safety inspection should be carried out in the operational site and office to identify any seepage or water leakage occurred inside the plant rooms, pump rooms, booster stations etc. Drainage systems should be inspected regularly, and where leakage, blockage or defects are detected, they should be rectified immediately.
- Each department shall be responsible for recording the losses to the Environmental Safety Department.

Furthermore, Canvest continues to invest in our facilities to improve the environmental performance and promote adaptation to climate change. In FY2019, our China Scivest WTE Plant, Eco-Tech WTE Plant and Xingyi WTE Plant were qualified for the tax credits against enterprise income tax from investing in special equipment for environmental protection, water and energy conservation following the policy by the Ministry of Finance and the State Administration of Taxation.





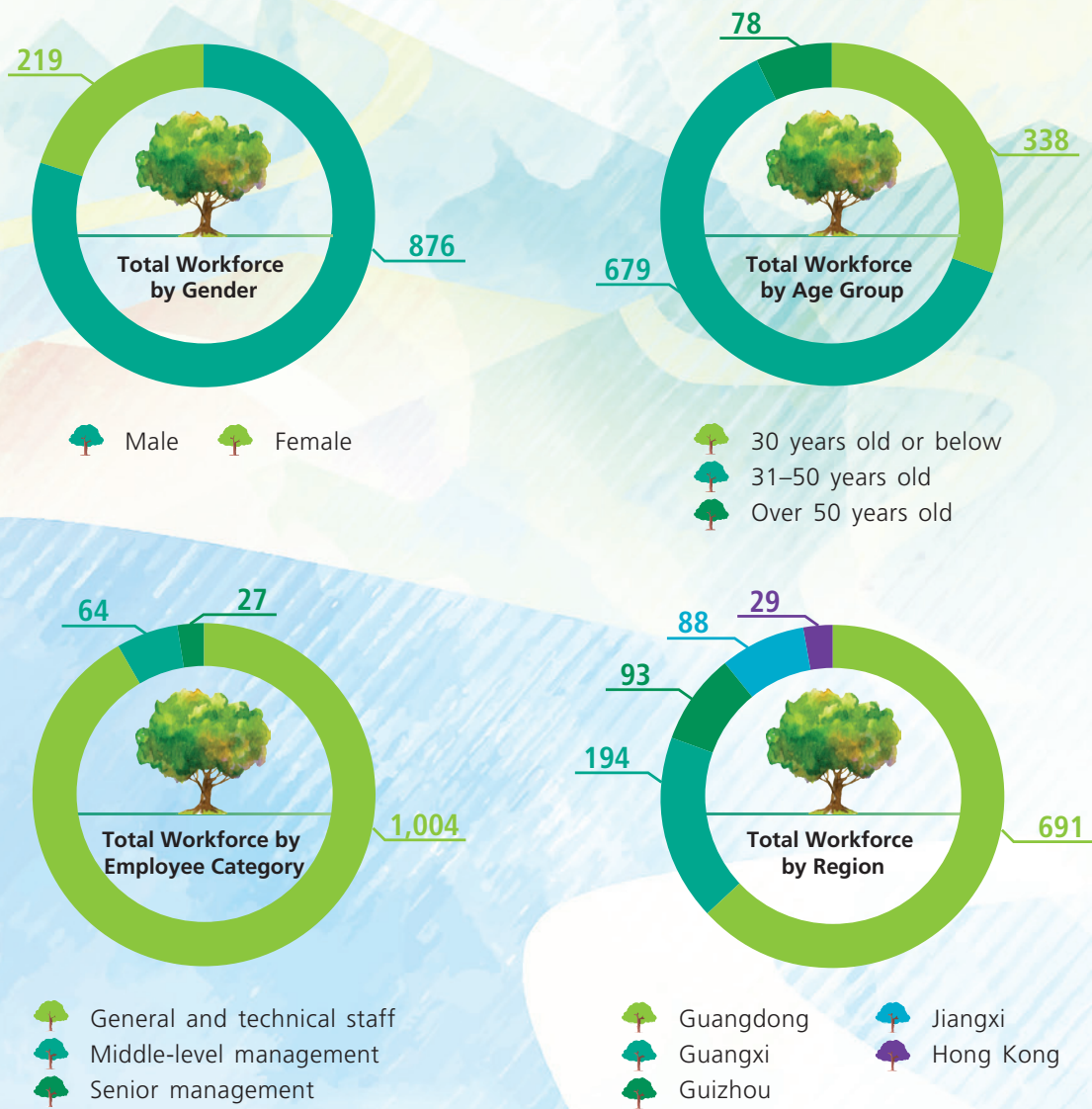
# 7. OUR PEOPLE

## INCLUSIVE WORKING ENVIRONMENT

Our employees are the core for a productive and profitable company. As a responsible employer, we are committed to fostering professional training and development, and promoting a healthy work-life balance for our employees. To attract, retain and motivate high performing employees, our remuneration and benefits are highly competitive.

At the national level, we strictly abide by the *Labour Law of the PRC* to protect and respect the legal rights and interests of labour and to build a harmonious relationship between the Group and the employees. While in Canvest, we have established the *Social Responsibility Management Manual*, certifying the SA8000 Social Accountability Standard and integrating labour requirements into our corporate culture. We are committed to improving the welfare of the employees and ensure that the Group's operations are in line with national and international standards.

As of 31 December 2019, our Operating Projects employed a total of 1,095 staff, with all of them being full-time and permanent, comprising a significant proportion of technicians and operational workers.







## OUR PEOPLE

**Protection of Rights and Interest**

We support workplace diversity and cultural inclusiveness. We place first priority in treating employees fairly, which includes ensuring a fair wage, fair benefits, fair working hours and fair treatment regardless of gender, age, ethnic origin, religion, political affiliation and nationality by following the recruitment system and assessment requirements specified in the Group's *Anti-Discrimination Procedure*.

Furthermore, Canvest strictly enforces the *Employment Policy* and ensures that the Group and its employees abide by relevant laws and regulations, including the *Labour Law of the PRC* and the *Employment Ordinance of Hong Kong*. The Group's policies such as *Prohibition of Child Labour and Remedial Procedure* and *Elimination of Forced Labour Procedure* are also in place to ensure child and forced labour is prevented. *Freedom of Association and Collective Bargaining Procedure* is implemented to ensure our employees have the rights to form and participate in trade unions and collective bargaining. Also, we put effort in promoting social integration through policies and measures to facilitate the employment of persons with disabilities in the workplace.

In addition to quarterly meetings with employees' representatives, the Group has established *Grievance and Compliant Procedures* to investigate and respond to any employee's grievance in a timely manner. To report concerns, employees can contact the head of their respective departments or make a report through our whistleblowing platform. A mailbox for handling complaints is set up at each of the operating projects and handled by the senior management directly. All reported information is treated in confidence. Reasonable steps are also taken to protect all persons from reprisal or disadvantage as a result of making a report. As of 31 December 2019, no grievance or compliant from employees was received.





OUR PEOPLE

**ENGAGEMENT AND RETENTION**

Employees are Canvest’s most valuable resources and we take every opportunity to address their needs and concerns. We have established a comprehensive human resources management system to provide standards and guidance for various management work related to employment. The Group’s policies such as the *Employment Procedure* provide clear guidelines on the recruitment and promotion. To meet the development needs of Canvest while practicing effective human resources management concurrently, we have stipulated the *Human Resources Control Procedure* relating to compensation and dismissal, working hours, rest periods, and other benefits and welfare for employees. We strictly enforce our employment policies to offer a supportive and fair working environment.

<p><b>Remuneration System</b></p> <ul style="list-style-type: none"> <li>Comply fully with any local legal requirement with respect to minimum wage</li> <li>Provide incentivised, performance-based remuneration</li> </ul>	<p><b>Benefits and Subsidies</b></p> <ul style="list-style-type: none"> <li>Beyond the provision of basic employee benefits such as insurance and housing fund, Canvest also provides accident insurance, transport subsidies, meal allowances, holiday allowances, and health checkups</li> </ul>
<p><b>Recruitments and Promotions</b></p> <ul style="list-style-type: none"> <li>Talents are recruited and retained irrespective of gender, age, ethnic origin, religion, political affiliation and nationality</li> <li>Annual salary reviews are to reward employees for their continuous efforts and accomplishments</li> </ul>	<p><b>Work-Life Balance</b></p> <ul style="list-style-type: none"> <li>All of our employees are entitled to maternity/paternity leave in accordance with local statutory requirements</li> </ul>

Listening to our employees is crucial for the better development of Canvest. The following measures have been carried out to foster a culture of open dialogue at all levels.



Organise staff meetings and set up employee suggestion box system to gather employees’ feedback efficiently



Conduct employee satisfaction survey on a half-yearly basis to collect employee’s feedbacks and suggestions regarding working hours, wages and supports



Analyse the employee satisfaction survey results by our senior management promptly, synchronise effective and reasonable comments/views from employees and implement corresponding actions in various business units





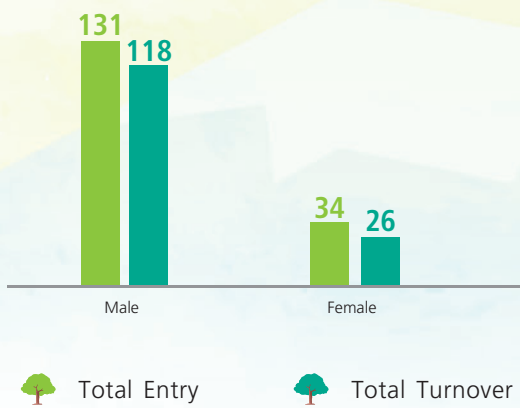
OUR PEOPLE

**Employee Entry and Turnover**

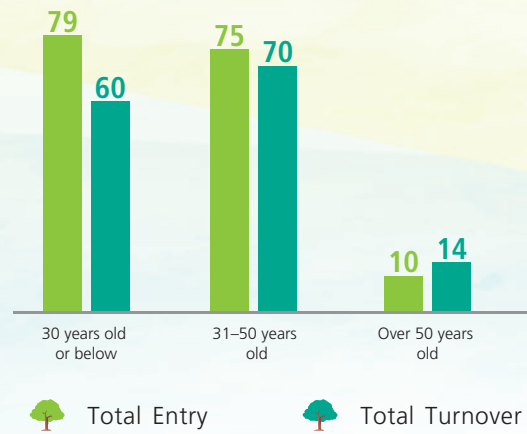
Our number of new employees accounted for 15% of the total workforce, while staff turnover and retirement accounted for 13% of the total workforce. Beyond expanding our businesses to different geographical region, we are dedicated to fostering local economic development through providing job opportunities to the local communities. Among the operating projects we established in Guangdong Province, Guangxi Zhuang Autonomous Region, Guizhou Province and Jiangxi Province, over 44% of our senior management are from the local regions.

**Employee Entry and Turnover Statistics in 2019**

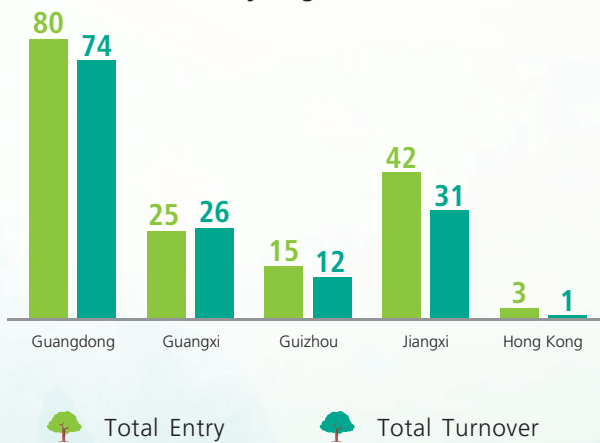
**Employee Turnover Statistics by Gender**



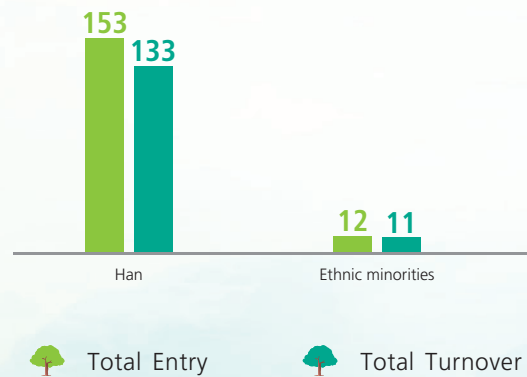
**Employee Turnover Statistics by Age Group**



**Employee Turnover Statistics by Region**



**Employee Turnover Statistics by Ethnicity**









## OUR PEOPLE

Category	Sub-category	Rate of new employee hires (%)	Rate of employee turnover (%)
<b>By gender</b>	Male	11.96	10.78
	Female	3.11	2.37
<b>By age</b>	30 years old or below	7.21	5.48
	31–50 years old	6.85	6.39
	Over 50 years old	0.91	1.28
<b>By region</b>	Guangdong	7.31	6.76
	Guangxi	2.28	2.37
	Guizhou	1.37	1.10
	Jiangxi	3.84	2.83
	Hong Kong	0.27	0.09
<b>By ethnicity</b>	Han	13.97	12.15
	Ethnic minorities	1.10	1.00

**Remuneration Framework**

To attract, retain and incentivise talents, Canvest is committed to offering a fair yet competitive salary and benefits package to our employees. We continue to review the remuneration system to assure that our employees' remuneration aligns with reasonable market levels in maintaining our competitiveness in the industry. In practice, our remuneration and benefits often exceed local legal requirements. In 2019, 100% of our employees received performance and salary reviews, recognising their efforts and accomplishments throughout the year.

**Ratio of Standard Entry-Level Wage to Local Minimum Wage in 2019**

Guangdong	Guangxi	Guizhou	Jiangxi
			
Male 3.24, Female: 2.32	Male: 2.76, Female: 2.07	Male: 2.27, Female: 1.85	Male: 2.92, Female: 1.96

*Note:* Entry-level wage refers to the full-time wage in the lowest employment category, and includes basic salary, excludes bonuses and overtime pay. Intern or apprentice wages are not considered entry level wages.





## OUR PEOPLE

## Percentage of Employees Who Will Be Eligible for Retirement in 5 and 10 Year

Category	Sub-category	In 5 years (%)	In 10 years (%)
<b>By Employee Category</b>	General and technical staff	4.98	6.57
	Middle-level management	6.25	9.38
	Senior management	—	37.04
<b>By Region</b>	Guangdong	5.21	5.50
	Guangxi	7.22	14.95
	Guizhou	1.08	4.30
	Jiangxi	2.27	11.36
	Hong Kong	3.45	3.45

Canvest accords high priority in safeguarding the rights and interest of our staff through complying with relevant laws and regulations to protect the rights and interest of different genders. 100% of our employees are entitled to maternity/paternity leave in accordance with local statutory requirements. The Group is committed to retaining job positions for employees on maternity/paternity leave and encourage their return, and ensure their career development and remuneration remain unaffected by the leave.

## Statistics of Maternity/Paternity Leave in 2019

	Male	Female
<b>Number of employees entitled to maternity/paternity leave</b>	876	219
<b>Number of employees took maternity/paternity leave in 2019</b>	68	18
<b>Number of employees due to return to work after taking maternity/paternity leave in 2019</b>	68	14
<b>Number of employees who returned to work after maternity/paternity leave ended in 2019</b>	68	12
<b>Number of employees who returned to work after maternity/paternity leave ended in 2018 and still employed by the end of 2019</b>	31	10
<b>Return to work rate (%)<sup>a</sup></b>	100	85.71
<b>Retention rate (%)<sup>b</sup></b>	91.18	83.33

$$\text{a: Return to work rate} = \frac{\text{Number of employees who returned to work after maternity/paternity leave ended in 2019}}{\text{Total number of employees due to return to work after taking maternity/paternity leave in 2019}} \times 100$$

$$\text{b: Retention rate} = \frac{\text{Number of employees who returned to work after maternity/paternity leave ended in 2018 and still employed by the end of 2019}}{\text{Total number of employees returning from maternity/paternity leave in 2018}} \times 100$$



## OUR PEOPLE

We value our employees and we strengthen their health and wellbeing through organising a wide variety of events and activities, catering employees with different interest. We have organised an array of leisure activities, such as employee sports day, water race, team development training, planting activities and photography contest, on a regular basis to promote work-life balance among employees.

### Sports Day



### Basketball Competition



### Photography Contest



### Annual Chinese New Year Party



### Employee's Children's Drawing Competition







## OUR PEOPLE

## CULTIVATING TALENTS

Regardless of seniority and employment nature, we encourage our employees to cultivate their professional and interpersonal skills. We provide onboard training for new employees and professional training for different job functions as set out in our *Social Responsibility System Training Management Procedure*. Our training programme includes SA8000 standards, legal requirements regarding working hours, wages and benefits, company policies and procedures, safe operating procedures, and labour protection. In addition, we ensure that our special operations personnel have received the required statutory training and obtained relevant operating permits. In 2019, a total of 26,760 hours of training have been provided, giving an average of 24 hours per employee.

### Employee Training by Gender and Employee Category in 2019

Category	Sub-category	Percentage of Employees Trained (%)	Average Training Hours per Employee (hours)
By Gender	Male	81	28.14
	Female	59	9.61
By Employee Category	General and technical staff	75	24.58
	Middle-level management	95	22.48
	Senior management	70	23.63

## HEALTH AND SAFETY

One of Canvest's core values is to ensure safety in our workplace. We strictly observe the local health and safety laws and regulations, including the *Work Safety Law of the PRC* and the *Occupational Safety and Health Ordinance of Hong Kong*. Regular trainings are provided to our employees to enhance their overall awareness on safety and preparedness for emergencies. We also equip our employees and contractors with adequate personal protective equipment, and have assigned safety managers to review and reinforce the health and safety policies. Fire drills are conducted every 6 months and we invited the local fire bureaus to conduct training on workplace fire safety and emergency responses to employees on an annual basis.



### Occupational Health and Labour Protection Management Policy

- The *Occupational Health and Labour Protection Management Policy* is implemented to standardise the occupational health and safety measures of each of our WTE projects.



## OUR PEOPLE

**Efforts Against Occupational Diseases**

- The Group's Safety and Environmental Protection Department conducts monthly safety and environmental inspections to monitor and supervise the implementation of occupational health and safety measures at each project company.
- Each project company also carries out annual workplace inspections to identify potential occupational hazards.
- Our Safety Production Committee organises occupational health checkups every year and conducts ad hoc site inspections to ensure safe work practices are in place, at the same time disseminating information on occupational health and safety to workers.

**Protecting Female Workers During Pregnancy**

- To further protect our female workers during their pregnancy in the workplace, the *Labour Protection of Female Workers Procedure* was stipulated to prevent female workers from carrying physically demanding work, working under an environment exposed to a certain radiation dose, working overtime and assigning with a nightshift etc.

**Emergency Drills by Project Companies**

- Various emergency drills are carried out by our project companies to increase our employees' preparedness against emergency situations. Emergency drills against flooding and typhoon, electricity shortage, injuries caused by operating machines, leakage of hydrochloric acid, poisoning of hydrogen sulfide leaked from the leachate collection tanks etc are carried out.

***Ensuring Safe Operation***

It is important to give priority to the safety of our employees in the workplace. To maintain the promise, Canvest has implemented the *Operation Environmental Control Procedure*, which sets the processes, actions and responsibilities for managing the operation environment at the plants, offices and public areas, to maintain a good working environment in all areas, protect the environment and ensure the health and safety of our employees.

Recognising the danger of working in confined spaces such as water tank, septic tank and underground ditch, the *Confined Space Management Procedure* is implemented to ensure that only authorised employees with specific qualifications are allowed to work in confined spaces. All employees of our Group are obliged to participate in safety training at least once a year, in which the hazards associated with working in confined space are shared with our employees.





## OUR PEOPLE

## Health and Safety Performance 2019

	Total Working Hours
Employees of Canvest	2,135,834
Third-Party Contractors Working on Site	4,632,446

	Health and Safety Statistics (Employees/Contractors)
Number of work-related fatalities	0/0
Rate of work-related fatalities <sup>a</sup>	0/0
Number of high-consequence work-related injuries (excluding fatalities) <sup>b</sup>	0/1
Rate of high-consequence work-related injuries (excluding fatalities) <sup>c</sup>	0/0.04
Number of work-related injuries <sup>d</sup>	0/2
Rate of work-related injuries <sup>e</sup>	0/0.09
Number of days lost due to work-related injuries	0/212
Number of occupational disease cases	0/0

a. Rate of work-related fatalities =  $\frac{\text{Number of work-related fatalities}}{\text{Number of hours worked}} \times 200,000$

b. High-consequence work-related injuries (excluding fatalities) refer to work-related injuries from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.

c. Rate of high-consequence work-related injuries (excluding fatalities)

=  $\frac{\text{Number of high-consequence work-related injuries (excluding fatalities)}}{\text{Number of hours worked}} \times 200,000$

d. Work-related injuries include work-related fatalities and high-consequence work-related injuries.

e. Rate of work-related injuries =  $\frac{\text{Number of work-related injuries}}{\text{Number of hours worked}} \times 200,000$



## 8. SERVING OUR COMMUNITY

As a committed corporate citizen, we actively participate in a wide range of community events and services, such as tree planting activities, visits to our WTE facilities, environmental exhibitions and forums etc. The Group aims to raise public awareness on environmental protection and foster a sustainable lifestyle among communities we served. In addition, we have established an *External Communication Procedure*, allowing individuals or associations who are interested in the Group's social performance to share their opinions with us.

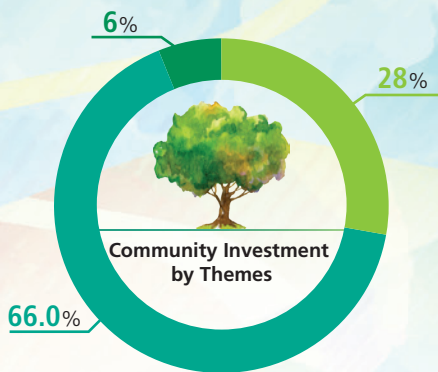
To extend our care and concern to the society, we encourage our staff to serve the community and the underprivileged in the society. In FY2019, the Group has contributed to a total of 2,516 hours of voluntary works with about 600 employees participated in a series of public welfare and charitable activities. Recognising the importance of community investment on fostering long-term development, the Group has continued to sponsor and donate to community infrastructure projects, charities for elderly people, and community activities.

### Highlights of Our Community Initiatives:

#### Number of volunteer hours:

2,516

FY2019 Progress: ↑ 64%

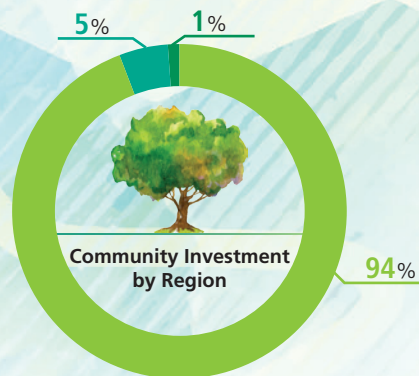


- Community Infrastructure Projects
- Community Engagement
- Arts & Culture

#### Number of visitors:

32,645

FY2019 Progress: ↑ 39%



- Guangdong
- Guangxi
- Guizhou

### ENVIRONMENTAL EDUCATION FOR ALL

We believe that adequate environmental education is essential to improving the environmental awareness of the general public. Therefore, each of our WTE plants is well equipped with a dedicated exhibition venue, with interactive exhibits and a feast of multimedia tool to illustrate information related to environmental science, advanced incineration process, and sustainability. The general public are invited to visit our WTE plants on a monthly basis. In FY2019, 32,645 visitors in total came to look around our WTE plants.





## SERVING OUR COMMUNITY

Searching for shared value for the Group and its stakeholders provides an opportunity to combine competitiveness and generate synergies within the industry with long-term social value creation. Canvest actively collaborates with institutional partners and participates in local environmental events to promote green technology and sustainable life style. In 2019, Canvest participated in 16 professional organisations as either an executive council member or corporate member.

Canvest's Corporate Memberships	
<b>Guangdong Urban Waste Disposal Industry Association</b>	Member
<b>Guangdong Association for Environmental Monitoring</b>	Member
<b>Dongguan Industry Association of Sanitation</b>	Vice President Member
<b>Dongguan Power Trade Association</b>	Member
<b>Guangdong Environmental Sanitation Association</b>	Member
<b>Dongguan City Association of Enterprises with Foreign Investment Nancheng Branch</b>	Vice President
<b>Guangdong Cleaning Production Association</b>	Member
<b>Guangdong Association of Circular Economy and Resources Comprehensive Utilisation</b>	Member
<b>Guangdong Green Supply Chain Association</b>	Member
<b>Guangdong Energy Conservation Association</b>	Member
<b>Dongguan Environmental Cleaning Association</b>	Member
<b>Dongguan Price Association</b>	Member
<b>Beijing Association of Green Design and Green Manufacturing Promotion</b>	Vice President
<b>Guangdong Association of Environmental Protection Industry</b>	Member
<b>Zhanjiang Environmental Sanitation Association</b>	Vice President
<b>Guangxi Environmental Sanitation Association</b>	Executive Council Member





SERVING OUR COMMUNITY

**Promoting Proactive Dialogue with Industry Peers — IE Expo China 2019**

Canvest joined hands with SIIC Environment Holdings Limited to participate in the IE Expo China 2019 (Shanghai), which took place from 15–17 April 2019 at the Shanghai New International Expo Centre. As Asia’s leading fair for environmental technology, IE Expo offers an ideal platform for professionals in the environmental industry to exchange ideas and develop business. During the three-day event, more than 2,000 environmental technology and engineering companies from around the world showcased the trends and technological innovations in the environmental technology sector, attracting over 70,000 industry experts from 58 countries and regions.

Canvest made its first appearance as an exhibitor at the IE Expo, showing the company’s achievements and strength in environmental development and also taking this as an opportunity to communicate and exchange ideas with industry peers. This event was of great significance for promoting enterprise development and expanding industry influent.







## SERVING OUR COMMUNITY

### Launching Ceremony of the “100 Environmental Protection Lectures” in Dongguan

In September 2019, the inauguration ceremony of the “100 Environmental Protection Lectures” educational activity was held in Canvest’s Environmental Protection Theme Pavilion in Dongguan. The event was hosted by the Dongguan Ecological and Environment Bureau and Dongguan Environmental Protection Education Centre and co-hosted by our China Scivest WTE Plant.

In the ceremony, around 300 people, including environmental protection leaders from various companies and environmental workers participated in the event. The first lecture on the topic of pollutant emission standards aroused strong interest among environmental workers and corporate representatives. Through an interactive Q&A session, our experts attentively addressed the concerns from our audience. The participants were also invited for a guided tour in our Environmental Protection Theme Pavilion.



### Empowering the Youth — Environmental Protection Q&A Contest

China Scivest WTE Plant assisted in organising the finals of “Multi-Star of Environmental Protection” Dongguan Primary School Students’ Environmental Protection Q&A Contest on 13 June 2019. Teams from 60 primary schools in Dongguan City participated in the contest.

The theme of the contest focused on the daily application of environmental protection knowledge, environmental protection laws and regulations, energy conservation and emission reduction, and low-carbon lifestyle. Through the competition, the energetic team members were taught about the importance of teamwork and environmental protection. In addition, over 300 visitors were invited to visit the facilities in our China Scivest WTE Plant.







SERVING OUR COMMUNITY

**Facilitating Idea Exchange — “Clean Dongguan, City Forum” Event**

In October 2019, the “Clean Dongguan, City Forum” event was organised by the Dongguan City Urban Management Committee and Dongguan City Urban Management and Law Enforcement Bureau at China Scivest WTE Plant.

The event facilitated exchange of ideas on environmental protection initiatives contributing to a more sustainable Dongguan City. A total of 200 participants, including government officials, community representatives and general public, had attend the event. Topics such as “Clean Dongguan Index Evaluation” and “Things About Our MSW” were discussed during the forum.



**Promoting Knowledge of WTE Processes — “Practise Garbage Classification, Create Quality Dongguan” Exhibition**

On 21 September 2019, the “Practise Garbage Classification, Create Quality Dongguan” Exhibition, jointly organised by Dongguan Association for Science and Technology, Dongguan City Urban Management and Law Enforcement Bureau and Dongguan Environmental Burreau, was held at Dongguan Science Museum. Over 20 environmental protection companies in Dongguan City had joined together to promote garbage classification and educate waste management technologies.

As one of the exhibitors, Canvest attracted the general public to learn more about WTE processes through displaying panels to illustrate the waste incineration technologies, holding price-giving quizzes on science knowledge, and distributing leaflets about WTE processes. The exhibition allowed the general public to learn more about the WTE processes as well as other environmental protection knowledge.







## SERVING OUR COMMUNITY

## COLLABORATION WITH LOCAL GOVERNMENT

Beyond fostering environmental education and providing public welfare, the Group also supports local government's initiatives to improve the well-being of our society. In support of the prohibition of illegal food that poses harms to our health, we supported the "Public Destruction of Illegal Food" event organised by the Guangdong Market Supervision and Administration Bureau and Dongguan Market Supervision and Administration Bureau. In the event, illegal food items were displayed in our China Scivest WTE Plant for public display and destroyed on site.

In addition to destroying the illegal food items, our project companies also launched an array of activities to promote wellness in our society. For example, our Eco-Tech WTE plant organised talks related to anti-drug and safe driving behaviour.





## 9. KEY AWARDS AND RECOGNITIONS



### Canvest

**Best IR Company — Mid Cap**  
**Best IR by Chairman/CEO — Mid Cap**  
**Best IR in Corporate Transaction — Mid Cap**  
**Best Investor Presentation Material — Mid Cap**  
**3 Years IR Awards Winning Company**  
*Awarded by Hong Kong Investor Relations Association*



### China Scivest WTE Plant

#### **Top 10 Environmental Protection Demonstration Projects in Dongguan**

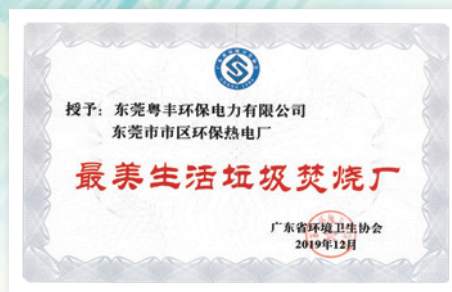
*Awarded by Dongguan Environmental Protection Committee and Dongguan Civilisation Construction Committee*

Through the solicitation of primary elections, online voting and expert selection, the "Top 10 Environmental Protection Demonstration Projects" was selected from various environmental protection projects covering water treatment, waste treatment and wetlands.

Canvest was honoured to be recognised as one of the models for environmental protection in Dongguan.

#### **Most Beautiful Municipal Waste-to-Energy Plant**

*Awarded by Guangdong Environmental Sanitation Association*







## KEY AWARDS AND RECOGNITIONS

**Eco-Tech I & II WTE Plants Grade AAA Innocuous Waste Incineration Plant**

*Awarded by the Department of Housing and Urban-Rural Development of Guangdong Province*

After being assessed by industry experts, Eco-Tech I & II WTE Plants achieved the award of "Grade AAA Innocuous Waste Incineration Plant", the highest grade in the rating system, demonstrating the high quality of our WTE Plants.

**Guangdong Energy Conservation Outstanding Contribution Award 2018**

*Awarded by Guangdong Energy Conservation Association*

**Kewei WTE Plant****Guangdong Energy Conservation Outstanding Contribution Award 2018**

*Awarded by Guangdong Energy Conservation Association*

**Zhanjiang WTE Plant****BOCHK Corporate Environmental Leadership Awards Programme: ECO Challenger**

*Awarded by Federation of Hong Kong Industries and Bank of China (Hong Kong)*

**Zhongshan WTE Plant****Grade AAA Innocuous Waste Incineration Plant**

*Awarded by the Department of Housing and Urban-Rural Development of Guangdong Province*

After being assessed by industry experts, Zhongshan WTE Plant achieved the award of "Grade AAA Innocuous Waste Incineration Plant", the highest grade in the rating system, demonstrating the high quality of our WTE plants.



## 10. PERFORMANCE DATA SUMMARY

### ECONOMIC PERFORMANCE

	2019 HK\$'000	2018 HK\$'000	2017 HK\$'000
<b>Direct Economic Value Generated</b>			
Revenue	3,952,216	3,325,894	2,397,531
Share of net profits of associates and a joint venture	54,770	32,004	—
Other income	155,317	130,290	106,596
<b>Economic Value Distributed</b>			
Staff costs	304,442	228,395	153,787
Other costs <sup>(1)</sup>	2,299,454	1,953,051	1,410,796
Financial cost	204,183	169,990	105,572
Dividends	178,120	112,934	81,026
Taxes <sup>(2)</sup>	64,547	32,205	33,972
Profit attributable to non-controlling interest	(571)	(9)	—
Charitable donations	1,600	800	2,200
<b>Economic Value Retained</b>			
Retained for Canvest's sustainable operation and development	1,110,528	990,822	716,774

*Notes:*

- (1) Represents other costs but excludes depreciation and amortisation for the year.
- (2) Represents current income tax but excludes deferred tax for the year.

### OPERATIONAL PERFORMANCE

	Unit	2019	2018*	2017
<b>Business Performance</b>				
MSW processed	tonne	5,911,952	4,959,040	3,527,221
Power generated	MWh	2,355,931	2,028,726	1,452,328
Percentage of renewable energy generated	%	100	100	100
Power sold	MWh	2,062,642	1,779,716	1,272,904
Percentage of renewable energy connection to grid	%	100	100	100

\* Phase 1 of Lufeng WTE Plant was under trial operation in 2018, and its performance data is excluded in 2018 Sustainability Report.





## PERFORMANCE DATA SUMMARY

## ENVIRONMENTAL PERFORMANCE

	Unit	2019	2018*	2017
<b>Greenhouse Gas (GHG) Emissions</b>				
Scope 1 (Direct Emissions) <sup>(3)</sup>	tonne CO <sub>2</sub> e	<b>4,459,286</b>	3,900,993	2,163,801
Scope 2 (Energy Indirect Emissions) <sup>(4)</sup>	tonne CO <sub>2</sub> e	<b>3,222</b>	2,463	101,230
Scope 3 (Other Indirect Emissions) <sup>(5)</sup>	tonne CO <sub>2</sub> e	<b>248</b>	117	158
Total GHG emissions	tonne CO <sub>2</sub> e	<b>4,462,756</b>	3,903,573	2,265,189
GHG emissions offset	tonne CO <sub>2</sub> e	<b>2,809,524</b>	2,296,680	1,255,051
Net GHG emissions	tonne CO <sub>2</sub> e	<b>1,653,232</b>	1,606,893	1,010,138
GHG intensity	tonne CO <sub>2</sub> e/tonne of MSW processed	<b>0.755</b>	0.787	0.643
Net GHG intensity	tonne CO <sub>2</sub> e/tonne of MSW processed	<b>0.280</b>	0.324	0.286
<b>Air Emissions</b>				
Particulate matter (PM)	tonne	<b>67</b>	69	46
Sulphur dioxide (SO <sub>2</sub> )	tonne	<b>297</b>	237	228
Nitrogen oxides (NO <sub>x</sub> )	tonne	<b>3,178</b>	2,348	1,374
<b>Direct Fuel Consumption <sup>(6)</sup></b>				
Fuel oil	GJ	<b>29,574</b>	14,299	11,396
Natural gas	GJ	<b>35,213</b>	20,764	9,987



## PERFORMANCE DATA SUMMARY

	Unit	2019	2018*	2017
<b>Direct Energy Consumption <sup>(6)</sup></b>				
Electricity	GJ	<b>1,061,556</b>	867,603	620,378
From renewable sources	GJ	<b>1,042,546</b>	851,475	Figures not available
From non-renewable sources	GJ	<b>19,010</b>	16,128	Figures not available
Total energy consumed	GJ	<b>1,126,343</b>	902,666	641,761
Energy intensity	GJ/tonne of MSW processed	<b>0.191</b>	0.182	0.182
Percentage of renewable energy consumed	%	<b>93</b>	94	Figures not available
Percentage of non-renewable energy consumed	%	<b>7</b>	6	Figures not available
<b>Key Materials Consumption</b>				
Lime	tonne	<b>41,487</b>	30,313	17,862
Activated carbon	tonne	<b>2,667</b>	2,249	1,471
Urea	tonne	<b>5,647</b>	4,612	2,136
Ammonia water	tonne	<b>6,079</b>	2,198	1,603
PNCR material	tonne	<b>436</b>	—	—
Hydrochloric acid	tonne	<b>458</b>	344	Figures not available
Sodium bicarbonate	tonne	<b>183</b>	100	Figures not available
Coagulant & flocculant	tonne	<b>273</b>	110	Figures not available





## PERFORMANCE DATA SUMMARY

	Unit	2019	2018*	2017
<b>Freshwater Consumption</b>				
Total freshwater consumption	m <sup>3</sup>	<b>9,474,384</b>	8,230,218	6,380,293
Freshwater intensity	m <sup>3</sup> /MWh	<b>4.593</b>	4.624	5.012
<b>Wastewater and Waste</b>				
Leachate produced	tonne	<b>692,505</b>	431,015	273,735
Bottom ash produced	tonne	<b>1,194,373</b>	1,030,569	691,045
Fly ash produced	tonne	<b>117,300</b>	92,264	57,085
<b>Environmental Compliance</b>				
Number of violation cases related to pollutant emissions or environmental impact	No.	<b>0</b>	0	0

\* Phase 1 of Lufeng WTE Plant was under trial operation in 2018, and its performance data is excluded in 2018 Sustainability Report.

## Notes:

- (3) The calculation for Scope 1 emissions is referenced to CDM methodology: *ACM0022: Alternative Waste Treatment Processes (Version 2.0)*.
- (4) Emission factors for non-renewable electricity used for operation in Scope 2 emissions are referenced to the latest available emission factor released by CLP Power Hong Kong Limited and the 2015 National Baseline Grid Emission Factor in China issued by the Ministry of Ecology and Environment of the PRC.
- (5) The calculation method for GHG emissions from air travel is based on the International Civil Aviation Organisation (ICAO) Carbon Emissions Calculator.
- (6) Energy consumption is calculated based on the conversion factors provided in China Energy Statistical Yearbook 2018.



## PERFORMANCE DATA SUMMARY

## EMPLOYMENT AND LABOUR PRACTICES

		Unit	2019	2018*	2017
<b>Employment Profile</b>					
Number of full-time permanent staff	No.		<b>1,095</b>	939	817
<i>By Gender</i>					
Male	No.		<b>876</b>	761	662
Female	No.		<b>219</b>	178	155
<i>By Age Group</i>					
30 years old or below	No.		<b>338</b>	284	277
31–50	No.		<b>679</b>	601	515
Over 50 years old	No.		<b>78</b>	54	25
<i>By Employment Category</i>					
General and technical staff	No.		<b>1,004</b>	869	748
Middle-level management	No.		<b>64</b>	43	42
Senior management	No.		<b>27</b>	27	27
<i>By Geographical Region</i>					
Hong Kong	No.		<b>29</b>	27	20
Guangdong	No.		<b>691</b>	633	614
Guangxi	No.		<b>194</b>	190	92
Guizhou	No.		<b>93</b>	89	91
Jiangxi	No.		<b>88</b>	—	—
<i>By Ethnicity</i>					
Han	No.		<b>984</b>	Figures not available	Figures not available
Ethnic minorities	No.		<b>111</b>	Figures not available	Figures not available





## PERFORMANCE DATA SUMMARY

	Unit	2019	2018*	2017
<b>Health and Safety</b>				
Number of work-related fatalities	No.	0	0	0
Rate of work-related fatalities <sup>(7)</sup>	—	0	0	0
Number of high-consequence work-related injuries (excluding fatalities) <sup>(8)</sup>	No.	0	0	0
Rate of high-consequence work-related injury (excluding fatalities) <sup>(9)</sup>	—	0	0	0
Number of work-related injuries <sup>(10)</sup>	No.	0	2	5
Rate of work-related injuries <sup>(11)</sup>	—	0	0.22	Figures not available
Lost days due to work-related injuries	Days	0	52	705
Number of occupational disease cases	No.	0	0	0
<b>Labour Practices</b>				
Number of violation cases related to employment or labour regulations	No.	0	0	0
Number of violation cases related to child labour or forced labour	No.	0	0	0
Number of discrimination cases related to gender, ethnicity, age and health during recruitment	No.	0	0	0

\* Phase 1 of Lufeng WTE Plant was under trial operation in 2018, and its performance data is excluded in 2018 Sustainability Report.



## PERFORMANCE DATA SUMMARY

*Notes:*

$$(7) \text{ Rate of work-related fatalities} = \frac{\text{Number of work-related fatalities}}{\text{Number of hours worked}} \times 200,000$$

(8) High-consequence work-related injuries (excluding fatalities) refer to work-related injuries from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.

$$(9) \text{ Rate of high-consequence work-related injuries (excluding fatalities)} \\ = \frac{\text{Number of high-consequence work-related injuries (excluding fatalities)}}{\text{Number of hours worked}} \times 200,000$$

(10) Work-related injuries include work-related fatalities and high-consequence work-related injuries.

$$(11) \text{ Rate of work-related injuries} = \frac{\text{Number of work-related injuries}}{\text{Number of hours worked}} \times 200,000$$

**COMMUNITY INVESTMENT**

		Unit	2019	2018*	2017
<b>Community Outreach</b>					
Participated	No.		<b>599</b>	491	Figures not available
volunteers					
Voluntary hours	Hours		<b>2,516</b>	1,580	Figures not available




\* Phase 1 of Lufeng WTE Plant was under trial operation in 2018, and its performance data is excluded in 2018 Sustainability Report.








## 11. CONTENT INDICES

### SEHK ESG REPORTING GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2019 or other references/explanation
<b>Environmental</b>		
<b>Aspect A1: Emissions</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Our Environment  The Group has established the following standardised procedures to mitigate the environmental impacts associated with our operations: <ul style="list-style-type: none"> <li> <i>Resource Control Procedure</i></li> <li> <i>Operation Environmental Control Procedure</i></li> <li> <i>Production &amp; Operation Management Procedure</i></li> </ul>
KPI A1.1	The types of emissions and respective emissions data.	Our Environment
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Our Environment
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Our Environment
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Our Environment
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Our Environment
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Our Environment








## CONTENT INDICES

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2019 or other references/explanation
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	<p>Our Environment</p> <p>The Group has established the following standardised procedures to ensure effective use of resources:</p> <ul style="list-style-type: none"> <li> <i>Resource Control Procedure</i></li> <li> <i>Social Responsibility Management Manual — Requirements on the Use of Electricity</i></li> <li> <i>Social Responsibility Management Manual — Requirements on the Use of Water</i></li> </ul>
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in'000s) and intensity (e.g. per unit of production volume, per facility).	Our Environment
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Our Environment
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Our Environment
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Our Environment
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Our finished product is electricity, hence no packaging material is used in our operation.










## CONTENT INDICES

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2019 or other references/explanation
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Our Environment  The following standardised procedures are established to minimise the impacts on environmental and natural resources:  <i>Resource Control Procedure</i>  <i>Environmental Factors Identification, Evaluation and Control Procedure</i>
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Our Environment
<b>Social</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B1: Employment</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Our People  Our recruitment process strictly follows the Employment Ordinance. Standardised procedures are also established to provide guidance on the company's employment and labour requirements. Relevant company policies include:  <i>Employment Procedure</i>  <i>Anti-discrimination Procedure</i>  <i>Human Resources Control Procedure</i>
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Our People
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Our People



## CONTENT INDICES

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2019 or other references/explanation
<b>Aspect B2: Health and Safety</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Our People  The Group has established the following standardised procedures to provide a safe working environment for our employees, strictly following the Work Safety Law of the PRC and the Occupational Safety and Health Ordinance of Hong Kong: <ul style="list-style-type: none"> <li> <i>Safety Management Control Procedure</i></li> <li> <i>Emergency Preparedness and Response Control Procedure</i></li> </ul>
KPI B2.1	Number and rate of work-related fatalities.	Our People
KPI B2.2	Lost days due to work injury.	Our People
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Our People
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Our People  Induction training, job-specific training, health and safety trainings and management system trainings are provided to our employees to enhance their knowledge, skills and qualifications. Standardised procedures are also established to provide guidance on the training system, including: <ul style="list-style-type: none"> <li> <i>Social Responsibility System Training Management Procedure</i></li> <li> <i>Social Responsibility Management Manual —</i></li> <li> <i>Induction Training System Social Responsibility Management Manual — Safety Knowledge Training</i></li> </ul>











## CONTENT INDICES

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2019 or other references/explanation
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Our People
KPI B3.2	The average training hours completed per employee by gender and employee category.	Our People
<b>Aspect B4: Labour Standards</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Our People  Our recruitment process strictly follows the Labour Law of the PRC and the Employment Ordinance of Hong Kong to ensure child and forced labour are prevented.
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Our People
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Our People  Canvest adopts a zero-tolerance policy for child and forced labour. If such practices are discovered, legal action will be taken in accordance with relevant laws and regulations.
<b>Operating Practices</b>		
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Our Sustainable Business
KPI B5.1	Number of suppliers by geographical region.	Our Sustainable Business
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Our Sustainable Business








## CONTENT INDICES

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2019 or other references/explanation
<b>Aspect B6: Product Responsibility</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Our Sustainable Operation  We carry out regular inspections on our equipment and infrastructure, providing a safe and reliable electricity supply, and monitor our environmental and health and safety performance, ensuring our operations comply with national standards and any other regulations. Relevant company policies include: <ul style="list-style-type: none"> <li> <i>Production Equipment Control Procedure</i></li> <li> <i>Monitoring and Compliance Evaluation Procedure</i></li> <li> <i>Mitigation Measures Control Procedure</i></li> </ul>
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product recall is not applicable to Canvest's activities.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	No complaint was received from the municipalities and our customers.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Our Sustainable Business  Company policies are in place to ensure the privacy of our stakeholders, including: <ul style="list-style-type: none"> <li> <i>Confidentiality Management Policy</i></li> <li> <i>Document Management Policy</i></li> <li> <i>Contract Management Policy</i></li> </ul>
KPI B6.4	Description of quality assurance process and recall procedures.	Our Sustainable Business  Our <i>QHSE Management Manual</i> is formed in accordance to the requirements of ISO9001, regulating our strategy, goals and procedures to provide quality services to our customers.





## CONTENT INDICES

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2019 or other references/explanation
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Our Sustainable Business  The Group implements strict procedures for document management to ensure the accuracy of information and the privacy of our stakeholders.
<b>Aspect B7: Anti-corruption</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Our People  The Group strictly forbids activities in relation to bribery, extortion, fraud and money laundering. The following standardised procedures are also established to ensure compliance with the relevant laws and regulations: <ul style="list-style-type: none"> <li> <i>Internal Audit Control Procedure</i></li> <li> <i>Anti-Corruption and Bribery Management Procedure</i></li> </ul>
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Our People
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Our People
<b>Aspect B8: Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Our Community; Stakeholder Engagement  Relevant company policies: <ul style="list-style-type: none"> <li> <i>Information Exchange Management Procedure</i></li> <li> <i>Customer Service Management Procedure</i></li> <li> <i>External Communication Procedure</i></li> </ul>



## CONTENT INDICES

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2019 or other references/explanation
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Our Community
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Our Community

## GRI CONTENT INDEX



For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102–40 to 102–49 align with appropriate sections in the body of the Report. This service was performed on the English version of the Report.

Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2019 or other references/explanation	Page Number
GRI 101: Foundation 2016 <i>(Does not include any disclosure)</i>			
GRI 102: General Disclosures 2016			
<b>Organisation Profile</b>			
102-1	Name of the organization	About this Report	2
102-2	Activities, brands, products, and services	About Canvest	5
102-3	Location of headquarters	About Canvest	5
102-4	Location of operations	About Canvest	5-7
102-5	Ownership and legal form	About Canvest	5
102-6	Markets served	About Canvest	5-7
102-7	Scale of the organization	About Canvest	5-7
102-8	Information on employees and other works	Our People	5-7
102-9	Supply chain	Our Sustainable Business	38
102-10	Significant changes to the organisation and its supply chain	Our Sustainable Business	21-22
102-11	Precautionary principle or approach	Our Sustainable Business	17, 21-22
102-12	External initiatives	Message from Our Chairlady	3-4
102-13	Membership of associations	Our Community	49





## CONTENT INDICES

Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2019 or other references/explanation	Page Number
<b>Electric Utilities Sector Disclosures</b>			
EU1	Installed capacity broken down by primary energy source and by regulatory regime	About Canvest	5-7
EU2	Net energy output broken down by primary energy source and by regulatory regime	About Canvest	5
EU3	Number of residential, industrial, institutional and commercial customer accounts	About Canvest	5
EU4	Length of above and underground transmission and distribution lines by regulatory regime	About Canvest	5
EU5	Allocation CO <sub>2</sub> e emissions allowances or equivalent, broken down by carbon trading framework	We did not participate in carbon emissions trading scheme during the Reporting Period.	
<b>Strategy</b>			
102-14	Statement from senior decision-maker	Message from Our Chairlady	3-4
102-15	Key impacts, risks, and opportunities	Our Sustainable Business	17-23
<b>Ethics and Integrity</b>			
102-16	Values, principles, standards, and norms of behaviour	Our Sustainable Business	17-23
102-17	Mechanisms for advice and concerns about ethics	Our Sustainable Business	17-23
<b>Governance</b>			
102-18	Governance structure	Our Sustainable Business	18-19
102-19	Delegating authority	Our Sustainable Business	18-19
102-20	Executive-level responsibility for economic, environmental, and social topics	Our Sustainable Business	18-19
102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholder Engagement	12-16
102-22	Composition of the highest governance body and its committees	Our Sustainable Business	18-19



## CONTENT INDICES

Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2019 or other references/explanation	Page Number
102-23	Chair of the highest governance body	Our Sustainable Business	18-19
102-24	Nominating and selecting the highest governance body	Our Sustainable Business	18-19
102-25	Conflicts of interest	Our Sustainable Business	19
102-26	Role of highest governance body in setting purpose, values, and strategy	Our Sustainable Business	18-19
102-27	Collective knowledge of highest governance body	Our Sustainable Business	18-19
102-28	Evaluating the highest governance body's performance	Our Sustainable Business	18-19
102-29	Identifying and managing economic, environmental, and social impacts	Our Sustainable Business	18-19
102-30	Effectiveness of risk management process	Our Sustainable Business	20-21
102-31	Review of economic, environmental, and social impacts	Stakeholder Engagement	14
102-32	Highest governance body's role in sustainability reporting	Stakeholder Engagement	14
102-33	Communicating critical concerns	Stakeholder Engagement	12-16
102-34	Nature and total number of critical concerns	Stakeholder Engagement	12-16
102-35	Remuneration policies	Our Sustainable Business	40
102-36	Process for determining remuneration	Our Sustainable Business	40
102-37	Stakeholders' involvement in remuneration	Our Sustainable Business	40
102-38	Annual total compensation ratio	Ratio of the total remuneration of the highest-paid individual to the median total remuneration of all employees (excluding the highest-paid individual): 30.81:1	
102-39	Percentage increase in annual total compensation ratio	Ratio of the annual percentage increase in total remuneration of the highest-paid individual to the median percentage increase in annual total remuneration of all employees (excluding the highest-paid individual): -1.52:1	





## CONTENT INDICES

Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2019 or other references/explanation	Page Number
<b>Stakeholder Engagement</b>			
102-40	List of stakeholder groups	Stakeholder Engagement	13
102-41	Collective bargaining agreements	There are no formal collective bargaining agreements in place within the Group.	
102-42	Identifying and selecting stakeholders	Stakeholder Engagement	12
102-43	Approach to stakeholder engagement	Stakeholder Engagement	13
102-44	Key topics and concerns raised	Stakeholder Engagement	15-16
<b>Reporting Practices</b>			
102-45	Entities included in the consolidated financial statements	Annual Report 2019 — Notes to the Consolidated Financial Statements (pg. 117-123)	
102-46	Defining report content and topic boundaries	Stakeholder Engagement	15-16
102-47	List of material topics	Stakeholder Engagement	15-16
102-48	Restatement of information	There is no restatement of information in this Report.	
102-49	Changes in reporting	Stakeholder Engagement	15-16
102-50	Reporting period	About this Report	2
102-51	Date of most recent report	About this Report	2
102-52	Reporting cycle	About this Report	2
102-53	Contact point for questions regarding the report	About this Report	2
102-54	Claims of reporting in accordance with the GRI Standards	About this Report	2
102-55	GRI content index	Content Indexes	70-78
102-56	External assurance	Not applicable	



## CONTENT INDICES

Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2019 or other references/explanation	Page Number
<b>Topic-specific Disclosures</b>			
<b>Economic Performance</b>			
<b>GRI 103: Management Approach 2016</b>			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	16
103-2	The management approach and its components	Our Sustainable Business	17-23
103-3	Evaluation of management approach	Message from Our Chairlady; Our Sustainable Business	3-4, 17-23
<b>GRI 201: Economic Performance 2016</b>			
201-1	Direct economic value generated and distributed	Performance Data Summary	56
201-2	Financial implications and other risks and opportunities due to climate change	Message from Our Chairlady; Our Environment	3-4, 35-37
201-3	Defined benefit plan obligations and other retirement plans	Our People	38-40
201-4	Financial assistance received from government	Local governments awarded a total of RMB10,713,591 during the Reporting Period to support the research and development of Canvest's WTE projects.	
<b>Market Presence</b>			
<b>GRI 103: Management Approach 2016</b>			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	16
103-2	The management approach and its components	Our People	38-47
103-3	Evaluation of management approach	Our People	38-47
<b>GRI 202: Market Presence 2016</b>			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Our People	42
202-2	Proportion of senior management hired from the local community	Our People	41





## CONTENT INDICES

Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2019 or other references/explanation	Page Number
<b>Research and Development</b>			
<b>GRI 103: Management Approach 2016</b>			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	16
103-2	The management approach and its components <b>Sector Specific:</b> Research and development activity and expenditure aimed at providing reliable electricity and promoting sustainable development	About Canvest	8-11
103-3	Evaluation of management approach	About Canvest	8-11
<b>Energy Efficiency</b>			
<b>GRI 103: Management Approach 2016</b>			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	16
103-2	The management approach and its components	Our Environment	30-31
103-3	Evaluation of management approach	Our Environment	30-31
<b>GRI 302: Energy 2016</b>			
302-1	Energy consumption within the organization	Our Environment	30
302-2	Energy consumption outside of the organization	Our Environment	30
302-3	Energy intensity	Our Environment	30
302-4	Reduction of energy consumption	Our Environment	30
302-5	Reductions in energy requirements of products and services	Our Environment	30
<b>Wastewater and Waste Management</b>			
<b>GRI 103: Management Approach 2016</b>			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	16
103-2	The management approach and its components	Our Environment	26-29
103-3	Evaluation of management approach	Our Environment	26-29



## CONTENT INDICES

Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2019 or other references/explanation	Page Number
<b>GRI 306: Effluents and Waste 2016</b>			
306-1	Water discharge by quality and destination	Our Environment	29
306-2	Waste by type and disposal method	Our Environment	26-28
306-3	Significant spills	The Group has no spilling accident during the Reporting Period.	
306-4	Transport of hazardous waste	Our Environment	26-28
306-5	Water bodies affected by water discharges and/or runoff	Our Environment	26-28
<b>Environmental Compliance</b>			
<b>GRI 103: Management Approach 2016</b>			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	16
103-2	The management approach and its components	Our Environment	24-34
103-3	Evaluation of management approach	Our Environment	24-34
<b>GRI 307: Environmental Compliance 2016</b>			
307-1	Non-compliance with environmental laws and regulations	Our Environment	24-34
<b>Labour Practices and Employee Welfares</b>			
<b>GRI 103: Management Approach 2016</b>			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	16
103-2	The management approach and its components	Our People	38-44
103-3	Evaluation of management approach	Our People	38-44





## CONTENT INDICES

Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2019 or other references/explanation	Page Number
<b>GRI 401: Employment 2016</b>			
401-1	New employee hires and employee turnover	Our People	41-42
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our People	38-44
401-3	Parental leave	Our People	43
<b>Electric Utilities Sector Disclosures</b>			
EU15	Percentage of employees eligible to retire in the next 5 to 10 years broken by job category and by region	Our People	43
EU17	Days worked by contractor and subcontractor employees involved in construction, operation and maintenance activities	Our People	47
<b>Occupational Health and Safety</b>			
<b>GRI 103: Management Approach 2016</b>			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	16
103-2	The management approach and its components	Our People	45-47
103-3	Evaluation of management approach	Our People	45-47
<b>GRI 403: Occupational Health and Safety 2018</b>			
403-1	Occupational health and safety management system	Our People	45-46
403-2	Hazard identification, risk assessment, and incident investigation	Our People	45-46
403-3	Occupational health services	Our People	45-46
403-4	Worker participation, consultation, and communication on occupational health and safety	Our People	45-46
403-5	Worker training on occupational health and safety	Our People	45-46
403-6	Promotion of worker health	Our People	45-46
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Our People	45-46



## CONTENT INDICES

Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2019 or other references/explanation	Page Number
403-8	Workers covered by an occupational health and safety management system	Our People	45-46
403-9	Work-related injuries	Our People	47
403-10	Work-related ill health	Our People	47
<b>Training and Education</b>			
<b>GRI 103: Management Approach 2016</b>			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	16
103-2	The management approach and its components	Our People	45
103-3	Evaluation of management approach	Our People	45
<b>GRI 404: Training and Education 2016</b>			
404-1	Average hours of training per year per employee	Our People	45
404-2	Programs for upgrading employee skills and transition assistance programs	Our People	45
404-3	Percentage of employees receiving regular performance and career development reviews	Our People	42





## 12. COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS THAT HAVE SIGNIFICANT IMPACT ON CANVEST

SEHK's "ESG Reporting Guide" Subject Area	Compliance with Relevant Laws and Regulations that are Significant to Canvest
<b>Environment</b>	
<p><b>Aspect A1: Emissions</b></p> <p><i>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste</i></p>	<p>Relevant laws and regulations that have a significant impact on the Group include Environmental Protection Law of the PRC, Law of the PRC on the Prevention and Control of Water Pollution, Law of the PRC on the Prevention and Control of Atmospheric Pollution, Law of the PRC on Prevention and Control of Environmental Pollution by Solid Waste, Law of the PRC on Environmental Impact Assessment, and the Administrative Regulations on Environment Protection for Construction Projects. These laws and regulations stipulate the applicable requirements on air and greenhouse gas emissions, discharges into water and land, generation of hazardous and non-hazardous waste. It is imperative for us to meet these statutory obligations as violation of any of applicable environmental laws and regulations may result in penalties, operation suspension, and/or legal action against the Group.</p> <p>In 2019, there were no confirmed cases non-compliance in relation to environmental protection that would have a significant impact on the Group. Please refer to chapter "Our Environment" on how Canvest ensures compliance with applicable environmental laws and regulations.</p>



## COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS THAT HAVE SIGNIFICANT IMPACT ON CANVEST

SEHK's "ESG Reporting Guide" Subject Area	Compliance with Relevant Laws and Regulations that are Significant to Canvest
<b>Social</b>	
<p><b>Aspect B1: Employment</b></p> <p><i>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare</i></p>	<p>Relevant laws and regulations that are significant to the Group include Labour Law of the PRC, Labour Contract Law of the PRC, Regulation on the Implementation of the Labour Contract Law of the PRC, Social Insurance Law of the PRC, Regulations on the Management of Housing Provident Fund, Special Rules on the Labour Protection of Female Employees, Provisions of the State Council on Working Hours of Workers and Staff, Provisions on Minimum Wages, Implementation Measures for Paid Annual Leave for Employees of Enterprises, Measures for the Implementation of Administrative License for Labour Dispatch, and Employment Ordinance of HKSAR. The above laws and regulations stipulate the legal obligations and responsibility of employers to provide employment protection and benefits covering compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. These laws and regulations are of great importance as they offer appropriate protections to employees, the most important asset of the Group.</p> <p>In 2019, there were no confirmed cases of non-compliance in relation to our employment practices that would have a significant impact on the Group. Please refer to chapter "Our People" on how Canvest ensures compliance with applicable employment laws and regulations.</p>





## COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS THAT HAVE SIGNIFICANT IMPACT ON CANVEST

SEHK's "ESG Reporting Guide" Subject Area	Compliance with Relevant Laws and Regulations that are Significant to Canvest
<p><b>B2: Health and Safety</b></p> <p><i>relating to providing a safe working environment and protecting employees from occupational hazards</i></p>	<p>Relevant laws and regulations that are significant to the Group include Labour Law of the PRC, Work Safety Law of the PRC, Labour Contract Law of the PRC, Prevention and Control of Occupational Diseases Law of the PRC, Regulation on Work-Related Injury Insurances, Special Rules on the Labour Protection of Female Employees, and Provisions on the Duration of Medical Treatment for Enterprise Staff and Workers Due to Illness or Non-Work Related Injuries. These laws and regulations provide clear requirements on the provision of safe working environment and the prevention of occupational hazards. Compliance with these laws and regulations is paramount as workplace safety is of critical importance to each and every employee of the Group.</p> <p>In 2019, there were no confirmed cases of non-compliance in relation to health and safety that would have a significant impact on the Group. Please refer to chapter "Our People" on how Canvest ensures compliance with applicable laws and regulations relating to health and safety.</p>
<p><b>B4: Labour Standards</b></p> <p><i>relating to preventing child and forced labour</i></p>	<p>Relevant laws and regulations that are significant to the Group include Criminal Law of the PRC Article 244, Prevention and Control of Occupational Diseases Law of the PRC, Rules for the Implementation of the Law of the PRC on Foreign-Capital Enterprises Article 62, Regulation on Work-Related Injury Insurances Article 66, Provisions on the Prohibition of Using Child Labour, Law of the PRC on the Protection of Minors, Regulations on Labour Protection in Workplaces Where Toxic Substances Are Used, and Employment Ordinance of HKSAR. These laws and regulations set out clear rules for preventing child labour and forced labour, and elaborate on the legal obligations and responsibility of employers who violate the relevant laws and regulations. It is essential for us to conform to applicable laws and regulations on labour standards it reflects our corporate values in honouring human rights.</p> <p>In 2019, there were no confirmed cases of non-compliance in relation to human rights and labour practices standards and regulations that would have a significant impact on the Group. Please refer to chapter "Our People" on how Canvest ensures compliance with applicable laws and regulations relating to labour standards.</p>



## COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS THAT HAVE SIGNIFICANT IMPACT ON CANVEST

SEHK's "ESG Reporting Guide" Subject Area	Compliance with Relevant Laws and Regulations that are Significant to Canvest
<p><b>B6: Product Responsibility</b></p> <p><i>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress</i></p>	<p>Relevant laws and regulations that are significant to the Group include Tort Law of the PRC, which clarifies the tort liability to protect the civil rights and interests, as well as the Product Quality Law of the PRC, which places requirements on health and safety relating to products and services provided and methods of redress. It is the Group's core value to abide by these rules in providing safe and reliable services with integrity as a recognition of customer rights.</p> <p>In 2019, there were no confirmed cases of non-compliance in relation to the provision and use of the Group's products and services, which cover health and safety, intellectual property rights and privacy matters that would have a significant impact on the Group. Please refer to chapter "Our Sustainable Business" on how Canvest ensures compliance with applicable laws and regulations relating to product responsibility.</p>
<p><b>B7: Anti-corruption</b></p> <p><i>relating to bribery, extortion, fraud and money laundering</i></p>	<p>Relevant laws and regulations that are significant to the Group include Criminal Law of the PRC and Prevention of Bribery Ordinance of HKSAR. The above laws and regulations aim to maintain social integrity and fairness and inflict punishments against unscrupulous and corruption behaviours such as bribery, extortion, fraud and money laundering. Given the severity of corruption, it is important that the Group maintains a corruption-free business to upkeep the Group's reputation and staff morale and ultimately enhance the Group's competitive edge.</p> <p>In 2019, there were no confirmed cases of non-compliance in relations to corrupt practices that would have a significant impact on the Group. Please refer to chapter "Our Sustainable Business" on how Canvest ensures compliance with applicable laws and regulations relating to corrupt practices.</p>



