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

Path to Zero Carbon
Innovation for the Future

2021 Sustainability Report

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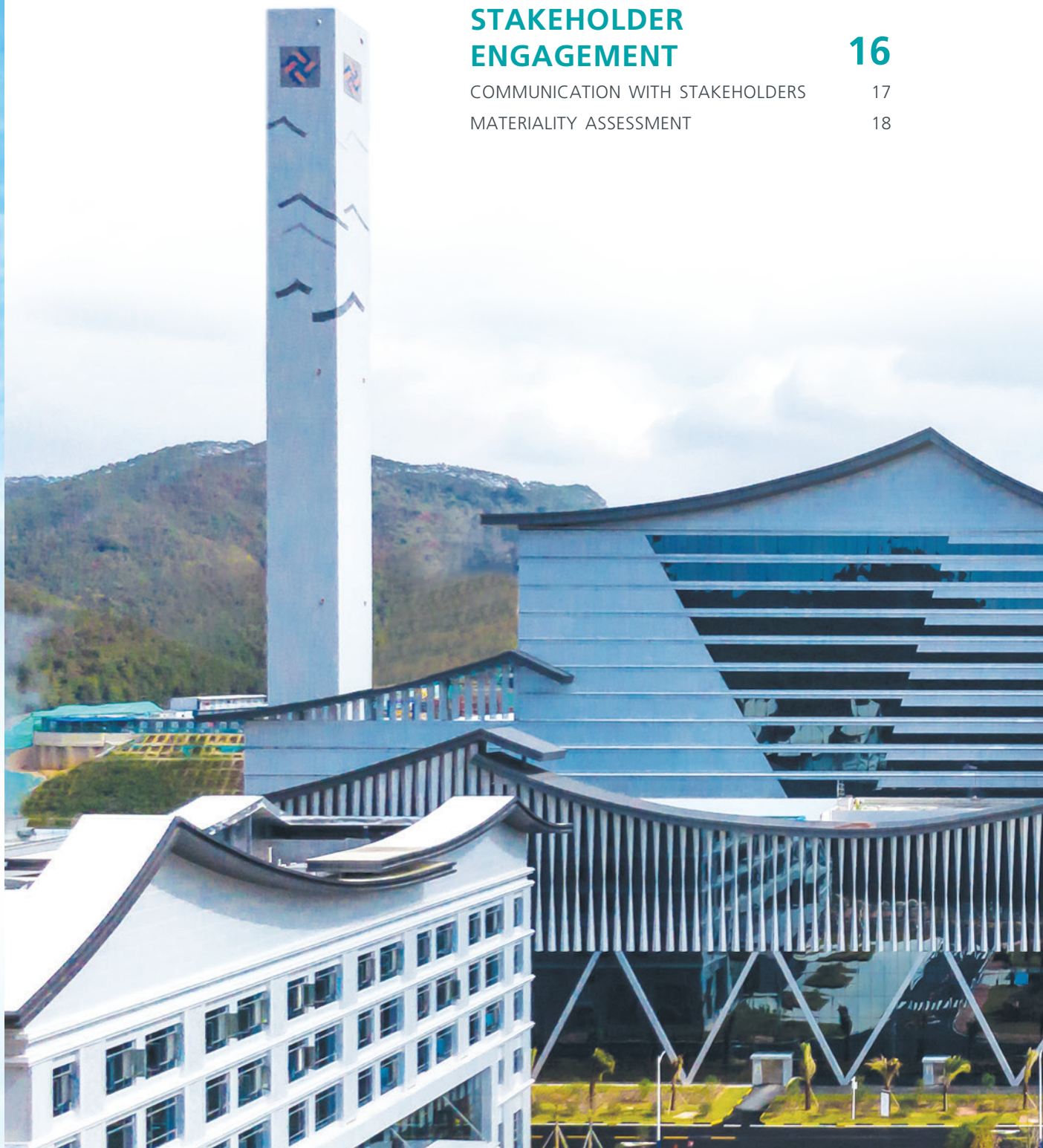

ABOUT THIS REPORT

Canvest Environmental Protection Group Company Limited ("Canvest" or the "Company", together with its subsidiaries, the "Group") (stock code: 1381.HK) is pleased to present our Sustainability Report 2021 (the "Report"), providing an overview of our progress made to drive sustainable development. Canvest has engaged AECOM Asia Company Limited, a professional sustainability consultant, in the preparation of the Report. This Report aims to provide our stakeholders with transparent details from the Group's environmental, social and governance ("ESG") perspective, as well as showcasing our strategies for achieving positive outcomes through our projects.

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REPORTING SCOPE AND BOUNDARY

This Report covers the sustainability performance within the major operations of the Group, including the Group's headquarter offices in Hong Kong and Dongguan City, as well as operating waste-to-energy ("WTE") plants[1] which are classified as subsidiaries of the Group ("Operating Projects") for the period between 1 January 2021 and 31 December 2021 ("FY2021" or the "Reporting Period"). While our FY2021 newly commissioned projects have been incorporated into the scope of this Report, the ESG performance of the projects which are still under construction is excluded from this Report due to an expected discrepancy and inconsistency from a lack of unified data monitoring methodology among the various Engineering, Procurement and Construction contractors. Unless otherwise specified, the ESG performance of the operating WTE plants classified as our associates or joint ventures, as well as our contractors and suppliers are also not reflected in this Report.

This report has been prepared in accordance with the GRI Standards: Comprehensive option[2] and the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") under Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("SEHK") ("Listing Rules"). The Chinese and English versions of this Report[3] are available on our corporate website (www.canvestenvironment.com) and the website of HKEX (www.hkexnews.hk).

This Report has been independently assured by the Hong Kong Quality Assurance Agency with respect to the extent of its coverage and information provided in accordance with the GRI Standards: Comprehensive option and Listing Rules of SEHK. Verification Statement is presented in page 127 of this Report.

1 The Report covers material issues arising from Canvest's core WTE business. Other business areas such as environmental hygiene and related services, which contributed to approximately 2.5% of the Group's total revenue in 2021, are considered relatively immaterial to our operations, hence the ESG data of such related services are not reflected in this Report.

2 GRI refers to Global Reporting Initiative.

3 Should there be any inconsistency or discrepancy between the Chinese and English versions of this Report, the English version shall prevail.

ABOUT THIS REPORT

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REPORTING PRINCIPLES

Throughout the preparation and content development process of this Report, we have adhered to the principles of the GRI Standards and ESG Reporting Guide, including but not limited to the following:

Materiality	A description of our materiality assessment process can be found in the **Materiality Assessment** section of this Report. It outlines the way we identify, prioritise and validate material topics, including how we take key stakeholders' views into account.
Quantitative	Details of how we quantify our data, including the use of standards, methodologies, as well as assumptions and conversion factors employed can be found in the **Performance Data Summary** section.
Balance	This Report aims to provide an unbiased and balanced view of the Group's ESG management approach and performance during the Reporting Period.
Consistency	Consistent methodologies are employed to enable meaningful comparison of year-on-year data.
Stakeholder Inclusiveness	We have identified a broad range of stakeholders including shareholders, investors, clients, collaborating partners, employees, suppliers, media, communities and non-governmental organisations ("NGOs").
Sustainability Context	In addition to the significant environmental, social and governance factors, the sustainability context of this Report also encompasses sustainable development goals and climate-related risks.
Completeness	Material topics and their topic boundaries, relevant significant impacts, as well as stakeholders' views are consistently incorporated into this Report. We also adhere to the above six reporting principles to ensure complete disclosure.

STAKEHOLDERS' FEEDBACK

We welcome your valuable comments and suggestions on this Report and our sustainability performance from all stakeholders and the public. Please share your feedback with us at **info@canvest.com.hk**.

BOARD OVERSIGHT OF ESG AND CLIMATE-RELATED MATTERS

In order to thoroughly assess and incorporate material environmental, social and governance issues into our business development and achieve long-term sustainability strategic planning, Canvest has kickstarted the process of establishing a Strategy and Sustainability Committee in 2021. It was subsequently established in January 2022 and chaired by the Executive Director.

Under the authority of the Board of Directors (the "Board"), the Strategy and Sustainability Committee shall be fully responsible for identifying and addressing sustainability concerns as well as associated strategic risks and opportunities, including formulation of the Group's ESG and climate change policies, strategies and objectives; supervising the Group's performance and effectiveness in implementing ESG and climate change-related measures; identifying and evaluating material topics and their priorities which are relevant to our operations and/or our stakeholders; and reporting to the Board on relevant matters. The Board in turn shall be responsible for overseeing the Strategy and Sustainability Committee's tasks and reporting, as well as reviewing and approving our sustainability report.

In FY2021, the Board has reviewed material ESG issues and devised concrete plans for the setting up and delegation of sustainability-related work in preparation for the establishment of our Strategy and Sustainability Committee. Going forward, the Board will continue to manage and monitor the identified material ESG issues and take them into careful consideration when determining the Group's business development direction and strategies.

MESSAGE FROM OUR CHAIRLADY

To All HONORABLE STAKEHOLDERS:

2021 is a year of reflection on our efforts to combat the climate crisis, inspired by the carbon peaking by 2030 and carbon neutrality by 2060 ambitions announced by Chinese Central Government. Canvest has continued its work in environmental protection through the expansion of our WTE portfolio, all the while sustaining ethical and transparent relationships with all our stakeholders. We also proactively incorporate ESG factors into our decision-making process, planning ahead for any potential ESG-related impacts on our business and subsequently coming up with solutions to mitigate these challenges.

During the Reporting Period, the Chinese Central Government has published the 14th Five-Year Plan (2021–2025) for National Economic and Social Development, in which one of the elements targets the comprehensive improvement of environmental infrastructure. China aims to build a centralised and integrated system of waste treatment and disposal facilities that comprehensively covers the collection, transportation and disposal stages, incorporating considerations for a wide range of waste, namely sewage, garbage, solid waste, hazardous waste, and medical waste. In support of the government's plan to accelerate the construction of centralised incineration facilities, we will adapt our business operations and consider new opportunities by exploring new designs for future WTE facilities.

In addition to national and industrial obligations, we have aligned our operations and corporate actions with 12 of the United Nations' Sustainable Development Goals ("SDGs"), which have been serving as a blueprint for us to fulfil our role as a responsible corporate by addressing a wide range of global challenges. Canvest aims to strengthen its contribution to the SDGs through increasing the transparency and comparability of our operations as we actively expand our business. In the past year, our project portfolio comprises 35 operating, secured and announced WTE projects, covering 13 provinces/municipality across China.

MESSAGE FROM OUR CHAIRLADY

In terms of technological achievements, our Eco-Tech I & II WTE Plants and Kewei WTE Plant have adopted novel furnace water spray cooling technology in 2021. Through utilising on-site reclaimed water for the furnace water spray cooling system, effective temperature control and cooling of incinerator interiors can be achieved, thereby reducing the extent of coking inside incinerators, which can reduce the frequency and cost of maintenance in long run. Furthermore, to maximise the efficiency of existing project sites, our Qingyuan WTE Plant is actively planning for the installation of distributed photovoltaic power generation systems on existing facility rooftops and slope works on-site. The works shall span across over 90,000 m^2 of site area with excellent solar energy resource potential, and will add approximately 7,000 kWp of clean solar energy to the current renewables capacity at our Qingyuan WTE Plant upon completion.

Despite seeing small trends of recovery, challenges with the COVID-19 pandemic still remain, meaning our control measures and preventive procedures shall also remain active in the foreseeable future as we assume the responsibility to safeguard the health and safety of our employees and support our communities. Furthermore, as our WTE operations involve both municipal solid waste ("MSW") and clinical waste, handling and treating of the latter is managed separately in accordance with specific internal guidelines to prevent further transmission. We will also continue to extend our community engagement through partnering with various organisations and groups to defend against COVID-19.

Waste is an unavoidable part of our lives and as cities become more developed, the amount of waste generated generally increases accordingly. The increased use of disposable hygiene products amidst the pandemic has placed even more stress onto the dire situation, as well as the pressing need for responsible and sustainable solid waste management means. During the Reporting Period, the Group has treated 9,970,133 tonnes MSW, sold 3,411,322 MWh of green electricity, saved 1,025,753 tonnes of standard coal and offset 5,399,653 tonnes of carbon dioxide equivalent emissions with our operating WTE projects.

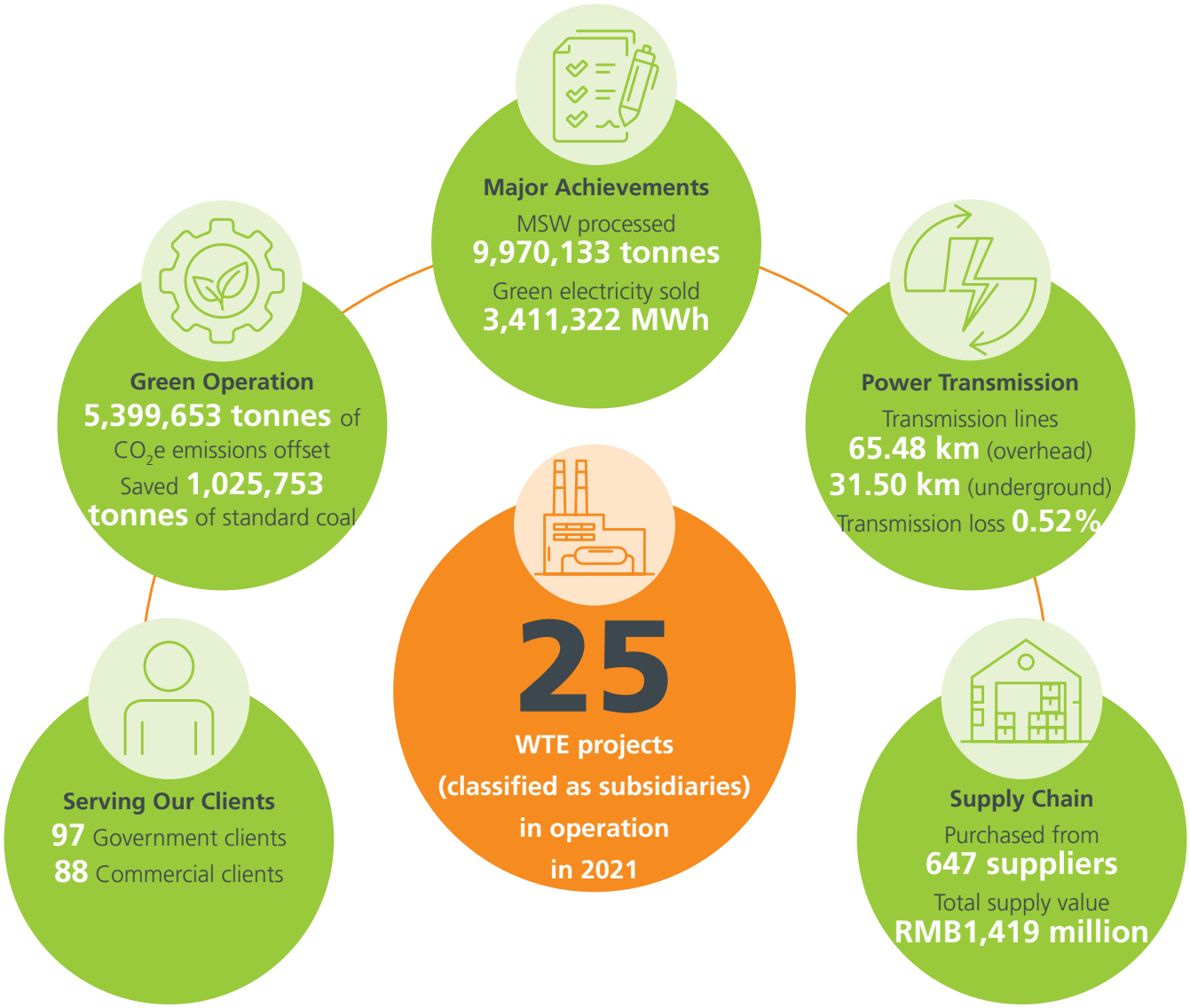
Dedicated to being environmentally and socially responsible, Canvest is a company that pursues continuous improvement and innovation in our mission to expand our WTE operations. Through implementing new technologies and approaches, we are committed to increasing the value of our WTE services through avoiding methane and GHG emissions that would otherwise be released from landfills, as well as ones generated at fossil-fuel power plants respectively. On top of business expansion, we will also strive to serve the greater community, support the development of our industry and contribute to global goals of sustainable development. Today, sustainability has become an integral part of Canvest's culture and we shall continue to "unite as one, work meticulously and strive for excellence" in the coming year.

Lee Wing Yee Loretta
Chairlady
Hong Kong, 31 May 2022

ABOUT CANVEST

Canvest Environmental Protection Group Company Limited, a company incorporated in the Cayman Islands and headquartered in Hong Kong, is a leading integrated urban environmental protection and sanitation solutions provider, principally engaged in the operation and management of WTE plants, as well as the provision of intelligent urban environmental hygiene and related services. As of 22 March 2022, we have 35 operating, secured and announced WTE projects in China. Currently, a number of our operating projects have been awarded "Grade AAA Innocuous Waste Incineration Plant", the highest ranking in the grading system. Going forward, Canvest will continue to develop its WTE business and capture new opportunities related to integrated smart city management services. The Company was listed on the Main Board of SEHK on 29 December 2014 (stock code: 1381).

PROJECT HIGHLIGHTS



China is at the start of its transition from a linear to a circular carbon economy — hence an increase in demand for one-stop waste management services, ranging from hygiene and sanitation services to waste collection and treatment. The Group is determined to serve as a leading integrated urban environmental protection and sanitation solutions provider focusing on WTE and the provision of intelligent urban environmental hygiene and related services, and we will continue to review and improve the Company's development strategies to meet the needs for sustainable development.

Canvest has actively expanded its company portfolio along the value chain from upstream cleaning and waste management services to downstream fly ash and bottom ash treatment. In response to the Chinese government's vision of promoting carbon peaking and carbon neutrality, the Group is also actively coordinating with other business partners to seek emerging business opportunities arising from the carbon trading market and carbon assets.

The following table shows the status of our WTE plants as of the date of our Annual Report 2021:

Project	Location		Daily MSW processing capacity	Installed power generation capacity
In operation stage — classified as subsidiaries				
Eco-Tech I WTE Plant	Guangdong	Dongguan	1,800 tonnes	36 MW
Eco-Tech II WTE Plant	Guangdong	Dongguan	1,500 tonnes	50 MW
Kewei WTE Plant	Guangdong	Dongguan	1,800 tonnes	30 MW
China Scivest I WTE Plant	Guangdong	Dongguan	1,800 tonnes	42 MW
China Scivest II WTE Plant	Guangdong	Dongguan	1,200 tonnes	36 MW
Zhanjiang WTE Plant	Guangdong	Zhanjiang	1,500 tonnes	30 MW
Qingyuan WTE Plant	Guangdong	Qingyuan	Phase 1: 1,500 tonnes Phase 2: 1,000 tonnes	50 MW
Zhongshan I WTE Plant	Guangdong	Zhongshan	1,040 tonnes	24 MW
Zhongshan II WTE Plant	Guangdong	Zhongshan	2,250 tonnes	70 MW
Lufeng WTE Plant	Guangdong	Lufeng	Phase 1: 1,200 tonnes Phase 2: 400 tonnes (Planning)	Phase 1: 30 MW Phase 2: 12 MW (Planning)
Xinyi WTE Plant	Guangdong	Xinyi	1,000 tonnes	24 MW
Xuwen WTE Plant	Guangdong	Xuwen	Phase 1: 500 tonnes Phase 2: 250 tonnes	Phase 1: 12 MW Phase 2: 6 MW
Dianbai WTE Plant	Guangdong	Maoming	Phase 1: 1,500 tonnes Phase 2: 750 tonnes (Planning)	Phase 1: 25 MW Phase 2: 25 MW (Planning)
Shaoguan WTE Plant	Guangdong	Shaoguan	Phase 1: 700 tonnes Phase 2: 350 tonnes (Planning)	24 MW
Laibin WTE Plant	Guangxi	Laibin	Phase 1: 1,000 tonnes Phase 2: 500 tonnes (Planning)	Phase 1: 24 MW Phase 2: Planning
Beiliu WTE Plant	Guangxi	Beiliu	Phase 1: 700 tonnes Phase 2: 350 tonnes	24 MW
Xingyi WTE Plant	Guizhou	Xingyi	Phase 1: 700 tonnes Phase 2: 500 tonnes	Phase 1: 12 MW Phase 2: 12 MW
Qiandongnan Prefecture South Area WTE Plant	Guizhou	Liping	Phase 1: 700 tonnes Phase 2: 350 tonnes (Planning)	15 MW
Zaozhuang WTE Plant	Shandong	Zaozhuang	Phase 1: 1,000 tonnes Phase 2: 800 tonnes	Phase 1: 15 MW Phase 2: 15 MW
Jingjiang WTE plant	Jiangsu	Jingjiang	Phase 1: 800 tonnes Phase 2: 400 tonnes (Planning)	Phase 1: 15 MW Phase 2: 7.5 MW (Planning)

Project	Location		Daily MSW processing capacity	Installed power generation capacity
In operation stage — classified as subsidiaries				
Ruili WTE plant	Yunnan	Ruili	Phase 1: 600 tonnes Phase 2: 400 tonnes (Planning)	Phase 1: 15 MW Phase 2: Planning
Xiangyun WTE plant	Yunnan	Xiangyun	Phase 1: 500 tonnes Phase 2: 500 tonnes	18 MW
Mancheng WTE Plant	Hebei	Mancheng	Phase 1: 500 tonnes Phase 2: 500 tonnes	24 MW
Yingkou WTE plant	Liaoning	Yingkou	Phase 1: 1,500 tonnes Phase 2: 750 tonnes (Planning)	Phase 1: 30 MW Phase 2: 15 MW (Planning)
Xinfeng WTE Plant	Jiangxi	Xinfeng	Phase 1: 400 tonnes Phase 2: 400 tonnes	15 MW
In operation stage — classified as joint ventures/associates				
Jianyang WTE Plant	Sichuan	Jianyang	Phase 1: 1,500 tonnes Phase 2: 1,500 tonnes (Planning)	Phase 1: 18 MW Phase 2: 18 MW (Planning)
Machong WTE plant	Guangdong	Dongguan	2,250 tonnes	80 MW

Project	Location		Daily MSW processing capacity	Installed power generation capacity
Under construction or in planning stage:				
Huizhou WTE plant	Guangdong	Huizhou	1,000 tonnes	Planning
Shen County WTE plant	Shandong	Shen County, Liaocheng	Phase 1: 700 tonnes Phase 2: 500 tonnes	15 MW
Baoshan WTE plant	Shanghai	Baoshan	3,800 tonnes	126 MW
Taizhou WTE plant	Jiangsu	Taizhou	850 tonnes	18 MW
Yi County WTE plant	Hebei	Yi County	800 tonnes	18 MW
Linfen WTE plant	Shanxi	Linfen	Phase 1: 800 tonnes Phase 2: 400 tonnes	Phase 1: 15 MW Phase 2: 15 MW
Hunyuan WTE plant	Shanxi	Hunyuan	Phase 1: 500 tonnes Phase 2: 500 tonnes	Phase 1: 9 MW Phase 2: 9 MW
Changning WTE plant	Hunan	Changning	Phase 1: 600 tonnes Phase 2: 400 tonnes	Phase 1: 15 MW Phase 2: Planning

SUSTAINABLE DEVELOPMENT GOALS

Acknowledging the importance of integrating United Nations' Sustainable Development Goals into our daily operations and business strategies in order to achieve sustainability, the Group has identified 12 SDGs which are most relevant to our business and sustainability plans. Those specific SDGs are closely connected with our sustainable development strategy in terms of business, environment and people aspects, and are presented in this section.

BUSINESS

Our WTE facilities provide a safe, technologically advanced means of waste disposal, and generate clean energy through the utilisation of household waste which in turn relieves pressure on landfills.

In 2021, our Operating Projects converted 9,970,133 tonnes of MSW into energy, benefitting over 2,624,093 households.

Promote sustained, inclusive, and sustainable working environment and human resources mechanisms, including sound remuneration systems, benefits and subsidies, as well as recruitments and promotions.

Adopt new technologies in WTE operation and promote innovation to drive the transition towards green and smart cities.

In 2021, the Group expanded its business portfolio to smart city management, and have rolled out its smart car parking management systems.

Provide waste management services along the industrial chain to cover waste cleaning, collection, treatment, and residue disposal services.

ENVIRONMENT

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 Policy*.

WTE facilities help avoiding the production of methane from landfilled waste, while producing electricity from MSW can avoid the emission of GHG generated from burning fossil fuels.

In 2021, our Operating Projects have sold 3,411,322 MWh of green electricity, saving 1,025,753 tonnes of standard coal and offsetting 5,399,653 tonnes of CO_2e emissions.

Leachate and wastewater generated during MSW treatment is properly treated for on-site reuse.

During the Reporting Period, the Group has reused 68% of the treated wastewater.

WTE technology helps to provide sustainable and environmentally sound waste management measures. This results in the avoidance of waste disposal at landfills which would otherwise cause environmental problems and negatively affect ecosystems.

PEOPLE

The Group and its employees are continuously involved in supporting community projects and good causes through participating in donations, charity events and volunteer activities.

In 2021, the Group donated and sponsored HK$4.5 million to the community.

Regular education events and site visits are held at our WTE plants which are all equipped with interactive exhibits and a wide range of multimedia tools to illustrate the advanced WTE technology employed in processes. The Group also opens up its projects as education hubs for public visits and is also actively exploring the use of cloud platforms to conduct virtual activities.

In 2021, our WTE projects received a total of 12,444 visitors.

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

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

STAKEHOLDER ENGAGEMENT

COMMUNICATION WITH STAKEHOLDERS

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Canvest values the views of our internal and external stakeholders and the constructive feedback that we receive. Active communication and engagement with our stakeholders provide valuable insights into our business practices, helping us understand and remain in tune with their needs and priorities. As such, we have been engaging our stakeholders through various channels as an integral element of our daily operations, in line with the practices stipulated in our *External Communication Procedure* and *Customer Service Management Procedure*.

To promote sustainable practices in our value chain, Canvest established the *Contractor Management Procedure* and *Supplier Management Procedure*, which outline the Group's evaluation procedures for our contractors and suppliers. We strive to collaborate with our contractors and suppliers to collectively achieve our sustainability vision in areas such as economic benefits, work quality, environmental protection, as well as occupational health and safety.

Maintaining honest and sincere communications with a wide variety of stakeholders enables us to achieve continuous improvement in our operations and sustainability strategy. Our communication channels with stakeholders include:

Investors, Shareholders
- General meetings
- Annual report and Interim report
- Announcements and circulars
- Investor roadshows

Business Partners
- Regular/ad hoc meetings
- Site visits
- Announcements and circulars
- Telephone/email

Employees
- Work/project meetings
- Performance review meetings
- Internal publications
- Employee relations/community activities
- Employee suggestion box

Customers
- Meetings
- Audits and inspections
- Site visits
- Customer satisfactory questionnaire
- Telephone/email

Contractors, Suppliers
- Tendering process
- Regular and ad hoc meetings
- Audits and inspections
- Telephone/email

Industry Associations
- Industry association activities
- Exhibitions
- Site visits
- Telephone/email

Non-Governmental Organisations
- Site visits
- Telephone/email

Media
- Press releases
- Site visits
- Telephone/email

STAKEHOLDER ENGAGEMENT

MATERIALITY ASSESSMENT

A stakeholder-driven materiality assessment is conducted every year to identify and assess potential environment, social and economic issues which could affect the Group's business operations. We distribute surveys and invite our stakeholders to rank the relative importance of each material topic, as well as provide feedback on Canvest's efforts and performance on sustainability strategies. The survey was administered by our sustainability consultant for impartiality.

Canvest's Materiality Assessment Process

Materiality Matrix

A four-step approach is adopted to analyse, rank and validate the materiality of the relevant sustainability topics identified by stakeholders in their survey. Topics are prioritised and positioned in the matrix based on the level of importance to stakeholders and significance of impacts. The overall position of each topic in the matrix determines its level of materiality (low, medium or high). The materiality assessment of all issues is subsequently validated and reviewed by the Group.

The top 10 material topics identified are addressed in detail throughout this Report:

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ECONOMIC

1. **Economic Performance**
2. **Market Presence**
3. Indirect Economic Impacts
4. Procurement Practices
5. System Efficiency
6. **Research and Development**
7. Anti-Corruption
8. Anti-Competitive Behaviour

ENVIRONMENTAL

9. **Material Usage**
10. **Energy Efficiency**
11. Water Resource and Wastewater Management
12. Greenhouse Gas Management and Climate Change Mitigation
13. **Waste Management**
14. **Environmental Compliance**
15. Supplier Environmental Assessment
16. Environmental Grievance Mechanisms
17. Environmental Education
18. Biodiversity
19. Construction Management
20. Air Emissions Management

SOCIAL

21. **Labour Practices and Employment Welfare**
22. Labour Relations
23. **Occupational Health and Safety**
24. Training and Education
25. Diversity and Equal Opportunity
26. Supplier Social Assessment
27. Labour Practices Grievance Mechanisms
28. **Child Labour and Forced Labour**
29. Rights of Indigenous Peoples
30. Human Rights Assessment
31. Local Communities
32. Social Compliance
33. Customer Privacy
34. Grievance Mechanisms for Impacts on Society
35. Disaster/Emergency Planning and Response
36. Anti-Discrimination
37. Customer Health and Safety

STAKEHOLDER ENGAGEMENT

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Canvest's Top 10 Material Topics

This year, Environmental Education fell out of Canvest's top ten material topics; Wastewater and Waste Management was split into two separate topics but only the latter made it into the top ten; and Child and Forced Labour made it into top ten.

Material Topics and Stakeholders' Concerns	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. Material Usage	✓	✓	✓	✓	✓	✓	✓	✓	GRI 301: Materials
4. Labour Practices and Employment Welfares	✓	✓	✓	✓		✓	✓	✓	GRI 401: Employment
5. Energy Efficiency	✓	✓	✓		✓	✓	✓	✓	GRI 302: Energy
6. Child and Forced Labour	✓	✓	✓		✓	✓	✓	✓	GRI 408: Child Labor; GRI 409: Forced or Compulsory Labor
7. Waste Management	✓	✓	✓		✓	✓	✓	✓	GRI 306: Waste
8. Environmental Compliance	✓	✓	✓	✓		✓	✓	✓	GRI 307: Environmental Compliance
9. Research and Development	✓	✓	✓		✓	✓	✓	✓	N/A
10. Occupational Health and Safety	✓	✓	✓	✓	✓	✓	✓	✓	GRI 403: Occupational Health and Safety

OUR SUSTAINABLE BUSINESS

OUR SUSTAINABLE BUSINESS

Canvest stands strong as a leading integrated environmental protection and sanitation services provider in China. Our core business aims to generate electricity in a safe and green manner through the combined use of municipal solid waste as fuel and our engineering expertise in adopting advanced technologies and efficient designs at our WTE facilities. Our portfolio of WTE facilities has continued to expand in 2021, with 9 newly commissioned projects (8 of which are classified as subsidiaries and 1 of which is classified as an associate) covering the Guangdong, Guizhou, Hebei, Jiangsu, Liaoning and Yunnan Provinces. We remain committed to fulfilling our responsibility in the reduction of greenhouse gas emissions by building and operating quality WTE facilities.

In Q1 2021:

Awarded the concession right in relation to Changning WTE project

Awarded the concession right in relation to Huizhou WTE project

Sichuan Jiajieyuan was awarded the MSW transportation contract in Xinyi City, Guangdong Province

In Q2 2021:

Yingkou WTE plant commenced operation

Ruili WTE plant commenced operation

Mancheng WTE plant commenced operation

Machong WTE plant commenced operation (classified as an associate)

Qingyuan WTE plant commenced operation

In Q4 2021:

Zhongshan II WTE plant commenced operation

Jingjiang WTE plant commenced operation

Qiandongnan Prefecture South Area WTE plant commenced operation

Xiangyun WTE Plant commenced operation

Ruili WTE Plant was named as "2020 Demonstration Project for Standardised Quality Control in Construction in Yunnan Province"

In Q1 2022:

Established the Strategy and Sustainability Committee

Dianbai WTE project was awarded the Luban Prize for China Construction Engineering 2020–2021 (National Prime-quality Project) and was recognised as "Grade AAA Innocuous Waste Incineration Plant"

As a leading WTE operator, Canvest is committed to fully comply with the latest environmental standards as well as fulfilling its corporate social responsibility. Through utilising resources efficiently and developing novel technologies, we aim to raise public awareness of environmental protection and provide a sustainable environment for both our employees and the wider community.

In the face of COVID-19 outbreak, the Group has promptly adopted prevention control measures to maintain normal plant operations while ensuring and protecting the health and safety of our staff. In addition, the Group worked closely with local governments to provide timely services for the treatment of non-hazardous medical wastes to prevent secondary transmission of viruses, thereby safeguarding the well-being of the public.

CORPORATE GOVERNANCE

Practising good corporate governance ensures a clear division of responsibilities and an effective risk management system. At Canvest, we believe that it is essential to establish sustainable, credible and transparent governance practices and procedures, which would in turn strengthen stakeholders' confidence in us and our bond with them.

Our Board of Directors ("the Board") is actively engaged in the formulation and implementation of our sustainability strategy. As of 31 December 2021, the Board comprises 10 directors in total, namely 4 executive directors, 2 non-executive directors and 4 independent non-executive directors, overseeing different functions to protect the interest of our stakeholders.

Under the oversight and authority of the Board, the Group has four committees to assist in the discharge of responsibilities in 2021, namely the Audit Committee, the Corporate Governance Committee, the Nomination Committee, and the Remuneration Committee. The Strategy and Sustainability Committee ("SSC") has been established and is functional starting January 2022. The Strategy and Sustainability Working Team, which was set up in July 2021, reports directly to the Strategy and Sustainability Committee and is dedicated to identifying and addressing climate-related concerns, relevant strategic risks as well as opportunities. Further information on climate-related governance is covered in the "Our Environment" section of this Report.

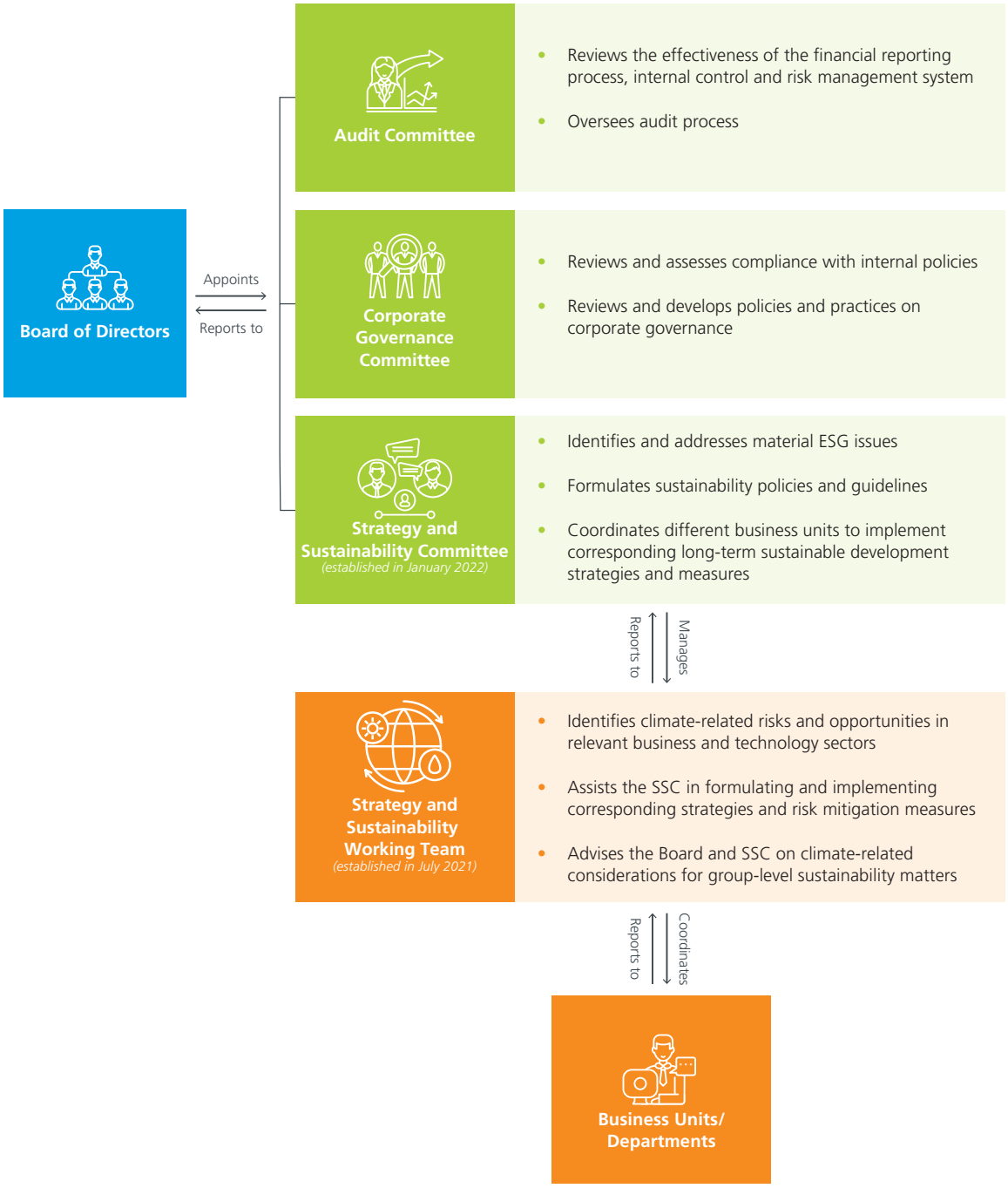
OUR SUSTAINABLE BUSINESS

With respect to ESG management, the Board provides oversight of the Group's ESG-related matters, sustainability performance and risk management. In addition to reviewing and approving our annual ESG report, the Board is also responsible for formulating and evaluating the Group's sustainability vision, strategies and policies. ESG issues remain a regular agenda item in all of our Board meetings, and progress is reviewed at regular intervals through engaging business line leaders and department heads. Furthermore, to keep abreast of recent ESG developments and sustainability concerns in the industry, our Board members attend various ESG training sessions throughout the year. Internal reviews regarding the performance of our Board in managing and responding to ESG matters are also conducted from time to time to ensure the effectiveness of our highest governing body.

Acknowledging the increasing emphasis placed on ESG issues within the business landscape, as well as the potential effects of imminent climate-related risks and opportunities on our operations, we have established a Strategy and Sustainability Committee in January 2022. Upon establishment, the responsibility of identifying and addressing material ESG issues, formulating sustainability policies and guidelines, as well as coordinating different business units to implement corresponding long-term development strategies and measures to achieve Group sustainability initiatives have been delegated to the SSC and its sub-units. In particular, the Strategy and Sustainability Working Team is a dedicated supporting division responsible for climate-related risks and opportunities identification in relevant business and technology sectors, assisting the SSC in formulation and implementation of corresponding strategies and risk mitigation measures, as well as advising the Board on climate-related considerations for group-level sustainability matters.

To actively drive the Group-wide integration of sustainability considerations into business development strategies, policies and operations through top-down corporate level efforts, the incentive pay of our executive directors is linked to the Group's sustainability efforts. Depending on the completion progress of the Group's sustainability goals and targets, the bonus of our executive directors may increase or decrease accordingly.

Board Structure



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

ANTI-CORRUPTION AND INTEGRITY

Canvest prioritises the execution of anti-corruption policies across all project companies and deems to advocate the highest standard of integrity and ethics. In order to maintain a zero-tolerance policy on unethical behaviours, our *Anti-Corruption and Anti-Bribery Management Procedure* clearly lays out the description of each type of unethical conduct, including definitions and examples of behaviour which may be considered as corruption and bribery to ensure that our employees thoroughly understand how to avoid conflicts of interest, bribery, facilitation payments, extortion, fraud and money laundering. The aforementioned procedure also contains information of suitable confidential communication channels for our employees to report any suspected case of corruption and bribery.

Furthermore, the Group adheres to all applicable regulations and laws, including the *Anti-Unfair Competition Law of the PRC*, *Criminal Law of the PRC* and *Prevention of Bribery Ordinance* of Hong Kong, in its operations. 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.

The Group also acknowledges the importance of intellectual property rights protection. In addition to the strict compliance with all applicable laws and regulations, all internal communications of the Group utilise a secure independent server to achieve high-level confidentiality and stable file transmissions. These measures ensure the safe protection of the Group's as well as stakeholders' rights and interests.

Promoting A Culture of Integrity

Led by our Executive Director, the Leading Group for Integrity Culture Promotion was established to drive the delineation of the overall strategic direction and practices for promoting ethics and integrity at Group level. Our office of Integrity Culture Promotion, on the other hand, is led by the Human Resources and Administration Manager and is responsible for implementing public morals and business ethics training activities at the project level. We have also designated March as "Canvest's Integrity Culture Promotion Month" every year to advocate the culture of integrity through carrying out different activities and events at the workplace.

QUALITY, HEALTH, SAFETY AND ENVIRONMENT MANAGEMENT SYSTEM

Canvest regards health, safety and environmental protection as essential components of our business, and we are dedicated to leading the WTE industry in the implementation of environmental and sustainable management practices with exceptional standards. In light of increasingly stringent legislations introduced and climate awareness, we conduct regular reviews and are actively adapting our environmental management systems to align with ever-changing national environmental laws and policies.

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

Since 2015, Canvest has established and implemented the Quality, Health, Safety and Environment (QHSE) Management System, which is structured with responsibilities cascading through the Group under the oversight of our Vice President of Safety and Environment Department. Encompassing our daily WTE operations and other associated services, the *QHSE Management Manual* is formed with reference to the requirements of ISO9001, ISO14001 and ISO45001 (or its predecessor, OHSAS18001). The Group strives to continuously improve on its quality services, environmental management and occupational health and safety management within the framework of the Manual.

Our QHSE Management System is applicable to all of our employees and technicians. Drafted with the overarching aim of ensuring compliance with prevailing environmental requirements, the System provides guidance on the monitoring of environmental performance, identification of activities and services which may have significant impacts on the environment, requirements of keeping environmental performance records, as well as training and awareness requirements over environmental issues. The QHSE Management System has been externally audited based on the requirements of ISO9001, ISO14001 and ISO45001.

With the system in place, the Group's reputation and competitiveness is significantly enhanced as it provides our stakeholders with assurance of our outstanding environmental management quality and occupational health and safety performance.

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. It sets out proper procedures for upholding safety and ethical behaviour throughout our operations and supply chain management activities. In particular, the Group and also our suppliers are expected to uphold social standards and adhere to applicable laws and legal requirements with regards to maximum working hours, minimum living wages, living conditions for labour workers, health and safety workplace practices, anti-discrimination, freedom of association and right to collective bargaining, as well as the prohibition of forced labour, child labour, and corporal punishment.

Internal Audit

In order to ensure that our QHSE Management System implemented is effective and up to standards and expectations, the Group carries out annual internal audits with fair and impartial judgement. These audits help to enhance our safety awareness and strengthen our management structure within the Group. We strictly adhere to our *Internal Audit Control Procedure*, which stipulates the scope and responsibilities of the Internal Audit Department, as well as the procedures for conducting internal audits, as well as the proposal and monitoring of follow-up corrective actions for continual improvement. All of our Operating Projects have undergone internal audits in FY2021, and there were no significant findings associated with major improvements required for our QHSE Management System in place.

QHSE Risk Assessment

The Group considers risk management as a measure to identify and explore business opportunities. Led by our Executive Director and respective project company delegates, our risk management system integrates the Precautionary Principle and adopts a three-stage approach to systematically review and improve on our QHSE management performance, while enabling the Group to devise strategies for remedial actions and increase our competitiveness in the WTE industry. The *Risk Identification, Assess and Control Procedure* was also introduced in 2016 to help us identify and assess potential risks in our daily business operations.

Potential Risk Sources and Our Focus Areas

Product Risk

- Strategic management
- Production and operation
- Equipment safety
- Procurement
- Financial
- Environmental protection management

Management Risk

- Human resources management
- Procurement management

Environmental Risk

- Environmental compliance
- Water pollution
- Noise pollution
- Air pollution
- Solid waste pollution

Occupational Health and Safety Risk

- Safety measures
- Occupational hazards
- Safety production equipment
- Medical check-up
- Safety training

Stage 1 — Risk Identification

Step 1:
Conduct site survey, interview or meeting discussions

Step 2:
Assess potential risks from workplace, equipment and operations

Stage 2 — Risk Assessment

Step 3:
Group risks into different categories

Step 4:
Analyse each identified risk on the basis of its probability and impact

Stage 3 — Risk Control

Step 5:
Categorise each risk into five risk levels

Step 6:
Implement procedures according to particular risk level

For high-risk factors identified, immediate actions including work suspension will be taken until the risks have been adequately addressed. Following the implementation of corrective measures, annual audits will be carried out on them to ensure effective risk control.

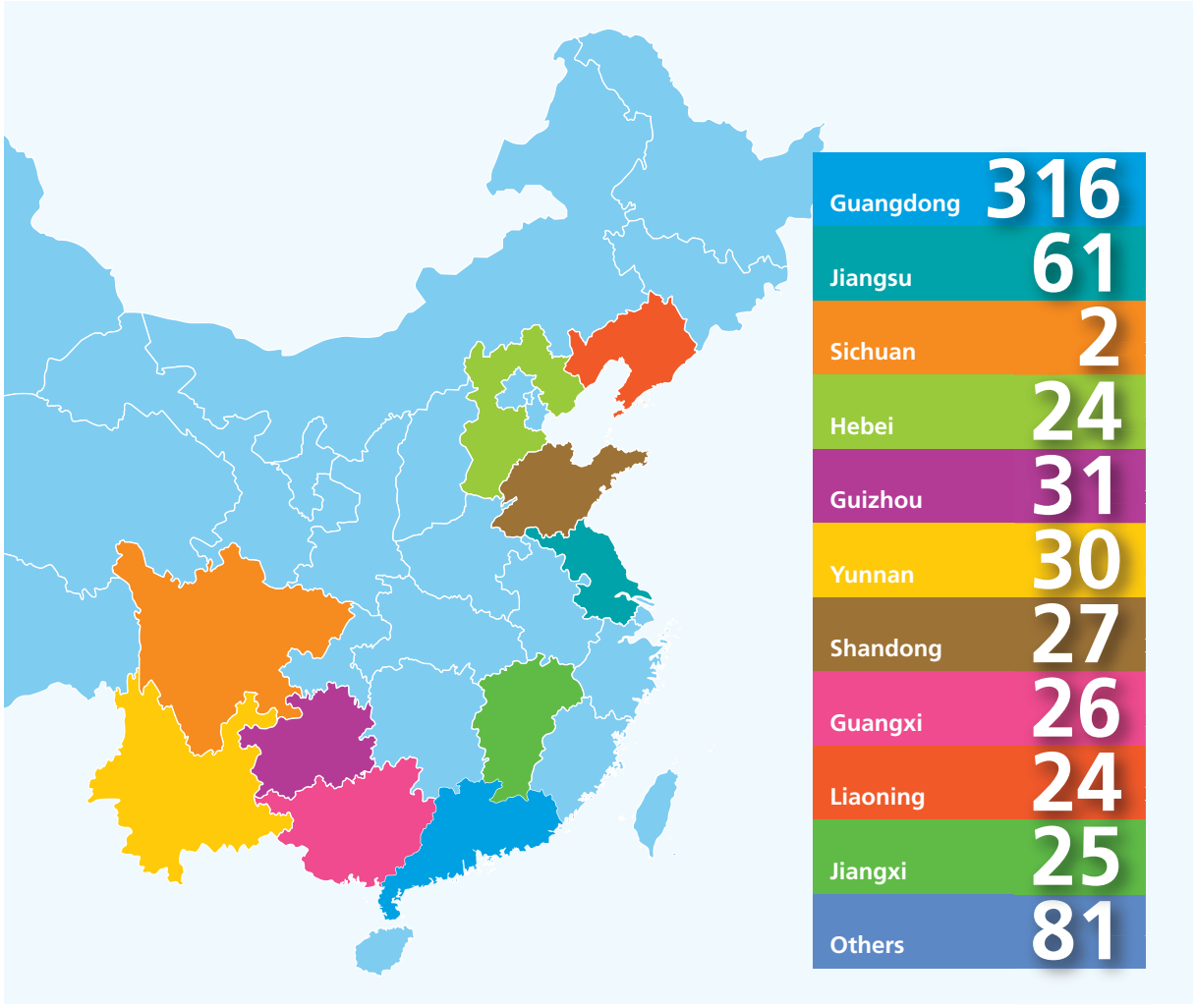
SUPPLY CHAIN MANAGEMENT

As we engage a wide range of suppliers in our operations, implementation of the Group's sustainability strategies is closely connected with that of our suppliers, hence we have extended our social and environmental management efforts to our value chain. Under the oversight of our Vice President of Procurement Department, the Group has standardised procurement procedures in place, including the *Tender Management Procedure* and *Business Contract Management Procedure* which dictate the tendering procedures and contract administration processes respectively, to ensure that our suppliers and contractors maintain and deliver a high level of environmental, integrity and ethical standards.

In 2021, the Group procured from a total of 647 suppliers for our Operating Projects with a total supply value of approximately RMB1,419 million.

Canvest actively contributes to supporting the local economic development through procuring from suppliers in the same provinces as our Operating Projects, as we believe that this could significantly benefit the development of WTE and environmental protection business in the long term, while achieving steady and sustainable business growth. In 2021, 58% of the total supply value of our Operating Projects was sourced from local suppliers in these regions.

Number of Suppliers, by geographical region



Sustainable Procurement

The Group practises sustainable procurement and supply chain management to ensure that the delivery of our products and services is associated with the lowest possible environmental impact and most positive social result. Our procurement processes are closely monitored such that the quality of the service and financial capability of our tenderers are maintained at exceptional levels, and we can continuously improve on our performance and compliance with environmental and occupational health and safety standards and regulations, setting a benchmark for our peers and thereby promoting sustainable development in the WTE industry.

Sustainability considerations are integrated throughout various aspects of our supply chain. During the first step of procurement, due consideration is given to the environmental performance of prospective suppliers. Preference is given to suppliers with certifications such as ISO14001 which demonstrate efforts in environmental management. Performance reviews, target setting and roadmaps relating to improving environmental aspects are then conducted regularly with our engaged suppliers to ensure steady progression to transition towards low-carbon, environmentally friendly operating modes collectively along the value chain. While the commitment to comply with environmental standards is stated explicitly on our legally-binding contracts with the Group's suppliers, all of our contractors and suppliers are also requested to strictly adhere to our *QHSE Management Manual* and *Social Responsibility Management Manual*, which prohibits the use or employment of child labour, forced labour, as well as any practice of corruption and bribery etc. In 2021, our periodical checks did not identify any material risks related to the aforementioned categories among our suppliers and along the supply chain.

Furthermore, we are committed to identifying and reporting any environmental and/or social issues within the supply chain through closely monitoring our procurement practices, and where possible, engage non-governmental organisations and industrial partners to collaboratively address such issues in a responsive and socially responsible manner. We also sample the performance of suppliers throughout our value chain through performing annual performance checks. In 2021, the Group has visited 34 suppliers which provide raw materials, equipment part and machinery, and has validated their performance regarding product and services quality, environmental and social aspects.

Practices of robust environmental management and occupational health and safety are well incorporated in the value chain of Canvest, with 41% of our suppliers having obtained the ISO14001 Environmental Management System certification, and 37% certified to the ISO45001 Occupational Health and Safety Management System (or its predecessor, OHSAS18001) in 2021.

WTE PROJECT DEVELOPMENT

Canvest believes that in addition to technical innovation and robust waste management solutions, delivering WTE projects which are well-received and integrated into the community is also of paramount importance. As such, on top of community involvements concerning statutory environmental permits and approvals, the Group has internal guidelines in place which outline the procedures of conducting consultations and community engagement events to gauge public opinion and incorporate social and environmental considerations in early stages of planning as far as practicable, including a systematic approach to identify stakeholders and/or interested communities. Community relations are handled by an experienced senior member of each respective project company, and an accessible mechanism has been established to collect, record and adequately address any complaints or grievances received.

WTE OPERATION CONTROL

The Group strives to continually reduce our energy consumption and uphold our high operating standards in order to fulfil the mission of "protect the blue sky and clean water and build a beautiful home". The Group formulated the *Production Equipment Control Procedure* to enhance the management and maintenance of our production equipment, as well as to address the potential risks arising from aging equipment. Regular maintenance, inspection and assessment are carried out to identify and detect any anomalies in operation performance or potential premature failure of equipment early on. Suitable mitigation measures are then implemented to sustain and improve our operational efficiency as well as minimise the risks of unplanned disruptions to our operations.

Emergency Preparedness and Response

The *Emergency Preparedness and Response Control Procedure* was established to strengthen our emergency response capacity and reliability. It provides guidance to our employees to build up their resilience towards emergency events such as personal injury and accident, fire, chemical spill, explosion, power outage, environmental accident, natural disaster, outbreak of infectious diseases and food poisoning.

OUR ENVIRONMENT

As a responsible provider of WTE solutions, Canvest is dedicated to help combat climate change through minimising the ecological footprints associated with our business activities, as well as upholding our sustainable environmental practices to support responsible consumption of natural resources. In addition to proactively integrating eco-friendly, energy efficient and mature technological advancements into our WTE solutions to achieve efficient resources utilisation, we remain vigilant against our waste generation and are committed to minimising all forms of pollution associated with our projects. While 56% of our operating WTE projects have achieved ISO9001, ISO14001 and ISO45001 management system certifications (the remaining operating plants are preparing to apply these certificates with reference to the application criteria), we are devoted to further strengthening our inherent climate resilience, and as such, we have undertaken a comprehensive scenario analysis exercise for both physical and transition climate risks, followed by the development of corresponding risk mitigation measures and strategies to strengthen our inherent climate resilience in this Reporting Period.

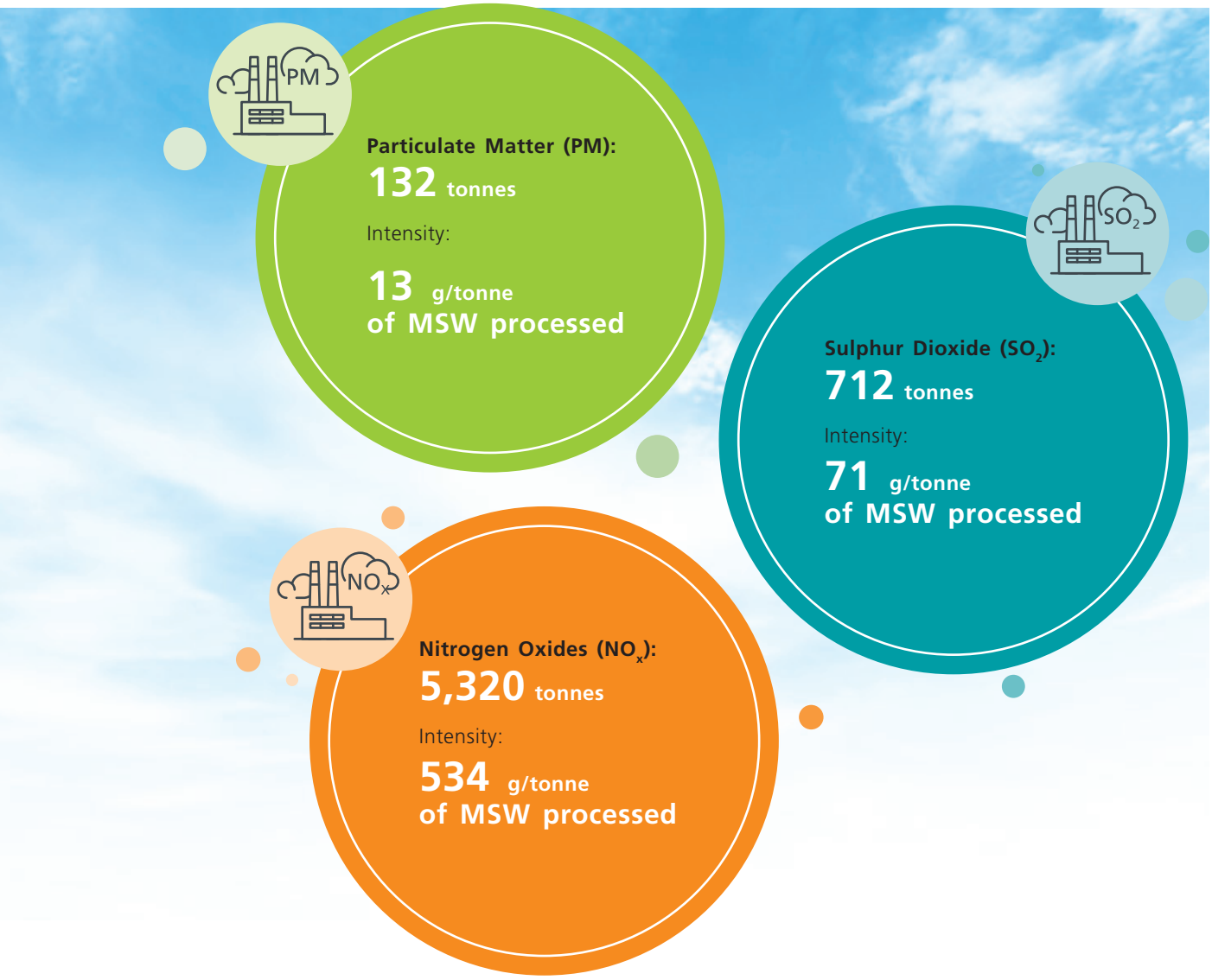
AIR EMISSIONS

Our WTE operation activities are centred around the incineration of MSW, the process from which inevitably produces a range of air pollutants that may have potential adverse effects on the surrounding environment. In particular, flue gas generated as a by-product of the incineration process comprises particulate matter, heavy metals, persistent organic compounds, acid and other gases. To adequately manage our air emissions and ensure compliance with the *Emission Standard of Air Pollutants for Boilers (DB 44/765–2019)* and *Standard for Pollution Control on the Municipal Solid Waste Incineration (GB 18485–2014)*, as well as other applicable laws and regulations in China, advanced flue gas treatment technologies, sophisticated temperature control systems and continuous emission monitoring systems (CEMS) are incorporated in all of our WTE plants, in line with the Group's standardised procedures such as the *Operation Environmental Control Procedure* and *Production and Operation Management Procedure*. Furthermore, in response to the national and international decarbonisation and emissions control agenda — namely the United Nations' *Agenda for Sustainable Development*, as well as increasingly stringent emissions standards issued by government bodies, Canvest is actively integrating mature technological advancements into our systems to reduce our air and carbon emissions.

Public Disclosure of Emissions Data

As part of our continuous efforts in ensuring information transparency both within the Group and in our engagement with stakeholders, the gates of our operating WTE plants have integrated electronic displays showing real-time flue gas emission data. Such information is also available on our corporate website and public data monitoring platform maintained by the government for public access and monitoring.

Air Emissions from Operating Projects in 2021 (including the WTE projects that are in trial operation and optimisation in 2021)



WASTE MANAGEMENT

A leading provider of sustainable waste management solutions with our WTE technology, Canvest is devoted to actively reducing the amount of waste generated at source as a result of our business activities through maximising resource use efficiency and effective operations management. The major types of waste generated from our operations include fly ash from flue gas treatment, bottom ash from incineration processes, and sludge from wastewater treatment processes. Our *Operation Environmental Control Procedure*, together with the *Production and Operation Management Procedure* provide extensive information to all business units with regards to the handling and control measures for all effluents, hazardous and non-hazardous waste resulting from operations, thereby minimising waste generation and discharges to the surrounding environment.

Fly Ash Treatment Measures

Due its high heavy metals and dioxins content, fly ash collected from the flue gas treatment system has to be treated and stored in a specific manner as stipulated in the *Standard for Pollution Control on Hazardous Waste Storage (GB18597–2001)*. The flue gas is first passed through a baghouse to remove particulate matter and chemical additives such as activated carbon and lime, the latter two of which are introduced for air quality control purposes. Subsequently, the fly ash is collected from the bottom of the baghouse, then solidified and stabilised through the addition of chelating agents and cement prior to its disposal at designated landfill sites, in accordance with the requirements laid out in the *Standard for Pollution Control on Landfill Site of Municipal Solid Waste (GB16889–2008)*. Steps and precautionary measures for the safe handling of fly ash from generation through to final disposal are detailed in our standard operating procedures, which are disseminated to all of our employees and on-site workers.

Solid Waste Treatment Measures

Solid waste generated during our WTE operations is mainly attributed to the incineration of MSW — in particular, the bottom ash collected post-incineration contributed to approximately 92% of the total solid waste produced in 2021. As bottom ash is regarded as a non-hazardous inert material, we are committed to help repurpose them into eco-bricks in support of sustainable construction. Compliance with the *Standard for Pollution Control on the Storage and Disposal Site for General Industrial Solid Wastes (GB18599–2001)* is strictly observed during the collection, transportation and treatment of bottom ash. Our standard operating procedures clearly lays out the procedures for the safe handling of bottom ash from generation through to final disposal, and are distributed in full to all of our employees and on-site workers.

Production of Eco-Bricks

Bottom ash is thoroughly mixed with cement, chelating agent, stone dust and sand, followed by compression in a molding machine to produce eco-bricks.

Benefits:

- Does not require high-temperature combustion process
- High strength and durability
- Can be used for road paving or construction of brick walls

Bottom Ash Discharged from Incinerators

Metal Recovery

Scrap metals are isolated and sorted from the bottom ash for recycling and further processing.

Benefits:

- Reduce GHG emissions and energy consumption associated with the production of goods from virgin materials
- Promote natural resources conservation through reducing consumption and exploitation of virgin metal materials in production processes
- Encourage full utilisation of recovered valuable natural resources

Sludge Treatment Measures

In addition to the fly ash and bottom ash produced as part of the incineration process, sludge is generated from the leachate treatment process within our WTE plants. Through utilisation of sludge dewatering equipment, the excess water content in sludge is removed and the sludge cake formed after the treatment process is sent back to the incinerator for thermal destruction. The separated wastewater, on the other hand, is recycled back into the leachate treatment process for further processing.

Waste Generated from Operating Projects in 2021 [a, b]

Hazardous Waste
Fly ash before stabilisation:
188,712 tonnes
Other hazardous waste:
53 tonnes

Total hazardous waste generated: 188,765 tonnes
Intensity: 0.055 tonnes/MWh of electricity sold
Total hazardous waste breakdown by final destination:
Ultimate landfill disposal (onsite): **122,411** tonnes (after stabilisation)
Ultimate landfill disposal (offsite): **112,938** tonnes (after stabilisation)
Recycling/Recovery (offsite) (biodiesel production): **53** tonnes

Non-hazardous Waste
Bottom ash:
2,070,505 tonnes

Total non-hazardous waste generated: 2,070,505 tonnes
Intensity: 0.607 tonnes/MWh of electricity sold
Total non-hazardous waste breakdown by final destination:
Ultimate landfill disposal (onsite): **597** tonnes
Recycling/Recovery (offsite) (eco-bricks production): **2,069,908** tonnes

Notes:

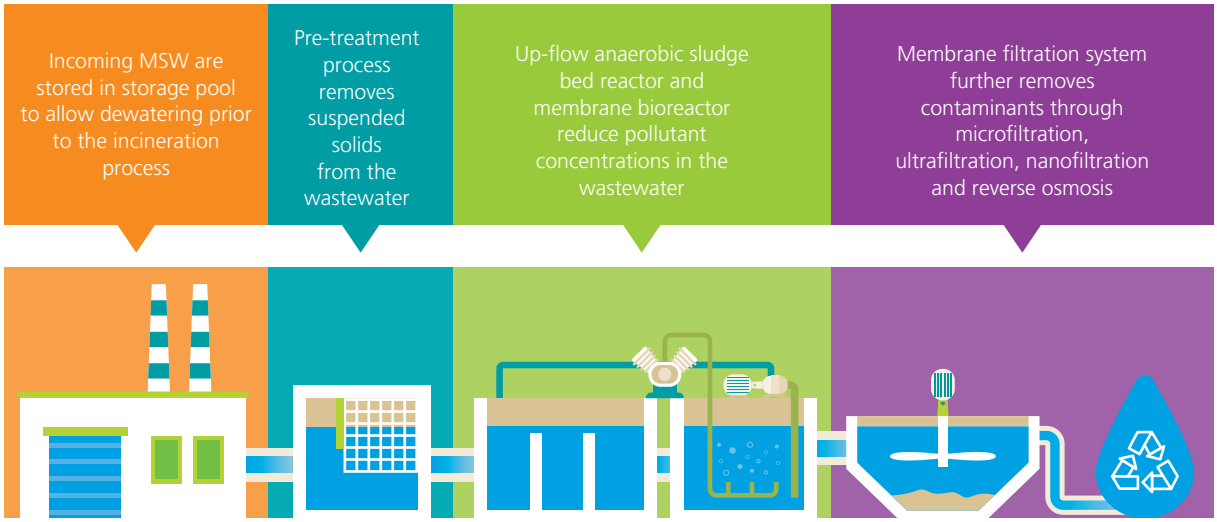
a. Fly ash itself is a by-product of flue gas treatment which comprises the captured pollutants as well as the materials used for flue gas treatment such as lime and activated carbon. The amount of fly ash generated indicates the amount of pollutants removed from the air through our flue gas treatment system, in turn suggesting the prevention of pollutants and particulate content being released into the atmosphere. In this regard, no practical reduction targets for fly ash generation quantities can be set.

b. The generation of bottom ash depends on the inert content of incoming MSW, which is beyond Canvest's control.

WASTEWATER TREATMENT

To achieve effective combustion and excellent burnout of the MSW during incineration, it is essential to dewater the MSW received and remove the excess water content. This separated leachate is subsequently sent to the on-site leachate treatment system, which has been designed and operated in accordance 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)*. In this Reporting Period, our Operating Projects treated 1,103,091 tonnes of raw leachate with COD discharge reduction of approximately 38,066 tonnes.

68%
of our treated effluents from our WTE projects are reclaimed to replenish circulatory cooling water, landscape irrigation water, and truck washing water



* *The graphics shown are for illustrative purposes only and may not be an exact representation of the wastewater treatment system.*

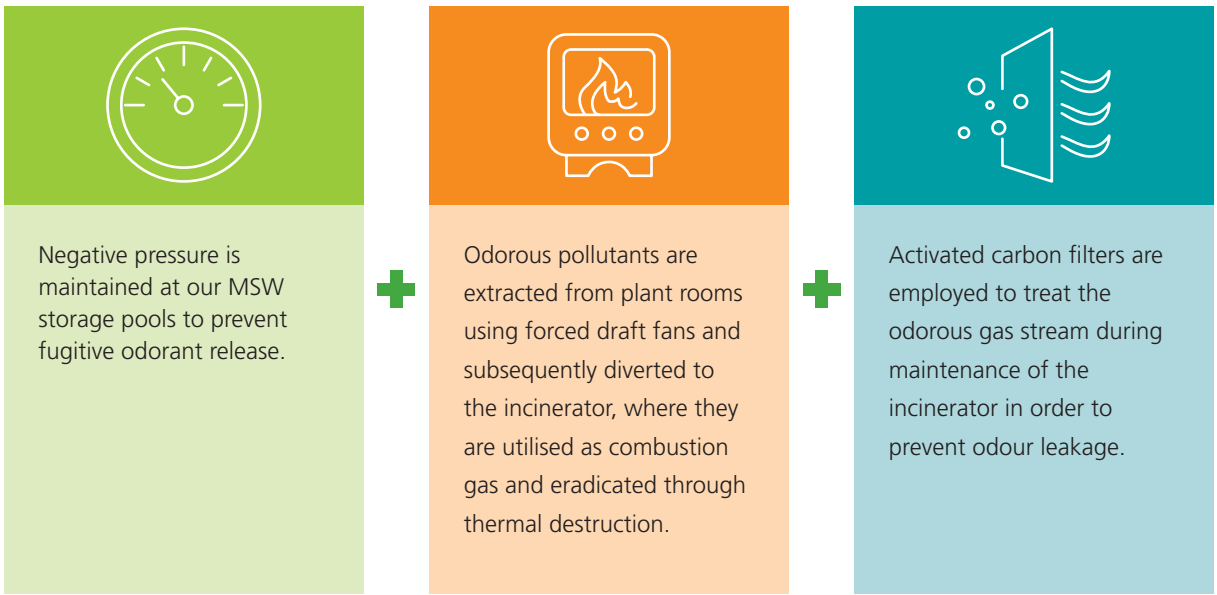
Treated Effluents from Operating Projects in 2021

Discharge to Municipal Wastewater Treatment Systems, pursuant to the requirement of local government	+	Reuse within WTE plants	=	Total Treated Effluents
315,097 m^3		668,457 m^3		983,554 m^3

ODOUR CONTROL

Potential odour impacts to our employees and the general public are inevitably interlinked with the handling of MSW as part of our WTE operations. At Canvest, we strive to responsibly manage and mitigate our odour nuisance through implementing high-standard operation practices, as well as strictly observing the odour pollutants concentration limits as stipulated in the *Emission Standards for Odour Pollutants (GB14554–1993)*. We have also adopted fully enclosed structural designs for all of our MSW storage pools in order to contain any potential fugitive release of odorant particles.

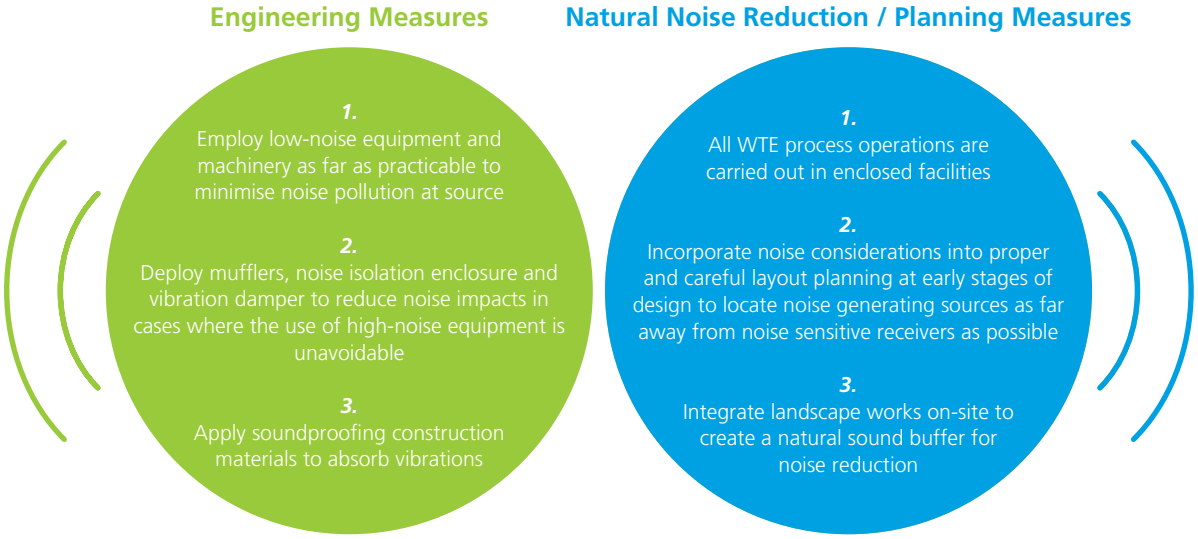
Odour Control Measures



NOISE CONTROL

Fully appreciating that the noise and vibrations caused by our equipment installations and machinery may impose health and safety implications, as well as environmental impacts to the adjacent communities, our Group has introduced comprehensive mitigating measures to manage our noise impacts, ensuring that our operations are in compliance with the requirements as specified in the *Hygienic Standard for the Design of Industrial Enterprises (GBZ1–2010)* and *Emission Standard for Industrial Enterprises Noise at Boundary (GB12348–2008)*.

Noise Control Measures



USE OF RESOURCES

Canvest, as one of the leading WTE providers in China, is committed to leading the transition towards a low-carbon operations mode which supports responsible consumption of natural resources such as fuel oil, natural gas and water. Through adhering to the Group's *Implementation Measures for Energy Saving of Power Plant*, which details the specific requirements, implementation measures and key performance indicators for achieving and monitoring energy conservation in WTE plant operations, we strive to practise efficient energy consumption and maximise our electricity generation efficiency. Furthermore, comprehensive resource utilisation strategies are incorporated into our daily operations through observing the *Resource Control Procedure* and *Social Responsibility Guidelines — Requirements on the Use of Electricity and Requirements on the Use of Water* in place. We are also actively promoting sustainable practices and mindful use of resources across all our offices and business entities.

Total Fuel Consumption Management

Through continuous monitoring and analysis of our fuel and material consumption patterns, we are dedicated to incorporating circular economy principles in our WTE operations and enhance our operational efficiency. For the purposes of fuel consumption and operations optimisation planning efforts (mainly for the ignition of the incinerators), detailed records of resource and material consumptions for all of our WTE projects are well documented and retained within the Group. Regular monitoring and analysis with regards to the fuel and electricity consumptions of major equipment are conducted to ensure the operational performance and energy efficiencies in our WTE projects, while periodic maintenance and condition surveys are also performed to identify any necessary equipment refurbishments or replacements in the early stage.

Energy Consumption of Operating Projects in 2021*

Fuel Consumption

Fuel oil: **143,040 GJ**

Natural gas: **24,538 GJ**

+

Electricity Consumption

Grid-purchased Electricity: **14,236 GJ**

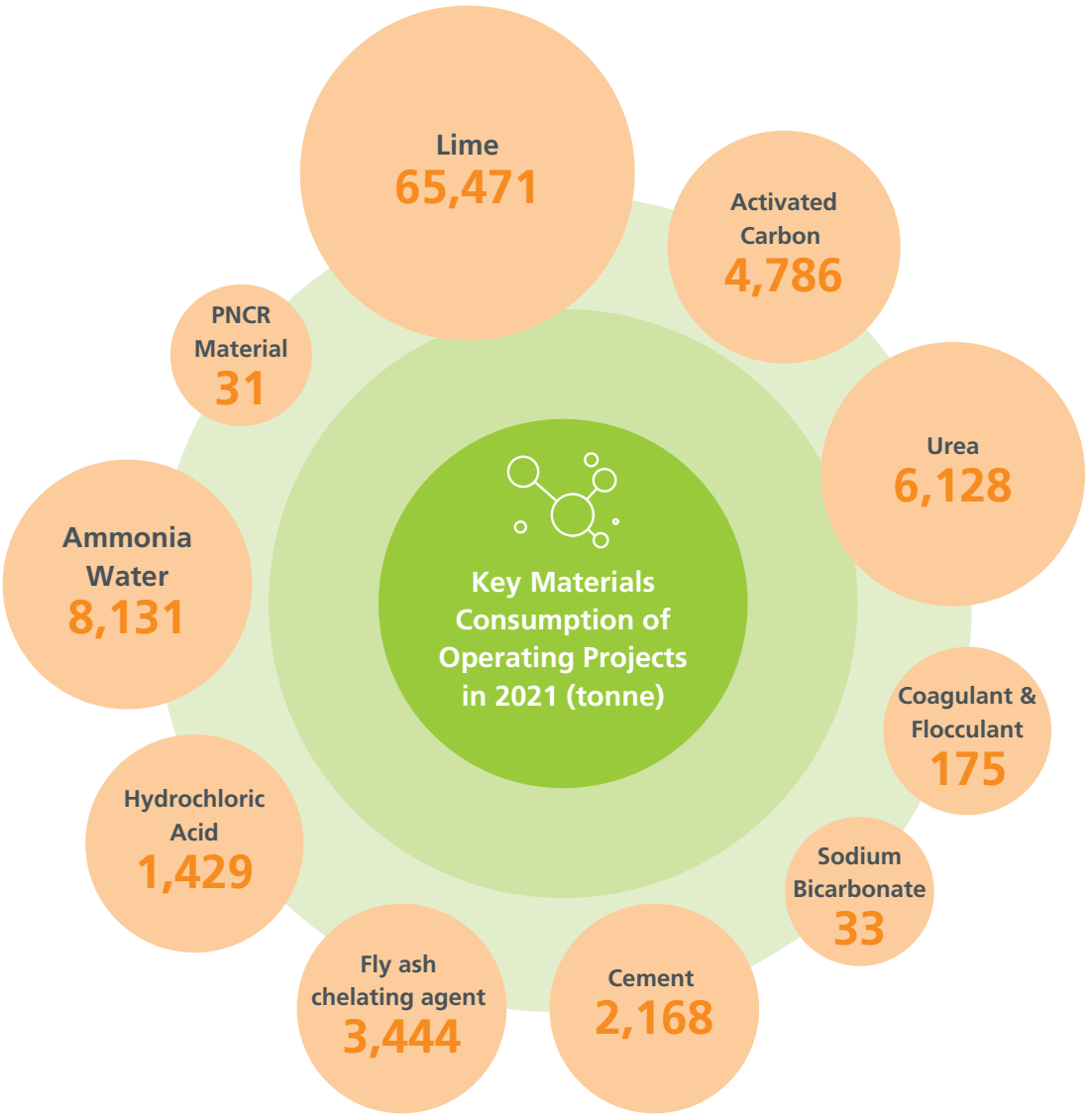
Self-generated Electricity: **1,821,057 GJ**

=

Total Energy Consumed: 2,002,871 GJ

Energy intensity: 0.201 GJ/tonne of MSW processed

* Energy consumption is calculated based on the conversion factors provided in China Energy Statistical Yearbook 2019.



Sustainable Water Management

The increasing concerns over freshwater scarcity and water stress brought about by climate change, coupled with the vital role of freshwater in our WTE processes and the expansion of our sustainable waste management business results in a pressing need to strategically plan ahead for sustainable water consumption. At Canvest, we conduct our environmental impact assessments on local water resources in strict compliance with the established statutory requirements and procedures, taking into account water stress, water conflicts and water supply risks in order to develop a comprehensive sustainable water management strategy. Most of the wastewater generated in our WTE projects are treated and recycled on-site, in which the quality of repurposed water adheres to *The Reuse of Urban Recycling Water — Water Quality Standard for Industrial Uses (GB/T19923–2005)* and the *Integrated Wastewater Discharge Standard (GB8978–1996)*. The recycled water can be reused as cooling water, irrigation water for landscaping or water for garbage truck washing in our operations.

In addition, we are dedicated to widely implementing sustainable water consumption practices in our daily operations. Under the oversight of our Vice President of Safety and Environment Department, we have established and implemented the *Social Responsibility Management Policy — Requirements on the Use of Water* and *Water Conservation Management Regulations*, which outline the systematic framework and operational practices for managing freshwater consumption. Through the complementary strategy of reducing our freshwater consumption at source and increasing our capture and recycling rate of wastewater on-site, we are committed to furthering our long-term total water management efforts.

Water Consumption of Operating Projects in 2021

Freshwater Consumption by Source

Surface water: **4,991,728 m³**

Groundwater: **43,720 m³**

Municipal water supplies or other water utilities: **11,270,629 m³**

Total freshwater consumption:

16,306,077 m³

Freshwater Intensity:

4.780 m³/MWh of electricity sold

ENVIRONMENTAL CONSERVATION

While the nature of our waste-to-energy business already places us at the forefront of decarbonising the energy sector and promoting sustainable waste management, Canvest is dedicated to further reducing the environmental impacts associated with our operations. Our *Environmental Factors Identification, Evaluation and Control Procedure* provides an overarching framework for the identification and evaluation of potential environmental impacts from our operation activities, as well as the essential actions for effective control of such identified impacts. All emissions and effluents generated from our WTE projects are also strictly monitored and adequately treated in compliance with prevailing environmental laws and regulations, thereby ensuring that our business activities will not induce any adverse environmental implications to the surrounding air, water bodies, land and ecological sites.

RESPONDING TO CLIMATE CHANGE

In 2021, the average global temperature was 1°C above the pre-industrial baseline. In particular, substantial decarbonisation efforts are required from the energy sector, as the International Energy Agency ("IEA") has revealed that over 30% of the average global temperature rise was found to be associated with carbon emissions from coal combustion in its latest assessments. Canvest is dedicated to support and accelerate the industry's decarbonisation transition and address climate change, while strengthening our climate resilience for long-term sustainable operations.

As a continuation to our 2019 and 2020 climate risk assessments and disclosures, we have further examined the TCFD framework in this Reporting Period and have undertaken a comprehensive scenario analysis exercise for both physical and transition climate risks, followed by the development of corresponding risk mitigation measures and strategies to strengthen our inherent climate resilience. These reassessment initiatives concerning climate-related risks and opportunities posed to the business landscape also echo the latest disclosure requirement aspect (subject to "comply or explain") introduced in the SEHK's consultation paper on Review of the Environmental, Social and Governance Reporting Guide and Related Listing Rules, which mandates the disclosure of the significant climate-related issues which have impacted, and those which may impact the issuer, and the actions taken to manage them.

Governance

The Group implements a hierarchical and dedicated sustainability governance approach in managing our environmental and climate-related issues. Supported by our Audit Committee and Internal Audit Department, the Board provides oversight of our sustainability performance and is responsible for formulating proper internal control and risk management systems for the Group, as well as reviewing their effectiveness regularly on an annual basis. The Audit Committee takes accountability of the overall internal control system and procedures, while the Internal Audit Department facilitates the effective implementation of our internal control system through continuous monitoring of the work flow and risk assessments of business units. Findings of the Internal Audit Department are reported directly to the Audit Committee, and are in turn used to assist the Board in devising appropriate risk mitigation strategies.

In light of increasing concerns over how companies incorporate the effects of climate change and its associated impacts into its management decisions and business strategies, we have established a SSC to focus solely on sustainability concerns and relevant strategic opportunities in January 2022. Upon establishment, the Board delegates ESG-related implementation duties such as identifying, assessing and responding to material climate-related and sustainability issues, as well as improving risk management and capacity building of the Company in ESG areas to the SSC, thereby enhancing our preparedness in response to climate change through dedicated Group efforts.

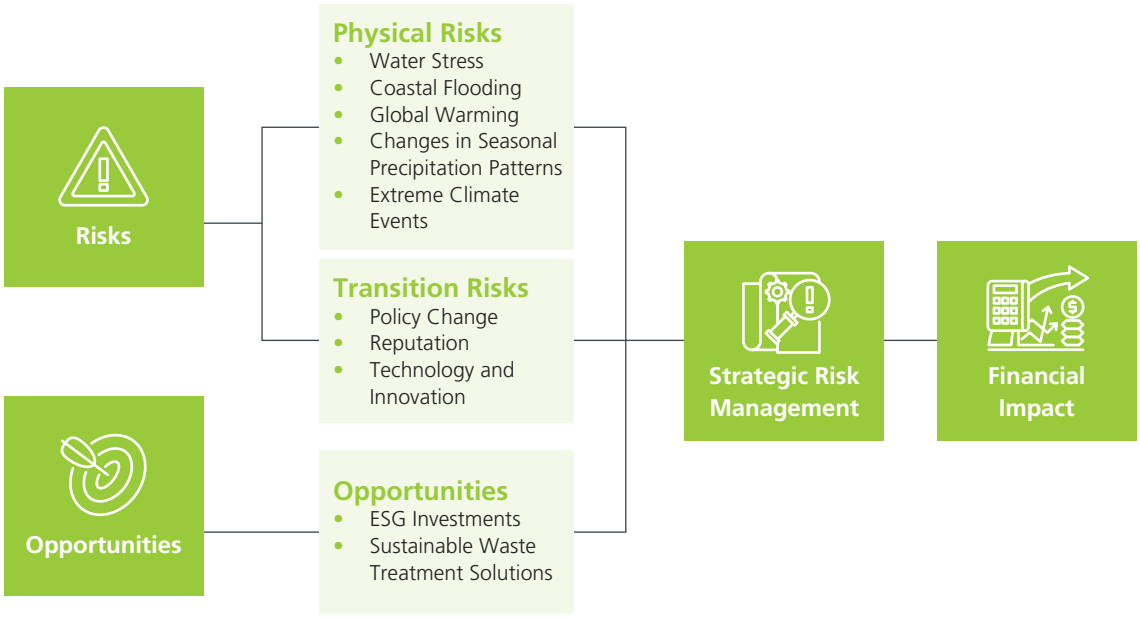
Risk Management

Canvest aims to systematically and effectively identify, assess and manage climate-related risks. Through developing climate risk parameters, conducting climate risk assessments, formulating and implementing climate risk control measures, analysing the effectiveness of control systems in place, and performing risk audits, the Group has listed out material climate risks based on the risk analysis framework of TCFD and has been incorporating both physical and transition climate risks into our strategy and operation plans.

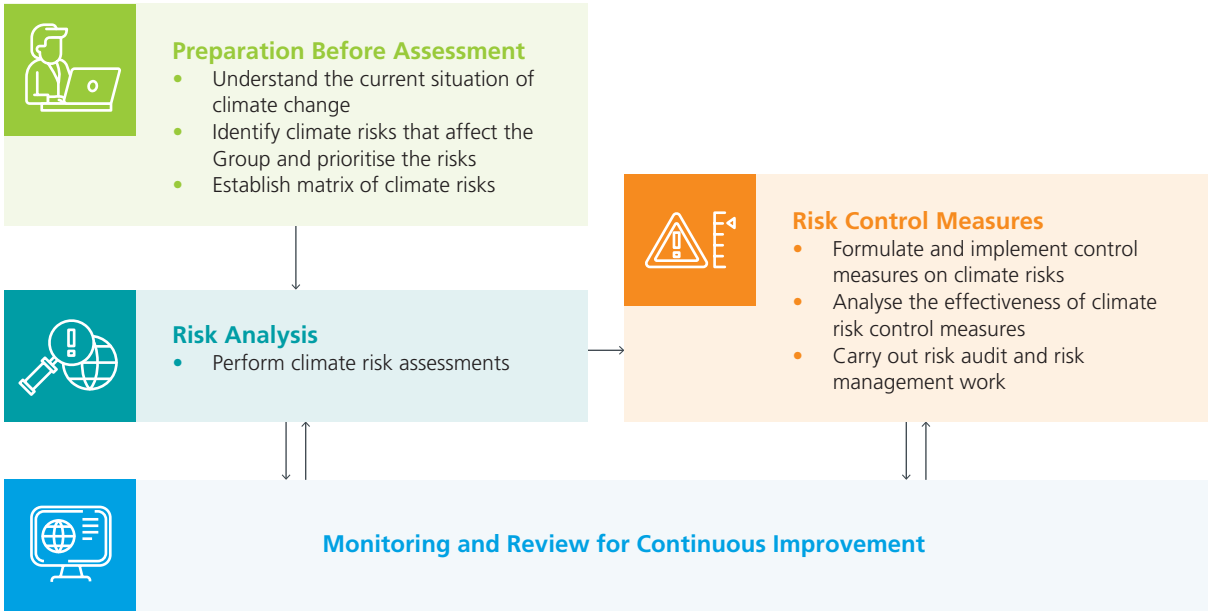
In addition to our continuous disclosure of climate-related information in accordance with the recommendations outlined in the TCFD framework, Canvest has signed up to become a TCFD Supporter in 2021, further demonstrating our commitment to take action against climate change through transparent climate-related information preparation and communication.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Summary of Key Climate-related Risks and Opportunities Applicable to Canvest



Risk Management Process Workflow



Strategy

In addition to effectively managing our inherent GHG emissions and creating GHG offset opportunities to build a cleaner and more environmentally friendly future, Canvest is dedicated to address the risks and opportunities imposed on its business by climate change.

Physical Climate Scenario Analysis

In 2021, the Group launched an initiative to conduct project-level analysis of both acute and chronic physical climate risks associated with the Baseline scenario[1] and three other Shared Socioeconomic Pathways — Representative Concentration Pathways ("SSP-RCPs"), namely SSP2 RCP4.5, SSP2 RCP8.5 and SSP5 RCP8.5 at the assessment year 2040, building upon the latest climate scenarios and information released by the Intergovernmental Panel on Climate Change ("IPCC"). The physical climate scenario analysis aims to evaluate key climate-related risks under the current situation and probable future climate states. The assessment conducted covers water stress and coastal flood risk of all assets for Canvest's Operating Projects during the Reporting Period.

Scenarios[2]

Baseline	SSP2 RCP4.5 (Optimistic) in 2040	SSP2 RCP8.5 (Business-as-Usual) in 2040	SSP5 RCP8.5 (Unchecked Pollution) in 2040
Represents modelled results for the year 2014	SSP2 RCP4.5 is an intermediate emissions scenario where social, economic, and technological trends do not shift markedly from historical patterns, while relatively ambitious emissions reduction measures are introduced and GHG emissions increase slightly before peaking and starting to decline by year 2040. Emissions shall be constrained to stabilise at ~650 ppm CO_2 and temperatures increasing by 1.1 –2.6°C by 2100.	SSP2 RCP8.5 represents the high-emissions scenario where social, economic, and technological trends do not shift markedly from historical patterns, with limited to no changes in policies to reduce emissions. This scenario leads to high atmospheric GHG concentrations, with CO_2 concentrations reaching ~1370 ppm by 2100 and global mean temperatures increasing by 2.6 –4.8°C relative to 1986–2005 levels. It is aligned broadly with a business-as-usual scenario.	SSP5 RCP8.5 depicts a high-emissions scenario where social, economic, and technological developments progress rapidly through energy-intensive, fossil fuel-based lifestyles. Global emissions of heat-trapping pollution rise rapidly through most of the century, with annual emissions approximately doubling by 2050. This high-end pathway is expected to result in about 4.4°C of warming above pre-industrial levels by 2100.

1 Aqueduct's modelled scenario derived from ordinary least squares (OLS) regression of time series water stress data from 1960 to 2014.

2 Descriptions of various scenarios are referenced to Aqueduct 3.0 published by the World Resources Institute (WRI) in 2019 and the Coastal Risk Screening Tool published by Climate Central, Inc. in 2020.

Scenario Applicability to Water Stress Assessment and Coastal Flood Risk Assessment[3]

	Baseline	SSP2 RCP4.5 (Optimistic) in 2040	SSP2 RCP8.5 (Business-as-Usual) in 2040	SSP5 RCP8.5 (Unchecked Pollution) in 2040
Water Stress	✓	✓	✓	N/A
Coastal Flood Risk	N/A	✓	N/A	✓

Water Stress

Why assess water stress?

The Group's waste-to-energy projects consume a considerable amount of water for equipment cleaning and cooling purposes. A prolonged drought or insufficient water supply could impact the reliability of our waste processing systems or disrupt our normal operations.

Methodology

The Group's water stress assessment measures the ratio of total water withdrawals to available renewable surface and groundwater supplies.[4] Exposure to a higher risk of water stress indicates more competition among local users for freshwater resources.

Findings

1. By Percentage of Capital Investment in Projects

   Based on the Group's analysis, water stress is a mild climate-related risk to our projects in the future. 14.06% of the Group's capital investment in Operating Projects are categorised with high water stress or above under the baseline scenario. The figure is increased to 17.63% for both the Optimistic scenario (SSP2 RCP4.5) and Business-as-Usual scenario (SSP2 RCP8.5) by year 2040.

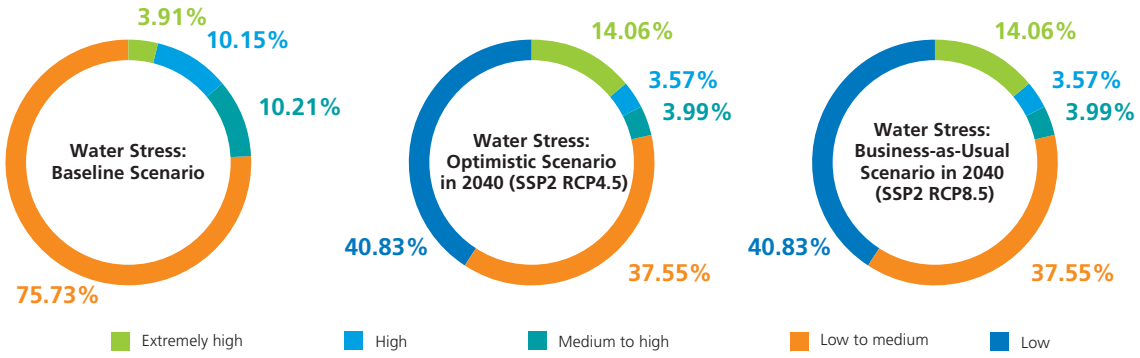
2. By Percentage of Number of Projects

   12.00% of the Group's Operating Projects are categorised with high water stress or above under the baseline scenario. The figure is increased to 16.00% for both the Optimistic scenario (SSP2 RCP4.5) and Business-as-Usual scenario (SSP2 RCP8.5) by year 2040.

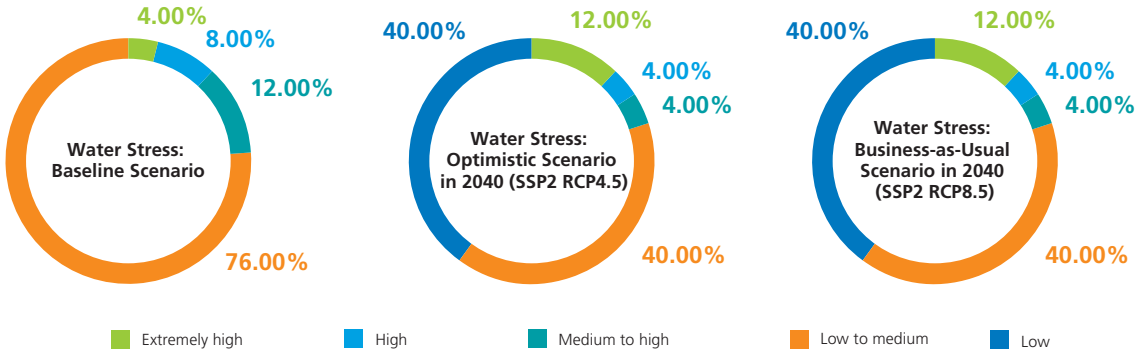
[3] Scenario applicability for physical climate risk assessments are referenced to Aqueduct 3.0 published by the World Resources Institute (WRI) in 2019 and the Coastal Risk Screening Tool published by Climate Central, Inc. in 2020.

[4] Calculation of water stress level is based on Aqueduct 3.0 published by the World Resources Institute (WRI) in 2019.

Water Stress — by Percentage of Capital Investment in Projects



Water Stress — by Percentage of Number of Projects



Coastal Flood Risk

Why assess coastal flood risk?

Coastal flood risk will pose threats to the Group's assets and the safety of our employees.

Methodology

The Group's coastal flood risk assessment[5] measures the percentage of our projects by (1) capital investment and (2) number of projects in coastal cities which would be below the projected sea level plus the added height of a local annual flood by year 2040. Coastal flood risk assessment was conducted on all of the Group's Operating Projects.

Findings

1. By Percentage of Capital Investment in Projects

   Based on the Group's analysis, by 2040, 9.59% of the Group's capital investment in Operating Projects will be below the projected sea level plus the added height of a local annual flood in both the SSP2 RCP4.5 and SSP5 RCP8.5 scenarios.

2. By Percentage of Number of Projects

   Based on the Group's analysis, by 2040, 8.00% of the Group's Operating Projects will be below the projected sea level plus the added height of a local annual flood in both the SSP2 RCP4.5 and SSP5 RCP8.5 scenarios.

[5] Calculation of coastal flood risk is referenced to the Coastal Risk Screening Tool published by Climate Central, Inc. in 2020.

Climate-related Physical Risk Matrix

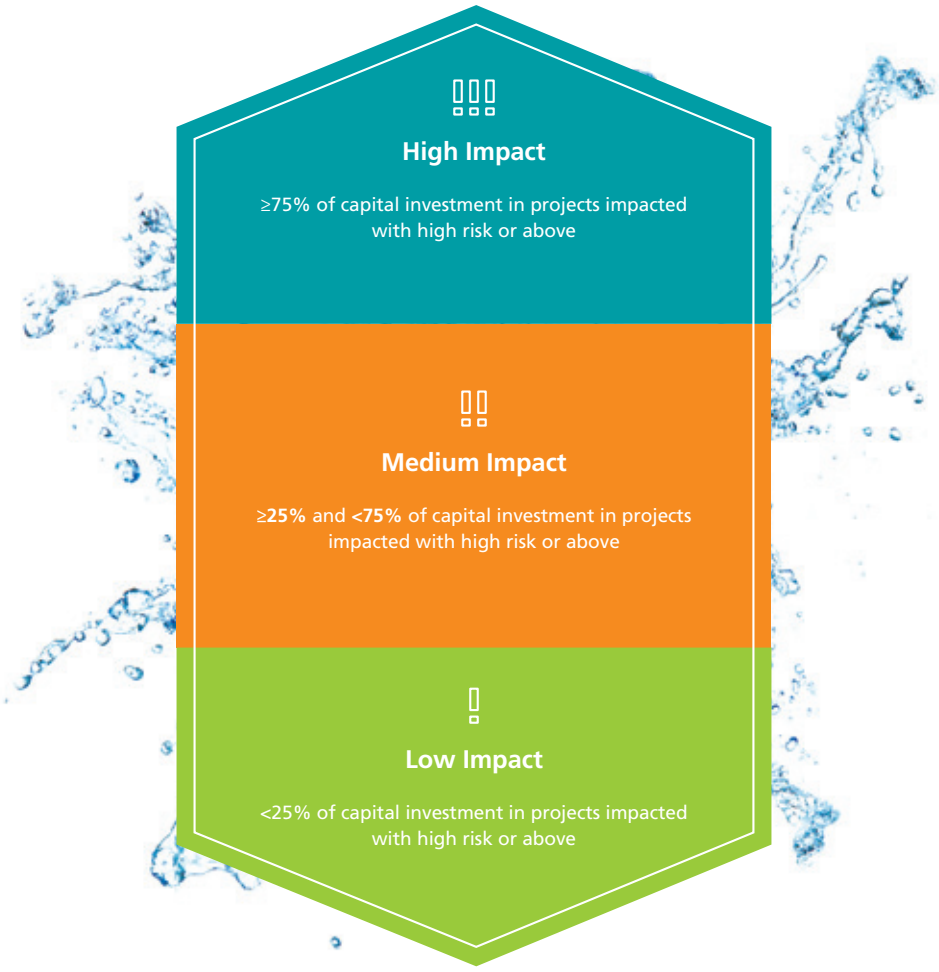
Based on the physical climate scenario analysis, a risk matrix under the Baseline, Optimistic (SSP2 RCP4.5), Business-as-Usual (SSP2 RCP8.5) and Unchecked Pollution (SSP5 RCP8.5) scenarios in 2040 was created.

Key Findings:

- Low impact was imposed on the Group's Operating Projects by water stress in the Baseline scenario and both Optimistic (SSP2 RCP4.5) and Business-as-Usual (SSP2 RCP8.5) scenarios in 2040.

- Low impact was imposed on the Group's Operating Projects by coastal flood risk in both Optimistic (SSP2 RCP4.5) and Unchecked Pollution (SSP5 RCP8.5) scenarios in 2040.

Consequences of Climate Change on Canvest's Operating Projects under Different Scenarios	Baseline	SSP2 RCP4.5 (Optimistic) in 2040	SSP2 RCP8.5 (Business-as-Usual) in 2040	SSP5 RCP8.5 (Unchecked Pollution) in 2040
Water Stress	Low	Low	Low	N/A
Coastal Flood Risk[6]	N/A	Low	N/A	Low



[6] For coastal flood risk, the Group's Operating Projects which would be below the projected sea level plus the added height of a local annual flood in 2040 were classified as high risk.

Other Physical Risks

Physical Risk	Potential Impacts
Increase in daily and average maximum temperature	• Increase in probable occurrence of health risks in employees due to hotter workplaces • Increase in perceived odour impacts of waste at WTE plants due to warmer ambient temperatures
Changes to seasonal precipitation patterns (generally wetter winters with less precipitation as snow, and drier summers with an increased probability of droughts)	• Changes to site hydrology • Stressful environment to on-site vegetation • Reduced freshwater availability during dry seasons • Increase in average moisture content in waste during wet seasons, leading to prolonged drying times and a need to increase leachate treatment capacity
Increase in frequency and magnitude of extreme weather events	• Increased risk of storm damage to buildings, facilities and utilities infrastructure (e.g. interruption to power transmission due to damage in power lines) • Increased storm-related disruptions to transport and waste delivery • Increase risk of blowing away materials stored in open areas • Increased health and safety risks to employees who are susceptible to outdoor work and exposure to extreme weather conditions • Impacts on revenue due to interrupted operations (e.g. road blockage in the delivery of waste, unplanned shutdown of facilities)

Strategy to Manage Climate-related Risks

Following the identification and analysis of material climate-related risks, Canvest has devised a list of comprehensive adaption measures to mitigate the associated adverse impacts which may be imposed upon the Group's human resources and assets, and will continue to promote the implementation of these measures over the next five years.

1. *Water Stress Management*

To promote sustainable freshwater consumption and better manage water stress at our WTE plants, Canvest has adopted advanced leachate treatment systems to reuse and recycle treated wastewater on-site as far as practicable, thereby reducing withdrawal quantities from freshwater sources. Through applying a series of ultrafiltration, nanofiltration and reverse osmosis technologies, our treated wastewater is able to attain the standards for use as cooling water in our operations, and the Group has achieved 68% water recovery rate in our Operating Projects in 2021.

Water Recirculation

Water is recirculated within the wastewater treatment system as far as practicable to reduce the withdrawal and consumption of freshwater resources.

2. *Flood Risk Management*

With over 650,000 m^2 of site greenery area in total, Canvest's projects have retained an aesthetically pleasing landscape which integrates well with nature while incorporating flood retention designs.

Project Highlights:

Dianbai WTE Plant
Overall site greenery area: 49,700 m^2

Lufeng WTE Plant
Overall site greenery area: 47,136 m^2

Qingyuan WTE Plant
Overall site greenery area: 32,150 m^2

Zhanjiang WTE Plant
Overall site greenery area: 21,800 m^2

Furthermore, in designing our plant and positioning our equipment, we have elevated our key equipment and machinery where practicable to reduce their susceptibility to flood damages.

3. *Emergency Response*

The Group has enhanced its emergency preparedness for rapid response and recovery from extreme weather events, including heavy rainstorms, floods, typhoons, thunderstorms and sandstorms. In response to the flood season and occurrence of extreme weather events, the Group has developed corresponding mitigation measures and issued various procedural documents, such as the *Management System Against Typhoons and Floods* to plan ahead and improve our inherent climate resilience. Furthermore, the Group's dedicated Emergency Control Centre and Task Force Against Typhoons and Floods are also providing regular support to business units to enhance their preparedness against extreme weather events.

At project level, all of our project companies regularly conduct typhoon and flood control drills to raise our employees' awareness, as well as improve the coordination and emergency response capabilities of all departments in response to extreme weather events. Regular safety inspections and checks would be conducted to remove materials stockpiled in open/exposed areas, ensure sufficient stock of precautionary resources and emergency kits, identify any seepage or water leakage within the plant, and maintain the drainage system.

In the case of an anticipated extreme weather event arrival, all relevant project companies will be notified to enter into their contingency plans, including stocking up on emergency supplies, strengthening backup power systems, and enhancing information exchange and operational liaison with the Emergency Control Centre.

4. *Robust Preventive Maintenance*

In order to maintain equipment and infrastructure within the range of designed serviceability, especially considering the additional risks imposed by climate change, Canvest has implemented a comprehensive preventive inspection and maintenance programme which features regular and frequent inspection and maintenance activities to be performed on key systems and equipment units. This allows our project companies to identify and rectify any potential issues early.

5. *Climate-related Risk Insurance*

The Group has insured our assets against climate-related natural hazards, including lightning, rainstorms, storms, floods, tornadoes, typhoons, hurricanes, sandstorms, blizzards, landslides, mudslides, ground subsidence and other natural disasters. Insurance covers the compensation for project damage, interruption in operations, health and safety of workers, etc.

Transition Risk Scenario Analysis and Management Policy

In 2021, the Group has adopted the climate change scenarios in the International Energy Agency's ("IEA") *World Energy Outlook 2021* report to analyse the transition climate risks which the Group is facing, as well as devise suitable management approaches to manage such risks, so as to better assist our strategic planning associated with our corporate development.

In accordance with the recommendations of the *Guidance on Scenario Analysis for Non-Financial Companies* released by TCFD, a 1.5°C warming scenario is adopted to ensure net-zero emissions by 2050 while remaining in line with IPCC's latest scientific research. In particular, the "Net Zero Emissions by 2050 Scenario" in the *World Energy Outlook 2021* report is adopted by the Group to represent a 1.5°C warming scenario, while the "Stated Policies Scenario" is selected to represent an alternative future climate change scenario similar to current annual emissions.

Transition Scenarios

Net Zero Emissions by 2050 Scenario	By 2030, CO_2 emissions will be 45% lower than in 2010. Net-zero will be achieved by 2050, and there is a 50% chance of limiting warming to 1.5°C.
Stated Policies Scenario	In addition to policies and measures that governments around the world have already put in place, this scenario incorporates official policy intentions and targets proposed as of mid-2021. Almost all of the net increase in energy demand until 2050 is covered by low-carbon sources, with annual emissions remaining at levels about the same as today. By 2100, the global average temperature will have increased by 2.6°C and will continue to climb.

The transition risks, potential impacts, and management approaches identified for the "Net Zero Emissions by 2050 Scenario" and the "Stated Policy Scenario" are as detailed below.

Categories	Major Risks	Potential Financial and/or Operational Implications	Management Approach in the Next Five Years
Policy Change Risk	Carbon Tax, Fuel and/or Energy Tax, Volume and Trading Control • Affected by regulatory authorities' restrictions on GHG emissions and/or mandatory carbon trading. For example, China's plan to reach carbon neutrality by 2060. • Under the "Net Zero Emissions by 2050 Scenario", further measures and more stringent policies in addition to the above will be applied.	• Increase in operating costs • Early retirement of existing assets due to policy changes • Investment expenditure on developing low-carbon intensity technology	• Enhancement of communication with various monitoring authorities, adjustment to regulations promptly, and active implementation of measures to address changes in prevailing policies. • Improvement in energy efficiency of operating assets and consider deploying more carbon-offsetting measures (e.g. large-scale tree planting, investment in renewables).
	Sustainability/ESG Reporting • Stock Exchanges, key international sustainability reporting guidelines, institutional investors and ESG rating agencies are gradually raising their expectations for climate-related disclosures, including the estimation of GHG emissions, climate change adaptation and mitigation plans. • Under the "Net Zero Emissions by 2050 Scenario", further measures and more stringent policies in addition to the above will be applied.	• Increase in research and development expenditures on developing the matrix and targets for climate-related risks • Increase in compliance costs	• Commitment to the latest sustainability/ESG reporting requirements and attempt to become an industry leader in sustainability. • Assign specialists to study the parties' requirements and make appropriate disclosures. Carry out additional research when necessary, refer to the latest international standards, and improve the GHG emission estimation methodologies and disclosure framework.

Categories	Major Risks	Potential Financial and/or Operational Implications	Management Approach in the Next Five Years
Reputation Risk	Relationship with ESG investors • Due to its incineration operations, waste-to-energy is usually misperceived as a carbon-intensive business, which may be less preferred by carbon-conscious investors in comparison to other renewables. It is also necessary to strengthen the auditing and disclosure of ESG-related information to enhance corporate reputation, in light of increasing requirements from investors and more competitive landscape within the industry. • Under the "Net Zero Emissions by 2050 Scenario", further measures and more stringent policies in addition to the above will be applied.	• Increase in finance costs • Increase costs associated with ESG disclosure and climate risk management	• Conduct evidence-based, scientific calculations to estimate total GHG emissions of WTE projects and their contributions in offsetting GHG emissions through replacement of the use of fossil-fuelled power, and diversion of household waste from landfills where the fugitive release of landfill gas (a strong GHG would contribute significantly to global warming). • Improvement in communication with stakeholders to help them understand the unique nature of WTE business, and the overall environmental benefits brought about by WTE business aspects other than GHG reduction (i.e. resolving the waste crisis and associated environmental implications to land, groundwater, etc.).
Technology and Innovation Risk	Technological advancement required • More advanced technologies are needed to meet the increasingly stringent decarbonisation requirements. • Under the "Net Zero Emissions by 2050 Scenario", further measures and more stringent policies in addition to the above will be applied.	• Increase in operating costs • Research and development expenditures in new and alternative technologies • Capital investments in technology development	• Promotion of scientific and technological research and development, actively bringing in technical expertise, promote the transformation of technological achievements to project applications, insist on "Innovation-Driven Development".

Exploring Future Adaptation Measures Against Climate Risks

Recognising that responding to climate change and addressing climate-related risks is a long-term process, Canvest has continued to explore adaptation measures to mitigate physical and transition risks for projects in planning phases and future business areas. The exploration efforts cover the entire cycle of projects from early-stage planning through to design and operations management.

Project Phases	Future Adaptation Measures	Description
Planning	Climate-Sensitive Site Selection	• Incorporate climate considerations into the project site selection process. • Avoiding choosing sites with unfavourable hydrometeorological parameters and/or potential extreme weather conditions as appropriate.
	Green Building/Infrastructure Development	• Integrate climate-related impacts into the lifecycle of infrastructure and obtain green building certifications for new buildings/ facilities where possible. • Employ smart energy management technologies such as real-time energy monitoring to closely monitor the energy performance of existing buildings, thereby reducing GHG emissions.
Design	Improvements to Structural Integrity	• Adopt more stringent/conservative wind load factors, larger temperature differences, and increased snow load in building resilience planning and design, where appropriate, to improve the inherent structural integrity of project infrastructure.
	Drainage and Flood Prevention	• Adopt climate resilient drainage designs which cater for higher rainfall intensities and shorter return periods. • Install flood gates in areas prone to flooding. • Improve drainage design along key access roads to ensure uninterrupted transportation of waste to project sites and other materials.

Project Phases	Future Adaptation Measures	Description
	Improvements to Equipment Performance under High Temperatures	• Perform thermodynamic modelling to simulate the performance of plant equipment under different scenarios, in particular how higher temperatures and humidity would affect long-term plant performance. Simulation results can be used to identify limitations in performance and areas where operation efficiency can be increased, in turn facilitating operation adjustment planning, maintenance scheduling or installation of additional equipment to adapt to the long-term changes in ambient conditions.
	Rainwater Harvesting	• Explore opportunities to increase rainwater harvesting on-site.
	Transportation Route	• Plan transportation routes carefully to reduce potential climate-related impacts which may affect the delivery of waste and raw materials to project sites.
Construction	Sustainable Construction	• Employ suitable low-carbon materials for construction. • Use biodiesel and electrical mobile plants in projects under construction to reduce carbon emissions associated with the construction stage as far as practicable.
Operations and Management	Improvements to Flood Resilience of Operating Assets	• Review the design and operation plans of existing assets to identify opportunities for improving waterproofing of buildings.
	Assess Climate Resilience of Utilities	• Communicate with utility authorities to assess climate resilience of utilities, with considerations given to the rerouting of pipelines, use of underground pipelines, etc.
	Capacity Building	• Conduct training for all staff members to increase their awareness of potential climate-related impacts on operations.
	Implementation of Climate Guidance for Procurement when engaging the Supply Chain	• Procurement specifications shall clearly identify the climate conditions (current and future) in which the equipment or asset is expected to operate in (where applicable).

Climate-Related Opportunities

Categories	Major Opportunities	Potential Financial and/or Operational Implications	Management Approach in the Next Five Years
Corporate Reputation	ESG investments • Climate change leads to ESG investment opportunities, and investors will make investment decisions based on the corporate's ESG performance	• Increase in value of assets • Enhance the Group's reputation and competitiveness in the WTE industry	• Adopt international best practices in sustainability reporting • Increase transparency in ESG information disclosure • Incorporate ESG considerations into the Group's strategic decisions and operation planning
Market Change	Sustainable waste treatment solutions • In the wake of climate change, the market has been looking for more effective and sustainable waste treatment solutions that facilitate landfill diversion and generation of green electricity, which is in line with Canvest's ambitions	• Increase in demand of sustainable waste solutions • Enhance the Group's reputation and market position	• Waste-to-energy will remain a core business element in Canvest's portfolio. The Group shall step up its efforts in research and development in order to increase its operational efficiencies in waste treatment and supply of green electricity • The Group will actively explore waste management related business areas such as waste collection to develop fully-integrated waste management solutions along the value chain, thereby supporting the development of "zero-waste" cities

Metrics and Targets

The Group adopts applicable methodologies detailed in the internationally recognised Clean Development Mechanism (CDM) of the United Nations Framework Convention on Climate Change (UNFCCC) to quantitatively evaluate the GHG emissions and offset contributions from our Operating Projects.

Data Calculation Methodologies

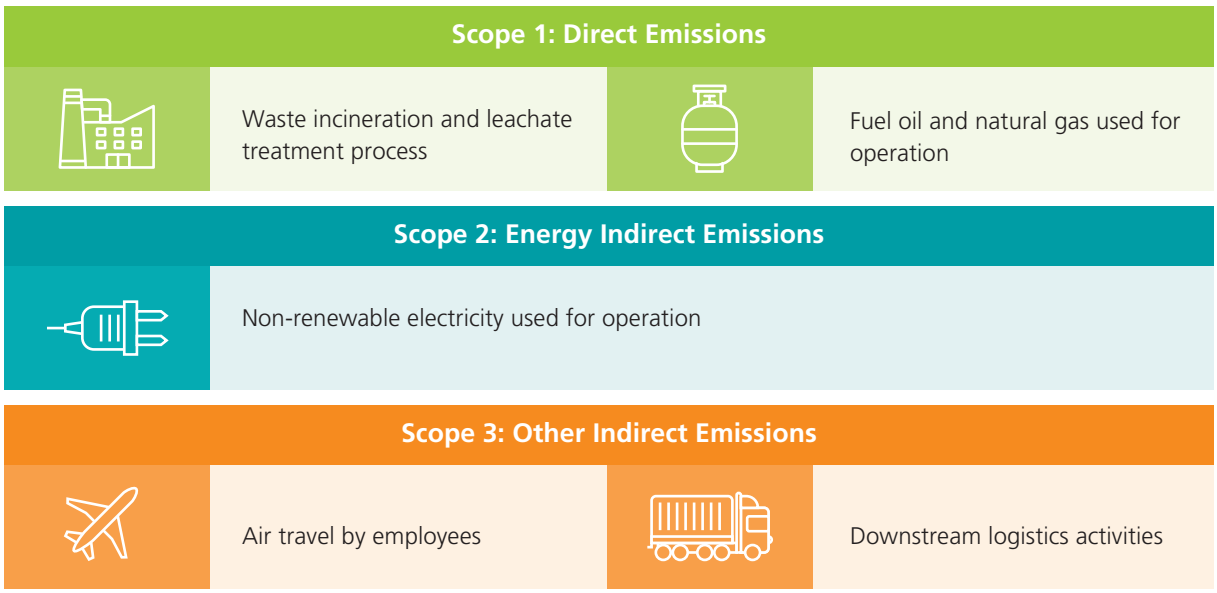
Calculations for GHG emissions and offset are referenced to CDM methodology *ACM0022: Alternative Waste Treatment Processes (Version 2.0)*. GHG emissions from air travel are calculated based on the International Civil Aviation Organization (ICAO) Carbon Emissions Calculator.

In addition to the standard approach referencing to CDM methodology *ACM0022*, we have also performed our calculations based on the Chinese-modified CDM Methodology ("C-CDM") developed by Chinese WTE industry practitioners, which adheres to the general principles of the CDM methodologies while taking into consideration the climatic conditions and waste characteristics sent to WTE plants in Mainland China through the incorporation of applicable national coefficients and emission factors. Environmental performance data calculated using the two sets of methodologies are both presented in this Report.

During the Reporting Period, there were no revisions to the calculation methods for estimating the GHG emissions and offset.

GHG Emissions

Canvest discloses all three carbon emissions scopes in absolute figures and intensities. Scope 1 GHG emissions from our Operating Projects include the CO_2 equivalent ("CO_2e") emitted from fossil fuels consumed for on-site electricity generation, emissions from the combustion of MSW, and methane released from the wastewater treatment process. While Scope 2 emissions include those associated with the use of non-renewable electricity for process operations, Scope 3 covers indirect emissions relating to air travel by our employees, as well as the transportation of processed bottom ash and fly ash to downstream destinations. Reporting scope for each GHG emission category is summarised in the infographic below:

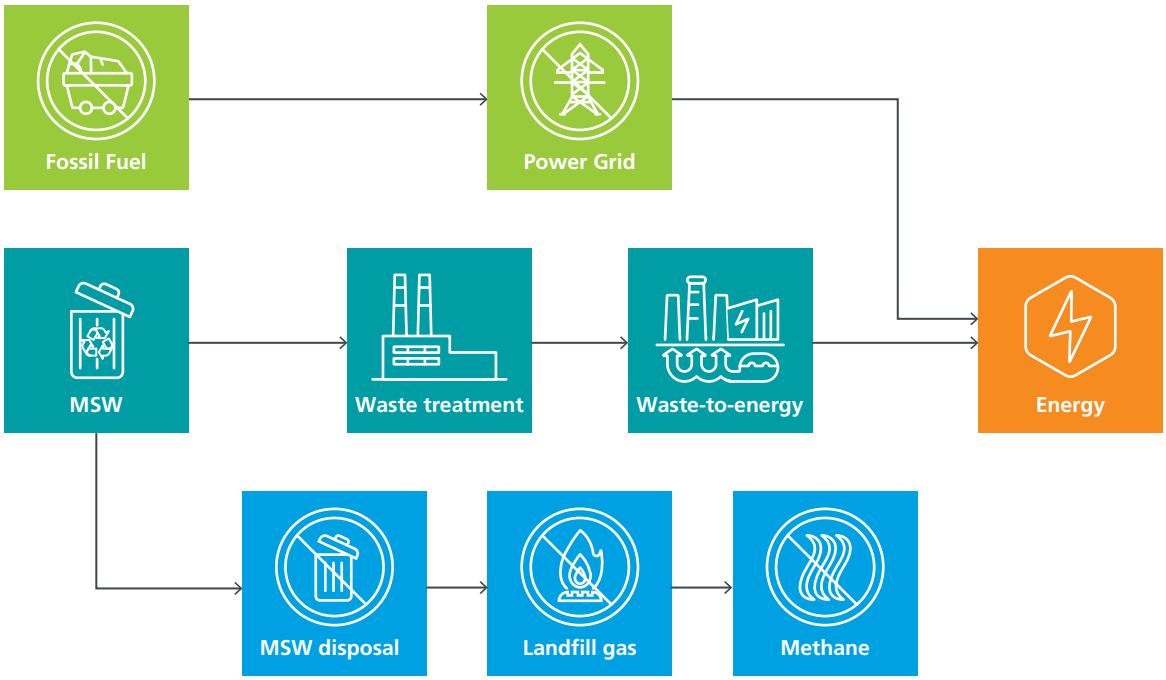


In 2021, our Operating Projects have processed 9,970,133 tonnes of MSW, representing a year-to-year increase of 44%. On the whole, the Group has supplied 3,411,321,721 kWh of green electricity to the grid, offsetting 5,399,653 tonnes of carbon dioxide equivalent emissions.

GHG Emissions

	2021 (based on CDM)	2021 (based on C-CDM)
Scope 1 (Direct Emissions) (tCO_2e)	7,720,564	3,903,852
Incineration of MSW (tCO_2e)	7,682,534	3,891,303
Other sources (tCO_2e)	38,030	12,549
Scope 2 (Energy Indirect Emissions) (tCO_2e)	2,574	2,264
Scope 3 (Other Indirect Emissions) (tCO_2e)	2,626	2,626
Total GHG Emissions (tCO_2e)	7,725,764	3,908,742
Total GHG Emissions Intensity (tCO_2e/tonnes of MSW processed)	0.775	0.392
GHG Emissions Offset (tCO_2e)	5,399,653	5,399,653
Remaining GHG Emissions (tCO_2e)	2,326,111	(1,490,911)

GHG Emissions Offset through Waste-to-Energy



Through recovering the heat generated from the incineration of MSW for electricity generation, the Group's WTE projects possess a twofold opportunity for GHG reductions and offset — avoidance of methane emissions as a result of diverting the corresponding MSW from landfills, as well as the Scope 2 decarbonisation opportunities for downstream electricity purchasers in place of fossil fuel-based energy with the electricity generated at our WTE plants.

2030 MSW Processed and Green Electricity Sold Targets

As a leading integrated urban environmental protection and sanitation solution provider, Canvest is dedicated to help lead the way to transition towards a cleaner future with sustainable waste management practices and less reliant on fossil-based energy. As such, as we journey into a new decade in this Reporting Period, we have committed to two cumulative environmental targets for progressive achievement from now until 2030.

MSW Processed

Process 100,000,000 tonnes of MSW between 2021 and 2030.

Green Electricity Sold

Supply 35,000,000 MWh of green electricity to the grid between 2021 and 2030.

OUR PEOPLE

INCLUSIVE WORKING ENVIRONMENT

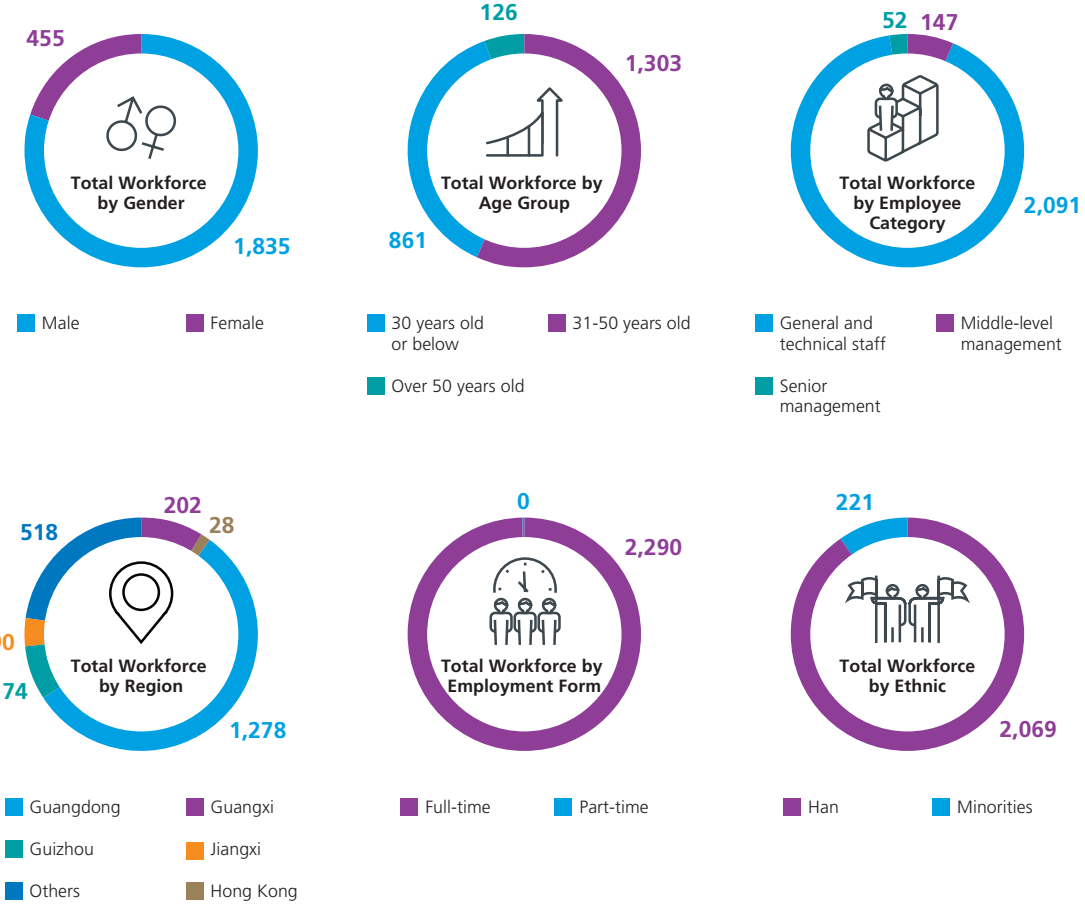
Canvest believes that the contribution of our employees are critical to our business and overall success. As such, with the oversight of our Executive Director, our Administration Department aims to provide a friendly, inclusive and productive working environment to foster the diversity of employees and develop an industry-leading team. The professional growth of our people is also essential to the development of our business. We invest heavily in training to ensure all our employees are professionally trained and to provide them with rewarding career paths. Administration Department shall be responsible for ensuring equality, diversity and inclusiveness in the workplace while working in tandem with other supporting departments or business units.

Meanwhile, we strictly comply with the *Labour Law of the PRC* and relevant regulations in where we operate, fully respect employee rights and interests, ensure occupational health and safety, optimise employee career development mechanism and strictly prohibit any form of discrimination. The Group's *Social Responsibility Management Policy* aligns with the SA8000 Social Accountability Standard, ensuring that all applicable labour requirements are integrated into our corporate culture. We commit to continually improving our employment and welfare system while strictly abiding by the relevant laws and regulations.

Apart from providing a diverse range of trainings and complying with legal requirements, Canvest goes above and beyond in motivating employees to balance work and play through participating in various engagement activities while prioritising employee health and safety with the Canvest-exclusive "gold card" level medical insurance. The "gold card" is a comprehensive medical package that includes annual health check-up, pre-allocated sum for medical consultations and additional secondary claims.

As of 31 December 2021, our headquarter offices and Operating Projects employed a total of 2,290 permanent staff, a significant proportion of which comprises technicians and operational workers.

Workforce Demographics of Headquarter Offices and Operating Projects in 2021



Our Approach in Protecting the Rights and Interests of Employees

Canvest is devoted to becoming an outstanding employer through establishing a comprehensive management system in providing policies, standards and guidance for the protection of the rights and interests of our employees.

 **Employment Policy**	• To ensure 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.
 **Anti-Discrimination Procedure**	• To ensure all our employees receive fair wages, fair benefits, fair working hours and fair treatment regardless of gender, age, ethnic origin, religion, political affiliation and nationality. • To promote diversity and equal opportunities within our workplace, especially in the recruitment and career advancement processes.
 **Prohibition of Child Labour and Remedial Procedure & Elimination of Forced Labour Procedure**	• To ensure the prevention of child and forced labour. • Stringent procedures regarding the validation of personal identification documents and conducting background checks (where necessary) are in place to ensure that the workforce engaged by the Group is not associated with any form of child and/or forced labour. • In the unlikely case that any labour malpractice, false identities or information is discovered, the Group shall report such incident to relevant authorities to seek further advice and guidance. The Group shall also conduct a thorough investigation to identify the cause behind the incident before taking the appropriate corrective actions. The investigation report will be archived internally for record-keeping purpose and to avoid future incidents.
 **Grievance and Compliant Procedures**	• To investigate and respond to any employee's grievance in a timely manner in addition to quarterly meetings with employees' representatives. • To report concerns, employees can contact the head of their respective departments or make a report through our whistleblowing platforms: a dedicated mailbox for submitting written complaints is set up at each of the operating project sites and a dedicated email address whistleblowing@canvest.com.hk is also setup for electronic and 24/7 submissions. Submissions received by all platforms will reach our Audit Committee (all members are Independent Non-Executive Directors) directly within ten working days from the date of submission. Our whistleblowing platforms are accessible by all parties including our customers, suppliers and the general public. Confidentiality is ensured at all steps to protect all persons from reprisal or disadvantage as a result of making a report.

OUR PEOPLE

Anti-Corruption and Anti-Bribery Management Procedure

- To provide guidance on each type of unethical behaviours and ensure our employees understand how to avoid bribery, extortion, fraud and money laundering with oversight from the Board.

Freedom of Association and Collective Bargaining Procedure

- To ensure our employees have the rights to form and participate in trade unions and collective bargaining.

ENGAGEMENT AND RETENTION

Canvest places great importance on attracting outstanding talents to work with us and retaining them as they develop their long-term career paths. Employees are the primary driver of the Group's sustainable development, and we strive to establish a comprehensive human resources management system to provide standards and guidance for various management work. For instance, our *Employment Procedure* offers clear guidelines on recruitment and promotion. At the same time, our *Human Resources Control Procedure* stipulates the requirements relating to compensation and dismissal, working hours, rest periods, and other benefits and welfare for employees. We strictly enforce our employment policies to uphold a supportive and fair working environment.

The Group has various initiatives and programmes in place to help diversify the workforce and support the employment of female, underprivileged, disabled or ethnical minority groups in the community. We endeavour to prioritise conducting recruitment activities in the local community of our Operating Projects, as we believe in the importance of creating shared value with our business activities while supporting local economic development and prosperity. For example, our Ruili and Xingyi Projects have recruited a notable number of ethnic minority employees from the surrounding areas, with stringent monitoring practices in place to guarantee that they receive the same competitive remuneration packages and career progression opportunities as other employees. Going forward, our Strategy and Sustainability Committee will continue to review our initiatives and programmes in place and further our efforts in increasing diversified recruitment and retention rates.

Remuneration System

- In full compliance with any local legal requirements with respect to minimum wage
- Provide incentivised, performance-based remuneration

Benefits and Subsidies

- Beyond the provision of basic employee benefits such as insurance and housing funds, Canvest also provides accident insurance, transport subsidies, meal allowances, holiday allowances, and health check-ups

Recruitments and Promotions

- Talents are recruited and retained irrespective of gender, age, ethnic origin, religion, political affiliation and nationality
- Annual salary reviews are conducted to reward employees for their continuous efforts and accomplishments

Work-Life Balance

- All of our employees are entitled to maternity/paternity leave in accordance with local statutory requirements
- Sports competitions, celebrating events for different festivals and birthday parties are regularly held by each projects

OUR PEOPLE

Canvest has established a sound employee engagement and communication mechanism to encourage employees' participation in making suggestions and feedback. We value any input from our employees and strive to formulate a harmonious enterprise-employee relationship.

Several approaches have been undertaken to foster a culture of open and effective dialogues at all levels, including:

As of 31 December 2021, no grievance or complaints from employees were received.

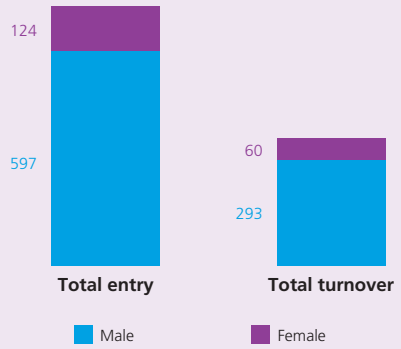
Employee Entry and Turnover

Canvest is actively expanding its business along the value chain and exploring new opportunities under the carbon neutrality policy direction. Currently, the Group has 35 operating, secured and announced WTE projects, covering 13 provinces/municipality across China. In 2021, the total number of new employees accounted for 31.48% of the total workforce, while staff turnover and retirement accounted for 15.41% of the total workforce.

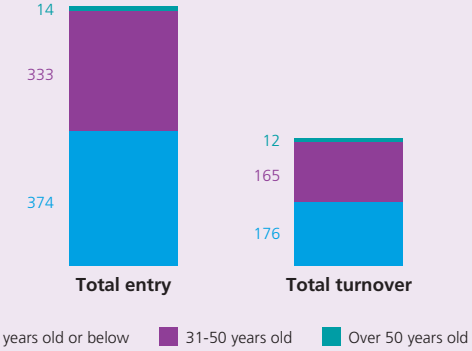
Canvest is also devoted to enhancing local economic development by providing job opportunities to the local community. Amongst our projects, over 50% of our senior management were recruited from local regions.

Employee entry and turnover statistics in 2021

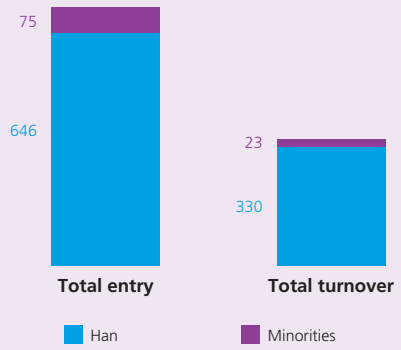
By Gender



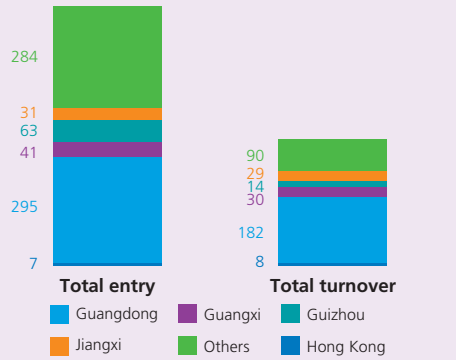
By Age group



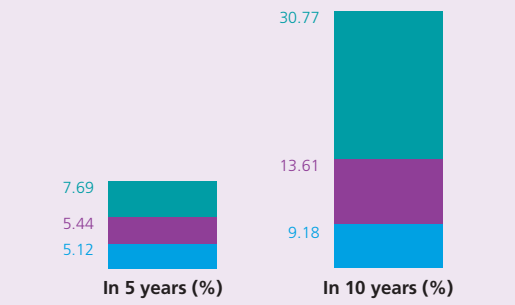
By Ethnicity



By Region



Percentage of Employees Eligible for Retirement in 5 and 10 Years

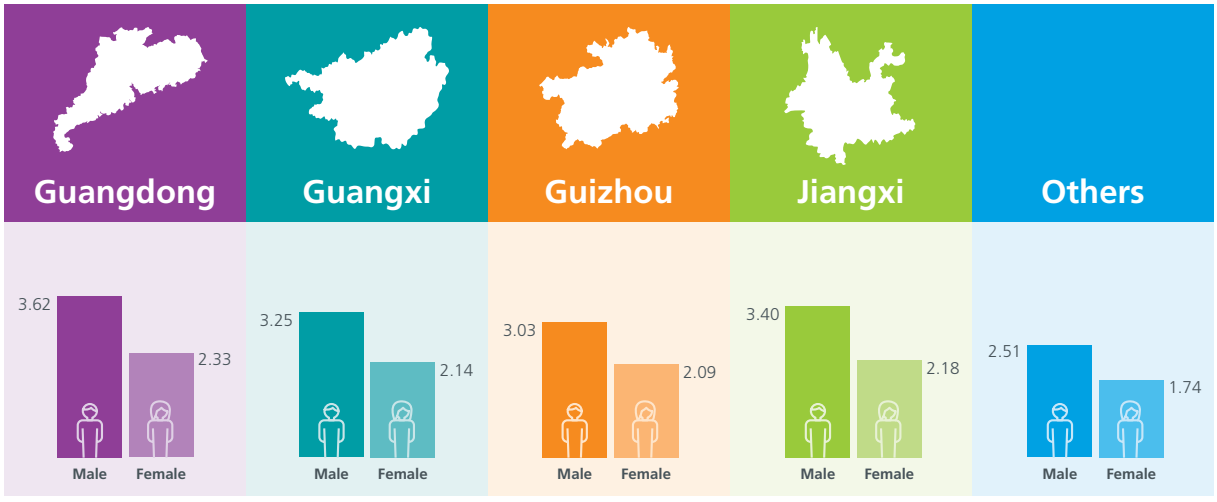


Remuneration Framework

Through our overall remuneration framework, Canvest is committed to offering a fair yet competitive salary, benefits and reward performance to attract talents and retain outstanding staff. We continue to improve our remuneration system to align with reasonable market levels while maintaining our industrial competitiveness.

In 2021, 100% of our employees received performance and salary reviews, in recognition of their efforts and accomplishments throughout the year. Over the past few years, our remuneration and benefits have exceed local legal requirements.

Ratio of Standard Entry-Level Wage to Local Minimum Wage in 2021



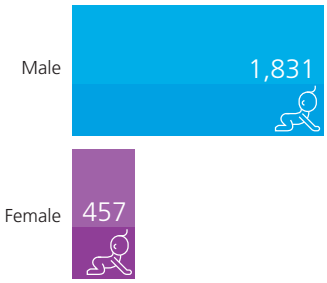
Note: Entry-level wage refers to the full-time wage in the lowest employment category, including basic salary but excludes bonuses and overtime pay. Intern or apprentice wages are not considered as entry level wages.

Parental Leave Statistics of headquarter offices and Operating Projects in 2021

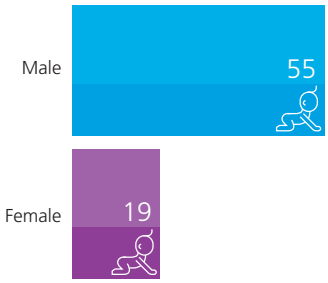
Canvest strives to protect the legitimate rights and interests of female employees, adhering to the principle of gender equality and ensuring that female employees enjoy equal labour rights and social security benefits. Furthermore, in compliance with local statutory requirements, all of our employees are entitled to maternity and paternity leave, nursing breaks and regular physical examinations.

The Group acknowledges the value of all of our staff members. As such, we retain job positions for employees on maternity/paternity leave and ensure their career development and remuneration remain unaffected by the leave.

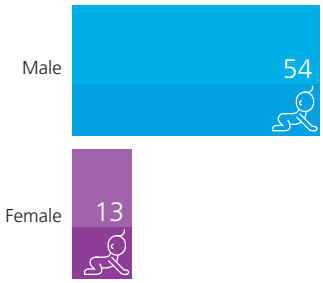
Number of employees entitled to parental leave



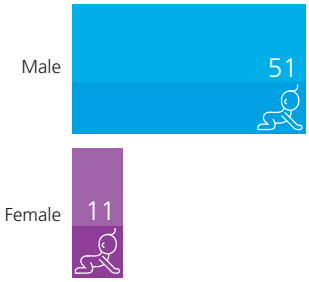
Number of employees took parental leave



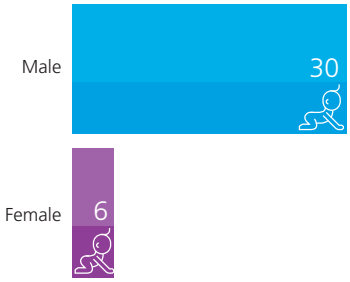
Number of employees due to return to work after taking parental leave in 2021



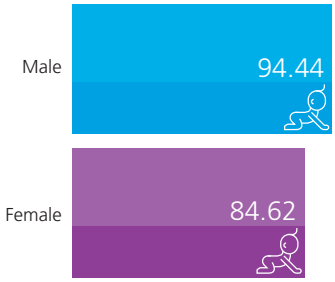
Number of employees who returned to work after parental leave ended in 2021



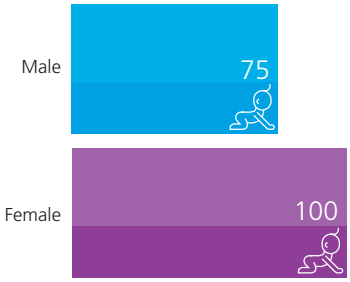
Number of employees who returned to work after parental leave ended in 2020 and still employed by the end of 2021



Return to work rate (%) [a]



Retention rate (%) [b]



$$\text{a: Return to work rate} = \frac{\text{Number of employees who returned to work after parental leave ended in 2021}}{\text{Total number of employees due to return to work after taking parental leave in 2021}} \times 100$$

$$\text{b: Retention rate} = \frac{\text{Number of employees who returned to work after parental leave ended in 2020 and still employed by the end of 2021}}{\text{Total number of employees returning from parental leave in 2020}} \times 100$$

Engagement and Event Activities

We care about our employees' psychological and physical well-being and encourage them to achieve work-life balance. Through organising different team building, leisure and sports events, we aim to enhance cohesion and teamwork among our staff, while advocating the spirit of "Work Hard, Play Hard".

- Festival Celebrating Events (e.g. Chinese New Year Party, dumplings making and barbeque in Mid-Autumn festival)
- Quarterly Birthday Party
- Tree Planting Activities
- Sports Competition (e.g. basketball, volleyball and Burpee Jump)
- Outdoor Activities (e.g. hiking, biking, team-building, company trip)
- Competition on Safety Knowledge, Speech and Photography

CULTIVATING TALENTS

The professional growth of our people is essential to the advancement of our business. We invest heavily in the training of our employees, keeping them abreast of the latest developments in the industry and enhancing their professional knowledge and performance. To foster a culture of lifelong learning and continuous pursuit of excellence, the Group provides reimbursements to employees for training courses and professional certifications. Employees are also entitled to take education leave for attending external training. Furthermore, each of our new employees is automatically paired with an experienced mentor through our "1+1 Onboarding and Orientation Programme" to provide them with the necessary guidance and support in their daily duties.

Our *Social Responsibility System Training Management Procedure* is set to provide comprehensive training packages to our new and existing employees, covering onboarding, professional and anti-corruption training for different job junctions. Moreover, our training programme includes SA8000 standards, legal requirements regarding working hours, wages and benefits, company policies and procedures, safe operating procedures and labour protection procedures. The Group also ensures that our special operations personnel have received the required statutory training and obtained relevant operating permits.

In 2021, a total of 114,047 hours of training have been provided, amounting to an average of 50 hours per employee. Training costs amounted to a total of RMB722,642, equivalent to an average of RMB171 per employee trained.

	2021	2020	2019
Average training hours per employee	50	33	24

HEALTH AND SAFETY

Safety of our employees remains a top priority for the Group. Canvest strictly adheres to 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. Abiding by these guidelines and laws, we take a comprehensive approach to identify, prevent, and control occupational hazards for employees.

Our goal is to enhance business resilience by creating a controlled working environment where our people and assets are safe and our operations pose minimal impacts on the environment and communities. Major risks of work-related injuries in the WTE industry include musculoskeletal injuries, bone fractures, falling from heights and electric shocks, while major risks of work-related ill health in the WTE industry include skin and gastrointestinal disorders, as well as exposure to hazardous substances, such as respirable dust, fly ash, dioxins and carcinogens. Canvest adheres to the *Prevention and Treatment of Occupational Diseases Law* of the PRC in identifying and managing occupational hazards, and has adopted every possible measure to mitigate and minimise these risks at workplace, including equipping our employees and contractors with adequate personal protective equipment, as well as including safety features such as railings and warning signs in appropriate plant areas. Managers of Safety and Environment Department have also been assigned to regularly review and reinforce our health and safety policies.

Regular trainings and safety knowledge contests are also provided to our employees to enhance their overall awareness of safety and preparedness for emergencies. Furthermore, the Group has standard plans and processes in place to help prevent and be prepared for, respond to, and recover from potential emergencies such as fire, typhoon, flooding, and emergency evacuations.

Health and Safety Measures

- The *Occupational Health and Labour Protection Management Policy* is implemented to standardise the occupational health and safety measures for each of our Operating Projects.
- *Safety Performance Management Policy* is implemented to ensure compliance with national safety requirements and improve overall safety prevention and control measures through qualitative and quantitative evaluation.

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- 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. Furthermore, all staff members can raise their concerns or provide feedback to help us continuously improve on our health and safety system by reaching out to the respective department heads or through the whistleblowing platforms. Consultation sessions are also organised from time to time to encourage transparent communication and feedback from business unit representatives.
- Our Safety Production Committee organises occupational health check-ups every year and conducts ad hoc site inspections to ensure that safe work practices are in place, at the same time disseminating information on occupational health and safety to workers.

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- To further protect our female workers in the workplace during their pregnancy, the *Labour Protection of Female Workers Procedure* was stipulated to prevent female workers from taking up physically demanding work, working in an environment exposed to a certain radiation dosage threshold, working overtime and being assigned nightshifts etc.

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- 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 machine operations, chemical spills, etc. are carried out.

Ensuring Safe Operation

To maintain our promise of upholding a safe and accident-free working environment, Canvest has implemented the *Operation Environmental Control Procedure*, which lays out the processes, actions and responsibilities for managing the operation environment at 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.

In 2021, the total working hours of our employees and contractors were approximately 5,729,470 hours and 6,276,472 hours, respectively. The overall injury rate of the Group remained at a low level of 0 for our employees and 0.13 for our contractors.

Emergency Preparedness and Crisis Management

Emergency response scenarios were delivered to executives, senior management, and support staff to enhance the response capabilities to different emergencies and build resilience. Through conducting emergency exercises, the Group aims to reveal planning weaknesses in the existing management plan, improve coordination between various response personnel and increase the general awareness and understanding of the potential hazards.

To ensuring the safe and stable operation of facilities under extreme weather conditions, the Group requests each Operating Project to conduct at least one emergency drill for flooding and typhoon every year. All staff of the project is requested to participate in the event. On-site guidance was provided by the Group's Safety and Environmental Protection Department and Operation Management Department.

Every year, all Operating Projects are requested to organise at least one emergency drill on electricity outage in order to examine the existing emergency response capacities and strengthen the coordination between various staff. In November 2021, the Group live-streamed the emergency drill for the first time. Staff of all Operating Projects were grouped to watch the electricity outage emergency drill conducted in Zhanjiang Project, with an aim to encourage our staff to learn from and complement each other, as well as reducing the travelling cost.

SERVING OUR COMMUNITY

SERVING OUR COMMUNITY

Canvest understands the importance of our role in assisting the underprivileged through proactive community engagement. We share the community with many others and as a responsible corporate entity, we strive to build a better community for all by committing our resources to engagement activities. The Group has actively encouraged and coordinated our employees with the support from our Administration Department (and in the future, the Strategy and Sustainability Working Team) to participate in community engagement and charitable activities. Furthermore, employees are allowed to undertake volunteer work during regular working hours upon receiving approval from their direct supervisors, such as being volunteers in nucleic acid test during the office hours. As a national corporate group, we have continued to sponsor and donate to community projects and events. Our *External Communication Procedure* provides a means of engagement with individuals or associations who are interested in the Group's social performance and would like to share their opinions with us.

Highlights of Our Community Initiatives in 2021

Voluntary workers for nucleic acid test

Blood donation

More than **4,440** hours of voluntary work

Caring for the Children

Anti-drug promotion — destroy illegal drugs

More than **1,690** employees participated in welfare and charitable activities

Public Visit to WTE Facilities

Community Services

More than **12,440** visitors in total visited our WTE facilities

ENVIRONMENTAL EDUCATION FOR ALL

Apart from serving the community, environmental education is also fundamental in raising awareness and empowering people to contribute to environmental protection and help combat climate change.

Celebrating World Environment Day with All

Canvest proactively participates the promotion campaign of World Environment Day every year. In 2021, the theme of this event is "Man and Nature Live in Harmony". On 5 June 2021, Canvest has launched a series of events across its project companies to enhance public awareness towards environmental protection.

"Skyline of Sustainability Vision" at Lufeng WTE Plant

Lufeng WTE plant partnered up with local schools to host an environmental art creation event, where children were encouraged to express environmental protection initiatives such as protecting the Earth, animals and plant species, as well as conserving water resources through paintbrushes. The creation event collected 20 pieces of artwork in total, forming a new collection displayed at the environmental education centre which represents the sustainability vision of our next generation.

Educational Activities at Zhanjiang, Xinfeng and Laibin WTE Plants

Meanwhile, Zhanjiang, Xinfeng and Laibin WTE Plants had set up public tours and practical seminars to educate the public and university students on waste management technologies and waste incineration processes. Through providing visits to WTE plants and distributing promotional leaflets, participants gained valuable insights into environmental protection and waste treatment technologies.

OUR ENVIRONMENTAL PROTECTION EDUCATION CENTRES

We regularly invite the general public to visit our WTE plants, where each one is equipped with a dedicated exhibition venue, interactive exhibits and multimedia tools to illustrate the environmental science, advanced incineration process technology and sustainability aspects of our WTE operations. In 2021, we have organised over 800 tours to our WTE projects.

Environmental Protection Education Centre in our Lufeng Project and Dianbai Project were awarded as "2021 Environmental Education Centre of Guangdong Province" by the Department of Ecology and Environment of Guangdong Province. Canvest added two provincial green centers after the accreditation of Canvest Environmental Protection Theme Pavilion in Dongguan as the Environmental Education Centre of Guangdong Province since 2019. It demonstrates Canvest's effort in environmental education was recognised by the professionals and general public.

JOINING HANDS WITH COMMUNITY TO FIGHT COVID-19 PANDEMIC

Canvest has worked closely with the local government to address challenges associated with COVID-19 pandemic and has carried out all possible measures to prevent and contain the outbreak within communities. In the wake of the local government's efforts to implement stringent measures to raise environmental hygiene standards and eradicate all unregulated dumping sites, the Group's projects have taken in non-hazardous clinical wastes and received an waste transferred from these dumping sites. By shouldering this responsibility, the Group has successfully contributed to the prevention of secondary virus transmission and significantly improved the overall hygiene of the cities, creating a better living environment for the communities.

Ruili – A Border City Warmed Up By A Group of Canvest Employees

Ruili, the westernmost border city of the Yunnan Province, borders Myanmar on its eastern, western and southern borders, and is the gateway city with the largest flow of people, vehicles and goods along the China-Myanmar border. Since 2020, Ruili has undergone five waves of the COVID-19 pandemic and four lockdowns, and just happens to be where our Ruili Project is situated. In the face of the severe pandemic prevention and control measures, the Ruili Project served as a fortress at the frontlines of combating the pandemic, where our employees worked together to ensure the Ruili Project had a smooth transition from the construction phase to the operation phase, taking up the important responsibility of managing local MSW and pandemic-related waste.

1st Wave of The Pandemic: Work Resumption and Adaptation

In January 2020, the Ruili Project had just begun its construction and the pandemic suddenly swept across the country. The Ruili Project closely cooperated with the government to carry out pandemic prevention and control measures and became the first batch of local units to resume work. We adapted and optimised the construction plan to catch up progress.

2nd Wave of The Pandemic: The 1st Lockdown — Picking Up the Construction Pace

In September 2020, Ruili reported its first imported case and led to its first lockdown.

The lockdown and consequent home quarantine meant a full halt in construction work and progress might not be achieved on time. After a week of home quarantine, the Ruili Project received a notice to resume work. Everyone was excited and poured in all their energy into the construction and successively completed the construction works of several milestones, including the storage pool, tipping hall, leachate treatment plant, integrated water pump room, cooling tower, multi-purpose building.

Despite a series of challenges and constraints of tight schedules and delays in equipment supply caused by the ever-evolving COVID-19 pandemic, the Group managed to keep high quality of construction work as all staff and project construction entities paid concerted effort to overcome difficulties and Ruili WTE plant was recognised as "2020 Demonstration Project for Standardised Quality Control in Construction in Yunnan Province" by Department of Housing and Urban-Rural Development of Yunnan Province.

3rd Wave of The Pandemic: The 2nd Lockdown — Successful Supply of Electricity to Grid

By the end of March 2021, there were confirmed local cases and Ruili started its second lockdown. Since then, staff-wide nucleic acid testing had become a constant routine for Ruili Project employees.

In April 2021, the Ruili Project completed its construction amidst the lockdown and began to fulfil its major duty of processing MSW properly after the first refuse collection vehicle enter the plant.

In May 2021, the Ruili Project successfully supplied electricity to the grid, leading Ruili into the new era of harmless treatment of MSW. This was undoubtedly the perfect gift to support the local pandemic prevention and control efforts.

4th Wave of The Pandemic: Treating Pandemic-related Waste

In July 2021, Ruili started its third lockdown and home quarantine. By then, Ruili Project's employees were already at the front line of anti-pandemic efforts. As requested by local government, the Ruili Project took up the responsibility of managing pandemic-related waste.

Serving as the terminal of anti-pandemic efforts, the Ruili Project worked out the *Municipal Waste Reception and Anti-pandemic Waste Management Plan* and the *Unloading Platform Closed-loop Management Plan*. These plans laid out disinfection and staff protection details throughout the entire waste management process, ensuring that anti-pandemic measures were in place at each stage of waste processing and the pandemic-related waste was handled in accordance with relevant safety standards. Responsible government departments visited the plant to ensure the preparation works in place and offered several sanitisation and protection trainings to our staff. On 9 July, the first refuse collection vehicle with pandemic-related waste docked at the reserved unloading platform of the Ruili Project.

The Ruili Project conducted daily cleaning and sanitisation on weightstation, unloading platforms, tunnel for refuse collection vehicles and other key areas to prevent secondary transmission of pandemic by pandemic-related waste. The government also conducted environmental sampling in project sites regularly.

5th Wave of The Pandemic: Guard the Post and Patiently Hope for a Brighter Tomorrow

In August 2021, Ruili started the fourth lockdown and home quarantine. At this moment, every Ruili Project employee stood guard at their respective posts to ensure the Project maintained normal operations, and safeguarding the final frontier of treating MSW and pandemic-related waste.

In 2021, the Ruili Project has processed more than 2,000 tonnes of pandemic-related waste generated by non-medical institutions and MSW in mid- and high-risk areas in Ruili.

The pandemic would eventually dissipate, and the small border town would surely return to its former beauty and prosperity. The Ruili Project staff would always uphold the mission of "Protecting the Green Ecology and Dedicating to Clean Energy", and to warm this city with our own efforts.

Creating Shared Value

Donation to Dongguan Recovery Experimental School

As a socially responsible enterprise, in 2021, Canvest donated a batch of electric treadmills, standing frames, lower limb trainers, as well as children's speech training and assessment workstations to the Dongguan Rehabilitation Experimental School. Since 2013, this school has been providing compulsory education, vocational education and rehabilitation education for students aged 6–18 with moderate and severe physical disabilities, intellectual disabilities and partial hearing and speech disabilities, visual disabilities and autism. Our donations will help the students rehabilitate while reducing the workload of the teachers and caregivers. We are selflessly dedicated to supporting vulnerable groups by conveying warmth and strength with love.

SERVING OUR COMMUNITY

To further increase the Group's competitiveness within the industry and enhance its influence on environmental protection, we have initiated collaborations with institutional partners and have participated in local environmental events to promote sustainability and the latest green technologies. In FY2021, Canvest was involved in 18 professional organisations as either an executive council member or a corporate member.

Canvest's Corporate Memberships	
Guangdong Urban Waste Disposal Industry Association	Member
Guangdong Association for Environmental Monitoring	Member
Dongguan Industry Association of Sanitation	Member
Dongguan Power Trade Association	Member
Guangdong Environmental Sanitation Association	Member
Guangdong Cleaning Production Association	Member
Guangdong Association of Circular Economy and Resources Comprehensive Utilisation	Member
Guangdong Green Supply Chain Association	Member
Guangdong Energy Conservation Association	Member
Dongguan Price Association	Member
Guangdong Association of Environmental Protection Industry	Member
Zhanjiang Environmental Sanitation Association	Vice President
China Association of Urban Environmental Sanitation	Member
Zhongshan Energy Power Trade Association (ZSEPTA)	Member
Zhongshan City Precursor Chemicals Industry Association	Member
Zhongshan City Shenwan Industry & Commerce	Member
Guangdong Provincial Association of Entrepreneurs	Member
Guizhou Environmental Sanitation Association	Member

KEY AWARDS AND RECOGNITIONS

ESG

InnoESG

- "ESG Care Prize 2021"

Bloomberg Business Week (Chinese Edition)

- "ESG Leading Enterprise Awards 2021"

Institute of ESG & Benchmark "ESG Achievement Awards 2020"

- "Special ESG Awards — The Outstanding ESG Performer of the Year (Platinum Award)"
- "Special Awards (Criteria set by Fund Managers) — Outstanding ESG Company (Platinum Award)"

"Bay Area Corporate Sustainable Development Awards 2021"

- "Community Sustainable Development Award (Sustainable City and Community)"
- "Green Sustainable Development Award (Climate Action)"

KEY AWARDS AND RECOGNITIONS

Environmental

"BOCHK Corporate Environmental Leadership Awards 2020"

- "Guangdong-HongKong-Macao Bay Area Environmental Leadership Recognition Award": Lufeng Project
- "EcoChallenger Recognition Award": Lufeng Project and Xinfeng Project

Industry

"North Star Cup 2021 Waste-to-Energy Industry Award"

- "Social Contribution Award"
- "Excellent Open-to-Public Power Plant Award": China Scivest Project and Dianbai Project
- "Power Plant Operational Management Benchmark Award": Hengli Project (Phase 1 & 2 expansion)

The 15th Solid Waste Strategic Forum 2021

- "Most Socially Responsible Investment Company 2021"

China Ecological Environmental Industry Summit Forum 2021

- "Top 50 Environmental Corporation in China 2021"

KEY AWARDS AND RECOGNITIONS

Others

Hong Kong Investor Relations Association "7th Investor Relations Awards" (Small Cap):

- "Best IR by Chairman/CEO"
- "Best IR by CFO"
- "Best IRO"
- "Best IR Company"
- "Best Investor Meeting"
- "Best ESG (S)"

Department of Housing and Urban-Rural Development of Yunnan Province Shortlists:

- "2020 Demonstration Project for Standardised Quality Control in Construction in Yunnan Province": Ruili Project

"Luban Prize for China Construction Engineering 2020–2021 (National Prime-Quality Project)": Dianbai Project

"Grade AAA Innocuous Waste Incineration Plant": Dianbai Project

PERFORMANCE DATA SUMMARY

ECONOMIC PERFORMANCE

	2021 HK$'000	2020 HK$'000	2019 HK$'000
Direct Economic Value Generated			
Revenue	**6,794,571**	4,987,906	3,952,216
Share of net profits of associates and a joint venture	**96,498**	118,195	54,770
Other income	**237,809**	211,828	155,317
Economic Value Distributed			
Staff costs	**488,983**	350,564	304,442
Other costs[1]	**4,030,785**	2,914,464	2,299,454
Financial cost	**411,608**	340,642	204,183
Dividends	**263,470**	209,802	178,120
Taxes[2]	**123,479**	102,920	64,547
Profit attributable to non-controlling interest	**(2,828)**	3,393	(571)
Charitable donations	**4,520**	2,075	1,600
Economic Value Retained			
Retained for Canvest's sustainable operation and development	**1,808,861**	1,394,069	1,110,528

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.

COMMUNITY INVESTMENT

	Unit	2021	2020	2019
Community Outreach				
Participated volunteers	No.	**1,692**	691	599
Voluntary hours	Hours	**4,449**	3,123	2,516

WTE PROJECTS

I. Operational Performance

	Unit	2021	2020	2019
Business Performance				
MSW processed	tonne	**9,970,133**	6,944,529	5,911,952
Power generated	MWh	**3,919,157**	2,754,374	2,355,931
Percentage of renewable energy generated	%	**100**	100	100
Power sold	MWh	**3,411,322**	2,412,437	2,062,643
Percentage of renewable energy connection to grid	%	**100**	100	100

II. Environmental Performance

In order to reflect the operations of the Group more accurately, we have revised some of the calculation methods for GHG emissions during the reporting period. The default value of the fossil carbon content based on the IPCC guidelines has limitations which prohibit taking into consideration of the climatic conditions in Mainland China, as well as the characteristics of the wastes sent to the WTE plants. Therefore, with consideration of climatic conditions and waste composition, we have calculated the GHG emissions using the principle generally based on CDM methodologies, with some of the coefficients or emission factors have been changed to values that are more in line with national situation or those that have been updated. This modified methodology is referred to subsequently as Chinese-modified CDM Methodology ("C-CDM").

	Unit	2021	2020	2019
Greenhouse Gas (GHG) Emissions				
Scope 1 (Direct Emissions)				
Based on CDM [3]	tonne CO_2e	**7,720,564**	5,339,286	4,459,286
Based on C-CDM [4]	tonne CO_2e	**3,903,852**	2,653,774	1,773,395
Scope 2 (Energy Indirect Emissions) [5]				
Based on CDM	tonne CO_2e	**2,574**	3,351	3,222
Based on C-CDM	tonne CO_2e	**2,264**	3,351	3,222
Scope 3 (Other Indirect Emissions) [6]	tonne CO_2e	**2,626**	481	248
Total GHG emissions				
Based on CDM	tonne CO_2e	**7,725,764**	5,343,118	4,462,756
Based on C-CDM	tonne CO_2e	**3,908,742**	2,657,606	1,776,865
GHG emissions offset	tonne CO_2e	**5,399,653**	4,141,898	2,809,524
Remaining GHG emissions				
Based on CDM	tonne CO_2e	**2,326,111**	1,201,220	1,653,232
Based on C-CDM	tonne CO_2e	**(1,490,911)**	(1,484,292)	(1,032,659)
GHG intensity				
Based on CDM	tonne CO_2e/tonne of MSW processed	**0.775**	0.769	0.755
Based on C-CDM	tonne CO_2e/tonne of MSW processed	**0.392**	0.383	0.301
Remaining GHG intensity				
Based on CDM	tonne CO_2e/tonne of MSW processed	**0.233**	0.173	0.280
Based on C-CDM	tonne CO_2e/tonne of MSW processed	**(0.150)**	(0.214)	(0.175)

PERFORMANCE DATA SUMMARY

	Unit	2021	2020	2019
Air Emissions				
Particulate matter (PM)	tonne	**132**	80	67
Sulphur dioxide (SO_2)	tonne	**712**	405	297
Nitrogen oxides (NO_x)	tonne	**5,320**	3,383	3,178
Fuel Consumption [7]				
Fuel oil	GJ	**143,040**	54,736	29,574
Natural gas	GJ	**24,538**	27,318	35,213
Energy Consumption [7]				
Electricity	GJ	**1,835,293**	1,170,571	1,061,556
From renewable sources	GJ	**1,821,057**	1,151,658	1,042,546
From non-renewable sources	GJ	**14,236**	18,913	19,010
Total energy consumed	GJ	**2,002,871**	1,252,625	1,126,343
Energy intensity	GJ/tonne of MSW processed	**0.201**	0.180	0.191
Percentage of renewable energy consumed	%	**91**	92	93
Percentage of non-renewable energy consumed	%	**9**	8	7
Key Materials Consumption				
Lime	tonne	**65,471**	41,377	41,487
Activated carbon	tonne	**4,786**	3,312	2,667
Urea	tonne	**6,128**	5,532	5,647
Ammonia water	tonne	**8,131**	4,770	6,079
PNCR material	tonne	**31**	202	436
Hydrochloric acid	tonne	**1,429**	697	458
Sodium bicarbonate	tonne	**33**	78	183
Coagulant & flocculant	tonne	**175**	163	273
Fly ash chelating agent	tonne	**3,444**	Figures not available	Figures not available
Cement	tonne	**2,168**	Figures not available	Figures not available

PERFORMANCE DATA SUMMARY

	Unit	2021	2020	2019
Freshwater Consumption				
Total freshwater consumption	m^3	**16,306,077**	11,143,500	9,474,384
Freshwater intensity	m^3/MWh	**4.780**	4.619	4.593
Wastewater and Waste				
Leachate produced	tonne	**1,103,091**	711,717	692,505
Bottom ash produced	tonne	**2,070,505**	1,517,896	1,194,373
Fly ash produced (before stabilisation)	tonne	**188,712**	124,384	117,300
Environmental Compliance				
Number of violation cases related to pollutant emissions or environmental impact	No.	**0**	0	0

Notes:

(3) The calculation for Scope 1 emissions is referenced to CDM methodology: *ACM0022: Alternative Waste Treatment Processes (Version 2.0)*.

(4) The calculation for Scope 1 emissions is referenced to *Household Waste Incineration Engineering Technology* (Bai Liangcheng) for the related emissions of MSW incineration, which uses the relevant coefficients of the carbon content of various types of wastes that are more in line with national situations, and deducts the water content from the incoming wastes, instead of referring to the CDM default wet-based waste composition value.

(5) 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 Regional Baseline Grid Emissions Factor for Emission Reduction Projects in China 2019 issued by the Ministry of Ecology and Environment of the PRC.

(6) The calculation method for GHG emissions from air travel is based on the International Civil Aviation Organization (ICAO) Carbon Emissions Calculator.

(7) Energy consumption is calculated based on the conversion factors provided in China Energy Statistical Yearbook 2019.

III. Employment and Labour Practices

	Unit	2021	2020	2019
Employment Profile [8]				
Number of full-time permanent staff	No.	**2,290**	1,383	1,095
By Gender				
Male	No.	**1,835**	1,108	876
Female	No.	**455**	275	219
By Age Group				
30 years old or below	No.	**861**	487	338
31–50	No.	**1,303**	815	679
Over 50 years old	No.	**126**	81	78
By Employment Category				
General and technical staff	No.	**2,091**	1,289	1,004
Middle-level management	No.	**147**	64	64
Senior management	No.	**52**	30	27
By Geographical Region				
Hong Kong	No.	**28**	27	29
Guangdong	No.	**1,278**	984	691
Guangxi	No.	**202**	191	194
Guizhou	No.	**174**	93	93
Jiangxi	No.	**90**	88	88
Others	No.	**518**	0	0
By Ethnicity				
Han	No.	**2,069**	1,259	984
Ethnic minorities	No.	**221**	124	111

PERFORMANCE DATA SUMMARY

	Unit	2021	2020	2019
Employee Entry — Number of new employee hires				
By Gender				
Male	No.	**597**	209	131
Female	No.	**124**	38	34
By Age Group				
30 years old or below	No.	**374**	132	79
31–50	No.	**333**	114	75
Over 50 years old	No.	**14**	1	10
By Geographical Region				
Hong Kong	No.	**7**	0	3
Guangdong	No.	**295**	185	80
Guangxi	No.	**41**	21	25
Guizhou	No.	**63**	14	15
Jiangxi	No.	**31**	27	42
Others	No.	**284**	0	0
By Ethnicity				
Han	No.	**646**	234	153
Ethnic minorities	No.	**75**	13	12

	Unit	2021	2020	2019
Employee Entry — Rate of new employees hires				
By Gender				
Male	%	**32.53**	15.11	11.96
Female	%	**27.25**	2.75	3.11
By Age Group				
30 years old or below	%	**43.44**	9.54	7.21
31–50	%	**25.56**	8.24	6.85
Over 50 years old	%	**11.11**	0.07	0.91
By Geographical Region				
Hong Kong	%	**25.00**	0.00	0.27
Guangdong	%	**23.08**	13.38	7.31
Guangxi	%	**20.30**	1.52	2.28
Guizhou	%	**36.21**	1.01	1.37
Jiangxi	%	**34.44**	1.95	3.84
Others	%	**54.83**	0	0
By Ethnicity				
Han	%	**31.22**	16.92	13.97
Ethnic minorities	%	**33.94**	0.94	1.10

PERFORMANCE DATA SUMMARY

	Unit	2021	2020	2019
Employee Turnover — Number of employee turnover				
By Gender				
Male	No.	**293**	143	118
Female	No.	**60**	31	26
By Age Group				
30 years old or below	No.	**176**	75	60
31–50	No.	**165**	84	70
Over 50 years old	No.	**12**	15	14
By Geographical Region				
Hong Kong	No.	**8**	1	1
Guangdong	No.	**182**	118	74
Guangxi	No.	**30**	15	26
Guizhou	No.	**14**	13	12
Jiangxi	No.	**29**	27	31
Others	No.	**90**	0	0
By Ethnicity				
Han	No.	**330**	166	133
Ethnic minorities	No.	**23**	8	11

	Unit	2021	2020	2019
Employee Turnover — Rate of employee turnover				
By Gender				
Male	%	**15.97**	10.34	10.78
Female	%	**13.19**	2.24	2.37
By Age Group				
30 years old or below	%	**20.44**	5.42	5.48
31–50	%	**12.66**	6.07	6.39
Over 50 years old	%	**9.52**	1.08	1.28
By Geographical Region				
Hong Kong	%	**28.57**	0.07	0.09
Guangdong	%	**14.24**	8.53	6.76
Guangxi	%	**14.85**	1.08	2.37
Guizhou	%	**8.05**	0.94	1.10
Jiangxi	%	**32.22**	1.95	2.83
Others	%	**17.37**	0	0
By Ethnicity				
Han	%	**15.95**	12.00	12.15
Ethnic minorities	%	**10.41**	0.58	1.00
Training				
Percentage of Employee Trained				
By Gender				
Male	%	**100**	96	81
Female	%	**100**	70	59
By Employment Category				
General and technical staff	%	**100**	91	75
Middle-level management	%	**100**	86	95
Senior management	%	**100**	97	70

PERFORMANCE DATA SUMMARY

	Unit	2021	2020	2019
Average Training Hour per Employee				
By Gender				
Male	hours	**56.81**	36.71	28.14
Female	hours	**21.52**	15.70	9.61
By Employment Category				
General and technical staff	hours	**52.90**	33.02	24.58
Middle-level management	hours	**16.23**	25.28	22.48
Senior management	hours	**19.97**	26.80	23.63
Health and Safety (Employees/Contractors) [9]				
Number of work-related fatalities	No.	**0/1**	0/0	0/0
Rate of work-related fatalities [10]	—	**0/0.03**	0/0	0/0
Number of high-consequence work-related injuries (excluding fatalities) [11]	No.	**0/3**	0/0	0/1
Rate of high-consequence work-related injury (excluding fatalities) [12]	—	**0/0.1**	0/0	0/0.04
Number of work-related injuries [13]	No.	**0/4**	0/2	0/2
Rate of work-related injuries [14]	—	**0/0.13**	0/0.05	0/0.09
Lost days due to work-related injuries	Days	**0/468**	0/120	0/212
Number of occupational disease cases	No.	**0/0**	0/0	0/0

	Unit	2021	2020	2019
Labour Practices				
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

Notes:

(8) Due to the new projects added to the Group each year, the inclusion of the new employee data, including but not limited to new hires and turnovers, affected the employee count in the Reporting Period. Therefore, the data will not tally with those of the previous year.

(9) Total working hours of our employees and contractors were approximately 5,729,470 hours and 6,276,472 hours respectively.

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

(11) High-consequence work-related injuries refer to work-related injuries that result in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.

(12) Rate of high-consequence work-related injuries (excluding fatalities) =

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

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

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

PERFORMANCE DATA SUMMARY

SUSTAINABILITY OVERVIEW OF ENVIRONMENTAL HYGIENE AND RELATED SERVICES

Sichuan Jiajieyuan is a sanitation and waste management service provider located in Sichuan and has become part of Canvest through acquisition in December 2018. To demonstrate its dedication in upholding Canvest's value of promoting sustainability in the waste management industry, Sichuan Jiajieyuan strives to enhance its social and environmental performance through the establishment and implementation of various management system and procedures.

Our Value Chain

The Company's *Procurement Management System* is implemented to control the quality of the procurement processes and effectively manage any potential risks. We extend our social value to our suppliers to promote the importance of integrity and anti-corruption. To further minimise the Company's social risks in the procurement process, we have also implemented the *Supplier Management Procedure* which was formulated based on the SA8000 and other relevant standards. The procedure clearly stated that for any suppliers situated in areas that may violate labour regulations with potential involvement of child labour and forced labour, they have to sign a disclaimer and being assessed to demonstrate their commitment for social compliance. With the above mentioned and various other policies, the Company aims to promote ethical and sustainable business practice throughout the sanitation and waste management industry.

Our Environment

The Company is committed to protect the environment and continually improves its environmental performance and has therefore established the *Environmental Protection Management System* to regulate its measures on pollution prevention, resource conservation and emission reduction. We strictly monitor and assess each department's environmental management to ensure conservation and waste management measures are properly carried out. The Company has also formulated the *Environmental Protection Assessment Management System* to further strengthen the control measures on emissions. Various punishment measures are in place based on the scale and significance of environmental event, and this aims to emphasise that all employees bear the same responsibility in protecting the environment.

Our People

In order to increase the productivity and sense of belonging from our employees, the Company has formulated the *Human Resource Management System* to standardise management of employees. The Company insists on having fair and open recruitment process to attract talents with provision of competitive remuneration package and benefits, including pension, medical, unemployment, occupational injury and pregnancy insurances.

We have implemented comprehensive occupational health and safety system to safeguard the rights of our employees and promote safety awareness. A series of management procedures that provides clear guidelines for our employees to follow and allow them to understand the protocols for safe operation. The Company highly values the safety of our employees and upholds the philosophy of "3 No Harm" — no harm caused to own safety by operation, no harm caused on others and protection themselves from harm caused by others. Our safety training programme adheres to the *Work Safety Law of the PRC* and aims to strengthen our employees' ability on self-protection and awareness towards accidents prevention. We have set the target of compulsory safety training monthly for management department, with at least 1 safety event organised each month.

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2021 or other references/explanation
Environmental		
Aspect A1: Emissions		
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; Compliance with Relevant Laws and Regulations that have Significant Impact on Canvest The Group has established the following standardised procedures to mitigate the environmental impacts associated with our operations: • *Resource Control Procedure* • *Operation Environmental Control Procedure* • *Production & Operation Management Procedure*
KPI A1.1	The types of emissions and respective emissions data.	Our Environment; Performance Data Summary
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Our Environment; Performance Data Summary
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Our Environment; Performance Data Summary
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; Performance Data Summary

SEHK ESG REPORTING GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2021 or other references/explanation
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Our Environment We adhere to the Group's *Operation Environmental Control Procedure* and *Production & Operation Management Procedure* to control our emissions. Nevertheless, we will continually upgrade our technology to further reduce emissions and to actively explore various emissions reduction solutions. We also have plans to reduce carbon emissions based on long-term targets in order to be in line with the timeline of the UN Sustainable Development Goals.
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Our Environment For waste reductions, bottom ash produced by Canvest's operations were collected by qualified contractors for integrated utilization, such as reusing as alternative materials to produce eco-bricks. Nevertheless, we will continue to explore measures to reduce waste generation in our daily operations, and have set targets to continually improve our waste management performance.
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Our Environment The Group has established the following standardised procedures to ensure effective use of resources: • *Resource Control Procedure* • *Social Responsibility Management Policy — Requirements on the Use of Electricity* • *Social Responsibility Management Policy — Requirements on the Use of Water*

SEHK ESG REPORTING GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2021 or other references/explanation
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; Performance Data Summary
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Our Environment; Performance Data Summary
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Our Environment We adhere to the Group's *Implementation Measures for Energy Saving of Power Plant, Resource Control Procedure* and *Social Responsibility Guidelines — Requirements on the Use of Electricity* to control our energy consumption. Nevertheless, we strive to achieve better energy efficiency and lower carbon emission through actively explore the solutions for higher energy efficiency and technological advancement.
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Our Environment The Group has carried out environmental impact assessment and we did not encounter any issues in sourcing water. Practices are also in place at each project company to regularly monitor water stress risks throughout our operations. We adhere to the Group's *Social Responsibility Guidelines — Requirements on the Use of Water* to control our water consumption. Nevertheless, we will continue to explore measures to improve our water efficiency. Through increasing recycling rate of treated wastewater and reduction in overall water consumption, we aim to achieve improvement in our water management performance in the long-term.

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2021 or other references/explanation
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.
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Our Environment The following standardised procedures are established to minimise the impacts on environmental and natural resources: • *Resource Control Procedure* • *Environmental Factors Identification, Evaluation and Control Procedure*
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
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Our Environment Standardised procedures such as *Management System Against Typhoons and Flood* are in place to tackle climate-related risks.
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Our Environment

SEHK ESG REPORTING GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2021 or other references/explanation
Social		
Employment and Labour Practices		
Aspect B1: Employment		
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; Compliance with Relevant Laws and Regulations that have Significant Impact on Canvest Our recruitment process strictly follows the *Labour Law of the PRC* and *Employment Ordinance* of Hong Kong. Standardised procedures are also established to provide guidance on the company's employment and labour requirements. Relevant company policies include: • *Employment Procedure* • *Anti-discrimination Procedure* • *Human Resources Control Procedure*
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Our People; Performance Data Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Our People; Performance Data Summary
Aspect B2: Health and Safety		
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; Compliance with Relevant Laws and Regulations that have Significant Impact on Canvest 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: • *Safety Management Control Procedure* • *Emergency Preparedness and Response Control Procedure*

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2021 or other references/explanation
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Performance Data Summary
KPI B2.2	Lost days due to work injury.	Performance Data Summary
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Our People
Aspect B3: Development and Training		
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: • *Social Responsibility System Training Management Procedure* • *Social Responsibility Management Policy — Induction Training System* • *Social Responsibility Management Policy — Safety Knowledge Training*
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Data Summary
KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Data Summary

SEHK ESG REPORTING GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2021 or other references/explanation
Aspect B4: Labour Standards		
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; Compliance with Relevant Laws and Regulations that have Significant Impact on Canvest 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
Operating Practices		
Aspect B5: Supply Chain Management		
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
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Our Sustainable Business
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Our Sustainable Business

SEHK ESG REPORTING GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2021 or other references/explanation
Aspect B6: Product Responsibility		
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 Business; Compliance with Relevant Laws and Regulations that have Significant Impact on Canvest 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: • *Production Equipment Control Procedure* • *Monitoring and Compliance Evaluation Procedure* • *Mitigation Measures Control Procedure* There are no laws relating to advertising, labelling and privacy matters relating to products and services provided which would have a significant impact to Canvest, hence there are no relevant policies in place.
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 and intellectual property rights of our stakeholders, including: • *Confidentiality Management Policy* • *Document Management Policy* • *Contract Management Policy*

SEHK ESG REPORTING GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2021 or other references/explanation
KPI B6.4	Description of quality assurance process and recall procedures.	Our Sustainable Business Relevant company policies: • *Warehouse Materials Management Procedures* • *Unqualified Items Management Procedures* Quality assurance process and recall procedures do not apply to Canvest as electricity is the final product.
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, including: • *Confidentiality Management Policy* • *Document Management Policy* • *Contract Management Policy*
Aspect B7: Anti-corruption		
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; Our Sustainable Business; Compliance with Relevant Laws and Regulations that have Significant Impact on Canvest 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: • *Internal Audit Control Procedure* • *Anti-Corruption and Bribery Management Procedure*
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.	There were no legal cases regarding corrupt practices brought against the Group or its employees during the reporting period.

SEHK ESG REPORTING GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2021 or other references/explanation
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Our People; Our Sustainable Business
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Our Sustainable Business
Aspect B8: Community Investment		
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: • *Social Responsibility Management Policy* • *External Communication Procedure*
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

GRI CONTENT INDEX

This Report contains standard disclosures from GRI Sustainability Reporting Standards. 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 this Report. This service was performed on the English version of this Report. The following table indicates the location of our direct response to GRI Standards disclosures included in this Report and other publicly available documents of the Group.

Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2021 or other references/explanation	Page Number
GRI 101: Foundation 2016 (Does not include any disclosure)			
GRI 102: General Disclosures 2016			
Organisation Profile			
102-1	Name of the organization	About this Report	2–5
102-2	Activities, brands, products, and services	About Canvest; Annual Report 2021 Canvest is an integrated urban environmental protection and sanitation solutions provider. Our business portfolio does not cover the sales of renewable power equipment.	10–15
102-3	Location of headquarters	About Canvest; Annual Report 2021	10–15
102-4	Location of operations	About Canvest; Annual Report 2021	10–15
102-5	Ownership and legal form	Annual Report 2021	—
102-6	Markets served	About Canvest; Annual Report 2021	10–15
102-7	Scale of the organization	About Canvest; Performance Data Summary; Annual Report 2021	10–15, 88–100
102-8	Information on employees and other works	Our People; Performance Data Summary	61–74, 88–100
102-9	Supply chain	About Canvest; Our Sustainable Business	10–15, 21–31
102-10	Significant changes to the organisation and its supply chain	Our Sustainable Business	21–31
102-11	Precautionary principle or approach	Our Sustainable Business	21–31
102-12	External initiatives	Our Environment	32–60
102-13	Membership of associations	Serving Our Community	75–84

GRI CONTENT INDEX

Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2021 or other references/explanation	Page Number
Strategy			
102-14	Statement from senior decision-maker	Message from Our Chairlady	6–9
102-15	Key impacts, risks, and opportunities	About Canvest; Our Sustainable Business; Annual Report 2021	10–15, 21–31
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behaviour	Our Sustainable Business; Our People	21–31, 61–74
102-17	Mechanisms for advice and concerns about ethics	Our Sustainable Business; Our People	21–31, 61–74
Governance			
102-18	Governance structure	Our Sustainable Business	21–31
102-19	Delegating authority	Our Sustainable Business	21–31
102-20	Executive-level responsibility for economic, environmental, and social topics	Our Sustainable Business	21–31
102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholder Engagement	16–20
102-22	Composition of the highest governance body and its committees	Our Sustainable Business; Annual Report 2021	21–31
102-23	Chair of the highest governance body	Annual Report 2021	—
102-24	Nominating and selecting the highest governance body	Annual Report 2021	—
102-25	Conflicts of interest	Annual Report 2021	—
102-26	Role of highest governance body in setting purpose, values, and strategy	Our Sustainable Business; Annual Report 2021	21–31
102-27	Collective knowledge of highest governance body	Our Sustainable Business	21–31
102-28	Evaluating the highest governance body's performance	Our Sustainable Business	21–31
102-29	Identifying and managing economic, environmental, and social impacts	Stakeholder Engagement; Our Sustainable Business	16–20, 21–31

Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2021 or other references/explanation	Page Number
102-30	Effectiveness of risk management process	Our Sustainable Business	21–31
102-31	Review of economic, environmental, and social impacts	Our Sustainable Business	21–31
102-32	Highest governance body's role in sustainability reporting	Our Sustainable Business	21–31
102-33	Communicating critical concerns	Annual Report 2021	—
102-34	Nature and total number of critical concerns	Annual Report 2021	—
102-35	Remuneration policies	Annual Report 2021	—
102-36	Process for determining remuneration	Annual Report 2021	—
102-37	Stakeholders' involvement in remuneration	Annual Report 2021	—
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): 34.39 : 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): 0.37 : 1	
Stakeholder Engagement			
102-40	List of stakeholder groups	Stakeholder Engagement	16–20
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	16–20
102-43	Approach to stakeholder engagement	Stakeholder Engagement	16–20
102-44	Key topics and concerns raised	Stakeholder Engagement	16–20

GRI CONTENT INDEX

Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2021 or other references/explanation	Page Number
Reporting Practices			
102-45	Entities included in the consolidated financial statements	Annual Report 2021 — Notes to the Consolidated Financial Statements	
102-46	Defining report content and topic boundaries	About this Report; Stakeholder Engagement Reporting scope excludes WTE plants owned by Canvest as associates or joint ventures, projects under construction, as well as our environmental hygiene business and car park business.	2–5, 16–20
102-47	List of material topics	Stakeholder Engagement	16–20
102-48	Restatement of information	There is no restatement of information in this Report.	
102-49	Changes in reporting	This year, Environmental Education fell out of the top ten material topics; Wastewater and Waste Management was split into two separate topics where only the latter made it into the top ten; and Child Labour and Forced Labour made it into top ten.	
102-50	Reporting period	About this Report	2–5
102-51	Date of most recent report	14th July 2021	—
102-52	Reporting cycle	Annually	—
102-53	Contact point for questions regarding the report	About this Report	2–5
102-54	Claims of reporting in accordance with the GRI Standards	About this Report	3
102-55	GRI content index	GRI Content Index	111–122
102-56	External assurance	Verification Statement	127

Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2021 or other references/explanation	Page Number
Topic-specific Disclosures			
Economic Performance			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	16–20
103-2	The management approach and its components	Our Sustainable Business	21–31
103-3	Evaluation of management approach	Message from Our Chairlady; Our Sustainable Business	6–9, 21–31
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	Performance Data Summary	88–100
201-2	Financial implications and other risks and opportunities due to climate change	Message from Our Chairlady; About Canvest	6–9, 10–15
201-3	Defined benefit plan obligations and other retirement plans	Our People	61–74
201-4	Financial assistance received from government	Local governments awarded a total of HK$25,090,000 during the Reporting Period to support the research and development of Canvest's WTE projects.	
Market Presence			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	16–20
103-2	The management approach and its components	Our People	61–74
103-3	Evaluation of management approach	Our People	61–74

GRI CONTENT INDEX

Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2021 or other references/explanation	Page Number
GRI 202: Market Presence 2016			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Our People We do not have the same information on contractor/ subcontractor due to confidentiality concerns.	61–74
202-2	Proportion of senior management hired from the local community	Our People 50% of senior management is locally hired from Hong Kong and Guangdong Province. Senior management is defined as managers at the highest level of the Group and each of its subsidiaries including the Board of Directors. Local means they are from the same province or special administrative region.	61–74
Material Usage			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	16–20
103-2	The management approach and its components	Our Environment	32–60
103-3	Evaluation of management approach	Our Environment	32–60
GRI 301: Materials 2016			
301-1	Materials used by weight or volume	Our finished product is electricity, hence no data is available on manufacturing and packaging.	
301-2	Recycled input materials used		
301-3	Reclaimed products and their packaging materials	Our finished product is electricity, hence does not involve reclaimed products.	

Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2021 or other references/explanation	Page Number
Energy Efficiency			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	16–20
103-2	The management approach and its components	Our Environment	32–60
103-3	Evaluation of management approach	Our Environment	32–60
GRI 302: Energy 2016			
302-1	Energy consumption within the organization	Our Environment; Performance Data Summary Canvest had no purchased heating, cooling or steam consumption in the Reporting Period and Canvest only sold electricity but not heating, cooling nor steam. With waste-to-energy as our major business, the Group uses household waste as the major source of fuel to generate green electricity for supply to the grid. Due to the highly varying composition and heat content of household waste, it is not feasible to arrive at a meaningful calculation of total energy consumption within the organisation.	32–60, 88–100

GRI CONTENT INDEX

Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2021 or other references/explanation	Page Number
302-2	Energy consumption outside of the organization	Our Environment; Performance Data Summary Key energy consumption outside of Canvest includes fuel consumption from upstream and downstream transportation, and electricity consumption by end users (the general public).	32–60, 88–100
302-3	Energy intensity	Our Environment; Performance Data Summary Energy intensity only takes into account the energy consumed within Canvest.	32–60, 88–100
302-4	Reduction of energy consumption	Our Environment Energy reduction is not measured, hence no quantitative data is available.	32–60
302-5	Reductions in energy requirements of products and services	Not applicable since our product is electricity.	—
Waste Management			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	16–20
103-2	The management approach and its components	Our Environment	32–60
103-3	Evaluation of management approach	Our Environment	32–60

Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2021 or other references/explanation	Page Number
GRI 306: Waste 2020			
306-1	Waste generation and significant waste-related impacts	Our Environment	32–60
306-2	Management of significant waste-related impacts	Our Environment The vast majority of waste generated by Canvest is associated with processing incoming household waste generated upstream as a key component of the waste-to-energy process. Therefore, the waste-to-energy process is in itself a waste management approach for dealing with household waste, alleviating the stress on landfill capacity. In addition, the more organic content there is in the incoming household waste, the more cumulative landfill gas fugitive emissions — which comprises mainly greenhouse gases such as methane and carbon dioxide, can be avoided for years to come with waste diversion from landfills achieved in waste-to-energy processes.	32–60
306-3	Waste generated	Our Environment; Performance Data Summary While it is out of Canvest's control to guarantee the quality and limit the quantity of incoming household waste, Canvest strives to promote waste reduction at source and recycling in collaboration with local governments to move towards zero-waste cities.	32–60, 88–100
306-4	Waste diverted from disposal	Our Environment	32–60
306-5	Waste directed to disposal	Our Environment	32–60

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Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2021 or other references/explanation	Page Number
Environmental Compliance			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	16–20
103-2	The management approach and its components	Our Environment	32–60
103-3	Evaluation of management approach	Our Environment	32–60
GRI 307: Environmental Compliance 2016			
307-1	Non-compliance with environmental laws and regulations	Our Environment	32–60
Labour Practices and Employee Welfares			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	16–20
103-2	The management approach and its components	Our People	61–74
103-3	Evaluation of management approach	Our People	61–74
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	Our People; Performance Data Summary	61–74, 88–100
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our People	61–74
401-3	Parental leave	Our People	61–74
Occupational Health and Safety			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	16–20
103-2	The management approach and its components	Our People	61–74
103-3	Evaluation of management approach	Our People	61–74

Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2021 or other references/explanation	Page Number
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	Our Sustainable Business; Our People	21–31, 61–74
403-2	Hazard identification, risk assessment, and incident investigation	Our Sustainable Business; Our People	21–31, 61–74
403-3	Occupational health services	Our Sustainable Business; Our People	21–31, 61–74
403-4	Worker participation, consultation, and communication on occupational health and safety	Our People	61–74
403-5	Worker training on occupational health and safety	Our People	61–74
403-6	Promotion of worker health	Our People	61–74
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Our Environment; Our People	32–60, 61–74
403-8	Workers covered by an occupational health and safety management system	Our Sustainable Business; Our People	21–31, 61–74
403-9	Work-related injuries	Our People; Performance Data Summary	61–74, 88–100
403-10	Work-related ill health	Our People; Performance Data Summary	61–74, 88–100
Child and Forced Labour			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	16–20
103-2	The management approach and its components	Our Sustainable Business; Our People	21–31, 61–74
103-3	Evaluation of management approach	Our Sustainable Business; Our People	21–31, 61–74
GRI 408: Child Labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	Our Sustainable Business; Our People	21–31, 61–74

GRI CONTENT INDEX

Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2021 or other references/explanation	Page Number
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	16–20
103-2	The management approach and its components	Our Sustainable Business; Our People	21–31, 61–74
103-3	Evaluation of management approach	Our Sustainable Business; Our People	21–31, 61–74
GRI 409: Forced or Compulsory Labor 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Our Sustainable Business; Our People	21–31, 61–74

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 have Significant Impact on Canvest
Environment	
Aspect A1: Emissions *relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste*	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, and 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. In 2021, there were no confirmed cases of non-compliance in relation to environmental protection that would have a significant impact on the Group. Please refer to the "Our Environment" chapter on how Canvest ensures compliance with applicable environmental laws and regulations.

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 have Significant Impact on Canvest
Social	
Aspect B1: Employment *relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare*	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 statutory obligations and responsibilities which include 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. In 2021, 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 the "Our People" chapter on how Canvest ensures compliance with applicable employment laws and regulations.
Aspect B2: Health and Safety *relating to providing a safe working environment and protecting employees from occupational hazards*	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. In 2021, 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 the "Our People" chapter on how Canvest ensures compliance with applicable laws and regulations relating to health and safety.

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 have Significant Impact on Canvest
Aspect B4: Labour Standards *relating to preventing child and forced labour*	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 as it reflects our corporate values in honouring human rights. In 2021, 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 the "Our People" chapter on how Canvest ensures compliance with applicable laws and regulations relating to labour standards.
Aspect B6: Product Responsibility *relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress*	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. In 2021, there were no confirmed cases of non-compliance in relation to the provision and use of the Group's services, which cover health and safety, intellectual property rights and privacy matters that would have a significant impact on the Group. Please refer to the "Our Sustainable Business" chapter on how Canvest ensures compliance with applicable laws and regulations relating to product responsibility.

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 have Significant Impact on Canvest
Aspect B7: Anti-corruption *relating to bribery, extortion, fraud and money laundering*	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. In 2021, there were no confirmed cases of non-compliance in relation to corrupt practices that would have a significant impact on the Group. Please refer to the "Our Sustainable Business" chapter on how Canvest ensures compliance with applicable laws and regulations relating to corrupt practices.

VERIFICATION STATEMENT

VERIFICATION STATEMENT

Scope and Objective

Hong Kong Quality Assurance Agency ("HKQAA") was commissioned by Canvest Environmental Protection Group Company Limited ("Canvest") to undertake an independent verification for the Sustainability Report 2021 (hereinafter called the "Report"). The Report stated the sustainability performance of Canvest in the period of 1st January 2021 to 31st December 2021.

The aim of this verification is to provide a reasonable assurance on the reliability of the report contents. The Report has been prepared in accordance with the Global Reporting Initiative ("GRI") Standards: Comprehensive option, as well as Rule 13.91 and Appendix 27 "Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide")" of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "SEHK Listing Rules").

Level of Assurance and Methodology

The process applied in this verification was based on the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. Our evidence gathering process was designed to obtain a reasonable level of assurance as set out in the standard for the purpose of devising the verification conclusion. The extent of this verification process undertaken covered the criteria set out in the GRI Standards: Comprehensive option, and the SEHK Listing Rules (Rule 13.91 and Appendix 27 the ESG Reporting Guide).

HKQAA's verification process included verifying the mechanisms for collecting, calculating and reporting the sustainability performance information, reviewing relevant documented information, interviewing responsible personnel with accountability for preparing the Report and verifying selected representative samples of data and information. Raw data and supporting evidence of the selected samples were also thoroughly examined during the verification process.

Independence

Canvest is responsible for the collection and preparation of the information presented. HKQAA did not involve in the collection and calculation of data or the compilation of the reporting contents. Our verification activities were entirely independent and there was no relationship between HKQAA and Canvest that would affect the impartiality of the verification.

Conclusion

Based on the verification results and in accordance with the verification procedures undertaken, HKQAA has obtained reasonable assurance and is in the opinion that:

- The Report has been prepared in accordance with the GRI Standards: Comprehensive option, as well as the SEHK Listing Rules (Rule 13.91 and Appendix 27 the ESG Reporting Guide);
- The Report illustrates the sustainability performance of Canvest, covering all material aspects, in a balanced, comparable, clear and timely manner; and
- The data and information disclosed in the Report are reliable and complete.

Nothing has come to HKQAA's attention that the selected sustainability performance information and data contained in the Report has not been prepared and presented fairly and honestly, in all material aspects, in accordance with the verification criteria. In conclusion, the Report reflects truthfully of Canvest's sustainability performance that is commensurate with the sustainability context and materiality of the company.

Signed on behalf of Hong Kong Quality Assurance Agency

Meico Cheong
Senior General Manager, Innovation Business
27 May 2022