



Capital Environment Holdings Limited
首創環境控股有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 03989



2019

SUSTAINABILITY
REPORT





CONTENTS

2	About CEHL
3	About this Report
7	Chairman's Message
9	Executive Preface
11	Sustainability Governance Structure
17	Stakeholder Engagement
21	Promoting Green Production
26	Giving Priority to People
32	Pursuing Excellence in Services
36	Building a Harmonious Community
39	Appendix: Compliance Performance
40	Appendix: CEHL Green Bond Report
42	Appendix: KPIs Summary
46	Appendix: ESG Guide and GRI Standards Content Index

About CEHL

Capital Environment Holdings Limited (“CEHL” or the “Company”) and its subsidiaries (collectively as the “Group”) are leading providers of integrated waste treatment solutions and environmental protection infrastructure construction services in China, held by Beijing Capital Group Company Limited (“Beijing Capital Group”)¹. Currently, the Group’s various projects have been rolled out to over 20 Chinese major cities including Beijing, Shenzhen, Hangzhou, Yangzhou and Ningbo and their surrounding regions, as well as New Zealand.

In order to provide the government and local residents with a development strategy of “one-stop” solid waste treatment integrated services, the Group successfully secured 15 waste treatment projects in China in 2019, such as the hazardous waste treatment project in Xinxiang City, Henan Province, the waste-to-energy project in Nong’an County, Changchun City, Jilin Province, and the waste-to-energy public-private-partnership (“PPP”) project in Shenzhou City, Hebei Province. The abovementioned new projects enable the Group to process approximately 47,800 tonnes of municipal solid waste every day, which are set to promote green urban development.

In addition to maintaining the Group’s competitive edge in integrated solid waste treatment, CEHL also pays great attention to environmental protection and new energy industries. In 2019, the Group had set up 78 reserved projects in China, mainly including waste-to-energy, landfill, anaerobic treatment and biomass power generation. In addition, Nanchang Quanling Domestic Waste Incineration Power Plant was approved as an environmental demonstration base by the National Development and Reform Commission of the People’s Republic of China, while Yangzhou Hazardous Waste Treatment Project commenced commercial operations in 2019 and is expected to deliver positive impact to the local environmental industry.

To learn from the waste management experience of other countries, the Group has entered the New Zealand market as a shareholder of the largest local waste management service provider with a market share of over 30% and serving more than 200,000 overseas users.

With the implementation of China’s “five-in-one”² general disposition, the construction of ecological civilisation has become an integral part of the national strategy. Further policy support and capital investment will open a larger market for environmental enterprises and bring unprecedented development opportunities which will also benefit the Group. Looking ahead, with the support of every controlling shareholders and Beijing Capital Group, the Group will continue to provide customers with the best solutions and best professional services in the field of ecological and environmental protection in accordance with the “Ecology +” strategy proposed by Beijing Capital Group, to become the key craftsman and guardian of a “beautiful China”.



CEHL’s new waste incineration project in Sui County of Henan Province was a project-in-reserve during the year and plans to enter operations in 2020



Hazardous waste treatment project in Yangzhou City entered commercial operations

¹ Beijing Capital Group is a state-owned group company supervised by the Stated-owned Assets Supervision and Administration Commission of Beijing.

² It refers to economic construction, political construction, cultural construction, social construction and ecological civilisation construction.

About this Report

The Group is pleased to publish the third Sustainability Report (the “report”) to present the Group’s latest policies, initiatives and performance in sustainability in a comprehensive and diverse manner and to enable stakeholders to further understand the Group’s strategies and undertakings in sustainability. Available in both Chinese and English, the report has been uploaded to the websites of the Stock Exchange of Hong Kong Limited (“SEHK”) and the Group www.cehl.com.hk.

REPORTING BOUNDARY

The report covers the Group’s operations between January 2019 and December 2019 (the “year”), consistent with the financial year cycle of CEHL. The report focuses on 25 projects of CEHL in China (mainland) that had been completed and had entered into production during the year (referred to hereafter as the “reporting projects”). Taking into consideration the access and ownership of data, the report has not yet covered the joint ventures of which the Group holds non-controlling interests, and overseas projects (in New Zealand). Invested projects in reserve that have not entered into regular operations are also excluded³. This is consistent with how the reporting boundary was defined in the previous year. The Group is continuously improving the internal data collection system to further expand the scope of disclosure.



Gao'an Power Plant



Hangzhou Anaerobic Treatment Project

Project name	Project Abbreviation	Project companies	Business nature	Region
Nanchang Qianling Domestic Waste Incineration Power Plant, Jiangxi Province	Qianling Power Plant	Nanchang Capital Environment Energy Co., Ltd.	Waste-to-energy	East China
Gao'an Waste Incineration Power Plant, Jiangxi Province	Gao'an Power Plant	Gaoan Eacon Renewable Resources for Thermal Power Generation Company Limited		
Guangchang County Township Waste Integrated Processing Project, Jiangxi Province	Guangchang Processing Project	Guangchang Capital Environment Co., Ltd.	Waste collection, storage, transfer and landfill	
Shicheng County Township Integrated Processing Project, Jiangxi Province	Shicheng Processing Project	Shicheng Capital Environment Limited		
Shangrao City Domestic Waste Sanitary Landfill, Jiangxi Province	Shangrao City Landfill	Shangrao Fengshun Solid Waste Treatment Co., Ltd.	Landfill	
Huai'an Waste Vehicles and Household Appliances Dismantling and Recycling Project, Jiangsu Province	Huai'an Dismantling Plant	Jiangsu Subei Waste Vehicles and Household Appliances Dismantling Recycling Limited	Waste electrical appliance dismantling	
Ma'anshan Household Appliances Dismantling and Recycling Project, Anhui Province	Ma'anshan Dismantling Plant	Anhui Capital Environmental Technology Company Limited		

³ During the year, the Group’s projects in reserve in China mainland reached a total of 78 projects (including 27 waste-to-energy projects, nine landfill projects, seven anaerobic treatment projects, 19 waste cleaning, collection, storage and transfer projects, nine hazardous waste treatment projects, two waste appliances dismantling projects and five biomass power generation projects).

About this Report

Project name	Project Abbreviation	Project companies	Business nature	Region
Yangzhou Xiaoshan Kitchen Waste Anaerobic Treatment Project (Phase I), Jiangsu Province ⁴	Yangzhou Anaerobic Treatment Project ⁵	Yangzhou Capital Environmental Energy Investment Limited	Anaerobic treatment	
Hangzhou Xiaoshan Kitchen Waste Anaerobic Treatment Project (Phase I), Zhejiang Province	Hangzhou Anaerobic Treatment Project	Zhejiang Zhuoshang Environmental Energy Company Limited		
Ningbo Capital Environment Kitchen Waste Anaerobic Treatment Project, Zhejiang Province	Ningbo Anaerobic Treatment Project	Ningbo Capital Environment Kitchen Waste Treatment Company Limited		
Yangzhou Hazardous Waste Treatment Project, Jiangsu Province	Yangzhou Hazardous Waste Treatment Project	Yangzhou Capital Solid Environment Technology Limited	Hazardous waste treatment	
Nanyang Landfill Project, Henan Province	Nanyang Landfill Project	Nanyang Capital Environment Technology Company Limited	Landfill	Central China
Xihua County Domestic Waste Collection and Transfer Project in Zhoukou City, Henan Province	Zhoukou Collection and Transfer Project	Xihua Capital Environment Sanitation Limited	Waste collection, storage and transfer	
Sui County Township Domestic Waste Collection and Transfer Project, Henan Province	Sui County Collection and Transfer Project	Suixian Capital Environmental Sanitation Limited		
Lushan County Circulatory Industrial Park Project and Lushan County Township Domestic Waste Collection and Transfer Integration Project, Henan Province	Lushan Collection and Transfer Project	Lushan Capital Environment Energy Company Limited		
Qi County Rural Domestic Waste Collection Project, Henan Province	Qi County Collection and Transfer Project	Qixian Capital Environmental Energy Company Limited		
Zhengyang County Townership Domestic Waste Collection and Transfer Project, Henan Province	Zhengyang Collection and Transfer Project	Zhengyang Capital Environmental Energy Company Limited		
Qianjiang Waste Collection and Transfer Project, Hubei Province	Qianjiang Collection and Transfer Project	Qianjiang Capital Bolang Green Energy Limited		
Suiping County Urban and Rural Sanitation Integration Project, Henan Province	Suiping Sanitation Project	Suiping Capital Environmental Sanitation Company Limited	Cleaning	
Weng'an Domestic Waste Landfill, Guizhou Province	Weng'an Landfill	Weng'an Kelin Environment Company Limited	Landfill	Southwest China
Duyun Municipal Solid Waste Incineration Power Plant, Guizhou Province	Duyun Power Plant	Duyun Capital Environment Company Limited	Waste-to-energy ⁶	
Beijing Road Cleaning Project (Second Section) for Chaoyang District Environmental Health Service Center	Beijing Cleaning Project	Beijing Capital Environmental Sanitation Company Limited	Cleaning	North China
Linyi Domestic Waste Collection and Transfer Project, Shanxi Province	Linyi Collection and Transfer Project	Linyi Capital Environmental Hygiene Limited	Waste collection, storage and transfer	
Yingde Laohuyan Domestic Waste Innocuous Treatment Landfill Site, Guangdong Province	Yingde Landfill	Yingde Laohuyan Solid Waste Treatment Co., Ltd.	Landfill	South China
Huludao Domestic Waste Sanitary Landfill Site, Liaoning Province	Huludao Landfill	Huludao Kangte Jincheng Environment Management Company Limited	Landfill	Northeast China

New projects during the year included: Gao'an Power Plant, Ningbo Anaerobic Treatment Project and Yangzhou Hazardous Waste Treatment Project, and are all included in the reporting boundary.

⁴ Referred to as Yangzhou Kitchen Waste Collection, Transfer and Processing BOT Project, Jiangsu Province in 2018 Report.

⁵ Referred to as Yangzhou Kitchen Waste Project in 2018 Report.

⁶ Operations also include collection, storage and transfer of waste.

About this Report

Due to industry upgrade, landfills are gradually replaced. Duyun Domestic Waste Landfill in the last report was no longer involved in domestic waste treatment, and Duyun City's domestic waste have now been handled by Duyun Power Plant. In view of their business nature and managerial approach, management of Duyun Township Waste Collection and Transfer Project as well as Nanyang Waste Collection, Transfer and Processing Project were respectively merged into Duyun Power Plant and Nanyang Landfill Project. Therefore, the reporting boundary of the year no longer include: Duyun Domestic Waste Landfill, Guizhou Province; Duyun Township Waste Collection and Transfer Project, Guizhou Province; and Nanyang Waste Collection, Transfer and Processing Project, Henan Province. Performances of Duyun Township Waste Collection and Transfer Project and Nanyang Waste Collection, Transfer and Processing Project were covered in the environmental and social data of Duyun Power Plant and Nanyang Landfill Project.



Duyun Power Plant



Ningbo Anaerobic Treatment Project

REPORTING STANDARDS

The report is prepared in accordance with the 'Comply or Explain' provisions in the Environmental, Social and Governance ("ESG") Reporting Guide (the "ESG Guide") under Appendix 27 of the Rules Governing the Listing of Securities on the SEHK. It also reports on all applicable 'recommended disclosure' in the ESG Guide and several new social performance indicators in the amended ESG Guide⁷. Meanwhile, the report adheres to the principles of materiality, quantitative, balance and consistency set out in the ESG Guide.

Reporting principles	Definition	Application in the preparation of the report
Materiality	ESG issues that have substantial impacts on the Group and its various stakeholders should be the reporting focus.	The Group has learned about the sustainable development issues that concern different stakeholders through online survey and focus group this year. The stakeholders have selected 19 material issues for the year, among which ten issues are of critical importance to CEHL. For the specific evaluation process, please refer to Stakeholder Engagement.
Quantitative	Key performance indicators ("KPIs") need to be measurable, with comparative data where appropriate.	The raw data of the Group's social KPIs were derived from statistics of the relevant departments. To ensure the accuracy of environmental KPIs, the Group commissioned a professional external consultancy to carry out carbon assessment, the process of which references national and international standards such as the General Guideline of Accounting and Reporting Greenhouse Gas ("GHG") Emissions — Industrial Enterprises, ISO14064-1 and the GHG Protocol.

⁷ The ESG Guide amendments were announced in December during the year by the SEHK.

About this Report

Reporting principles	Definition	Application in the preparation of the report
Balance	The report should provide an unbiased picture of ESG performance.	During the preparation of this report, the Group focused not only on elaborating the ESG achievements, but also describing the difficulties encountered and proposed solutions.
Consistency	Consistent methodologies should be used to allow for meaningful comparisons of ESG data over time to reflect corporate performance.	Where practicable and unless otherwise stated, all data in this report have been disclosed using the same statistical methods as in previous years. If there are any changes that may affect the comparison with previous reports, the Group has included annotations to the corresponding contents. The environmental and social performance data of the year and the comparison with environmental performance of the previous year are detailed in "Appendix: KPI Summary".

To provide holistic insights to the Group's sustainability performance, the report this year continues to reference the GRI Standards published by Global Reporting Initiative⁸ ("GRI"), and has introduced several topic-specific disclosures to the reporting of certain material issues. A complete index indicating all selected disclosure contents in the GRI Standards is inserted in the last section of this report for reference. On the basis of widening the scope of disclosure, the Group is enhancing the ESG data collection system and plans to report in accordance with the Core option of the GRI Standards next year to cover material issues identified in a more comprehensive manner.

DATA COLLECTION

Information contained herein is sourced from the official documents and statistical data of the CEHL and its subsidiaries, and is aggregated from the management, operational and monitoring information in accordance with policies of the Group. CEHL commissioned a sustainability consultancy Carbon Care Asia Limited ("CCA") to conduct the carbon assessment to ensure the data accuracy in reporting on environmental KPIs.

The report content was reviewed during a meeting of the Board of Directors of CEHL (the "Board") held on 20 March 2020, and was subsequently approved by the Board on the same date.

OPINIONS AND FEEDBACK

CEHL welcomes your feedback on the information disclosed by the Group. Whether you are customers, business partners, members of the public, the media or community groups, your comments and opinions can help define and strengthen the Group's future sustainability strategy. If you have any question or suggestions regarding the content or format of the report, please contact the Department of Company Secretary through the following channels:

Address: 1613–1618, 16/F Bank of America Tower, 12 Harcourt Road, Central
Telephone: (852) 2526 3438
Fax: (852) 2816 0008
Email: esg@cehl.hk

⁸ With reference to GRI 103: Management Approach, as well as selected topic-specific disclosures in GRI Standards, including GRI 302: Energy, GRI 303: Water and Effluents, GRI 305: Emissions, GRI 306: Effluents and Waste, GRI 401: Employment, GRI 403: Occupational Health and Safety, GRI 404: Training and Education, GRI 405: Diversity and Equal Opportunity, GRI 406: Non-discrimination, GRI 408: Child Labour, GRI 409: Forced or Compulsory Labour.

Chairman's Message



Mr. CAO Guoxian
Chairman

CEHL has always incorporated sustainability into its business operations and continues to adopt the strategy of “Ecology +” released by its parent company Beijing Capital Group in 2018. The core of this strategy is to form enterprise platform advantages in the short term, enterprise ecology advantage in the medium term, and industrial ecology advantage in the long run, thereby shaping environmental protection businesses into a technological, intelligent and service-oriented industrial ecosystem.

Currently at the first stage of implementing this strategy, we actively provide customers with high-quality products, projects and services to build enterprise platform advantage. In terms of realising the enterprise ecology advantages, we are committed to working together with stakeholders from all walks of life to aggregate the resources and advantages of all parties to jointly create ecological value and achieve win-win cooperation. As for the construction of long-term industrial ecology, CEHL will continue to support Beijing Capital Group to garner industrial strength to meet people’s needs for ecological environment and quality life in water, solid waste, air, and resource-based professional services.

Chairman's Message

The year 2019 was also a challenging year for the country and various regions. In the face of the major public health emergency caused by the coronavirus that started at the end of the year in Hubei Province, all our employees united and collaborated, and our management team proactively fulfilled their responsibilities, by always holding up to their positions and promoting the spirit of pioneering with practical actions. Over two thousand employees stayed on duty across all 39 projects, including the Qianjiang Collection and Transfer Project in the epidemic area, serving as the backbone of the anti-pandemic teams around the country, providing important guarantees for the stable operation of various cities in the country. With well-coordinated prevention and controls of epidemic situations, as of now, there has not been any suspected or confirmed cases of COVID-19 among employees of the Group, and the Group continues with stable production and operations.

During the year, CEHL participated in the 20th IE Expo in China with two other subsidiaries of Beijing Capital Group, and showcased environmental products and innovative technology under the theme of "leading an ecological future with technology". Our solid waste treatment exhibition, themed "new technology in solid waste: waste stabilisation to tackle century-old headache", presented CEHL's innovation in approaching stabilisation treatment technology, which speeds up the rate of waste degradation by at least 30 times. Further evidenced with data, a landfill that originally require 30–100 years for stabilisation can be reused after six months to a year by adopting the new technology.

In the future, CEHL will closely follow the policy of Beijing Capital Group, continuously innovate and enhance its business capabilities, resource capabilities and value creation capabilities, to join hands with stakeholders to promote social and environmental sustainability and become a trusted provider of integrated ecological and environmental services.

Cao Guoxian

Chairman

Capital Environment Holdings Limited

March 2020, Beijing



Executive Preface



Countries around the world are facing many challenges in economic, social and environmental health aspects, and amidst these crises, the society and stakeholders have higher expectations of corporate contribution to sustainability. CEHL is committed to linking sustainable development with business value. Faced with the gradual tightening of reporting requirements by regulators, we will adopt a proactive approach in response, especially in strengthening our sustainable development governance, Board's accountability and making preparation for issues related to climate change.

Risks and opportunities associated with sustainability have an impact on our business, environment and communities where we operate. To understand more clearly and manage these factors, the Group has commissioned a sustainability consultant to conduct an industry-level assessment of sustainability risks. The report analyses the policies of global peers on sustainability issues, summarises the ESG risks faced by the waste management and environmental service industries, and puts forward action recommendations for the management's reference to better formulate strategies to meet future challenges.

All activities of the Group must take into consideration their impact on stakeholders. Listening to their opinions is an indispensable step in our sustainability efforts. The Group has invited internal and external stakeholders to participate in stakeholder engagement activities this year, and has commissioned sustainability consultants to conduct materiality assessment and analysis of the engagement results. The preliminary analysis showed that all stakeholders are concerned about improving technological innovation capabilities and managing operational impact. On this basis, the Group further held focus group activities with nearly 90 employees from various project

Executive Preface

sites to discuss the focus areas of labour regulations, operational research and development, emissions reduction and local communities, and came up with innovative solutions and suggestions to the situations faced by the Group. With the support of stakeholders, the Group is fully confident in corporate sustainability promotion.

During the year, we achieved success in many projects which we were directly or indirectly involved in, including Huojia County Domestic Waste Landfill PPP Project, Xiong'an Project and Beijing Chaoyang District Construction Waste Resource Utilisation Centre Project. These projects help the Group to develop its business technology and experience, and at the same time obtain investment revenues, which is in line with the Group's business development strategy of continuously improving the relevant industrial chain. More importantly, expanding the business scope means that the Group can join hands in improving the environment of more communities, promote the sustainable development of the industry, and enhance the overall quality of life.

It is widely acknowledged that economic development must take into account the green economic ecology. In the "five-in-one" general disposition put forward by the national administration, the construction of a green economy and ecological civilisation occupies an important position. The strengthening of national environmental governance policies and the expansion of supporting capital investment will open broader market and potential for environmental businesses. CEHL will continue to undertake national strategies, to promote circular economy and sustainability, to uphold the core concept of "commitment to improvement in national environmental protection issues", to consolidate and upgrade leading business technologies, as well as to protect our environment and communities.

Li Fujing

Chief Executive Officer

Capital Environment Holdings Limited

March 2020, Beijing

Sustainability Governance Structure

The Board is responsible for formulating the strategic direction of the Group, setting goals and business development plans for the Group, monitoring the performance of the senior management, and fulfilling corporate governance. Both the Board and the senior management have clearly defined the responsibilities and powers related to the implementation of policies and the day-to-day operations of the Group. Under the leadership of the Board, the senior management is responsible for implementing the Group's strategies and business objectives. The increasing diversity of the Board has become a key element in supporting the Group's achievement of strategic goals and sustainability. To assist the Board in fulfilling its governance functions, the Board Secretariat is responsible for daily external information disclosure and corporate social responsibility management.

During the year, the Group adjusted the functions and composition of the Production Safety Committee⁹ to coordinate and supervise the environmental and social performance management in the project companies. The restructured Production Safety Committee is chaired by the Chief (Executive) Officer of the Company, with its executive functions undertaken by the Deputy Chief Officer of the Company, and is composed of the Group's senior management.

In order to fully implement the Group's sustainability plans, the Board is reviewing the establishment of a Group sustainability committee and working groups, and will plan further work in the coming year.

ECONOMIC PERFORMANCE

CEHL economic performance during the year in China mainland
Processed 3,968 thousand tonnes of domestic waste ¹⁰
Provided 316 million kilowatt-hours of on-grid energy
Dismantled 3.14 million pieces of electrical appliances and equipment ¹¹ and recorded a revenue of RMB442 million
Total investment of RMB20.6 billion in projects in reserve
Received government subsidies of about RMB54 million ¹²
Confirmed a total tax charge of RMB210 million on preferential rates to local governments based on profits gained

CEHL understands that climate change may impose financially relevant impacts on enterprise working capital and customer needs for product and service, and continues to focus on the relevant opportunities and plan response actions. The Company is carrying out the review of the Climate Change Policy, and will communicate the action measures to the project companies of the Group in 2020.

⁹ The Company made an adjustment to the Production Safety Committee in January this year to merge and reorganise the management functions of the existing Environmental, Health and Safety Committee.

¹⁰ The 22 projects in the report boundary involving waste incineration, landfill and cleaning (excluding the Beijing Cleaning Project) disposed of about 3.632 million tonnes of domestic waste. The performance of the Beijing Cleaning Project is measured in terms of the size of the area cleaned, with an average of 3.345 million square meters of pavement cleaned per month this year.

¹¹ The treatment capacity was derived from the waste electrical appliances dismantling projects in the report boundary, i.e. Huai'an Dismantling Plant and Ma'anshan Dismantling Plant.

¹² It refers to the total amount received during the year (i.e. including amounts approved but not received in prior years). The subsidies were mainly allocated to the Hangzhou Anaerobic Treatment Project, Duyun Power Plant, Gao'an Power Plant, the Yangzhou Hazardous Waste Treatment Project, Nanyang Landfill Project and Ningbo Anaerobic Treatment Project.

Sustainability Governance Structure

ENVIRONMENTAL LEADERSHIP

The Group is committed to clean efficient growth, by preventing and reducing adverse environmental impacts to protect the ecosystem, and by adhering to the principles of “protection first, prevention oriented, integrated governance, public participation, and taking responsibility for damage” to promote clean production and establish long-term environmental protection mechanism. All project companies should abide by the environmental laws and regulations of the country and region where they are located, achieve “zero accidents, zero harms, and zero pollution”, fulfil their social responsibilities, and build up environmentally friendly businesses.

The Group implements the “Executive Leadership Accountability System” in environmental management, that is, the Chief Executive Officer is the Primary Responsible Person for the Company’s environmental management, whereas the heads of departments and project companies are the Primary Responsible Persons for their unit’s environmental management. The Group also implements a top-down “Environmental Protection Target Accountability System”, which defines the persons-in-charge in each phase of environmental protection and implements a hierarchical whole-process accountability management system for environmental protection. All project companies shall incorporate environmental protection targets and indicators into their production and operation accountability system, with responsibilities dissolved to and monitored at each managerial tier, and conduct regular assessments.

To coordinate the implementation of the environmental accountability system, the Production Safety Committee exercises centralised leadership over environmental protection as the Group’s leading organisation for environmental management. Based on the CEHL Environmental Management Measures revised during the year, the Production Safety Committee is responsible for: coordinating the Group’s environmental compliance; analysing and studying the environmental management, and putting forward rectification requirements for major problems and hidden hazards; formulating long-term plans on energy efficiency, environmental protection and cleaner production; organising review and promulgation of environmental management system, and monitoring inspections of implementation; handling investigation, analysis and remediation in case of major environmental accidents, and formulating preventive measures.

SOCIAL PRACTICES

The secretariat supporting the Production Safety Committee is responsible for the system construction of production safety, as well as coordinating and supervising the relevant departments and project companies to carry out production safety works. The Group has also established a sound management approach to various social issues (including labour rights, occupational health and safety, product service responsibilities and supply chain management, etc.), such as the Employee Management System, the Occupational Health Management Method, the Remuneration Management System, the Education and Training Management Measures and the Procurement Management Measures, which guide the Group to implement various actions and measures to enhance its social performance. In order to achieve key social performance management goals, the persons in charge of the project companies shall sign an annual Target Responsibility Declaration and fulfil the occupational health and safety responsibilities.

ESG RISK MANAGEMENT

The Board is responsible for determining the nature and degree of risks that the Company is willing to accept when achieving strategic objectives, ensuring that the Company establishes and maintains an appropriate and effective risk management and internal control system, and supervising the management’s design, implementation and monitoring of risk management and internal control system. The Company has established the Internal Audit Department and the Corporate Management Department for corporate risk management functions. The Corporate Management Department is responsible for: leading the construction of internal controls, risk assessment and preparation of risk inventory; formulating the risk-oriented internal audit work plan; and conducting independent internal control supervision and evaluation.

Sustainability Governance Structure

The Company’s Internal Control Management Measures regulate risks identification and assessment and establish the key factors of effective internal control (including, internal environment, risk assessment, control activities, information and communication and internal supervision).



During this year, CEHL commissioned CCA to identify and prioritise ESG-related risks at the industry level of environmental service, issue assessment reports for the Board and management, and conduct further discussions, reviews and strategic planning. Identified sectorial environmental and social risks are summarised below.

Sectorial Environmental Risks and Definitions	SECTORIAL SOCIAL RISKS AND DEFINITIONS
<p>Environmental breaches and environmental responsibilities:</p> <p>Compliance with environmental laws and the relevant national local policies and regulations may require additional operating expenses, and violations often produce a negative corporate image, high fines, loss of property, and interruption or even termination of operations. Environmental services and waste disposal often generate noise, wastewater, air emissions and other industrial waste. The hazardous waste disposal business also bears major environmental responsibilities. If environmental regulations are further tightened in the future, the cost of compliance will increase.</p>	<p>Occupational health and safety hazards:</p> <p>Health and safety hazards involved in operations have a potential negative impact on employees, and violations of health and safety regulations will also damage operating efficiency and reputation. Work safety risks involved in environmental and waste management services include truck operation or traffic accidents, equipment failures, lack of structural damage to landfills, use of chemical supplies, dusts and noise, fires and natural disasters. The process of remedial work may further cause leakage of hazardous materials, casualties, or the need to shut down operating facilities. The cleaning, collection and transportation of waste is also faced with the risk of infectious epidemics. It is necessary to ensure that employees and equipment continue to operate normally under this situation and maintain public health and safety.</p>

Sustainability Governance Structure

Sectorial Environmental Risks and Definitions	SECTORIAL SOCIAL RISKS AND DEFINITIONS
<p>Immediate physical risks from climate change:</p> <p>The physical risks of climate change and its consequences pose immediate threats to operations, mainly one-time emergencies, including increasingly severe extreme weather events such as hurricanes or floods. Such incidents may cause physical losses to business facilities and equipment, affect work safety, interrupt or delay freight and hence waste transportation, and result in operation suspension in some locations.</p>	<p>Technology transformation and capabilities of research and development:</p> <p>Core technologies can lead in project design and mode of operation. If a business fails to develop innovative products and services, or its competitors have developed breakthrough technologies and obtained patents, its development prospects and market position will be limited. Companies need to invest resources to develop new products and technologies, and effectively protect its research and development achievements and intellectual property rights in the process. The environmental service industry is increasingly focusing on research, development, and application of new technologies to replace traditional collection, transportation, and disposal and to enhance waste resource efficiency.</p>
<p>Long-term physical risks from climate change:</p> <p>Long-term changes in climate patterns can cause long-term physical risks, such as persistent high temperatures, and consequential sea level rise and coastal erosion. Such long-term effects may cause damage to municipal infrastructure, loss of corporate property and loss of existing investments. Persistent high temperature will also continuously affect the work and living environment, as well as increase the requirements for labour health and safety protection and household waste disposal efficiency.</p>	<p>Information network security and cyberattack:</p> <p>Improper use of data, information security vulnerabilities, and lack of protection of information systems when subject to cyberattacks will cause business interruptions and damage customer confidence. Unexpected shutdowns of the system and data leakage may not only cause service interruption, but also reveal important confidential information or regulated personal data. For environmental service companies where important customer information is stored by electronic systems, data leak will adversely affect business operations and reputation.</p>
<p>Market transformation and changes in consumer preferences:</p> <p>The challenges of climate change and the low-carbon transformation bring market risks, which are also accompanied by changes in the preferences of mass customers for existing products and services. The public is increasingly concerned about climate change issues, and the lack of carbon emission disclosure and of emission reduction compliance will affect customers' confidence in a company. The public's preference for waste disposal alternatives to direct disposal and landfill is increasing. Bans on specific types of waste can also reduce the amount of waste landfilled.</p>	<p>Business ethics and compliance (corruption) risks:</p> <p>All regions have administrative regulations and statutory requirements on business ethics. Violation and related litigation disputes may result in fines, penalties or trading bans, affect the continued operation of the enterprise, and damage the corporate image. Waste management and environmental service companies often need to collaborate with local governments to obtain public service projects. If there is corruption or bribery in the supply chain or in the selection of service providers, it will not only negatively affect the operation and image of a company, but also cause suspension of public services, interrupting the lives of residents and ultimately leading to loss of social license to operate.</p>
<p>Increased energy costs:</p> <p>The market and regulatory transformation based on climate change will lead to higher energy prices. High energy prices will have a negative impact on energy-intensive industries or high energy consumption projects. Local governments have increasingly tightened environmental compliance requirements for traditional fossil fuel production capacity (including coal-fired power generation), which has increased the cost of production capacity, leading to price increases.</p>	

Sustainability Governance Structure

SUSTAINABILITY OPPORTUNITIES

While facing industry environmental and social risks, peers in the industry also share the opportunities brought by risk response actions. Market transformation affects the industry’s development prospects and project investment directions, and at the same time brings opportunities for turning waste into new technology services for the energy and circular economy. The prospect of the alternative energy market will expand, bringing new opportunities for companies that adopt waste-to-energy technology solutions. The industry’s technological transformation potential attracts investors’ attention and brings opportunities for green finance. Investors can provide capital for the pilot development of new technologies and product services through green finance funds and loans.

CEHL Green Bond

CEHL has issued USD0.3 billion worth of notes due in year 2021 with a coupon rate of 5.625% according to the green bond framework of Beijing Capital Group (hereinafter collectively referred to as “CEHL Green Bond”). CEHL Green Bond can enjoy the benefits of the liquidity support deed and equity purchase commitment deed provided by the controlling shareholder Beijing Capital Group and was rated ‘BBB’ by Fitch Ratings. All proceeds from the issuance of CEHL Green Bonds will be used to finance or refinance eligible green assets and projects undertaken by CEHL in accordance with Beijing Capital Group’s Green Bond Framework. As of 31 December this year, approximately USD0.27 billion of net raised funds of CEHL Green Bond have been allocated to a total of 43 qualified green projects, of which 16 are managed by the project companies of this report (taking up approximately 39% of allocated funds). The Company’s green bond capital allocation report is detailed in the “Appendix: CEHL Green Bond Report”.



CEHL also develops new projects in the field of environmental services with peers that it shares similar visions with. Trial operations with actual waste materials commenced during this year.

Beijing Chaoyang Construction Waste Resource Utilisation Centre Project

CEHL’s first construction waste disposal project is in the trial operation stage with actual waste materials. It is also the first fixed-location construction waste disposal project in Beijing to realise circular economy by promoting the recycling of construction waste and the production of recycled bricks and other green building materials. The project is designed to process 1.23 million tonnes of waste annually, including 1 million tonnes of construction waste and 230,000 tonnes of incineration slag (slag is provided by the adjacent domestic waste incineration power plant in the eco-park). Technical innovations of the project’s main production line are embedded in:

- **leak-free site design** that allows closed production process, with less than 10mg per cubic metre of dust emission concentration to prevent fugitive emissions;
- **zero discharge of production wastewater** (municipal greywater was used in the production process, with a circulation pool, and completely reuses the wastewater treated by a “water selection” process to resource recycling); and
- **low plant noise** with crushing equipment designed in sunken soundproof rooms.

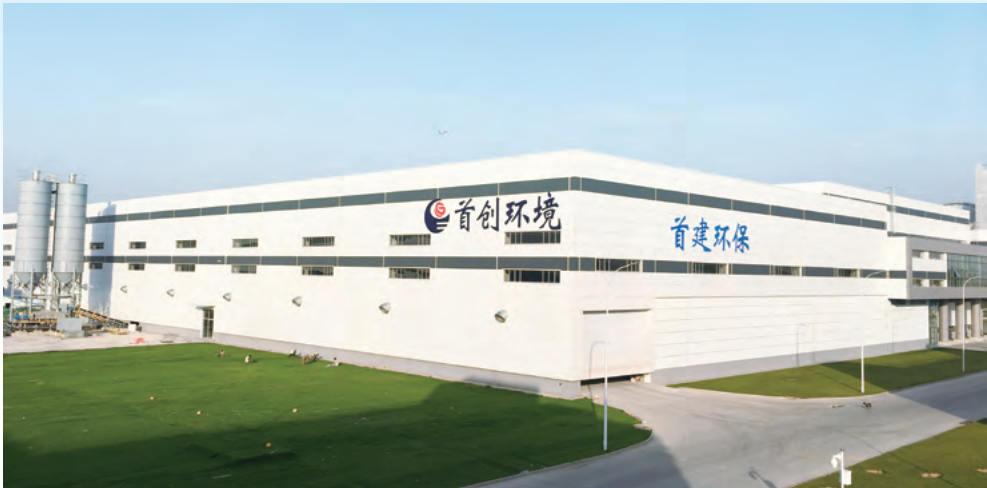
In terms of the application of construction waste recycling products, in addition to basic backfilling, the project can also produce a range of products, including sponge city permeable road paving, various concrete products, recycled road materials and new wall materials. At the same time, the project has a construction waste treatment system with a built-in construction waste treatment line. Through crushing and sieving procedures, supplemented by air separation, water separation, magnetic separation, manual sorting and other methods, the construction waste will be divided into materials of different diameters.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

6 CLEAN WATER AND SANITATION

Sustainability Governance Structure



Beijing Chaoyang Construction Waste Resource Utilisation Centre



Display of construction waste recycling finished products



Closed-circuit management, preventing leaks and fugitive emissions

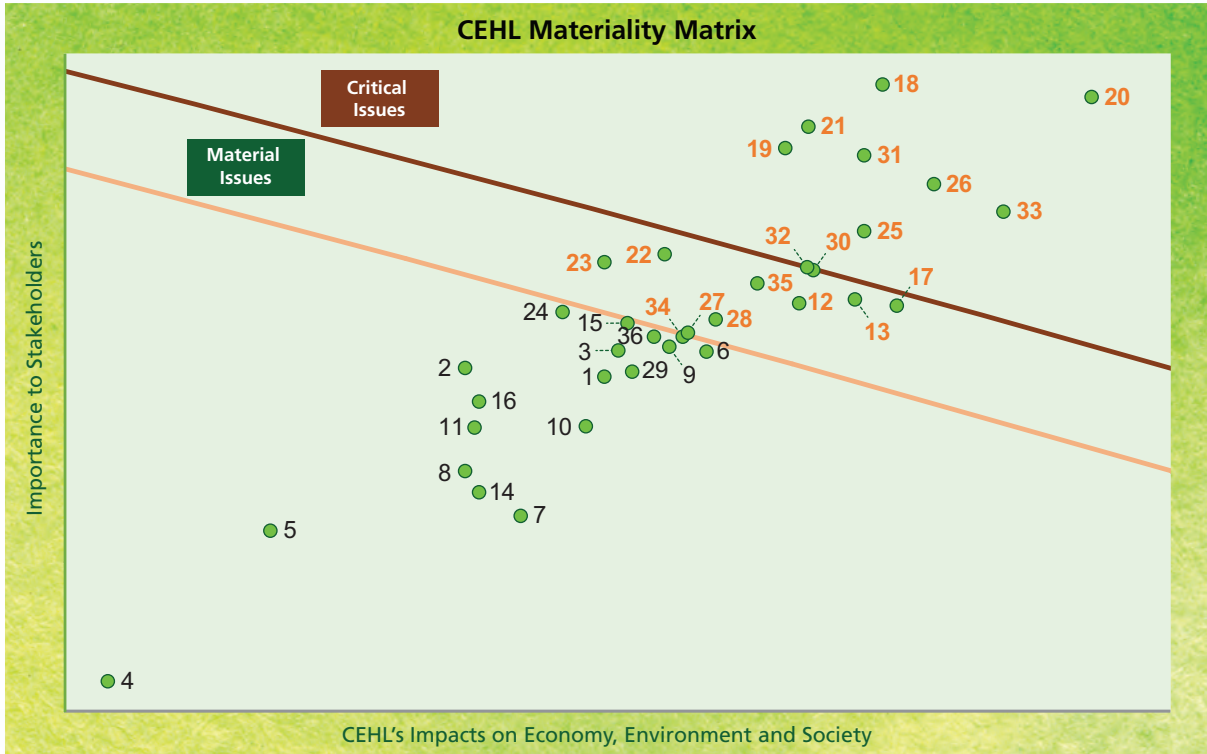
Stakeholder Engagement

To prepare for this year’s sustainability report, the Group has invited some key internal and external stakeholders to participate in stakeholder engagement activities, and commissioned a professional sustainability consulting company, CCA, to conduct materiality assessment and analysis of the engagement results. The analysis results provide an empirical basis for CEHL’s sustainability strategy and governance structure. Sustainability-related stakeholder engagement activities of the year were carried out in two ways (i.e. online survey and focus group), and the materiality assessment was completed based on analysis of the survey results and discussion in the focus group.

STAKEHOLDER SURVEY

Having first referred to international and local reporting standards as well as referenced the experience of past engagement activities conducted with the Group, the consultant identified 36 issues related to CEHL business operations, covering five areas of economy, environment, employment and labour practices, operating practices and community investment. The Group invited key internal and external stakeholders of the reporting projects to score each issue and collected their opinions through online questionnaire surveys. The questionnaire survey was concluded in December this year, and a total of 530 valid responses were received. About 76% of the replies came from CEHL employees, and the rest were mainly government regulatory agencies and suppliers.

Based on the results of the questionnaire survey, CCA identified the most important issues based on assessment and analysis with a materiality matrix. The 19 material issues are marked orange in the graph below. CEHL has focused on these issues in this report. The top 10 issues (representing the first quartile in terms of importance) are the critical issues.



Stakeholder Engagement

Compared with previous years, stakeholders continued to pay close attention to issues in areas of employment and labour practices, operating practices, and environment this year. A safe and healthy working environment continued to be the most important issue for the stakeholders. In the areas of operational practices and environment, issues that the stakeholders were most concerned about had changed to customer privacy protection and environmental compliance. It is worth noting that this year all of the new material issues came from the area of community investment, reflecting the stakeholders' concerns and expectations for CEHL in community relations and social influence.

Issues identified by the Group this year are listed below. The 19 material issues are marked in different shades and arranged in a descending order of importance in each area.

Area	Code	Issue	Area	Code	Issue ¹³	
Economic	1	Economic performance	Employment and Labour Practice	20	A safe and healthy working environment ▲	
	2	Market presence		18	Employment management system ▲	
	3	Indirect economic impact		21	Training and development ▲	
	4	Procurement impact		26	Respecting human right ▲	
	5	Preventing anti-competitive behaviour		19	Labour-management relations ▲	
	6	Research and development		25	Preventing child labour or forced labour ▲	
	7	Tax strategy		22	Employee diversity and equal opportunities	
Environment	17	Environmental compliance		23	Eliminating discrimination	
	13	Sewage treatment		24	Respecting freedom of association and collective bargaining	
	12	Waste disposal		Operating practices	31	Protection of privacy ▲
	8	Use of resources			33	Anti-corruption ▲
	9	Use of water resources			32	Protection of intellectual property ▲
	10	Use of energy			30	Customer health and safety ▲
	11	GHG emissions			28	Respecting the rights of indigenous residents
	14	Supply chain management			27	Security training
	15	Protecting biodiversity			29	Assessing and managing suppliers' social risks
	16	Climate change			Community investment	35
		34				Social benefit assessment ●
		36				Participating in public policy

¹³ Critical issues are marked with triangles and new material issues are marked with dots.

Stakeholder Engagement

In addition, the Group also collected and summarised the specific opinions of stakeholders through open-ended questions. Key stakeholders from different walks of life shared their focuses on the CEHL's work in **improving technological innovation capabilities** and **monitoring operational impacts** (especially environmental emissions impacts). In terms of improving innovation capabilities, stakeholders proposed the need to study the reuse of waste items, in line with the concept of circular economy, and replacing linear materials (that is directly disposed of) with recycled materials.

For the evaluation and suggestions of various stakeholders, please refer to the "Continuous Improvement" section in each subsequent chapter.

FOCUS GROUP

CCA consultants held focus group activities at the Beijing headquarters with nearly 90 managers of the project companies of the Group. This year's focus group activities are arranged during the annual target review performance review event¹⁴ after the sustainability training, so that participants can discuss in depth the impact of economic, social and environmental issues on their work and daily life. Focus groups discussed the four focus areas identified by the questionnaire survey with key internal stakeholders in the form of group interactions and mock committees. These four areas include: labour regulations, operational research and development, environmental emission reduction, and local communities. This activity provided the Group with valuable opinions to understand and improve the Group's sustainability measures and performance from a wide range of perspectives.

In response to the evaluations and suggestions made by some stakeholders in the focus group on the four areas, the Group has made disclosures in the "Continuous Improvement" section of each chapter. As always, the Group continues to strive to establish diversified, transparent, honest and accurate communication channels, which serve as important basis for its sustainability strategy.

BOUNDARIES OF IMPACTS OF MATERIAL ISSUES

The identified material issues not only matter to the Group's operations, but also have different degrees of impact on the internal and external stakeholders of the Group. The following table summarises how stakeholders¹⁵ are affected by the material issues and the discussion in this report regarding the Group's involvement in each material issues.

¹⁴ It was held in mid-January 2020 after the year end of CEHL.

¹⁵ The internal boundary of impact of the Group was consistent with that of the reporting boundary. The external boundary of impact covered the key external stakeholders identified during the year.

Stakeholder Engagement

Material issues		Boundaries of Impacts on Stakeholders											Chapters in this report addressing the impact
		Internal stakeholders			External stakeholders								
		Managers of reporting projects	Management of strategic functions	Other staff	Customers	Contractors	Partners	Suppliers	Government regulators	Banks	Media	NGOs	
17	Environmental compliance	✓	✓		✓		✓	✓	✓		✓	✓	Promoting Green Production and Appendix : Compliance Performance
13	Sewage treatment	✓	✓			✓			✓		✓	✓	
12	Handling and transportation of waste	✓	✓			✓			✓		✓	✓	
35	Emergency preparation	✓	✓	✓		✓			✓		✓	✓	Giving Priority to People and Appendix : Compliance Performance
20	A healthy and safe working environment	✓	✓	✓		✓	✓		✓		✓	✓	
18	Employment management system	✓	✓	✓					✓				
21	Training and development	✓	✓	✓		✓	✓						
26	Respects for human rights	✓	✓	✓					✓		✓	✓	
19	Labour-management relations	✓	✓	✓					✓		✓	✓	
25	Preventing child labour or forced labour	✓	✓	✓					✓		✓	✓	
22	Employee diversity and equal opportunities	✓	✓	✓									
23	Eliminating discrimination	✓	✓	✓					✓		✓	✓	Pursuing Excellence in Services and Appendix : Compliance Performance
31	Protection of privacy	✓	✓		✓	✓	✓	✓		✓			
33	Anti-corruption	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
32	Protection of intellectual property	✓	✓		✓	✓	✓	✓					
30	Customer health and safety	✓	✓		✓	✓	✓	✓	✓		✓	✓	
27	Security training	✓	✓			✓							Building a Harmonious Community
28	Respecting the rights of indigenous residents	✓	✓						✓		✓	✓	
34	Social performance assessment	✓	✓						✓		✓	✓	

Promoting Green Production

As a business deeply rooted in environmental industry, the Group focuses on management of waste generation, energy efficiency measures formulated and use of natural resources by adhering to the strategies of “protection first, prevention oriented, integrated governance, public participation, and taking responsibility for damage” to create an ideal ecological environment. The Group revised the CEHL Environmental Management Measures to enhance the coordinated management of environmental matters.

REDUCING EMISSIONS

Solid waste handling

Waste disposal is one of the critical issues that stakeholders are concerned about. To this end, the Group has formulated specific policies to manage related matters. It has been stated in the CEHL Environmental Management Measures that the Group’s projects implement a graded management system of pollution sources and identify the manager responsible for each source. In addition, emissions regulations regarding the entire process of waste disposal should be stipulated. For example:

- establish waste disposal and emissions control files, implement a management system of waste generation declaration and registration, and apply for emissions permits based on legal requirements;
- establish rules and regulations such as job accountability system, operating procedures and environmental monitoring, and regularly arrange equipment maintenance;
- operating sites that generate hazardous waste must formulate waste management plans in accordance with the relevant national regulations, and must declare any dumping to the relevant departments; and
- prohibit any transfers of hazardous or toxic waste to companies that are unqualified, or incapable of pollution treatment.

During the year, the reporting projects generated 416,099 tonnes of hazardous waste and 105,896 tonnes of non-hazardous waste in total¹⁶. Hazardous waste included flying ash, slag and sludge, which were either incinerated or landfilled. Projects adopted different treatment methods given their business natures. For instance, waste electrical appliance dismantling projects sold out dismantled metal components; waste collection, storage and transfer projects had the used tires and parts of their trucks-under-maintenance handled directly by the repair workshops; and anaerobic treatment projects transferred the domestic waste generated to third-party contractors for incineration.

In response to the stakeholders’ hope that the Group should further improve its technological innovation capabilities, CEHL selected a new project within the reporting boundary this year — Ningbo Anaerobic Treatment Project — to demonstrate the Group’s latest achievements in the field of waste treatment.

¹⁶ The total hazardous waste estimate does not include the amount generated by Qi County Collection and Transfer Project; the total non-hazardous waste estimate does not include the amount generated by Qi County Collection and Transfer Project, Linyi Collection and Transfer Project, Beijing Cleaning Project, Qianjiang Collection and Transfer Project, Zhoukou Collection and Transfer Project, Lushan Collection and Transfer Project, and Yangzhou Hazardous Waste Treatment Project. The Group will continue to enhance its capabilities of data collection and accounting, and further improve its disclosure in the coming year.

Promoting Green Production

Ningbo Anaerobic Treatment Project

Launched under the Ningbo Municipal Solid Waste Minimization and Recycling Project financed by World Bank, it is China's first PPP project for food waste integrated treatment project financed by the World Bank. It is also the first organic anaerobic PPP project to achieve Green Building Three Star Label. The project is located in Haishu District, Ningbo City, Zhejiang Province, covering an area of 115 acres. The construction mainly includes pre-treatment system, anaerobic fermentation system, compost system, deodorisation system, sewage treatment system, biogas purification system and other municipal supporting facilities. The project has a total kitchen waste treatment capacity of 800 tonnes per day, sewage treatment capacity of 760 cubic meters per day, and biogas treatment capacity of 89,000 standard cubic meters per day. After the completion of the first phase of the project, it is expected that the annual carbon reduction will be 47,000 tonnes of carbon dioxide equivalent. In order to further reflect the Group's environmental protection concept, the project has installed a photovoltaic power generation system on the roof of the treatment workshop, including 1,131 photovoltaic modules spanned across 1,851 square meters, with a peak installed capacity of 311 kWh. The power generation of the system in the first year is estimated to be 311,996 kWh, and the total power generation in the 20 years of design life is 5,718,263 kWh.



Effluent management

The wastewater of the Group is mainly generated in the production process and employees' daily activities. The reporting projects are prohibited from discharging production wastewater and anti-seepage measures have been adopted. Generally speaking, production wastewater such as workshop flushing and laboratory drainage is processed through the sewage treatment station, wastewater equalisation tank or other leachate treatment facilities within the project facility on site. After the treatment, if circumstances allow, it should be used for plant greening, road watering and as circulating cooling water. Domestic wastewater generated in employees' office areas is discharged through the sewage pipeline for treatment at sewage treatment plant, and the treated water is then used for greening in the factory area or discharged to the municipal pipe network.

The reporting projects have developed relevant management approach. For instance, Weng'an Landfill, has formulated an EHS (Environmental, Health and Safety) System that fits its own operating characteristics. If the wastewater discharge exceeds the discharge standard for more than two hours without undergoing any treatment measures, a fine will be imposed on the person-in-charge.

Promoting Green Production

Air pollutants treatment

Certain reporting projects where applicable, such as the Weng’an Landfill, have established the Online Flue Gas Automatic Monitoring Management System which details the management measures of production air emissions. Facilities required for the system is procured by the Production Technology Department. Electronic metre maintenance staff should conduct at least one inspection per day to ensure the system is in order. In case of any malfunction, the relevant staff should be contacted to arrange maintenance. If the system is out of order for over 72 hours, it should be reported to the local environmental protection regulatory department.

	Type	Emissions (kg)
Air pollutants	Nitrogen oxides	838,017
	Sulphur oxides	287,736
	Respirable suspended particulates	182,159

Carbon management

CEHL commissioned CCA to conduct carbon assessments this year to quantify the GHG emissions¹⁷ (or “carbon emissions”) generated by the operations of the reporting projects. The quantification process¹⁸ and emission factors referenced GB/T 32150–2015 General Guideline of Accounting and Reporting GHG Emissions — Industrial Enterprises, ISO 14064–1, GHG Protocol, and various national and international technical guidelines.

In the operations of the reporting projects, direct GHG emissions mainly came from gases released from waste incineration (accounting for about 65% of Scope 1), followed by landfill gas released from landfills (accounting for about 24% of Scope 1). Energy indirect GHG emissions come from purchased electricity, while other indirect GHG emissions come from air business travel. In addition, the Group sold part of electricity generated by Quanling Power Plant, Gao’an Power Plant and Duyun Power Plant. During the year, the sold electricity was equivalent to avoiding about 149,000 tonnes of carbon dioxide equivalent (“CO₂-e”).

Scope	Emission source	Emissions (tonnes CO ₂ -e)
Scope 1: Direct Emissions	Stationary combustion, mobile combustion, waste incineration treatment, solid waste landfill treatment, anaerobic treatment, leachate treatment and fugitive emissions ¹⁹	365,698
GHG emissions from biomass combustion²⁰		301,928
Scope 2: Energy indirect emissions	Purchased electricity	24,076
Scope 3: Other indirect emissions	Air business travel	40
GHG Emissions in Total (Scope 1, 2 and 3)		389,814
GHG Intensity (tonnes CO₂-e per RMB1,000 revenues)		0.44

¹⁷ The assessment covers six types of GHG regulated by the Kyoto Protocol, including CO₂, CH₄, nitrogen oxide (N₂O), perfluorocarbons (PFCs), and hydrofluorocarbons (HFCs), and sulphur hexafluoride (SF₆); in addition, chlorofluorocarbons (HCFCs) and trifluorobromomethane (Halon 1301) are also covered.

¹⁸ The quantification process adopts operational control methods to aggregate data.

¹⁹ Fugitive emissions came from the discharge of refrigerants and fire extinguishing agents from refrigeration and fire-fighting equipment, including HCFC. Although such emissions are not covered by the Kyoto Protocol, this carbon assessment has included the relevant emissions to enable stakeholders with more complete understanding of the GHG emissions of the Group’s reporting projects.

²⁰ Biomass included biodiesel used in vehicles, domestic waste incinerated in waste-to-energy projects, and biogas produced in landfills and anaerobic treatment projects.

Promoting Green Production

During the year, the estimated carbon intensity of the Group's reporting projects by project revenues was 47% lower than the figure of year 2018. Targeting at the major sources of carbon emissions, the Group will continue to assess, record and disclose annually its GHG emissions together with other environmental data to review the effectiveness of existing measures, and will set up carbon reduction targets based on climate science (i.e. science-based targets) in a timely manner.

SAVING ENERGY AND REDUCING RESOURCE CONSUMPTION

The Group attaches great importance to the management of the use of resources, and has clearly stated in CEHL Environmental Management Measures that the reporting projects of the Group should regularly allocate special energy-saving funds for the development and updates of energy-saving technological transformation projects, energy-saving demonstration projects and new energy-saving technologies. At the same time, to ensure that the relevant employees are familiar with the characteristics of energy-saving equipment, the reporting projects should also organise regular training to strengthen employees' environmental awareness.

Energy

Special environmental information management personnel should be arranged for the Group's reporting projects to conduct statistical analysis of energy use and sourcing on a regular basis and to report the relevant data in a timely manner. During the year, the energy consumed by the Group's reporting projects mainly included fuel for power generation, waste incineration and operations of machinery and vehicles, and the estimated energy intensity by project revenues was 28% lower than the figure in 2018.

Use of energy			
Type	Consumption (MWh)	Type	Consumption (MWh)
Coke	514	Domestic waste (fossil carbon)	835,619
Gasoline	1,862	Domestic waste (biogenic carbon)	1,329,002
Diesel	45,671	Solar	262
Biodiesel	59	Purchased electricity	39,462
LPG	87	Produced electricity that was not yet consumed	38
Natural gas	26	Sold electricity ²¹	-244,210
Total energy consumption			2,008,391
Energy intensity (MWh/RMB1,000)			2.25

Water Resources

For water consumption, there was no problem in sourcing water fit for purpose in the reporting projects. Domestic water use is supplied by municipal source. Municipal reclaimed water is used in some projects for production purpose. Total consumption of water of the reporting projects during the year was 1,957,571 cubic metres, and the water intensity estimated by project revenue increased by nearly 15% from year 2018. The Group will continue to strengthen measures such as water conservation, technological transformation of water infrastructures, and water recycling.

²¹ Sold electricity was generated from waste in Quanling Power Plant, Gao'an Power Plant and Duyun Power Plant.

Promoting Green Production

THE ENVIRONMENT AND NATURAL RESOURCES

Building an environmental-friendly business has always been the goal of the Group. In order to strengthen the protection of the surrounding environment and natural resources, the Production Safety Committee of the Group has established the relevant functions and management duties. For details, please refer to the “Environmental Leadership” section in the “Sustainability Governance” chapter of the report. The CEHL Environmental Management Measures also stipulate that an environmental leadership group should be established in each of the reporting projects, to be tasked with managing environmental issues related to the reporting projects and conducting employee environmental protection training.

The Safety, Health and Environment Incident Management System formulated by Weng’an Landfill further stated that, in the event of damage to the habitat of endangered species, groundwater pollution or leakage of dangerous chemicals, emergency measures should be adopted immediately. The hospital, environmental and local administrative departments will be notified by the relevant personnel to explain the situation and carry out protective measures.

CONTINUOUS IMPROVEMENT: ENVIRONMENTAL MANAGEMENT

During the year, stakeholders put forward the following comments and suggestions in relation to environmental matters through the online survey and focus group activities. The Group will consider these suggestions when optimising its management in future and continue to communicate with stakeholders.

Stakeholder comments and suggestions	Source	Engagement activities
<ul style="list-style-type: none"> • “CEHL made huge contribution to solving environmental pollution, while improving local employment opportunities”; • “(CEHL) can participate in the construction and operation of urban sewage treatment plant”; and • “(CEHL should) expand rural waste treatment”. 	External stakeholders (including government regulators and suppliers)	
<ul style="list-style-type: none"> • “To enhance control and prevention of pollution caused by dismantling used electrical appliances”; • “To realise harmless waste treatment, waste reduction, turning waste to resources and purifying the environment”; and • “To pay attention to the importance of waste sorting at the end point and to filter and categorise waste”. 		Survey
<ul style="list-style-type: none"> • In terms of managing immediate environmental risk, CEHL can consider establishing a high-tech warning system and enhance the stationing of professional staff and emergency capability; • To ascertain carbon reduction targets and adopt carbon reduction measures; • Due to the nature of project operations, CEHL should pay more attention to problems of waste odour, dust and noise of waste transportation and recycling, as well as vehicle exhaust; and • To develop circular economy. 	Internal stakeholders (including managers of project companies and other employees of the Group)	Focus group

Giving Priority to People

The Group understands that a good employment environment is one of the key elements to promote the sustainability of the Group. The Group is committed to creating a safe and comfortable working environment for its employees, providing a comprehensive career development system, so that all employees are respected and motivated.

HEALTH AND SAFETY

The issue that stakeholders are most concerned about is the provision of a safe and healthy working environment, which is also a key to the Group's work. CEHL has always been committed to reducing occupational risks in the operation process, and hence has formulated the Safety Management Method while during the year updated the Occupational Health Management Measures. The reporting projects have also established corresponding policies according to their circumstances to ensure the health and safety of employees.

The Group's Safety Management Method details the safety duties of particular managerial positions and defines the scope of controls of different persons-in-charge to enhance the Group's safety management effectiveness.

Role	Duties
The Group's Chief (Executive) Officer	<ul style="list-style-type: none"> • Lead the Production Safety Committee of the Group to carry out the relevant work, and implement the national laws and regulations on production safety and related policies; • Incorporate safety work into the Group's business objectives and rigorously evaluate the effectiveness of safety work; • Safeguard the use of safety funds, improve the working conditions of employees and eliminate hidden safety hazards, so that the production site meets the requirements of safety-related technical standards and industrial hygiene; and • In case of accidents with major casualties, the Chief Officer should immediately organise accident rescue and investigation and formulate corresponding preventive measures.
Safety Officers	<ul style="list-style-type: none"> • Support the Chief Officer in implementing the production safety responsibility system, supervise and inspect the safety work of each subordinate department and all project companies; • In case of safety production accident, organise the production-related functional department to investigate the accident, and in the meantime rectify potential safety hazards in order to prevent the recurrence of accidents; and • Regularly hold production safety meetings to understand real-time safety information and immediately fill loopholes in safety work.
Project-in-charge	<ul style="list-style-type: none"> • Coordinate actively the work arrangements of the Production Safety Committee and superiors, and precisely implement the safety regulations; • Conduct regular on-site inspections to understand and get familiar with the safety situation of the project, and make timely rectification of hazards and hidden dangers of accidents; and • In the event of a work-related injury, immediately organise the relevant crew members to protect the site and carry out rescue work, and subsequently to carry out research on formulating preventive measures.

Giving Priority to People

In order to further reduce occupational risks in the workplace, the reporting projects should regularly identify hazard sources annually, and should immediately report any identified hazard sources to the safety department to study and formulate risk control measures. In addition, when the following situations occur, senior units may require the reporting projects to carry out identification and risk assessment activities:

- when there are new projects or major changes in organisational structure;
- when there is a major change in equipment update, modification or operation method; and
- when required by national or regional laws and regulations.

In the event of a major risk to employees' safety such as explosion, electric shock, poisoning, or fire, the reporting projects shall immediately establish an accident emergency handling command centre and notify relevant departments of the Group. Depending on the type of accident, the command centre should set up different emergency rescue teams, such as accident disposal team, communication team, alert team, rescue team, and supplies team. In order to ensure that similar emergencies can be effectively dealt with, the reporting project should formulate an emergency plan that corresponds to its production characteristics, and ensure that the emergency drill is organised at least once a year.

In addition to the policies formulated by the Group, the reporting projects have also established the relevant systems to effectively manage the safety issues encountered during operations. Linyi Collection and Transfer Project, for example, has formulated the Employee Work Injury Management System, which stipulates that heads of the relevant departments should immediately report injuries of employees to the General Department, which will then file application claims to social security or insurance company. If there are delays, false reports, or failure to take effective measures, the personnel involved can immediately hold the department heads accountable. In addition, the Beijing Cleaning Project also requires the operation managers to sign the Operation Management Safety Undertakings to assume full responsibility for production safety, implement the relevant national and regional laws and regulations and establish a productions safety responsibility system.

To further enhance the safety awareness of employees, the Group's reporting projects conducted safety training on various topics, such as office safety education, 'Production Safety Month' promotion, fire safety training and occupational health training.

TALENT ACQUISITION

An enhanced employment system is not only the key to attracting talents of the Group, but also an important guarantee for the rights and interests of employees. To this end, the Group has formulated the Employee Management System, the Recruitment and Hiring System, the Welfare and Subsidy Management Measures for Project Companies, and the Remuneration Management System, as commitments to enhancing the management efficiency of the Group in different areas of employment. Meanwhile, the reporting projects have also formulated an employment management system in response to the relevant policies of the Group and based on their actual situation, such as Beijing Cleaning Project's Employee Management System, and Yingde Landfill's Personnel Management System and Remuneration and Welfare Management System.

The Group stipulates in the Recruitment and Hiring System that the recruitment plan of employees of the Group is formulated by each hiring department according to the staffing situation of the department, and then should be submitted to the Chief Officer for approval. After the approval is completed, the Human Resources Department is responsible for resume screening and interview work. For existing employees, the Group can make promotion adjustments for employees who meet the development requirements of the Group according to business needs. The Group is committed to recruiting and promoting all employees in accordance with the principles of fairness, impartiality and openness, and is committed to providing equal opportunities for all employees. Any form of discrimination is prohibited. The Group reserves the right to take further action if conducts as such occur.

Giving Priority to People

In addition, the Group has formulated other measures to protect employees' legal rights:

Remuneration and dismissal	Working hours	Rest days and other benefits
<ul style="list-style-type: none"> The Group's remuneration is composed of annual salary, subsidies, wage-linked benefits and bonuses. Dismissal is mainly handled by the Human Resources Department, which should organise exit interviews. 	<p>The Group implements a working system of 40 hours per week and 8 hours per day, with working days from Monday to Friday. Each project can adjust the system according to its own operational needs.</p>	<ul style="list-style-type: none"> The Group provides employees with work injury leave, marriage leave, maternity leave, breastfeeding leave, planned maternity leave and bereavement leave. The Group provides employees with transportation subsidies, communication subsidies, meal subsidies, high temperature subsidies and complimentary medical examinations.

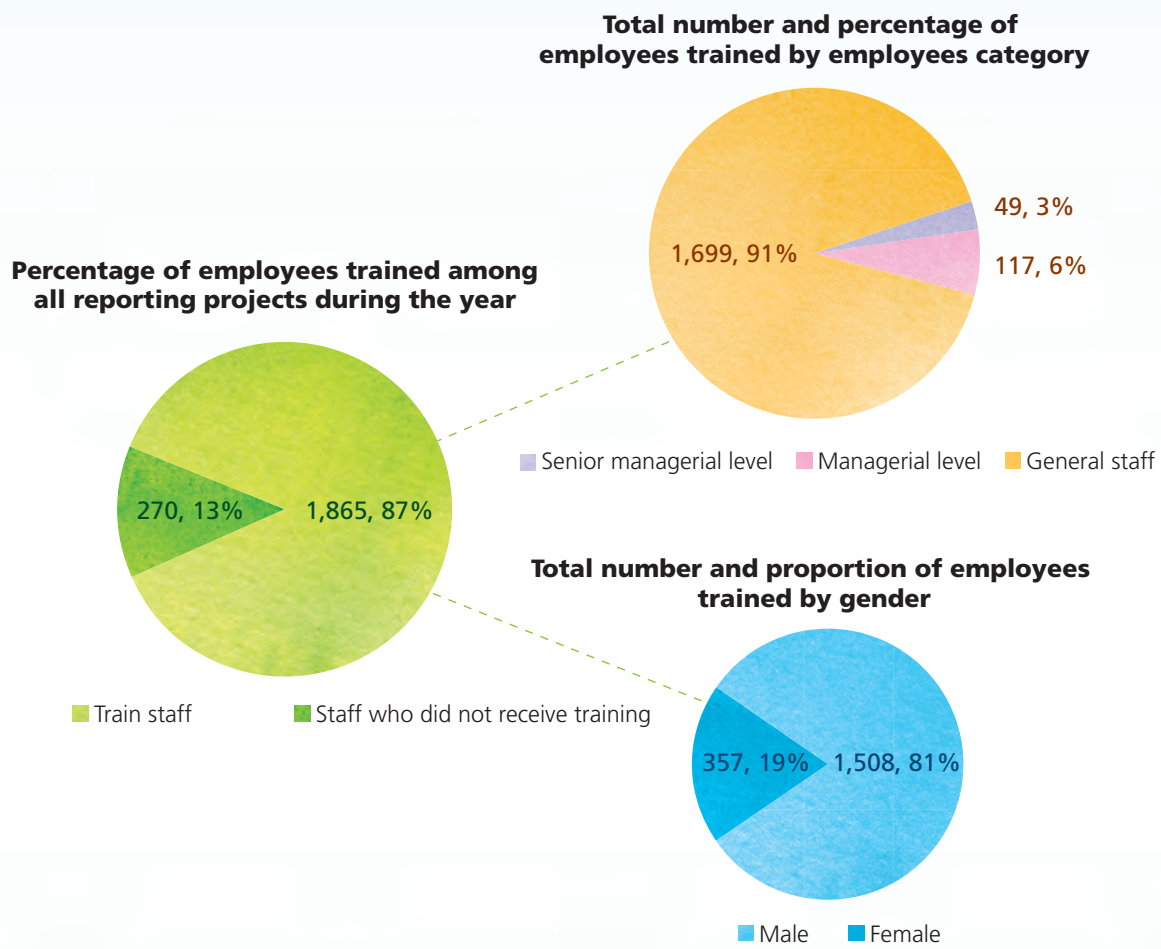
The Group encourages the construction of a diverse workforce and understands that a team of employees from different backgrounds will promote a corporate culture of inclusiveness and balanced development. The employees of each project come from different regions across China, and about 52% of the senior management staff come from the local community (i.e. within the county or city where the project site is located). During the year, nearly 100 employees of ethnic minorities and people with disabilities were employed in the reporting projects, accounting for about 5% of the total number of employees of the reporting projects. The total number of employees and the percentage of each category by gender and age group for the reporting projects are also detailed in the "Appendix: KPIs Summary". The Group continues to carry out employment diversification work in accordance with national or local policies of the regions in which the Group operates (e.g. Notice of the State Council on the Circulars of the "13th Five-Year Plan" for Promoting the Development of Ethnic Regions and Minorities) and has formulated appropriate measures in accordance with the operating characteristics of the regions in which the Group operates (for instance, Duyun Power Plant has specially arranged rest breaks on traditional ethnic holidays for employees of Buyei or Miao ethnic groups).

Giving Priority to People

NURTURING TALENTS

The Group understands the importance of improving employees' work skills to expand their future career path. To this end, CEHL has formulated the Education and Training Management Measures and Backup Employee Management Measures. Linyi Collection and Transfer Project further formulated the Employee Training Management System, which complements the Group's training system.

The Group's Human Resources Department is responsible for organising education and training related work, such as issuing training notices, coordinating training personnel, tracking training status, and monitoring training costs. During the training process, a project leader should be appointed to communicate with students and lecturers to ensure the smooth progress of the training. After the training, the Human Resources Department will evaluate the training outcome to continuously improve the training courses and settings and strive to provide employees with better quality training courses. CEHL promises to invest 1.5% to 2.5% of the total salary of employees every year for education and training activities. In addition, in Linyi Collection and Transfer Project's Employee Training Management System, training is divided into internal and external training, and travel expenses for participating in external training can be reimbursed after obtaining the training certificate.



Giving Priority to People

During the year, the Group launched a new CEHL Forum to promote the establishment of a talent system. The project aims to help employees strengthen their understanding of industry development by regularly inviting industry professionals to give lectures for employees. The themes of forums this year include: “Wasteless City” and “Waste Sorting: Promoting Synergy in the Development of Solid Waste Industry”. In addition, the reporting projects have also organised education and training activities such as “biogas modular technology”, “deodorisation modular technology”, and “enhancement of professional capabilities in human resources”.

In order to strengthen the awareness of the Group’s employees on respect for human rights, this year, the reporting projects carried out a total of 5,204 hours of employee training on human rights policies or procedures involved in project operations, with about 27% of employees participated.

LABOUR RIGHTS

The Group respects the basic human rights of employees and strictly prohibits the employment of child labour and forced labour in the workplace. It has been managed through the Employee Management System, Recruitment and Hiring System and other mechanisms adopted by projects.

	Management Measures	Policies
Prohibiting child labour	<ul style="list-style-type: none"> The Human Resources Department is responsible for reviewing the basic information of each candidate. If it is found that a candidate does not meet the age of employment, the candidate should immediately be disqualified. 	Recruitment and Hiring System
Eliminating forced labour	<ul style="list-style-type: none"> The Group does not encourage employees to work overtime. If the employee needs to extend working hours given practical circumstances, he/she should fill out the Overtime Application Form and file it to the department head for approval. Eligible employees will receive overtime pay. In addition to overtime pay, the Beijing Cleaning Project also provides meal subsidies for frontline employees working overtime. 	Employee Management System Overtime Work Management Method

In creating equitable labour-management relations, the reporting projects have defined the minimum notice period for operational changes. Unless in emergencies, employees should be notified at least four weeks prior to implementation of major operational changes of the reporting projects²² that may have a significant impact on the employees.

²² This statement does not cover Sui County Collection and Transfer Project, Weng’an Landfill, Qianjiang Collection and Transfer Project, Yangzhou Anaerobic Treatment Project, Ningbo Anaerobic Treatment Project, Shangrao City Landfill and Linyi Collection and Transfer Project.

Giving Priority to People

CONTINUOUS IMPROVEMENT: EMPLOYMENT MANAGEMENT

During the year, stakeholders raised the following comments and suggestions regarding employment in the survey and focus group activities. The Group will consider these suggestions when optimising its management in future and continue to communicate with stakeholders.

Stakeholder comments and suggestions	Source	Activity
<ul style="list-style-type: none"> • “To increase talent cultivation”; • Strengthen the “compatibility between staffing headcounts and company development”; and • Enhance employee happiness and remuneration. 	External stakeholder (including government regulators, contractors, partners, and trade associations)	
<ul style="list-style-type: none"> • “Actively carry out effective team building work and harmonise the company’s employee relations”; • “Organise a professional team, optimise the staff structure, and encourage competition; utilise resources from all walks of life”; • “Rely on established projects for operation management and talent acquisition”; • Focus on “talent nurturing, professional team building” and establish “talent training and incentive mechanism”; and • “Improve overall compensation and benefits, increase internal management and cost control.” 	Internal stakeholders (including managers of project companies and other employees of the Group)	Survey
<ul style="list-style-type: none"> • While complying with the Labour Law of the People’s Republic of China, we must also respect local customs and create a people-oriented working environment. • In the early collection and transportation and cleaning projects, because it is a front-line labour-intensive industry, it is necessary to pay attention to the problem of labour social security and turnover; this problem can be resolved by strengthening the stability of the workforce and providing training opportunities. 	Internal stakeholders (including managers of project companies and other employees of the Group)	Focus Group

Pursuing Excellence in Services

The Group abides by business ethics and provides responsible products and services. Therefore, it has formulated a series of policies and measures on product responsibility, anti-corruption and supply chain management, and is committed to maintaining the Group’s brand and market performance through a sound operating system.

IMPROVING SERVICE QUALITY

Providing safe services

The Group fully understands the importance of establishing safe work processes for the sustainable development of the Group, and customer health and safety is also one of the critical issues of concerns for stakeholders. To this end, CEHL has formulated a series of policies on product responsibility to standardise management processes, such as the Project Operation Management Measures.

In order to ensure the normal operation of the operating equipment, all project companies should regularly report to the Group’s operations management centre the plan for equipment repair, maintenance or overhaul for the next year. The plan can only be implemented after approval by the relevant departments. In addition, the operation management centre is also responsible for establishing a safety production management system and carrying out safety production management work. Each project should hire a registered safety engineer and regularly train and educate safety production management personnel.

In addition, Yingde Landfill has also formulated the Safety Management System to further standardise the safety management responsibility system to ensure the safety of users and the public. The system consists of the General Manager, Assistant General Manager and Safety Officer of the project companies, including the work listed in the following table.

Person in charge	Main duties
General Manager	<ul style="list-style-type: none"> Responsible for establishing a safety production guarantee system and improving safety monitoring methods; Implement national laws and regulations or policy guidelines on work safety; and Incorporate safety performance into the performance assessment of the responsible persons of each department.
Assistant to General Manager	<ul style="list-style-type: none"> Participate in monthly safety analysis meetings and safety inspections, and assist in implementing corrective measures in response to discovered safety hazards.
Safety Officer	<ul style="list-style-type: none"> Participate in the investigation, evidence collection and analysis of security anomalies, and report to the relevant personnel within the prescribed time.

This year, CEHL officially started the use of its first hazardous waste treatment project. In order to ensure the health and safety of customers, the project conducts technical deployment and strict control of flue gas emissions.

Pursuing Excellence in Services

Yangzhou Hazardous Waste Treatment Project

The Yangzhou Hazardous Waste Treatment Project is located in the Environmental Protection Technology Industrial Park of Yangzhou City, covering an area of 55 acres with a total investment of approximately RMB220 million. The project is designed with an annual hazardous waste incineration disposal capacity of 30,000 tonnes, and the physical and chemical processing capacity is 5,000 tonnes. The project adopts the rotary kiln incinerator technology, which can simultaneously burn a variety of liquid, solid and semi-solid wastes, and has strong adaptability to waste incineration. The flue gas generated by incineration of waste can be discharged after being treated by selective non-catalytic reduction, quenching tower, dry deacidification tower, activated carbon and lime spray, bag filter, pickling tower and neutralisation tower.



At the same time of ensuring production safety, the electrical appliances parts and by-products are sold externally from operations of some of the Group 's dismantling plants and anaerobic treatment projects. If the product quality does not meet customer requirements, the Group will study and adjust production conditions to gradually improve product quality.

Gao'an Power Plant

The Gao'an Incineration Project officially began operations this year, mainly through the latest waste incineration power generation technology, turning waste into treasure and increasing resource use efficiency. The total investment of the project is RMB330 million, and the first-stage processing scale reaches 600 tonnes per day. At present, the project has selected as a "China Electric Power Quality Project" and "Jiangxi Provincial Civil and Safe Construction Site", achieving the goals of "zero major safety accidents, zero equipment system loopholes and zero quality accidents". During the construction of this project, it always adheres to the "safety first" policy, focused on engineering innovation management, exploring design optimisation schemes and establishing an engineering professional leading group. In addition, the Gao'an Power Plant also invited experts from the China Electric Power Enterprise Association to guide the project construction.



Pursuing Excellence in Services

Intellectual property

The Group understands that respecting intellectual property rights is one of the critical issues of concern to all stakeholders. Therefore, the Group is committed to respecting the intellectual property rights of any partners or other businesses, by avoiding patent infringement and complying with all the relevant national or local laws and regulations.

Customer privacy

The Group understands that protecting customer privacy is an important step in achieving good corporate governance. In stakeholder engagement exercises, stakeholders also listed protecting customer privacy as an issue of most concern in operating practices. The Group is committed to protecting the privacy information of all partners and other the relevant personnel. If employees are found to violate the relevant regulations, the Group will take measures such as warnings, dismissal or legal actions.

Advertising

The Group has established the Brand Management System. The Board Secretariat is responsible for the Group's brand strategy, information disclosure and public relations during crisis. In addition, the reporting projects should also assign a manager to be responsible for managing and maintaining the image of the Group's brand in the local media.

Given the nature of the business, the Group has not yet established an internal policy regarding product labelling. In future, the Group will formulate the relevant policies in accordance with new circumstances of business development.

ANTI-CORRUPTION

The Group understands that anti-corruption is not only a social requirement for businesses, but also an important way for them to demonstrate their sense of social responsibility. The Group has formulated the Employee Responsibility and Penalty Management Measures; the Beijing Cleaning Project has also formulated the Rewards and Punishment Management System to fulfil the Group's commitment to fight corruption.

Employees of the Group should comply with relevant laws and regulations of the country and region. Any form of corruption is strictly prohibited. If an employee is suspected of violating the internal regulations of the Group, the internal accountability committee will take measures such as circulation of critiques, redeployment, demotion, removal from duties or dismissal. If an employee is suspected of criminal activities, the Group shall directly transfer the case to the judicial authorities. The Rewards and Punishment Management System of Beijing Cleaning Project also stipulated that employees involved in corruption and bribery should be dismissed immediately and transferred to the relevant authorities. The employees can lodge an appeal with their superiors within three days to deny the allegations.

During the year, the Group conducted 13 focused learning sessions on anti-corruption. Topics included democracy, openness, competition and selection based on merit.

Pursuing Excellence in Services

MANAGING SUPPLY CHAIN

The Group values the management of environmental and social risks in the supply chain and encourages suppliers to be responsible for the environment and society. The Group has formulated supplier management systems such as the Tender Management Measures and the Procurement Management Measures to screen suppliers that meet the requirements of the Group. Meanwhile, the Yingde Landfill has also formulated the Procurement Management System.

All tender and procurement processes of the Group are handled by the Tender and Procurement Working Committee. In addition, the Group should also set up a special negotiating team to negotiate with the suppliers in order to fully understand whether the performance of the suppliers meets the Group’s supplier selection criteria.

Dimensions	Selection Criteria
Social	<ul style="list-style-type: none"> Suppliers should have good commercial reputation and professional technical capabilities; and No record of any major violations.
Environment	<ul style="list-style-type: none"> No emissions violations; and The use of packaging materials should comply with normal practices. Disposal or wastage is strictly prohibited.

Regarding security training, all security personnel of the Group are employed by qualified third-party agencies. The relevant training was carried out before the security guards take up their posts.

CONTINUOUS IMPROVEMENT: PRODUCT RESPONSIBILITY MANAGEMENT

During the year, stakeholders put forward the following evaluation and suggestions regarding operations in the survey and focus group activities. The Group will consider these suggestions when optimising its management in future and continue to communicate with stakeholders.

Stakeholder comments and suggestions	Source	Activity
<ul style="list-style-type: none"> “Project investment reflects that the headquarters economy supports local development, and local conditions and platforms provide a win-win situation. CEHL headquarters and local governments build investment consensus and use brand and strength to promote project investment.”; “Continue to strengthen research and development in technologies” and to “increase capital investment”; “Increase investment in infrastructures and equipment to improve personnel business capabilities”; Invest in “management innovation” to form a “more precise” product service. 	External stakeholder (including government regulators, contractors, partners, and trade associations)	Survey
<ul style="list-style-type: none"> “Further strengthen investment in research and development expenses and increase technological competitiveness”; Promote “biogas power generation technology, waste utilisation, energy saving”; “handle electronic waste and improve environmental protection, to promote the effectiveness of technology and skills”. 	Internal stakeholders (including managers of project companies and other employees of the Group)	
<ul style="list-style-type: none"> In terms of ensuring operational safety, research into using robots for manual operations, especially in hazardous waste disposal projects; and To support research and development, establish an incentive mechanism to attract talents, encourage talents to continue their education, and invite external talents. 		Focus Group

Building a Harmonious Community

The Group understands that business growth is inseparable from the support of the local community. As a responsible business, the Group is committed to strengthening contact with local communities and understanding the needs of local communities. To this end, the Company has formulated the Measures for External Donations and Sponsorships, which clearly defines the process and responsible departments for the approval and implementation of donations and sponsorships, so as to regulate community investment actions and better fulfil social responsibility and obligations. This set of measures also confirms the Group's focus areas of community investment, including: relief for disaster-stricken areas, targeted poverty alleviation areas, targeted assistance areas or socially disadvantaged groups; public funding for projects in science, education, culture, health and sports, environmental protection, energy conservation and emission reduction; and other social welfare projects.

During the year, a total of 19 projects (76% of the reporting projects) have carried out local community participation, environmental and social impact assessment or community development plans. In terms of assessing social impacts, Quanling Power Plant, Ma'anshan Dismantling Plant, Nanyang Landfill Project, Zhoukou Collection and Transfer Project and Sui County Collection and Transfer Project carried out different forms of project visits, briefings, study or exchange activities for local residents and other key stakeholders. The reporting projects also assess and continuously monitor their environmental impact. For example, Qualified third-party testing agencies were commissioned to conduct timely monitoring of groundwater, leachate effluent, air, noise and nearby earthwork of the landfill project, or to survey wastewater, exhaust gas and noise from residents in the surrounding area of waste electrical appliance dismantling projects.

Building a Harmonious Community

Open Day for the general public

This year, the Ma'anshan Dismantling Plant invited 30 students from local elementary schools for a visit to learn about the process of waste disposal. During the event, the project staff engaged the participants by playing waste sorting animation, displaying waste electrical appliances, and interactive explanations, so that students could establish a preliminary understanding of daily waste sorting and disposal methods. In addition, the students also visited the main production sites such as the video monitoring room, raw material warehouse and dismantling operation workshop under the guidance of the instructor. They went on to observe the various stages of the waste household appliances from sorting, disassembly to reuse. The purpose of this event is to actively promote electronic product recycling and enhance environmental sustainability.



Waste Sorting Promotion

During the year, in order to further promote the awareness of waste sorting, the Company carried out activities with the theme of "Practicing waste sorting under the CCP's leadership", and went into the local community kindergarten of the Group's Beijing headquarters to conduct a lively waste sorting class for children. During the event, the representatives of the Company taught the children about waste sorting signs, the colour marking of the cans and the method of waste sorting to children with courseware and exhibition boards and strengthened the children's understanding through interactive games. At the end of the event, the delegates presented waste sorting picture books and toys to the children.



In order to continue to promote the development of targeted poverty alleviation, the Linyi Collection and Transfer Project launched poverty alleviation activities this year. Through the project's own marketing channels, it helps people in poverty connect with the market and realise the sale of agricultural and livestock products. To this end, the Linyi Collection and Transfer Project has set up a consumer poverty alleviation working group to coordinate sales arrangement.

Building a Harmonious Community

CONTINUOUS IMPROVEMENT: COMMUNITY INVESTMENT MANAGEMENT

During the year, stakeholders raised the following comments and suggestions regarding community investment in the survey and focus group activities. The Group will consider these suggestions when optimising its management in future and continue to communicate with stakeholders.

Stakeholder comments and suggestions	Source	Activity
<ul style="list-style-type: none"> • “Increase investment and social participation”; • “Organise public welfare, carry out voluntary activities to increase social influence”; and • “Strengthen business community care, and strengthen the publicity of the business to the society. Promote environmental protection and garbage incineration to the nearby residents.” 	Internal stakeholders (including managers of project companies and other employees of the Group)	Survey
<ul style="list-style-type: none"> • Need to improve the leadership and coordination work in the community, including the coordination of the relationship between the government and business; among them, on the not-in-my-backyard (“NIMBY”) issue, it is particularly necessary to pay attention to the coordination of various projects with various government departments and local communities during the construction and operation stages. • Solve or support local employment and transform NIMBY into neighbourhood benefits. • Strengthen community communication and interactions, and transform corporate philosophy into community action. • Enhance publicity and expand the results of emission reduction to a wide range of applications in society. 		Focus Group

With regard to specific measures for local community interaction and NIMBY issues, some stakeholders proposed innovative solutions in the focus group, including the following measures:

From NIMBY to neighbourhood benefits
<ul style="list-style-type: none"> • Organise large-scale project visits and inspections (specifically, continue to plan for “State-owned Enterprise Public Open Day”); • Carry out publicity campaign, bringing CEHL image into campuses and communities, and conducting science education on environmental protection knowledge (specifically, produce promotional videos, household surveys, and publish the “Report to the Citizen”); • Commit to environmental performance standards and conduct voluntary supervision; • Provide shared facilities open to local residents within the project site; and • Recruit local residents, and provide targeted support and cares to surrounding residents.

Appendix: Compliance Performance

OVERVIEW OF COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

Aspects	Relevant Laws and Regulations (selected list)	Compliance Status
Emission	Environmental Protection Law of the People's Republic of China The Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes The Regulation on the Administration of the Recovery and Disposal of Waste Electrical and Electronic Products	The Group has not identified any cases of non-compliance in relation to emissions in the reporting projects during the year.
Employment	The Labour Law of the People's Republic of China The Labour Contract Law of the People's Republic of China	During the year, no cases of discrimination or non-compliance in relation to employment was found among the reporting projects of the Group.
Health and Safety	The Production Safety Law of the People's Republic of China The Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases Regulation on Work-Related Injury Insurances	During the year, no cases of non-compliance in relation to health and safety were found among the reporting projects of the Group. There were in total 13 cases of work-related injuries in the reporting projects. The Group has provided appropriate support and compensation to injured employees in accordance with relevant national and local laws and regulations.
Labour Standards	The Law of the People's Republic of China on the Protection of Minors Payment of Wages Tentative Provisions	The Group has not identified any cases of non-compliance in relation to labour standards in the reporting projects during the year.
Product Responsibility	Company Law of the People's Republic of China Standard for Pollution Control on Municipal Solid Waste Incineration	The Group has not identified any cases of non-compliance in relation to product responsibility in the reporting projects during the year.
Anti-Corruption	Anti-Unfair Competition Law of the People's Republic of China Anti-Money Laundering Law of the People's Republic of China The Bidding Law of the People's Republic of China	The Group's reporting projects did not receive any cases of corruption proceedings against the Group or its employees during the year, and did not violate laws and regulations in relation to anti-corruption.

Note : Bound by duties of care on confidentiality, to respect privacy for individuals, customers and/or other key stakeholders, and avoid potential conflict(s) of interest. The Company accepts the following suggestions — avoid to disclose any detailed information about the plaintiff or defendant, the cause, reasons and processes of the case, and any other information that may cause disputes or impact of the case(s) in progress (if any and/or applicable to ESG), so as not to mislead public opinion or the interrogation process (if any).

Appendix: CEHL Green Bond Report

As at 31 December this year, all of the allocated net raised funds had been invested in the Group's existing or newly launched environmental projects in the solid waste sector, all of which were eligible green projects within the Beijing Capital Group's Green Bond Framework. The Company's green bond funding allocation is detailed in the table below (in descending order of allocation amount).

CEHL GREEN BOND CAPITAL ALLOCATION STATEMENT (AS OF DECEMBER 31, 2019)

Project Number	Companies managing the project	Amount allocated (RMB)	Within the boundary of the report
Project 1	Xinxiang Capital Solid Environmental Energy Limited	223,511,195.00	
Project 2	Suixian Capital Environmental Energy Limited	218,830,919.00	
Project 3	Nanyang Capital Environment Technology Company Limited	150,250,000.00	✓
Project 4	Nanchang Capital Environment Energy Co., Ltd.	110,000,000.00	✓
Project 5	Shangrao Fengshun Solid Waste Treatment Co., Ltd.	101,741,100.00	✓
Project 6	Lushan Capital Environment Energy Company Limited	89,160,000.00	✓
Project 7	Yingde Laohuyan Solid Waste Treatment Co., Ltd.	82,258,150.00	✓
Project 8	Shenzhou Capital Environmental Energy Co., Ltd.	80,688,400.00	
Project 9	Yutian Capital Environmental Energy Co., Ltd.	77,800,000.00	
Project 10	Xihua Capital Environment Resources Limited	59,830,000.00	
Project 11	Tanghe Capital Environmental Energy Co., Ltd.	57,000,000.00	
Project 12	Qianjiang Capital Bolang Green Energy Limited	56,290,000.00	✓
Project 13	Qixian Capital Biomass Energy Co., Ltd.	54,000,000.00	
Project 14	Renqiu Capital Environmental Treatment Co., Ltd.	52,912,035.00	
Project 15	Duchang Capital Environmental Energy Co., Ltd.	48,800,000.00	
Project 16	Zhengyang Capital Environmental Energy Company Limited	45,600,000.00	✓
Project 17	Yongji Huaxinda Clean Energy Co., Ltd.	45,000,000.00	
Project 18	Qixian Capital Environmental Energy Company Limited	44,000,000.00	✓
Project 19	Lushan Capital Biomass Energy Co., Ltd.	39,000,000.00	
Project 20	Huainan Capital Environment Recovery Engineering Company Limited	37,555,000.00	
Project 21	Jiangxi Ruijin Ai Si Environmental Electric Limited	35,000,000.00	
Project 22	Zibo Capital Solid Environment Technology Limited	32,000,000.00	
Project 23	Huojia Capital Environmental Treatment Co., Ltd.	15,335,000.00	
Project 24	Xiangxi Autonomous Prefecture Capital Environmental Co., Ltd.	14,000,000.00	
Project 25	Suixian Capital Environmental Sanitation Limited	14,000,000.00	✓

Appendix: CEHL Green Bond Report

Project Number	Companies managing the project	Amount allocated (RMB)	Within the boundary of the report
Project 26	Anhui Capital Environmental Technology Company Limited	13,000,000.00	✓
Project 27	Huludao Kangte Jincheng Environment Management Company Limited	12,000,000.00	✓
Project 28	Guangchang Capital Environment Co., Ltd.	10,000,000.00	✓
Project 29	Duyun Kelin Environment Company Limited	10,000,000.00	
Project 30	Duyun Capital Environment Company Limited	10,000,000.00	✓
Project 31	Jinzhong Capital Environment Resources Limited	8,500,000.00	
Project 32	Hebei Xiongan Pioneer Environmental Governance Limited	7,350,000.00	
Project 33	Gaoan Capital Environmental Sanitation Co., Ltd.	7,200,000.00	
Project 34	Dingxi Capital Solid Environment Energy Co., Ltd.	6,880,000.00	
Project 35	Duyun Capital Environmental Sanitation Services Limited	6,500,000.00	
Project 36	Nongan Capital Environmental Energy Co., Ltd.	5,500,000.00	
Project 37	Beijing Capital Shunzheng Environmental Energy Technology Co., Ltd.	5,100,000.00	
Project 38	Puer Capital Environmental Energy Co., Ltd.	5,000,000.00	
Project 39	Suiping Capital Environmental Sanitation Company Limited	4,000,000.00	✓
Project 40	Linyi Capital Environmental Hygiene Limited	3,000,000.00	✓
Project 41	Luoyang Capital Solid Environment Services Co., Ltd	2,400,000.00	
Project 42	Xihua Capital Environment Sanitation Limited	2,000,000.00	✓
Project 43	Suichuan Capital Environmental Energy Co., Ltd.	1,180,000.00	
	Total	1,904,171,799.00	

Appendix: KPIs Summary

ENVIRONMENTAL PERFORMANCE

Air emissions and type	Year 2019	Year 2018	Unit
Nitrogen oxides	838,017	862,378	kilogram
Sulphur oxides	287,736	280,978	kilogram
Respirable suspended particulates	182,159	49,164	kilogram
GHG emissions	Year 2019	Year 2018	Unit
Scope 1	365,698	568,881	tonnes of CO ₂ -e
Scope 2	24,076	10,579	tonnes of CO ₂ -e
Scope 3	40	53	tonnes of CO ₂ -e
Total GHG emissions (Scope 1,2 and 3)	389,814	579,513	tonnes of CO ₂ -e
GHG intensity (Scope 1,2 and 3)	0.44	0.83	tonnes of CO ₂ -e/ RMB1,000 of revenue
Hazardous waste	Year 2019	Year 2018	Unit
Total amount of hazardous waste ²³	416,099	154,649	tonnes
Hazardous waste intensity (by revenue)	0.47	0.22	tonnes/RMB1,000 of revenue
Non-hazardous waste	Year 2019	Year 2018	Unit
Total amount of non-hazardous waste ²⁴	105,896	212,490	tonnes
Non-hazardous waste intensity (by revenue)	0.14	0.42	tonnes/RMB1,000 of revenue
Total energy consumption	Year 2019	Year 2018	Unit
Total energy consumption	2,008,391	1,403,339	MWh equivalent
Energy intensity (by revenue)	2.25	3.10	MWh equivalent/ RMB1,000 of revenue
Total water consumption	Year 2019	Year 2018	Unit
Total water consumption	1,957,571	1,278,494	Cubic metre
Water intensity (by revenue)	2.19	1.91	Cubic metre/ RMB1,000 of revenue
Use of packaging materials	The operations of the reporting projects did not involve consumption of packaging materials		

²³ The total hazardous waste estimate does not include the amount generated by Qi County Collection and Transfer Project. The Group will continue to enhance its capabilities of data collection and accounting, and further improve its disclosure in the coming year.

²⁴ The total non-hazardous waste estimate does not include the amount generated by Qi County Collection and Transfer Project, Linyi Collection and Transfer Project, Beijing Cleaning Project, Qianjiang Collection and Transfer Project, Zhoukou Collection and Transfer Project, Lushan Collection and Transfer Project, and Yangzhou Hazardous Waste Treatment Project. The Group will continue to enhance its capabilities of data collection and accounting, and further improve its disclosure in the coming year.

Appendix: KPIs Summary

SOCIAL PERFORMANCE

Employment Statistics			Central China	South China	East China	Southwest China	North China	Northeast China	Total
Number of employees and percentage of employees in each category	Total by project location		574	19	1,051	101	361	29	2,135
	Gender	Male	529 (92.2%)	13 (68.4%)	825 (78.5%)	81 (80.2%)	234 (64.8%)	23 (79.3%)	1,705 (79.9%)
		Female	45 (7.8%)	6 (31.6%)	226 (21.5%)	20 (19.8%)	127 (35.2%)	6 (20.7%)	430 (20.1%)
	Age	Below 30	116 (20.2%)	2 (10.5%)	245 (23.3%)	23 (22.8%)	5 (1.4%)	6 (20.7%)	397 (18.6%)
		30-50	391 (68.1%)	13 (68.4%)	547 (52.1%)	76 (75.2%)	119 (33.0%)	19 (65.5%)	1,165 (54.6%)
		Over 50	67 (11.7%)	4 (21.1%)	259 (24.6%)	2 (2.0%)	237 (65.6%)	4 (13.8%)	573 (26.8%)
	Employment category	Senior managerial level	11 (1.9%)	3 (15.8%)	35 (3.3%)	4 (4.0%)	2 (0.5%)	1 (3.4%)	56 (2.6%)
		Managerial level	36 (6.3%)	2 (10.5%)	72 (6.9%)	6 (5.9%)	9 (2.5%)	6 (20.7%)	131 (6.1%)
		General staff	527 (91.8%)	14 (73.7%)	944 (89.8%)	91 (90.1%)	350 (97.0%)	22 (75.9%)	1,948 (91.3%)
	Employment type	Full-time	572 (99.7%)	19 (100%)	1,044 (99.3%)	101 (100%)	361 (100%)	29 (100%)	2,126 (99.6%)
Part-time		2 (0.3%)	0 (0%)	7 (0.7%)	0 (0%)	0 (0%)	0 (0%)	9 (0.4%)	
New hires ratio²⁵	Gender	Male	18.7%	23.1%	40.1%	25.9%	38.9%	13.0%	32.1%
		Female	22.2%	0	34.1%	5%	43.3%	0	33.3%
	Age	Below 30	27.6%	0	50.6%	56.5%	20%	50%	43.6%
		30-50	18.2%	23.1%	41.0%	11.8%	35.3%	0	30.0%
		Over 50	9.0%	0	23.2%	0	43.5%	0	29.5%
Turnover rate²⁶	Gender	Male	16.8%	7.7%	18.3%	14.8%	44.0%	4.3%	20.9%
		Female	6.7%	16.7%	11.9%	0	48.0%	0	21.4%
	Age	Below 30	15.5%	100%	22.4%	13.0%	40%	0	20.2%
		30-50	18.7%	0	16.3%	11.8%	26.1%	0	17.3%
		Over 50	1.5%	0	13.1%	0	55.3%	25%	29.1%
Number and percentage of employees from vulnerable groups	Ethnic minority ²⁷	12 (2.1%)	0 (0%)	6 (0.6%)	70 (69.3%)	0 (0%)	0 (0%)	88 (4.1%)	
	Person with disability	4 (0.7%)	0 (0%)	1 (0.1%)	0 (0%)	4 (1.1%)	0 (0%)	9 (0.4%)	

²⁵ New hire rate is calculated by dividing the number of new hires in a category by the total workforce of that category in the year.

²⁶ The employee turnover rate is calculated by dividing the total number of employees who left the company voluntarily, due to dismissal or on retirement by the total number of employees in the year.

²⁷ In the People's Republic of China, ethnic minorities refer to the 55 statutory ethnicities other than the main ethnic group of Han Chinese.

Appendix: KPIs Summary

Health and Safety Statistics		Central China	South China	East China	Southwest China	North China	Northeast China	Total
Work-related injuries	Male	0	0	8	0	1	0	9
	Female	0	0	3	0	1	0	4
Work-related fatalities	Male	0	0	0	0	0	0	0
	Female	0	0	0	0	0	0	0
Employees infected with occupational diseases	Male	0	0	0	0	0	0	0
	Female	0	0	0	0	0	0	0
Number of employees performing high risk duties	Male	0	3	131	0	0	3	137
	Female	0	0	9	0	0	0	9
Lost days due to work-related injuries or occupational diseases	Male	0	0	470	0	125	0	595
	Female	0	0	60	0	125	0	185
Days of absence	Male	751	2	1,184	67	398	5	2,407
	Female	215	2	648	285	303	0	1,453

Training Statistics		Central China	South China	East China	Southwest China	North China	Northeast China	Total	
Training rate ²⁸	Gender	Male	97.4%	100%	78.8%	90.1%	100%	100%	88.4%
		Female	64.4%	100%	74.8%	100%	100%	100%	83.0%
	Employment category	Senior managerial level	81.8%	100%	85.7%	100%	100%	100%	87.5%
		Managerial level	77.8%	100%	91.7%	100%	100%	100%	89.3%
General staff		96.2%	100%	76.6%	91.2%	100%	100%	87.2%	
Average training hours ²⁹	Gender	Male	43.7	33.2	13.8	7.4	15.0	2	22.9
		Female	22.4	24	17.6	8.4	15.9	2	17.1
	Employment category	Senior managerial level	43.5	48	19.3	8	14.0	3	24.3
		Managerial level	28.8	48	18.5	10.7	14.2	2	20.4
		General staff	42.9	24	14.1	7.4	15.4	2	21.8
Percentage of employees receiving regular performance and career development reviews ³⁰	Gender	Male	74.1%	100%	81.2%	100%	100%	100%	82.9%
		Female	53.5%	100%	80.1%	100%	100%	100%	84.7%
	Employment category	Senior managerial level	72.7%	100%	80%	100%	100%	100%	82.1%
		Managerial level	52.8%	100%	81.9%	100%	100%	100%	77.1%
		General staff	73.8%	100%	80.9%	100%	100%	100%	83.7%

²⁸ Training ratio is calculated by dividing the number of employees trained in one category by the total number of employees in this category.

²⁹ Average training hours is calculated by dividing the total hours of training received by a category over the number of employees of the category

³⁰ The percentage of employees under review is calculated by dividing the number of employees under review in one category by the total number of employees in this category.

Appendix: KPIs Summary

Supply Chain Management Statistics	Central China	South China	East China	Southwest China	North China	Northeast China	Total
Suppliers located in China mainland	84	6	383	51	11	5	540
Percentage of suppliers implementing relevant practices	92.9%	100%	90.6%	100%	100%	100%	92.2%

Operation and Product Responsibility Statistics		Central China	South China	East China	Southwest China	North China	Northeast China	Total
Non-compliance in relation to health and safety of products and services	Total number of incidents	0	0	0	0	0	0	0
	Percentage of product recall	0	0	0	0	0	0	0
Number of complaints about products and services	Total number of incidents	0	0	0	0	0	0	0
Substantiated complaints about breaches of customer privacy or losses of customer data	Total number of incidents	0	0	0	0	0	0	0
Litigations regarding anti-competitive behaviour, anti-trust, and monopoly practices	Total number of incidents	0	0	0	0	0	0	0

Anti-corruption Statistics		Central China	South China	East China	Southwest China	North China	Northeast China	Total
Confirmed incidents of corruption		0	0	0	0	0	0	0
Percentage of staff participating in anti-corruption training		72.6%	100%	75.2%	100%	100%	17.2%	79.3%

Community Investment Statistics		Central China	South China	East China	Southwest China	North China	Northeast China	Total
Total donation amount	RMB	125,000	20,000	152,777.5	62,850	105,000		0
Volunteering	Participation	155	0	0	26	120		0
Volunteering hours	Hours	485	0	0	78	240		0

Appendix: ESG Guide and GRI Standards Content Index

GRI Standards	ESG Guide	Contents in the ESG Guide or GRI Standards	Page/Remarks
Environmental Topics			
A1 Emissions			
GRI 103-1 GRI 103-2 GRI 103-3 GRI 305 GRI 306	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 GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	21-23, 39
GRI 305-7	A1.1	The types of emissions and respective emissions data.	23, 42
GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4 GRI 305-5	A1.2	GHG emissions in total and, where appropriate, intensity	23-24, 42
GRI 306-2	A1.3	Total hazardous waste produced and, where appropriate, intensity	21, 42
GRI 306-2	A1.4	Total non-hazardous waste produced and, where appropriate, intensity	21, 42
GRI 103-2	A1.5	Description of measures to mitigate emissions and results achieved.	23-24
GRI 103-2 GRI 306-2	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	21-22
A2 Use of Resources			
GRI 103-2 GRI 301 GRI 302 GRI 303	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	24
GRI 302-1 GRI 302-3	A2.1	Direct and/or indirect energy consumption by type and intensity	24, 42
GRI 303-5	A2.2	Water consumption in total and intensity	24, 42
GRI 103-2	A2.3	Description of energy use efficiency initiatives and results achieved.	24
GRI 103-2	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	24
GRI 301-1	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A

Appendix: ESG Guide and GRI Standards Content Index

GRI Standards	ESG Guide	Contents in the ESG Guide or GRI Standards	Page/Remarks
A3 The Environment and Natural Resources			
GRI 103-2 GRI 103-3 —	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources. A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	12, 25 13-14, 25
Social Topics			
B1 Employment			
GRI 103-1 GRI 103-2 GRI 401-2 GRI 405 GRI 406	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.	27-28, 39
GRI 102-7 GRI 102-8 GRI 405-1b	B1.1 (new Amendment) —	Total workforce by gender, employment type, age group and location. Percentage of employees per employee category in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).	43 43
GRI 401-1b	B1.2	Employee turnover rate by gender, age group and geographical region.	43
GRI 401-1a	—	Total number and rate of new employee hires during the reporting period, by age group, gender and region.	43
GRI 406-1	—	Incidents of discrimination and corrective actions taken	27, 39
B2 Health and Safety			
GRI 103-1 GRI 103-2 GRI 103-3 GRI 403	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.	26-27, 39
GRI 403-4b (Partial)	—	Where formal joint management-worker health and safety committees exist, a description of their responsibilities	11-12, 26
GRI 403-5	—	A description of any occupational health and safety training provided to workers, including generic training as well as training on specific work-related hazards, hazardous activities, or hazardous situations.	27
GRI 403-6a	—	An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided.	27, 28
GRI 403-9	B2.1	Number and rate of work-related fatalities.	39, 44
GRI 403-9	B2.2	Lost days due to work injury	39, 44
GRI 103-2	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	26-27

Appendix: ESG Guide and GRI Standards Content Index

GRI Standards	ESG Guide	Contents in the ESG Guide or GRI Standards	Page/Remarks
B3 Development and Training			
GRI 103-1 GRI 103-2 GRI 404 GRI 412	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	29-30
—	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	29, 44
GRI 404-1	B3.2	The average training hours completed per employee by gender and employee category.	44
GRI 412-2	—	Employee training on human rights policies or procedures	30
B4 Labour Standards			
GRI 103-1 GRI 103-2 GRI 402 GRI 408 GRI 409	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.	30, 39
GRI 103-2 GRI 408-1c	B4.1	Description of measures to review employment practices to avoid child and forced labour	30
GRI 103-2 GRI 409-1b	B4.2	Description of steps taken to eliminate such practices when discovered.	30
GRI 402-1	—	Minimum notice periods regarding operational changes	30
B5 Supply Chain Management			
GRI 103-2 GRI 103-3 GRI 308 GRI 410 GRI 414	General Disclosure	Policies on managing environmental and social risks of the supply chain.	35
GRI 102-9	B5.1	Number of suppliers by geographical region.	45
GRI 103-2	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	35, 45

Appendix: ESG Guide and GRI Standards Content Index

GRI Standards	ESG Guide	Contents in the ESG Guide or GRI Standards	Page/Remarks
B6 Product Responsibility			
GRI 103-1 GRI 103-2 GRI 103-3 GRI 206 GRI 416 GRI 418	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.	32-34, 39
—	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	45
—	B6.2	Number of products and service related complaints received and how they are dealt with.	33, 45
—	B6.3	Description of practices relating to observing and protecting intellectual property rights	34
—	B6.4	Description of quality assurance process and recall procedures	32-33
GRI 103-2	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	34
GRI 418-1	—	Substantiated complaints concerning breaches of customer privacy and losses of customer data	45
GRI 206-1	—	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	45
B7 Anti-corruption			
GRI 103-1 GRI 103-2 GRI 103-3 GRI 205	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.	34, 39
GRI 205-3	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	35, 45
GRI 102-17 GRI 103-2	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	34
GRI 205-2e	B7.3 (new Amendment)	Description of anti-corruption training provided to directors and staff.	34, 45

Appendix: ESG Guide and GRI Standards Content Index

GRI Standards	ESG Guide	Contents in the ESG Guide or GRI Standards	Page/Remarks
B8 Community Investment			
GRI 103-1 GRI 103-2 GRI 203 GRI 413	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.	36
GRI 203-1	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	36
—	B8.2	Resources contributed (e.g. money or time) to the focus area.	36–37, 45
GRI 413-1	—	Operations with local community engagement, impact assessments, and development programs.	36
Economic Topics			
GRI103-2 GRI103-3 GRI201	—	Management approach disclosures on economic performance	11
GRI201-2	—	Financial implications and other risks and opportunities due to climate change	11, 14
GRI201-4	—	Financial assistance received from government	11
GRI103-2 GRI202	—	Management approach disclosures on market presence of an organisation (i.e. its contribution to economic development in the local areas or communities where it operates)	11, 28, 36-38
GRI202-2	—	Proportion of senior management hired from the local community	28



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