



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

SUSTAINABILITY
REPORT
2017



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ABOUT CEHL

GROUP INTRODUCTION

Capital Environment Holdings Limited (“CEHL” or collectively “the Group” with its subsidiaries), a state-owned holding company, was incorporated in the Cayman Islands in 2004. Its shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “SEHK”) with effect from 2006. CEHL is principally engaged in the provision of waste technologies and services, focusing on technology development, design, system integration, project investment, consultancy, operation and maintenance of waste disposal facilities, particularly in the projects converting waste to energy.



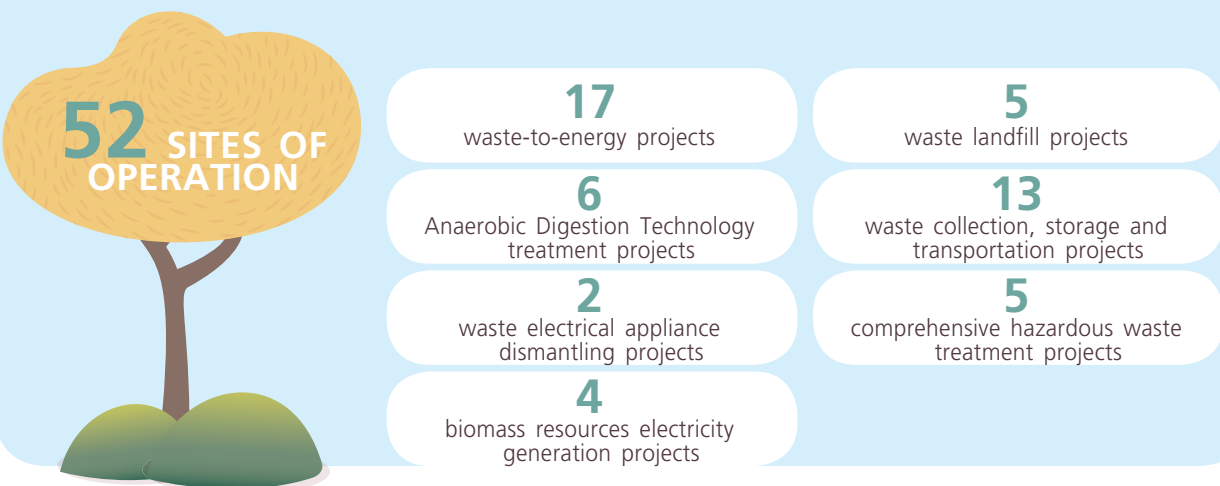
As a provider for integrated waste management solutions and environmental infrastructure services, CEHL is committed to expanding the handling capacity of municipal solid waste to tackle the waste disposal problem that has become increasingly urgent in China.

BUSINESS SCOPE

Through the Group’s subsidiaries, CEHL operates waste treatment and waste-to-energy businesses in 36 cities covering 16 provinces in China, including Henan, Guangdong, Jiangxi, Jiangsu, Hebei etc. There is also facilities in New Zealand. The Group specialises in providing waste treatment and waste-to-energy services for clients such as government organisations, waste disposal organisations and residents. As of 31 December 2017, the Group had approximately 3,241 employees, principally located in Mainland China, Hong Kong and New Zealand.

A total of 30 projects had commenced construction or operation as of 31 December 2017. CEHL’s facilities are designed to handle an aggregate annual waste treatment capacity of approximately 3.77 million tonnes and the dismantling of electrical and electronic equipment of about 3.2 million units. Among the facilities, the Nanchang Quanling Municipal Solid Waste Incineration Power Plant best demonstrates the Group’s capabilities. Waste minimisation and energy maximization are achieved through a fully integrated processing system. The project has been approved by the National Development and Reform Commission as a national model of environmental protection.

Summary of China projects (as at 31 December 2017)



ABOUT CEHL



The Group holds a 51% share of BCG NZ Investment Holding Limited (BCG NZ) which provides comprehensive waste management services in New Zealand and has a nationwide service network. BCG NZ owns five landfill sites with a capacity of 1.5 million tonnes, manages an 800-truck fleet and has a total of 29 waste transfer stations; also operates eight liquid and hazardous waste treatment plants and two composting plants. These facilities have an annual waste handling capacity of 1.2 million tonnes (excluding waste oil recycling) and a landfill capacity of 1.5 million tonnes.

EXTERNAL RECOGNITION

To promote sustainable development and enhance the Group's knowledge and technology exchange in waste treatment and waste-to-energy projects, CEHL has joined numerous organisations related to the environment and ecological conservation with the following memberships:

Zhongguan Cun Smart Industry Alliance *(Vice President status)*

China Association of Urban Environmental Sanitation Division of Smart Environmental Sanitation
(Vice President status)

China Association of Circular Economy *(General member)*

National Alliance of Waste Incineration for Energy *(Member)*

E20 Environment Platform *(VIP member)*

SEE Conservation *(Member)*

China National Resources Recycling Association *(Member)*



Industry Recognition



Government Recognition



ABOUT THIS REPORT

Since CEHL published its first Environmental, Social and Governance Report, the Group has been keen to elevate its sustainability performance. This year, the Group has upgraded the Environmental, Social and Governance Report to a Sustainability Report (the "Report"). By raising the ambition of reporting, it will demonstrate the management methods and performance of the Group in environmental and social issues in a more comprehensive manner, allowing all stakeholders a better understanding of the Group's progress and development pathway with regard to sustainability issues.

This report is available in both Chinese and English, and has been uploaded to the website of the SEHK and the Group www.cehl.com.hk.

REPORTING YEAR

The information in this report reflects the operation of CEHL from January to December 2017 (this year), is consistent with the reporting period of the previous year, and also accords with CEHL's financial year.

SCOPE OF THE REPORT

This report focuses on CEHL's waste treatment and waste-to-energy businesses in Mainland China. The Group has selected nine projects that have been completed and entered into production during or before this year from the 30 operational and construction projects to be the scope of the report. Taking data traceability into consideration, jointly-operated projects and projects located in New Zealand are not included in this report. In future, the Group will consistently upgrade the internal data collection procedure and gradually expand the coverage and disclosures of reports.

Project business nature	Project name	Location		Project abbreviation
Waste collection and transportation	• Shanxi Linyi Solid Waste Collection and Transfer Project	Shanxi Province	– Linyi County	Linyi Collection and Transfer Project
	• Henan Nanyang Waste Collection, Transfer and Processing Project	Henan Province	– Nanyang City	Nanyang Collection, transfer and processing Project
Waste landfill	• Guizhou Weng'an Municipal Solid Waste Landfill Site	Guizhou Province	– Weng'an County	Weng'an Landfill
	• Guizhou Duyun Municipal Solid Waste Landfill Site		– Duyun City	Duyun Landfill
	• Huludao Solid Waste Landfill Site	Liaoning Province	– Huludao City	Huludao Landfill
Waste-to-energy	• Nanchang Quanling Municipal Solid Waste Incineration Power Plant	Jiangxi Province	– Nanchang City	Quanling Power Plant
Waste electrical appliance dismantling	• Anhui Maanshan Household Appliances Dismantling Recycling Project	Anhui Province	– Maanshan City	Maanshan Dismantling Plant
	• Huaian Waste Vehicles and Household Appliances Dismantling and Recycling Project	Jiangsu Province	– Huaian Industrial Park	Huaian Dismantling Plant
Anaerobic Digestion Technology treatment	• Yangzhou Kitchen Waste Collection, Transfer and Processing BOT Project		– Yangzhou City	Yangzhou Kitchen Waste Project

ABOUT THIS REPORT



Waste Collection & Transporting



Inside CEHL Projects-processing facilities



Inside CEHL Projects-recycled products



Yangzhou Kitchen Waste Project

REPORTING STANDARD

This report is prepared in accordance with the “comply or explain” provisions of Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) issued by the Stock Exchange of Hong Kong (SEHK). The report also includes selected key performance indicators that are categorised in the ESG Reporting Guide as “recommended disclosures” for enhanced reporting. At the same time, this report has referenced the Global Reporting Initiative (GRI) standards published in 2016¹ to upgrade the reporting quality and increase the transparency. A complete index, including the selected GRI Standards, is inserted in the last chapter for reader’s easy reference.

The Group will consider adopting the GRI Standards in its reporting and expanding the scope of disclosure to cover the substantive issues more comprehensively when it has expanded its environmental, social and governance efforts and a more advanced data collection system is in place.

DATA COLLECTION METHOD

The information documented in this report is sourced from official documents, statistical data, management and operational information from CEHL and its subsidiaries according to the systems of the Group. The report was approved by the Board of Directors in March 2018.

To ensure the accuracy of the environment-related key performance indicators, CEHL commissioned a professional consultancy, Carbon Care Asia (CCA), to conduct a carbon assessment.

FEEDBACK

CEHL hopes to hear your feedback regarding the Group’s disclosure. Whether as a client, a business partner, a member of the public, the media or civil organisations, your view and suggestions will help the Group determine and strengthen its sustainability strategies. Please feel free to contact the Group through any of the following methods:

Capital Environment Holdings Limited

Address: Unit 1613–1618, 16/F Bank of America Tower, 12 Harcourt Road, Central, Hong Kong

Tel: (852) 2526 3438

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E-mail: enquiries@cehl.hk



¹ This report references GRI Standards using a number of Disclosures in topic-specific disclosure Standards “GRI 302: Energy”, “GRI 305: Emissions”, “GRI 404: Training and Education” and “GRI 406: Non-discrimination”, as well as “GRI 103: Management Approach”.

STAKEHOLDER ENGAGEMENT

CEHL values stakeholders’ participation. Stakeholders include groups or individuals materially influencing or affected by CEHL’s business. The Group’s internal stakeholders include the employees, the management and directors, while its external stakeholders include clients, business partners, investors, monitoring organisations and various community groups.

REGULAR STAKEHOLDER ENGAGEMENT

CEHL understands the significance of consistently listening and giving timely responses to stakeholders’ feedback and addressing the issues that concern them.

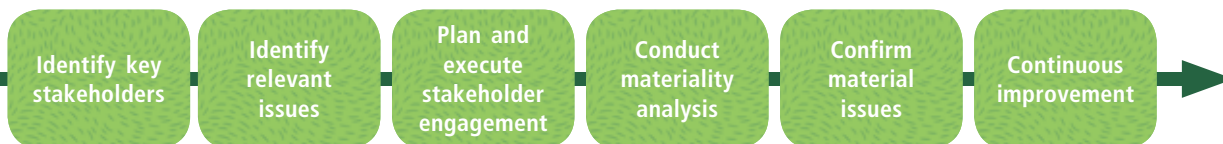
Stakeholder engagement is a dynamic and continuous process. In this year, the Group engaged major stakeholders through various means as shown in the graph below:



SUSTAINABILITY-SPECIFIC ENGAGEMENT

Apart from regular stakeholder engagement activities, CEHL has engaged stakeholders in in-depth discussions with regard to sustainability issues. Since 2016, the Group has commissioned a consultant CCA, to facilitate stakeholder engagement in a fair and objective manner to understand stakeholders’ views and expectations of the sustainable development of the Group. The process helps the Group to identify and prioritise issues that concern stakeholders and issues that are material to the Group.

Methodology for stakeholder engagement involves the following steps:



STAKEHOLDER ENGAGEMENT

IDENTIFY KEY STAKEHOLDERS

To identify key stakeholders and plan engagement activities that align with stakeholders' expectations, the Group has conducted separate analysis of different groups of stakeholders. The Group's key internal stakeholders include employees of related departments of subsidiary companies; key external stakeholders include monitoring organisations, suppliers, investors, residents within our service area, non-government organisations and the media.




IDENTIFY RELEVANT ISSUES

This year, the consultant assisted CEHL to comprehensively review and amend the Group's list of sustainability issues to ensure it could reflect the business nature of the Group and the results of previous stakeholder engagements. At the same time, the consultant held an interview with the Group's senior management, and their responses were included in the issues list to allow stakeholder participation in the planning of the Group's sustainability blueprint.

The Group has identified 32 issues that are judged most relevant to its business and impact, spanning five aspects including Economic Performance, Environmental Protection, Employment and Labour Practices, Operating Practices and Community Investment. These issues serve as the basis of this internal and external stakeholder engagement.

PLAN AND EXECUTE STAKEHOLDER ENGAGEMENT

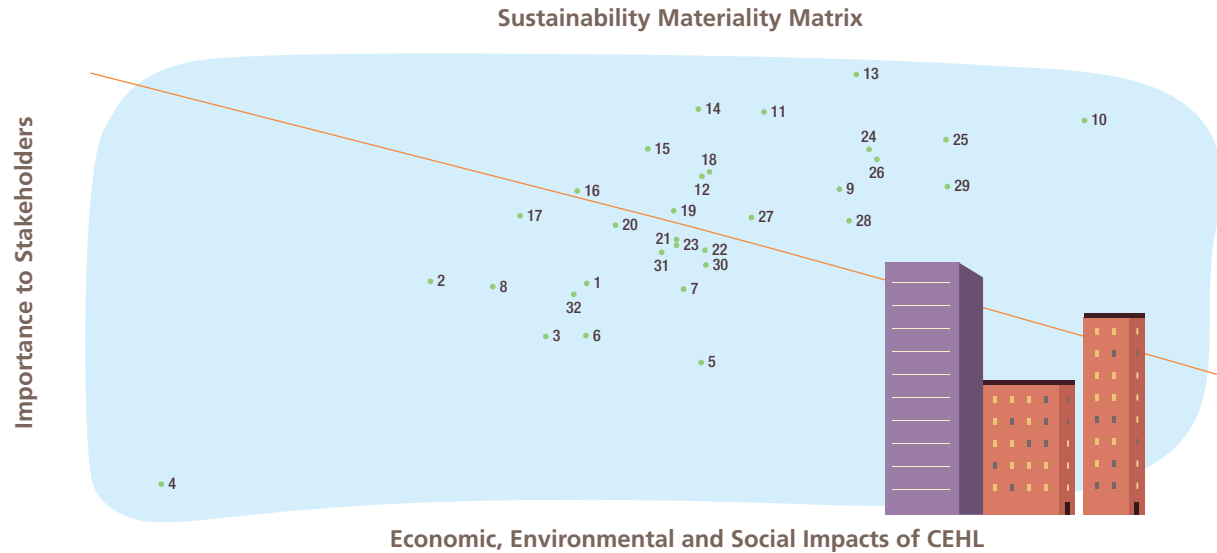
To understand more effectively stakeholders' views and expectations concerning CEHL's sustainability performance, CCA designed different engagement exercises using different formats adjusted for stakeholders' level of knowledge in sustainability and willingness to participate. These included site visits, workshops, interviews and questionnaires. Outputs from all engagement exercises were given anonymity to allow participants to freely express their views and expectations for the Group.

 <ul style="list-style-type: none">• In June and December this year, the consultant visited four of the Group's projects in Nanyang, Ningbo and Yangzhou. During the visit the consultant had in-depth exchange with the representatives of the local government and the employees to understand each project's impact on the local economy, environment and society.• The consultant organised training workshops for employees to enhance their understanding of sustainable development. <p>Project site visit and stakeholder workshop</p>	 <ul style="list-style-type: none">• To understand the sustainability management direction and plans of CEHL, the consultant had a face-to-face interview with the management of CEHL to discuss the Group's material issues and explore the management approaches and strategies of the Group on various issues. <p>Management interview</p>	 <ul style="list-style-type: none">• Apart from engaging stakeholders in written questionnaire, the consultant also released the questionnaire through an online platform to let stakeholders score each sustainability issue according to their importance.• 388 questionnaires were received. <p>Online and written questionnaire survey</p>
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STAKEHOLDER ENGAGEMENT

CONDUCT MATERIALITY ANALYSIS

The consultant conducted a materiality analysis according to the results of the questionnaire. Combining the scores given by the stakeholders, a materiality matrix was produced to indicate the position of each issue. The median line (the orange line as in the graph below) represents the mean score of all issues. The 16 issues above and to the right of the median line are the "material issues" to the Group.



CONFIRM MATERIAL ISSUES

Despite that stakeholders did not express particular concern about Economic Performance and Community Investment, as a responsible corporate citizen, the Group values the impact of its business on the economy and community. The Group puts 'Economic performance (including the financial risks and opportunities brought by climate change management)' and 'Understand the need of the community and manage the impact of operation on the community (including establishing timely and effective engagement)' into material issues as the focus of the report.

STAKEHOLDER ENGAGEMENT

The 17 material issues (indicated in blue) are presented below in descending order of importance and are grouped by aspects:

Economic

- 1) Economic performance (including managing the financial risks and opportunities brought by climate change)
- 2) Contribution of the operation to the economic development of local community.
- 3) Indirect economic impact of the operation on the local community.
- 4) Procurement practices and their economic impact on the supply chain

Environmental

- 10) Discharge, handling and disposal of effluent and waste
- 9) Emission of greenhouse gases or other significant gas emissions
- 7) Water resources use
- 8) Protection of biodiversity
- 6) Energy use
- 5) Resource use

Employment and Labour Practices

- 13) A safe and healthy working environment
- 11) Employment management system
- 14) Training and development
- 15) Employee diversity and equal opportunities
- 12) Employer-employee relations
- 18) Prevention of child labour or forced labour
- 16) Elimination of discrimination
- 17) Freedom of association and collective bargaining

Operating Practices

- 25) Protection of customer information
- 26) Quality management and after-sales service
- 24) Customer health and safety
- 29) Bribery, extortion, fraud and money laundering
- 28) Intellectual property rights
- 27) Marketing information and labelling
- 19) Direct and indirect negative impact of the operation on human rights
- 21) Indigenous rights
- 20) Security personnel respect human rights when carrying out their duties
- 30) Anti-competitive behavior
- 22) Negative impact of suppliers on the environment
- 23) Negative impact of suppliers on the society

Community investment

- 31) Understand the need of the community and manage the impact of operation on the community
- 32) Participation in public politics

STAKEHOLDER ENGAGEMENT

To analyse stakeholders' views more comprehensively, the consultant conducted an in-depth analysis of the five aspects. Apart from the material issues, CEHL has responded to each issue that concerns the stakeholders and provided supplementary explanations in related chapters of the report to address the stakeholders' concern.

Aspect	Stakeholders' concern	CEHL's response
Economic protection	Managing financial risks and opportunities brought by climate change	The Group has built a solid economic foundation with years of experience. In the future, the Group will continue to strengthen corporate governance, particularly on environmental and social risk management, to prepare for the opportunities of sustainable development.
Environmental protection	Discharge, handling and disposal of effluent and waste (including hazardous and non-hazardous waste)	Wherever it operates, the Group considers environmental impact and ensures proper management of construction project life cycle according to the amendments in local environmental management laws and regulations. The Group will adopt more waste handling methods to recycle resources.
Employment and Labour Practices	A safe and healthy working environment	The Group formulates various safe production processes and safety regulations for tasks of different types. It conducts unscheduled safety production check irregularly, in order to enhance the healthy working environment for employees.
Operating Practices	Protection of customer information	The Group fulfills duty of customer confidentiality and protects the privacy of information shared between itself and its business partners. The Group also plans to refine the relevant scheme further in future to better protect the confidentiality of customer data.
Community investment	Understand the needs of the community and manage the impact of operation on the community	The Group invested resources to participate in investment projects related to environmental protection. The Group will provide clearer instructions to its subsidiaries to design community investment projects best suited to the needs of the local community.

CONTINUOUS IMPROVEMENT

Apart from ongoing communication activities with stakeholders, the Group plans to develop a long-term communication strategy covering the four aspects of economy, environment, social and governance. Opinions are regularly collected to gain fresh comments on the Group's sustainability. At the same time, stakeholders will be able to better understand the Group's work in promoting sustainable development through occasional workshops in which they can jointly discuss the challenges faced by the Group and the roles of various stakeholders. In order to ensure the effectiveness of stakeholder communication, the Group is committed to establishing transparent, honest and accurate communication methods and providing timely responses.

CEO'S MESSAGE



The “Environmental Protection Tax Law of the People’s Republic of China” was formally implemented in 2018. Capital Environment Holdings Limited has actively responded to the country’s development strategy and direction. The Group focuses on innovating waste treatment programs as well as infrastructure services that protect the environment. The Group will seize opportunities to address problems of pollution with the aim of benefitting the community and the people, as well as improving people’s quality of life.

The heart of the Group’s sustainable development strategy is to provide services that effectively manage the impact of human activities on the environment and natural resources. For example, our Nanyang Waste Collection, Transportation and Treatment project is designed to reduce land pollution in rural areas and dedicated to improving the regional system of solid waste collection and disposal. In order to avoid environmental accidents, our landfill activities adopt various measures to reduce the generation of dust and noise during the operation, while also ensuring that landfill leachate meets the discharge standard after multiprocessing. The Group’s modern waste collection systems have replaced the previous operations which lacked treatment standards. Our systems can successfully improve residents’ habits and awareness of good waste disposal and contribute to the long-term environment protection.

In addition to Nanyang Waste Collection, Transportation and Treatment Project, the Group’s other two strategic projects — Yangzhou Kitchen Waste Collection and Treatment Project and Ningbo Kitchen Waste Treatment Project — all standardize the processing of kitchen waste and cooking oil based on principles of zero harm, simple operation, and resource-based processing, in order to avoid undermining public health. In its vital work ensuring municipal solid waste is properly handled, CEHL is also contributing to the country’s achievement of the UN’s Sustainable Development Goal 13: “to take urgent action to combat climate change and its impacts.” Both projects capture biogas released from landfills for their own use or for sale. This reduces fossil fuel use and also cuts greenhouse gas emissions to the atmosphere.

The Group understands that protecting employees’ health and safety is an integral part of sustainable development. This is why the Group has formulated an occupational health management system and accident guidelines. We have arranged practice drills and strengthened the use of safe machinery and protective equipment in order to ensure production processes and our employees are safe. CEHL also endeavors to provide employees with growth and development opportunities and promote employees’ professional skills and competence through training.

It is clear that the country will continue to tighten requirements for business in the field of environmental protection. The Group will continue to broaden business opportunities in this important field while strengthening its communication with stakeholders. In keeping with national trends, CEHL is committed to providing stable, reliable and environmentally friendly waste treatment services and thereby creating greater value for the community and the environment.

CAO Guo Xian

CEO

Capital Environment Holdings Limited

SUSTAINABILITY GOVERNANCE STRUCTURE

CEHL is one of the leading providers of comprehensive waste management solutions and environmental infrastructure services in China. New technologies and a growing concern for a clean environment have brought about a sea change in how waste should be managed at the community level. Uncontrolled landfills can no longer satisfy the needs of today. While communities are seeking integrated solutions that will effectively solve the waste problem, CEHL has proactively developed comprehensive solutions that can safeguard the environment for all. We understand the significance of sustainable development to the economy, the environment and to society and hope to promote the development of resource protection and waste management by setting an example.

To emphasize the importance of sustainable development, the general manager's office and the board of Directors directly supervise economic, environmental and social decisions.

ECONOMY

CEHL Annual business income

Annual revenue of RMB1.95 billion from the 1.32 million tonnes of municipal waste collection and landfill services

Annual revenue of RMB70.81 million from 205,154 MWh on-grid electricity

Annual revenue of RMB222.81 million from dismantling 3.2 million pieces of electrical and electronic equipment

Detailed financial information of the Group, including capital, income and costs, is reported in detail in CEHL's Annual Report 2017. Retained economic values will be used to maintain operations and invest in new development projects.

CEHL understands that climate change — which can produce more frequent and severe storms, changes in sea level and heatwaves — can increase financial risks as well as present opportunities for the Group's operations. When the government implements controls on activities that can contribute to climate change, organisations will need to respond to legal risks and potential increases in operational costs, no matter whether these organisations are directly or indirectly responsible for emissions. At the same time, greenhouse gas emissions control will create business opportunities due to the emergence of new technologies, products and markets. The Group will continue to strengthen corporate governance to prepare for the economic risks and opportunities arising from climate change. In the long run, the Group will make it a centerpiece of its business development to create more indirect economic value related to environment and society.

ENVIRONMENT

To achieve centralized planning of the Group's environmental management efforts, CEHL has established the Environment, Health and Safety Committee (the "EHS Committee") to lead and coordinate the Group's environmental protection efforts, suggest improvements regarding important issues, formulate management systems and devise preventive measures. The Group has formulated the CEHL Environmental Management Measures in accordance with national environmental laws and regulations. The Environmental Management Measures recommend that the subsidiaries of the Group establish local environmental leadership groups to carry out management, education and training, supervision and checking based on the Group's EHS Committee guidelines.

SOCIAL

CEHL understands that companies should be accountable not only to shareholders but also to all stakeholders and society as a whole in order to increase the quality of life in the community where they operate. The Group currently contributes to society by investing in projects related to environmental protection. An enterprise's relations with society go beyond economic benefits, which should proactively take up social responsibilities, and business development into social development. Looking ahead, the Group will increase social investment to strengthen its link with communities.

In the future, the Group will look into the possibility of establishing a sustainability committee to review the economic, environmental and social affairs and policies of the group and build long term investment value for stakeholders including shareholders, business partners, clients and employees. The Group will also combine business development with environmental and social development in order to achieve a harmonious whole.

ENVIRONMENTAL PROTECTION

CEHL operates by the principles of “protection first, prevention central, integrated management, public participation, and accepting responsibilities” to maintain ecosystems and reduce negative environmental impact aiming at “zero pollution”. The Group’s Environmental Management Measures set environmental protection goals to control and manage environmental risks.

WASTE MANAGEMENT

CEHL’s Environmental Management Measures regulate the sequence of waste management: prevention, recycling, handling and disposal. They also ensure government pollution emission standards are met. At the same time, the Group classifies waste from source and establishes a complete waste handling and emission control profile that can help reduce environmental pollution.



STARTING WITH COMMUNITY EDUCATION — NINGBO KITCHEN WASTE TREATMENT PPP PROJECT

The problem of municipal solid waste is urgent. Many communities need more adequate and comprehensive waste treatment facilities to enhance overall public environmental hygiene. In terms of waste classification, China faces many difficulties including delays in the use of new technologies and the lack of investment in R&D.

The Group’s kitchen waste treatment project in Ningbo is China’s first public-private partnership (PPP) model supported by the World Bank. The total investment amounts to approximately RMB300 million and the cooperation period is 20 years. The project is responsible for handling food waste from the market and private households.

The facility of this project was built using a modern garden design and divided into five areas: composting, sewage treatment, anaerobic digestion, food waste sorting and an education center. Although Ningbo is one of the earliest cities in China to promote waste classification, there is still much room for improvement in public awareness. The Group therefore promotes community education about the concepts of waste classification, encouraging residents to develop classification habits and strengthening residents’ awareness of waste disposal to improve social hygiene in the long term.



Ningbo Kitchen Waste Treatment PPP Project Concept



ENVIRONMENTAL PROTECTION

Solid waste emission

The Group uses its Environmental Management Measures to manage its daily operations and formulate specific waste management measures for individual projects according to the type of waste produced. Within the Group, businesses that produce solid waste emission include waste-to-energy, dismantling waste electronic appliances and kitchen waste treatment. Business units that generate hazardous waste must formulate a hazardous waste management plan in line with national regulations. Regulations prohibit the commissioning or transfer of seriously polluting projects or toxic products to companies which do not have the relevant qualifications or pollution prevention capability for production or operation.

	Category	Projects ²	Emissions	Emission Intensity
Waste	Hazardous waste	Maanshan dismantling plant	145 tonnes	0.0002 tonnes/pieces
		Quanling power plant	13,747 tonnes	0.09 tonnes/MWh
	Non-hazardous waste	Maanshan dismantling plant	427 tonnes	0.0005 tonnes/pieces
		Yangzhou kitchen waste project	4,901 tonnes	0.23 tonnes/tonnes of waste treatment

As an example of managing the proper handling of waste according to regulations, the Group's first solid waste incineration power generation project, the Quanling Power Plant, transports the ash produced in the incineration to a special landfill after stabilization. The incineration residue is recycled for producing construction material to reduce secondary pollution. The project has been approved by the National Development and Reform Commission as a national model of environmental protection.

Two types of waste, both hazardous and non-hazardous, are produced by the two waste dismantling and recycling projects within the scope of this report, namely the Maanshan dismantling plant and the Huaian dismantling plant. Hazardous waste includes backlit light tubes, waste IC boards, waste mineral oil and waste activated carbon, all of which are recycled and disposed of by professional waste handling companies. Non-hazardous waste includes recyclable materials of iron, copper, aluminum, plastic, whereas non-recyclable or valueless waste are coolants, refrigerants and display monitors. All waste materials with recyclable value are recycled and sold. Other materials that cannot be directly used or are valueless are disposed of according to solid waste disposal standards to prevent secondary pollution.



National model of environmental protection

The solid waste produced by the kitchen waste treatment project mainly includes pre-treated and separated impurities, fermentation residue (including sewage treatment plant sludge), biogas purification dust, vegetable asphalt from biodiesel distillation, salt residue from glycerol purification, waste resin and domestic waste. Among these, waste resin is hazardous and is collected by qualified professional waste treatment companies. The other substances are non-hazardous waste, and are disposed of according to the relevant solid waste disposal standards. The Yangzhou kitchen waste project has built a temporary hazardous waste storage facility to collect and store hazardous waste resin. The construction and operation of the storage facility complies with the Hazardous Waste Storage Pollution Control Standards. Storage, transfer and transportation of hazardous waste are carried out in compliance with local industry standards and properly recorded.

² This disclosure data does not include all projects within the reporting scope. The reason for the omissions is that the information cannot be obtained at present. In the coming year, the Group will make more detailed plans for data collection, and will assure the quality of information.

ENVIRONMENTAL PROTECTION



ELIMINATING PUBLIC HEALTH RISK — YANGZHOU HAZARDOUS WASTE PROJECT

In 2015 the production of hazardous solid waste reached 42 million tonnes nationally. The lack of hazardous waste treatment facilities or outdated facilities led to illegal dumping, posing serious consequences on the ecology of the environment and public health. As the production of hazardous solid waste in Yangzhou increases every year, local treatment facilities are reaching their full capacity.

The Group is setting up an industrial hazardous waste treatment facility in the Yangzhou Industrial Park, which will be capable of treating half of the 23 categories of hazardous waste produced in China. The project is designed to incorporate the concepts of “classified collection, classified storage, laboratory analysis, and comprehensive treatment.” It adopts the nationally advanced rotary kiln incineration process, uses waste heat boilers and steam turbines to generate power for the utilization of waste heat, and can generate electricity for use within the facility and external heating. It has achieved the corporate goal of “harmless, reduced, and resource-based” processing and produced both economic and social benefits.

Since construction began in September 2017, the project has been recognised as a Yangzhou City and Jiangsu Province “Civilised Construction Site”. Projected to enter into operation by October 2018, the project is expected to achieve 10 million RMB income by the end of 2018 with 1,125 tonnes of hazardous waste treated. The facility covers 55 hectares and involves an investment of RMB220 million. It is expected to handle 30,000 tonnes of hazardous waste for incineration every year upon commencement of operation.



Yangzhou Hazardous Waste Project Concept

Wastewater discharge

CEHL’s Environmental Management Measures also address the issue of waste water discharge and enable the Group to formulate project-specific waste water management measures. Businesses with significant wastewater discharge include waste landfill, dismantling waste electronic appliances, as well as kitchen waste treatment.

Wastewater discharge volume ³	132,995 cubic meters
Wastewater discharge intensity	0.038 cubic meters/RMB1,000 of revenue

The main wastewater produced in waste landfill is leachate. To reduce leachate pollution, wastewater separation, flood protection and leak prevention measures are attended to.

³ This data disclosure excludes the following projects: Linyi collection and transportation project, Huludao landfill, Nanyang collection and landfill project, and Huaian dismantling plant.



ENVIRONMENTAL PROTECTION

Measure	Steps	Description
Wastewater separation and flood prevention measures	Flood interceptor and drainage systems	Permanent interceptor ditch designed according to the geography of the landfill to drain rainwater from slope.
	Phased and zoned landfill method	Different landfill zones are used in different periods of time. Temporary interceptor ditch drains unused zones to reduce production of leachate.
	Run-off treatment	Discharge systems on each floor of landfill to reduce leakage of rainwater into waste to reduce leachate.
	Leachate collection system	Permeation system is designed underneath and along the ditch to collect leachate for discharge through the drainage pipe.
Leak prevention	Leak prevention is carried out according to the requirements of the landfill's geological survey report and the Solid Waste Landfilling Technology Standards (CJJ17-2004).	

The main wastewater produced in the waste dismantling and recycling business is domestic wastewater produced by employees' daily activities, the canteen and the brine produced during dismantling. Wastewater separation systems are constructed in all relevant projects to separate rainwater from wastewater for further treatment. Collected rainwater will be discharged to the rainwater pipe while sewage (including domestic wastewater and brine) will be treated by the sewage treatment plant, and the treated sewage will be used for irrigation or discharged into the municipal sewage network.

Wastewater produced in the Yangzhou kitchen waste project includes wastewater from vehicle washing, biogas slurry, biogas system wastewater, waste oil centrifugal wastewater, biodiesel system wastewater, laboratory wastewater, waste gas absorption wastewater, equipment site cleaning wastewater, boiler water system cleaning water, circulating system wastewater and domestic sewage. The factory adopts wastewater separation where clean rainwater is discharged into the rainwater pipe while production and domestic wastewater enters the factory's wastewater treatment plant for centralized processing before entering local municipal sewage treatment plant.

Air emissions

The main sources of air emissions for the Group come from vehicles and waste landfill. Businesses posing major impacts on air emissions include waste collection and transfer, waste landfill, waste-to-energy and kitchen waste treatment.

Air pollutants ⁴	Category ⁵	Emissions (kg)
	Sulfur oxides	7,568
	Nitrogen oxides	279
	Particulates	425,934

⁴ This data disclosure exclude the Huludao landfill project.

⁵ The air pollutants from burning domestic household wastes only record particulates emissions.

ENVIRONMENTAL PROTECTION

The air pollutants generated from the waste collection and transfer and kitchen wastes mainly include air pollutants such as sulfur oxides and nitrogen oxides generated by vehicles. In order to reduce the generation of these air pollutants, all relevant projects have adopted efficient planning of waste collection and transfer routes and working hours to control vehicle operation and fuel consumption. At the same time, the Group plans to purchase lower-emission vehicles powered by new energy sources in various projects to further reduce roadside air pollution.

Air pollutants produced by waste in landfills include landfill gas and dust. Landfill gas is produced during the biodegradation of solid waste in landfills. Because of the small amount of gas produced, this is mainly disposed of by direct combustion. The landfill projects collect 75% of gas in pipelines which is combusted in a gas flare. To reduce dust produced in the project, the Group has enhanced collection management and set up a protective net to reduce the dust generated. At the same time, water is sprayed on dry days in order to reduce dust.

The main air pollutants generated by waste incineration for power generation of Quanling Power Plant are air emissions generated by the use of boilers. To reduce air pollution, the Group has installed a fan at the discharge port to prevent leakage of pungent gases. Filtration dust bags are also used to reduce production of dust. Activated carbon is used to absorb dioxins and an atomizer is used for desulphurization, which can ensure that discharged gas meets the local emission standards for the sector.

SOLVING SOIL POLLUTION — NANYANG COLLECTION, TRANSFER AND PROCESSING PROJECT

While fast economic growth has led to improvement in people's lives, it has also caused significant damage to the environment. Soil pollution remains one of the most challenging pollution problems faced by China. The national soil survey report China published in 2014, indicates that as many as 250,000 square kilometers of soil have been polluted. Soil pollution not only affects the ecology but also leads to public hygiene and health issues, threatening national food safety.

To address the lack of waste collection systems in villages, CEHL has set up 24 solid waste landfills and five waste transfer stations with a service area of 6,330 square kilometers and a daily capacity of 724 tonnes. The landfills replace trash which was piling up in the villages. Modern treatment enables the proper handling of leachate, which could otherwise lead to soil pollution. Leachate is only allowed to discharge after treatment including nitrification, ultrafiltration, nanofiltration and reverse osmosis. This can effectively reduce soil pollution and improve water quality in the environment.

The Group established waste collection systems in the villages, but apart from providing proper waste collection systems, it is important to change attitudes towards waste disposal. The project directly improved the environment in the vicinity by reducing the waste problem and improving the quality of living of local residents. In the long run, the project's success should serve as a role model to encourage other villages to solve the same problems.



Nanyang collection and landfill project

ENVIRONMENTAL PROTECTION

GREENHOUSE GAS MANAGEMENT

CEHL commissioned CCA to conduct a carbon assessment to quantify its greenhouse gas emissions⁶ ("carbon emissions" or "GHG"). The quantification process⁷ and emission factors are based on the GB/T 32150-2015 General Principles for the Accounting and Reporting of Greenhouse Gas Emissions of Industrial Enterprises, ISO14064-1, the GHG Protocol Inventory Protocol, utilizing various domestic and international technical guidelines

In the Group's businesses, direct greenhouse gas emissions came from the fossil fuel used by the equipment and vehicles owned or controlled by the Group as well as emissions from wastewater treatment, incinerators and landfills. Indirect greenhouse gas emissions came from purchased electricity, while other indirect greenhouse gas emissions came from business travel. In response to major sources of carbon emissions, the Group will continue to assess, record and disclose its greenhouse gas emissions and other environmental data on an annual basis. Setting this year's data as the baseline⁸, the Group can compare future data with it in order to review the effectiveness of current measures. This will help the Group formulate its carbon reduction target in future.

Scope	Emission source	Emissions (tCO ₂ e)
Scope 1: direct GHG	Fixed combustion sources, mobile combustion sources, emissions from wastewater treatment systems ⁹ , landfill emissions released from landfills, incinerator emissions	121,629
Scope 2: indirect GHG	Purchased Electricity	4,374
Scope 3: other indirect GHG	Business travel	4
Total GHG Emission		126,007
GHG Intensity ¹⁰ (tCO ₂ e/RMB1,000 of revenue)		0.036
GHG from biomass fuel combustion		71,942

To reduce production of greenhouse gases, CEHL strived to adopt more advanced carbon reduction technologies and encouraged a low carbon operational model designed to reduce the carbon emission of the Group. Different business facilities formulated specific carbon reduction measures according to their business natures and actual situations. For instance, Yangzhou Kitchen Waste Project took a number of measures which included improving the efficiency of thermal energy use; reducing flare burning; collecting gas in the factory for unified processing; avoiding idling lights and equipment. Each project also focused on internal management and worked to reduce GHG emission generated by road traffic. For example, Nanyang Collection, Transfer and Processing Project encourages staff to use public transport such as trains and the subway when they are on business trips; Huaian Dismantling Plant canceled its management vehicles and arranged business vehicles instead.

⁶ The assessment covered six types of greenhouse gases controlled by the Kyoto Protocol, including carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), perfluorocarbons (PFCs), hydrofluorocarbons (HFCs), and Sulphur hexafluoride (SF₆).

⁷ The quantification process used the operational control method to aggregate the data.

⁸ The disclosure responsibility for "Environmental Key Performance Indicators" has been elevated to "comply or explain" since January 1, 2017. Therefore, the Group sets the carbon emission data for this year as the baseline.

⁹ The data of emissions from wastewater treatment systems excludes Huludao Landfill and Yangzhou Kitchen Waste Project.

¹⁰ The calculation of GHG Intensity covers the Scope 1, Scope 2 and Scope 3 of greenhouse gas emissions.

ENVIRONMENTAL PROTECTION

RESOURCES MANAGEMENT

CEHL's Environmental Management Measures include an Energy Saving and Emission Reduction System which requires all departments to appoint dedicated staff to formulate and implement a plan for energy saving and carbon reduction. The Energy Saving and Emissions Reduction System also contains guidelines for duties of each department, including supervision and regular assessment. The Group regularly organises education and training activities to promote environmental awareness among staff.

Energy

Energy consumption at CEHL comes chiefly from factory machines, air conditioning, office lighting, operation of electrical appliances and the fuel used by vehicles.

Energy use	Category	Annual consumption
Direct energy (GJ)	Petrol	1,780
	Diesel	23,047
	Liquefied petroleum gas	125
	Biogas	45,114
	Domestic garbage (mineral carbon)	1,458,247
	Domestic waste (biochar)	2,966,358
Indirect energy (MWh)	Purchased electricity	6,577
	Self-produced but unconsumed electricity	2,058
	Exported electricity	-126,311
Total Energy Consumption (GJ)		4,071,038
Energy Intensity (GJ/RMB1,000 of revenue)		1.16

Every project locations have started changing the settings of equipment and encouraging staff to develop energy-saving habits. Many projects have established energy saving management systems that use default energy consumption parameters as baselines to conduct an energy assessment in order to determine whether maintenance, modification or replacement is needed.

Each project location has proactively adopted different measures to reduce energy consumption. Most factories have made adjustments and improvement in their production process and technologies. For instance, the Maanshan dismantling plant has upgraded its technologies in its waste dismantling lines for emission reduction. The Yangzhou kitchen waste project has reduced the duration of equipment operation without sacrificing production. Several projects chose to optimize route setting to reduce the distance between machines. For example, in the solid waste and domestic waste landfill projects, vehicle patrol routes and collection and delivery routes were optimized to reduce consumption of petrol. At the same time, the landfill facilities formulated plans to collect recyclable waste and transfer it to incineration plants for electrical power generation.

CEHL regularly allocates budgets to energy saving and environmental protection. This pays for major technology renovation projects, energy saving projects, emissions reduction projects, as well as development and promotion of new processes, new technology, new equipment, new products and new materials.



ENVIRONMENTAL PROTECTION

Water use

The water consumption of all operation sites was supplied by municipal water supply or other public or private organisations.

Water Consumption ¹¹	839,841 cubic meters
Water Intensity	0.24 cubic meters/RMB1,000 of revenue

Using internal regulations and through internal communications, the Group continues to promote water-saving habits among staff. Operation sites have improved water efficiency by utilising secondary reverse osmosis technology to collect water which can be reused for cleaning, watering plants and controlling dust.

Other raw materials

The Group has a regular procurement plan for each operation site and adopts extra measures according to its business nature, such as improving process design, managing resources and increasing the efficient use of raw materials and paper. The Group considers there is limited environmental impact resulting from the use of these materials.

THE ENVIRONMENT AND NATURAL RESOURCE

The operation of CEHL did not involve significant consumption of natural resources. The Group, however, understands that its daily operation will create different impacts on the environment. Therefore, the Group has proactively implemented pollution prevention and ecology protection measures during its production processes to reduce the toxicity of the waste produced. In constructing the waste processing facilities, the Group conducted environmental impact assessments according to the requirements of the law and carried out construction and operational management based on the requirements of the assessment report.

The Group has formulated risk management procedures to control and manage environmental risks. Risk management procedures include identifying environmental factors, risk assessment, formulation and implementation of environmental management solutions and the creation of emergency response plans. The Group has installed an automatic online monitoring system to carry out real-time monitoring of key pollution sources, in order to ensure the operational environmental impact is monitored.

During this year, the Group did not identify any non-compliance cases relating to emissions or environmental issues in the reporting scope.

¹¹ This data disclosure excludes the following projects: Guizhou Weng'an landfill, Huludao landfill, Nanyang collection and landfill project, and MaanShan dismantling plant.

CARING FOR THE EMPLOYEES

HEALTHY AND SAFE WORKPLACE

Due to the particular nature of its business, CEHL pays special attention to occupational safety and health. The Capital Environment Holdings Limited Occupational Health Management System (Occupational Health Management System) was formulated in accordance with the Law of Prevention and Treatment of Occupational Diseases and the provisions of the Supervision and Administration of Occupational Health at Work Sites in combination with the safety and health issues which address the actual operations of CEHL.

Each Group business needs to set up an appropriate leadership group that is responsible for occupational health management and education. It is also responsible for implementing the occupational health supervision and inspection; executing occupational health directives of the company's safety management committee; developing the occupational health systems and operating procedures to ensure the occupational health of employees. Prevention measures are carried out by occupational disease prevention teams and occupational health management departments of the Group. These measures include:

- **Emphasising safety illustrations in employment contracts, Staff Handbooks, the workplace, raw material use and packaging.**
- **Conducting a monthly check of occupational hazard prevention facilities.**
- **Arranging regular body checks for staff according to their scope of work.**
- **Properly handling safety incidents as required by the Occupational Diseases and Hazards Incidents Investigation Methods and immediately reporting incidents to relevant government departments and the Group's Safety Department.**
- **Discussing safety reports with the EHS Committee regularly, researching potential safety problems and planning relevant safety work.**

In future the Group will continue to upgrade occupational safety and health training for existing and new staff to enhance their awareness of occupational disease prevention, safe operational procedures, knowledge of protective equipment, and the right use of protective equipment. The Group's departments at all levels also maintain records of occupational health training and establish occupational health training files with line management supervision to evaluate and improve training effectiveness.

During this year, the Group did not identify any non-compliance cases relating to health and safety within the reporting scope.



CARING FOR THE EMPLOYEES

EMPLOYMENT MANAGEMENT SYSTEM

CEHL believes that talent is the foundation of healthy and stable development for any business. To this end, the Group has formulated the Capital Environment Holdings Limited Staff Employment Management System. Through channels such as the Staff Handbook and employment contracts, the Group communicates with staff on recruitment, attendance, holidays, remuneration, working hours and rest periods, job rotation, etc. The Group strived to provide equal employment opportunities so that applicants and staff will not be treated differently or be discriminated against gender, race, age, religious belief, disability or marital status. In future, the Group will formulate a diversity policy and encourage people from different backgrounds to join the Group. With different skills, experience and diversified thinking, the team will inject greater development potential into the Group.

Employment	Employee groups	All staff	Workforce ¹²	
			Male	Female
	Senior management	20	15	5
	Intermediate management staff	39	26	13
	General staff	352	294	58
	Total	411	335	76

To prevent child labour, the Group has introduced relevant national provisions, penalties for non-compliance and whistleblowing practices for staff as policy documents. The Group has implemented national regulations such as the Labor Law of the People's Republic of China and the Prohibition of the Use of Child Labor Regulations. The Human Resources Department has reviewed the information on recruiting employees and appropriately managed the employee roster. The Group has regularly reviewed its remuneration policies, which were based on the performance of each staff and the remuneration trends in relevant geographical regions. Apart from the management system formulated by the Group, separate employment processes will be adopted by individual projects to produce reasonable decisions based on the actual situation in each place.

During this year, the Group did not identify any discrimination, non-compliance or prosecution cases related to employment and labor standards within the reporting scope.

TRAINING AND DEVELOPMENT OPPORTUNITIES

To improve the professional knowledge, business skills and management capabilities of staff, CEHL has established the management system to allow staff to improve their skills and knowledge. The Group has formulated the Education and Training Management Methods, Training Management Scheme of Duyun Landfill project, and Training Management System of Safety Production.

The Group's training programmes includes both external and internal training. This is classified into company level and department level training which is organized by the Human Resources Department. Company-level management training is mainly for senior managers while training for specific responsibilities, skills, operations, policies and regulations generally take place at department level.

Employee groups	Average training hours ¹³		All staff
	Male	Female	
Senior management	165	8	150
Intermediate management	4	18	9
General Staff	17	58	22

¹² This data disclosure excludes the following projects: Huludao landfill and Huaian Dismantling Plant.

¹³ This data disclosure excludes the following projects: Nanyang collection and landfill project, Huludao landfill, and Huaian dismantling plant.

CARING FOR THE EMPLOYEES

The Group has organized various training programs, such as effectiveness training and a decompression training course, in order to protect the physical and mental health of our staff.

Training category	Rank	Training type	Training objectives	Training format
External training	Senior management	Business	Communication skills	Lectures
	Staff in production line	Professional skills	Forklift driving and electrician skills	Operating practice
Internal training	New employee	Company regulations	Laws, policies and company regulations	Lectures
		Safety Training	Safety production knowledge	Lectures
	General staff	Company culture, HR management and safety education	Company culture	Activities and lectures
		Professional skills and knowledge	Machine operation	Lectures and operating practice
	Staff in production line	Professional skills, on-site training, emergency plan drill	Landfill operations and machine operation	Activities and lectures
Intermediate management	6S management training	Communication skills	Lectures	



Staff training



Management training



RESPONSIBILITY MANAGEMENT

PRODUCT RESPONSIBILITY

CEHL is committed to improving the quality of its products and services while managing the supply chain, protecting customer rights (including customer information and privacy), and ensuring safe production. In order to achieve higher product standards, the Group has employed the ISO 9001 management standard in its treatment of various solid wastes.

Maintaining the quality of products and services is an important part of the Group's sustainable development plans. CEHL has formulated a Project Operation Management System and Safety Management System while the Operation Management Center provides services, guidance and control for the project operation process. This management focus on planning and monitoring the execution of projects and service processes contributes to safeguarding operational safety and maintaining service quality. In addition, the Technical Support Department is responsible for the technical work of operational projects, technology upgrades, technical innovation and patent applications.

All employees are responsible for preventing the Group's customer information and confidential business information from being released to third parties, subject to confidentiality regulations in different areas. At the same time, the staff are also required to safeguard the Group's intellectual property from infringement. The confidentiality regulations are listed in the Quality Manual, Employee Handbook, Discipline Handbook, Staff Confidentiality Agreement and elsewhere. The Group understands that stakeholders are concerned about the direct or indirect impact of the operation on human rights. The Group will explore the relationship between this issue and the Group's operations, and formulate corresponding measures in future.

During this year, the Group did not identify any non-compliance cases relating to product responsibility, including health and safety, advertising, labelling and privacy matters, in the reporting scope.

ANTI-CORRUPTION

CEHL is dedicated to maintain a fair, ethical and efficient business and working environment and investigate all corruption incidents, by ensuring a safe and confidential whistleblowing process. The Group will maintain the principle of "zero tolerance" to handle illegal activity. The Group formulated Integrity and Responsibility Guidelines and Employee Responsibility and Penalty Management Measures to regulate the professional behavior of all employees. The accountability mechanism and the established Internal Accountability Committee can help CEHL conduct investigations on relevant cases and suggest methods of handling the situation and possible penalties. The specific process is as follows:

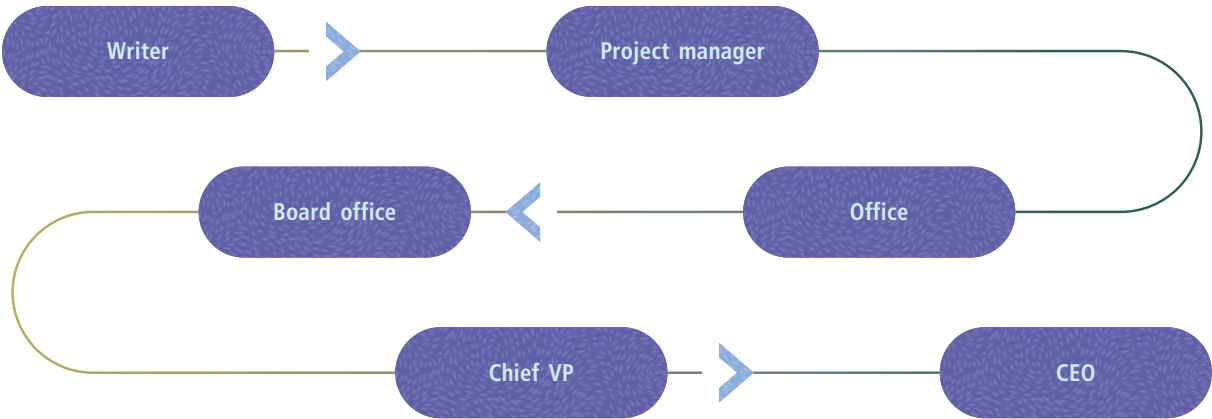


During this year, the Group did not identify any non-compliance cases relating to corruption (including bribery, extortion, fraud and money laundering) within the reporting scope.

RESPONSIBILITY MANAGEMENT

INFORMATION MANAGEMENT

In order to increase brand value, the Group has formulated a Brand Management System based on the Company Law of the People’s Republic of China and the Group’s regulations. Under this system, the Group has set up a corresponding management process which can oversee authenticity and accuracy of promotional materials, advertising, news releases, interviews, etc. Relevant activities need to follow the following approval process.



SUPPLY CHAIN MANAGEMENT

CEHL has drawn up Procurement Management Measures and Tender Management Measures (Interim) to regulate the purchasing practices based on national regulations, relevant regulations within the industry and the actual situation in each operating area. Regarding equipment and commodity procurement, the Group has established an Equipment and Commodity Procurement Management System in order to improve procurement efficiency, increase transparency, reduce procurement costs, and make the allocation of production resources more effective.

The Group will invite bidding in accordance with Tender Management Measures (Temporary) when choosing suppliers for project construction, production and operations, daily management and procurement of services.

CEHL has established a Tendering and Procurement Committee that is responsible for guiding, supervising and inspecting the company’s tendering and procurement activities. The CEO’s office is responsible for approving and revising the tendering system as well as establishing or dissolving the Tendering and Procurement Committee.

When assessing the supplier quality, the Group mainly focuses on supplier strength, reputation, past performance and on-site inspection as selection criteria. Suppliers who pass such assessment are able to stay on the supplier list. Every year, the Group will re-evaluate existing suppliers and update the list based on performance with regard to environmental protection and health and safety. For example, the Group needs to know whether the supplier has recycled or reduced packaging materials or ensured that Personal Protective Equipment is properly provided. If there is poor performance, the Group may issue a written warning, cancel the bidding qualification or remove the name of the supplier from the supplier list. If the project contract has any specific requirement, the procurement department will explain it to the supplier and clarify it in the procurement contract.

The Group will formulate a Sustainable Procurement Code, which will consider more factors including environmental performance, labor rights and social responsibility for the procurement process of each project. This will enable the concept of sustainable development to gradually become reflected in all aspects of the supply chain.

COMMUNITY INVESTMENT

The business world places increasing emphasis on corporate social responsibility and the concept of a social license to operate is becoming significant for companies. Enterprises should not only aim at short-term financial performance and shareholder returns, but also a long-term social benefit. The Group believes that balancing the interests of every stakeholder can ensure long-term stability and healthy development of a business.

Going forward, the Group intends to better understand the needs of the communities in which it operates through systematic stakeholder communication activities. This will determine which communities the Group should focus on. From here, the Group will develop more consistent and concrete community investment policies and plans in order to improve communication between branch offices and local communities and enhance social impact.

RURAL POVERTY REDUCTION



As a company with commitment to improving society, Nanchang Capital Environment Holdings Limited, which mainly focuses on waste incineration power generation, has donated RMB100,000 to support the establishment of fund for poor people, which is intended to assist 10 poor households in Liangdong village. At the same time, the company also donated RMB80,000 for road construction to improve access for people in Liangdong village.



ESG REPORTING GUIDE AND GRI STANDARDS CONTENT INDEX

GRI Standards	HKEX ESG Reporting Guide	Contents	Page Index/Remarks
A1 Emissions			
	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	13–18
GRI 103-1	A1.1	The types of emissions and respective emissions data.	13–18
GRI 103-2 GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4	A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	18
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	14–15
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	14–15
	A1.5	Description of measures to mitigate emissions and results achieved.	13–18
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	14–15
A2 Use of Resources			
	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	19–20
GRI 103-1 GRI 103-2 GRI 302-3	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	19
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	20
	A2.3	Description of energy use efficiency initiatives and results achieved.	19–20
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	20; no issue in sourcing water that is fit for purpose
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Businesses of the Group does not involve packaging material



ESG REPORTING GUIDE AND GRI STANDARDS CONTENT INDEX

GRI Standards	HKEX ESG Reporting Guide	Contents	Page Index/Remarks
A3 The Environment and Natural Resources			
	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	20
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	20
B1 Employment			
	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	22
	B1.1 (partial)	Total workforce by gender and employment type.	22
GRI 103-1 GRI 103-2 GRI 406-1		Incidents of discrimination and corrective actions taken.	22
B2 Health and Safety			
	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	21
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	21
B3 Development and Training			
	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	22-23
GRI 103-1 GRI 103-2 GRI 404-1	B3.2	The average training hours completed per employee by gender and employee category.	22
B4 Labour Standards			
	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	22
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	22

ESG REPORTING GUIDE AND GRI STANDARDS CONTENT INDEX

GRI Standards	HKEX ESG Reporting Guide	Contents	Page Index/Remarks
B5 Supply Chain Management			
	General Disclosure	Policies on managing environmental and social risks of the supply chain.	24–25
	B5.2 (partial)	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	24–25
B6 Product Responsibility			
	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	24–25
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Business of the Group does not involve product recalls
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	24
	B6.4	Description of quality assurance process and recall procedures.	24; Business of the Group does not involve product recalls
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	24
B7 Anti-corruption			
	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	24
	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.	24
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	24
B8 Community Investment			
	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	26





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