



**CANVEST ENVIRONMENTAL PROTECTION  
GROUP COMPANY LIMITED**

**粵豐環保電力有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1381)

(the “Company”)

**TERMS OF REFERENCE OF THE STRATEGY AND SUSTAINABILITY COMMITTEE  
OF THE BOARD OF DIRECTORS**

**1. Constitution**

1.1 The Strategy and Sustainability Committee (the “**Committee**”) is established pursuant to a resolution passed by the Board of Directors (the “**Board**”) of the Company on 25 January 2022.

**2. Membership**

2.1 The Committee shall consist of one executive director and two non-executive directors/independent non-executive directors, or persons with different expertise as required by the Committee from time to time.

2.2 Each appointment to the Committee shall be for a period of up to 3 years.

2.3 The appointment of the members and secretary of the Committee may be revoked, or additional members may be appointed to the Committee by separate resolutions passed by the Board.

**3. Chairman**

3.1 The chairman of the Committee (the “**Chairman**”) shall be appointed by the Board.

3.2 The Chairman shall chair the meetings of the Committee.

3.3 In the absence of the Chairman, the remaining members present shall elect one of themselves to chair the meeting of the Committee.

**4. Secretary**

4.1 The secretary of the Committee (the “**Secretary**”) shall be appointed by the Board.

4.2 The Secretary or his/her delegate shall attend meetings of the Committee to take minutes.

4.3 In the absence of the Secretary, the members present shall elect another person as the Secretary.

## **5. Frequency and proceedings of meetings**

- 5.1 The Committee shall meet not less than 1 time per year. The Chairman may convene additional meetings at his/her discretion.
- 5.2 The Committee must hold one meeting prior to each of the meetings of the Board at which the annual financial report of the Company will be considered and if thought fit, approved.
- 5.3 Resolutions of the Committee at any meeting shall be passed by a majority of votes of the members present. In the case of equality of votes, the Chairman shall have a second or casting vote.
- 5.4 Written resolutions may be passed by all members of the Committee in writing. This provision is without prejudice to any requirement under the Listing Rules for a Committee meeting to be held.

## **6. Quorum**

- 6.1 A quorum necessary for the transaction of business of the Committee shall be two members.
- 6.2 The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflict of interest and minute them accordingly. The relevant member of the Committee shall not be counted towards the quorum and he/she must abstain from voting on any resolutions of the Committee in which he/she and/or his/her associates have a material interest.
- 6.3 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

## **7. Attendance at meetings**

- 7.1 Members of the Committee may attend meetings of the Committee either in person or through other electronic means of communication.
- 7.2 Should any member of the Committee wish to attend a meeting of the Committee through electronic means of communication, prior arrangements shall be made with the Secretary.

## **8. Notice of Meetings**

- 8.1 Meeting of the Committee shall be summoned by the Secretary at the request of any of its members.
- 8.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and other supporting documents, shall be sent to each member of the Committee, and to any other person required to attend:
  - (a) in relation to all regular meetings of the Committee, at least 14 days before the date of the meeting;

(b) in relation to all other meetings of the Committee, within a reasonable time prior to the date of the meeting.

8.3 Notice shall be given to each member of the Committee, and to any other person required to attend, in person orally or in writing or by telephone or by facsimile transmission or email at numbers or addresses from time to time notified to the Secretary by such member of the Committee or in such other manner as such member of the Committee may from time to time determine.

8.4 Any notice given orally shall be followed by confirmation in writing before the meeting of the Committee.

8.5 Any member of the Committee shall be entitled, by notice to the Secretary, to include other matters relevant to the functions of the Committee in the agenda of a meeting of the Committee.

## **9. Alternate members**

9.1 A member of the Committee may not appoint any alternate.

## **10. Authority**

10.1 The Committee may exercise the following powers:

- (a) to seek any information it requires from any employee of the Company and its subsidiaries (the “**Group**”) and any professional advisers, to require any of them to prepare and submit reports and to attend meetings of the Committee and to supply information and answer questions raised by the Committee;
- (b) to monitor whether the Group’s management has, in the performance of its duties, infringed any policies set by the Board or any applicable law, regulation and code (including the Listing Rules and other rules and regulations from time to time prescribed by the Stock Exchange and/or laid down by the Board or a committee thereof);
- (c) to assess the performance of employees in the sustainable development team / department of the Group;
- (d) to make recommendations to the Board on improving the strategic and sustainable development system of the Group;
- (e) to engage independent professional parties’ advice, and to secure the attendance of independent third parties with relevant experience and expertise if it considers this necessary at the Company’s expense; and
- (f) to exercise such powers as the Committee may consider necessary and expedient so that their duties under section 11 below can be properly discharged.

10.2 The Committee should be provided with sufficient resources to perform its duties.

## **11. Duties**

11.1. The duties of the Committee shall be:

- (a) to conduct research and make recommendations on the Group's business strategy, sustainable development approach and related policies in the area of sustainable development;
- (b) to guide, evaluate, oversee and continuously improve the culture, management framework, affairs, risk management and capacity building of the Group in the areas of environmental and social responsibility and sustainability, and to provide advice and make recommendations to the Board on related work;
- (c) to identify, assess, manage and respond to the significant issues related to the environmental, social and governance (ESG) and sustainability, and where appropriate, to provide advice and make recommendations to the Board;
- (d) to monitor completeness of the Company's Sustainability Report, and to review the significant judgements in the Sustainability Report. In reviewing the Sustainability Report, the Committee should focus particularly on:
  - (i) any changes in the policies and practices on Sustainability Report;
  - (ii) major judgmental areas;
  - (iii) significant adjustments resulting from internal audit or third-party verification;
  - (iv) the going concern assumptions and any qualifications;
  - (v) with reference to the principal international environmental, social and corporate governance code;
  - (vi) compliance with the environmental, social and governance reporting guidelines as set out in the Listing Rules and legal requirements;
- (e) to review the Group's sustainability and ESG strategies and progress in reporting performance against ESG-related targets and indicators;
- (f) to report to the Board on the matters specified in the applicable provisions of the Environmental, Social and Governance Reporting Guidelines in Appendix C2 to the Listing Rules; and
- (g) to consider other topics, as defined by the Board from time to time.

## **12. Minutes of meetings**

12.1 The Secretary, or his/her delegate, in attendance at the meetings of the Committee shall minute in sufficient detail the proceedings and resolutions of all such meetings, including the names of those present and in attendance. The minutes should also include any concerns raised by any member of the Committee and/or dissenting views expressed.

12.2 Full minutes of Committee meetings shall be kept by a duly appointed secretary of the meeting (who should normally be the company secretary). Draft and final versions of minutes of the Committee meetings should be sent to all Committee members for their comment and records within a reasonable time after the meeting.

### **13. Reporting Responsibilities**

- 13.1 The Chairman shall report formally to the Board on proceedings after each meeting on all matters within its duties and responsibilities as well as its decisions or recommendations, unless there are legal or regulatory restrictions on their ability to do so.
- 13.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its authority where action or improvement is needed.

### **14. Continuing applications of the constitutional documents of the Company**

- 14.1 The constitutional documents of the Company regulating the meetings and proceedings of the directors of the Company so far as the same are applicable and are not replaced by the provisions in these terms of reference shall apply to the meetings and proceedings of the Committee.

### **15. Power of the Board**

- 15.1 The Board may, subject to compliance with the constitutional documents of the Company and the Listing Rules, amend, supplement and revoke these terms of reference provided that no amendments to and revocation of these terms of reference shall invalidate any prior act and resolution of the Committee which would have been valid if such terms of reference had not been amended or revoked.

### **16. Others**

- 16.1 The Committee shall have access to sufficient resources in order to perform its duties. In the event that the Committee determines that it has insufficient resources, it may make a request for additional resources to the Chairman. If the request for additional resources is denied, the Committee may, if it chooses, make a request to the Board through the Secretary. The Board shall convene a Board meeting as soon as reasonably practicable to consider the request.
- 16.2 All members of the Committee shall have access to the advice and services of the Secretary with a view to ensuring that procedures of the Committee and all applicable laws, rules and regulations are followed.
- 16.3 In the event that the Committee or any member of the Committee requires access to independent professional advice in connection with his/her duties, a request may be made to the Secretary. All such requests shall be processed in accordance with the Company's pre-defined procedures for seeking independent professional advice at the Company's expense.
- 16.4 At the expense of the Company, every newly appointed member of the Committee shall be given a comprehensive, formal and tailored induction on the first occasion of his/her appointment, and subsequently such briefing and professional development as is necessary, to ensure that he/she has a proper understanding of the operations and business of the Company and that he/she is fully aware of his/her responsibilities as a member of the Committee.
- 16.5 Every member of the Committee shall give sufficient time and attention to his/her duties as a member of the Committee. He/she shall give the Company the benefit of his skills and expertise through regular attendance and active participation.

16.6 The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

**17. Language**

If there is any inconsistency between the English version and the Chinese version, the English version shall prevail.

Adopted on 25 January 2022

Revised on 26 March 2024