# 粵豐環保電力有限公司
CANVEST ENVIRONMENTAL PROTECTION GROUP COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 1381

## Sustainability Report 2022

# Digitization to Unleash GREEN CODE

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# ABOUT THIS REPORT

**Canvest Environmental Protection Group Company Limited ("Canvest" or the "Company," together with its subsidiaries, the "Group") (Stock Code: 1381) is delighted to present its Sustainability Report 2022 (the "Report"), giving an overview of our work towards promoting sustainable development. Canvest commissioned AECOM Asia Company Limited, a professional technical and sustainability consultant to prepare the Report. In addition to outlining our plans for producing advantageous results through our initiatives, this Report intends to give our stakeholders clear and transparent information from the Group's environmental, social, and governance ("ESG") aspects.**

## REPORTING SCOPE AND BOUNDARY

GRI 2-2 GRI 2-3

This Report presents the sustainability performance of the Group's key operations, including its Hong Kong and Dongguan City headquarter offices, as well as the operating waste-to-energy ("WTE") plants[1] that are deemed to be the Group's subsidiaries ("Operating Projects") for the fiscal year ended on 31 December 2022 ("FY2022" or the "Reporting Period"). Although the newly commissioned projects for FY2022 have been included in the scope of this Report, the ESG performance of projects under construction were excluded due to the lack of a standardised and systematic data collection approach amongst different engineering, procurement, and construction contractors, and such data collected would be prone to incompleteness and inaccuracies. Unless otherwise specified, the ESG performance of the WTE plants classified under the management of our associates or joint ventures, as well as our contractors and suppliers are not disclosed in this Report.

This Report has been prepared in accordance with the *GRI[2] Sustainability Reporting Standards* (the "GRI Standards") and the *ESG Reporting Guide* under Appendix 27 to the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* ("SEHK"). The websites of SEHK (www.hkexnews.hk) and the Group (www.canvestenvironment.com) both offer the Chinese and English versions of this Report[3].

The Group has commissioned the Hong Kong Quality Assurance Agency (HKQAA) as a third-party verification institution to conduct an independent audit and verification on the content and data[4] of this Report. In addition, HKQAA has verified the Group's greenhouse gas ("GHG") emissions inventory in accordance with ISO 14064–1:2018 *Greenhouse Gases — Part 1: Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals*. Page 127–132 of this Report presents the Verification Statements.

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1 The Report covers the sustainability performance of Canvest's WTE business which is the core business of the Group. Other business areas such as smart city management, environmental hygiene and related services, which contributed to approximately 2.4% of the Group's total revenue in 2022, are considered relatively immaterial to our operations, hence the ESG data of such related services are not reflected in this Report.

2 GRI refers to Global Reporting Initiative.

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

4 The numbers stated in various tables of this Report may not add up to totals or 100% due to rounding.

GRI 1

## REPORTING PRINCIPLES

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

### Materiality

A description of our materiality assessment process can be found in the **Materiality Assessment** section of this Report. It outlines the way we identify, prioritise and validate material topics, including how we take key stakeholders' views into account.

### Quantitative

Details of how we quantify our data, including the use of standards, methodologies, as well as assumptions and conversion factors employed can be found in the **Performance Data Summary** section.

### Balance

This Report aims to provide an unbiased and balanced view of the Group's ESG management approach and performance during the Reporting Period.

### Consistency

Consistent methodologies are employed to enable meaningful comparison of year-on-year data.

### Stakeholder Inclusiveness

We have identified a broad range of stakeholders including investors, shareholders, business partners, employees, clients, contractors, suppliers, industry associations, non-governmental organisations ("NGOs") and media.

### Sustainability Context

In addition to the significant environmental, social and governance factors, the sustainability context of this Report also encompasses sustainable development goals and climate-related risks.

### Completeness

Material topics and their topic boundaries, relevant significant impacts, as well as stakeholders' views are consistently incorporated into this Report. We also adhere to the above six reporting principles to ensure complete disclosure.

## STAKEHOLDERS' FEEDBACK

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

## BOARD STATEMENT — BOARD OVERSIGHT OF ESG AND CLIMATE-RELATED MATTERS

The Board established a Strategy and Sustainability Committee (also known as ESG and Climate Risk Management Committee) in 2022, which is chaired by the Executive Director, in order to thoroughly assess and incorporate significant environmental, social, and governance issues into our business development and achieve long-term sustainability strategic planning.

The Strategy and Sustainability Committee will be in charge of formulating the Group's ESG and climate change policies, strategies, and objectives, reporting to the Board of Directors (the "Board") on the Group's performance and effectiveness in implementing ESG and climate change-related measures, and identifying and evaluating sustainability concerns as well as their related strategic risks and opportunities. In turn, the Board shall direct the activities and reporting of the Strategy and Sustainability Committee as well as reviewing and approving the Group's sustainability reports.

In order to delegate sustainability-related tasks to Strategy and Sustainability Committee, the Board has assessed significant ESG topics in FY2022. The Board will continue to manage and keep an eye on the identified significant ESG topics going ahead, and will carefully evaluate them when setting the direction and strategies for the Group's business development.

# MESSAGE FROM OUR CHAIRLADY

**Canvest was fully committed to supporting the Chinese government's goal of achieving carbon peaking by 2030 and carbon neutrality by 2060 and equipped ourselves for responding climate crisis. In 2022, we expanded our WTE portfolio while maintaining ethical and transparent relationships with all valuable stakeholders. Our decision-making processes incorporate ESG factors, identifying and mitigating any potential ESG-related impacts on our business.**

The Chinese government's 14th Five-Year Plan (2021-2025) aims to comprehensively improve environmental infrastructures, including development of centralised and integrated facilities for waste treatment and disposal that encompasses the collection, transportation, and treatment of various types of waste, including sewage, garbage, solid waste, hazardous waste, and medical waste. Therefore, we will strive to explore different innovative designs for future WTE facilities and adapt our operations to take advantage of new opportunities, supporting the government's plan to advance the construction of centralised incineration facilities.

We align our corporate actions and operations with 13 United Nations Sustainable Development Goals ("SDGs"), in addition to national and industrial obligations, aiming to serve as a responsible corporate citizen that contributes to address global challenges. Despite our active expansion, Canvest strives to increase transparency and comparability to strengthen our contributions to the SDGs. As at 22 March 2023, our portfolio of projects has expanded to 36 operating, secured, and announced projects across 12 provinces and municipalities in China.

As a leading WTE company in China, Canvest has always actively explored opportunities for technological innovations to optimise service quality. After analysing historical operational big data and carefully studying various technologies, the group's technical department designed a tailored boiler upgrade plan based on the actual operation needs of China Scivest I WTE project. In 2022, the evaporator, superheater, and cooling mode of the boilers were improved to better control the boiler temperature, increase steam flow, and reduce the use of materials. It is expected that electricity generated by this project will be increased by about 18,000,000 kWh every year, which in turn improve the project revenue and provide more green energy to society. The technical department will continue to review the results of the upgrade and design appropriate plans for other projects to continuously enhance the operational efficiency of the group.

We remain committed to safeguarding our employees' health and safety, preventing the spread of COVID-19, and supporting our communities. In 2022, our WTE plants handled epidemic-related municipal solid waste ("MSW") with care in accordance with tailored guidelines and under close supervision from government authorities to prevent the spread of pandemic. Our operating WTE projects offset 6,138,393 tonnes of $CO_2$ equivalent emissions by treating 12,224,205 tonnes of MSW (including epidemic-related waste), reducing standard coal consumption by 1,200,990 tonnes, and selling 3,940,256 MWh of green electricity during the Reporting Period.

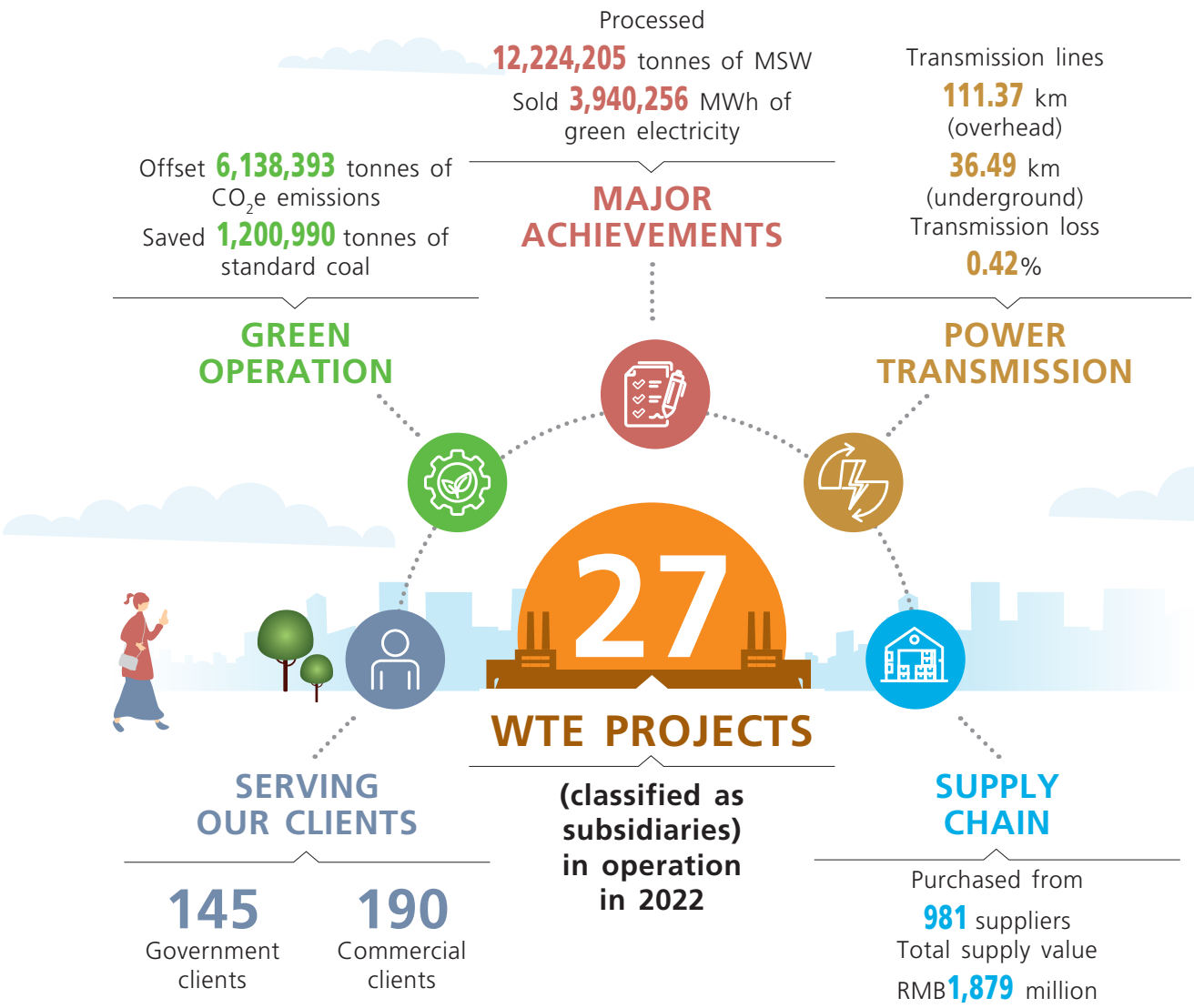
Canvest is committed to its corporate philosophy to "unite as one, work meticulously and strive to excellence", and to be environmentally and socially responsible, continuously improving and innovating to expand our WTE operations. We aim to enhance the value of our WTE industry chain by eliminating methane and reducing greenhouse gas emissions through implementation of the latest technologies and approaches. In addition, we are dedicated to serving the community, supporting the industry's development, and contributing to sustainable development worldwide. In the coming year, we will continue to work diligently and strive for excellence, with a focus on sustainable development as our top priority.

**Lee Wing Yee Loretta**
*Chairlady*
Hong Kong, 21 April 2023

# ABOUT CANVEST

**Canvest Environmental Protection Group Company Limited is a Cayman Islands-incorporated business with its headquarters in Hong Kong. It is a market leader in providing comprehensive urban environmental protection and sanitation solutions, specialising in the operation and management of WTE plants, as well as the delivery of services for intelligent urban environmental hygiene. We have 36 operational, secured, and announced WTE projects in China as of 22 March 2023. Several of our active projects have been granted the title "Grade AAA Innocuous Waste Incineration Plant," which is the top grade achievable. Future plans for Canvest include expanding its WTE business and seizing market opportunities arising from "Incineration +". On 29 December 2014, the Company was listed on the Main Board of SEHK (stock code: 1381).**

## WTE BUSINESS HIGHLIGHTS




The demand for one-stop waste management services, from hygiene and sanitation to garbage collection and treatment, is ever growing as China begins its transformation from a linear to a circular carbon economy. The Group is committed to serving as a premium provider of integrated urban environmental protection and sanitation solutions, with emphasises on WTE, intelligent urban environmental hygiene, and related services. We will keep reviewing and enhancing the Company's development strategies to work towards sustainable development.

From upstream environmental sanitation and waste management to downstream fly ash and bottom ash treatment, Canvest has been expanding the scope of its business along the value chain. The Group is actively cooperating with various business partners to explore new business opportunities coming from the carbon trading market and carbon assets in response to the Chinese government's call for carbon peaking and carbon neutrality.

The following table shows the status of our WTE projects as of the date of our Annual Report 2022:

| Project | Location | | Daily MSW processing capacity | Installed power generation capacity |
|---|---|---|---|---|
| **Under operation — classified as subsidiaries:** | | | | |
| **1 Eco-Tech I WTE Plant** | Guangdong | Dongguan | 1,800 tonnes | 36 MW |
| **2 Eco-Tech II WTE Plant** | Guangdong | Dongguan | 1,500 tonnes | 50 MW |
| **3 Kewei WTE Plant** | Guangdong | Dongguan | 1,800 tonnes | 30 MW |
| **4 China Scivest I WTE Plant** | Guangdong | Dongguan | 1,800 tonnes | 42 MW |
| **5 China Scivest II WTE Plant** | Guangdong | Dongguan | 1,200 tonnes | 36 MW |
| **6 Zhanjiang WTE Plant** | Guangdong | Zhanjiang | 1,500 tonnes | 30 MW |
| **7 Qingyuan WTE Plant** | Guangdong | Qingyuan | Phase 1: 1,500 tonnes<br>Phase 2: 1,000 tonnes | 50 MW |
| **8 Zhongshan I WTE Plant** | Guangdong | Zhongshan | 1,040 tonnes | 24 MW |
| **9 Zhongshan II WTE Plant** | Guangdong | Zhongshan | 2,250 tonnes | 70 MW |
| **10 Lufeng WTE Plant** | Guangdong | Lufeng | Phase 1: 1,200 tonnes<br>Phase 2: 400 tonnes (Planning) | Phase 1: 30 MW<br>Phase 2: 12 MW (Planning) |
| **11 Xinyi WTE Plant** | Guangdong | Xinyi | 1,000 tonnes | 24 MW |
| **12 Xuwen WTE Plant** | Guangdong | Xuwen | Phase 1: 500 tonnes<br>Phase 2: 250 tonnes | Phase 1: 12 MW<br>Phase 2: 6 MW |
| **13 Dianbai WTE Plant** | Guangdong | Maoming | Phase 1: 1,500 tonnes<br>Phase 2: 750 tonnes (Planning) | Phase 1: 25 MW<br>Phase 2: 25 MW (Planning) |
| **14 Shaoguan WTE Plant** | Guangdong | Shaoguan | Phase 1: 700 tonnes<br>Phase 2: 350 tonnes (Planning) | 24 MW |
| **15 Laibin WTE Plant** | Guangxi | Laibin | Phase 1: 1,000 tonnes<br>Phase 2: 500 tonnes (Planning) | Phase 1: 24 MW<br>Phase 2: Planning |
| **16 Beiliu WTE Plant** | Guangxi | Beiliu | Phase 1: 700 tonnes<br>Phase 2: 350 tonnes | 24 MW |
| **17 Xingyi WTE Plant** | Guizhou | Xingyi | Phase 1: 700 tonnes<br>Phase 2: 500 tonnes | Phase 1: 12 MW<br>Phase 2: 12 MW |
| **18 Qiandongnan Prefecture South Area WTE Plant** | Guizhou | Liping | Phase 1: 700 tonnes<br>Phase 2: 350 tonnes (Planning) | 15 MW |
| **19 Zaozhuang WTE Plant** | Shandong | Zaozhuang | Phase 1: 1000 tonnes<br>Phase 2: 800 tonnes | Phase 1: 15 MW<br>Phase 2: 15 MW |
| **20 Jingjiang WTE Plant** | Jiangsu | Jingjiang | Phase 1: 800 tonnes<br>Phase 2: 400 tonnes (Planning) | Phase 1: 15 MW<br>Phase 2: 7.5 MW (Planning) |
| **21 Ruili WTE Plant** | Yunnan | Ruili | Phase 1: 600 tonnes<br>Phase 2: 400 tonnes (Planning) | Phase 1: 15 MW<br>Phase 2: Planning |
| **22 Xiangyun WTE Plant** | Yunnan | Xiangyun | Phase 1: 500 tonnes<br>Phase 2: 500 tonnes | 18 MW |
| **23 Mancheng WTE Plant** | Hebei | Mancheng | Phase 1: 500 tonnes<br>Phase 2: 500 tonnes | 24 MW |
| **24 Yingkou WTE Plant** | Liaoning | Yingkou | Phase 1: 1,500 tonnes<br>Phase 2: 750 tonnes (Planning) | Phase 1: 30 MW<br>Phase 2: 15 MW (Planning) |

| Project | Location | | Daily MSW processing capacity | Installed power generation capacity |
|---|---|---|---|---|
| **Under operation — classified as subsidiaries:** | | | | |
| **25 Xinfeng WTE Plant** | Jiangxi | Xinfeng | Phase 1: 400 tonnes<br>Phase 2: 400 tonnes | 15 MW |
| **26 Linfen WTE Plant** | Shanxi | Linfen | Phase 1: 800 tonnes<br>Phase 2: 400 tonnes (Planning) | Phase 1: 15 MW<br>Phase 2: 15 MW (Planning) |
| **27 Taizhou WTE Plant** | Jiangsu | Taizhou | 850 tonnes | 18 MW<br>(under trial operation) |
| **Under operation — classified as joint ventures/associates:** | | | | |
| **28 Jianyang WTE Plant** | Sichuan | Jianyang | Phase 1: 1,500 tonnes<br>Phase 2: 1,500 tonnes (Planning) | Phase 1: 18 MW<br>Phase 2: 18 MW (Planning) |
| **29 Machong WTE Plant** | Guangdong | Dongguan | 2,250 tonnes | 80 MW |
| **30 Baoshan WTE Plant** | Shanghai | Baoshan | 3,800 tonnes | 126 MW (under trial operation) |
| **31 Dazhou WTE Plant** | Sichuan | Dazhou | Phase 1: 1,200 tonnes<br>Phase 2: 800 tonnes (Planning) | Phase 1: 25MW (under trial operation)<br>Phase 2: 18MW (Planning) |

| Project | Location | | Daily MSW processing capacity | Installed power generation capacity |
|---|---|---|---|---|
| **Under construction or planning:** | | | | |
| **32 Huizhou WTE Plant** | Guangdong | Huizhou | 1,000 tonnes | 30 MW |
| **33 Huidong WTE Plant** | Guangdong | Huidong | 1,500 tonnes | 36 MW |
| **34 Yi County WTE Plant** | Hebei | Yi County | 800 tonnes | 18 MW (Commenced trial operation in late March 2023) |
| **35 Baise WTE Plant** | Guangxi | Baise | Phase 1: 700 tonnes<br>Phase 2: 500 tonnes | Phase 1: 15MW<br>Phase 2: 10MW |
| **36 Quyang WTE Plant** | Hebei | Quyang | Phase 1: 700 tonnes<br>Phase 2: 350 tonnes | Planning |

# SUSTAINABLE DEVELOPMENT GOALS

## SUSTAINABLE DEVELOPMENT GOALS

The Group has identified 13 SDGs that are most pertinent to our business objectives as we recognise the importance of incorporating the United Nations Sustainable Development Goals into our day-to-day activities and business strategies in pursuit of sustainability. These SDGs are highlighted in this section since they are inextricably linked to our sustainable development approach from the perspectives of business, environment, people and communities.

## BUSINESS


**Affordable and Clean Energy**
Our WTE facilities offer a secure and technologically advanced method of waste treatment, and produce clean energy through utilisation of MSW, which relieves pressure on landfills.

Through converting 12,224,205 tonnes of MSW into electricity, green power generated from our Operating Projects is equivalent to the annual electricity consumption of around 3,030,966 households in 2022.


**Decent Work and Economic Growth**
Promote long-lasting, inclusive, and sustainable work environment and human resources systems, including decent remuneration, benefits, and subsidies, as well as hiring and promotion practices.

The entry level wage offered by the Group is significantly higher than the statutory local wage, demonstrating a commitment to fair compensation practices. Additionally, with the intervention of WTE into a one-stop-shop service in waste management, there is potential to benefit upstream businesses as workers in the environmental sanitation often receive low wages.


**Industry, Innovation and Industrialisation**
Promote innovation using new technology in WTE operations to accelerate the transition to smart and eco-friendly cities.

The Group launched its smart car parking management systems since 2021 and expanded its businesses into smart city management. Smart car parking systems offer several advantages over traditional parking systems, including increased efficiency, optimized space utilisation, enhanced safety and security, and reduction in fuel consumption and emissions.


**Sustainable Cities and Communities**
Provide full-chain waste management services that include cleansing, collection, treatment, and residue disposal.

## ENVIRONMENT


**Responsible Consumption and Production**
In accordance with Canvest's *QHSE Management Manual* and Social Responsibility Management System, we require all of our suppliers and contractors to uphold the highest standards of ethical behaviour in business, society, and the environment.


**Climate Action**
While the production of electricity from MSW can reduce the emission of GHG from burning fossil fuels, WTE facilities assist in preventing the formation of methane (a GHG with high global warming potential) from landfilled waste.

With the sale of 3,940,256 MWh of green electricity in 2022, our Operating Projects were able to offset 6,138,393 tonnes of $CO_2$ equivalent emissions while also conserving 1,200,990 tonnes of standard coal.


**Life Below Water**
For on-site reuse, leachate and wastewater produced during MSW treatment are treated properly.

The Group has reused over 80% of the treated wastewater throughout the Reporting Period.


**Life On Land**
Waste management strategies that are sustainable and more environmentally friendly are facilitated by WTE technology. This prevents the waste from being dumped in land-demanding landfills, which would otherwise cause rural environmental issues and harm eco-systems.

## PEOPLE/COMMUNITY


**No Poverty**
By taking part in charitable donations, events, and volunteer work, the Group and its employees are constantly supporting local initiatives and good causes.

The Group sponsored HK$8.8 million to support the community in 2022.


**Good Health and Well-Being**
The Group's efforts in epidemic-related MSW during the pandemic, such as face masks, helped in preventing the spread of the virus, contributing to public health and safety, and promoting a clean and healthy environment.


**Quality Education**
At our WTE plants, which are all furnished with interactive exhibits and a wide range of multimedia tools to highlight the cutting-edge WTE processes, regular educational activities and site visits are organised. In addition to opening up its projects as educational hubs for public visit, in 2022, we have produced a series of "Cloud tour to Canvest" videos and broadcasted in our WeChat official accounts.

The total number of visitors to our WTE plants was 10,580 in 2022.


**Gender Equality**
The Group is devoted to abiding by any legal requirements on the defense of the rights and interests of all genders.

The appointment of female employees to key leadership positions such as the Chairlady and CFO reflects we valued and respected the contribution of employees, regardless of gender.


**Reduced Inequalities**
We ensure that our employees are not subjected to any kind of discrimination or deprivation of opportunities at work due to their age, gender, sexual orientation, relationship, family status, disability, race, ethnicity, nationality, financial status, religious or political beliefs.

As of the end of the Reporting Period, ethnic minorities made up 8.75% of the Group's workforce.

# STAKEHOLDER ENGAGEMENT

GRI 2-29

## COMMUNICATION WITH STAKEHOLDERS

We understand the importance of stakeholders to our business, thus, Canvest values the opinions of our internal and external stakeholders as well as the constructive critiques and comments we receive. We always maintain active communication with our stakeholders to understand their opinions and priority concerns, which provide us with valuable insights to implement our business strategies and adjust operations practice. As a result, we have been interacting with our stakeholders through a variety of channels as a crucial part of our daily operations, in accordance with the standards outlined in our *External Communication Procedure* and *Client Service Management Procedure*.

Canvest established the *Contractor Management Procedure* and *Supplier Management Procedure*, which specify the Group's evaluation processes for our contractors and suppliers, to support the implementation of sustainable practices in our supply chain. Through collaborating with our contractors and suppliers, we aim at jointly realising our sustainable goal in areas such as economic performance, quality of work, environmental conservation, and occupational health and safety.

We continually enhance our operations and sustainability approach by keeping open and sincere lines of contact with a wide range of stakeholders. Our stakeholder communication channels include:

**Investors, Shareholders**

- General meetings
- Annual report and Interim report
- Announcements and circulars
- Investor roadshows

**Business Partners**

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

**Employees**

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

**Clients**

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

**Contractors, Suppliers**

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

**Industry Associations**

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

**Non-Governmental Organisations**

- Site visits
- Telephone/email

**Media**

- Press releases
- Site visits
- Telephone/email

GRI 2-29 GRI 3-1

## MATERIALITY ASSESSMENT

Every year, a stakeholder-driven materiality assessment is carried out to identify and evaluate potential environmental, social, and economic topics that might have an impact on the Group's operational activities. During the Reporting Period, we distributed surveys to our stakeholders, and invited them to rank the relative importance of each material topic and provide feedback on Canvest's efforts and performance in terms of sustainability strategies. For the sake of impartiality and objectivity of the materiality assessment, we have invited our sustainability consultant to administer the entire materiality assessment.

In the end, we received 43 responses from a diverse array of stakeholders, including employees, contractors/ suppliers, investors/shareholders, business partners, media, and industry associations.

### Canvest's Materiality Assessment Process

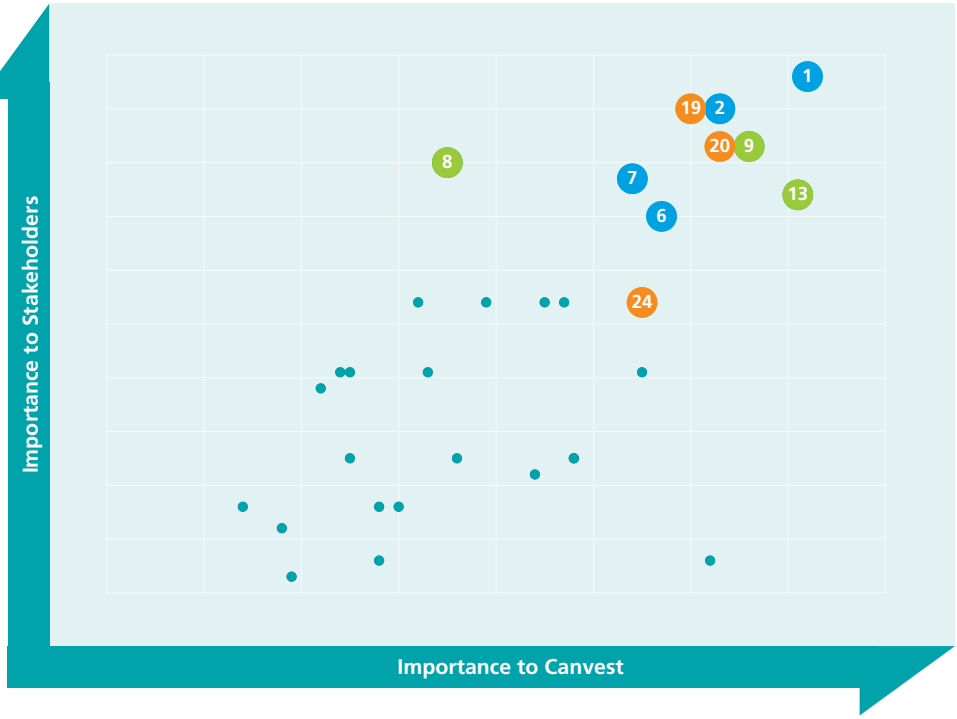
1. The sustainability consultant formulated a questionnaire covering a broad range of material topics
2. Stakeholders ranked the topics in the order of importance
3. Development of materiality matrix and prioritisation of material topics
4. Validation and review

### Materiality Matrix

To analyse, rank, and validate the materiality of the pertinent sustainability topics indicated by stakeholders in the survey, a four-step process was used. According to the importance to stakeholders and to Canvest, topics were prioritised and placed in the matrix. The extent of materiality of an issue was determined by its overall location in the matrix (low, medium or high). The Group then verified and examined the materiality assessment of all topics.

GRI 3-1

GRI 3-2




## Economic

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

## Environmental

8. **Material Usage**
9. **Energy Efficiency**
10. Usage of Water Resources
11. Greenhouse Gas Management and Climate Change Mitigation
12. Wastewater Treatment
13. **Waste Management**
14. Biodiversity
15. Supplier's Environmental Assessment
16. Environmental Grievance Mechanisms
17. Construction Management
18. Environmental Education

## Social

19. **Labour Practices and Employee Welfare**
20. **Occupational Health and Safety**
21. Staff Training
22. Diversity and Equal Opportunity
23. Internal Communication
24. **Child Labour and Forced Labour**
25. Rights of Indigenous Peoples
26. Human Rights Assessment
27. Poverty Alleviation
28. Supplier Social Assessment
29. Community Health and Safety
30. Client Privacy
31. Disaster/Emergency Planning and Response
32. Community Participation

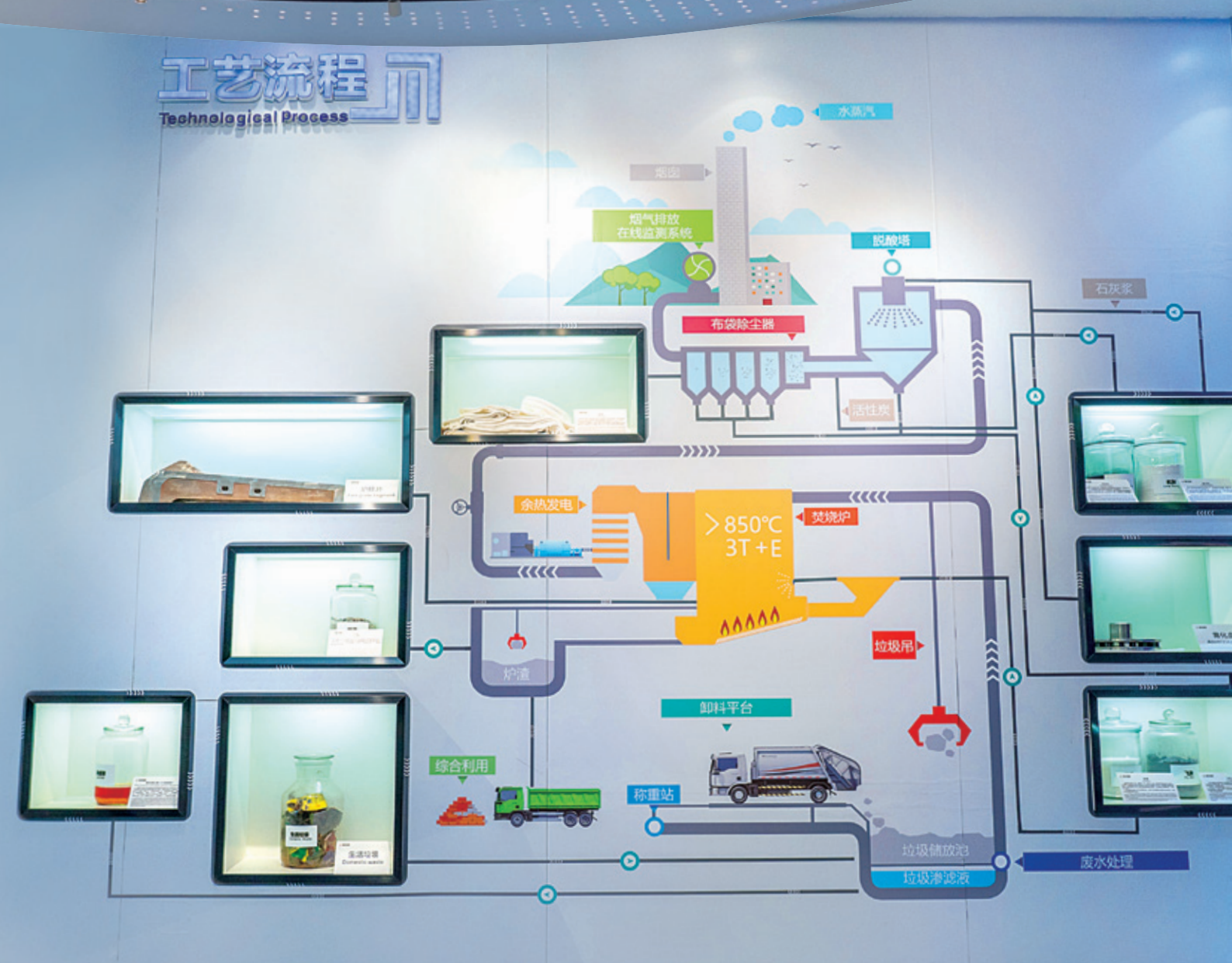
GRI 2-29 GRI 3-1 GRI 3-2

## Canvest's Top 10 Material Topics

This year, our disclosures are made in accordance with the GRI Standards updated in 2021. Two topic-specific standards: environmental compliance and social compliance have been incorporated into general disclosures in 2021 updates. In order to align with and disclose in accordance with the updates, we removed these two topics from the list of sustainability topics. This year, Anti-Competitive Behaviour was added to Canvest's top ten material topics.

| Material Topics and Stakeholders' Concerns | Impacts and Scope | | | | | | | | GRI Standards |
|---|---|---|---|---|---|---|---|---|---|
| | Investors, Shareholders | Employees | Clients | Business Partners | Contractors, Suppliers | Industry Associations | NGOs | Media | |
| 1 Economic Performance | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | GRI 201: Economic Performance |
| 2 Market Presence | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | GRI 202: Market Presence |
| 3 Material Usage | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | GRI 301: Materials |
| 4 Labour Practices and Employee Welfare | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | GRI 401: Employment |
| 5 Energy Efficiency | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | GRI 302: Energy |
| 6 Child and Forced Labour | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | GRI 408: Child Labor; GRI 409: Forced or Compulsory Labor |
| 7 Waste Management | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | GRI 306: Waste |
| 8 Anti-Competitive Behaviour | ✓ | ✓ | ✓ | ✓ | | | | | GRI 206: Anti-competitive Behavior |
| 9 Research and Development | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | N/A |
| 10 Occupational Health and Safety | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | GRI 403: Occupational Health and Safety |

# OUR SUSTAINABLE BUSINESS



Canvest is one of the leading integrated environmental protection and sanitation services providers in China. In order to deliver electricity in a safe and environmentally friendly manner, we combine the use of municipal solid waste as fuel with our engineering expertise in adopting advanced technologies and energy-efficient designs at our WTE facilities. As of 2022, our portfolio of WTE facilities has continued to grow, with 4 newly-commissioned projects (of which 2 are classified as subsidiaries and 2 as associates) covering the provinces of Yunnan Province, Shanxi Province, Sichuan Province and Shanghai municipality. We remain dedicated to reducing greenhouse gas emissions through the construction and operation of quality WTE facilities.

## In Q1 2022:

Established the Strategy and Sustainability Committee (also known as ESG and Climate Risk Management Committee)

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

## In Q2 2022:

Linfen WTE Plant commenced operation and simultaneously connected to the grid

Lufeng WTE Plant and Dianbai WTE Plant were awarded as "2021 Environmental Education Centre of Guangdong Province"

China Scivest WTE Plant was selected as "Top 10 Guandgong Province Advanced Entities with Opened Environmental Facilities"

## In Q3 2022:

China Scivest WTE Plant, Kewei WTE Plant and Xinfeng WTE Plant were awarded "EcoChallenger"

Zhongshan WTE Plant was selected as a "AAA National Tourist Attraction"

## In Q4 2022:

Awarded 2022 Responsible Brand Award

Taizhou WTE Plant commenced operation and simultaneously connected to the grid

Baoshan WTE Plant and phase 1 of Dazhou WTE Plant commenced operation
(both are classified as associates)

As a leading WTE operator, Canvest is committed to adhering to the latest environmental standards and meeting its corporate social responsibility obligations. By utilising resources efficiently and developing novel technologies, we aim to raise public awareness of the importance of environmental protection and support a sustainable environment for both our employees and the greater community.

Following the COVID-19 outbreak, the Group has promptly taken preventive and control measures to maintain normal plant operations while protecting the health and safety of its employees. Furthermore, the Group worked closely with local governments to provide timely services for the treatment of epidemic-related waste in order to prevent secondary transmission of viruses, in turn safeguarding the health of the public.

## CORPORATE GOVERNANCE

**4**
**Executive Directors**

**2**
**Non-Executive Directors**

**4**
**Independent Non-Executive Directors**

It is imperative to practice sound corporate governance in order to ensure a clear division of responsibilities and an effective risk management process. Moreover, we believe that establishing sustainable, credible, and transparent governance practices and procedures would strengthen our relationship with stakeholders and enhance the confidence they have in us.

The sustainability strategies of the Group are actively formulated and implemented by our Board of Directors ("the Board"). We have 10 directors on our Board as at 31 December 2022, namely 4 executive directors, 2 non-executive directors, and 4 independent non-executive directors who oversee different functions designed to protect stakeholder interests.

To assist the Board in discharge of its responsibilities in 2022, the Board established 5 committees, including the Audit Committee, the Corporate Governance Committee, the Nomination Committee, the Remuneration Committee, and the Strategy and Sustainability Committee ("SSC", also known as ESG and Climate Risk Management Committee). The Strategy and Sustainability Working Team was also established in July 2021 to identify and address climate-related concerns, strategic risks and opportunities, directly reporting to the SSC. A detailed discussion of climate-related governance is provided in the section of this report entitled "Our Environment".

The Board plays an imperative role in overseeing ESG matters relating to the Group, its sustainability performance, and risk management. The Board is responsible not only for reviewing and approving our annual sustainability reports, but also for formulating and evaluating the Group's sustainability vision, strategies, and policies. All Board meetings include ESG topics as a regular agenda item, and progress is reviewed regularly through the engagement of business line leaders and department heads. Additionally, our Board members attend various ESG training sessions throughout the year to keep abreast of recent ESG developments and sustainability concerns in the industry. As part of our commitment to ensuring that our highest governing body is effective, we conduct internal reviews from time to time regarding the effectiveness of our Board in managing and responding to ESG matters.

Canvest established SSC in January 2022, as we recognise that the importance of ESG within the business landscape has increased, as well as the potential effects of imminent climate-related risks and opportunities on our operations. Following its establishment, the SSC and its subordinate units were tasked with identifying and addressing material ESG issues, formulating sustainability policies and guidelines, and coordinating the implementation of corresponding long-term development strategies and measures to achieve the Group's sustainability initiatives. As a dedicated supporting division, the Strategy and Sustainability Working Team is responsible for identifying climate-related risks and opportunities for relevant industries and technologies. It is also responsible for assisting the SSC in formulating and implementing corresponding strategies and risk mitigation measures, as well as advising the Board on climate-related sustainability considerations at the group level.

The incentive pay of our executive directors is linked to the Group's sustainability efforts to actively facilitate the top-down integration of sustainability considerations into the Group's business development strategies, policies, and operations. The bonus or compensation of our executive directors may increase or decrease in accordance with the progress in meeting the Group's sustainability goals dependent on the amount of MSW processed, amount of electricity generated, number of non-compliances against national emission standards, number of ESG-related awards and extent of engagement in climate-related volunteering opportunities.

It is noteworthy that an incentive pay is also tied to the interest of the Chief Executive Officer (CEO) by adjusting up or down his bonus depending on the progress of attaining the climate goals of the Group. These goals aim to encourage and enhance the awareness and engagement of the CEO in driving sustainable development and management of climate-related issues. The attainment of these goals are assessed based on the number of new environmental projects acquired during the year and the presence of the latest technologies and procedures adopted to increase operational efficiency while reducing emissions, energy consumption and energy loss. Other benchmarks are based on the Group's ability to maintain and/or improve the ESG ratings.

## Board Structure


***The Group's Annual Reports and announcements provide additional information on its corporate structure, core business, and corporate governance.***

### Ethical Standards

Canvest understands that lacking a structured process for managing ethical risks could affect our reputation and financial performance. With an aim of ensuring our social accountability, we have integrated an ethical monitoring protocol into our operation. Some of our Operating Projects have obtained Social Accountability 8000 ("SA8000") certification, which is a globally recognised social compliance standard. The standard addresses a wide array of issues, including child labour, health and safety, remuneration, supply chain monitoring systems, external communication, and other policies. The social responsibility management system developed in accordance with SA8000 is applicable to all Operating Projects.

External assurance of SA8000 is conducted once every two years, while starting from 2023, it will be conducted every year. Meanwhile, internal assurance is conducted annually to ensure our adherence to the ethical and social compliance standard.

## ANTI-CORRUPTION AND INTEGRITY

Canvest is committed to executing anti-corruption policies across all of its project companies and will always adhere to the highest standards of integrity and ethics. The *Anti-Corruption and Anti-Bribery Management Procedure* outlines each type of unethical conduct clearly, including definitions and examples of behaviour that may be classified as corruption and bribery. We ensure that our employees understand the dangers of conflicts of interest, bribery, facilitation payments, extortion, fraud and money laundering. We have also provided our employees with information regarding appropriate confidential channels to make reports of suspected corruption and bribery.

Additionally, the Group adheres to all applicable laws and regulations, including the *Anti-Unfair Competition Law of the PRC*, the *Criminal Law of the PRC*, and the *Prevention of Bribery Ordinance* of Hong Kong. The Audit Committee is responsible for the assessment of corruption risks for all project companies, and we strictly prohibit all activities related to bribery, extortion, fraud, and money laundering.

The Group also recognises the importance of protecting intellectual property rights. To ensure high levels of confidentiality and stable file transmissions, all internal communications of the Group are protected by a secure independent server. As a result of these measures, the rights and interests of the Group as well as stakeholders are protected in a safe manner.

### Promoting A Culture of Integrity

We have established the Leading Group for anti-corruption and risk prevention for ethical practice, led by our Executive Director. This group will help delineate the overall strategic direction and practices for promoting ethics and integrity at the group level. Alternatively, our office of anti-corruption and risk prevention for ethical practice, headed by the Human Resources and Administration Manager, is responsible for providing public morals and business ethics training at the project level. As part of our efforts to promote the culture of integrity at Canvest through different activities and events, we have also designated the month of March every year as "Canvest's Integrity Culture Promotion Month".

## QUALITY, HEALTH, SAFETY AND ENVIRONMENT MANAGEMENT SYSTEM

Health, safety, and environmental protection are integral components of Canvest's business, and we strive to lead the WTE industry with regards to environmental and sustainable management practices. We conduct regular reviews and actively adapt our environmental management systems to align with the ever-changing national policies and laws regarding the environment.

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

The Quality, Health, Safety and Environment (QHSE) Management System was implemented by Canvest since 2015, a system that is structured with responsibility cascading through the organisation under the supervision of our Vice President of Safety and Environment Department. In order to ensure the quality and safety of our daily WTE operations and other services, the *QHSE Management Manual* has been developed in accordance with the requirements of ISO 9001 Quality Management System, ISO 14001 Environmental Management Systems and ISO 45001 (or its predecessor, OHSAS 18001) Occupational Health and Safety Management System. Under the *QHSE Management Manual*, the Group strives to continuously improve its quality services, environmental management, and occupational health and safety management.

The QHSE Management System is applied to all employees and technicians of the Group. The system was developed with the aim of ensuring compliance with environmental regulations. In addition to providing guidance on monitoring environmental performance, the System also identifies activities and services that may have significant environmental impacts. It also requires retention of environmental performance records, as well as provision of training and staff awareness of environmental issues. The QHSE Management System has been externally audited to ensure that it complies with the requirements of ISO 9001, ISO 14001, and ISO 45001.

By establishing the System, the Group is able to enhance its reputation and competitiveness in the market by providing assurances to our stakeholders regarding the excellence of quality in environmental management and occupational health and safety.

Canvest is conscious of delivering quality service that is both environmentally and socially responsible. Through our internal regulation, all WTE plants are required to carry out the certification works for ISO 9001, ISO 14001, and ISO 45001 management systems half year after the start of formal operation. It is expected that the certification process will be completed within one year after application. During the Reporting Year, all of the Group's Operating Projects have been certified with ISO 9001, ISO 14001, and ISO 45001 management systems or undergoing their certification procedures.

## Social Responsibility Management System

Since 2015, Canvest has established a Social Responsibility Management System in accordance with the SA8000 standards as well as applicable laws and regulations. In this manual, proper procedures are outlined for maintaining safety and ethical behaviour throughout our operations and supply chain management activities. The Group and our suppliers are particularly responsible for adhering to applicable laws and regulations, as well as conforming to social standards. This includes the minimum living wage, working hours, living conditions of labour workers, workplace health and safety, anti-discrimination, freedom of association, and the right to collective bargaining. It also prohibits forced labour, child labour, and corporal punishment.

### Internal Audit

As part of our commitment to ensuring that our QHSE Management System is effective and up to standards and expectations, the Group conducts internal audits annually with fair and impartial judgment. We benefit from these audits in terms of improving our safety awareness and strengthening our management structure within the Group. Our *Internal Audit Control Procedure* ensures that all internal audits are conducted in accordance with its scope and responsibilities and the procedures for conducting internal audits, as well as the follow-up corrective actions for continuous improvement are properly monitored. Our QHSE Management System and all Operating Projects have been audited internally during FY2022, with no significant findings associated with major improvements required.

## QHSE Risk Assessment

We view risk management as an essential part of identifying and exploring improvement opportunities. Our risk management system is based on a three-stage approach based on the precautionary principles and is supervised by the Executive Director and representatives from each project company. This helps the Group in systematically reviewing and improving the performance of our QHSE management. In this way, we can formulate remedial actions that improve our competitiveness in the WTE industry. We also introduced the *Risk Identification, Assess, and Control Procedure* since 2016 to help us identify and assess potential risks in our daily business operations.

## Potential Risk Sources and Our Focus Areas

### Product Risk

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

### Management Risk

- Human resources management
- Procurement management

### Environmental Risk

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

### Occupational Health and Safety Risk

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

### Stage 1 — Risk Identification

- **Step 1:** Conduct site survey, interview and meeting discussions
- **Step 2:** Assess potential risks from workplace, equipment and operations

### Stage 2 — Risk Assessment

- **Step 3:** Group risks into different categories
- **Step 4:** Analyse each identified risk on the basis of its probability and impact

### Stage 3 — Risk Control

- **Step 5:** Categorise each risk into five risk levels
- **Step 6:** Implement procedures according to the particular risk level

***In the case of high-risk factors identified, actions will be taken immediately, including the suspension of work until the risks have been adequately addressed. As a follow-up to the implementation of corrective measures, annual audit(s) will be conducted to ensure that risk management is effective.***

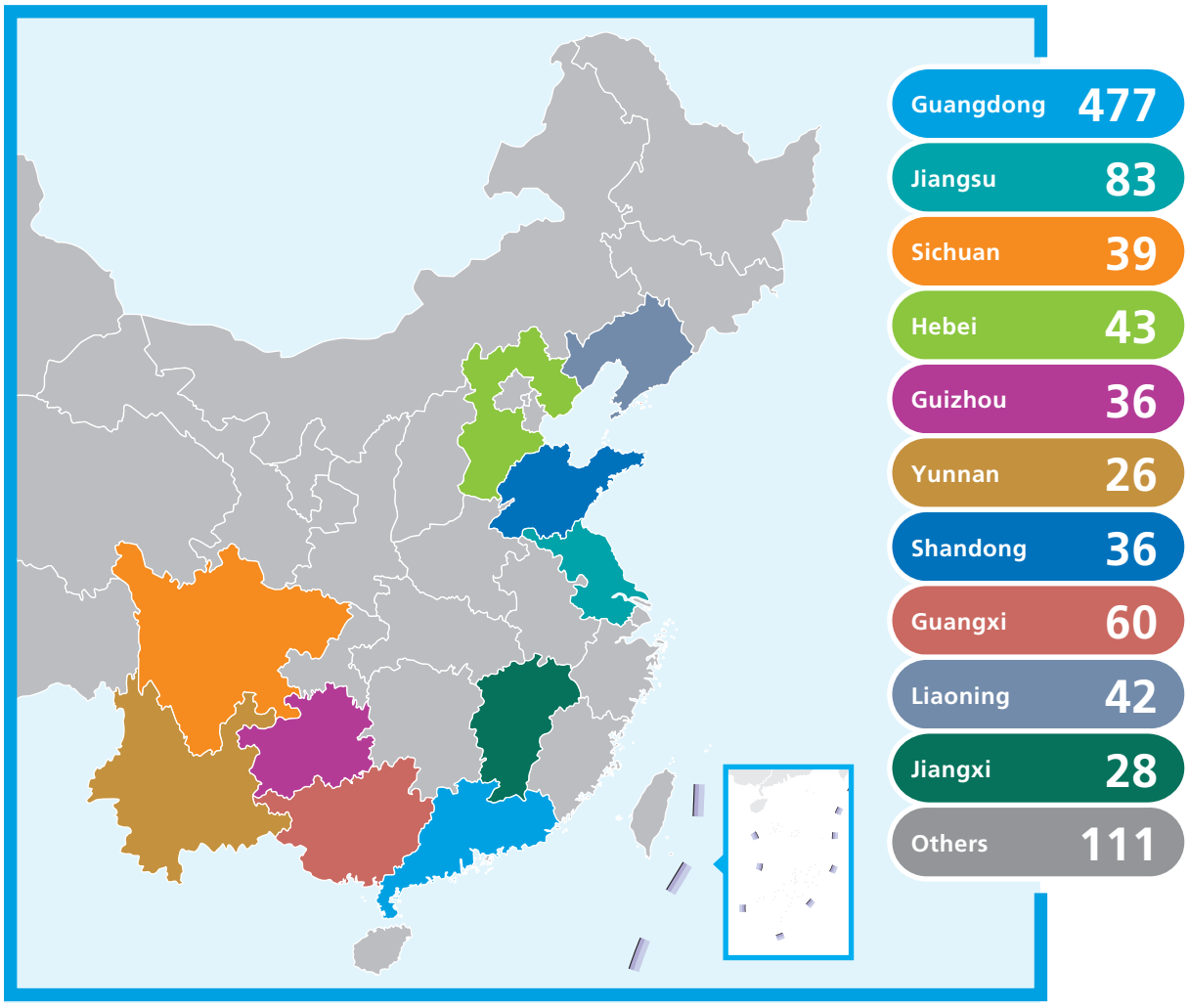
## SUPPLY CHAIN MANAGEMENT

Due to our extensive engagement with suppliers, the implementation of the Group's sustainability strategies is closely connected to our suppliers' efforts. As a result, we have extended our efforts to manage social and environmental issues throughout our value chain. We have adopted standard procurement procedures, including *Tender Management Procedures* and *Business Contract Management Procedures*. These procedures govern tendering procedures and contract administration processes. This ensures that our suppliers and contractors maintain and deliver a high level of environmental, integrity and ethical standards.

As of 2022, 981 suppliers provided goods and services to the Group for our Operating Projects. The total supply value of these goods and services was approximately RMB1,879 million, of which a considerable amount was spent for the procurement of renewable power equipment such as parts for daily maintenance and upgrade moving-grate furnaces and steam turbines, photovoltaic equipment, etc., supporting the commercialisation of renewable power equipment through practical actions.

It is Canvest's objective to actively contribute to local economic development by procuring goods and services from suppliers located in the same provinces as our Operating Projects, as we believe that this will have a significant impact on the long-term development of the WTE and environmental protection businesses, as well as maintaining steady and sustainable business growth. As of 2022, local suppliers accounted for 76% of the supply value for our Operating Projects.

### Number of Suppliers, by Geographical Region



### Sustainable Procurement

To ensure that the delivery of the Group's services has the least environmental impact and the greatest social benefit, the Group practices sustainable procurement and supply chain management. In order to maintain exceptional levels of service quality and financial capability of tenderers, we closely monitor our procurement processes. The Group will continuously improve our performance and comply with environmental, occupational, and health and safety regulations, setting a benchmark for our peers and thereby contributing to sustainable development in the WTE industry as a whole.

We integrate sustainability considerations into every aspect of our supply chain. Procurement begins with consideration of prospective suppliers' environmental performance. We give preference to suppliers who possess certifications such as ISO 14001 that demonstrate their commitment to environmental management. For steady progress towards low-carbon, environmentally friendly operating modes, performance reviews, target setting, and roadmapping are conducted regularly with our engaged suppliers. In addition to commitment to comply with environmental standards explicitly stipulating in legally-binding contracts, all of our contractors and suppliers are required to strictly follow the *QHSE Management Manual* and Social Responsibility Management System. This prohibits the use and employment of child labour, forced labour, as well as engagement in corruption and bribery activities. No material risks were identified in 2022 among or along our supply chain related to the aforementioned categories.

In addition, we closely monitor our procurement practices in order to identify and report any environmental and/or social problems within the supply chain. Where appropriate, we collaborate with non-governmental organisations and industrial partners to responsibly address such issues. We also conduct annual performance checks by sampling suppliers throughout our value chain. As of 2022, the Group has visited 16 suppliers which supply raw materials, equipment parts, and machinery and validated their performance in terms of quality of products and services, environmental and social concerns.

A robust environmental management system and occupational health and safety system are well incorporated into Canvest's value chain, with 14% of our suppliers having acquired ISO 14001 certification, and 14% to become ISO 45001 (or its predecessor, OHSAS 18001) certified in 2022.

## WTE PROJECT DEVELOPMENT

Canvest is committed to delivering WTE projects that are well-received by and integrated into the community, in addition to technical innovation and robust waste management solutions. Therefore, in addition to community involvement in relation to statutory environmental permits and approvals, the Group also has set and followed internal guidelines that outline the processes of conducting public consultations and community engagement events as well as the systematic procedures to identify stakeholders and/or interested parties, so as to incorporate the social and environmental considerations as early as possible in planning. Community relations are handled by senior management of each project company, and a mechanism for collecting, recording, and addressing complaints or grievances has been established.

In 2022, project companies had not received any genuine complaints or grievances.

## WTE OPERATION CONTROL

By striving to reduce energy consumption and upholding high operational standards, we can fulfil our mission to "protect the blue sky and clean water and build a beautiful home". We formulated the *Production Equipment Control Procedure* to enhance the maintenance and management of our production equipment, and to address the risks associated with aging equipment. Maintenance, inspections, and assessments are performed regularly to detect and identify anomalies in operation performance and potential issues that may shorten the useful life of equipment. Through executing preventive maintenance activities, our operational efficiency is then sustained and improved, while unplanned disruptions are minimised.

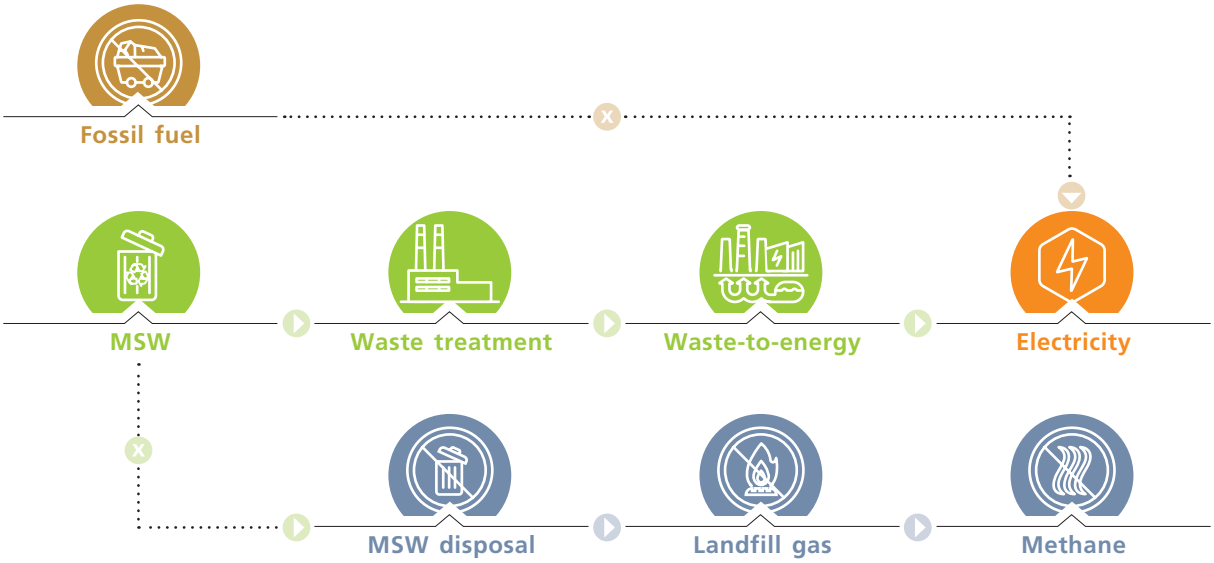
### Crisis Management and Emergency Preparedness

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

To improve the capacity to respond to various catastrophes and build resilience, emergency response scenarios were presented to the senior management, middle management, general and technical staff. The Group seeks to strengthen cooperation between different response staff, identify inadequacies in the current management plan, and raise general awareness and comprehension of possible threats by performing emergency drills.

All Operating Projects are required to conduct at least one annual emergency drill including an electrical outage, fire and floods in order to assess current emergency response capabilities and improve staff coordination. The projects located along the coastal areas must complete emergency preparedness and response control exercises for typhoon before the start of typhoon season every year to ensure the safe and steady operation of facilities during extreme weather conditions. The whole project crew are required to participate these exercises and the Group's Project Management Department and Safety and Environmental Protection Department offered on-site supervision and commented on the performance.


## GHG Emissions Offset through Waste-to-Energy




By utilising the heat generated during incineration of MSW to generate electricity, the Group's WTE projects have the potential to reduce greenhouse gas emissions and offset them in two ways — by diverting the corresponding MSW from landfills, avoiding fugitive release of methane to the atmospheric environment, and offering downstream electricity users an option to reduce their Scope 2 GHG emissions with the electricity generated at our WTE plants in place of fossil fuel-based energy.

## 2030 MSW Processed and Green Electricity Sold Targets

As a leading integrated urban environmental protection and sanitation solution service provider, we are committed to leading the way towards a cleaner future based on sustainable waste management practices and less reliance on fossil fuels. In light of this, we are committed to two cumulative environmental sustainability targets for the period between now and 2030 as we have already embarked on a new decade.

### MSW Processed

**2030 Target**

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

**Progress (2021–2022)**

MSW Processed: 22,194,338 tonnes

Achieved **22.20%**


### Green Electricity Sold

**2030 Target**

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

**Progress (2021–2022)**

Green Electricity Sold: 7,351,578 MWh

Achieved **21.00%**

# OUR ENVIRONMENT

Canvest is committed to combating climate change through the reduction of carbon footprints associated with its business activities. In addition, the Group maintains sustainable environmental practices to support responsible utilisation of natural resources as a responsible provider of WTE solutions. Our WTE solutions incorporate eco-friendly, energy efficient and latest-tech offerings, as well as maintaining vigilance against waste generation and minimising all forms of pollution associated with our projects. Under Canvest's internal mandates, all Operating Projects shall set up the management system and apply for integrated ISO 9001, ISO 14001 and ISO 45001 certification 6 months after commencement of formal operation, and the certification process would involve external audits and take around a year to complete. During the Reporting Period, 100% of the Group's eligible Operating Projects were certified to ISO 9001 Quality Management System, ISO 14001 Environmental Management System, and ISO 45001 Occupational Health and Safety Management System. In addition, all of the Group's Operating Projects are regularly subject to external environmental audits such as routine and ad hoc environmental compliance audits conducted by the local environmental authorities, external audits for ISO 14001 certification renewal, and submission of annual environmental and social performance reports to the International Finance Corporation (IFC) which were externally audited and prepared by an independent consultant in accordance with the World Bank Group's *General Environmental, Health, and Safety Guidelines* as well as *Environmental, Health, and Safety Guidelines for Waste Management Facilities*.

We are committed to strengthening our inherent climate resilience. Therefore, a comprehensive scenario analysis has been conducted for both physical and transition climate risks during the Reporting Period. We will follow up by developing risk mitigation strategies and measures in order to enhance our resilience.

## AIR EMISSIONS

Our WTE operations focused on the incineration of MSW, which would inevitably result in the generation of a variety of air pollutants that have an impact on the surrounding environment if not being handled properly. In particular, flue gases generated as a result of incineration contain particulate matter, heavy metals, persistent organic compounds, acidic gases, and a variety of other air pollutants. For adequate management of air emissions as well as to ensure compliance with the *Standard for Pollution Control in Municipal Solid Waste Incineration* (GB 18485–2014), all of our WTE plants are equipped with advanced flue gas treatment technologies, sophisticated temperature control systems and continuous emission monitoring systems (CEMS), all of which are consistent with our standardised procedures, including our *Operation Environmental Control Procedure* and *Production and Operation Management Procedure*. Canvest actively integrates mature technological advancements into its systems to reduce air and carbon emissions in response to the UN Agenda for Sustainable Development as well as the ever-increasing government emission standards. Furthermore, we have incorporated a total of 22 electric vehicle chargers in different WTE plants to encourage the use of electric vehicles, hence reducing greenhouse gas and other pollutant emissions.

In order to ensure the air emissions of our WTE operations fully comply with relevant emission standards and regulations, and even prevail international and national standards, we have established a set of air emission targets for each WTE plants during normal operation based on the conditions of actual operation, as indicated in Appendix III. During the Reporting Period, we have achieved these targets.

### Public Disclosure of Emissions Data


Note: Emission data of different incinerators under the same plant will be automatically switched and displayed

In order to ensure information transparency within the Group and with stakeholders, we have installed electronic displays at the entrance gates of our operating WTE plants. The public can also access and monitor such information on our corporate website to better understand our operation.

### Air Emission from WTE Projects in 2022

**Particulate Matter (PM):**

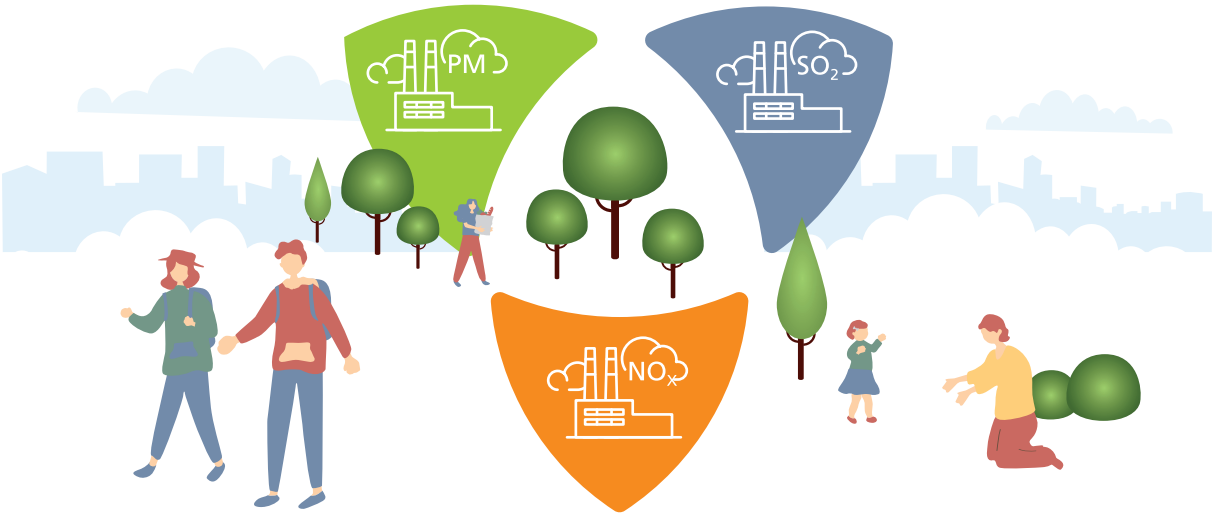
**145** tonnes

Intensity:
**12 g/tonne**
**of MSW processed**

**Sulphur Dioxide ($SO_2$):**

**1,160** tonnes

Intensity:
**95 g/tonne**
**of MSW processed**




**Nitrogen Oxides ($NO_x$):**

**6,701** tonnes

Intensity:
**548 g/tonne**
**of MSW processed**

## WASTE MANAGEMENT

In addition to providing sustainable waste management solutions utilising our WTE technology, Canvest is committed to reducing waste generated at source as a result of its business activities by maximising resource utilisation efficiency and the recovery of useful materials through efficient operation management. Our main wastes include the fly ash after flue gas treatment, bottom ash discharged from the incineration process and the wastewater treatment processes. To this end, we have developed the *Production and Operation Management Procedure* and *Operation Environmental Control Procedure*, which provide comprehensive information to all business units regarding the handling and control of all effluents, hazardous and non-hazardous waste that results from our operations, thereby reducing waste generation and environmental pollution.

## Fly Ash Treatment Measures

Fly ash is primarily comprised of air pollution control residues of WTE processes. As flue gas is released from the incineration furnace, it passes through a highly effective flue gas treatment system to undergo a series of chemical and physical treatment processes, where acidic gases, organic pollutants and heavy metals are neutralised or captured — airborne dust particles are filtered and settled and become fly ash. Due to the number of heavy metals and dioxins found in it, fly ash is a hazardous material and must be stored according to the *Standard for Pollution Control on Hazardous Waste Storage* (GB18597–2023), and subsequently solidified and stabilised with chelating agents and cement and ultimately disposed of at designated landfills in accordance with *Standard for Pollution Control on the Landfill Site of Municipal Solid Waste* (GB16889–2008). All of our site workers are well trained on the operating procedures and precautionary measures for handling fly ash safely from generation to disposal.

## Bottom Ash Treatment Measures

Bottom ash is an inert residue discharged by incineration furnaces and is non-hazardous in nature. It constitutes the majority of solid waste generated by our Operating Projects. In 2022, the amount of bottom ash contributed to approximately 92% of total waste generated by Canvest.

In order to support sustainable and low-carbon construction, Canvest arranges third-party recyclers to collect bottom ash as a raw material for eco-bricks manufacturing, whereas the scrap metal presented in the bottom ash is extracted for recycling. Over 99% of bottom ash generated by Canvest were sent for the purpose of recycling/recovery during the Reporting Period. Due to lack of appropriate local recycling facilities, small amount of bottom ash has to be disposed, and the transportation and disposal were strictly complied with the *Standard for Pollution Control on the Non-Hazardous Industrial Solid Waste Storage and Landfill* (GB18599–2020). We provide our site workers and third-party recyclers with a clear set of procedures for bottom ash handling and collection.

To address our commitment in promoting sustainable operation, we have established a bottom ash recovery target, aiming to deliver 99% of the bottom ash generated to recycling companies for further processing.

### Production of Eco-Bricks

In order to produce eco-bricks, bottom ash is thoroughly mixed with cement, chelating agents, fine aggregate and sand, and compressed in a molding machine.

**Benefits:**

- The combustion process does not require high temperatures
- High strength and durability
- Suitable for paving roads and constructing brick walls

**Bottom Ash Discharged from Incineration Furnaces**

### Metal Recovery

Scrap metal is sorted from the bottom ash for recycling and further processing.

**Benefits:**

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

## Sludge Treatment Measures

Aside from fly ash and bottom ash produced during the incineration process, sludge is also produced during the leachate treatment process within our WTE plants. The excess water content in sludge is removed by means of sludge thickening and dewatering. The sludge cake formed after dewatering is returned to the incinerator for thermal destruction. On the other hand, the separated wastewater is re-circulated back to the leachate treatment plant for further treatment.

### Waste Generated from Operating Projects in 2022 [a, b]

**Hazardous Waste**

Fly ash before stabilisation: **238,430** tonnes

Other hazardous waste: **84** tonnes

**Total hazardous waste generated:**
**238,514** tonnes

**Intensity: 0.061** tonnes/MWh of electricity sold

**Total hazardous waste breakdown by final destination[c]:**

Ultimate landfill disposal (onsite): **89,127** tonnes

Ultimate landfill disposal (offsite): **216,728** tonnes

**Non-Hazardous Waste**

Bottom ash: **2,855,044** tonnes

**Total non-hazardous waste generated:**
**2,855,044** tonnes

**Intensity: 0.725** tonnes/MWh of electricity sold

**Total non-hazardous waste breakdown by final destination:**

Ultimate landfill disposal (offsite)[d]: **26,491** tonnes

Recycling/Recovery (offsite) (eco-bricks production): **2,828,553** tonnes

*Notes:*

a. Fly ash is a waste product of flue gas treatment which comprises the captured pollutants as well as the materials used for flue gas treatment such as lime and activated carbon. The amount of fly ash generated to some extent reveals the amount of airborne pollutants removed by our flue gas treatment system, in turn suggesting the prevention of air pollution. In this regard, no practical reduction targets on fly ash generation can be set.

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

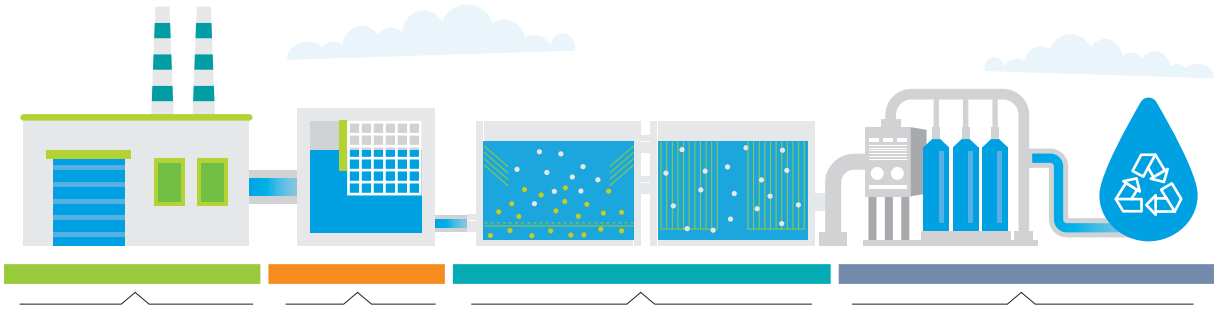
c. Fly ash is stabilised and solidified before ultimate disposal. Therefore, the total quantity of stabilised fly ash landfilled would be higher than the total quantity of hazardous waste generated.

d. Under normal operation, all the bottom ash generated will be directly transported to third-party companies for recycling or recovery. The amount of bottom ash for ultimate landfill disposal is because the recycling facility near new projects had not been constructed or operated at that time, hence, the bottom ash had to be disposed of at landfill in the short-term. Since December 2022, all bottom ash generated from all Operating Projects has been recycled.

## WASTEWATER TREATMENT

During incineration, it is critical to dewater the MSW feedstock and remove the excess water content in order to achieve excellent combustion and burnout. In our WTE plants, MSW is temporary stored in the waste storage pool to facilitate release of leachate. Leachate drained from the waste storage pool is then collected and treated at the on-site leachate treatment plant. Treated leachate is either discharged to municipal wastewater treatment systems in accordance with the prevailing statutory requirements or reclaimed for beneficial use after meeting the standards as set out in *The Reuse of Urban Recycling Water — Water Quality Standard for Industrial Uses* (GB/T 19923–2005) or *The Reuse of Urban Recycling Water — Water Quality Standard for Urban Miscellaneous Use* (GB/T 18920–2020). A total of 1,537,213 tonnes of raw leachate were treated by our Operating Projects during the Reporting Period, resulting in a reduction of approximately 169,681 tonnes of chemical oxygen demand (COD) discharge.

During the Reporting Period, we reclaimed over **80%** of our treated effluents from our WTE projects for the purposes of replenishing circulatory cooling water, landscape irrigation, and garbage truck washing.



Incoming MSW are stored in the storage pool to reduce its water content prior to the incineration process

Pre-treatment process removes suspended solids from the wastewater

Up-flow anaerobic sludge bed reactor and membrane bioreactor reduce pollutant concentrations in the wastewater

Membrane filtration system further removes contaminants through microfiltration, ultrafiltration, nanofiltration and reverse osmosis

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

### Treated Effluents from Operating Projects in 2022

| Discharged to municipal wastewater treatment systems, pursuant to the requirement of the local government | | Reused within WTE plants | | Total Treated Effluents |
|---|---|---|---|---|
| 239,928 $m^3$ | + | 964,430 $m^3$ | = | 1,204,358 $m^3$ |

## ODOUR CONTROL

Handling MSW as part of our WTE operations inevitably entails potential odour impacts on our employees and the general public. In order to manage and mitigate potential odour nuisance, Canvest implements high-standard operation practices and strictly adheres to the odour pollution concentration limits prescribed by the *Emission Standards for Odor Pollutants* (GB 14554–1993). In addition, we have adopted fully enclosed structural designs for all of our MSW discharge platform and storage pools in order to prevent the fugitive release of odourant particles.

### Odour Control Measures

The MSW discharge platform and storage pools are maintained under negative pressure in order to prevent the release of fugitive odourants.

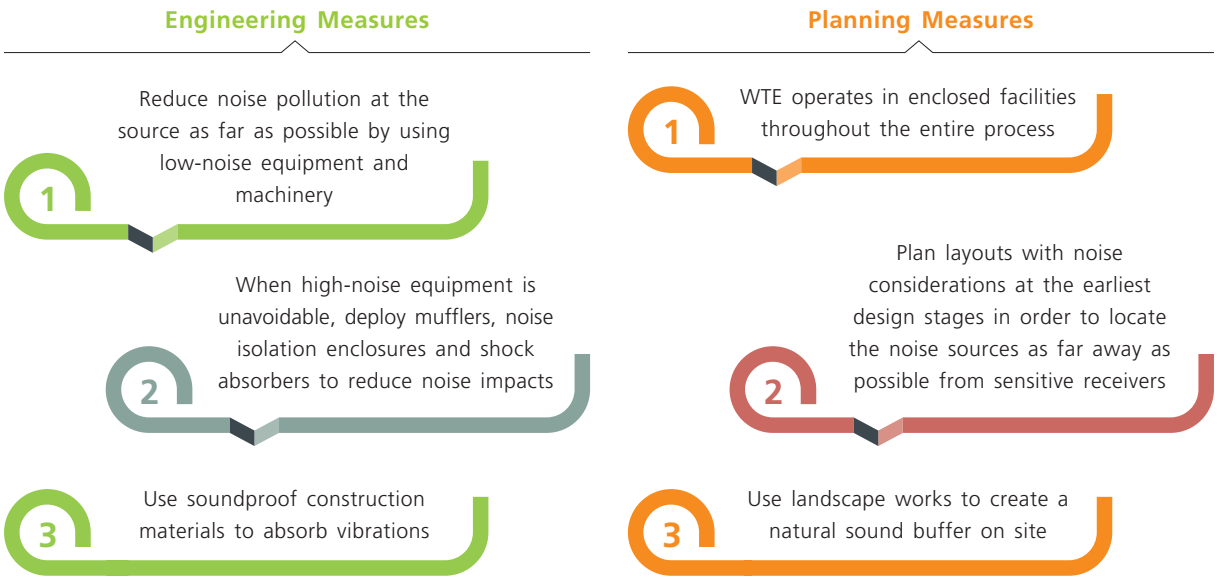
Induced draft fan systems are used to extract odourous pollutants from plant rooms, which are subsequently diverted to the incineration furnace for thermal destruction.

The odourous gas stream is treated with activated carbon deodourisation systems during maintenance of the incinerator to prevent odour leakage.

## NOISE CONTROL

Recognising the potential health and safety risks caused by noise and vibrations generated by our equipment installations and machinery, Canvest has implemented comprehensive mitigating measures, ensuring that our operations comply with the requirements set forth in the *Hygienic Standards for the Design of Industrial Enterprises* (GBZ1–2010) and *Emission Standard for Industrial Enterprises Noise at Boundary* (GB12348–2008).

### Noise Control Measures




## USE OF RESOURCES

Canvest is committed to leading the transition towards a low-carbon operating mode that supports the responsible use of natural resources such as fuel oil, natural gas, and freshwater. In order to monitor and improve the energy conservation performance in WTE plant operations and maximise power generation efficiency, we adhere to the Group's *Implementation Measures for Energy Saving in Power Plants*, which outlined specific requirements, implementation measures and key performance indicators. Furthermore, the *Resource Control Procedure* and *Social Responsibility System Operation Manual — Requirements on the Use of Electricity and Requirements on the Use of Water* are incorporated into our daily operations to promote comprehensive utilisation of resources. We actively promote adoption of sustainable practices and mindful use of resources across all our business units.

### Total Fuel Consumption Management

Fuel and materials consumption pattern of our WTE operations are continuously monitored and analysed in order to incorporate circular economy principles and enhance our operational efficiency. Detailed records of fuel and material consumption for all of our WTE projects are well documented within the Group for the purposes of fuel consumption (mainly used for start-up of incinerators) and operations optimisation planning efforts. Our WTE projects are monitored and analysed regularly in order to ensure that the operational performance and energy efficiency of the major equipment is achieved. Periodic maintenance and condition surveys are also performed to determine if any equipment must be refurbished or replaced at an early stage to ensure the stable and safe operate.

### Smart Incineration Furnace Start-up Arrangement

Under usual practice, after shutdown for regular maintenance, an incineration furnace has to consume a considerable amount of fuel oil or natural gas to re-start and increase the combustion chamber's temperature up to at least 850°C before it can be used to treat MSW. Canvest has commenced a study on using a smart mechanism for the incineration furnace to draw heat from other operating incineration furnaces in the plant to facilitate the start-up process. Upon success of the trial run, potential fuel savings could achieve as high as 30%.

## Energy Consumption of Operating Projects in 2022*

**Fuel Consumption**

Fuel oil: **118,434 GJ**

Natural gas: **20,994 GJ**

+

**Electricity Consumption**

Grid-purchased Electricity: **14,820 GJ**

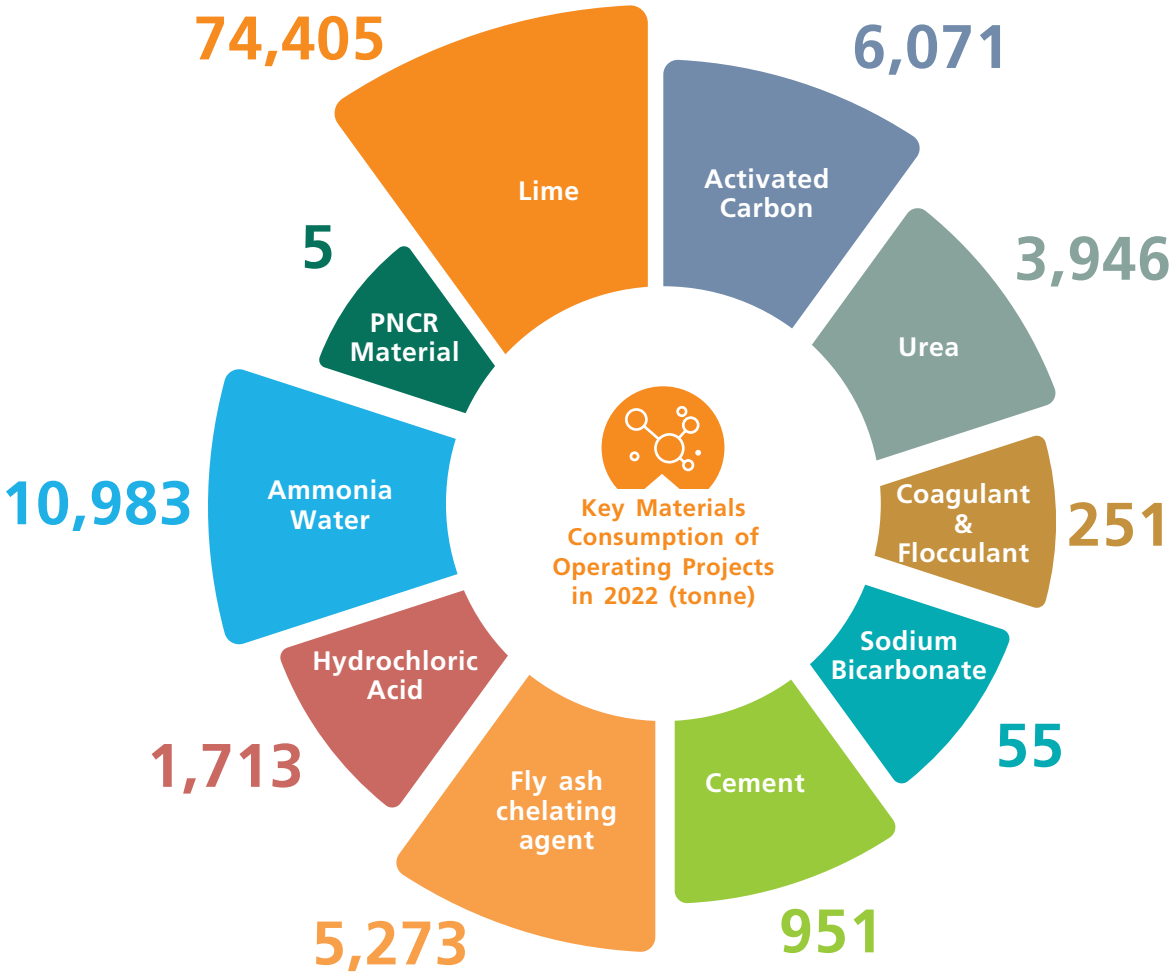
Self-generated Electricity: **2,147,957 GJ**

=

**Total Energy Consumed: 2,302,205 GJ**

**Energy intensity: 0.188 GJ/tonne of MSW processed**

* Energy consumption is calculated based on the conversion factors provided in *China Energy Statistical Yearbook 2021*.



## Sustainable Water Management

Climate change is causing increasing concerns about freshwater scarcity and water stress. This is paired with the vital role freshwater plays in our WTE processes and the expansion of our sustainable waste management business. This results in a pressing need to plan ahead for sustainable water consumption. In order to develop a comprehensive sustainable water management strategy, Canvest conducts environmental impact assessments on local water resources, including water pressure, water resource conflicts and water supply risks, in strict compliance with established statutory requirements and procedures. Most of the wastewater generated in our WTE projects is treated and recycled on-site, with repurposed water conforming to *The Reuse of Urban Recycling Water — Water Quality Standard for Industrial Uses (GB/T 19923–2005)* and the *Integrated Wastewater Discharge Standard (GB 8978–1996).* Recycled water is used for cooling, irrigation, and garbage truck washing. To further our long-term water management efforts, we intend to reduce our freshwater consumption at source and increase the capture and recycling of wastewater on-site.

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

**Water Consumption of Operating Projects in 2022**

**Freshwater Consumption by Source**

Surface water: **5,298,543 m³**

Groundwater: **157,655 m³**

Municipal water supplies or other water utilities: **12,189,281 m³**

**Total Freshwater Consumption:**

**17,645,479 m³**

**Freshwater Consumption Intensity:**

**4.478 m³/MWh of electricity sold**

With a view to aligning with our sustainability goals in our business operation, we set a corporate target of reducing freshwater consumption intensity by 1% in 2030 (compared to the 2021 level) during the Reporting Period. In view of the fact that we still have a large number of projects that are still in the early stage of operation or under construction/planning, we will actively conduct feasibility study on technical improvement as well as water stress of the surrounding environment in our project locations, and review the freshwater consumption target in due course.

# ENVIRONMENTAL CONSERVATION

Canvest is dedicated to further reducing the environmental impacts associated with our WTE operations, which already place us at the forefront of decarbonising the energy sector and promoting sustainable waste management. Our *Environmental Factors Identification, Evaluation and Control Procedure* provide us with an overarching framework for identifying, and evaluating potential environmental impacts resulting from our operating activities, as well as the necessary steps to minimise and control these impacts effectively. Additionally, all emissions and effluents generated by our WTE projects are monitored strictly and appropriately in compliance with applicable environmental laws and regulations. As a result, our business activities do not affect the surrounding air, water bodies, land, and ecological sites adversely.

## RESPONDING TO CLIMATE CHANGE

The average global temperature in 2022 was 1.5°C higher than the pre-industrial baseline. It is especially important for the energy sector to decarbonise, since, according to the International Energy Agency ("IEA"), carbon emissions from coal combustion account for 30% of global temperature rise. Canvest is committed to supporting and accelerating the industry's decarbonisation transition and addressing climate change, as well as strengthening our climate resilience in order to achieve long-term sustainability.

The Task Force on Climate-Related Financial Disclosures (TCFD) framework has been examined further in our climate risk assessments and disclosures in this Reporting Period. This is as part of our comprehensive scenario analysis exercise for physical and transitional climate risks. We then develop measures and strategies to strengthen our resilience to climate change.

### Governance

The Group's environmental and climate-related issues are managed via a hierarchical and dedicated sustainability governance approach. With support from our Audit Committee and Internal Audit Department, the Board oversees the sustainability performance and sets up internal control and risk management systems, which effectiveness are evaluated annually, for the Group. Internal control systems and procedures are overseen by the Audit Committee, while Internal Audit Department facilitates the monitoring of workflow and risk assessments by business units to ensure they are effectively implemented. Internal audit findings are reported directly to the Audit Committee, which then assists the Board in developing risk mitigation strategies.

In light of the growing concerns about how companies incorporate climate impacts into management decisions and business strategies in the market, Canvest established an ESG and Climate Risk Management Committee in 2022, to focus on addressing sustainability issues and relevant strategic opportunities. The Board delegated ESG implementation duties to the ESG and Climate Risk Management Committee, which will identify, assess, and resolve material climate-related and sustainability issues. Additionally, it will improve risk management and capacity building within the Group in the environmental, social, and governance areas, so as to enhance our preparedness in response to climate change through dedicated Group efforts.

### Risk Management

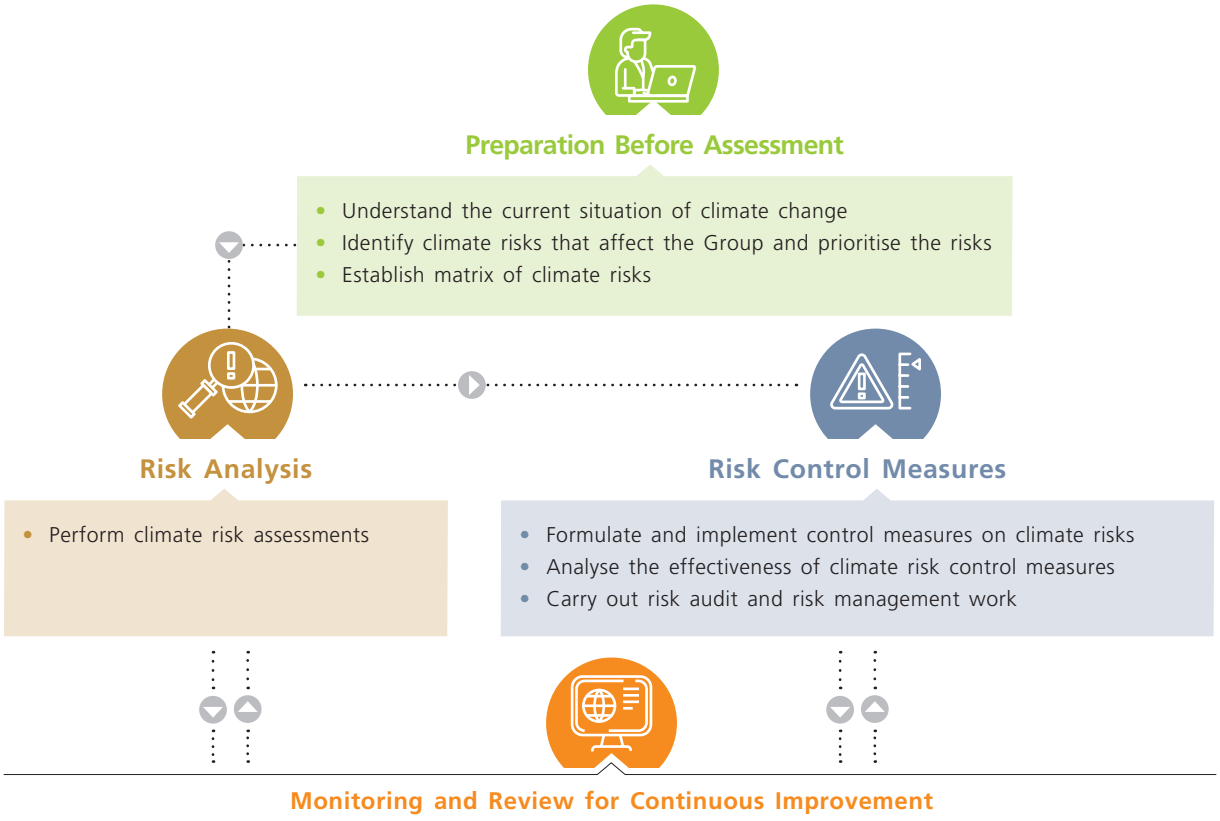
Canvest aims to identify, assess, and manage climate-related risks in a systematic and effective manner. Through the development of climate risk parameters, conducting climate risk assessments, formulating and implementing climate risk control measures, analysing the effectiveness of control systems in place, and performing risk audits, the Group has identified material climate risks based on the TCFD framework and has incorporated both physical and transitional climate risks into its strategic and operational plans.

Besides releasing climate-related information continuously in accordance with the recommendations contained in the TCFD framework, Canvest signed as a TCFD Supporter in 2021, demonstrating our commitment to addressing climate change through transparent climate-related information dissemination and communication.

TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

***Summary of Key Climate-Related Risks and Opportunities Applicable to Canvest***


***Climate Risk Management Process Workflow***



## Strategy

Canvest is committed to addressing the risks and opportunities imposed by climate change on our business in addition to effectively managing our inherent GHG emissions, in order to build a cleaner and more environmental friendly future.

***Physical Climate Scenario Analysis***

An initiative was launched by the Group for the purpose of conducting project-level analysis of both acute and chronic physical climate risks associated with the Baseline scenario, as well as three other Shared Socioeconomic Pathways — Representative Concentration Pathways ("SSP-RCPs") for the assessment year 2040, based on the latest climate scenarios and information released by the Intergovernmental Panel on Climate Change ("IPCC"). In the physical climate scenario analysis, key climate-related risks are analysed under the current climate situation and likely future climate states. During the Reporting Period, all Canvest's Operating Projects' assets were assessed for water stress and coastal flood risk.

***Scenarios***[5]

| Baseline | SSP2 RCP4.5 (Optimistic) in 2040 | SSP2 RCP8.5 (Business-as-Usual) in 2040 | SSP5 RCP8.5 (Unchecked Emissions) in 2040 |
|---|---|---|---|
| Represents modelled results for the year 2014 | SSP2 RCP4.5 is an intermediate emissions scenario where social, economic, and technological trends do not shift markedly from historical patterns, while relatively ambitious emissions reduction measures are introduced and GHG emissions will peak and starting to decline by year 2040. Emissions shall be constrained to stabilise at 650 ppm $CO_2e$ and temperatures to 1.1–2.6°C by 2100. | SSP2 RCP8.5 represents the stable growth of emissions scenario where social, economic, and technological trends do not shift markedly from historical patterns, with limited to no changes in policies to reduce emissions. This scenario leads to high atmospheric GHG concentrations, with $CO_2e$ concentrations reaching 1370 ppm by 2100 and global mean temperatures increasing by 2.6–4.8°C relative to 1986–2005 levels. It is aligned broadly with a business-as-usual scenario. | SSP5 RCP8.5 depicts a high-emissions scenario where social, economic, and technological developments progress rapidly through energy-intensive, fossil fuel-based lifestyles. Global emissions of heat-trapping pollution rise rapidly through most of the century, with annual emissions approximately doubling by 2050. This high-end pathway is expected to result in about 4.4°C of warming above pre-industrial levels by 2100. |

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

***Scenario Applied to Water Stress Assessment and Coastal Flood Risk Assessment*[6]**

| | Baseline | SSP2 RCP4.5 (Optimistic) in 2040 | SSP2 RCP8.5 (Business-as-Usual) in 2040 | SSP5 RCP8.5 (Unchecked Emissions) in 2040 |
|---|---|---|---|---|
| Water Stress | ✓ | ✓ | ✓ | — |
| Coastal Flood Risk | — | ✓ | — | ✓ |

***Water Stress***

**Why assess water stress?**

A significant amount of water is consumed in the Group's waste-to-energy projects for the purpose of equipment cooling. There is a possibility that a prolonged drought or insufficient water supply could negatively impact our waste processing systems or disrupt our normal operations.

**Methodology**

The Group's water stress is assessed by comparing the total amount of water withdrawn to the available renewable surface and groundwater supply. The presence of a higher risk of water stress indicates that freshwater resources are more competitive among local users.

**Findings**

**1. By Percentage of Capital Investment in Projects**

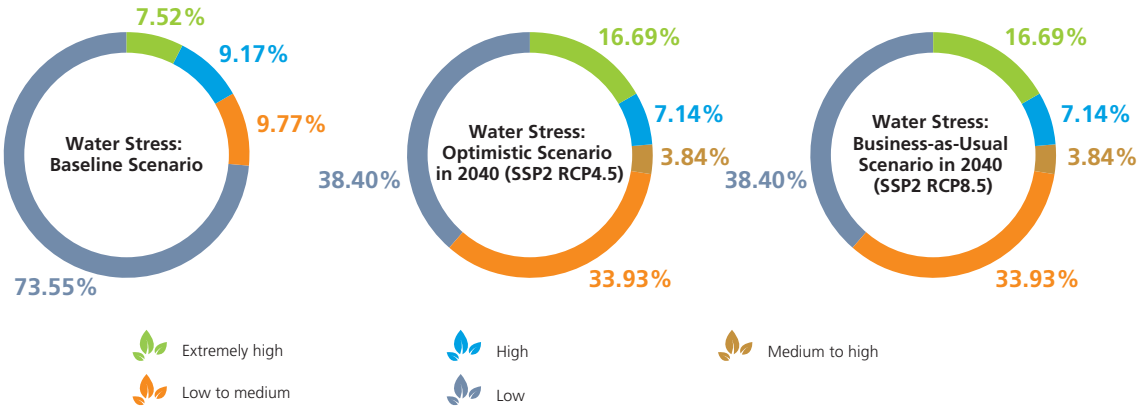
Based on the Group's analysis, water stress is a mild climate-related risk to our projects in the future. 16.69% of the Group's capital investment in Operating Projects are categorised with high water stress or above under the Baseline scenario. The figure is increased to 23.82% for both the Optimistic scenario (SSP2 RCP4.5) and Business-as-Usual scenario (SSP2 RCP8.5) by year 2040.

**2. By Percentage of Number of Projects**

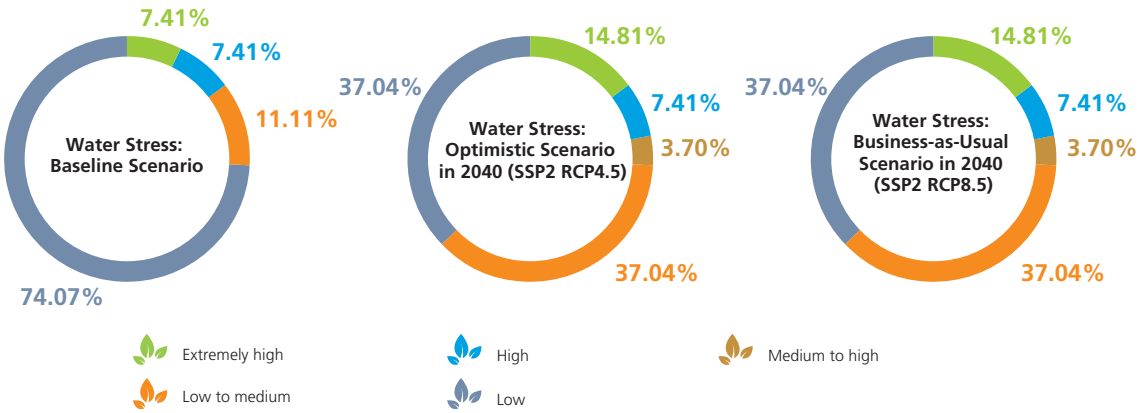
14.81% of the Group's Operating Projects are categorised with high water stress or above under the Baseline scenario. The figure is increased to 22.22% for both the Optimistic scenario (SSP2 RCP4.5) and Business-as-Usual scenario (SSP2 RCP8.5) by year 2040.

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

## Water Stress — By Percentage of Capital Investment in Projects




## Water Stress — By Percentage of Number of Projects




***Coastal Flood Risk***

**Why assess coastal flood risk?**

Flooding along the coast poses a threat to the Group's assets and employees' safety.

**Methodology**

Our coastal flood risk assessment measures the percentage of our projects by (1) capital investment and (2) the number of projects in coastal cities that will be below the projected sea level in 2040, along with the added height of a local annual flood. All of the Group's Operating Projects have been assessed for coastal flood risk.

**Findings**

**1. By Percentage of Capital Investment in Projects**

Based on the Group's analysis, by 2040, 9.11% of the Group's capital investment in Operating Projects will be below the projected sea level plus the added height of a local annual flood in both the SSP2 RCP4.5 and SSP5 RCP8.5 scenarios.

**2. By Percentage of Number of Projects**

Based on the Group's analysis, by 2040, 7.41% of the Group's Operating Projects will be below the projected sea level plus the added height of a local annual flood in both the SSP2 RCP4.5 and SSP5 RCP8.5 scenarios.

***Climate-related Physical Risk Matrix***

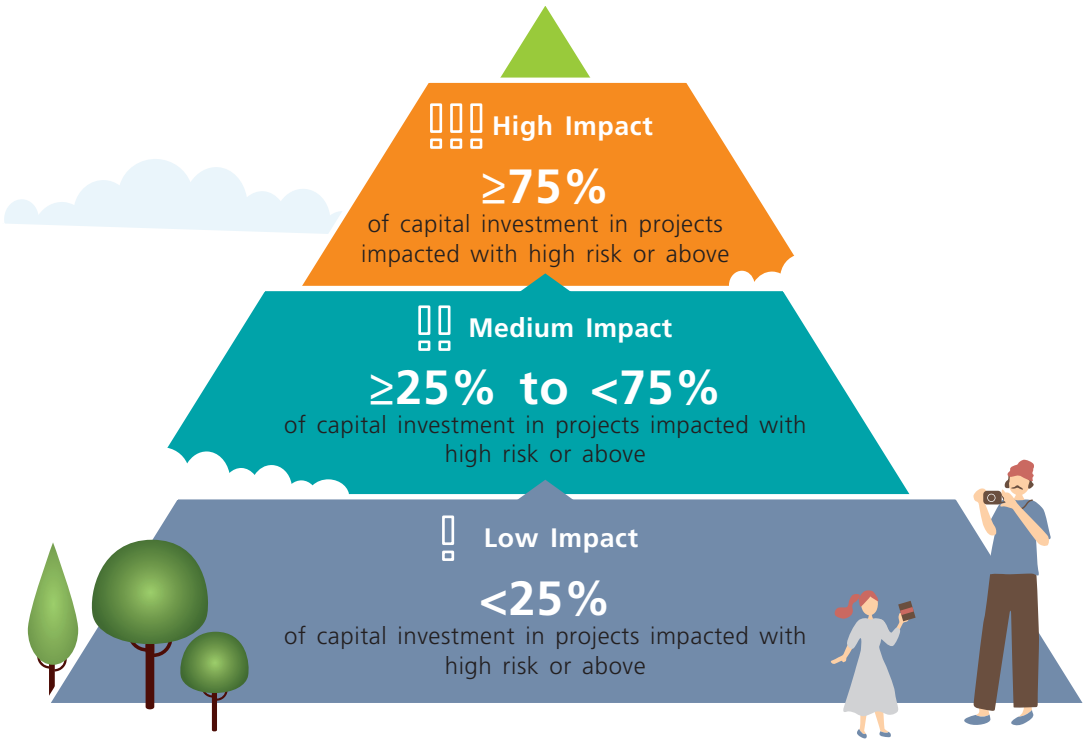
An analysis of physical climate scenarios was conducted using the Baseline scenario and Optimistic (SSP2 RCP4.5), Business-as-Usual (SSP2 RCP8.5) and Unchecked Emissions scenarios (SSP5 RCP8.5) in 2040.

*Key Findings:*

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

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

| Consequences of Climate Change on Canvest's Operating Projects under Different Scenarios | Baseline | SSP2 RCP4.5 (Optimistic) in 2040 | SSP2 RCP8.5 (Business-as-Usual) in 2040 | SSP5 RCP8.5 (Unchecked Emissions) in 2040 |
|---|---|---|---|---|
| Water Stress | Low | Low | Low | — |
| Coastal Flood Risk[7] | — | Low | — | Low |




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

***Other Physical Risks***

| Physical Risk | Potential Impacts |
|---|---|
| Increase in daily and average maximum temperature | • Increase health risks in employees as a result of hotter workplace<br>• Warmer ambient temperatures result in a perception of increased odour impacts from waste at WTE plants |
| Changes to seasonal precipitation patterns (generally wetter winters with less precipitation as snow, and drier summers with an increased probability of droughts) | • Changes to site hydrology<br>• On-site vegetation is exposed to a stressful environment<br>• Reduction in freshwater availability during the dry season<br>• Increase moisture content in MSW during wet seasons, resulting in prolonged drying times and increased demand in leachate treatment capacity |
| Increase in frequency and magnitude of extreme weather events | • A greater risk of damage to buildings, facilities, and utilities infrastructure as a result of storms (e.g. interruption of power distribution due to damage to power lines).<br>• Transport and waste delivery disruptions caused by storms<br>• Health and safety risks to employees exposed to extreme weather conditions and outdoor work<br>• Impact of interruptions of operations on revenue (e.g. roadblocks in the delivery of waste, unplanned facility shutdowns) |

***Strategy to Manage Climate-related Risks***

Canvest has identified and analysed material climate-related risks and developed a comprehensive list of adaptation measures to mitigate the adverse impacts that may be imposed upon its human resources and assets. Canvest will continue to promote the implementation of these measures over the next five years following the identification and analysis of material climate-related risks.

## *1. Water Stress Management*

In order to promote sustainable freshwater consumption and reduce water stress at our projects, Canvest has implemented advanced leachate treatment systems to reuse and recycle treated water on-site in a way that reduces withdrawal quantities from freshwater sources. With the use of ultrafiltration, nanofiltration, and reverse osmosis technology, we are able to transform our treated water into cooling water for our operations, and as of 2022, we have achieved a reclaimed water reuse rate of over 80% in our Operating Projects.

**Water Recirculation**

In order to reduce the withdrawal and consumption of freshwater from the WTE plants, water is recirculated within the system as much as possible.

## *2. Flood Risk Management*

Canvest encourages the integration of natural environment into our design. With approximately 826,602 $m^2$ of site greenery area in total, our projects have been designed to create beautiful and natural landscapes with flood retention designs.

**Project Highlights:**

**Dianbai WTE Plant**
Overall site greenery area: 49,750 $m^2$

**Lufeng WTE Plant**
Overall site greenery area: 39,995 $m^2$

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

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

To reduce the likelihood of flood damage to our key equipment and machinery, we have elevated our equipment and machinery where possible as part of the design of our plant and positioning of our equipment.

### *3. Emergency Response*

The Group has enhanced its inherent climate resilience emergency preparedness for rapid response and recovery following severe weather events such as heavy rainstorms, floods, typhoons, thunderstorms, and sandstorms. To prepare ahead of the flood season and for the occurrence of extreme weather events, the Group has developed corresponding mitigation measures and issued various procedural documents, including the *Management System Against Typhoons and Floods*. A dedicated Emergency Control Centre and a Task Force Against Typhoons and Floods are also helping the Group strengthen its ability to prepare for extreme weather events on a regular basis.

We regularly conduct typhoon and/or flood control drills at project level to increase employee awareness of extreme weather events and to improve our departmental coordination and emergency response capabilities. Regular safety inspections are carried out to remove materials stockpiled in exposed/open areas, ensure there are adequate precautionary resources and emergency kits, identify any water leakage or signs of water leakage in WTE plants, and maintain the drainage system.

Upon notification of an anticipated extreme weather event arrival, all relevant project companies will be instructed to execute contingency plans, including stockpiling emergency supplies, strengthening backup power systems, enhancing information exchange with the Emergency Control Center, and enhancing operational coordination.

### *4. Robust Preventive Maintenance*

A comprehensive preventive maintenance programme has been implemented by Canvest in order to ensure that equipment and infrastructure remain within the designed serviceability range. This is particularly in light of the additional risks posed by climate change. Key systems and equipment units should be monitored regularly and frequently during maintenance activities. By doing so, our project companies are able to identify potential problems and rectify them as soon as possible.

### *5. Climate-Related Risk Insurance*

The Group has insured our projects and assets against natural disasters caused by climate change, including lightning, rainstorms, storms, floods, tornadoes, typhoons, hurricanes, sandstorms, blizzards, landslides, mudslides, subsidence, etc. The insurance policy provides compensation for project damage, interruptions in operations, and worker health and safety.

***Transition Risk Scenario Analysis and Management Policy***

The Group adopted the climate change scenarios contained in the *World Energy Outlook 2022* report of the International Energy Agency ("IEA"). Developing management approaches to identify the transitional climate risks the Group faces and devise a plan to manage these risks will better assist our strategic planning for corporate development.

To achieve net-zero emissions by 2050, a 1.5°C warming scenario is adopted following the recommendations of the *Guidance on Scenario Analysis for Non-Financial Companies* issued by TCFD. The Group adopted the "Net Zero Emissions by 2050 Scenario" in the *World Energy Outlook 2022* report to represent a not more than 1.5°C warming scenario, while the "Stated Policies Scenario" is used to represent a future climate change scenario based on a projection of the prevailing policy measures.

*Transition Scenarios*

**Net Zero Emissions by 2050 Scenario**

$CO_2$ emissions will fall to 23Gt by 2030 and to zero in 2050, which is consistent with limiting the temperature increase to less than 1.5°C in 2100. In 2030, the spending on clean energy and infrastructure will triple together with an increase in the investments in emerging market and developing economies.

**Stated Policies Scenario**

Based on prevailing policy measures, the increase in global energy demand of around 1% per year will be met entirely by renewable energy by 2030. Emerging market and developing economies will experience increase in terms of the varieties of fuels and technologies, while all of the net increase in energy demand in developed economies will be met by low-carbon sources. Energy-related $CO_2$ emissions will reach a plateau at around 37 Gt before falling slowly to 32 Gt in 2050, which will lead to a 2.5°C rise in global average temperatures by 2100.

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

| Categories | Major Risks | Potential Financial and/or Operational Implications | Management Approach in the Next Five Years |
|---|---|---|---|
| **Policy Change Risk** | Carbon Tax, Fuel and/or Energy Tax, Volume and Trading Control<br>• Affected by regulations that restrict the emission of greenhouse gases and/or mandate the trading of carbon credits. A good example would be China's plan to become carbon neutral by 2060.<br>• Additionally, a number of measures and a more stringent set of policies will be implemented under the "Net Zero Emissions by 2050 Scenario". | • Increase in operating costs<br>• Early retirement of existing assets due to policy changes<br>• Technologies with a low carbon intensity are being developed with investment expenditures | • Improved communication with various monitoring authorities, prompt adjustment in response to change in regulations, and active implementation of measures to reflect changes in policy<br>• Improvements in energy efficiency of operating assets and consideration of carbon offset measures (e.g. large-scale tree planting, investments in renewable energy) |
| | Sustainability/ESG Reporting<br>• ESG rating agencies, stock exchanges, institutional investors and key international sustainability reporting guidelines are gradually raising their expectations for climate-related disclosures, including greenhouse gas emissions estimation, climate adaptation and mitigation plans.<br>• As part of the "Net Zero Emissions by 2050 Scenario", additional measures will be taken and more stringent policies will be enacted in addition to those mentioned above. | • Increase in research and development expenditures on developing the matrix and targets for climate-related risks<br>• Increase in compliance costs | • Commitment to the latest sustainability/ESG reporting requirements and attempt to become an industry leader in sustainability<br>• Assign specialists to study the parties' requirements and make appropriate disclosures. Carry out additional research when necessary, refer to the latest international standards, and improve the GHG emission estimation methodologies and disclosure framework. |

| Categories | Major Risks | Potential Financial and/or Operational Implications | Management Approach in the Next Five Years |
|---|---|---|---|
| **Reputation Risk** | Relationship with ESG investors<br>• The incineration operation associated with waste-to-energy makes it perceived as a carbon-intensive business, which may make it less appealing to investors who are concerned about carbon emissions compared to other renewable energy sources. In light of increasing investor demands and a more competitive environment within the industry, it is also necessary to strengthen the auditing and disclosure of ESG-related information.<br>• In addition to the above, additional policies and measures will be implemented as part of the "Net Zero Emissions by 2050 Scenario". | • Increase in finance costs<br>• Increased costs associated with climate risk management and ESG disclosure | • Calculate the total GHG emissions of WTE projects and their contribution to offsetting GHG emissions by replacing fossil-fuelled power, and diverting household waste from landfills that would release methane gas (a strong GHG) that leads to global warming.<br>• Improve communication with stakeholders, to help them understand the uniqueness of WTE business and significant environmental benefits beyond reducing GHG emissions (such as resolving waste crisis and the associated environmental consequences for the land and groundwater). |
| **Technology and Innovation Risk** | Technological advancement required<br>• It is necessary to employ more advanced technologies to meet the increasing demands of decarbonisation.<br>• Furthermore, a number of additional measures and more stringent policies will be applied under the "Net Zero Emissions by 2050 Scenario". | • Increase in operating costs<br>• Research and development expenditures in new and alternative technologies<br>• Capital investments in technology development | • Promote scientific and technological research, actively involve technical expertise, promote transformation of technological achievements into project applications, insist on development driven by innovations. |

***Exploring Future Adaptation Measures Against Climate Risks***

Recognising that responding to climate change and addressing climate-related risks requires long-term planning, Canvest continues to investigate adaptation measures to mitigate physical and transitional risks associated with projects in the planning phase and future business areas. Efforts are made to explore the entire project life cycle, from the early stages of planning through design and operations.

| Project Phases | Future Adaptation Measures | Description |
|---|---|---|
| **Planning** | Climate-Sensitive Site Selection | • Incorporate climate considerations into the project site selection process.<br>• Consider avoiding sites with unfavourable hydrometeorological parameters and/or extreme weather conditions. |
| | Green Building/Infrastructure Development | • Incorporate climate-related impacts into the lifecycle of infrastructure and achieve green building certification for new buildings/ facilities where possible.<br>• Invest in smart energy management technologies such as real-time energy monitoring in order to closely monitor the energy performance of existing buildings in order to reduce the emissions of greenhouse gases. |
| **Design** | Improvements to Structural Integrity | • Improve the inherent structural integrity of project infrastructure by adopting more stringent/ conservative wind load factors, larger temperature differences, and larger snow loads design value, where appropriate. |
| | Drainage and Flood Prevention | • Consider adopting climate-resilient drainage designs that are able to accommodate higher rainfall intensities and shorter return periods.<br>• Ensure that flood gates are installed in areas prone to flooding.<br>• Drainage improvements should be made along key access roads to ensure uninterrupted waste transportation to WTE project sites. |

| Project Phases | Future Adaptation Measures | Description |
|---|---|---|
| | Improvements to Equipment Performance under High Temperatures | • Simulate the performance of plant equipment under different scenarios, including how higher temperatures and humidity would affect long-term plant performance through thermodynamic modelling. A simulation can provide insight into performance limitations and areas for increasing operation efficiency, which can facilitate operation adjustment planning, maintenance scheduling, or the installation of additional equipment to adjust to long-term changes in ambient conditions. |
| | Rainwater Harvesting | • Investigate the possibility of increasing on-site rainwater harvesting. |
| | Transportation Route | • Ensure that transportation routes are carefully planned to reduce potential climate-related impacts on waste and raw materials delivery to project sites. |
| **Construction** | Low-Carbon Construction | • Use of low-carbon materials in the construction process where appropriate.<br>• Reduce carbon emissions associated with construction projects by using biodiesel and electrical mobile plants. |
| **Operations and Management** | Improvements to Flood Resilience of Operating Assets | • Identify opportunities for improving the waterproofing of existing assets by reviewing their design and operation plans. |
| | Assess Climate Resilience of Utilities | • Assess the climate resilience of utilities, including pipeline rerouting, the use of underground pipelines, etc., in consultation with utility authorities. |
| | Capacity Building | • Provide staff training on the potential impacts of climate change on operations to all employees. |
| | Implementation of Climate Guidance for Procurement when Engaging the Supply Chain | • The procurement specification shall clearly specify the climate conditions (both current and future) under which the equipment or asset is expected to operate when appropriate. |

***Climate-related Opportunities***

| Categories | Major Opportunities | Potential Financial and/or Operational Implications | Management Approach in the Next Five Years |
|---|---|---|---|
| **Corporate Reputation** | ESG investments<br>• In the context of climate change, investors will make investment decisions based on the corporate's environmental, social, and governance performance. | • Increase in value of assets<br>• Enhance the Group's reputation and competitiveness in the WTE industry | • Adopt international best practices in sustainability reporting<br>• Increase transparency in ESG information disclosure<br>• Consider ESG factors when making strategic decisions and planning operations |
| **Market Change** | Sustainable waste treatment solutions<br>• Market is searching more effective and sustainable waste treatment solutions that facilitate landfill diversion and generation of green electricity in response to climate change. Our development strategy is in line with this market trend. | • Increase in demand of sustainable waste solutions<br>• Enhance the Group's reputation and market position | • Canvest will continue to focus on its core business of waste-to-energy. R&D efforts will be intensified by the Group in order to increase the efficiency of waste treatment and the supply of green electricity<br>• The Group will actively explore alternative waste management business areas. These areas include waste collection and fully-integrated waste management solutions through the entire value chain. |

In order to monitor the impacts of climate change on our business operation continuously, we have established a set of climate parameters this year. These measurable indicators enhance our early preparedness to minimise the potential impacts by formulating corresponding action plans. In 2022, the impact caused by climate change was not significant.

| Parameter | Unit | 2022 |
|---|---|---|
| Number of days of incidental operation suspension due to extreme weather events | Day | 0.1 (2 hours) |
| Total insurance premium paid to protect property damages from climate risk/risk of extreme weather | RMB | 2,434,243 |
| Total insurance claimed as a result of property damages due to climate/extreme weather events | RMB | 1,355,198 |
| Number of work-related injury cases due to extreme weather events | No. | 0 |
| Number of sick leave days due to extreme weather events | Day | 0 |
| Total number of hours spent on climate-related emergency drills | Hour | 185 |
| Total plan area of greeneries and ponds for flood retention | $m^2$ | 826,602 |

## Metrics and Targets

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

***Data Calculation Methodologies***

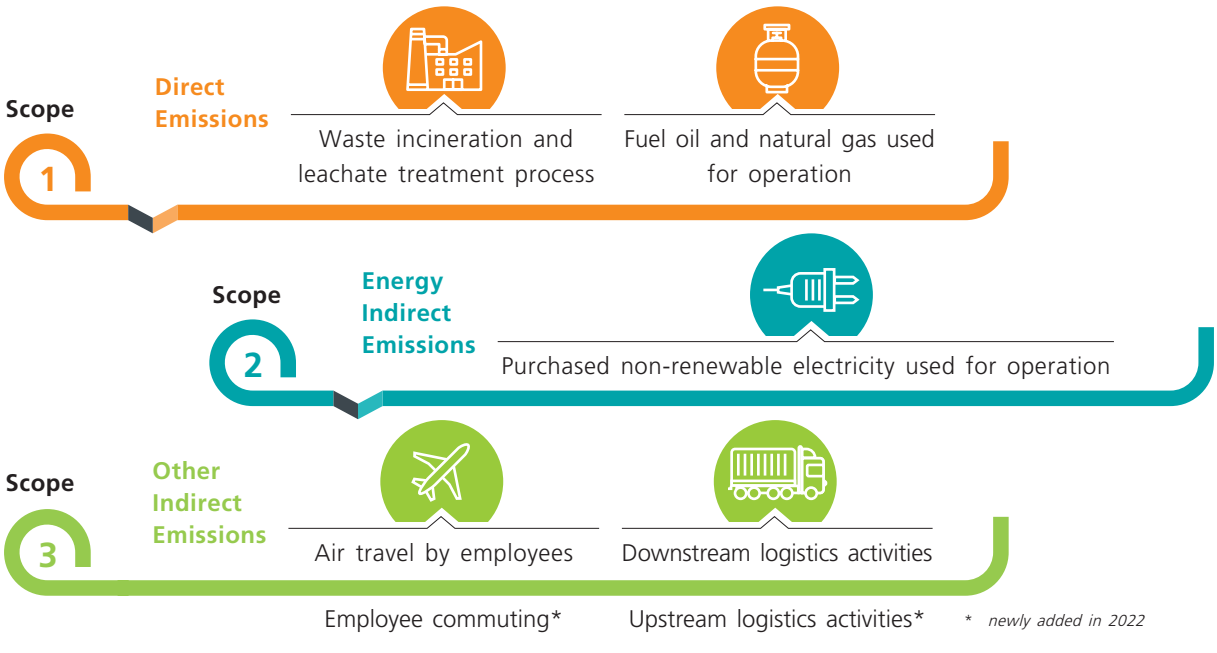
GHG emissions and offsets were calculated using CDM methodology *ACM0022: Alternative Waste Treatment Processes (Version 2.0)*. Air travel GHG emissions were calculated using the International Civil Aviation Organization (ICAO) Carbon Emission Calculator.

Besides the standard approach referencing CDM methodology ACM0022, we have also used the Chinese-modified CDM Methodology ("C-CDM") developed by Chinese WTE industry practitioners for our calculations. Through the incorporation of applicable national coefficients and emission factors, the CDM methodologies are adapted to take into account the climatic conditions and waste characteristics sent to WTE plants in Mainland China including the application of a higher default water content of MSW as per the Chinese operational experience. Both methodologies were used in this Report to calculate environmental performance.

It should be noted that there were no revisions made to the calculation methods for estimating GHG emissions and offsets during the Reporting Period.

***GHG Emissions***

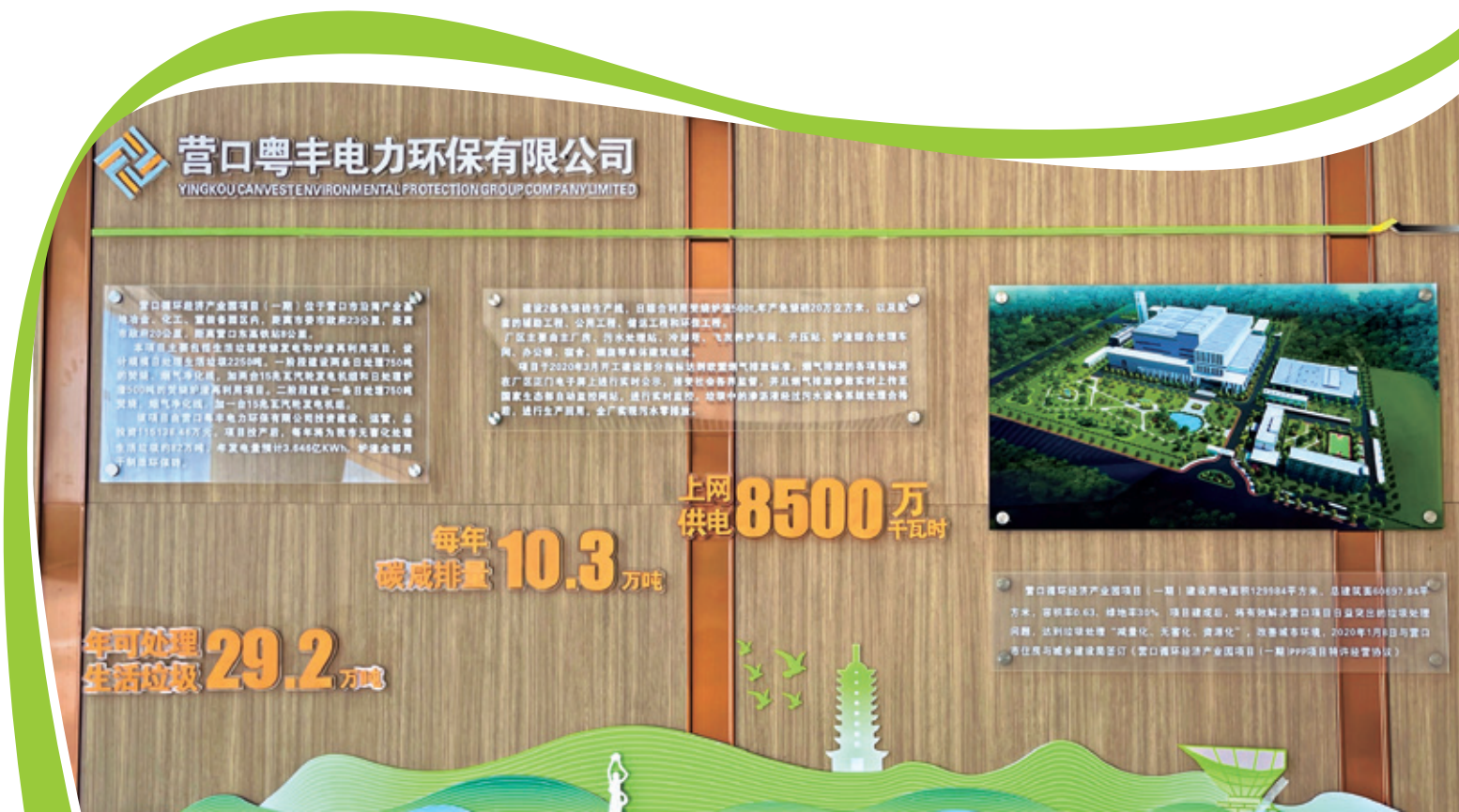
All three scopes of carbon emissions are disclosed by Canvest in absolute figures and intensity levels. For Scope 1 emissions, our Operating Projects emit greenhouse gases due to fossil fuels consumed for on-site operation (such as incinerator start-up and manoeuvring of mobile plants), emissions from the combustion of MSW and methane released from leachate treatment processes. Scope 2 emissions include those resulting from the use of purchased non-renewable electricity in process operations, while Scope 3 emissions include indirect emissions resulting from employee air travel and downstream transportation of processed bottom ash and fly ash. In 2022, the boundary of Scope 3 GHG emissions has been expanded to cover indirect emissions resulting from employee commuting and upstream transportation of MSW, leading to an increase in Scope 3 emissions. The infographic below summarises the reporting scope for each category of GHG emissions:



In 2022, our Operating Projects processed 12,224,205 tonnes of MSW, representing a 20.61% increase over the previous year. In total, the Group has supplied 3,940,256 MWh of green electricity to the grid, offsetting 6,138,393 tonnes of carbon dioxide equivalent emissions.

*GHG Emissions*

| | 2022 (based on CDM) | 2022 (based on C-CDM) |
|---|---|---|
| Scope 1 (Direct Emissions) ($tCO_2e$) | 7,381,957 | 5,048,843 |
| Incineration of MSW ($tCO_2e$) | 7,321,246 | 5,038,144 |
| Other sources ($tCO_2e$) | 60,712 | 10,699 |
| Scope 2 (Energy Indirect Emissions) ($tCO_2e$) | 2,980 | 2,749 |
| Scope 3 (Other Indirect Emissions) ($tCO_2e$) | 34,811 | 34,811 |
| Total GHG Emissions ($tCO_2e$) | 7,419,748 | 5,086,403 |
| Total GHG Emissions Intensity ($tCO_2e$/tonnes of MSW processed) | 0.607 | 0.416 |
| GHG Emissions Offset ($tCO_2e$) | 6,138,393 | 6,138,393 |
| Remaining GHG Emissions ($tCO_2e$) | 1,281,355 | (1,051,989) |



**Case studies of the major environmental-related activities/project/events**

### *"Cloud Tour to Canvest" video series*

On-site visits were restricted in 2022 due to epidemic prevention and control. To fulfill our responsibilities in environmental protection education, we produced a series of environmental protection science popularisation videos to introduce our WTE plant. Through the video series, the audience will be able to experience the magic of turning waste into treasure.

The purpose of this series of videos is to provide an understanding of the technologies and operating mechanisms of WTE plants from the safety, reliability, and cleanliness aspects. Topics include negative pressure system used in WTE plants to control the circulation of waste storage rooms in order to eliminate unpleasant odors and the use of baghouse to filter 99% of the dust in fumes, which exceeding the emission standards set by the EU and PRC. The purpose of these educational videos is to reduce public concerns regarding waste incineration and to highlight the Group's efforts in environmental protection.

### *Celebrating World Environment Day with All*

Since 2018, we have actively participated in World Environment Day promotional activities every year. The theme for 2022 was "Building a Clean and Beautiful World Together". In June 2022, our projects organized a series of activities to raise public awareness of environmental protection, including arranging school visits to our environmental protection education base and holding waste sorting knowledge competitions, to convey green and low-carbon living concepts to students and to inspire their interest in environmental protection. In addition, the Dongguan project also co-operated with local chambers of commerce to invite local entrepreneurs to visit our environmental protection education base and organise seminars for them to exchange ideas on how to reduce energy and resource consumption and pollution emissions in daily operations, consciously practice green production, and promote the achievement of carbon reduction targets.

### *Received two three-year green loans, totalling HK$3,191 million*

In 2022, we secured two three-year green loans totalling HK$3,191 million, demonstrating our outstanding performance in the ESG field and the Group's commitment to sustainable development and its commitment to integrating it into key business plans.

Starting in 2023, the Group has partnered with local banks to allocate a portion of its deposits to support green deposits, which support eligible environmental projects and businesses such as renewable energy, energy efficiency technologies, waste management, etc. These projects help reduce carbon emissions and minimize impact on the environment.

Green deposits are an environmentally and socially beneficial investment that can help achieve sustainable development goals for businesses, while also providing stable long-term returns for investors.

### *Canvest Environmental participated in the "The 17th Eco Expo Asia" to fully support carbon neutrality*

The group also participates in various environmental protection-related exhibitions every year to exchange ideas with industry professionals and promote the waste incineration power generation industry to the public.

Canvest has joined the 17th Eco Expo Asia from 14 to 17 December 2022 jointly organised by the Department of Commerce of Guangdong Province and the Bureau of Commerce of Dongguan City. The theme of this exhibition is "Green Innovations for Carbon Neutrality" and aimed to promote innovative environmental protection technologies and products of Guangdong brands worldwide via the exhibition platform. As one of the most well-known local environmental protection enterprises in Dongguan, we were invited to participate in the exhibition in Hong Kong to demonstrate the Group's efforts to promote green and low-carbon development from the perspectives of the operation and development strategy, the design of the industrial chain development layout, and the display of key projects.



In addition, our Linfen project was also invited to participate in the "2022 China (Taiyuan) International Energy Industry Expo" to exchange ideas with industry professionals on the development of green energy technologies.

# OUR PEOPLE

## INCLUSIVE WORKING ENVIRONMENT

Canvest firmly believes that our employees' contributions are essential to the success of our company as a whole. In order to promote employee diversity and create a team that leads the industry, our Human Resources department strives to offer a welcoming, inclusive, and productive work environment. The advancement of our firm depends on the professional development of our employees. We make significant investments in training to guarantee that all of our employees are professionally trained and have fulfilling career prospects. Our soon-to-be established Strategy and Sustainability Committee will be in charge of guaranteeing equality, diversity, and inclusivity at work in the near future while collaborating with the human resources division and other supporting departments or business units.

While doing so, we adhere closely to local laws and the PRC's Labour Law, fully respect employee rights and interests, safeguard workplace health and safety, maximise employee career development mechanisms, and outlaw all forms of discrimination. The SA8000 Social Accountability Standard is in line with the Group's Social Responsibility Management System, which assures that all relevant labor laws are ingrained in our company culture. We pledge to fully abide by all rules and regulations while continuously enhancing our employment and welfare systems.

Canvest goes above and beyond in motivating employees to balance work and play through participation in various engagement activities while prioritising employee health and safety with the Canvest-exclusive "gold card" level medical insurance. This is in addition to providing a variety of trainings and adhering to legal requirements. A comprehensive medical package known as the "gold card" comprises a yearly health check-up, a pre-allocated amount for medical consultations, and extra secondary claims.

Our WTE projects had a total of 2,662 permanent employees as at 31 December 2022, with technicians and operational personnel making up a sizable component of this group.

### Workforce Demographics of WTE Projects in 2022

## Our Approach in Protecting the Rights and Interests of Employees

Canvest is committed to being a top employer by building a thorough management system that offers guidelines, standards, and policies for the defence of our employees' rights and interests.

### Employment Policy

- To ensure the Group and its employees abide by relevant laws and regulations, including the *Labour Law of the PRC* and the *Employment Ordinance* of Hong Kong.

### Anti-Discrimination Procedure

- To ensure all our employees receive fair wages, fair benefits, fair working hours and fair treatment regardless of gender, age, ethnic origin, religion, political affiliation and nationality.
- To promote diversity and equal opportunities within our workplace, especially in the recruitment and career advancement processes.

### Prohibition of Child Labour and Remedial Procedure & Elimination of Forced Labour Procedure

- To ensure the prevention of child and forced labour.
- Stringent procedures regarding the validation of personal identification documents and conducting background checks (where necessary) are in place to ensure that the workforce engaged by the Group is not associated with any form of child and/or forced labour.
- In the unlikely case that any labour malpractice, false identities or information is discovered, the Group shall report such incident to relevant authorities to seek further advice and guidance. The Group shall also conduct a thorough investigation to identify the underlying cause and take the appropriate corrective actions. The investigation report will be archived internally for record-keeping purpose and to avoid future incidents.

### Grievance and Compliant Procedures

- To investigate and respond to any employee's grievance in a timely manner in addition to quarterly meetings with employees' representatives.
- To report concerns, employees can contact the head of their respective departments or make a report through our whistleblowing platforms: a dedicated mailbox for submitting written complaints is set up at each of the Operating Project sites and will reach senior management directly within five working days from the date of submission and be handled promptly; a dedicated email address (whistleblowing@canvest.com.hk) is also setup for electronic and 24/7 submissions and will reach senior management directly within three working days from the date of submission. Confidentiality is ensured at all steps to protect all persons from reprisal or disadvantage as a result of making a report.
- In 2022, we did not receive any genuine whistleblowing cases.

### Anti-Corruption and Anti-Bribery Management Procedure

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

### Freedom of Association and Collective Bargaining Procedure

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

## ENGAGEMENT AND RETENTION

Canvest places a high priority on luring outstanding people to work with us and retaining them as they carve out long-term career trajectories. Employees are the main force behind the Group's sustainable growth, thus we endeavour to create a robust human resources management system to set standards and offer direction for numerous management tasks. For instance, our Employment Procedure provides detailed instructions on hiring and promoting employees. In addition, our Human Resources Control Procedure outlines the criteria for pay and termination, working hours, rest breaks, and other benefits and employee welfare. To maintain a friendly and equitable work environment, we diligently implement our employment regulations.

The Group has a number of initiatives and programs in place to enhance workplace diversity and the employment of women, marginalised groups, people with disabilities, and ethnic minorities. In order to create shared value with our commercial operations and to promote local economic growth and prosperity, we make it a priority to run recruiting campaigns in the communities surrounding our Operating Projects. Our Ruili and Xingyi Projects, for instance, have hired a significant number of ethnic minority personnel from the local region and they receive the same competitive remuneration packages and career advancement chances as other employees. Our ESG and Climate Risk Management Committee will keep an eye on our current projects and programs and assess them as we work to boost diverse recruitment and retention rates.

### Remuneration System

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

### Benefits and Subsidies

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

### Recruitments and Promotions

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

### Work-Life Balance

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

To promote staff participation in offering ideas and comments, Canvest has set up an effective employee engagement and communication system. We welcome any feedback from our staff members and work to create a positive employer-staff relationship.

To promote an environment of genuine and fruitful conversations at all levels, a number of strategies have been used, including:


As of 2022, no grievance or complaints from employees were received.

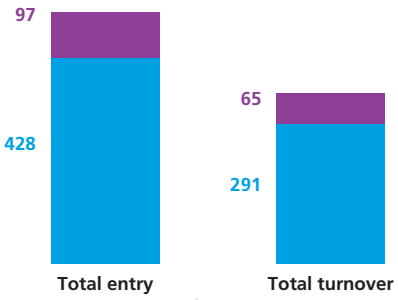
## Employee Entry and Turnover

Under the guidance of the carbon neutrality policy, Canvest is aggressively expanding its business along the value chain and looking into new opportunities. The Group currently has 36 WTE projects, which span 12 Chinese provinces and municipalities. In 2022, staff turnover and retirement accounted for 13% of the total workforce, while the total number of new hires made up 20% of the whole workforce.

Canvest is committed to supporting local economic growth by giving individuals access to employment opportunities. Over 50% of the middle-level and senior management was hired from the local regions to work on our projects.

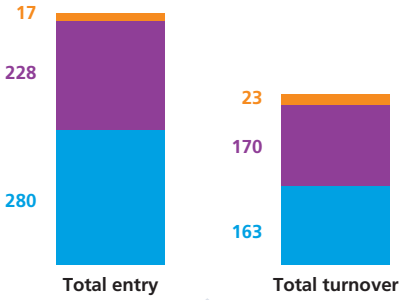
### Employee entry and turnover statistics in 2022

#### By Gender



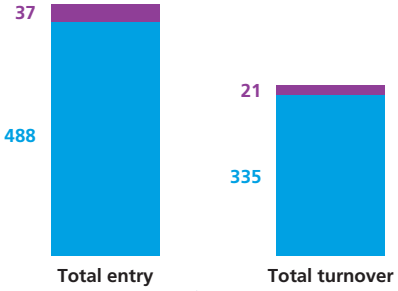

Male
Female

#### By Age group



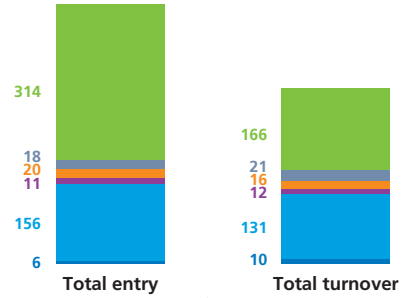

30 years old or below
31-50 years old
Over 50 years old

#### By Ethnicity



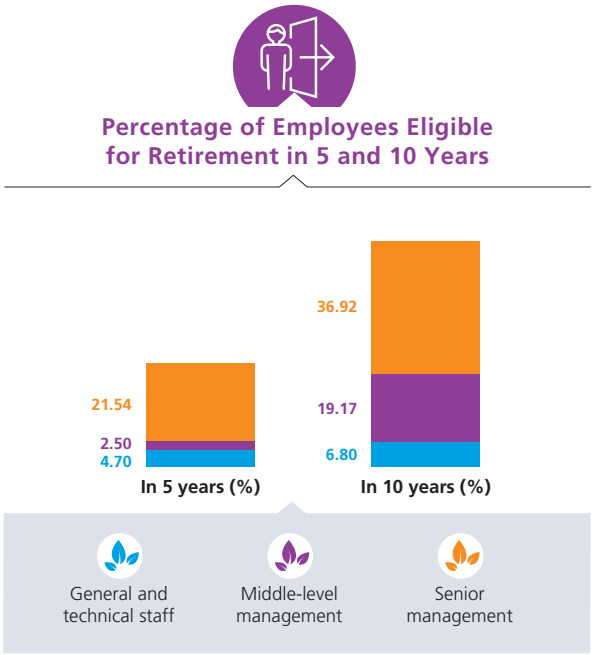

Han
Minorities

#### By Region




Guangdong
Guangxi
Guizhou
Jiangxi
Others
Hong Kong

***Percentage of Employees Eligible for Retirement in 5 and 10 Years***

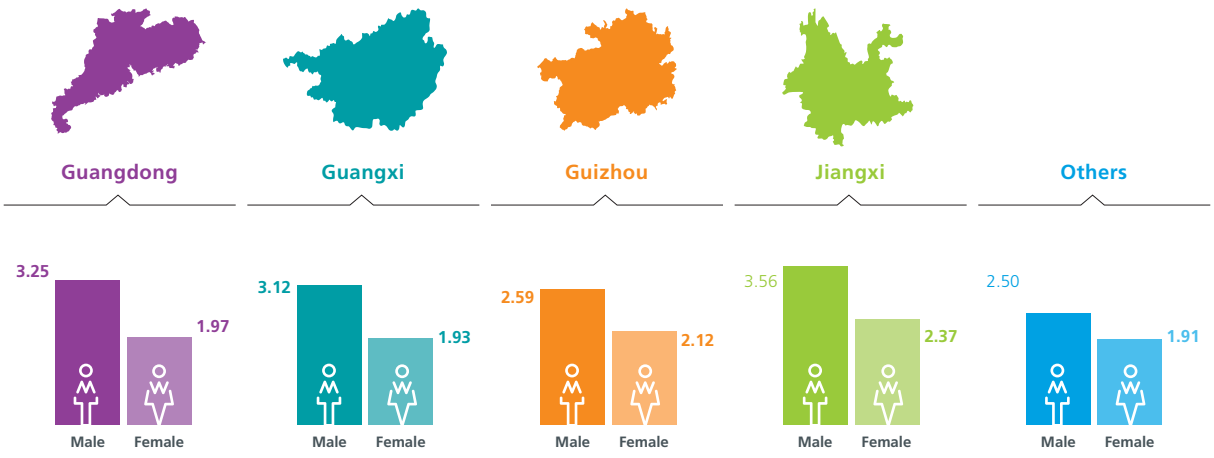



## Remuneration Framework

Canvest is committed to offering a fair yet competitive wage, benefits, and performance-based reward through our comprehensive remuneration system in order to attract talent and retain talented employees. To maintain our industrial competitiveness while aligning our remuneration system with fair market levels, we constantly make enhancements to it.

100% of our employees received performance and compensation evaluations in 2022 as a result of their efforts and achievements throughout the year. Our benefits and remuneration have surpassed the standards established by local law in recent years.

***Ratio of Standard Entry-Level Wage to Local Minimum Wage in 2022***



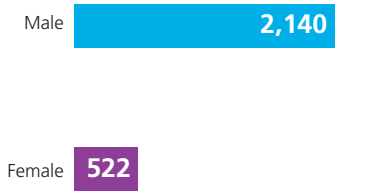

*Note:* Entry-level wage refers to the full-time wage in the lowest employment category, including basic salary but excludes bonuses and overtime pay. Intern or apprentice wages are not considered as entry level wages.

***Parental Leave Statistics of WTE Projects in 2022***

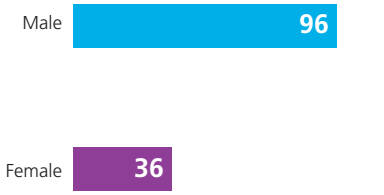
Canvest adheres to the principle of gender equality and endeavors to defend the legitimate rights and interests of female employees by guaranteeing that they have access to equal employment opportunities and social security benefits as male employees. Additionally, all of our employees are qualified for maternity and paternity leave, nursing breaks, and regular physicals in accordance with local legal requirements.

The Group recognises the significance of every member of our employees. As a result, we remain responsible for paying employees who are on maternity or paternity leave, and we assure the break has no impact on their career progression or remuneration.

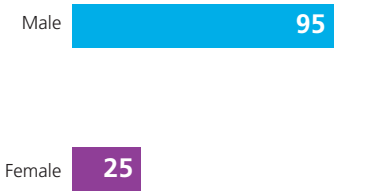
**Number of employees entitled to parental leave**



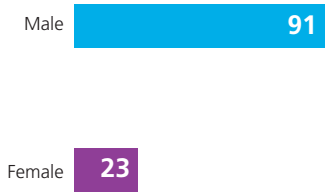

**Number of employees took parental leave in 2022**



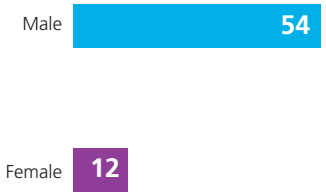

**Number of employees due to return to work after taking parental leave in 2022**




**Number of employees who returned to work after parental leave ended in 2022**

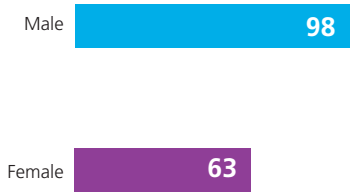



**Number of employees who returned to work after parental leave ended in 2021 and still employed by the end of 2022**




**Return to work rate (%) [a]**


**Retention rate (%) [b]**




$$\text{a: Return to work rate} = \frac{\text{Number of employees who returned to work after parental leave ended in 2022}}{\text{Total number of employees due to return to work after taking parental leave in 2022}} \times 100$$

$$\text{b: Retention rate} = \frac{\text{Number of employees who returned to work after parental leave ended in 2021 and still employed by the end of 2022}}{\text{Total number of employees returning from parental leave in 2021}} \times 100$$

## Engagement and Event Activities

We are concerned about the psychological and physical well-being of our employees and encourage them to strike a work-life balance. We promote the philosophy "Work Hard, Play Hard" while fostering cohesiveness and collaboration among our employees by hosting a variety of team building, recreational, and sporting activities.

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

## CULTIVATING TALENTS

The development of our business depends on the career progression of our employees. We make significant investments in the education of our employees to keep them updated with market trends and advance their professional performance. The Group offers reimbursement to employees for training programs and professional certifications in order to promote a culture of lifelong learning and relentless pursuit of excellence. Employees may also request leave for education purposes to attend external training. Additionally, via our "1+1 Onboarding and Orientation Programme," everyone of our new hires is automatically matched with an experienced mentor to give them the proper direction and help in their daily tasks.

To effectively manage our human resources and strategically meet current and future workforce needs, we have developed a formal talent pipeline development strategy in accordance with our business forecast. We have established a set of hiring standard which is applicable to all of our WTE projects. The standard clearly documented the human resources allocation of different departments and positions, depending on the size of WTE projects. During our business expansion, we actively develop new pools of talent. A comprehensive induction training programme would be provided to all new talents before the new WTE project commence trial operation. Those new talents will be sent to our Operating Projects to receive at least one month training, which covers technical knowledge of WTE processes and equipment, health and safety, industry development, corporate culture, and development strategies. New talents are also encouraged to participate in leisure activities as a way of team building.

Our *Social Responsibility System Training Management Procedure* is designed to offer our new and existing employees thorough training packages that encompass onboarding, professional development, and anti-corruption training at various job junctions. In addition, our training program covers SA8000 standards, legal requirements for working hours, wages, and benefits, as well as Group's policies and practices, safe operating procedures, and labour protection protocols. The Group further guarantees that employee, who are responsible for operating special equipment, has received the required legal training and has acquired the necessary operational permits.

In 2022, a total of 158,656 hours of training have been provided, amounting to an average of 59.6 hours per employee. Training costs amounted to a total of RMB1,403,566, equivalent to an average of RMB527 per employee trained.

**Average training hours per employee in 2022**

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| Average training hours per employee (hour) | 60 | 50 | 33 |

In order to further enhance the awareness of honesty and integrity and build a solid ideological and moral defense line against corruption, additional initiatives were introduced to employees in encouraging continuous learning as well as improving our compliance system. This year, anti-corruption talks were delivered to employees from all of our projects and sectors, which aimed to share experiences and directions in risk prevention and control regarding integrity. Apart from that, we strive to assist all employees including our management to perform "One post, two responsibilities", which is to conscientiously grasp the prevention and control of integrity risks within their own and the scope of their business as well as to recognise and understand their responsibilities. During the Reporting Period, all employees and members of Board of Directors have received anti-corruption and ethical standards related training.

**Average training hours per employee in 2022 (by training category)**

| Training Category | Hour |
|---|---|
| Diversity, Equality and Inclusion training | 1.59 |
| Anti-discrimination training | 1.52 |
| Anti-bribery training | 1.59 |
| Information and cybersecurity awareness training | 1.63 |
| Human rights related training | 1.55 |
| Corporate social responsibility related training | 1.57 |
| Health and safety related training | 1.66 |

## HEALTH AND SAFETY

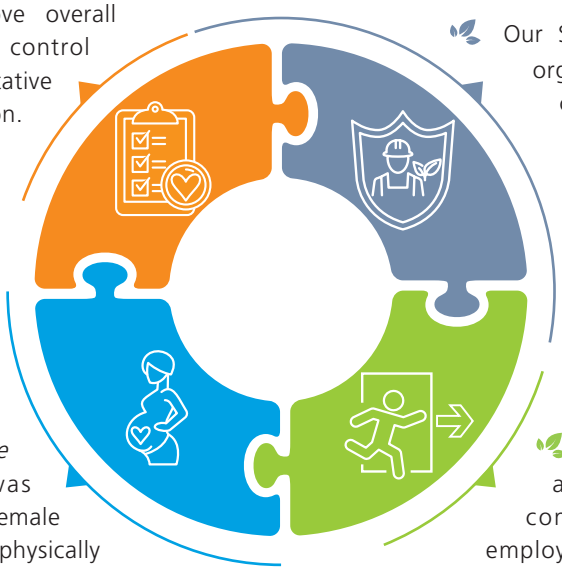
The Group continues to place a strong focus on employee safety. Canvest completely complies with all local health and safety rules and ordinances, such as the *Work Safety Law of the PRC and the Occupational Safety and Health Ordinance* of Hong Kong. We take a comprehensive approach to identifying, preventing, and controlling occupational dangers for employees while adhering to these regulations and laws.

By establishing a regulated working environment where our employees and assets are safe and our activities have little effect on the environment and surrounding communities, we hope to increase business resilience. Major risks of work-related illness in the WTE industry include skin and gastrointestinal disorders, as well as exposure to hazardous substances, such as respirable dust, fly ash, dioxins, and carcinogens. Major risks of work-related injuries in the WTE industry include musculoskeletal injuries, bone fractures, falling from heights, and electric shocks. In order to detect and manage workplace hazards in accordance with the *Prevention and Treatment of Occupational Diseases Law* of the PRC, Canvest has taken every precautionary step feasible, including providing our employees and contractors with adequate personal protective equipment and installing railings and warning signs in the relevant plant areas, to help minimise and reduce these risks. Our health and safety rules will be reviewed and reinforced on a regular basis by managers in the Safety and Environment Department.

Our employees receive regular trainings and participate in safety knowledge competitions to increase their general understanding of safety and emergency readiness. In addition, the Group has standardised policies and procedures in place in preventing and being ready for potential catastrophes including fires, typhoons, flooding, and emergency evacuations, as well as responding to such events and recovering from them.

## Health and Safety Measures

- *The Occupational Health and Labour Protection Management Policy* is implemented to standardise the occupational health and safety measures for each of our Operating Projects.
- *Safety Performance Management Policy* is implemented to ensure compliance with national safety requirements and improve overall safety prevention and control measures through qualitative and quantitative evaluation.
- To further protect our female workers in the workplace during their pregnancy, the *Labour Protection of Female Workers Procedure* was stipulated to prevent female workers from taking up physically demanding work, working in an environment exposed to a certain radiation dosage threshold, working overtime and being assigned nightshifts etc.



- The Group's Safety and Environmental Protection Department visits different projects regularly to conducts safety and environmental inspections to monitor and supervise the implementation of occupational health and safety measures at each project company.
- Each project company also carries out annual workplace inspections to identify potential occupational hazards. Furthermore, all staff members can raise their concerns or provide feedback to help us continuously improve on our health and safety system by reaching out to the respective department heads or through the whistleblowing platforms. Consultation sessions are also organised from time to time to encourage transparent communication and feedback from business unit representatives.
- Our Safety Production Committee organises occupational health check-ups every year and conducts ad hoc site inspections to ensure that safe work practices are in place, at the same time disseminating information on occupational health and safety to workers.
- Various emergency drills are carried out by our project companies to increase our employees' preparedness against emergency situations. Emergency drills against flooding and typhoon, electricity shortage, injuries caused by machine operations, chemical spills, etc. are carried out.

***Ensuring Safe Operation***

To fulfill our commitment to uphold a safe and accident-free working environment, Canvest has implemented the *Operation Environmental Control Procedure*, which outlines the processes, actions, and responsibilities for managing the operation environment at plants, offices, and public areas, to maintain a good working environment in all areas and ensure the health and safety working environment for our employees.

In 2022, the total working hours of our employees and contractors were approximately 3,996,129 hours and 2,135,205 hours respectively. The overall injury rate of the Group remained at a low level of 0 for our employees and 0.09 for our contractors.

Canvest regards health and safety as the top priority of our business, so we strive to eliminate hazards in our working environment. In 2022, we have set a long-term target to maintain the overall injury rate of the Group at less than 0.25 per year.

## Emergency Preparedness and Response

To strengthen the group's occupational disease prevention and control foundation, ensure employee occupational health and safety, and promote the Group's sustainable development, each project arranges for professionals to conduct annual training on "Occupational Disease and Prevention Knowledge" and "Cardiopulmonary Resuscitation (CPR) On-Site Operation". Through professional lectures and practical CPR training, employees are made aware of the importance of occupational health and correct emergency rescue methods, and improve their safety awareness and emergency response capabilities.

In addition, various emergency drills are conducted every year, including falls from heights, outbreaks of infectious diseases, and food poisoning, to enhance the project companies' ability to deal with emergencies and emergency rescue. These drills also strengthen the risk prevention awareness of the operation personnel and are of great significance in preventing safety accidents and implementing emergency response measures.

## "Cooling Off" Activities

In 2022, many places recorded high temperatures, and various projects organized "cooling off" activities for their employees, providing them with heat-relieving fruits, refreshing beverages, homemade sweet soups, and anti-heat medication to help them cope with the hot weather.


# SERVING OUR COMMUNITY

Canvest understands the importance of proactive community engagement in assisting the underprivileged. We share the community with many others, and as a responsible corporate entity, we commit our resources to community engagement activities. The Group has actively encouraged and coordinated its employees to participate in community engagement and charitable activities through their Administration Department (and in the future, the Strategy and Sustainability Working Team). Additionally, employees are permitted to conduct volunteer work during regular office hours with the approval of their supervisors, such as participating in nucleic acid tests. Throughout our corporate history, we have sponsored and donated to community projects. We offer an *External Communication Procedure* for individuals and associations who are interested in our social performance and would like to share their thoughts.

## Highlights of Our Community Initiatives in 2022

**6,810**
hours of voluntary work

**1,438**
employees participated in welfare and charitable activities

**10,580**
visitors in total visited our WTE facilities

Garbage Cleanup in the Community

Low Carbon Cycling Day

Providing Emergency Rescue and Disaster Relief

Blood Donations from Our Employees


Donations to support Local Community

## ENVIRONMENTAL EDUCATION FOR ALL

Aside from providing services to the community, environmental education is also essential for raising awareness and empowering people to take action to protect the environment and combat climate change.

### Our Environmental Protection Education Centres

Visits to our WTE plants are regularly organised for the general public. Each of them is equipped with an exhibition venue, interactive exhibits, and multimedia tools designed to illustrate environmental science, advanced incineration process technology, and sustainability aspects of our WTE operations to the general public. Over 525 tours have been organised to our WTE projects in 2022.

As a part of its social responsibility, Canvest will continue to promote green and low-carbon environmental protection in the future, enabling the public to enjoy a zero-distance and immersive experience at the popular science education base, which is enriched with rich content and a beautiful environment. The participation of the entire population is crucial to the protection of the environment and the ecology.


### China Scivest WTE plant was selected by the Department of Ecology and Environment of Guangdong Province as "Top 10 Guangdong Province Advanced Entities with Open Environmental Facilities"

In June 2022, China Scivest Project was selected by the Department of Ecology and Environment of Guangdong Province as one of the "Top 10 Guangdong Province Advanced Entities with Open Environmental Facilities".

China Scivest Project has maintained a high sense of social responsibility and has undertaken the function of environmental protection education over the years. The operation area of China Scivest Project has been specially designed with spacious and bright viewing corridors, allowing the public to clearly understand the entire incineration process starting from the unloading of garbage trucks on the discharge platform.

In addition, China Scivest Project has invested about RMB 100 million to build the Canvest Environmental Protection Theme Pavilion with 5,500m$^3$ inside the plant, which open to the public for free. The publicity and education management team of Pavilion are responsible to update exhibition contents regularly and select specific topics to promote green ecological and environmental protection knowledge to the public.

### Lufeng project and Maoming project environmental protection education base won Provincial honors

In May 2022, Environmental Protection Education Centre in our Lufeng Project and Dianbai Project were awarded as "2021 Environmental Education Centre of Guangdong Province" by the Department of Ecology and Environment of Guangdong Province, which demonstrates our efforts in environmental protection education are highly recognised by the society.

## A BETTER TOMORROW FOR THE COMMUNITY

At Canvest, we understand the importance of giving back to the community and protecting the environment. Through our various initiatives, we strive to make a positive impact on the world around us.

### Providing Emergency Rescue and Disaster Relief

We have always upheld the spirit of "support from all sides when one is in trouble" and are always ready to provide assistance to those affected by natural disasters. In June 2022, when many areas were hit by heavy rainstorms, our various projects immediately organized volunteers and arranged operation machinery, equipment, and vehicles to provide support to the affected areas, including:

Liping project organized an emergency team of 10 people and two vehicles (including one water sprinkler truck) to support Congjiang County. They worked with the municipal government and the fire department to clear large trees, rocks, and debris from the main roads, ensuring that essential supplies and rescue vehicles could enter the core area smoothly. Our volunteers worked for 198 hours in total, and about 150 $m^3$ of sludge were cleared.

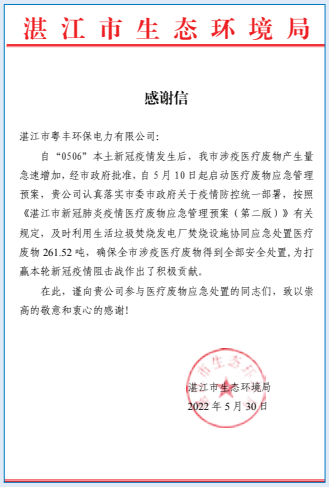
The Shaoguan project dispatched water sprinkler trucks to Datang Town for comprehensive dredging and disinfection work in the flooded areas. With the support of the group headquarters, 800 kg of cooking oil, 1,000 kg of rice, 200 sets of blankets, and other disaster relief materials were procured immediately, and delivered to the needy.

The Qingyuan project deployed more than 10 operation machineries, equipments and vehicles (including water sprinkler trucks, hook machines, shovel trucks, and trucks) to Feilaixia Town, Hanguang Town, and other places to provide assistance. The project's volunteers worked in shifts around the clock, actively cooperating with local government departments to clean up flood debris, dredge and flush roads and help other post-disaster reconstruction work. The relief work lasted for 12 days, and a total of about 1,800 tonnes of garbage were cleared.

## Joining Hands with Community to Fight COVID-19 Pandemic


Since the outbreak of COVID-19, Canvest has been actively response to the government's calls for actions. We have shouldered the responsibilities of the disposal of epidemic-related waste, in order to prevent the spread of virus in the waste disposal processes. We strictly abide by various handling procedures of epidemic-related waste, aiming to control the epidemic and protect the health of our frontline employee simultaneously.

In 2022, Canvest processed 12,619 tonnes of epidemic-related non-hazardous medical waste and 14,200 epidemic-related domestic waste.



湛江市生态环境局

感谢信

湛江市粤丰环保电力有限公司：

自“0506”本土新冠疫情发生后，我市涉疫医疗废物产生量急速增加，经市政府批准，自5月10日起启动医疗废物应急管理预案，贵公司认真落实市委市政府关于疫情防控统一部署，按照《湛江市新冠肺炎疫情医疗废物应急管理预案（第二版）》有关规定，及时利用生活垃圾焚烧发电厂焚烧设施协同应急处置医疗废物261.52吨，确保全市涉疫医疗废物得到全部安全处置，为打赢本轮新冠疫情阻击战作出了积极贡献。

在此，谨向贵公司参与医疗废物应急处置的同志们，致以崇高的敬意和衷心的感谢！

湛江市生态环境局
2022年5月30日

## Protection of Consumer Rights

"3.15" is the Consumer Rights Day, and our projects of co-operated with government departments every year to centrally dispose various infringements and counterfeit and shoddy products, in order to assist in creating a good business environment to deter the illegal sale of counterfeit and shoddy goods and effectively protect the legitimate rights and interests of consumers. In addition, these projects also assist in handling smuggled frozen meat, food, and other items confiscated by government departments on a daily basis, in order to protect the rights and health of citizens.


## Creating Shared Value — Donations to support Local Community

Throughout 2022, Canvest has continued to fulfill its social responsibilities and contribute to the revitalisation of the countryside. We have donated a total of RMB5.6 million to the various villages near our projects to support local development, renovate rural roads, improve street lighting, and increase cultural and sports facilities in rural areas. In addition, several projects provided cooling drinks to frontline environmental sanitation workers during the hot summer months to show care and gratitude. During the pandemic, our projects also donated various supplies, such as drinks, mineral water, bread, biscuits, medical alcohol to local epidemic prevention and control points, and Xuwen project provided a 10-day dining support to nearby epidemic prevention and control points.

## Creating Shared Value — Environmental Protection Education Centre in Zhongshan WTE plant was awarded as "AAA National Tourist Attraction"


The environmental protection education centre of Zhongshan project combines its main WTE business with tourism, implementing a "tourism+" strategy. This allows visitors to learn basic knowledge of domestic waste sorting and incineration treatment, as well as to have a close-up view of the entire process of WTE and get to know Shenwan Town at the same venue, making it an environmental science demonstration project that integrates waste treatment, science popularization education, and industrial tourism. The project aims to convey the environmental concept of "green mountains and clear waters are as valuable as mountains of gold and silver" to every visitor.

This environmental protection education centre not only demonstrating on-site waste incineration treatment process and other environmental protection related information but also selling Shenwan tourism creative products, Shenwan pineapples and other related specialty foods and playing promotional videos of Shenwan Town in the tourist service center, as well as setting up a photo spot with Shenwan cultural and tourism IP image, "BOBO", to contribute to the local tourism industry of Shenwan Town.

## Blood Donations from Our Employees

At Canvest, we believe that giving back to the community is a crucial part of our corporate social responsibility. Several of our projects organized blood donation event in 2022, and our employees volunteering to donate more than 26,000 ml of blood. We are proud to have played a part in supporting the health system in our community and grateful to our unpaid blood donors for their selfless contributions. We will continue to seek opportunities to make a positive impact on the lives of those around us, as we strive to be a responsible and ethical corporate citizen.

## Garbage Cleanup in the Community

In 2022, we organized several garbage cleanup voluntary activities in the community, such as a cleanup effort in the Nanshan region and Boxia near the East River green belts. By clearing rocks, grass, and garbage on the roads, we hope to make it easier for the community to enjoy outdoor activities while also protecting the environment. We also organised a garbage cleaning activity during a hike at the Songshanhu Ecology Scenic Area in Hengli. We believe that leaving no trash in the mountains and sea is vital for the community to fully enjoy outdoor activities while safeguarding the environment. By taking responsibility for our waste and proactively cleaning up our surroundings, we can inspire others to follow suit and create a cleaner, healthier future for all.

## Canvest Assists the Government in Dealing with Landfill Waste

Land is a precious and limited resources of cities which needs to be used utilised in an appropriate manner. Thereby, we actively respond to regional governments to incinerate the waste in several landfills, with an aim to allow the land to be restored for future development, meanwhile, to alleviate environmental pollution caused by landfills.

In 2022, Canvest assisted the government in incinerating of 1,188,332 tonnes of landfill waste.

To further increase the Group's competitiveness within the industry and enhance its influence on environmental protection, we have initiated collaborations with institutional partners and participated in local environmental events. These collaborations promoted sustainability and the latest green technologies. In FY2022, Canvest was either an executive council member or a corporate member of 33 professional organisations.

| Canvest's Corporate Memberships | |
|---|---|
| **Guangdong Urban Waste Disposal Industry Association** | Member |
| **Guangdong Association for Environmental Monitoring** | Member |
| **Dongguan Power Trade Association** | Member |
| **Guangdong Environmental Sanitation Association** | Member |
| **Guangdong Association of Circular Economy and Resources Comprehensive Utilisation** | Member |
| **Guangdong Energy Conservation Association** | Member |
| **Dongguan Price Association** | Member |
| **Guangdong Association of Environmental Protection Industry** | Member |
| **Zhanjiang Environmental Sanitation Association** | Vice President |
| **China Association of Urban Environmental Sanitation** | Member |
| **Zhongshan Energy Power Trade Association (ZSEPTA)** | Member |
| **Zhongshan City Precursor Chemicals Industry Association** | Member |
| **Zhongshan City Shenwan Industry & Commerce** | Member |
| **Guangdong Provincial Association of Entrepreneurs** | Member |
| **Guizhou Environmental Sanitation Association** | Member |
| **Dongguan City Management Science Society** | Member |
| **Dongguan Environmental Protection Industry Association** | Member |
| **Dongguan Environmental Cleaning Industry Association** | Member |
| **Dongguan Federation of Trade Unions** | Member |
| **Henglizhen Federation of Trade Unions** | Member |
| **Xiangyun County General Chamber of Commerce** | Member |
| **Guangxi City Building Association** | Member |
| **Qingyuan Environmental Sanitation Association** | Managing Director |
| **Maoming Environmental Protection Industry Association** | Member |
| **Guizhou Association of Enterprises with Foreign Investment** | Member |
| **Zhanjiang Association of Enterprises with Foreign Investment** | Member |
| **Zhanjiang Cleaner Production and Comprehensive Utilization of Resources Association** | Member |
| **Zhanjiang Special Equipment Industry Association** | Member |
| **Zhanjiang Energy Conservation and Circular Economy Association** | Member |
| **Zhanjiang Mazhang District Narcotics Control Association** | Member |
| **China Industrial Development Promotion Association** | Member |
| **Dongguan High-tech Industry Association** | Member |
| **Dongguan Precursor Chemicals Industry Association** | Member |

# APPENDIX I — KEY AWARDS AND RECOGNITIONS

## ESG

**The 12th Philanthropy Festival**

2022 Responsible Brand Award

**Roadshow China "The 6th China IR Annual Awards"**

Best ESG Award


**Bloomberg Businessweek/ Chinese Edition**

ESG Leading Enterprise Award


**Institute of ESG & Benchmark "ESG Achievement Awards 2021/2022"**

Special ESG Award — Outstanding ESG Performer of the Year (Platinum Award)


Outstanding Sustainability and Dividend Growth Award

# ENVIRONMENTAL


Guangdong-Hong Kong-Macao Bay Area Environmental Leadership Recognition Award

**BOCHK Corporate Environmental Leadership Awards 2021**

EcoChallenger
— China Sciwest Canvest Environmental

EcoChallenger
— Canvest Kewei Environmental

EcoChallenger
— Xinfeng Canvest Environmental

EcoPartner
— Lufeng Canvest Environmental

## INDUSTRY

Institutional Investor
2022 ASIA (EX-JAPAN) EXECUTIVE TEAM
MOST HONORED COMPANY

**Institutional Investor**
**"2022 Asia Executive Team — Overall Results"**

- Honored Company — Power (Electric, Gas, Water)
- Best CEO — 3rd Place, Sell-side
- Best CFO — 3rd Place, Sell-side
- Best IR Program — 3rd Place, Sell-side
- Best ESG — 3rd Place, Sell-side


**HKIRA**
**"The 8th HKIRA Investor Relations Awards"**

Best IR Company

# APPENDIX II — PERFORMANCE DATA SUMMARY

## ECONOMIC PERFORMANCE

| | 2022 HK$'000 | 2021 HK$'000 | 2020 HK$'000 |
|---|---|---|---|
| **Direct Economic Value Generated** | | | |
| Revenue | **8,246,645** | 6,794,571 | 4,987,906 |
| Share of net profits of associates and joint ventures | **189,934** | 96,498 | 118,195 |
| Other income | **215,875** | 237,809 | 211,828 |
| **Economic Value Distributed** | | | |
| Staff costs | **615,353** | 488,983 | 350,564 |
| Other costs[(1)] | **4,956,523** | 4,030,785 | 2,914,464 |
| Financial cost | **599,784** | 411,608 | 340,642 |
| Dividends | **265,910** | 263,470 | 209,802 |
| Taxes[(2)] | **128,465** | 123,479 | 102,920 |
| Profit attributable to non-controlling interest | **26,658** | (2,828) | 3,393 |
| Charitable donations | **8,842** | 4,520 | 2,075 |
| **Economic Value Retained** | | | |
| Retained for Canvest's sustainable operation and development | **2,050,919** | 1,808,861 | 1,394,069 |

*Notes:*

(1) Represents other costs but excludes depreciation and amortisation for the year.

(2) Represents current income tax but excludes deferred tax for the year.

## COMMUNITY INVESTMENT

| | Unit | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| **Community Outreach** | | | | |
| Participated volunteers | No. | **1,438** | 1,692 | 691 |
| Voluntary hours | Hours | **6,810** | 4,449 | 3,123 |

## WTE PROJECTS

### I. Operational Performance

| | Unit | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| **Business Performance of Operating Projects** | | | | |
| MSW processed | tonne | **12,224,205** | 9,970,133 | 6,944,529 |
| Power generated | MWh | **4,536,699** | 3,919,157 | 2,754,374 |
| Percentage of renewable energy generated | % | **100** | 100 | 100 |
| Power sold | MWh | **3,940,256** | 3,411,322 | 2,412,437 |
| Percentage of renewable energy connection to grid | % | **100** | 100 | 100 |

## II. Environmental Performance

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

| | Unit | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| **Greenhouse Gas (GHG) Emissions** | | | | |
| Scope 1 (Direct Emissions) | | | | |
| Based on CDM[3] | tonne $CO_2e$ | **7,381,957** | 7,720,564 | 5,339,286 |
| Based on C-CDM[4] | tonne $CO_2e$ | **5,048,843** | 3,903,852 | 2,653,773 |
| Scope 2 (Energy Indirect Emissions)[5] | | | | |
| Based on CDM[3] | tonne $CO_2e$ | **2,980** | 2,574 | 3,351 |
| Based on C-CDM | tonne $CO_2e$ | **2,749** | 2,264 | 3,351 |
| Scope 3 (Other Indirect Emissions)[6][7] | tonne $CO_2e$ | **34,811** | 2,626 | 481 |
| Total GHG emissions | | | | |
| Based on CDM | tonne $CO_2e$ | **7,419,748** | 7,725,764 | 5,343,118 |
| Based on C-CDM | tonne $CO_2e$ | **5,086,403** | 3,908,742 | 2,657,606 |
| GHG emissions offset | tonne $CO_2e$ | **6,138,393** | 5,399,653 | 4,141,898 |
| Remaining GHG emissions | | | | |
| Based on CDM | tonne $CO_2e$ | **1,281,355** | 2,326,111 | 1,201,220 |
| Based on C-CDM | tonne $CO_2e$ | **(1,051,989)** | (1,490,911) | (1,484,290) |
| Total GHG emissions intensity | | | | |
| Based on CDM | tonne $CO_2e$/tonne of MSW processed | **0.607** | 0.775 | 0.769 |
| Based on C-CDM | tonne $CO_2e$/tonne of MSW processed | **0.416** | 0.392 | 0.383 |
| Remaining GHG emissions intensity | | | | |
| Based on CDM | tonne $CO_2e$/tonne of MSW processed | **0.105** | 0.233 | 0.173 |
| Based on C-CDM | tonne $CO_2e$/tonne of MSW processed | **(0.086)** | (0.150) | (0.214) |

| | Unit | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| **Air Emissions** | | | | |
| Particulate matter (PM) | tonne | **145** | 132 | 80 |
| Sulphur dioxide ($SO_2$) | tonne | **1,160** | 712 | 405 |
| Nitrogen oxides ($NO_x$) | tonne | **6,701** | 5,320 | 3,383 |
| **Energy Consumption[8]** | | | | |
| Fuel oil | GJ | **118,434** | 143,040 | 54,736 |
| Natural gas | GJ | **20,994** | 24,538 | 27,318 |
| Electricity | GJ | **2,162,777** | 1,835,293 | 1,170,571 |
| From renewable sources | GJ | **2,147,957** | 1,821,057 | 1,151,658 |
| From non-renewable sources | GJ | **14,820** | 14,236 | 18,913 |
| Total energy consumed | GJ | **2,302,205** | 2,002,871 | 1,252,625 |
| Energy intensity | GJ/tonne of MSW processed | **0.188** | 0.201 | 0.180 |
| Percentage of renewable energy consumed | % | **93** | 91 | 92 |
| Percentage of non-renewable energy consumed | % | **7** | 9 | 8 |
| **Key Materials Consumption** | | | | |
| Lime | tonne | **74,405** | 65,471 | 41,377 |
| Activated carbon | tonne | **6,071** | 4,786 | 3,312 |
| Urea | tonne | **3,946** | 6,128 | 5,532 |
| Ammonia water | tonne | **10,983** | 8,131 | 4,770 |
| PNCR material | tonne | **5** | 31 | 202 |
| Hydrochloric acid | tonne | **1,713** | 1,429 | 697 |
| Sodium bicarbonate | tonne | **55** | 33 | 78 |
| Coagulant & flocculant | tonne | **251** | 175 | 163 |
| Fly ash chelating agent | tonne | **5,273** | 3,444 | Figures not available |
| Cement | tonne | **951** | 2,168 | Figures not available |

| | Unit | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| **Freshwater Consumption** | | | | |
| Total freshwater consumption | $m^3$ | **17,645,479** | 16,306,077 | 11,143,500 |
| Freshwater consumption intensity | $m^3$/MWh | **4.478** | 4.780 | 4.619 |
| **Wastewater and Waste** | | | | |
| Leachate produced | tonne | **1,537,213** | 1,103,091 | 711,717 |
| Bottom ash produced | tonne | **2,855,044** | 2,070,505 | 1,517,896 |
| Fly ash produced before stabilisation | tonne | **238,430** | 188,712 | 124,384 |
| **Environmental Compliance** | | | | |
| Number of violation cases related to pollutant emissions or environmental impact | No. | **0** | 0 | 0 |

*Notes:*

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

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

(5) Emission factors for purchased non-renewable electricity used for operation in Scope 2 emissions are referenced to the latest available emission factors released by CLP Power Hong Kong Limited and Hongkong Electric Company, and the *Regional Baseline Grid Emissions Factor for Emission Reduction Projects in China 2019* issued by the Ministry of Ecology and Environment of the PRC.

(6) In 2022, the boundary of Scope 3 emissions expanded to cover upstream (delivery of incoming MSW) and downstream (transportation of fly ash and bottom ash) logistics activities of the value chain, employee air travel and employee commuting, resulting in an increase in Scope 3 emissions.

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

(8) Energy consumption is calculated based on the conversion factors provided in *China Energy Statistical Yearbook 2021*.

## III. Employment and Labour Practices*

| | Unit | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| **Employment Profile** | | | | |
| Number of full-time permanent staff | No. | **2,662** | 2,290 | 1,383 |
| *By Gender* | | | | |
| Male | No. | **2,140** | 1,835 | 1,108 |
| Female | No. | **522** | 455 | 275 |
| *By Age Group* | | | | |
| 30 years old or below | No. | **950** | 861 | 487 |
| 31–50 | No. | **1,536** | 1,303 | 815 |
| Over 50 years old | No. | **176** | 126 | 81 |
| *By Employment Category* | | | | |
| General and technical staff | No. | **2,472** | 2,091 | 1,289 |
| Middle-level management | No. | **121** | 147 | 64 |
| Senior management | No. | **69** | 52 | 30 |
| *By Geographical Region* | | | | |
| Hong Kong | No. | **26** | 28 | 27 |
| Guangdong | No. | **1,328** | 1,278 | 984 |
| Guangxi | No. | **197** | 202 | 191 |
| Guizhou | No. | **180** | 174 | 93 |
| Jiangxi | No. | **87** | 90 | 88 |
| Others | No. | **844** | 518 | 0 |
| *By Ethnicity* | | | | |
| Han | No. | **2,429** | 2,069 | 1,259 |
| Ethnic minorities | No. | **233** | 221 | 124 |

* Rates of new employee hires and employee turnover of 2020 were re-stated due to the change of methodology.

| | Unit | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| **Employee Entry — Number of New Employee Hires** | | | | |
| *By Gender* | | | | |
| Male | No. | **428** | 597 | 209 |
| Female | No. | **97** | 124 | 38 |
| *By Age Group* | | | | |
| 30 years old or below | No. | **280** | 374 | 132 |
| 31–50 | No. | **228** | 333 | 114 |
| Over 50 years old | No. | **17** | 14 | 1 |
| *By Geographical Region* | | | | |
| Hong Kong | No. | **6** | 7 | 0 |
| Guangdong | No. | **156** | 295 | 185 |
| Guangxi | No. | **11** | 41 | 21 |
| Guizhou | No. | **20** | 63 | 14 |
| Jiangxi | No. | **18** | 31 | 27 |
| Others | No. | **314** | 284 | 0 |
| *By Ethnicity* | | | | |
| Han | No. | **488** | 646 | 234 |
| Ethnic minorities | No. | **37** | 75 | 13 |

| | Unit | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| **Employee Entry — Rate of New Employee Hires** | | | | |
| *By Gender* | | | | |
| Male | % | **20.00** | 32.53 | 18.86 |
| Female | % | **18.58** | 27.25 | 13.82 |
| *By Age Group* | | | | |
| 30 years old or below | % | **29.47** | 43.44 | 27.10 |
| 31–50 | % | **14.84** | 25.56 | 13.99 |
| Over 50 years old | % | **9.66** | 11.11 | 1.23 |
| *By Geographical Region* | | | | |
| Hong Kong | % | **23.08** | 25.00 | 0.00 |
| Guangdong | % | **11.75** | 23.08 | 18.80 |
| Guangxi | % | **5.58** | 20.30 | 10.99 |
| Guizhou | % | **11.11** | 36.21 | 15.05 |
| Jiangxi | % | **20.69** | 34.44 | 30.68 |
| Others | % | **37.20** | 54.83 | 0.00 |
| *By Ethnicity* | | | | |
| Han | % | **20.09** | 31.22 | 18.59 |
| Ethnic minorities | % | **15.88** | 33.94 | 10.48 |

| | Unit | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| **Employee Turnover — Number of Employee Turnover** | | | | |
| *By Gender* | | | | |
| Male | No. | **291** | 293 | 143 |
| Female | No. | **65** | 60 | 31 |
| *By Age Group* | | | | |
| 30 years old or below | No. | **163** | 176 | 75 |
| 31–50 | No. | **170** | 165 | 84 |
| Over 50 years old | No. | **23** | 12 | 15 |
| *By Geographical Region* | | | | |
| Hong Kong | No. | **10** | 8 | 1 |
| Guangdong | No. | **131** | 182 | 118 |
| Guangxi | No. | **12** | 30 | 15 |
| Guizhou | No. | **16** | 14 | 13 |
| Jiangxi | No. | **21** | 29 | 27 |
| Others | No. | **166** | 90 | 0 |
| *By Ethnicity* | | | | |
| Han | No. | **335** | 330 | 166 |
| Ethnic minorities | No. | **21** | 23 | 8 |

| | Unit | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| **Employee Turnover — Rate of Employee Turnover** | | | | |
| *By Gender* | | | | |
| Male | % | **13.60** | 15.97 | 12.91 |
| Female | % | **12.45** | 13.19 | 11.27 |
| *By Age Group* | | | | |
| 30 years old or below | % | **17.16** | 20.44 | 15.40 |
| 31–50 | % | **11.07** | 12.66 | 10.31 |
| Over 50 years old | % | **13.07** | 9.52 | 18.52 |
| *By Geographical Region* | | | | |
| Hong Kong | % | **38.46** | 28.57 | 3.70 |
| Guangdong | % | **9.86** | 14.24 | 11.99 |
| Guangxi | % | **6.09** | 14.85 | 7.85 |
| Guizhou | % | **8.89** | 8.05 | 13.98 |
| Jiangxi | % | **24.14** | 32.22 | 30.68 |
| Others | % | **19.67** | 17.37 | 0.00 |
| *By Ethnicity* | | | | |
| Han | % | **13.79** | 15.95 | 13.19 |
| Ethnic minorities | % | **9.01** | 10.41 | 6.45 |
| **Training** | | | | |
| **Percentage of Employees Trained** | | | | |
| *By Gender* | | | | |
| Male | % | **100** | 100 | 96 |
| Female | % | **100** | 100 | 70 |
| *By Employment Category* | | | | |
| General and technical staff | % | **100** | 100 | 91 |
| Middle-level management | % | **100** | 100 | 86 |
| Senior management | % | **100** | 100 | 97 |

| | Unit | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| **Average Training per Employee** | | | | |
| *By Gender* | | | | |
| Male | hours | **66.20** | 56.81 | 36.71 |
| Female | hours | **38.92** | 21.52 | 15.70 |
| *By Employment Category* | | | | |
| General and technical staff | hours | **62.65** | 52.90 | 33.02 |
| Middle-level management | hours | **35.96** | 16.23 | 25.28 |
| Senior management | hours | **41.05** | 19.97 | 26.80 |
| **Health and Safety (Employees/Contractors)[9]** | | | | |
| Number of work-related fatalities | No. | **0/0** | 0/1 | 0/0 |
| Rate of work-related fatalities[10] | — | **0/0** | 0/0.03 | 0/0 |
| Number of high-consequence work-related injuries (excluding fatalities)[11] | No. | **0/1** | 0/3 | 0/0 |
| Rate of high-consequence work-related injury (excluding fatalities)[12] | — | **0/0.09** | 0/0.1 | 0/0 |
| Number of work-related injuries[13] | No. | **0/1** | 0/4 | 0/2 |
| Rate of work-related injuries[14] | — | **0/0.09** | 0/0.13 | 0/0.05 |
| Lost days due to work-related injury | Days | **0/15** | 0/468 | 0/120 |
| Number of occupational disease cases | No. | **0/0** | 0/0 | 0/0 |

| | Unit | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| **Labour Practices** | | | | |
| Number of violation cases related to employment and labour regulations | No. | **0** | 0 | 0 |
| Number of violation cases related to child labour and forced labour | No. | **0** | 0 | 0 |
| Number of discrimination cases related to gender, ethnicity, age and health during recruitment | No. | **0** | 0 | 0 |

*Notes:*

(9) During the Reporting Period, the total working hours of our employees and contractors were approximately 3,996,129 hours and 2,135,205 hours respectively.

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

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

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

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

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

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

## SUSTAINABILITY OVERVIEW OF ENVIRONMENTAL HYGIENE AND RELATED SERVICES

In addition to WTE operation, Canvest continues to promote its strategic extension and expansion, while strategically developing upstream and downstream environmental sanitation and related services with growth potential. During the year, the Group successfully won the bid for several integrated environmental sanitation and landfill remediation projects, further reinforcing the industry chain integration of the WTE business with the integrated environmental sanitation and gradually expanding the "Incineration +" sustainable business model. Meanwhile, to demonstrate its dedication in upholding Canvest's value of promoting sustainability in the waste management industry, we strive to enhance social and environmental performance of environmental hygiene and related business through the establishment and implementation of various management system and procedures.

### Our Value Chain

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

### Our Environment

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

### Our People

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

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

# APPENDIX III — AIR EMISSION TARGETS OF WASTE-TO-ENERGY PLANTS DURING NORMAL OPERATION

| | | Emission Target(s) | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | PM (mg/Nm³) | | $NO_x$ (mg/Nm³) | | $SO_2$ (mg/Nm³) | | HCl (mg/Nm³) | | CO (mg/Nm³) | | Dioxins (ngTEQ/Nm³) | Mercury and its compounds (as Hg) (mg/m³) | Cadmium, thallium and their compounds (as Cd + Tl) (mg/m³) | Total Heavy Metals[1] (mg/m³) | |
| | Project Name | Hourly average | Daily average | Hourly average | Daily average | Hourly average | Daily average | Hourly average | Daily average | Hourly average | Daily average | Average measured value | Average measured value | Average measured value | Average measured value | Achieved |
| 1 | Eco-Tech I WTE Plant | 10 | 10 | 130 | 100 | 80 | 60 | 50 | 30 | 80 | 50 | 0.1 | 0.05 | 0.05 | 0.5 | ✓ |
| 2 | Eco-Tech II WTE Plant | 10 | 10 | 130 | 100 | 80 | 60 | 50 | 30 | 80 | 50 | 0.1 | 0.05 | 0.05 | 0.5 | ✓ |
| 3 | Kewei WTE Plant | 10 | 10 | 130 | 100 | 80 | 60 | 50 | 30 | 80 | 50 | 0.1 | 0.05 | 0.05 | 0.5 | ✓ |
| 4 | China Scivest I WTE Plant | 8 | 8 | 100 | 100 | 60 | 50 | 60 | 50 | 100 | 80 | 0.1 | 0.05 | 0.05 | 0.5 | ✓ |
| 5 | China Scivest II WTE Plant | 8 | 8 | 100 | 100 | 60 | 50 | 30 | 10 | 50 | 50 | 0.1 | 0.05 | 0.05 | 0.5 | ✓ |
| 6 | Zhanjiang WTE Plant | 10 | 10 | 200 | 200 | 100 | 80 | 60 | 50 | 100 | 80 | 0.1 | 0.05 | 0.05 | 0.5 | ✓ |
| 7 | Qingyuan WTE Plant | 30 | 20 | 300 | 250 | 100 | 80 | 29 | 29 | 100 | 80 | 0.1 | 0.05 | 0.1 | 1 | ✓ |
| 8 | Zhongshan I WTE Plant | 10 | 8 | 110 | 100 | 80 | 40 | 40 | 30 | 100 | 80 | 0.1 | 0.05 | 0.1 | 1 | ✓ |
| 9 | Zhongshan II WTE Plant | 10 | 8 | 110 | 100 | 50 | 30 | 25 | 20 | 100 | 80 | 0.1 | 0.05 | 0.1 | 1 | ✓ |
| 10 | Lufeng WTE Plant | 30 | 10 | 300 | 200 | 100 | 50 | 60 | 10 | 100 | 50 | 0.1 | 0.05 | 0.1 | 1 | ✓ |
| 11 | Xinyi WTE Plant | 20 | 14 | 187 | 149 | 74 | 59 | 44 | 37 | 100 | 80 | 0.074 | 0.035 | 0.035 | 0.74 | ✓ |
| 12 | Dianbai WTE Plant | 20 | 10 | 200 | 200 | 100 | 80 | 50 | 50 | 100 | 50 | 0.1 | 0.05 | 0.05 | 0.1 | ✓ |
| 13 | Xuwen WTE Plant | 30 | 20 | 250 | 250 | 100 | 80 | 60 | 50 | 100 | 80 | 0.1 | 0.05 | 0.1 | 1 | ✓ |
| 14 | Shaoguan WTE Plant | 27 | 20 | 270 | 200 | 90 | 80 | 20 | 20 | 90 | 60 | 0.09 | 0.045 | 0.05 | 0.5 | ✓ |
| 15 | Laibin WTE Plant | 30 | 20 | 300 | 250 | 100 | 80 | 60 | 50 | 100 | 80 | 0.1 | 0.05 | 0.1 | 1 | ✓ |
| 16 | Beiliu WTE Plant | 30 | 20 | 300 | 250 | 100 | 80 | 60 | 50 | 100 | 80 | 0.1 | 0.05 | 0.1 | 1 | ✓ |
| 17 | Xingyi WTE Plant | 30 | 20 | 300 | 250 | 100 | 80 | 60 | 50 | 100 | 80 | 0.1 | 0.05 | 0.1 | 1 | ✓ |
| 18 | Qiandongnan Prefecture South Area WTE Plant | 30 | 20 | 300 | 200 | 100 | 80 | 60 | 45 | 100 | 80 | 0.1 | 0.05 | 0.1 | 1 | ✓ |
| 19 | Xinfeng WTE Plant | 30 | 20 | 300 | 250 | 100 | 80 | 60 | 50 | 100 | 80 | 0.1 | 0.05 | 0.1 | 1 | ✓ |
| 20 | Linfen WTE Plant | 10 | 10 | 100 | 100 | 60 | 60 | 30 | 30 | 50 | 50 | 0.1 | 0.05 | 0.1 | 1 | ✓ |
| 21 | Zaozhuang WTE Plant | 30 | 20 | 300 | 250 | 100 | 80 | 60 | 50 | 100 | 80 | 0.1 | 0.05 | 0.1 | 1 | ✓ |
| 22 | Jingjiang WTE Plant | 30 | 20 | 150 | 160 | 100 | 80 | 40 | 30 | 100 | 80 | 0.1 | 0.05 | 0.1 | 1 | ✓ |
| 23 | Mancheng WTE Plant | 30 | 20 | 300 | 100 | 100 | 80 | 60 | 50 | 100 | 80 | 0.1 | 0.05 | 0.1 | 1 | ✓ |
| 24 | Ruili WTE Plant | 30 | 20 | 300 | 250 | 100 | 80 | 60 | 50 | 100 | 80 | 0.1 | 0.05 | 0.1 | 1 | ✓ |
| 25 | Xiangyun WTE Plant | 30 | 20 | 300 | 250 | 100 | 80 | 60 | 50 | 100 | 80 | 0.1 | 0.05 | 0.1 | 1 | ✓ |
| 26 | Yingkou WTE Plant | 30 | 20 | 300 | 250 | 100 | 80 | 60 | 50 | 100 | 80 | 0.1 | 0.05 | 0.1 | 1 | ✓ |

[1] Including antimony, arsenic, lead, chromium, cobalt, copper, manganese, nickel and their compounds, as Sb + As + Pb + Cr + Co + Cu + Mn + Ni.

# APPENDIX IV — CONTENT INDICES

## SEHK ESG REPORTING GUIDE CONTENT INDEX

| Subject Areas, Aspects, General Disclosures and KPIs | Description | Relevant Chapter(s)/Explanation |
|---|---|---|
| **Environmental** | | |
| **Aspect A1: Emissions** | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | Our Environment; Appendix V — Compliance with Relevant Laws and Regulations that have Significant Impact on Canvest<br>The Group has established the following standardised procedures to mitigate the environmental impacts associated with our operations:<br>• *Resource Control Procedure*<br>• *Operation Environmental Control Procedure*<br>• *Production & Operation Management Procedure* |
| KPI A1.1 | The types of emissions and respective emissions data. | Our Environment; Appendix II — Performance Data Summary |
| KPI A1.2 | Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Our Environment; Appendix II — Performance Data Summary |
| KPI A1.3 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Our Environment; Appendix II — Performance Data Summary |
| KPI A1.4 | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Our Environment; Appendix II — Performance Data Summary |

| Subject Areas, Aspects, General Disclosures and KPIs | Description | Relevant Chapter(s)/Explanation |
|---|---|---|
| KPI A1.5 | Description of emissions target(s) set and steps taken to achieve them. | Our Environment; Appendix III — Air Emission Targets of Waste-to-Energy Plants during Normal Operation<br><br>Canvest's GHG emissions mainly comprises Scope 1 emissions from the incineration of MSW, which is calculated based on the fraction of fossil carbon in total carbon content of the MSW. The amount of such GHG emissions may substantially fluctuate from time to time due to the varying quantity and composition of the MSW received, which is beyond Canvest's control.<br><br>We adhere to the Group's *Operation Environmental Control Procedure* and *Production & Operation Management Procedure* to control our emissions. Nevertheless, we will continually upgrade our technology to further reduce emissions and to actively explore various emissions reduction solutions. We also have plans to reduce carbon emissions based on long-term targets in order to be in line with the timeline of the United Nations Sustainable Development Goals. |
| KPI A1.6 | Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them. | Our Environment<br><br>For waste reductions, bottom ash produced by Canvest's operations were collected by qualified contractors for integrated utilisation, such as reusing as alternative materials to produce eco-bricks. Nevertheless, we will continue to explore measures to reduce waste generation in our daily operations, and have set targets to continually improve our waste management performance. |

| Subject Areas, Aspects, General Disclosures and KPIs | Description | Relevant Chapter(s)/Explanation |
|---|---|---|
| **Aspect A2:Use of Resources** | | |
| General Disclosure | Policies on the efficient use of resources, including energy, water and other raw materials. | Our Environment<br><br>The Group has established the following standardised procedures to ensure effective use of resources:<br>• *Resource Control Procedure*<br>• *Social Responsibility Management Manual — Requirements on the Use of Electricity*<br>• *Social Responsibility Management Manual — Requirements on the Use of Water* |
| KPI A2.1 | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). | Our Environment; Appendix II — Performance Data Summary |
| KPI A2.2 | Water consumption in total and intensity (e.g. per unit of production volume, per facility). | Our Environment; Appendix II — Performance Data Summary |
| KPI A2.3 | Description of energy use efficiency target(s) set and steps taken to achieve them. | Our Environment<br><br>We adhere to the Group's *Implementation Measures for Energy Saving of Power Plant, Resource Control Procedure* and *Social Responsibility System Operation Manual — Requirements on the Use of Electricity* to control our energy consumption. Nevertheless, we strive to achieve better energy efficiency and lower carbon emission through actively explore the solutions for higher energy efficiency and technological advancement. |

| Subject Areas, Aspects, General Disclosures and KPIs | Description | Relevant Chapter(s)/Explanation |
|---|---|---|
| KPI A2.4 | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them. | Our Environment<br><br>The Group has carried out environmental impact assessment and we did not encounter any issues in sourcing water. Practices are also in place at each project company to regularly monitor water stress risks throughout our operations. |
| KPI A2.5 | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. | Our main service comprises MSW treatment and green electricity supply, hence no packaging material was used. |
| **Aspect A3: The Environment and Natural Resources** | | |
| General Disclosure | Policies on minimising the issuer's significant impacts on the environment and natural resources. | Our Environment<br><br>The following standardised procedures are established to minimise the impacts on environmental and natural resources:<br>• *Resource Control Procedure*<br>• *Environmental Factors Identification, Evaluation and Control Procedure* |
| KPI A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | Our Environment |
| **Aspect A4: Climate Change** | | |
| General Disclosure | Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. | Our Environment<br><br>Standardised procedures such as *Management System Against Typhoons and Flood* are in place to tackle climate-related risks. |
| KPI A4.1 | Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them. | Our Environment |

| Subject Areas, Aspects, General Disclosures and KPIs | Description | Relevant Chapter(s)/Explanation |
|---|---|---|
| **Social** | | |
| **Employment and Labour Practices** | | |
| **Aspect B1: Employment** | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. | Our People; Appendix V — Compliance with Relevant Laws and Regulations that have Significant Impact on Canvest<br><br>Our recruitment process strictly follows the *Labour Law of the PRC* and *Employment Ordinance* of Hong Kong. Standardised procedures are also established to provide guidance on the company's employment and labour requirements. Relevant company policies include:<br>• *Employment Procedure*<br>• *Anti-Discrimination Procedure*<br>• *Human Resources Control Procedure* |
| KPI B1.1 | Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region. | Our People; Appendix II — Performance Data Summary |
| KPI B1.2 | Employee turnover rate by gender, age group and geographical region. | Our People; Appendix II — Performance Data Summary |
| **Aspect B2: Health and Safety** | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to providing a safe working environment and protecting employees from occupational hazards. | Our People; Appendix V — Compliance with Relevant Laws and Regulations that have Significant Impact on Canvest<br><br>The Group has established the following standardised procedures to provide a safe working environment for our employees, strictly following the *Work Safety Law of the PRC* and the *Occupational Safety and Health Ordinance* of Hong Kong:<br>• *Safety Management Control Procedure*<br>• *Emergency Preparedness and Response Control Procedure* |

| Subject Areas, Aspects, General Disclosures and KPIs | Description | Relevant Chapter(s)/Explanation |
|---|---|---|
| KPI B2.1 | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. | Appendix II — Performance Data Summary |
| KPI B2.2 | Lost days due to work injury. | Appendix II — Performance Data Summary |
| KPI B2.3 | Description of occupational health and safety measures adopted, how they are implemented and monitored. | Our People |
| **Aspect B3: Development and Training** | | |
| General Disclosure | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. | Our People<br><br>Induction training, job-specific training, health and safety trainings and management system trainings are provided to our employees to enhance their knowledge, skills and qualifications. Standardised procedures are also established to provide guidance on the training system, including:<br>• *Social Responsibility System Training Management Procedure*<br>• *Social Responsibility System Operation Manual — Induction Training System*<br>• *Social Responsibility System Operation Manual — Safety Knowledge Training* |
| KPI B3.1 | The percentage of employees trained by gender and employee category (e.g. senior management, middle management). | Appendix II — Performance Data Summary<br><br>100% of employees of the Group received training during the Reporting Period. Breakdown by gender and employee category:<br>Male: 80.40%<br>Female: 19.60%<br>General and technical staff: 92.86%<br>Middle-level management: 4.55%<br>Senior management: 2.59% |

| Subject Areas, Aspects, General Disclosures and KPIs | Description | Relevant Chapter(s)/Explanation |
|---|---|---|
| KPI B3.2 | The average training hours completed per employee by gender and employee category. | Our People; Appendix II — Performance Data Summary |
| **Aspect B4: Labour Standards** | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. | Our People; Appendix V — Compliance with Relevant Laws and Regulations that have Significant Impact on Canvest<br><br>Our recruitment process strictly follows the *Labour Law of the PRC* and the *Employment Ordinance* of Hong Kong to ensure child and forced labour are prevented. |
| KPI B4.1 | Description of measures to review employment practices to avoid child and forced labour. | Our People |
| KPI B4.2 | Description of steps taken to eliminate such practices when discovered. | Our People |
| **Operating Practices** | | |
| **Aspect B5: Supply Chain Management** | | |
| General Disclosure | Policies on managing environmental and social risks of the supply chain. | Our Sustainable Business |
| KPI B5.1 | Number of suppliers by geographical region. | Our Sustainable Business |
| KPI B5.2 | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored | Our Sustainable Business |
| KPI B5.3 | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. | Our Sustainable Business |
| KPI B5.4 | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. | Our Sustainable Business |

| Subject Areas, Aspects, General Disclosures and KPIs | Description | Relevant Chapter(s)/Explanation |
|---|---|---|
| **Aspect B6: Product Responsibility** | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. | Our Sustainable Business; Appendix V — Compliance with Relevant Laws and Regulations that have Significant Impact on Canvest<br><br>We carry out regular inspections on our equipment and infrastructure, providing a safe and reliable electricity supply, and monitor our environmental and health and safety performance, ensuring our operations comply with national standards and any other regulations. Relevant company policies include:<br>• *Production Equipment Control Procedure*<br>• *Monitoring and Compliance Evaluation Procedure*<br>• *Mitigation Measures Control Procedure*<br><br>There are no laws relating to advertising, labelling and privacy matters relating to products and services provided which would have a significant impact to Canvest, hence there are no relevant policies in place. |
| KPI B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons. | Product recall is not applicable to Canvest's services. |
| KPI B6.2 | Number of products and service related complaints received and how they are dealt with. | No complaint was received from the municipalities and our clients. |

| Subject Areas, Aspects, General Disclosures and KPIs | Description | Relevant Chapter(s)/Explanation |
|---|---|---|
| KPI B6.3 | Description of practices relating to observing and protecting intellectual property rights. | Our Sustainable Business<br><br>The Group's policies are in place to ensure the privacy and intellectual property rights of our stakeholders, including:<br>• *Confidentiality Management Policy*<br>• *Document Management Policy*<br>• *Contract Management Policy* |
| KPI B6.4 | Description of quality assurance process and recall procedures. | Our Sustainable Business<br><br>Relevant procedures:<br>• *Warehouse Materials Management Procedures*<br>• *Unqualified Items Management Procedures*<br><br>Quality assurance process and recall procedures do not apply to Canvest as electricity is the final product. |
| KPI B6.5 | Description of consumer data protection and privacy policies, how they are implemented and monitored. | Our Sustainable Business<br><br>The Group implements strict procedures for document management to ensure the accuracy of information and the privacy of our stakeholders, including:<br>• *Confidentiality Management Policy*<br>• *Document Management Policy*<br>• *Contract Management Policy* |

| Subject Areas, Aspects, General Disclosures and KPIs | Description | Relevant Chapter(s)/Explanation |
|---|---|---|
| **Aspect B7: Anti-Corruption** | | |
| General Disclosure | Information on:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer<br>relating to bribery, extortion, fraud and money laundering. | Our Sustainable Business; Our People; Appendix V — Compliance with Relevant Laws and Regulations that have Significant Impact on Canvest<br><br>The Group strictly forbids activities in relation to bribery, extortion, fraud and money laundering. The following standardised procedures are also established to ensure compliance with the relevant laws and regulations:<br>• *Internal Audit Control Procedure*<br>• *Anti-Corruption and Bribery Management Procedure* |
| KPI B7.1 | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. | There were no legal cases regarding corrupt practices brought against the Group or its employees during the Reporting Period. |
| KPI B7.2 | Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. | Our People; Our Sustainable Business |
| KPI B7.3 | Description of anti-corruption training provided to directors and staff. | Our Sustainable Business |
| **Aspect B8: Community Investment** | | |
| General Disclosure | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. | Stakeholder Engagement; Serving Our Community<br><br>Relevant procedures:<br>• Social Responsibility Management System<br>• *External Communication Procedure* |
| KPI B8.1 | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). | Serving Our Community |
| KPI B8.2 | Resources contributed (e.g. money or time) to the focus area. | Serving Our Community |

GRI CONTENT INDEX ADVANCED SERVICE 2023

## GRI CONTENT INDEX

Canvest has reported in accordance with the GRI Standards for the period 1 January 2022 to 31 December 2022. There are no GRI sector standards currently applicable to the Group. For the Content Index—Advanced Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the GRI Standards, and that the references for all disclosures are aligned with the appropriate sections in the body of this Report. The service was performed on the English version of this Report.

| GRI STANDARD | DISCLOSURE | RELEVANT CHAPTER(S)/ EXPLANATION | PAGE NO. |
|---|---|---|---|
| **GRI 1: Foundation 2021** | | | |
| **General disclosures** | | | |
| **GRI 2: General Disclosures 2021** | 2-1 Organizational details | About this Report<br>About Canvest<br>Annual Report 2022 | P.2-5<br>P.10-15<br>— |
| | 2-2 Entities included in the organization's sustainability reporting | Annual Report 2022 — Notes to the Consolidated Financial Statements | — |
| | 2-3 Reporting period, frequency and contact point | About this Report | P.2-5 |
| | 2-4 Restatements of information | Restated information is annotated clearly in this Report. | — |
| | 2-5 External assurance | Appendix VI — Verification Statements<br>The Board reviewed this Report and the external assurance report before publication. | P.127-132<br>— |
| | 2-6 Activities, value chain and other business relationships | About Canvest<br>Our Sustainable Business<br>Annual Report 2022 | P.10-15<br>P.21-33<br>— |
| | 2-7 Employees | About Canvest<br>Our People<br>Appendix II — Performance Data Summary<br>We did not employ any temporary and non-guaranteed hour employees during the Reporting Period. | P.10-15<br>P.64-77<br>P.90-102<br>— |

| GRI STANDARD | DISCLOSURE | RELEVANT CHAPTER(S)/ EXPLANATION | PAGE NO. |
|---|---|---|---|
| | 2-8 Workers who are not employees | Our Sustainable Business<br>The most common type of worker is contactor, providing maintenance and construction services.<br><br>**Workers who are not employees (by category)**<br>Cleaning staff 592<br>Security guard 229<br>Gardening 77<br>Maintenance 1,429<br>Fly ash solidification 195<br>Testing 101<br>Construction 1,852<br>Others 9<br>Total 4,484 | P.21-33<br>— |
| | 2-9 Governance structure and composition | Our Sustainable Business<br>Annual Report 2022 — Corporate Governance Report<br>None of the members of the highest governance body comes from any underrepresented social group. | P.21-33<br>—<br>— |
| | 2-10 Nomination and selection of the highest governance body | Annual Report 2022 — Corporate Governance Report | — |
| | 2-11 Chair of the highest governance body | Annual Report 2022 — Corporate Governance Report | — |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | Stakeholder Engagement<br>Our Sustainable Business<br>Annual Report 2022 — Corporate Governance Report | P.16-20<br>P.21-33<br>— |
| | 2-13 Delegation of responsibility for managing impacts | Our Sustainable Business | P.21-33 |
| | 2-14 Role of the highest governance body in sustainability reporting | Our Sustainable Business | P.21-33 |
| | 2-15 Conflicts of interest | Our Sustainable Business<br>Annual Report 2022 — Corporate Governance Report | P.21-33<br>— |
| | 2-16 Communication of critical concerns | Annual Report 2022 — Corporate Governance Report | — |
| | 2-17 Collective knowledge of the highest governance body | Our Sustainable Business<br>Annual Report 2022 — Corporate Governance Report | P.21-33<br>— |

| GRI STANDARD | DISCLOSURE | RELEVANT CHAPTER(S)/ EXPLANATION | PAGE NO. |
|---|---|---|---|
| | 2-18 Evaluation of the performance of the highest governance body | Our Sustainable Business<br>Annual Report 2022 — Corporate Governance Report | P.21-33<br>— |
| | 2-19 Remuneration policies | Annual Report 2022 — Corporate Governance Report | — |
| | 2-20 Process to determine remuneration | Annual Report 2022 — Corporate Governance Report | — |
| | 2-21 Annual total compensation ratio | Ratio of the total remuneration of the highest-paid individual to the median total remuneration of all employees (excluding the highest-paid individual): 40.56:1<br><br>The ratio of the percentage increase in annual total compensation for the organisation's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual): 1:–4.76 | — |
| | 2-22 Statement on sustainable development strategy | About this Report<br>Message from Our Chairlady | P.2-5<br>P.6-9 |
| | 2-23 Policy commitments | Our Sustainable Business<br>Our Environment<br>Our People<br>Canvest's sustainability commitments are generally in line with relevant international initiatives including *UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, OECD Due Diligence Guidance for Responsible Business Conduct,* and Principle 15 of the *Rio Declaration on Environment and Development.* | P.21-33<br>P.34-63<br>P.64-77<br>— |
| | 2-24 Embedding policy commitments | Our Sustainable Business | P.21-33 |
| | 2-25 Processes to remediate negative impacts | Our Sustainable Business | P.21-33 |
| | 2-26 Mechanisms for seeking advice and raising concerns | Our Sustainable Business<br>Our People<br>Annual Report 2022 — Corporate Governance Report | P.21-33<br>P.64-77<br>— |

| GRI STANDARD | DISCLOSURE | RELEVANT CHAPTER(S)/ EXPLANATION | PAGE NO. |
|---|---|---|---|
| | 2-27 Compliance with laws and regulations | Our Sustainable Business<br>Appendix V — Compliance with Relevant Laws and Regulations that have Significant Impact on Canvest<br>There were no fines or non-monetary sanctions for material non-compliance during the Reporting Period. | P.21-33<br>P.123-126<br><br><br><br>— |
| | 2-28 Membership associations | Serving Our Community | P.78-86 |
| | 2-29 Approach to stakeholder engagement | Stakeholder Engagement | P.16-20 |
| | 2-30 Collective bargaining agreements | No current employees are covered by collective bargaining agreements. | — |
| **Material Topics** | | | |
| **GRI 3: Material Topics 2021** | 3-1 Process to determine material topics | Stakeholder Engagement | P.16-20 |
| | 3-2 List of material topics | Stakeholder Engagement<br>In 2022, Anti-Competitive Behaviour was newly considered to be material while topics including Environmental Compliance and Social Compliance were removed from consideration as their corresponding GRI Standards had been incorporated into GRI 2-27. | P.16-20<br>— |
| **Economic performance** | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Message from Our Chairlady<br>Stakeholder Engagement<br>Our Sustainable Business | P.6-9<br>P.16-20<br>P.21-33 |
| **GRI 201: Economic Performance 2016** | 201-1 Direct economic value generated and distributed | Appendix II — Performance Data Summary | P.90-102 |
| | 201-2 Financial implications and other risks and opportunities due to climate change | Message from Our Chairlady<br>About Canvest<br>Our Environment<br>The Group is actively evaluating and measuring the financial impact of climate risks on its business and will add climate-related financial disclosures in the near term. | P.6-9<br>P.10-15<br>P.34-63<br>— |
| | 201-3 Defined benefit plan obligations and other retirement plans | Our People | P.64-77 |
| | 201-4 Financial assistance received from government | Local governments awarded a total of HK$7,323,480 during the Reporting Period to support the research and development of Canvest's WTE projects. | — |

| GRI STANDARD | DISCLOSURE | RELEVANT CHAPTER(S)/ EXPLANATION | PAGE NO. |
|---|---|---|---|
| **Market presence** | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Stakeholder Engagement<br>Our People | P.16-20<br>P.64-77 |
| **GRI 202: Market Presence 2016** | 202-1 Ratios of standard entry level wage by gender compared to local minimum wage | Our People<br><br>We do not have the corresponding information on contractors and subcontractors due to confidentiality reasons. | P.64-77<br><br>— |
| | 202-2 Proportion of senior management hired from the local community | Our People<br><br>50% of senior management is locally hired from Hong Kong and Guangdong Province.<br><br>Senior management is defined as managers at the highest level of the Group and each of its subsidiaries including the Board of Directors.<br><br>Local means they are from the same province or special administrative region. | P.64-77<br><br>— |
| **Anti-competitive behavior** | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Stakeholder Engagement<br>Our People | P.16-20<br>P.64-77 |
| **GRI 206: Anti-competitive behavior 2016** | 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | During the Reporting Period, there were no legal actions regarding anti-competitive behaviour or violation of anti-trust and monopoly legislation against the Group. | — |
| **Materials usage** | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Stakeholder Engagement<br>Our Environment | P.16-20<br>P.34-63 |
| **GRI 301: Materials 2016** | 301-1 Materials used by weight or volume | The materials deployed are mainly chemicals used in flue gas treatment and wastewater treatment, which are subject to stringent technical specifications. Recycled materials were not used. | — |
| | 301-2 Recycled input materials used | | |
| | 301-3 Reclaimed products and their packaging materials | Our finished product is electricity, hence does not involve reclaimed products. | — |

| GRI STANDARD | DISCLOSURE | RELEVANT CHAPTER(S)/ EXPLANATION | PAGE NO. |
|---|---|---|---|
| **Energy efficiency** | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Stakeholder Engagement<br>Our Environment | P.16-20<br>P.34-63 |
| **GRI 302: Energy 2016** | 302-1 Energy consumption within the organization | Our Environment<br>Appendix II — Performance Data Summary<br><br>Canvest had no purchased heating, cooling or steam consumption in the Reporting Period and Canvest only sold electricity and an immaterial amount of steam, but not any other form of heating nor cooling.<br><br>With waste-to-energy as our major business, the Group uses household waste as the major source of fuel to generate green electricity for supply to the grid. Due to the highly varying composition and heat content of household waste from time to time, it is not feasible to arrive at a meaningful calculation of total energy consumption within the organisation. | P.34-63<br>P.90-102<br><br>— |
| | 302-2 Energy consumption outside of the organization | Our Environment<br>Appendix II — Performance Data Summary<br><br>Key energy consumption outside of Canvest includes fuel consumption from upstream and downstream transportation, and electricity consumption by end users (the public). | P.34-63<br>P.90-102<br><br>— |
| | 302-3 Energy intensity | Our Environment<br>Appendix II — Performance Data Summary<br><br>Energy intensity only takes into account the energy consumed within Canvest. | P.34-63<br>P.90-102<br><br>— |
| | 302-4 Reduction of energy consumption | Our Environment<br>Energy reduction is not measured, hence no quantitative data is available. | P.34-63<br>— |
| | 302-5 Reductions in energy requirements of products and services | Appendix II — Performance Data Summary | P.90-102 |

| GRI STANDARD | DISCLOSURE | RELEVANT CHAPTER(S)/ EXPLANATION | PAGE NO. |
|---|---|---|---|
| **Waste** | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Stakeholder Engagement<br>Our Environment | P.16-20<br>P.34-63 |
| **GRI 306: Waste 2020** | 306-1 Waste generation and significant waste-related impacts | Our Environment | P.34-63 |
| | 306-2 Management of significant waste-related impacts | Our Environment<br><br>The vast majority of waste generated by Canvest is associated with processing incoming MSW generated upstream as a key component of the waste-to-energy process. Therefore, the waste-to-energy process is in itself a waste management approach for dealing with MSW, alleviating the stress on landfill capacity. In addition, the more organic content there is in the incoming MSW, the more cumulative landfill gas fugitive emissions — which comprises mainly methane, can be avoided for years to come with waste diversion from landfills achieved in waste-to-energy processes. | P.34-63<br><br>— |
| | 306-3 Waste generated | Our Environment<br>Appendix II — Performance Data Summary<br><br>While it is out of Canvest's control to guarantee the quality and limit the quantity of incoming MSW, Canvest strives to promote waste reduction at source and recycling in collaboration with local governments. | P.34-63<br>P.90-102<br><br>— |
| | 306-4 Waste diverted from disposal | Our Environment | P.34-63 |
| | 306-5 Waste directed to disposal | Our Environment | P.34-63 |
| **Labour practices and employee welfare** | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Stakeholder Engagement<br>Our Sustainable Business<br>Our People | P.16-20<br>P.21-33<br>P.64-77 |

| GRI STANDARD | DISCLOSURE | RELEVANT CHAPTER(S)/ EXPLANATION | PAGE NO. |
|---|---|---|---|
| **GRI 401: Employment 2016** | 401-1 New employee hires and employee turnover | Our People | P.64-77 |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | Our People | P.64-77 |
| | 401-3 Parental leave | Our People | P.64-77 |
| **Occupational health and safety** | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Stakeholder Engagement<br>Our People | P.16-20<br>P.64-77 |
| **GRI 403: Occupational Health and Safety 2018** | 403-1 Occupational health and safety management system | Our Sustainable Business<br>Our People<br>The Group's QHSE Management System was formulated in accordance with the *Labour Law of the PRC*, *Work Safety Production Law of the PRC*, *Social Insurance Law of the PRC*, ISO 45001 Occupational Health and Safety Management System, ISO 14001 Environmental Management System, etc. | P.21-33<br>P.64-77<br>— |
| | 403-2 Hazard identification, risk assessment, and incident investigation | Our Sustainable Business<br>Our People | P.21-33<br>P.64-77 |
| | 403-3 Occupational health services | Our Sustainable Business<br>Our People | P.21-33<br>P.64-77 |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | Our People | P.64-77 |
| | 403-5 Worker training on occupational health and safety | Our People | P.64-77 |
| | 403-6 Promotion of worker health | Our People | P.64-77 |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Our Environment<br>Our People | P.34-63<br>P.64-77 |
| | 403-8 Workers covered by an occupational health and safety management system | Our Sustainable Business<br>Our People | P.21-33<br>P.64-77 |
| | 403-9 Work-related injuries | Our People<br>Appendix II — Performance Data Summary | P.64-77<br>P.90-102 |
| | 403-10 Work-related ill health | Our People<br>Appendix II — Performance Data Summary | P.64-77<br>P.90-102 |

| GRI STANDARD | DISCLOSURE | RELEVANT CHAPTER(S)/ EXPLANATION | PAGE NO. |
|---|---|---|---|
| **Child and forced labor** | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Stakeholder Engagement<br>Our Sustainable Business<br>Our People | P.16-20<br>P.21-33<br>P.64-77 |
| **GRI 408: Child Labor 2016** | 408-1 Operations and suppliers at significant risk for incidents of child labor | Our Sustainable Business<br>Our People | P.21-33<br>P.64-77 |
| **GRI 409: Forced or Compulsory Labor 2016** | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour | Our Sustainable Business<br>Our People | P.21-33<br>P.64-77 |
| **Research and development** | | | |
| **GRI 3: Material Topics 2021** | 3-3 Management of material topics | Message from Our Chairlady<br>Stakeholder Engagement<br>Our Sustainable Business | P.6-9<br>P.16-20<br>P.21-33 |

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

| SEHK's "ESG Reporting Guide" Subject Area | Compliance with Relevant Laws and Regulations that have Significant Impact on Canvest |
|---|---|
| **Environment** | |
| **Aspect A1: Emissions**<br><br>*relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste* | Relevant laws and regulations that have a significant impact on the Group include *Environmental Protection Law of the PRC, Law of the PRC on the Prevention and Control of Water Pollution, Law of the PRC on the Prevention and Control of Atmospheric Pollution, Law of the PRC on Prevention and Control of Environmental Pollution by Solid Waste, Law of the PRC on Environmental Impact Assessment,* and the *Administrative Regulations on Environment Protection for Construction Projects*. These laws and regulations stipulate the applicable requirements on air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. It is imperative for us to meet these statutory obligations as violation of any of applicable environmental laws and regulations may result in penalties, operation suspension, and/or legal action against the Group.<br><br>In 2022, there were no confirmed cases of non-compliance in relation to environmental protection that would have a significant impact on the Group. Please refer to the "Our Environment" chapter on how Canvest ensures compliance with applicable environmental laws and regulations. |

| SEHK's "ESG Reporting Guide" Subject Area | Compliance with Relevant Laws and Regulations that have Significant Impact on Canvest |
|---|---|
| **Social** | |
| **Aspect B1: Employment**<br><br>*relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare* | Relevant laws and regulations that are significant to the Group include *Labour Law of the PRC, Labour Contract Law of the PRC, Regulation on the Implementation of the Labour Contract Law of the PRC, Social Insurance Law of the PRC, Regulations on the Management of Housing Provident Fund, Special Rules on the Labour Protection of Female Employees, Provisions of the State Council on Working Hours of Workers and Staff, Provisions on Minimum Wages, Implementation Measures for Paid Annual Leave for Employees of Enterprises, Measures for the Implementation of Administrative License for Labour Dispatch, and Employment Ordinance* of HKSAR. The above laws and regulations stipulate the legal obligations and responsibility of employers to provide employment protection and benefits, covering statutory obligations and responsibilities which include compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. These laws and regulations are of great importance as they offer appropriate protections to employees, the most important asset of the Group.<br><br>In 2022, there were no confirmed cases of non-compliance in relation to our employment practices that would have a significant impact on the Group. Please refer to the "Our People" chapter on how Canvest ensures compliance with applicable employment laws and regulations. |
| **Aspect B2: Health and Safety**<br><br>*relating to providing a safe working environment and protecting employees from occupational hazards* | Relevant laws and regulations that are significant to the Group include *Labour Law of the PRC, Work Safety Law of the PRC, Labour Contract Law of the PRC, Prevention and Control of Occupational Diseases Law of the PRC, Regulation on Work-Related Injury Insurances, Special Rules on the Labour Protection of Female Employees, and Provisions on the Duration of Medical Treatment for Enterprise Staff and Workers Due to Illness or Non-Work Related Injuries*. These laws and regulations provide clear requirements on the provision of safe working environment and the prevention of occupational hazards. Compliance with these laws and regulations is paramount as workplace safety is of critical importance to each and every employee of the Group.<br><br>In 2022, there were no confirmed cases of non-compliance in relation to health and safety that would have a significant impact on the Group. Please refer to the "Our People" chapter on how Canvest ensures compliance with applicable laws and regulations relating to health and safety. |

| SEHK's "ESG Reporting Guide" Subject Area | Compliance with Relevant Laws and Regulations that have Significant Impact on Canvest |
|---|---|
| **Aspect B4: Labour Standards**<br><br>*relating to preventing child and forced labour* | Relevant laws and regulations that are significant to the Group include *Criminal Law of the PRC Article 244, Prevention and Control of Occupational Diseases Law of the PRC, Rules for the Implementation of the Law of the PRC on Foreign-Capital Enterprises Article 62, Regulation on Work-Related Injury Insurances Article 66, Provisions on the Prohibition of Using Child Labour, Law of the PRC on the Protection of Minors, Regulations on Labour Protection in Workplaces Where Toxic Substances Are Used,* and *Employment Ordinance* of HKSAR. These laws and regulations set out clear rules for preventing child labour and forced labour, and elaborate on the legal obligations and responsibility of employers who violate the relevant laws and regulations. It is essential for us to conform to applicable laws and regulations on labour standards as it reflects our corporate values in honouring human rights.<br><br>In 2022, there were no confirmed cases of non-compliance in relation to human rights and labour practices standards and regulations that would have a significant impact on the Group. Please refer to the "Our People" chapter on how Canvest ensures compliance with applicable laws and regulations relating to labour standards. |
| **Aspect B6: Product Responsibility**<br><br>*relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress* | Relevant laws and regulations that are significant to the Group include *Tort Law of the PRC*, which clarifies the tort liability to protect the civil rights and interests, as well as the *Product Quality Law of the PRC*, which places requirements on health and safety relating to products and services provided and methods of redress. It is the Group's core value to abide by these rules in providing safe and reliable services with integrity as a recognition of client rights.<br><br>In 2022, there were no confirmed cases of non-compliance in relation to the provision and use of the Group's services that would have a significant impact on the Group. Please refer to the "Our Sustainable Business" chapter on how Canvest ensures compliance with applicable laws and regulations relating to product responsibility. |

| SEHK's "ESG Reporting Guide" Subject Area | Compliance with Relevant Laws and Regulations that have Significant Impact on Canvest |
|---|---|
| **Aspect B7: Anti-corruption**<br><br>*relating to bribery, extortion, fraud and money laundering* | Relevant laws and regulations that are significant to the Group include *Criminal Law of the PRC and Prevention of Bribery Ordinance* of HKSAR. The above laws and regulations aim to maintain social integrity and fairness, and inflict punishments against unscrupulous and corruption behaviours such as bribery, extortion, fraud and money laundering. Given the severity of corruption, it is important that the Group maintains a corruption-free business to upkeep the Group's reputation and staff morale and ultimately enhance the Group's competitive edge.<br><br>In 2022, there were no confirmed cases of non-compliance in relation to corrupt practices that would have a significant impact on the Group. Please refer to the "Our Sustainable Business" chapter on how Canvest ensures compliance with applicable laws and regulations relating to corrupt practices. |

# APPENDIX VI — VERIFICATION STATEMENTS

HKQAA
HONG KONG QUALITY ASSURANCE AGENCY
香港品質保證局

**VERIFICATION STATEMENT**

**Scope and Objective**

Hong Kong Quality Assurance Agency ("HKQAA") was commissioned by Canvest Environmental Protection Group Company Limited ("Canvest") to undertake an independent verification for the Sustainability Report 2022 (hereinafter called the "Report"). The Report stated the sustainability performance of Canvest in the period of 1st January 2022 to 31st December 2022.

The aim of this verification is to provide a reasonable assurance on the reliability of the report contents. The Report has been prepared in accordance with Global Reporting Initiative ("GRI") Universal Standards 2021, as well as Rule 13.91 and Appendix 27 "Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide")" of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "SEHK Listing Rules").

**Level of Assurance and Methodology**

The process applied in this verification was based on the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. Our evidence gathering process was designed to obtain a reasonable level of assurance as set out in the standard for the purpose of devising the verification conclusion. The extent of this verification process undertaken covered the criteria set out in the Global Reporting Initiative ("GRI") Universal Standards 2021, and the SEHK Listing Rules (Rule 13.91 and Appendix 27 the ESG Reporting Guide).

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

**Independence**

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

**Conclusion**

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

- The Report has been prepared in accordance with the Global Reporting Initiative ("GRI") Universal Standards 2021, as well as the SEHK Listing Rules (Rule 13.91 and Appendix 27 the ESG Reporting Guide);
- The Report illustrates the sustainability performance of Canvest, covering all material aspects, in a balanced, comparable, clear and timely manner; and
- The data and information disclosed in the Report are reliable and complete.

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

**Signed on behalf of Hong Kong Quality Assurance Agency**

Meico Cheong
Assistant Director, Innovation Business
24 March 2023

HONG KONG QUALITY ASSURANCE AGENCY
香港品質保證局

14849462-OTH

# Verification Opinion

**Scope and Objectives**

Hong Kong Quality Assurance Agency ("HKQAA") has been commissioned by Canvest Environmental Protection Group Company Limited ("Canvest") to conduct an independent verification of the Greenhouse Gases ("GHG") emissions inventory ("Emissions Inventory") for the period 1st January 2022 to 31st December 2022. The aim of this verification is to provide a reasonable assurance on the data consolidated in the Emissions Inventory compiled by Canvest using the operational control approach against the requirements of ISO 14064-1:2018 *'Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals'*.

Based on the preparation of the *"Canvest SR 2022 GHG Inventory"* by Canvest in accordance with the criteria of ISO 14064-1:2018, an opinion was concluded by the verification team from the verification activities, including:

- Offsite verification with the aid of Information Communication Technology (ICT) of the GHG emission data associated to mobile emissions, electricity consumption as well as GHG emissions from activities of water treatment facilities; and
- Desk-top review of documentation and supporting evidence.

**Methodology**

The verification was conducted in accordance with ISO 14064-3: 2019 *'Specification with guidance for the verification and validation of greenhouse gas statements'*. The process included the assessment of:

- reporting boundaries selected;
- quantification methodology and emission factors used;
- integrity of the historical activity data used;
- accuracy and completeness of the GHG calculations; and
- conformance with the requirements of the ISO 14064-1:2018.

Integrity and accuracy of the aggregated data was tested by tracing the sampled data to its sources. The underlying processes for data collection, aggregation, estimation, calculation and internal checking were reviewed and undergone reliability test. Materiality threshold of 5% was adopted for this verification. HKQAA verification team did not partake in the GHG data preparation process.



Remarks:
This verification opinion includes page <1> to page <5>

HKQAA
HONG KONG QUALITY ASSURANCE AGENCY
香港品質保證局

14849462-OTH

**Conclusion**

Total GHG emissions and removals of Canvest Environmental Protection Group Company Limited in 2022:

| 2022 GHG Emissions and Removals | Tonnes (T) of $CO_2$ equivalent |
|---|---|
| Category a): Direct GHG emissions (excluding anthropogenic biogenic GHG emissions) | 7,331,944.7 |
| Anthropogenic biogenic GHG emissions | 50,012.6 |
| Category a): Direct GHG removals (excluding anthropogenic biogenic GHG removals) | 6,138,392.8 |
| Anthropogenic biogenic GHG removals | 0 |
| Indirect GHG emissions | 37,790.6 |
| Category b): Imported Energy | 2,979.5 |
| Category c): Transportation | 34,811.1 |
| Category d): Products used | / |
| Category e): Use of products | / |
| Category f): Other sources | / |
| Total (Direct + Indirect Emissions excluding anthropogenic biogenic GHG emissions) | 7,369,735.3 |
| Total (Direct + Indirect Removals excluding anthropogenic biogenic GHG removals) | 6,138,392.8 |

**Signed on behalf of Hong Kong Quality Assurance Agency:**

**Lead Verifier:**

**Tommy Lo**
**Date of Issuance: 17 March 2023**

**Assistant Director, Innovation Business:**

**Meico Cheong**

Hong Kong Quality Assurance Agency
19/F., K. Wah Centre, 191 Java Road, North Point, Hong Kong
Contact detail www.hkqaa.org



Remarks:
This verification opinion includes page <1> to page <5>

HKQAA
HONG KONG QUALITY ASSURANCE AGENCY
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14849462-OTH

**Verification Opinion (Continued)**

**Introduction:**

HKQAA has been commissioned by Canvest Environmental Protection Group Company Limited ("Canvest", address: Unit 6803B, Level 68, International Commerce Centre, 1 Austin Road West, Hong Kong) for the verification of its direct and indirect Greenhouse Gas emissions and removals in accordance with ISO14064-3: 2019 as provided by Canvest in its GHG Statement in form of "*Canvest SR 2022 GHG Inventory*" covering GHG emissions and removals of the reporting period 1st January 2022 to 31st December 2022.

**Roles and responsibilities:**

Canvest is responsible for the organization's GHG information system, the development and maintenance of records and reporting procedures in accordance with the system, including the calculation and determination of GHG emissions and removals information, and the reported GHG emissions and removals. HKQAA verification team is responsible for providing an independent GHG verification opinion on the GHG Statement provided by Canvest for the reporting period.

HKQAA conducted a third-party independent verification of the provided GHG Statement against the requirements of ISO 14064-1:2018 from February to March 2023. The verification was based on the verification scope, objectives and criteria as agreed between Canvest and HKQAA.

**Detail of the Scope:**

- The organizational boundary was established following the operational approach.
- The reporting boundaries were established including the identification of direct and indirect GHG emissions and removals associated with the following Canvest's operations of various water facilities.
- Title or description activities: Verification of GHG Inventory 2022 for Canvest
- Location/boundary of the activities:
    - Totally 27 wholly owned facilities in operation stage for municipal waste treatment in Mainland China for over 99% of GHG emissions



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- Physical infrastructure, activities, technologies and processes of the organization:
    - Stationary combustion sources such as fuel combustion for generator set and machinery equipment
    - Direct emissions from waste combustion
    - Mobile combustion sources such as plant vehicles and mobile machines
    - Fugitive emissions from refrigeration / air-conditioning equipment
    - Direct emission from fire extinguishers
    - Indirect energy emissions from purchased electricity
    - Anthropogenic biogenic emissions of methane emissions from treatment of wastewater
    - Contractor transportation of municipal waste to the waste treatment facilities
    - Air travel by employees
    - Employee commuting
    - GHG removal from power generation by waste treatment facilities
- GHG sources, sinks and/or reservoirs included: GHG sources as presented in the "*Canvest SR 2022 GHG Inventory*" of Canvest
- Types of GHGs included: $CO_2$, $CH_4$ and $N_2O$, where $NF_3$, $SF_6$, HFCs and PFCs are either not used by Canvest or not in significant amount.
- The data and information supporting the GHG Statement were hypothetical, projected and/or historical in nature.
- GWP adopted: 100-year global warming potentials (GWPs) identified in the IPCC's Sixth Assessment Report.
- GHG information for the following period was verified: 1st January 2022 to 31st December 2022
- Intended user of the verification opinion: Stakeholders identified by Canvest



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**Conclusion:**

Canvest provided the GHG Statement in form of "*Canvest SR 2022 GHG Inventory*" based on the requirements of ISO14064-1:2018. The GHG information for the reporting period disclosing the total direct and indirect greenhouse gas emissions of 7,369,735.3 tonnes of $CO_2$ equivalent (excluding anthropogenic biogenic GHG emissions), and anthropogenic biogenic GHG emissions of 50,012.6 tonnes of CO2 equivalent, direct greenhouse gas removals of 6,138,392.8 tonnes of $CO_2$ equivalent (excluding anthropogenic biogenic GHG removals), and anthropogenic biogenic GHG removals of zero (0) tonnes of $CO_2$ equivalent are verified by HKQAA to a reasonable level of assurance (within 5%), consistent with the agreed verification scope, objectives and criteria.

HKQAA adopted a risk-based approach for the verification. Our examination includes assessment of evidence relevant to the amounts and disclosures in relation to Canvest's reported GHG emissions.

The verification team assessed the GHG Statement in form of "*Canvest SR 2022 GHG Inventory*" of Canvest including the GHG information system and reporting protocol. This assessment covered the collection of supporting evidence of the reported data and verified the consistency and appropriateness of the provided protocol reference.

Based on the verification process and procedures conducted, there is no evidence that the GHG Statement in form of "*Canvest SR 2022 GHG Inventory*" prepared by Canvest:

- is not materially correct and is not a fair representation of GHG data and information for the reporting period;
- has not been prepared in accordance with ISO 14064-1:2018 on GHG quantification, monitoring and reporting.

HKQAA shall be responsible, and shall remain authority to forthwith suspend or withdraw Canvest's verification opinion under the scheme or reduce the scope of such verification or terminate the contract if Canvest is unable to comply with the requirements of the "Terms and Conditions".



Remarks:
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