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

STRIVE FORWARD IN ENVIRONMENTAL PROTECTION

Sustainability Report
2024

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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 2024 (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, the operating waste-to-energy ("WTE") plants ("Operating WTE Projects"), as well as the environmental hygiene and smart car parking business (combined three core businesses together as "Operating Projects") that are deemed to be the Group's subsidiaries for the fiscal year ended on 31 December 2024 ("FY2024" or the "Reporting Period"). Starting from Sustainability Report 2023, the reporting boundary has been expanded to include environmental hygiene and smart car parking businesses. This change is a result of the Group's strategic transformation to an "Incineration +" business model, anticipating that these two business sectors will become more material to our operations in the future, in addition to our core WTE business. The 2022 data presented in the Report remain unchanged, which only covered the WTE business.

Unless otherwise specified, the ESG performance of the WTE plants classified as 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[1] Sustainability Reporting Standards* (the "GRI Standards") and the *ESG Reporting Guide* under Appendix C2 to the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* ("SEHK"). The Chinese and English versions of this Report[2] have been published on the websites of SEHK (www.hkexnews.hk) and the Group (www.canvestenvironment.com).

The Group has commissioned the Hong Kong Quality Assurance Agency ("HKQAA") as a third-party verification institution to perform an independent audit and verification on the content and data[3] 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 172–178 of this Report presents the Verification Statements.

1 GRI refers to Global Reporting Initiative.

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

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

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.

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.

Consistency

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

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

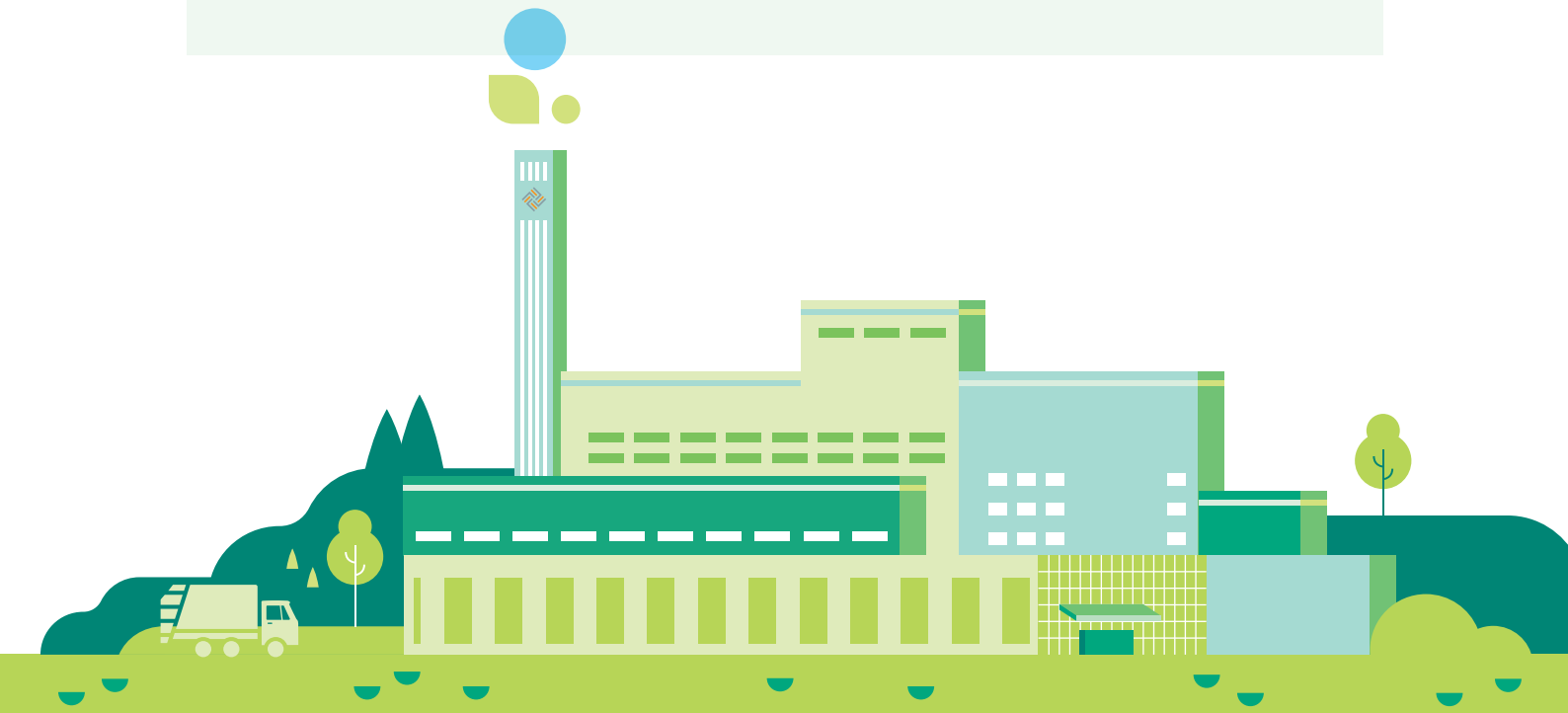
We welcome your valuable comments and suggestions on this Report and our sustainability performance from all stakeholders and the public. Please do not hesitate to share your feedback with us at **info@canvest.com.hk**.

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

In 2022, the Board of Directors (the "Board") established a Strategy and Sustainability Committee (also known as ESG and Climate Risk Management Committee). The Strategy and Sustainability Committee, which is chaired by the Executive Director, was established with the purpose of integrating significant environmental, social, and governance issues into our business development and the formulation of long-term sustainability strategies.

The Strategy and Sustainability Committee holds the responsibility of formulating the Group's ESG and climate change policies, strategies, and objectives. The Strategy and Sustainability Committee reports to the Board regarding the Group's performance and effectiveness in implementing ESG and climate change initiatives. Additionally, the Strategy and Sustainability Committee is tasked with identifying and evaluating sustainability issues, along with their associated strategic risks and opportunities. In turn, the Board shall oversee the activities and reporting of the Strategy and Sustainability Committee, as well as review and approve the Group's sustainability reports.

In order to delegate sustainability-related tasks to Strategy and Sustainability Committee, the Board evaluated material ESG topics in FY2024. The Board is committed to continuous oversight and monitoring of these ESG topics, ensuring that they are meticulously considered when determining the direction and strategies for the Group's business development moving forward.



MESSAGE FROM OUR CHAIRLADY

I am honoured to present Canvest's annual reflection on our ESG performance and initiatives for the year 2024. Despite the complexities and volatility of the macroeconomic landscape, our commitment to sustainability remains unwavering.

Navigating Towards the "Dual Carbon" Goals

The broader economic landscape may present challenges, yet China continues its steadfast commitment to the "Dual Carbon" goals, progressing step by step towards "Carbon Peaking" and "Carbon Neutrality". Recent years, China has introduced a series of industrial policies, emphasising green, low-carbon development and the construction of "Zero-waste Cities" in the long term.

Industry Challenges and Strategic Responses

The WTE industry, after years of development, has entered a stage of stable growth, penetrating from cities to counties. Concentrated market dynamics and diminishing growth opportunities, coupled with orderly and gradual retreat of renewables subsidies, necessitate strategic adjustments for further opportunities. In response, Canvest has diversified our business by developing along the upstream and downstream WTE industry chain. We embraced digital and refined management, enhancing operational and project construction efficiency. We focus on building a smart urban sanitation system, employing smart detection technology to improve quality of service and efficiency of environmental sanitation service and integrating the entire industrial chain in alignment with the national "Zero-waste City" and "Dual Carbon" goals. This strategic positioning enables us to coordinate projects effectively and seize opportunities presented by the "Incineration +" business model. Moving forward, Canvest will actively pursue opportunities in the area of smart city management services and strive to achieve synergistic effects across all business sectors.

Technological Innovation

Canvest's journey involves a proactive stance towards technological innovation. Moving from quantitative to qualitative growth, the Group employs refined project management, focusing on production and operation indicators, addressing shortcomings, and improving weaknesses. The exploration of light asset project modes and entrusted operation integrated services, coupled with the utilisation of green technologies, positions Canvest to explore comprehensive smart city management businesses.

Contributions to Sustainable Development

Canvest aligns its actions with United Nations Sustainable Development Goals (SDGs), national obligations, and industry standards. Our WTE project portfolio now spans 35 projects across 12 provinces and municipalities in China, with 32 operating projects, reinforcing our commitment to address environmental challenges. Despite our expansion, we consistently uphold exceptional operational standards to deliver excellent environmental and social performance across all our projects, ensuring our active role in achieving SDGs.

In 2024, our WTE projects (classified as subsidiaries) played a crucial role in handling MSW in a sustainable manner. By treating 13,901,789 tonnes of MSW, we avoided 8,431,368 tonnes of CO_2 equivalent emissions. The sale of 4,528,694 MWh of green electricity further exemplifies our dedication to environmental sustainability by offering a substitute to fossil-fueled power.

A Forward-Looking Approach

Looking ahead, Canvest is poised to embrace new opportunities and challenges. The global economic landscape may present uncertainties, but our focus on sustainable development remains steadfast. We are equipped to boost company growth through seeking new paths, broadening business horizons and injecting new energy.

In the meantime, the Group has officially undertook the operation of the North Lantau Transfer Station ("NLTS") and Outlying Islands Transfer Facilities ("OITF") and commenced a series of technological upgrading, laying a solid foundation for us to penetrate the environmental protection industry chain and embark on a new chapter in our development in Hong Kong. This important achievement marks our geographical breakthrough in developing an environmental industry chain in Hong Kong and is an important step for the Group in expanding its presence in the Guangdong-Hong Kong-Macao Greater Bay Area.

In conclusion, Canvest reaffirms its commitment to environmental and social responsibility. By "Uniting as one, working meticulously, and striving for excellence", we aim to be a catalyst for positive change. Our dedication to sustainable development will remain our top priority, as we contribute to building a greener and more resilient future. Canvest will continue to undertake our mission to "protect the blue sky and clean water and build a beautiful home".

We extend our sincere gratitude to our shareholders, capital partners, and stakeholders for their unwavering support. Canvest will continue to maintain confidence, refine strategies, and strive for innovation, pursuing breakthroughs and sustainable growth in operations. Together, let us create a better environment and lead the development of the industry.

Thank you for your continued trust and support.

Lee Wing Yee Loretta
Chairlady
Hong Kong, 7 April 2025

ABOUT CANVEST

Canvest Environmental Protection Group Company Limited is a Cayman Islands-incorporated business with its headquarters in Hong Kong and Dongguan. It is a leading comprehensive urban environmental protection and sanitation solutions provider, specialising in the operation and management of WTE plants, as well as the delivery of intelligent urban environmental hygiene and related services.

We have 35 secured WTE projects in China as of 31 December 2024. Several of our active projects have been granted the title "Grade AAA Innocuous Waste Incineration Plant", which is a top achievement in the grading system. Seizing the market opportunities arising from "Incineration +", the Group has successfully developed upstream and downstream asset light businesses. Going forward, we will continue to capture new opportunities presented by green economy.

The Company has been listed on the Main Board of SEHK (stock code: 1381) since 29 December 2014.

KEY SUSTAINABILITY PERFORMANCE

MSCI ESG Rating of "A"

MSCI ESG RATINGS

A

CCC | B | BB | BBB | A | AA | AAA

RATING ACTION DATE: March 15, 2024
LAST REPORT UPDATE: March 05, 2025

Received a score of "B" in the CDP Climate Change Questionnaire

CDP

PROFILE OF CANVEST

Canvest embarked on its journey in the WTE sector in 2003, strategically cultivating a robust environmental industry chain with the goal of fostering environmental protection and enhancing urban sustainability. While steadfastly maintaining its focus on the WTE sector as the cornerstone of its operations, Canvest has expanded its endeavours to include upstream and downstream asset-light businesses, capitalising on their growth potential. This evolution has propelled Canvest into the realm of integrated smart city services, where it now stands as a forward-thinking provider committed to advancing urban efficiency and innovation.

The Group has incorporated three investment platforms, namely Canvest Kewei, Canvest Yuezhan and Canvest SciWin to manage WTE and integrated smart city management projects. Canvest Kewei undertakes investment, construction, operation and management of municipal WTE plants. Canvest Yuezhan is mainly engaged in the integration of environmental sanitation business, the treatment of general industrial waste and hazardous waste. Canvest SciWin applies cutting-edge green technologies to provide smart urban services in form of innovative smart parking solutions. The three investment platforms synergise seamlessly, fostering a harmonious development of the entire industrial chain. Canvest not only champions environmental sustainability but also contributes significantly to the evolution of smart cities by integrating intelligent technologies into various facets of urban life.

Canvest provides urban environment management with one-stop comprehensive solutions, of which businesses cover power generation from municipal solid waste, treatment of kitchen waste, treatment of general industrial waste and hazardous waste, operation and management of landfills, processing of buried waste from landfills for energy recovery, and integrated environmental sanitation services.

The Group started to extend its reach of environment sanitation integration projects in Hong Kong by holding 30.75% equity interest in Hong Kong Johnson Holdings Co., Ltd, a leading environmental hygiene service provider in Hong Kong and listed in SEHK. In 2024, Canvest has been officially taken up the operation of the NLTS and OITF in Hong Kong. Operating the first waste transfer station project in Hong Kong marks a regional breakthrough for Canvest and an important step towards developing its environmental protection industrial chain in Hong Kong.

Waste-to-Energy

Canvest's WTE plants employ advanced moving grate technology in the incineration process to optimise energy efficiency. We have consistently adhered to high operational standards, making all of our WTE projects industrial benchmarks in their respective localities. The flue gas emissions performance surpasses all national environmental standards, and even some of the EU standards.

By December 2024, the Group owned 35 WTE projects, including 32 operating projects, in 12 provinces, autonomous regions and municipalities across the country, covering Guangdong, Guangxi, Yunnan, Guizhou, Sichuan, Jiangxi, Shandong, Shanxi, Hebei, Liaoning, Jiangsu and Shanghai.

Environmental Hygiene & Related Services

Leveraging our expertise in waste incineration, the Group strategically expands its industrial footprint by swiftly entering regional environmental sanitation integration. We systematically build a network for the collection and transportation of solid waste, including MSW, general industrial solid waste, and hazardous waste. Additionally, we establish an efficient industrial coordination network, and a well-structured urban operation network through smart management initiatives. Canvest Yuezhan aims to collaborate with the Group's WTE business and build a regional, and even national urban cleaning and waste collection system. At present, the Group delivers environmental hygiene and related services including urban-rural road cleaning, river channel management, greenery management, sorting, collection, transportation and transfer of urban-rural household waste and kitchen waste, and public toilets management.

We have incorporated smart environmental sanitation management methods, leveraging the internet, Internet of Things (IoTs), artificial intelligence (AI), big data and other innovative technologies. Our goal is to enhance the quality and efficiency of our environmental sanitation services.

Real-time monitoring

- Real-time monitoring of vehicle operations
- Detailed routes analysis to improve management efficiency; if a vehicle deviates from its path, a lane deviation warning will be displayed
- The system platform allows the communication modules to transmit real-time video to the platform for remote monitoring

Vehicle operation analysis

- Operational data for individual vehicles or the entire fleet can be queried over any specified time period, including vehicle data collection activity, duration, and the proportion of time spent in operation

Energy consumption data

- The vehicle's total and idling fuel consumption is recorded and available for query, providing data to support the control of vehicle operating costs
- The system platform records and analyses the vehicle speed, engine speed, and real-time fuel consumption over defined periods to guide and regulate driver behaviour

Urban Smart Parking

The urban comprehensive management services offered by the Group encompass not only waste and environmental hygiene but also smart parking services. By developing and utilising AI technology, we endeavour to deliver a smart parking solution to enhance the quality of life of the city.

Through the integration of Artificial Intelligence of Things (AIoT), the internet, and other advanced technologies, we efficiently manage parking spaces that result in increased driver efficiency in locating a parking space, which in turn saved fuels and carbon emission, increased operational efficiency while minimising errors, and strengthened urban management.

Canvest SciWin provided urban smart parking solutions to over 11,000 parking spaces across 3 provinces, yielding both economic and social benefits.

Intelligent patrolling vehicles and geomagnetic parking space detectors

Automatic photo evidence capture, accurate positioning, fast data upload

Intelligent parking data management system

Combined AI technology, big data analysis and other technologies, achieving digitally lean operation and dynamically mastering the parking situation

App for drivers

Online payment and receipt, parking guidance, information enquiry

BUSINESS HIGHLIGHTS

WTE Business Highlights

MAJOR ACHIEVEMENTS

Processed **13,901,789** tonnes of MSW

Sold **4,528,694** MWh of green electricity

SERVING OUR CLIENTS

244 Government clients

131 Commercial clients

SUPPLY CHAIN

Purchased from **1,131** suppliers

Total supply value RMB **1,242** million

29

WTE PROJECTS

(classified as subsidiaries) in operation in 2024

GREEN OPERATION

Avoided **8,431,368** tonnes of CO_2e emissions

Saved **1,380,346** tonnes of standard coal

POWER TRANSMISSION

Transmission lines

117 km (overhead)

47 km (underground)

Transmission loss **0.32**%

Environmental Hygiene & Related Services Business Highlights

Total cleaning area 24.73 km²

- Roads: **15.16** km²
- Greening: **3.15** km²
- River Channels: **6.42** km²

Waste transfer capacity

More than **2,200** tonnes/day

Public toilet maintenance

220 nos.

Waste sorted for recycling

- Paper: **16,179** kg
- Plastic: **1,521** kg
- Metals: **669** kg
- Glass: **325** kg
- Fabric: **2,808** kg
- Others: **482** kg

More than
11,000
parking spaces in
3 provinces

Smarty City Management Services Business Highlights

The demand for comprehensive waste management services, spanning environmental sanitation, and garbage collection and treatment, is continuously increasing as China transitions from a linear to a circular carbon economy. The Group is committed to serving as a premier provider of integrated urban environmental protection and sanitation solutions and will consistently review and enhance the Group's development strategies to progress towards sustainable development.

From upstream environmental sanitation and waste collection to ultimate waste treatment with energy recovery, Canvest has continuously expanded its business scope along the value chain. The Group is actively collaborating with various business partners to explore new opportunities in the carbon trading market and carbon assets, aligning with the Chinese government's initiatives for "Carbon Peaking" and "Carbon Neutrality".

The following table shows the status of our WTE projects as of the date of our Annual Report 2024:

Project	Abbreviation of the Project Name	Location		Daily MSW processing capacity	Installed power generation capacity
In operation — classified as subsidiaries:					
1 Eco-Tech I WTE Plant	Dongguan WTE Project	Guangdong	Dongguan	1,800 tonnes	36 MW
2 Eco-Tech II WTE Plant		Guangdong	Dongguan	1,500 tonnes	50 MW
3 Kewei WTE Plant	Kewei WTE Project	Guangdong	Dongguan	1,800 tonnes	30 MW
4 China Scivest I WTE Plant	China Scivest WTE Project	Guangdong	Dongguan	1,800 tonnes	42 MW
5 China Scivest II WTE Plant		Guangdong	Dongguan	1,200 tonnes	36 MW
6 Zhanjiang WTE Plant	Zhanjiang WTE Project	Guangdong	Zhanjiang	1,500 tonnes	30 MW
7 Qingyuan WTE Plant	Qingyuan WTE Project	Guangdong	Qingyuan	Phase 1: 1,500 tonnes Phase 2: 1,000 tonnes	50 MW
8 Zhongshan I WTE Plant	Zhongshan WTE Project	Guangdong	Zhongshan	1,040 tonnes	24 MW
9 Zhongshan II WTE Plant		Guangdong	Zhongshan	2,250 tonnes	70 MW
10 Lufeng WTE Plant	Lufeng WTE Project	Guangdong	Lufeng	Phase 1: 1,200 tonnes Phase 2: 400 tonnes (Planning)	Phase 1: 30 MW Phase 2: 12 MW (Planning)
11 Xinyi WTE Plant	Xinyi WTE Project	Guangdong	Xinyi	1,000 tonnes	24 MW
12 Xuwen WTE Plant	Xuwen WTE Project	Guangdong	Xuwen	750 tonnes	18 MW
13 Dianbai WTE Plant	Dianbai WTE Project	Guangdong	Maoming	Phase 1: 1,500 tonnes Phase 2: 750 tonnes (Planning)	Phase 1: 50 MW Phase 2: 25 MW (Planning)

Project	Abbreviation of the Project Name	Location		Daily MSW processing capacity	Installed power generation capacity
In operation — classified as subsidiaries:					
14 Shaoguan WTE Plant	Shaoguan WTE Project	Guangdong	Shaoguan	Phase 1: 700 tonnes Phase 2: 350 tonnes (Planning)	24 MW
15 Laibin WTE Plant	Laibin WTE Project	Guangxi	Laibin	Phase 1: 1,000 tonnes Phase 2: 500 tonnes (Planning)	Phase 1: 24 MW Phase 2: (Planning)
16 Beiliu WTE Plant	Beiliu WTE Project	Guangxi	Beiliu	Phase 1: 700 tonnes Phase 2: 350 tonnes	24 MW
17 Xingyi WTE Plant	Xingyi WTE Project	Guizhou	Xingyi	Phase 1: 700 tonnes Phase 2: 500 tonnes	Phase 1: 12 MW Phase 2: 12 MW
18 Qiandongnan Prefecture South Area WTE Plant	Liping WTE Project	Guizhou	Liping	Phase 1: 700 tonnes Phase 2: 350 tonnes (Planning)	15 MW
19 Zaozhuang WTE Plant	Zaozhuang WTE Project	Shandong	Zaozhuang	Phase 1: 1000 tonnes Phase 2: 800 tonnes	Phase 1: 15 MW Phase 2: 15 MW
20 Jingjiang WTE Plant	Jingjiang WTE Project	Jiangsu	Jingjiang	Phase 1: 800 tonnes Phase 2: 400 tonnes (Planning)	Phase 1: 15 MW Phase 2: 7.5 MW (Planning)
21 Ruili WTE Plant	Ruili WTE Project	Yunnan	Ruili	Phase 1: 600 tonnes Phase 2: 400 tonnes (Planning)	Phase 1: 15 MW Phase 2: Planning
22 Xiangyun WTE Plant	Xiangyun WTE Project	Yunnan	Xiangyun	Phase 1: 500 tonnes Phase 2: 500 tonnes	18 MW
23 Mancheng WTE Plant	Mancheng WTE Project	Hebei	Mancheng	Phase 1: 500 tonnes Phase 2: 500 tonnes	24 MW
24 Yingkou WTE Plant	Yingkou WTE Project	Liaoning	Yingkou	Phase 1: 1,500 tonnes Phase 2: 750 tonnes (Planning)	Phase 1: 30 MW Phase 2: 15 MW (Planning)
25 Xinfeng WTE Plant	Xinfeng WTE Project	Jiangxi	Xinfeng	Phase 1: 400 tonnes Phase 2: 400 tonnes	15 MW
26 Linfen WTE Plant	Linfen WTE Project	Shanxi	Linfen	Phase 1: 800 tonnes Phase 2: 400 tonnes (Planning)	Phase 1: 15 MW Phase 2: 15 MW (Planning)
27 Taizhou WTE Plant	Taizhou WTE Project	Jiangsu	Taizhou	850 tonnes	18 MW
28 Huizhou WTE Plant	Huizhou WTE Project	Guangdong	Huizhou	1,000 tonnes	30 MW
29 Yi County WTE Plant	Yi County WTE Project	Hebei	Yi County	800 tonnes	18 MW

Project	Abbreviation of the Project Name	Location		Daily MSW processing capacity	Installed power generation capacity
In operation — classified as joint ventures/associates:					
30 Jianyang WTE Plant	Jianyang WTE Project	Sichuan	Jianyang	Phase 1: 1,500 tonnes Phase 2: 1,500 tonnes (Planning)	Phase 1: 36 MW Phase 2: 18 MW (Planning)
31 Machong WTE Plant	Machong WTE Project	Guangdong	Dongguan	2,250 tonnes	80 MW
32 Baoshan WTE Plant	Baoshan WTE Project	Shanghai	Baoshan	3,800 tonnes	126 MW

Project	Abbreviation of the Project Name	Location		Daily MSW processing capacity	Installed power generation capacity
Under planning:					
33 Huidong WTE Plant	Huidong WTE Project	Guangdong	Huidong	1,500 tonnes	36 MW
34 Baise WTE Plant	Baise WTE Project	Guangxi	Baise	Phase 1: 700 tonnes Phase 2: 500 tonnes	Phase 1: 15MW Phase 2: 10MW
35 Quyang WTE Plant	Quyang WTE Project	Hebei	Quyang	Phase 1: 700 tonnes Phase 2: 350 tonnes	Planning

The following table shows the status of our major integrated environmental sanitation service projects as of the date of our Annual Report 2024:

Project	Abbreviation of the Project Name	Location		Waste collected in 2024 (Tonnes)
1 **Xinyi City Rural MSW Collection and Transfer Project**	Xinyi Environmental Sanitation Project	Guangdong	Xinyi	104,921
2 **Dangshan County Urban Butler Service Concession Project**	Dangshan Environmental Sanitation Project	Anhui	Dangshan	116,724
3 **Luoding City Urban-Rural MSW Transfer and Disposal Project**	Luoding Environmental Sanitation Project	Guangdong	Luoding	164,511
4 **Quyang Urban Environmental Sanitation Service Project**	Quyang Environmental Sanitation Project	Hebei	Quyang	46,789
5 **Quyang County Urban-Rural Environmental Sanitation and MSW Compression, Transfer and Processing Project**	Quyang TOT Project	Hebei	Quyang	104,964
6 **Mancheng Urban Environmental Sanitation Operation Project**	Mancheng Environmental Sanitation Project	Hebei	Baoding	17,748
7 **Mancheng Domestic Waste Sorting Project**	Mancheng Waste Sorting Project	Hebei	Baoding	853
8 **Laishui Environmental Sanitation Project**	Laishui Environmental Sanitation Project	Hebei	Laishui	16,752
9 **Yi County MSW Transfer Station Project**	Yi County TOT Project	Hebei	Yi County	82,827

The following table shows the status of our major smart car parking service projects as of the date of our Annual Report 2024:

Project	Abbreviation of the Project Name	Location		Number of Parking Spaces Provided
1 **Dongguan City Nancheng District Intelligent Parking Management Project**	Dongguan Parking Project	Guangdong	Dongguan	1,068
2 **Ningxiang City Smart Parking Service Operation Project**	Ningxiang Parking Project	Hunan	Ningxiang	5,757
3 **Huaihua City Hongjiang District Smart Parking Project**	Hongjiang Parking Project	Hunan	Huaihua	393
4 **Huaihua City Zhijiang County Smart Parking Management Project**	Zhijiang Parking Project	Hunan	Huaihua	2,387
5 **Huitong County Smart Parking Project**	Huitong Parking Project	Hunan	Huitong	1,114
6 **Yingshan County Urban Parking Space Operation Concession Project**	Yingshan Parking Project	Hubei	Yingshan	398

SUSTAINABLE DEVELOPMENT GOALS

SUSTAINABLE DEVELOPMENT GOALS

The Group has identified 13 Sustainable Development Goals ("SDGs") that are most relevant to our business objectives, acknowledging the significance of integrating the United Nations SDGs into our daily operations and business strategies to promote sustainability. These SDGs are featured in this section as they are closely connected to our sustainable development approach, spanning the realms of business, environment, people, and communities.

BUSINESS

Affordable and Clean Energy

Our WTE plants provide a hygienic, technologically advanced and effective waste treatment method that produces clean energy from MSW, alleviating burden on landfills.

By converting 13,901,789 tonnes of MSW into electricity, the on-grid green electricity generated from our Operating WTE Projects in 2024 equals the annual electricity consumption of approximately 1,801,706 households.

Additionally, 17% of our fleet for urban environment sanitation and cleaning services are Electric Vehicles (EVs), it helps reducing GHG emissions. We have invested in research and development to explore the feasibility and technology for installing photovoltaic related machineries and equipment within our project areas.

Decent Work and Economic Growth

We promote a sustainable and inclusive work environment and human resources system, which includes decent remuneration, benefits, and subsidies, as well as equitable hiring and promotion practices.

Our Group offers an entry-level wage significantly higher than the local statutory wage, demonstrating our commitment to fair compensation practices. The details are reported in the chapter "Our People". The integration of WTE into our one-stop waste management service has the potential to benefit upstream businesses, particularly given that workers in the environmental sanitation sector often receive low wages.

The service mode of "technology + operation" of our environmental hygiene projects leverages intelligent operation systems and cloud platforms in our operations. This approach has enhanced the working environment for our employees.

Industry, Innovation and Industrialisation

We actively promote innovation through the use of new technology in WTE operations, accelerating the transition to smart and eco-friendly cities.

In recent year, the Group introduced integrating cutting-edge technologies such as IoTs, AI and big data to our WTE plants. Apart from it, we are exploring the opportunities to introduce unmanned environmental sanitation equipment to advance smart urban sanitation and foster innovation in our operational landscape. Currently we have made progress in applying innovative technologies in our WTE plants and environmental sanitation business for energy consumption monitoring, quality and efficiency enhancement.

Sustainable Cities and Communities

We provide full-chain waste management services that include cleansing, collection, treatment, and residue disposal. We actively improve the operation and management of our WTE plants and environmental hygiene projects so as to enhance efficiency, improve safety and security, and reduce fuel consumption and emissions.

Partnerships for the Goals

We have actively participated in the Carbon Disclosure Project (CDP), which is an independent environmental disclosure system for companies to disclose environmental information to stakeholders in a voluntary basis. We advocate the transparency of climate information across the industries.

Responsible Consumption and Production

In alignment with Canvest's *QHSE Management Manual* and Social Accountability Management System, we mandate that all our suppliers and contractors should adhere to the highest applicable standards of ethical conduct in their business, societal, and environmental practices.

Bottom ash generated from our WTE operation are transferred to third-party entities or associates of the Group for recycling purposes. It will be recycled to produce eco-bricks for various usage or used for road pavement, contributing to the promotion of circular economy.

Climate Action

The production of electricity from MSW not only avoids GHG emissions from burning fossil fuels to generate energy but also helps in preventing the formation of methane, a GHG with high global warming potential, from degradation of waste in landfills. Yingkou WTE Project has successfully registered on the Verified Carbon Standard (VCS) programme, which allows us to generate carbon credits from our WTE operation, further details are discussed in "Our Environment" chapter.

In 2024, the sale of 4,528,694 MWh of green electricity and 312,128 tonnes of steam by our Operating Projects avoiding 8,431,368 tonnes of CO_2 equivalent emissions and conserved 1,380,346 tonnes of standard coal from power generation.

Life Below Water

Most of the leachate and wastewater produced during MSW treatment is appropriately treated and reused on-site, thereby reducing the water demand of our WTE projects. Our landfill remediation projects, which extract and treat buried waste, help prevent further underground water contamination.

During the Reporting Period, the Group has successfully reclaimed and reused 74% of the treated effluent on average.

Life On Land

WTE technology facilitates sustainable and environmentally friendly waste management strategies, preventing waste from being deposited in land-demanding landfills. Such approach presents the best available solution by far and helps avoid harm to the local environment and ecosystems.

We are managing multiple landfill remediation projects and our WTE plants also incinerate waste extracted from landfills in response to the government's initiative. This long-term strategy not only addresses waste management but also contributes to the restoration of land for beneficial use, supporting sustainable life on land.

PEOPLE/COMMUNITY

No Poverty

The Group and its employees continually contribute to local initiatives and charitable causes through participation in donations, events, and volunteering activities.

In 2024, the Group donated HK$3.16 million to support the community.

Good Health and Well-Being

Our urban environmental sanitation and cleaning services, along with our WTE operations, effectively enhance hygiene, reduce disease vectors, and mitigate air pollution within communities.

Quality Education

In our WTE plants, we have incorporated interactive exhibits and diverse multimedia tools to showcase cutting-edge WTE processes. Through consistently organising educational activities and site visits, we are transforming our projects into educational hubs that welcome public visits.

In 2024, a total of 22,479 visitors visited different projects of the Group, of which 22,301 visitors came to our WTE plants.

Gender Equality

The Group is devoted to complying with all legal requirements aimed at protecting the rights and interests of individuals of all genders.

The appointment of female employees to key leadership positions, such as Chairlady and CFO, reflects our commitment to recognising and valuing the contributions of employees, irrespective of gender.

Reduced Inequalities

We are committed to ensuring that our employees are not subjected to any form of discrimination or denied opportunities at work due to factors such as age, gender, sexual orientation, relationships, family status, disability, race, ethnicity, nationality, financial status, religious, or political beliefs.

As of the end of the Reporting Period, ethnic minorities accounted for 4.24% of the Group's workforce.

STAKEHOLDER ENGAGEMENT

COMMUNICATION WITH STAKEHOLDERS

GRI 2-29

Recognising the significance of stakeholders to our business, Canvest places great importance on understanding the perspectives of both internal and external stakeholders. We actively seek and value constructive feedback and comments, fostering continuous communication to comprehend stakeholder opinions and primary concerns. This ongoing dialogue provides invaluable insights that shape our business strategies and operational practices. Engaging with stakeholders is an integral part of our daily operations, aligning with the standards outlined in our *External Communication Procedure* and *Client Service Management Procedure*.

To reinforce sustainable practices in our supply chain, Canvest has instituted the *Contractor Management Procedure* and *Supplier Management Procedure*. These documents detail the Group's evaluation processes for contractors and suppliers, facilitating collaborative efforts to achieve sustainable goals in economic performance, work quality, environmental protection, and occupational health and safety.

By maintaining transparent communication channels with a diverse array of stakeholders, including contractors and suppliers, we continually refine our operations and sustainability approach. Our stakeholder communication channels include:

Investors, Shareholders

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

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

Business Partners

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

Contractors, Suppliers

- Tendering process
- Regular/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

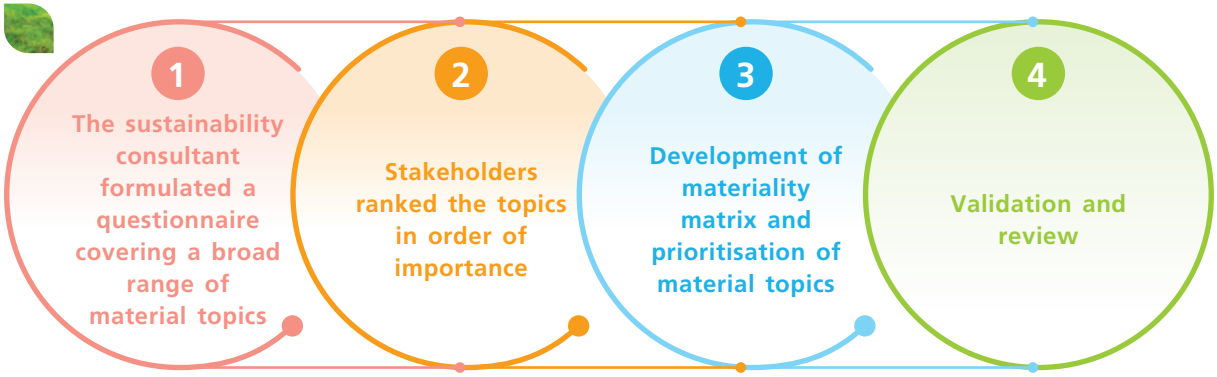
MATERIALITY ASSESSMENT

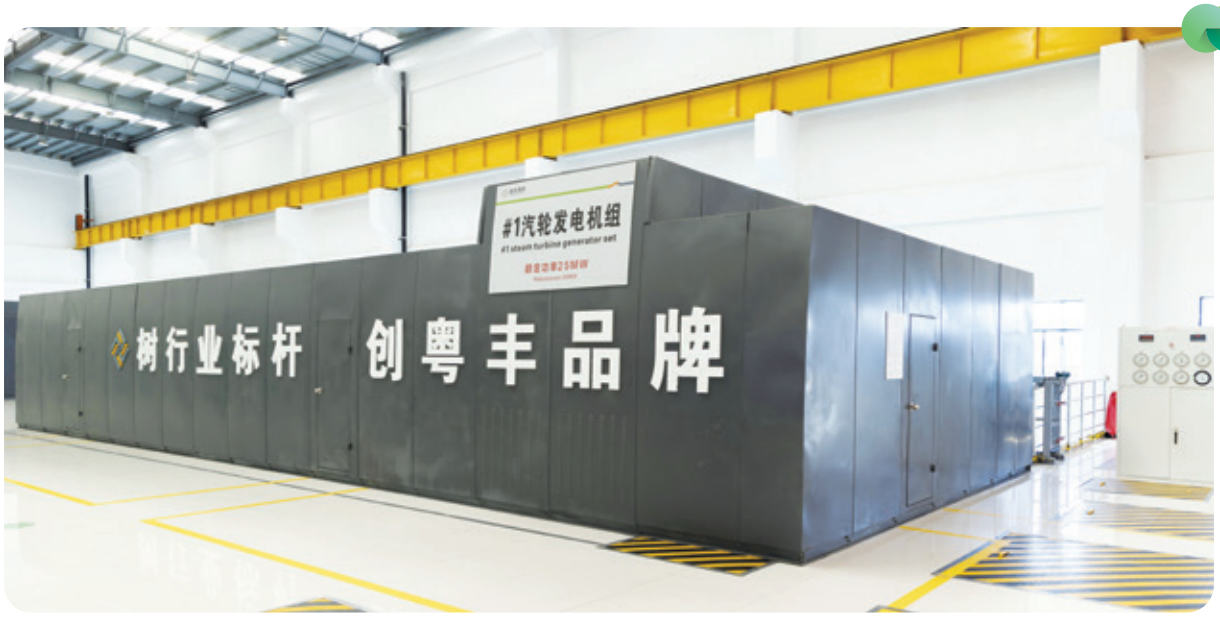
GRI 2-29
GRI 3-1

On an annual basis, Canvest conducts a stakeholder-driven materiality assessment aimed at identifying and evaluating potential environmental, social and economic topics that may significantly impact the Group's operational activities. Throughout the Reporting Period, we distributed surveys to stakeholders, inviting them to rank the relative importance of each material topic and provide feedback on Canvest's sustainability strategies and performance. To ensure impartiality and objectivity in the materiality assessment, we engaged our sustainability consultant to oversee the entire process.

The materiality assessment received 34 responses from a diverse range of stakeholders, including employees, contractors/suppliers, investors/shareholders, business partners, media, industry associations and representatives from non-governmental organisation. This inclusive approach ensures a comprehensive understanding of stakeholder perspectives and priorities, guiding our sustainability efforts in a well-informed manner.

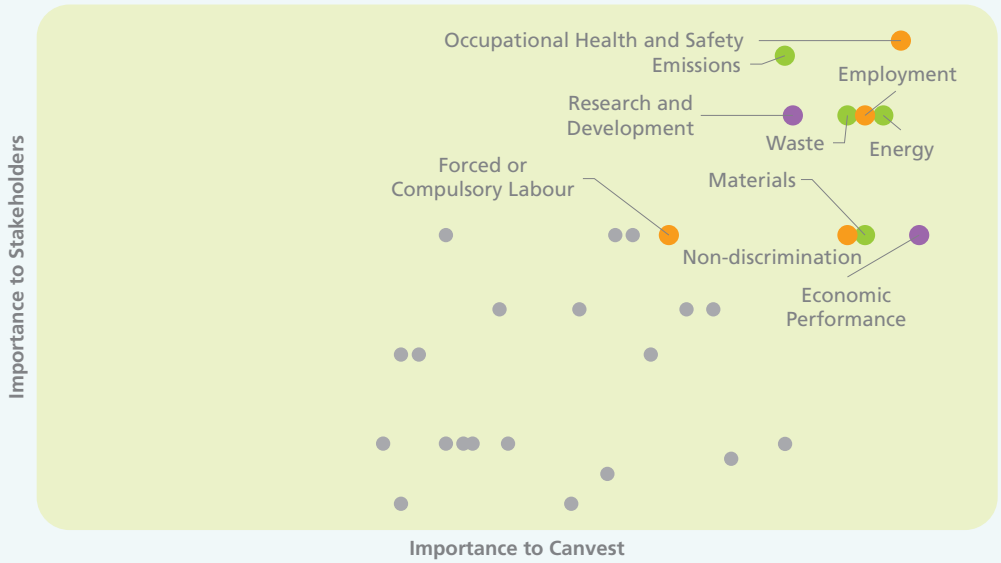
Canvest's Materiality Assessment Process





Materiality Matrix

To assess, prioritise, and validate the materiality of sustainability topics identified by stakeholders in the survey, a four-step process was employed. The significance of topics to both stakeholders and Canvest was considered, leading to their placement in a matrix. The materiality of an issue was determined based on its position in the matrix, categorised as low, medium, or high. The Group subsequently verified the materiality assessment of all identified topics. This rigorous process ensures a thorough understanding of the importance and impact of sustainability issues on both stakeholders and Canvest.



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**
8. Tax

Environmental

9. **Materials**
10. **Energy**
11. Water and Effluents
12. Biodiversity
13. **Emissions**
14. **Waste**
15. Supplier Environmental Assessment

Social

16. Labour/ Management Relations
17. **Employment**
18. **Occupational Health and Safety**
19. **Forced or Compulsory Labour**
20. Diversity and Equal Opportunity
21. **Non-discrimination**
22. Freedom of Association and Collective Bargaining
23. Child Labor
24. Training and Education
25. Security Practices
26. Rights of Indigenous People
27. Local Communities
28. Supplier Social Assessment
29. Public Policy
30. Customer Health and Safety
31. Marketing and Labelling
32. Customer Privacy

Canvest's Top 10 Material Topics

Material Topics and Stakeholders' Concerns	Impacts and Scope: Investors, Shareholders	Employees	Clients	Business Partners	Contractors, Suppliers	Industry Associations	NGOs	Media	GRI Standards
1. Waste	✓	✓	✓		✓	✓	✓	✓	GRI 306: Waste 2020
2. Economic Performance	✓	✓	✓	✓	✓	✓	✓	✓	GRI 201: Economic Performance 2016
3. Energy	✓	✓	✓		✓	✓	✓	✓	GRI 302: Energy 2016
4. Materials	✓	✓	✓	✓	✓	✓	✓	✓	GRI 301: Materials 2016
5. Research and Development	✓	✓	✓		✓	✓	✓	✓	N/A
6. Emissions	✓	✓	✓		✓	✓	✓	✓	GRI 305: Emissions 2016
7. Non-discrimination	✓	✓	✓	✓	✓	✓	✓	✓	GRI 406: Non-discrimination 2016
8. Occupational Health and Safety	✓	✓	✓	✓	✓	✓	✓	✓	GRI 403: Occupational Health and Safety 2018
9. Employment	✓	✓	✓	✓		✓	✓	✓	GRI 401: Employment 2016
10. Forced or Compulsory Labour	✓	✓	✓		✓	✓	✓	✓	GRI 409: Forced or Compulsory Labor 2016

OUR SUSTAINABLE BUSINESS

MAJOR POLICY AND PROCEDURE

Environmental

- *Operation Environmental Control Procedure*
- *Production and Operation Management Procedure*
- *Implementation Measures for Energy Saving in Power Plants*
- *Resource Control Procedure and Social Responsibility System Operation Manual — Requirements on the Use of Electricity and Requirements on the Use of Water*
- *Water Conservation Management Regulations*
- *Environmental Factors Identification, Evaluation and Control Procedure*
- *Management System Against Typhoons and Floods*
- *Environmental Protection Management System*
- *Environmental Protection Assessment Management System*

Our environmental-related policies cover a broad spectrum of aspects, ranging from operational controls and production management to specific measures for energy saving in WTE plants. Emphasis is placed on responsible resource usage, with detailed procedures outlining the requirements for electricity and water consumption. Water conservation is a specific focus, alongside the identification, evaluation, and control of environmental factors. We are also prepared for natural disasters such as typhoons and floods through a dedicated management system.

Overall, the policies contribute to a comprehensive environmental protection management system, which includes regular assessments for continuous improvement in environmental protection measures.

Social

- *Whistleblowing Policy*
- *External Communication Procedure*
- *Client Service Management Procedure*
- *Contractor Management Procedure*
- *Supplier Management Procedure*
- *Tender Management Procedure*
- *Business Contract Management Procedures*
- *Employment Policy*
- *Anti-Discrimination Procedure*
- *Prohibition of Child Labour and Remedial Procedure*
- *Elimination of Forced Labour Procedure*
- *Human Resources Control Procedure*
- *Social Responsibility System Training Management Procedures*
- *Occupational Health and Labour Protection Management Policy*
- *Safety Performance Management Policy*
- *Labour Protection of Female workers Procedure*
- *Emergency Preparedness and Response Control Procedure*

Our social-related policies comprise a comprehensive framework governing organisational conduct and interactions. This framework provides guidance for effective and high-quality communication and management with a diverse range of external stakeholders. Internally, it oversees responsible employment practices to ensure our commitment to social responsibility. These policies extend to occupational health and safety, employee welfare and ethical practices.

Governance

- *Anti-Corruption and Anti-Bribery Management Procedure*
- *Internal Audit Control Procedure*
- *Risk Identification, Assess, and Control Procedure*
- *Grievance and Compliant Procedures*
- *Freedom of Association and Collective Bargaining Procedure*
- *Confidentiality Management Policy*
- *Document Management Policy*
- *Contract Management Policy*

Our corporate governance policies collectively establish a robust framework for ethical and transparent organisational practices. They address key aspects such as the prevention of corruption and bribery, internal audit, systematic risk identification and management, procedures for handling grievances and complaints, support for employee rights, confidentiality measures for sensitive information, streamlined document and contract management policies. Together, these policies contribute to fostering a culture of integrity, accountability, and effective governance within the Group.

Canvest is one of the leading integrated environmental protection and sanitation services providers in China. In order to serve dual purposes of generating green electricity and environment-friendly treatment of waste, we combine the adoption of MSW as feedstock with our engineering expertise in use of advanced technologies and energy-efficient designs at our WTE plants.

In Q1 2024:

- Awarded the Urban Butler Service Concession Project in Dangshan County, Anhui Province, with a service period of 25 years and the contact amounted to RMB1,795 million, which was the Group's first environmental sanitation project in Anhui Province
- Commenced operation of the North Lantau Transfer Station and the Outlying Islands Transfer Facilities, and implemented a series of technological upgrades

In Q2 2024:

- 1 WTE project has ascertained approximately 240,000 tonnes of Verified Carbon Units (VCUs) under the Verified Carbon Standard (VCS)

In Q3 2024:

- Quyang project of Canvest Yuezhan successfully introduced a batch of new environmentally friendly waste collection and transportation vehicles, providing a solid support for the continuous and stable operation of waste collection and transportation

In Q4 2024:

- Entered into a term loan facility in the aggregate amount of RMB360 million with Asian Development Bank to support efficient municipal solid waste management and WTE in China
- China Scivest Project won the "Global Model of Environmental Protection and Restoration" award in the "2024 New Sustainable Cities and Human Settlements Awards" organised by the Global Forum on Human Settlements (GFHS), earning an international accolade from the United Nations

Canvest is dedicated to upholding the most current environmental standards and fulfilling its corporate social responsibility commitments. Through efficient resource utilisation and the advancement of innovative technologies, we strive to raise public awareness on environmental protection and contribute to a sustainable environment for our employees and the broader community.

ENVIRONMENTAL, CLIMATE, SOCIAL AND CORPORATE GOVERNANCE

Board Composition
(as at 31 December 2024)

4
Executive Directors

1
Non-Executive Directors

4
Independent Non-Executive Directors

We are dedicated to practicing strong corporate governance and ensuring clear responsibilities and effective risk management. We firmly believe that establishing sustainable, credible, and transparent governance practices would strengthen our stakeholder relationships and boost their confidence in us.

To assist the Board in discharge of its responsibilities, 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 Task Force was also established to assess and manage climate-related issues, strategic risks and opportunities, directly reporting to the SSC.

Canvest employs a hierarchical and dedicated sustainability governance approach to manage environmental and climate-related issues. The Board, with assistance from the Audit Committee and Internal Audit Department, oversees sustainability performance and establishes internal control and risk management systems, subject to annual evaluations. The Audit Committee supervises internal control systems and procedures, while the Internal Audit Department monitors workflow and risk assessments within business units to ensure effective implementation. Findings from internal audits are reported directly to the Audit Committee, which aids the Board in formulating risk mitigation strategies.

In light of the increasing importance of integrating climate impacts into management decisions and business strategies, the ESG and Climate Risk Management Committee is dedicated to addressing sustainability issues and identifying relevant strategic opportunities related to climate. The Board has delegated ESG implementation responsibilities to this Committee, empowering it to identify, assess, and resolve material climate-related and sustainability issues. The Committee also focuses on improving risk management and building capacity within the Group in environmental, social, and governance area to enhance overall preparedness in response to climate change.

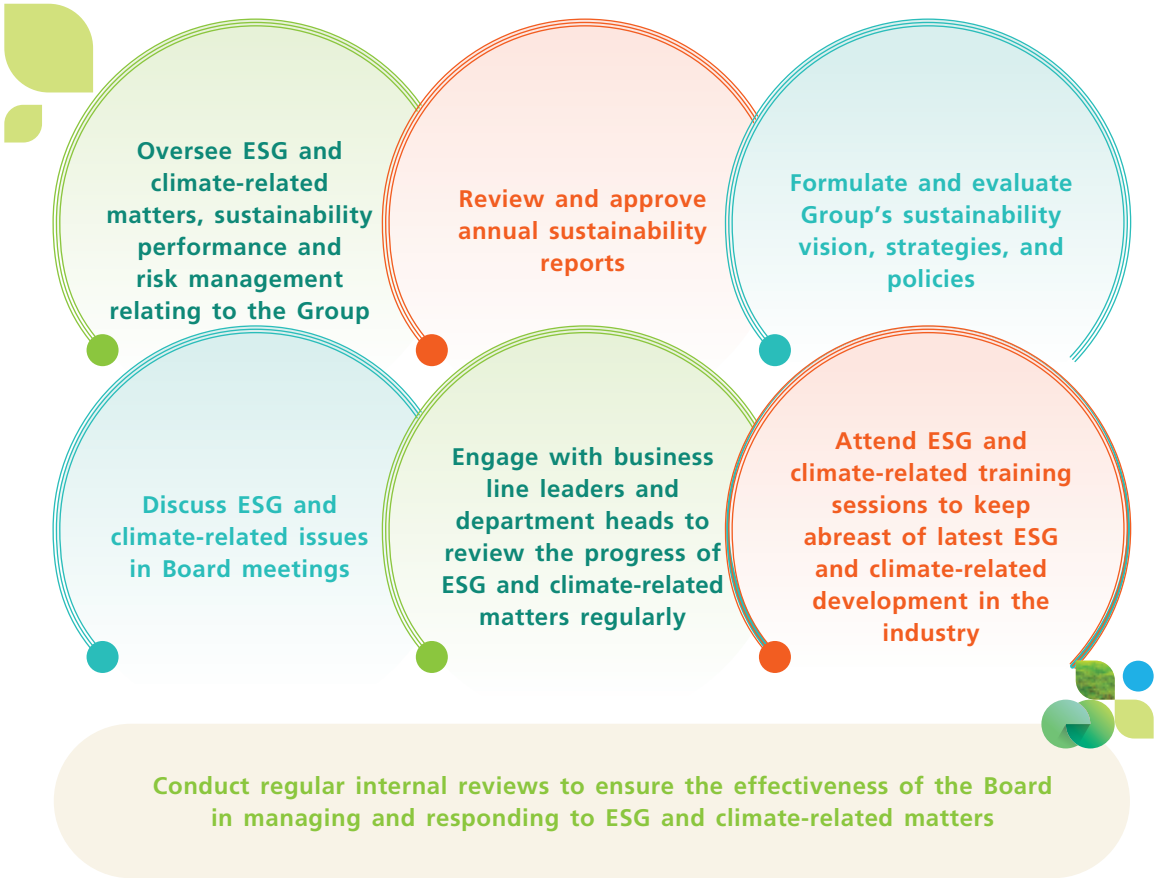
Members of the ESG and Climate Risk Management Committee
(as at 31 December 2024)

Professor Sha Zhenquan
Independent
Non-executive Director

Mr. Lai Chun Tung (Chairman)
Executive Director

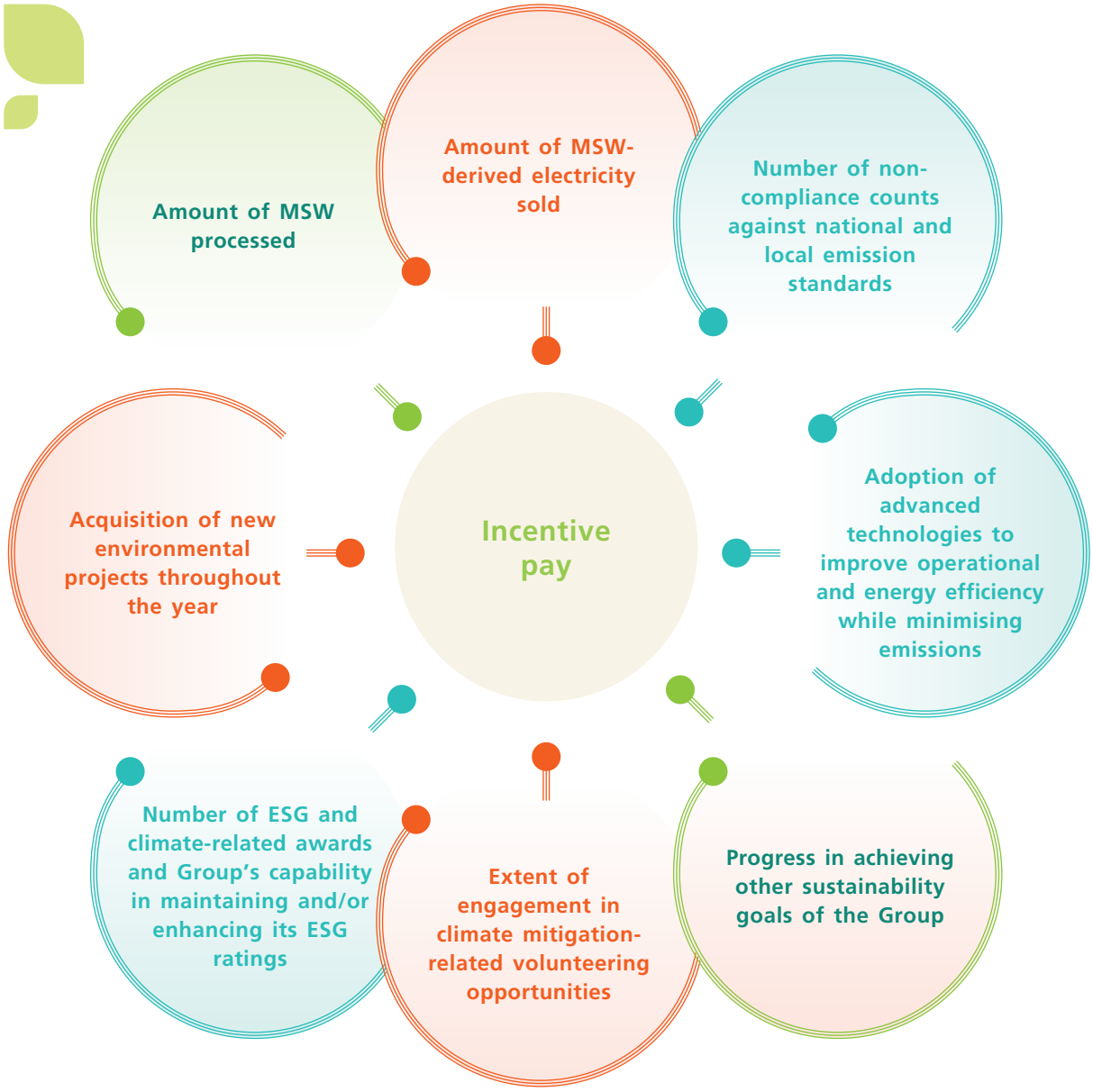
Mr. Chung Kwok Nam
Independent non-executive
Director

Role and Responsibilities of the Board in Relation to Environmental, Climate, Social and Corporate Governance



Incentive and Compensation related to Sustainability

Incentive pay of Chief Executive Officer ("CEO") is tied to the Group's ESG and climate goals, actively promoting the integration of sustainability principles into our business development strategies, policies, and operations from the top down. The CEO's incentive pay is adjusted based on the progress made in achieving these objectives. These goals are designed to incentivise and further engage the CEO in advancing sustainable development and managing climate-related matters.



Board Structure

Board of Directors

- Ultimately responsible for overseeing ESG and climate-related issues
- Accountable for identifying key stakeholder groups, taking ESG (including climate change) consideration into strategic planning, business models, management approach and other decision-making processes and accountable for corporate governance
- Monitoring of material ESG factors and matrices, overseeing goals and targets for addressing ESG and climate-related issues, and approving sustainability reports

Report ↑ ↓ Delegate and Manage

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

- Conducting research and making recommendations on the Group's business strategy, sustainable development approach and related policies in the area of sustainable development
- Guiding, evaluating, overseeing and continuously improve the culture, management framework, affairs, risk management and capacity building of the Group in the areas of environmental and social responsibility and sustainability, and to provide advice and make recommendations to the Board on related work
- Reviewing, supervising and responding to emerging ESG and climate issues and providing recommendations to the Board
- Identifying, assessing, managing and responding to the significant issues related to ESG and sustainability, and where appropriate, to provide advice and make recommendations to the Board
- Monitoring completeness of the Company's Sustainability Report, and reviewing the significant judgements in the Sustainability Report

Report ↑ ↓ Manage

Strategy and Sustainability Task Force

- Coordinating and planning the Group's overall ESG and climate related goals
- Reviewing, monitoring and guiding the implementation of ESG and climate policies and measures across various business sectors
- Maintaining effective management systems for ESG and climate-related information, including physical and financial data where appropriate
- Coordinating across various business sectors to implement long-term ESG strategies and measures
- Establishing and enhancing mechanisms to assess the achievement of ESG and climate-related goals

Report ↑ ↓ Manage

WTE Business (Canvest Kewei)

Operational Management Departments | **Safety and Environment Department**

Engineering Management Department

- Reviewing and monitoring the implementation of ESG and climate policies and measures in different project companies
- Organising and coordinating ESG and climate matters across departments

Report ↑ ↓ Manage

Environmental Hygiene and Related Services (Canvest Yuezhan)

Technology Department | **Operations Department**

Business Development Department

- Reviewing and monitoring the implementation of ESG and climate policies and measures in different project companies
- Organising and coordinating ESG and climate matters across departments

Report ↑ ↓ Manage

Smart Parking Business (Canvest Sciwin)

Business Development Department | **Investment Department**

Research and Development Department

- Reviewing and monitoring the implementation of ESG and climate policies and measures in different project companies
- Organising and coordinating ESG and climate matters across departments

Report ↑ ↓ Manage | **Report ↑ ↓ Manage** | **Report ↑ ↓ Manage**

Respective Project Companies

- Project manager of every project that is currently under construction or in operation is responsible for implementing the plan for sustainable development and monitoring the project's performance

Corporate Governance Committee

- Developing and reviewing the Group's ESG policies and practices on corporate governance and making recommendations to the Board
- Reviewing and monitoring ESG-related training and continuous professional development of Directors and senior management
- Reviewing and monitoring compliance with ESG-related legal and regulatory requirement
- Developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and Directors

Audit Committee

- Reviewing and monitoring ESG factors in the Group's key internal controls and risk management systems, including financial, operational, compliance, information technology and sustainability risks
- Overseeing ESG and climate-related risks of business operations
- Incorporating ESG and climate-related risks into enterprise risk management framework

Remuneration Committee

- Responsible for considering the integration of ESG and climate-related factors into remuneration decisions

Nomination Committee

- Ensuring that Directors are provided with relevant trainings that help steer the Group's business to align with its ESG and climate goals and commitments
- Promoting Board diversity during its identification and nomination of Board candidates
- Integrating ESG and climate-related considerations into Director nomination and performance evaluation

LEGEND: Board Level | Management Level | Departmental Level | Project Level

Ethical Standards

Canvest recognises that the absence of a structured process for managing ethical risks can impact our reputation and financial performance in the long run. To uphold our commitment to social accountability, we've integrated an ethical monitoring protocol into our operations. Several of our Operating Projects have achieved the Social Accountability 8000 (SA8000) certification, a globally recognised social compliance standard that covers various areas, including child labour, forced labour, health and safety, compensation, supply chain monitoring, external communication and anti-discrimination. Our Social Accountability Management System developed in line with SA8000 is applicable to all Operating Projects.

The external audit for SA8000 transitioned to an annual schedule in 2023, while internal audit is conducted annually to verify our compliance with ethical and social accountability standards.

ANTI-CORRUPTION AND INTEGRITY

Canvest is deeply committed to the implementation of anti-corruption policies across all project companies and maintains unwavering adherence to the highest applicable standards of integrity and business ethics. Our *Anti-Corruption and Anti-Bribery Management Procedure* clearly outlines various forms of unethical behaviour, providing definitions and examples of actions that may be perceived as corruption and bribery. We ensure that our employees are aware of the risks associated with conflicts of interest, bribery, facilitation payments, extortion, fraud, and money laundering, as well as how to avoid them. Confidential communication channels are also made available for reporting any suspected cases of corruption or bribery.

In addition, the Group complies with all relevant 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 assessing corruption risks within all project companies, and we strictly prohibit any activities related to bribery, extortion, fraud, and money laundering.

Promoting A Culture of Integrity

We have formed an Integrity Risk Management Steering Group, led by our Executive Director, responsible for formulating overall strategic direction and practices to promote ethics and integrity at the Group level. Additionally, our Office of Integrity Risk Management, headed by the Human Resources and Administration Manager, is responsible for providing trainings on public ethics and business ethics at the project level.

As part of our commitment to fostering a culture of integrity within Canvest, we have designated March as the "Canvest Integrity Culture Promotion Month," during which we host various activities and events.

Whistleblowing Policy

The Group strives to maintain a high standard corporate governance. We have implemented the *Whistleblowing Policy* to formally provide a dedicated, confidential and accessible whistleblowing channel for all of our employees, while protecting whistleblowers from any form of retaliation.

A dedicated email address (whistleblowing@canvest.com.hk) is available for 24/7 electronic 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 whistleblowing. All reported information is kept confidential, except when Canvest is legally or regulatorily obligated to disclose it, such as for legal or audit purposes.

In 2024, we did not receive any substantiated whistleblowing cases.

Safeguarding Intellectual Property Rights

The Group also recognises the importance of safeguarding intellectual property rights. To ensure high levels of confidentiality and secure file transmissions, all internal communications within the Group are protected by a dedicated secure server. These measures ensure the safety and protection of the rights and interests of the Group and its stakeholders. We have implemented a robust information security management system for our smart car parking business. This system adheres strictly to a series of policies and procedures, ensuring the systematic management of any sensitive data.

QUALITY, HEALTH, SAFETY AND ENVIRONMENT MANAGEMENT SYSTEM

Health, safety, and environmental protection are fundamental pillars of Canvest's business, and we aspire to lead the industry with our quality management practices. We consistently review and proactively enhance especially our management system to ensure compliance with the evolving national laws and policies especially related to the environment, and health and safety safeguards.

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

Since 2015, Canvest has implemented the QHSE Management System, with responsibility cascading through the organisation under the supervision of our Vice President of Safety and Environment Department. To ensure the quality and safety of our daily operations and other services, the *QHSE Management Manual* has been developed in alignment with ISO 9001 Quality Management System (equivalent to GB/T19001), ISO 14001 Environmental Management System (equivalent to GB/T24001) and ISO 45001 Occupational Health and Safety Management System (equivalent to GB/T45001). Under this manual, the Group is dedicated to continuous improvement in quality services, environmental management, and occupational health and safety management.

The QHSE Management System is applied to all employees and technicians of the Group, ensuring compliance with relevant quality, health and safety, and environmental regulations. It provides a structured framework for monitoring overall performance, identifying activities and services with significant QHSE impacts, maintaining performance records, and promoting staff training and awareness. The system has also undergone external audits to ensure full compliance with the requirements of ISO 9001, ISO 14001, and ISO 45001.

By establishing this system, the Group enhances its reputation and competitiveness by assuring stakeholders of excellence in environmental, occupational health and safety, and overall quality management.

Canvest is committed to delivering quality services that prioritise environmental and social responsibility. All WTE plants are required to commence certification processes for ISO 9001, ISO 14001, and ISO 45001 management systems within six months of formal operation commencement, with completion expected within one year. Canvest Yuezhan has also obtained the ISO 9001, ISO 14001 and ISO 45001 certificates, ensuring the management systems of their affiliated projects.

During the Reporting Period, all of the Group's eligible Operating WTE Projects and Canvest Yuezhan were certified to ISO 9001, ISO 14001, and ISO 45001.

Internal Audit

As part of our commitment to ensuring the effectiveness and compliance of our QHSE Management System, the Group conducts annual internal audits characterised by fairness and impartial judgment. These audits serve to enhance our safety awareness and bolster our management structure within the Group. Our *Internal Audit Control Procedure* guarantees that all internal audits are carried out within the specified scope and responsibilities, following the prescribed procedures, and that corrective actions for continuous improvement are diligently monitored. In 2024, our QHSE Management System and all Operating Projects underwent internal audits, with no significant findings necessitating major improvements.

QHSE Risk Assessment

We consider risk management a crucial aspect of identifying and exploring improvement opportunities. Our risk management system operates on a three-stage approach aligned with precautionary principles and is overseen by the Executive Directors and representatives from each project company. This systematic approach aids the Group in reviewing and enhancing the performance of our QHSE management, allowing us to develop and implement corrective actions to polish our performance. We have also implemented the *Risk Identification, Assessment, and Control Procedure* to identify and evaluate potential risks in our day-to-day business operations.

Potential Risk Sources and Our Focus Areas

Product Risks

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

Management Risks

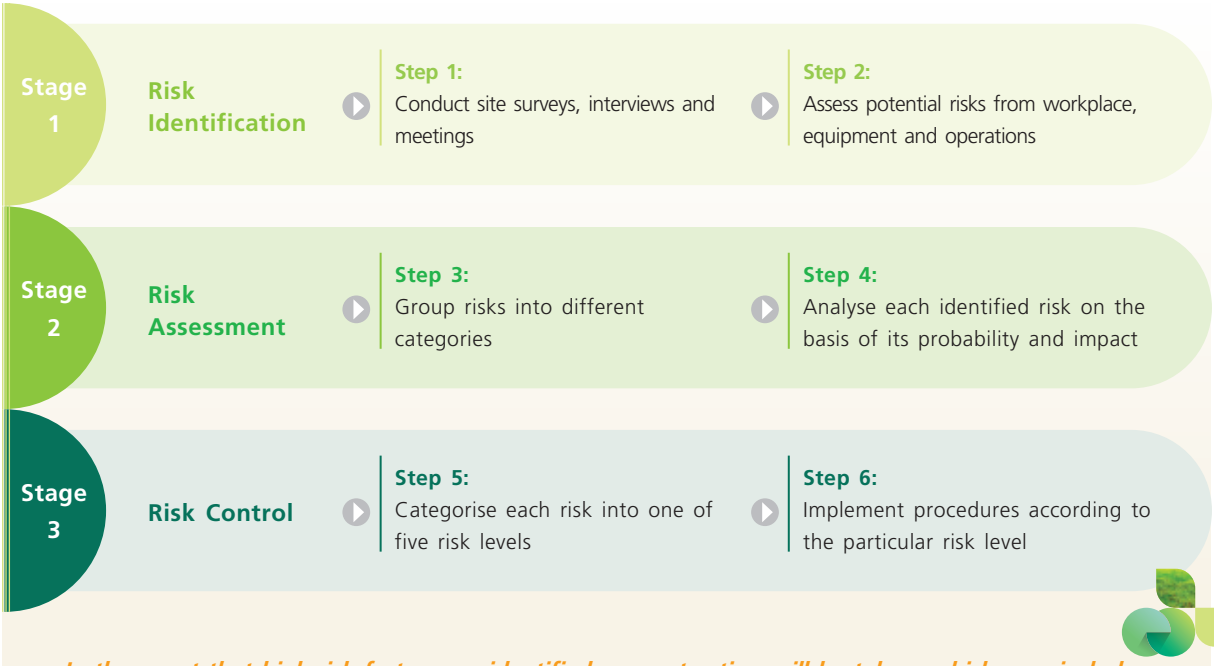
- Human resources management
- Procurement management

Environmental Risks

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

Occupational Health and Safety Risks

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



In the event that high-risk factors are identified, prompt action will be taken, which may include suspending work until the risks are adequately addressed. To follow up on the implementation of corrective measures, annual audits will be conducted to verify the effectiveness of our risk management procedures.

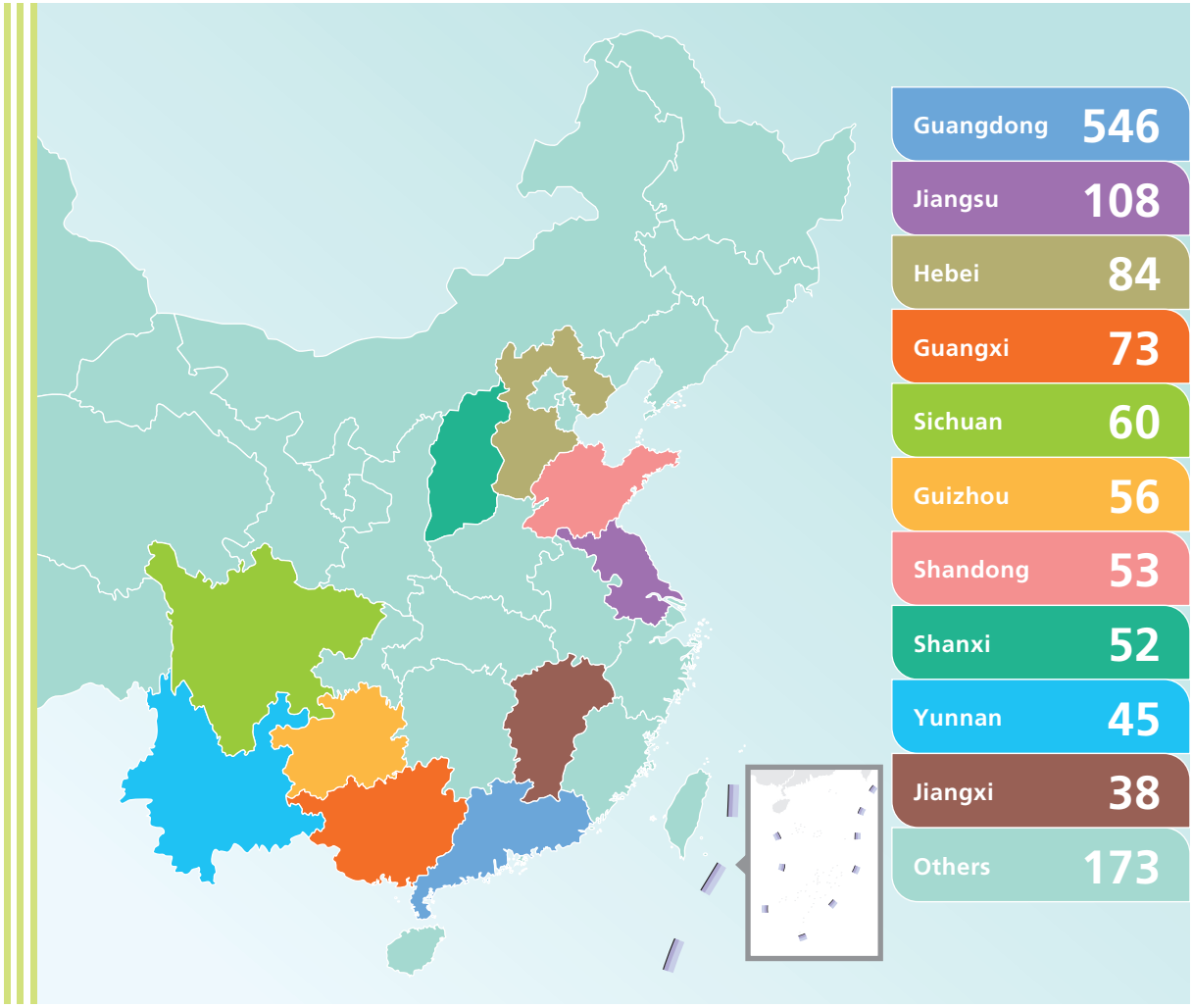
SUPPLY CHAIN MANAGEMENT

Given our extensive collaboration with suppliers, the execution of the Group's sustainability strategies is intricately linked to our suppliers' performance. Consequently, we have extended our commitment to addressing social and environmental issues across our entire value chain. We've implemented standardised procurement procedures, including the *Tender Management Procedures* and the *Business Contract Management Procedures*, which govern the tendering processes and contract administration. This guarantees that our suppliers and contractors uphold and deliver a high standard of environmental, integrity, and ethical standards. The Group has established the *Supplier Undertaking* requiring all our suppliers to strictly comply with all applicable national laws, rules and regulations to prevent bribery, corruption and fraud in their own operations. We will randomly evaluate and monitor suppliers' compliance and suppliers that fail to comply fully with our *Supplier Undertaking* face termination of their contracts and removal from our supplier list.

In 2024, the Group engaged with 1,288 suppliers to procure goods and services, 1,131 of which support our WTE business. The total value of these supplies amounted to approximately RMB1,273 million. A significant portion of these expenditures was allocated to the procurement of renewable power equipment, which included components for daily maintenance and the upgrading of moving-grate furnaces, steam turbines, photovoltaic equipment, and more. This expenditure reflects our commitment to advancing the commercialisation of renewable power equipment through tangible actions.

Canvest is committed to actively contributing to local economic development by sourcing goods and services from suppliers located in the same provinces as our Operating Projects. We believe that this approach will significantly influence the long-term development of the WTE and environmental protection sectors while ensuring steady and sustainable business growth. In 2024, local suppliers represented 56% of the supply value for our Operating Projects.

Number of Suppliers, by Geographical Region[4]



Sustainable Procurement

To minimise environmental impact and maximise social benefits in the delivery of the Group's services, we adhere to sustainable procurement and supply chain management practices. We closely monitor our procurement processes to ensure exceptional ESG and service quality and the financial capability of tenderers. The Group is dedicated to complying with and continuously improving environmental, and occupational health and safety standards and regulations. We aim to serve as a role model for our peers and contribute to the overall sustainable development across all types of services.

[4] The location of suppliers refers to each supplier's base of operations.

We embed sustainability considerations throughout our entire supply chain, and the criteria for supplier selection are outlined below:

Procurement begins by evaluating prospective suppliers' environmental performance.

Preference is given to suppliers with certifications such as ISO 14001, demonstrating their commitment to environmental management.

Regular performance reviews, target setting, and roadmapping are conducted with suppliers to progress towards low-carbon and environmentally friendly operations.

All contractors and suppliers are obligated to comply with the legally-binding environmental standards in contracts, the *QHSE Management Manual*, and the Social Responsibility Management System, which mandates the prohibition of child labour, forced labour, and engagement in corruption and bribery activities.

In 2024, no material risks related to the aforementioned categories were identified within our supply chain.

Furthermore, we vigilantly monitor our procurement practices to detect and report any environmental and/or social issues within the supply chain. When necessary, we engage with non-governmental organisations and industry partners to responsibly address these concerns. Additionally, we carry out annual sampling inspections to assess the performance of suppliers across our value chain.

Canvest has seamlessly integrated a robust environmental management system and occupational health and safety management system into its value chain.

50%
of suppliers obtained ISO 14001 certification

50%
of suppliers achieved ISO 45001 certification

PROJECT DEVELOPMENT

Canvest is committed to delivering well-received projects that seamlessly integrate into the community, prioritising not only technical innovation and robust waste management solutions but also community engagement. Apart from complying with statutory environmental permits and approvals, the Group adheres to internal guidelines governing the processes of conducting public consultations and community engagement events. Systematic procedures are followed to identify stakeholders and interested parties, ensuring the early incorporation of social and environmental considerations in planning. Community relations are overseen by senior management of each project company, and a mechanism for collecting, recording, and addressing complaints or grievances has been established.

In 2024, project companies had not received any substantiated complaints or grievances.

OPERATIONAL CONTROL

To fulfil our mission of "protecting the blue sky and clean water and build a beautiful home" we are committed to reducing energy consumption and maintaining high operational standards. We have implemented the *Production Equipment Control Procedure* to improve the maintenance and management of our production equipment, addressing the risks associated with aging machinery. Regular maintenance, inspections, and assessments are conducted to identify anomalies in operational performance and potential issues that may impact equipment lifespan. Through proactive preventive maintenance activities, we sustain and enhance operational efficiency while minimising unplanned disruptions.

Self-maintenance Management

The Group attached great importance to improving the standardisation of maintenance work and explored ways to reduce maintenance costs through self-maintenance and other means. Self-maintenance management is one of our sustainable business strategies, since it can improve the operational efficiency of the projects, reduce the reliance on third parties maintenance, and provide on-the-job training to operational staff to enhance their professional capabilities. The operation management department sets up comprehensive self- maintenance standards to guide the projects to develop maintenance plans and programmes, to review the self-repair work to procure parts and material in advance, and to fully mobilise the operational staff to participate in the maintenance work. We comprehensively examine and document the skill sets of each member in maintenance teams of different projects. Leveraging on advantages of the Group, members of project maintenance teams with different skill sets are deployed to other projects to assist the self-maintenance works through the "one-to-one assistance" mechanism, which facilitated the improvement of various equipment maintenance procedures and workflows, and accelerated the standardised management of maintenance works. Maintenance team have made great improvement in their skills while maintenance time and material costs have been saved to varying degrees

Crisis Management and Emergency Preparedness

The *Emergency Preparedness and Response Control Procedure* was implemented to enhance 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 driven by climate change or extreme weather events.

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 aims to enhance cooperation between different response staff, identify deficiencies in the current management plan, and enhance overall awareness and understanding of potential threats through emergency drills.

All Operating Projects are mandated to conduct at least one annual emergency drill, encompassing scenarios including electrical outages, fires, and floods, to evaluate existing emergency response capabilities and enhance staff coordination. Projects situated along coastal areas must additionally undertake emergency preparedness and response control exercises specific to typhoons before the onset of each typhoon season, ensuring the secure and steady operation of facilities during extreme weather conditions. Full project crews are obligated to participate in these exercises, with the Group's Operation Management Department and Safety and Environmental Protection Department providing on-site supervision and feedback on performance.

Canvest and Asian Development Bank ("ADB") Sign Deal to Support WTE and Municipal Solid Waste Management in PRC

In Oct 2024, the Group signed a RMB360 million loan facility with ADB to promote efficient municipal solid waste management and WTE in China.

ADB's funding supports Canvest's development, construction, and operation of a WTE plant in Huizhou City, Guangdong province, and to expand municipal solid waste management services in Quyang County, Hebei province. Canvest provides a range of services across the municipal solid waste value chain including cleaning, segregation, collection, transportation, sorting, recycling, and energy generation.

Canvest always supports cities to better manage their solid waste in a more cost effective and sustainable way. The collaboration with ADB enables us to share with wider waste management community the benefits of integrated waste management solutions and the relevant experience.

Global Recognition for Environmental Leadership

Canvest's China Scivest WTE Project achieved global recognition by earning the prestigious"Global Ecosystem Restoration & Preservation Paradigm"award at the 19th Global Forum on Human Settlements (GFHS). This accolade highlights Canvest's commitment to sustainable urban development and environmental stewardship.

The China Scivest WTE project stood out among over 400 global submissions, becoming the sole winner in the environmental category. The project represents a breakthrough in the industry, successfully converting a circulating fluidised bed processing line into a grate furnace system — a very first case in the industry. With a daily processing capacity of 3,000 tonnes, the facility generates approximately 490 million kWh of green electricity annually, avoiding standard coal consumption by around 160,000 tonnes per year.

This recognition underscores Canvest's leadership in WTE innovation and its role in promoting green transformation and optimising the living environment. It serves as a powerful motivator for Canvest to continue advancing sustainable solutions and contributing to the development of eco-friendly and resilient cities.

OUR ENVIRONMENT

Canvest is committed to combating climate change by reducing the carbon footprints associated with its business activities. The Group upholds sustainable environmental practices, promoting responsible utilisation of natural resources as a WTE solutions provider. Our eco-friendly, energy efficient WTE projects incorporate the latest technologies, while effectively minimising waste generation and pollution. All Operating WTE Projects are mandated to establish a management system and apply for integrated ISO 9001 Quality Management System, ISO 14001 Environmental Management System, and ISO 45001 Occupational Health and Safety Management System certification within six months of operation commenced. An external audit would take around a year to confirm the project's eligibility for certification. During the Reporting Period, 100% of the eligible Operating WTE Projects were certified to ISO 9001, ISO 14001, and ISO 45001. Canvest Yuezhan has also obtained the ISO 9001, ISO 14001 and ISO 45001 certificates, ensuring the management systems of their affiliated projects.

We uphold our commitment to high environmental standards through regular external environmental audits, compliance audits, ISO certifications renewal and submission of environmental and social performance reports to the International Finance Corporation (IFC), which were externally audited and prepared by an independent consultant with reference to the World Bank Group's *General Environmental, Health, and Safety Guidelines* as well as *Environmental, Health, and Safety Guidelines for Waste Management Facilities*.

To enhance climate resilience, a comprehensive scenario analysis for physical and transition climate risks was conducted, and subsequent risk mitigation strategies are being developed.

2024 PERFORMANCE HIGHLIGHT

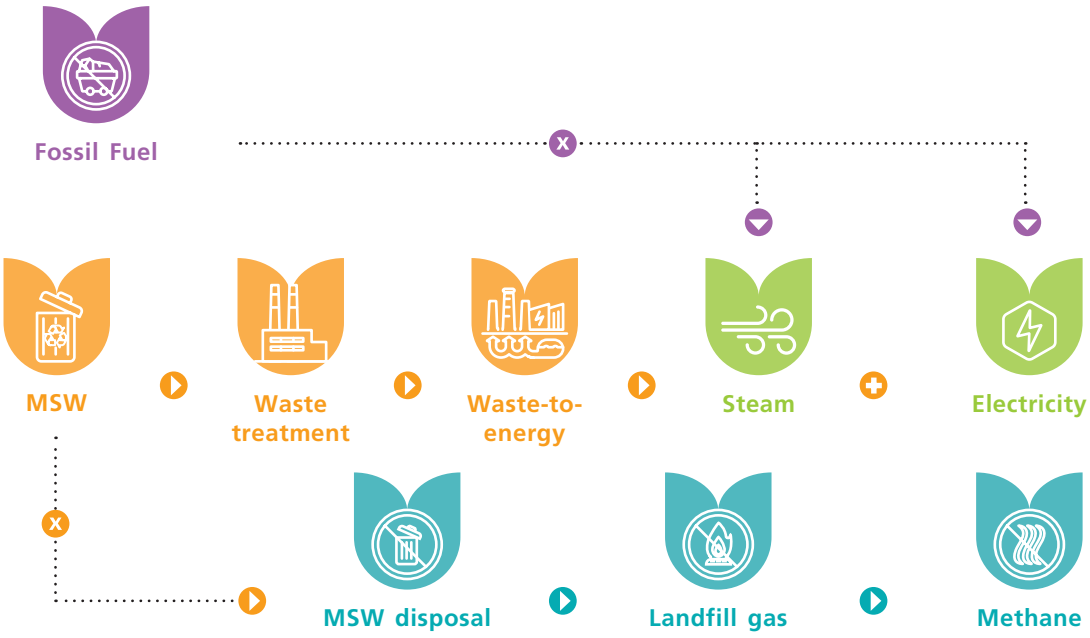
Energy consumption intensity of the Group decreased by **1.61**% compared to 2023

Freshwater consumption intensity of the Group reduced by **0.58**% compared to 2023

17% of Canvest Yuezhan's vehicle fleet are electric vehicles

Recycled **100%** of bottom ash generated during WTE process, in **3,366,782** tonnes in total

GHG Emissions Avoidance through Waste-to-Energy



By utilising the heat released from the incineration of MSW to generate electricity and steam, the Group's WTE plants have the potential to reduce GHG emissions in two ways. Firstly, by diverting the MSW from landfill disposal to incineration, the practice avoids the fugitive release of methane (of stronger greenhouse effect than CO_2) into the atmosphere. Secondly, the electricity and steam generated at our WTE plants provides downstream users with an option to reduce their Scope 2 GHG emissions as a substitution 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 dedicated to spearheading the transition towards a cleaner future through sustainable waste management practices and reduced reliance on fossil fuels. To underscore this commitment, we have established two cumulative environmental sustainability targets due for achievement by 2030.

MSW Processed

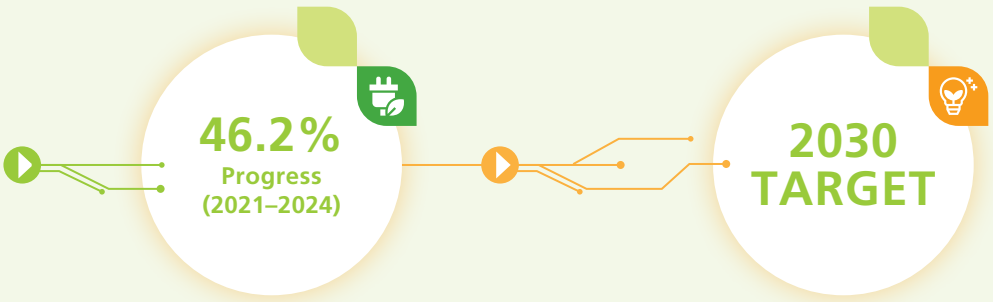
MSW Processed in 2021–2024:
49,487,486 tonnes
Achieved **49.5**%

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

Green Electricity Sold

Green Electricity Sold in 2021–2024:
16,175,706 MWh
Achieved **46.2**%

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



Highlights of Our Project — Technical Innovation

Every year, the Group carries out various technological improvements in our WTE projects to enhance operational efficiency and reduce costs. Generally, each technological improvement plan starts with selecting one project as a pilot, and after summarising the experience, it is then extended to other projects. Here are some examples of technological improvements:

Dongguan

Introduction of automated ash handling system

The automated ash handling system is introduced into several WTE projects. By utilizing laser scanners to establish three-dimensional modeling, the entire process of bottom ash discharge, transfer, and loading can be completed automatically, reducing the need for manual intervention. The ash handling system's automatic positioning and operation significantly shorten the loading time. Additionally, the system is equipped with a voice prompt function, enhancing the orderliness and precision of the task completion process. To further ensure equipment safety, the system introduces an interlocking protection and alarm feature, which can promptly cut off related automated operations in the event of communication anomalies, ensuring safety during operations and reducing the failure rate. This series of technological improvements not only optimizes the ash handling process but also provides assurance for subsequent maintenance and operation, thereby enhancing the operational efficiency of the entire WTE plant and ultimately achieving more efficient resource utilization and lower operational costs. The successful implementation of this automated system marks an important step forward in automation, serving as a significant initiative to promote sustainable development.

Mancheng

Use of advanced cellular drift eliminators

We have implemented a series of technological upgrades to enhance water resource efficiency. The project replaced the traditional cooling tower's blade drift eliminators with advanced cellular drift eliminators, effectively recovering 25% of evaporation losses and fully capturing drift loss. Additionally, vane demister and demister pad were installed at the air duct outlet to further minimise water wastage. This upgrade involved dismantling outdated equipment, installing fibreglass support brackets, and setting up the new water recovery system.

After the completion of the innovation, resource utilization efficiency was significantly improved, demonstrating the project's active efforts in promoting energy conservation, emissions reduction, and sustainable development.

Saves approximately **80,000** tonnes of water consumption annually, translating to a cost reduction of RMB488,000

AIR EMISSIONS

WTE Sector

The core of WTE operation relies on the incineration of MSW, which would inevitably produce air pollutants with potential environmental impacts if not being managed appropriately. Flue gas from incineration of MSW contains particulate matter, heavy metals, persistent organic compounds, acidic gases, and other pollutants. To address this and to ensure compliance with the *Standard for Pollution Control in Municipal Solid Waste Incineration* (GB 18485–2014) and the even stricter local emissions standards, all of our WTE plants are equipped with advanced flue gas treatment technologies, precise temperature control systems, and continuous emission monitoring systems (CEMS). These measures follow our standardised procedures such as *Operation Environmental Control Procedure* and *Production and Operation Management Procedure*. Canvest actively integrates mature technologies to reduce air and carbon emissions, aligning with the UN Agenda for Sustainable Development and evolving government standards. Additionally, we have installed 58 electric vehicle chargers in different WTE plants to promote electric vehicle use, contributing to reduced air emissions. To ensure compliance with emission standards and exceed international and national benchmarks, we have set concentration-based emission targets for each WTE plant under normal operating conditions, as indicated in Appendix III. The emission targets cover both material toxic and non-toxic substances arising from WTE operation. During the Reporting Period, all air emissions target were met.

Public Disclosure of Emissions Data

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

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

Environmental Hygiene Sector

By integrating EVs into its fleet for environmental hygiene services, such as street cleaning, Canvest has contributed to enhance the air quality and reduce air emissions in the city. EVs produce zero tailpipe emissions during operation, thereby contributing to a substantial decrease in pollutants compared to traditional fossil fuel vehicles. The transition to EVs enables cities to make considerable reductions in harmful emissions, including particulate matter, nitrogen oxides, and carbon monoxide associated with conventional vehicles. Canvest's commitment to utilising EVs underscores its dedication to sustainability and environmental responsibility. This strategic shift not only aligns with global efforts to combat climate change but also directly addresses local air quality concerns. With the goal of creating a more liveable city for all, Canvest strives to advance the use of EVs in its environmental hygiene sector.

Canvest goes beyond the utilisation of EVs in its operations, as we are actively contributing to sustainable practices by offering EV charging facilities for public use in our Laishui and Quyang environmental sanitation projects. Taking on voluntary social responsibility commitments, we aim to enhance the accessibility of charging infrastructures, making them more convenient for the public to embrace cleaner transportation options. This reflects our dedication to promoting environmentally friendly practices and encouraging a shift towards a more sustainable community.

Water-sprinkling for dedusting on street is one of our key services offer to cities, addressing the persistent issue of dust particles generated by vehicular traffic and construction activities. This practice involves spraying water on roads, effectively suppressing airborne dust. Beyond its immediate impact on dust control, this service plays a crucial role in enhancing air quality, thereby contributing to the creation of a healthier and more sustainable community. Water used for dedusting and road cleaning is recycled water from local wastewater treatment plants.

17%
of our fleet are EVs

Smart City Management Sector

Canvest takes a pioneering step in enhancing city air quality through the provision of smart parking platforms, managed by Canvest SciWin. By optimising parking management with innovative technology, we reduce unnecessary vehicle idling and circling, thereby minimising harmful emissions. Our smart parking solutions not only smoothen traffic flow and reduce congestion but also contribute to improved air quality by promoting efficient parking practices. Through these initiatives, Canvest actively supports the creation of cleaner and healthier urban environments, aligning our commitment with the broader goals of sustainability and smart city development. All patrolling vehicles used by Canvest SciWin are EVs.

Air Emissions in 2024

	Key Air Emissions (tonnes)		
Business Sector	**Particulate Matter (PM)**	**Sulphur dioxide (SO_2)**	**Nitrogen oxides (NO_x)**
WTE Operation	164 Intensity: 11.8 g/tonne of MSW processed	1,128 Intensity: 81.2 g/tonne of MSW processed	6,185 Intensity: 444.9 g/tonne of MSW processed
Other remaining sources (including headquarters, environmental hygiene services)	0.0544	0.0434	0.740
Total	164	1,128	6,186

WASTE MANAGEMENT

In addition to implementing sustainable waste management solutions through our WTE technology, Canvest is committed to reducing waste generated at the source. We achieve this by maximising resource utilisation efficiency and recovering useful materials through efficient operation management. Our primary sources of waste include fly ash after flue gas treatment, bottom ash from the incineration process, and residues from wastewater treatment. To accomplish waste reduction, we have implemented *Operation Environmental Control Procedure* and *Production and Operation Management Procedure*, offering comprehensive guidance to all business units on the handling and control of effluents, hazardous and non-hazardous waste generated from our operations, thereby minimising waste generation and environmental pollution.

Beyond our WTE operation, Canvest plays a pivotal role in advancing the journey towards building zero-waste cities in China through our comprehensive urban sanitation services. By leveraging synergies with the WTE business, Canvest Yuezhan has developed a waste collection and transportation network, forming a cleaning — transportation — disposal closed-loop industrial chain, and provided services such as street cleaning, waste sorting, municipal service management, urban afforestation, river cleanup and other urban environmental sanitation services. By implementing smart waste sorting and separation facilities in various communities, which have incorporated an incentive scheme to allow users to redeem gift by sending certain amounts of recyclable waste to the sorting facilities, Canvest Yuezhan encourages residents to actively participate in recycling efforts. We recycled approximately 16,179 kg of paper, 1,521 kg of plastic, 669 kg of metals, 325 kg of glass, 2,808 kg of fabrics and 482 kg of other materials through waste sorting in 2024. Moreover, Canvest Yuezhan invests in the operation of fly ash landfill sites and bottom ash recycling projects and providing smart integrated platform-based green innovative services for regional environmental pollution rectification and circular economy development.

Through the provision of integrated urban-rural sanitation services, Canvest strives to create a model for waste reduction, recycling, and proper disposal, fostering a cleaner, greener, and more sustainable urban landscape in China.

Fly Ash Treatment Measures

Fly ash primarily consists of air pollution control residues from WTE processes. As flue gas is released from the incineration furnace, it undergoes a series of chemical and physical treatment processes in a highly effective flue gas treatment system. The system neutralises acidic gases, captures organic pollutants and heavy metals, resulting in fly ash as airborne dust particles are filtered and settled. Due to the presence of heavy metals and dioxins, fly ash is classified as hazardous material and must be stored in accordance with the *Standard for Pollution Control on Hazardous Waste Storage* (GB18597–2023). Subsequently, it is solidified and stabilised with chelating agents and cement, and finally disposed of at designated landfills following the *Standard for Pollution Control on the Landfill Site of Municipal Solid Waste* (GB16889–2008)[5]. All site workers are well trained on the operating procedures and precautionary measures for the safe handling of fly ash, from generation to disposal.

[5] *Standard for Pollution Control on the Landfill Site of Municipal Solid Waste* (GB16889–2008) has been superseded by *Standard for Pollution Control on the Landfill Site of Municipal Solid Waste* (GB16889–2024) since 1 September 2024. Canvest's implementation of GB16889–2024 will be covered in Sustainability Report 2025 as appropriate.

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 WTE Projects, accounting for approximately 91% of the total waste generated by Canvest in 2024.

In support of sustainable and low-carbon construction, Canvest arranges the collection of bottom ash by third-party recyclers for eco-brick manufacturing, while extracting scrap metal for recycling. During the Reporting Period, Canvest ensured that 100% of the bottom ash generated was either collected by third parties for recycling or recovery purposes or reused for road pavement in landfills. The transportation and disposal strictly adhered to the *Standard for Pollution Control on Non-Hazardous Industrial Solid Waste Storage and Landfill* (GB18599–2020). Clear procedures on bottom ash handling and collection are provided to our site workers and third-party recyclers.

Bottom ash recovery target

To fulfil our commitment to promoting sustainable operations, we set a bottom ash recovery target:

Target achieved

Target	2024 Performance
99% of the generated bottom ash handover to qualified downstream recyclers for further processing	100% of the bottom ash generated was either collected by third parties for recycling or recovery purposes, or reused for road pavement at landfills

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 calcination process does not require high temperatures
- High strength and durable
- 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.

Benefits:

- Less GHG emissions and energy consumption compared with processing from virgin materials
- Conserve natural resources by reducing exploitation of virgin metals
- Promote the complete utilisation of recovered valuable resources and support a circular economy

Waste Generated from Operating WTE Projects in 2024[a, b]

Hazardous Waste

Fly ash before stabilisation:
274,580 tonnes

Other hazardous waste:
90 tonnes

Fly ash after stabilisation:
324,510 tonnes

Total hazardous waste generated[c]:
324,600 tonnes

Intensity: 0.07 tonnes/MWh of electricity sold

Breakdown by final destination[d]:

Ultimate landfill disposal (self-operated landfills):
92,730 tonnes

Ultimate landfill disposal (offsite): **231,870** tonnes

Non-Hazardous Waste

Bottom ash:
3,366,782 tonnes

Total non-hazardous waste generated:
3,366,782 tonnes

Intensity: 0.74 tonnes/MWh of electricity sold

Breakdown by final destination:

Ultimate landfill disposal (offsite)[e]:
0 tonnes

Recycling/Recovery (offsite) (eco-bricks production or road paving in landfills):
3,366,782 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 reveals the amount of airborne pollutants removed by our flue gas treatment system, in turn suggesting the air pollutants captured. 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. The calculation of total hazardous waste generated was calculated by summing up fly ash after stabilisation and other hazardous waste in 2024, while fly ash before stabilisation was used for calculation in previous reporting years.

d. Fly ash is stabilised and solidified with cement and chelating agent before ultimate disposal.

e. Under normal operation, all the bottom ash generated will be directly transported to third-party companies for recycling or recovery. Bottom ash from new projects maybe disposed of at landfill in short-term in case the recycling facility nearby had not started operation. In 2024, all bottom ash generated from Operating WTE Projects has been recycled.

Sludge Treatment Measures

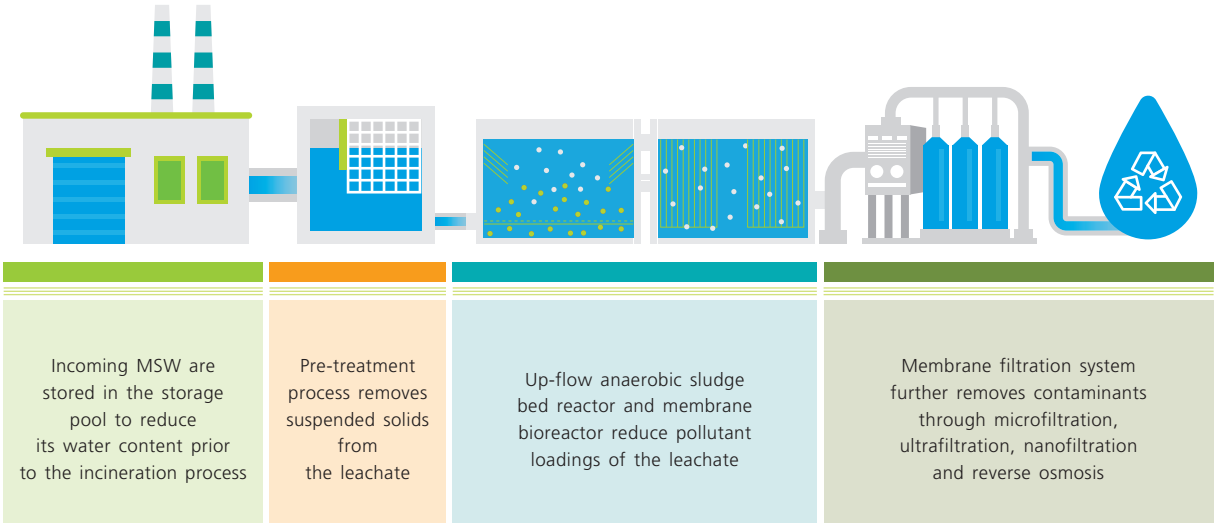
Aside from fly ash and bottom ash produced during the incineration process, sludge is also produced during the leachate treatment process within our WTE plants. The excess water content in sludge is removed by means of sludge thickening and dewatering. The sludge cake formed after dewatering is sent 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.

WASTEWATER TREATMENT

Before incineration, effective drying of the MSW feedstock is essential to ensure optimal combustion and burnout. In our Operating WTE Projects, MSW is temporarily stored in the waste storage pools to facilitate leachate generation and drainage. Leachate collected from the waste storage pool undergoes treatment at on-site leachate treatment plants. Treated effluent is either discharged to surface water, municipal wastewater treatment systems per prevailing statutory requirements or reclaimed for internal use in accordance with standards outlined 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). Our Operating WTE Projects treated a total of 1,705,463 tonnes of raw leachate during the Reporting Period, resulting in a reduction of approximately 215,492 tonnes of Chemical Oxygen Demand (COD) discharge.

In 2024, we reclaimed on average over

74% **of our treated effluents from our Operating WTE projects for the purposes of replenishing circulatory cooling water, landscape irrigation, and waste 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 leachate	Up-flow anaerobic sludge bed reactor and membrane bioreactor reduce pollutant loadings of the leachate	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 WTE Projects in 2024

Reused within WTE plants		Discharged to municipal wastewater treatment systems, per prevailing statutory requirements		Discharged to surface water, per prevailing statutory requirements		Total Treated Effluents
1,215,739 m^3	+	297,783 m^3	+	132,824 m^3	=	1,646,346 m^3

ODOUR CONTROL

Managing MSW as part of our WTE operations involves addressing potential odour impacts on employees and the public. To manage and mitigate odour nuisance, Canvest follows high-standard operational practices and strictly adheres to odour pollution concentration limits outlined in the *Emission Standards for Odor Pollutants* (GB 14554–1993). Moreover, we employ fully enclosed structural designs for all MSW discharge platforms and storage pools to prevent the fugitive release of odourant particles.

Odour Control Measures

- Induced draft fan systems are used to extract odourous pollutants from the MSW discharge platform and storage pool, directing them to the incineration furnace for thermal destruction.
- The MSW discharge platform and storage pools are maintained under negative pressure to prevent the release of fugitive odourants.
- Activated carbon deodourisation systems are employed during incinerator maintenance to treat odourous gas prior to releasing to the atmosphere.

NOISE CONTROL

To address potential health and safety risks associated with noise and vibrations from equipment installations and machinery, Canvest has implemented comprehensive mitigation measures, ensuring compliance with the requirements outlined 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

Engineering Measures

1. Implement noise reduction measures at source through the use of low-noise equipment and machineries
2. Employ mufflers, noise isolation enclosures, and shock absorbers for high-noise equipment to minimise noise impacts
3. Use soundproof construction materials to absorb vibrations

Planning Measures

1. Full enclosure of WTE operations
2. Consider noise in the early design stages, planning layouts to position noise sources away from sensitive receivers as far as possible
3. Landscaping efforts to create a natural sound buffer on-site

USE OF RESOURCES

Canvest remains steadfast in its commitment to spearheading the transition towards a low-carbon operational model, emphasising responsible use of resources such as fuel oil, natural gas, and freshwater. Our approach involves monitoring and enhancing energy conservation within WTE plant operations, with a focus of optimising power generation efficiency. This commitment is realised in the Group's *Implementation Measures for Energy Saving in Power Plants*, which outlines specific requirements, implementation measures and key performance indicators.

Furthermore, our daily operations are guided by the *Resource Control Procedure* and *Social Responsibility System Operation Manual — Requirements on the Use of Electricity and Requirements on the Use of Water*. This integrated framework is designed to foster comprehensive resource utilisation and aligns seamlessly in our broader mission. As part of our unwavering dedication, we actively advocate for sustainable practices and responsible resource management across all business units, underscoring our commitment to environmental stewardship and operational excellence.

Canvest strategically employs EVs in delivering environmental sanitation services and as patrolling vehicles for smart parking platform. This choice significantly reduces our reliance on conventional fuel oil, resulting in both cost savings and a substantial decrease in our carbon footprint. By integrating EVs into these critical operational functions, Canvest not only enhances resource efficiency but also actively contributes to a cleaner and more sustainable urban environment, reinforcing our dedication to responsible corporate practices.

Total Fuel Consumption Management

The fuel and materials consumption patterns of our WTE operations are under close supervision in order to ensure the alignment to circular economy principles to enhance operational efficiency. Thorough detailed documentation of fuel and material consumption across all WTE projects, the record, encompassing fuel usage primarily for incinerator start-up and fleet operation, serves as a foundation for strategic planning efforts aimed at optimising operations.

Regular monitoring and analysis of our WTE projects are integral to ensuring operational performance and energy efficiency across major equipment. Preventive maintenance and regular condition surveys are conducted to assess the need for refurbishment or early-stage replacement of equipment, contributing to the reliable and safe operation of our facilities. In addition to the WTE main business, we also introduced smart platform to monitor the mileage, operation and energy consumption data of the vehicles for our environmental hygiene business, so as to conduct thorough analysis for decreasing fuel consumption and enhancing cost efficiency.

Adoption of AI technology

Combining new digital technologies to promote the"Digital and Intelligent" transformation of the WTE industry is a key consideration for the entire industry in the foreseeable future. The Group takes the optimisation of WTE processes as the starting point and builds algorithm models to realise automatic control of the whole waste incineration process, including the integration of a fully automated control system for waste feeding. The implementation of AI-based intelligent waste incineration optimisation brings the following benefits:

Improved energy utilisation efficiency: The AI intelligent system can optimise the waste incineration process by intelligently monitoring and adjusting combustion parameters in real-time to maximise energy utilisation efficiency.

Reduced environmental pollution: The AI intelligent system can monitor and adjust oxygen supply and temperature control during the combustion process, so as to minimise the generation and emission of harmful gases, thus reduce environmental pollution.

Enhanced operational stability and safety: The AI intelligent system can monitor the operating status and performance indicators of waste incineration equipment in real-time. By utilising predictive and warning functions, potential faults and anomalies can be detected in advance. This facilitates timely measures to ensure stable equipment operation and safe handling, reducing the occurrence of operational accidents.

Optimised waste treatment processes: The AI intelligent system can analyse and predict the quantity, types, and characteristics of waste, optimising waste classification and handling methods. This results in more sustainable and environmentally friendly waste handling solutions, reducing resource wastage.

Data analysis and decision support: The AI intelligent system can collect and analyse a vast amount of waste treatment data, providing information to support management decision, and potential optimisation opportunities and improvement directions can be discovered, facilitating continuous improvement and optimisation of waste incineration initiatives.

Energy Consumption in 2024*

Headquarters

Fuel Consumption		Electricity Consumption		Total Energy Consumed:
Fuel oil: 1,115 GJ	+	Grid-purchased Electricity: 1,732 GJ	=	2,848 GJ

WTE Operation

Fuel Consumption		Electricity Consumption		Total Energy Consumed: / Energy intensity:
Fuel oil: 103,527 GJ Natural gas: 17,104 GJ	+	Grid-purchased Electricity: 7,094 GJ Self-generated Electricity: 2,377,707 GJ	=	2,505,432 GJ 0.18 GJ/tonne of MSW processed

Environmental Hygiene Services

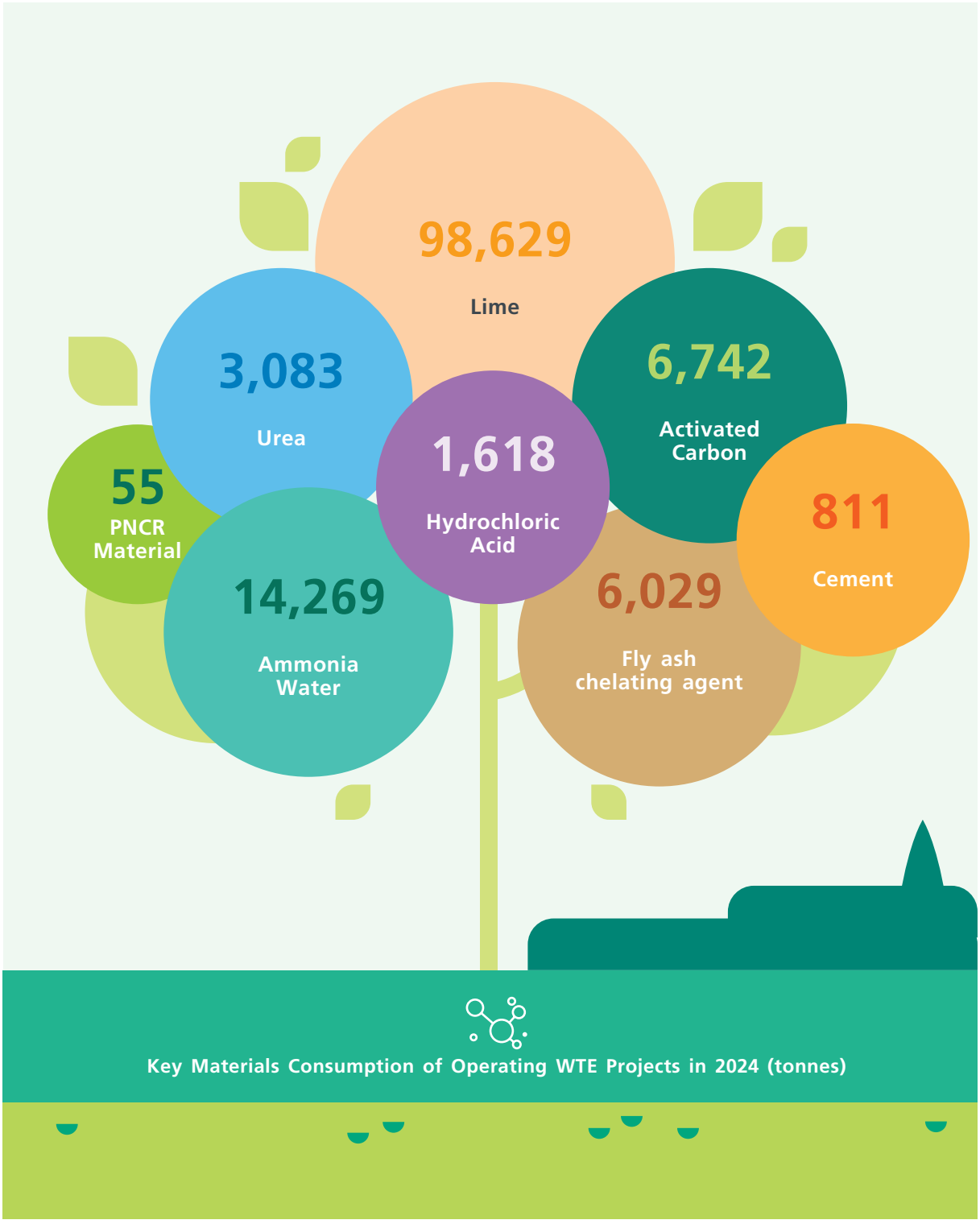
Fuel Consumption		Electricity Consumption		Total Energy Consumed:
Fuel oil: 51,009 GJ Gasoline: 13,099 GJ	+	Grid-purchased Electricity: 3,983 GJ	=	68,091 GJ

Smart Car Parking Management

Fuel Consumption		Electricity Consumption		Total Energy Consumed:
0 GJ	+	Grid-purchased Electricity: 1,024 GJ	=	1,024 GJ

Total Energy Consumed of the Group: **2,577,395 GJ**

* Energy consumption is calculated based on the conversion factors provided in China Energy Statistical Yearbook 2022.



Key Materials Consumption of Operating WTE Projects in 2024 (tonnes)

Sustainable Water Management

Given the increasing concerns about climate change and its impact on freshwater resources, Canvest recognises the importance of sustainable water management in our WTE processes and waste management business. To address this, we conduct impact assessments on local water resources, including water pressure, conflicts and supply risks, in adherence to statutory requirements. The majority of wastewater from our WTE projects is treated and recycled on-site, meeting quality standards for various purposes, 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. We are committed to reducing freshwater consumption and enhancing reuse of treated effluent as part of our long-term water management strategy.

Additionally, we are committed to widespread adoption of sustainable water consumption practices in our daily operations. Under the oversight of our Vice President of Safety and Environment Department, we have established the *Social Responsibility System Operation Manual — Requirements on the Use of Water* and *Water Conservation Management Regulations*. These documents outline the systematic framework and operational practices for managing freshwater consumption. Through a dual strategy of reducing freshwater consumption at the source and increasing the recycling rate of wastewater on-site, we aim to advance our long-term water management efforts.

In our environmental hygiene business, we prioritise the use of reclaimed water from water supply authority for services, such as road cleaning and sprinkling. Effluent is directed to designated manholes, as required by the government, for proper wastewater treatment processes.

Certain WTE Projects in Guangdong region adopts the integrated treatment device for circulating water, which can improve the quality of circulating water and meet the *Water Quality Standard for Industrial Uses* of (GB19923). All the treated water reused in the plant, which greatly reduces the use of freshwater and truly achieves the purpose of energy saving and consumption reduction.

Taking Dongguan WTE Project as an example, after the adoption of integrated treatment device for circulating water, a total of 573,373 tonnes of water was treated and reused from October 2021 to December 2024, and a total of RMB1.4 million was saved. Currently, the equipment is on trial in other projects of the Group, and we are committed to further promote energy saving and consumption reduction.

	Source of Freshwater Consumption in 2024 (m^3)			
Business Sector	**Direct Surface Water Withdrawal**	**Groundwater Withdrawal**	**Municipal Water Supplies**	**Total Freshwater Consumption**
Headquarters	0	0	1,525	1,525
WTE Operation	6,932,088	40,530	11,817,499	18,790,117 **Intensity: 4.15** (m^3/MWh of electricity sold)
Environmental Hygiene Services*	0	0	55,365	55,365
Smart Car Parking Management	0	0	796	796
Total	**6,932,088**	**40,530**	**11,875,185**	**18,847,803**

* an addition of 560,903 m^3 of reclaimed water was used.

In alignment with our sustainability goals, we have set a corporate target for WTE operations to reduce freshwater consumption intensity by 1% in 2030, compared to the 2021 level. Recognising the ongoing development of projects at early stages, we will actively conduct feasibility studies on technical improvements and assess water stress in the surrounding environments of our project locations. In the event that room for substantial reduction in freshwater intensity is identified, the freshwater consumption target will be revised accordingly.

ENVIRONMENTAL CONSERVATION

Canvest is dedicated to further reducing the environmental impacts associated with our WTE operations, positioning us as a leader in decarbonising the energy sector and promoting sustainable waste management. Our *Environmental Factors Identification, Evaluation and Control Procedure* provides a comprehensive framework for identifying and evaluating potential environmental impacts from our operations, along with steps to effectively minimise and control these impacts. Additionally, all emissions and effluent from our WTE projects are strictly monitored in compliance with applicable environmental laws and regulations. Together with the fact that our environmental hygiene and smart car parking management services are to improve the quality of the urban environment, our business activities have no adverse impacts on the surrounding air, water bodies, land, and ecological sites.

RESPONDING TO CLIMATE CHANGE

The average global temperature in 2023 was 1.45 $\pm$ 0.12°C[5] higher than the pre-industrial levels (1850–1900), emphasising the urgency for the energy sector to decarbonise. 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, and enhancing climate resilience for long-term sustainability.

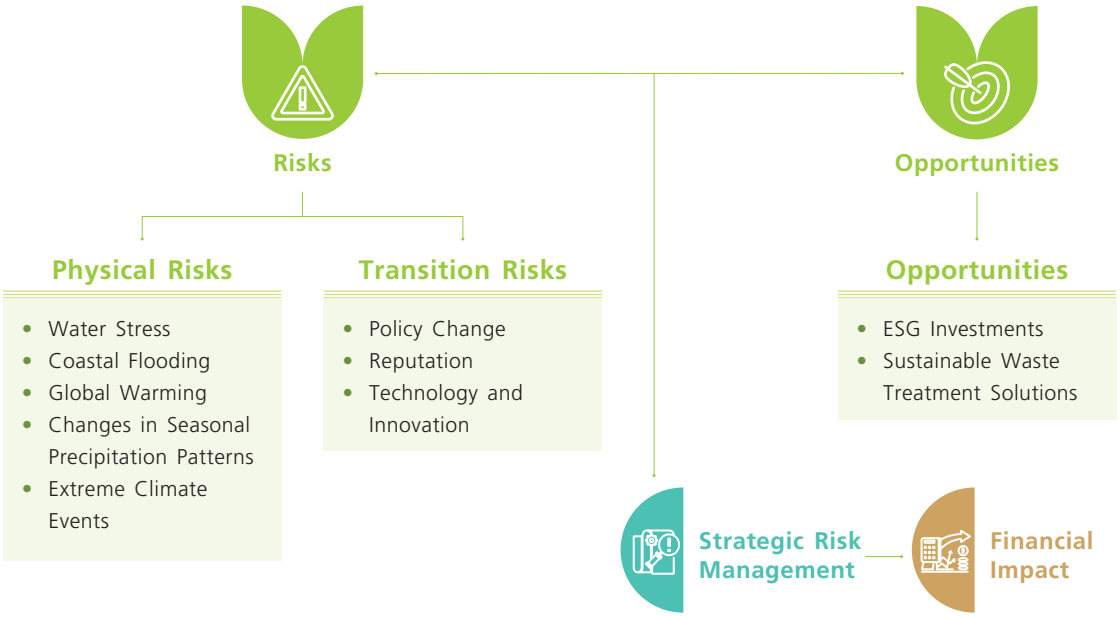
During this Reporting Period, we conducted a climate risk assessment using the Task Force on Climate-Related Financial Disclosures (TCFD) framework, integrating it into our comprehensive scenario analysis for physical and transitional climate risks. Subsequently, we developed measures and strategies to strengthen our resilience to climate change.

Risk Management

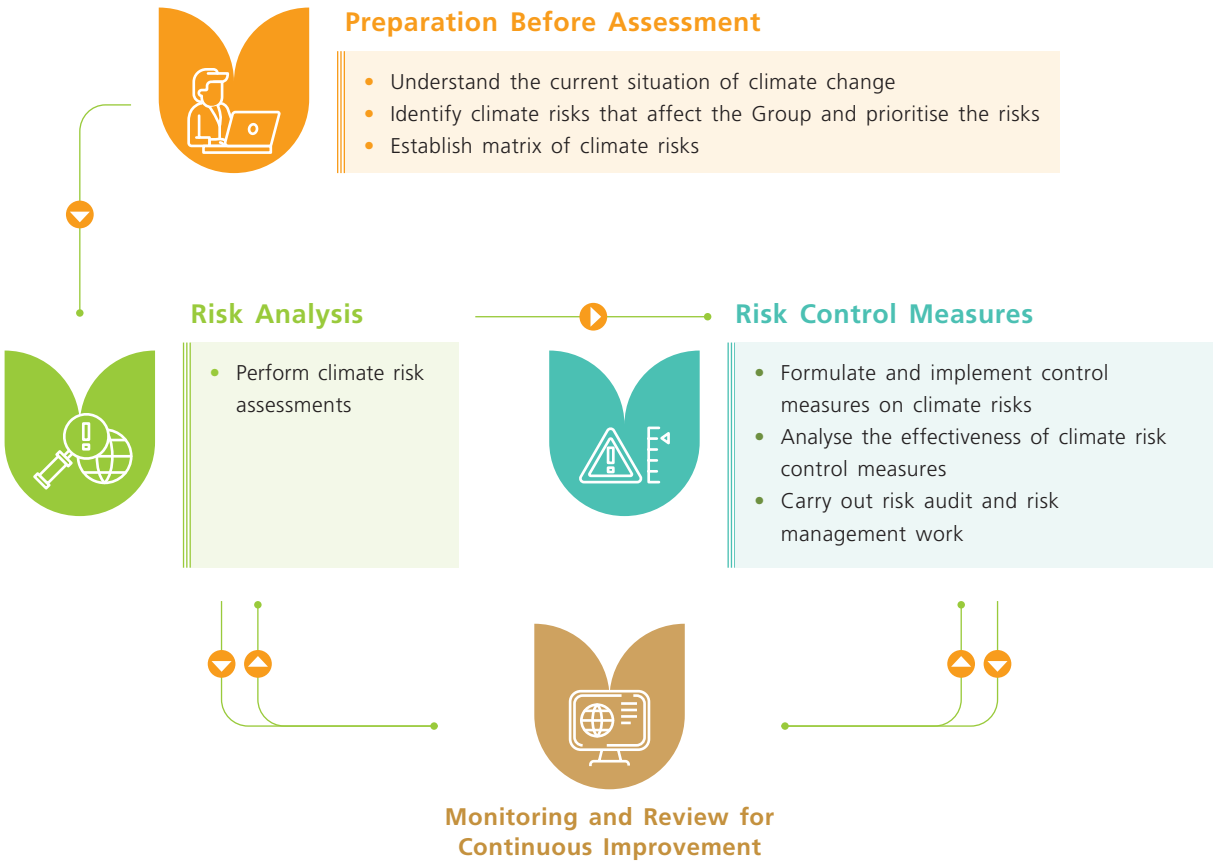
Canvest is committed to systematically and effectively identifying, assessing, and managing climate-related risks. This involves developing climate risk parameters, conducting comprehensive climate risk assessments, formulating and implementing control measures, analysing the effectiveness of existing systems, and conducting risk audits. The Group has identified material climate risks based on the TCFD framework, incorporating both physical and transitional climate risks into its strategic and operational plans.

[5] Referenced to the data published by World Meteorological Organization (WMO) in January 2024.

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

The Group initiated a project-level analysis to assess both acute and chronic physical climate risks. This analysis covered the baseline scenario and three other future climate scenarios in 2050. The future climate scenarios are based on the Coupled Model Intercomparison Project ("CMIP"), which is adopted in the assessment reports of the Intergovernmental Panel on Climate Change ("IPCC"). Scenarios from Shared Socioeconomic Pathways-Representative Concentration Pathways ("SSP-RCPs") are adopted for the assessment year 2050. This is based on the latest climate scenarios and information from the IPCC. Shared Socio-economic Pathway ("SSP") is used to derive emissions scenarios, based on numerous assumptions and factors related to socio-economic trends, also combined with the mitigation efforts and radiative forcing levels.

Key climate-related risks were examined under current and likely future climate states.

We conducted a comprehensive assessment of the physical risks associated with our Operating Projects, covering aspects such as water stress, flooding, as well as cyclone.

Scenarios[6]

Baseline Scenario	Optimistic Scenario in 2050	Business-as-Usual Scenario in 2050	Pessimistic Scenario in 2050
Represents baseline results of the models[7]	It represents a very low or low GHG emissions scenario, leading to warming below 2°C in 2100 compared to the pre-industrial level.	It represents an intermediate GHG emissions scenario, leading to warming 2.6–4.8°C in 2100 compared to the pre-industrial level.	It represents a very high GHG emission scenario, leading to warming of about 4.4°C of warming above pre-industrial levels by 2100.

6 Descriptions of various scenarios are referenced to Aqueduct 4.0 published by the World Resources Institute (WRI).

7 Water stress: a 40-year period of 1979–2019. Flood risk: in year 2010. Cyclone: in year 2020.

Scenarios Applied to Various Risk Assessment[8]

	Baseline Scenario	Optimistic Scenario in 2050	Business-as-Usual Scenario in 2050	Pessimistic Scenario in 2050
Water Stress	✓	✓ (SSP1 RCP2.6)	✓ (SSP3 RCP7.0)	✓ (SSP5 RCP8.5)
Coastal Flood Risk	✓	✓ (SSP2 RCP4.5)	—	✓ (SSP2 RCP8.5, SSP3 RCP8.5)
Riverine Flood Risk	✓	✓ (SSP2 RCP4.5)	—	✓ (SSP2 RCP8.5, SSP3 RCP8.5)
Cyclone	✓	—	—	—

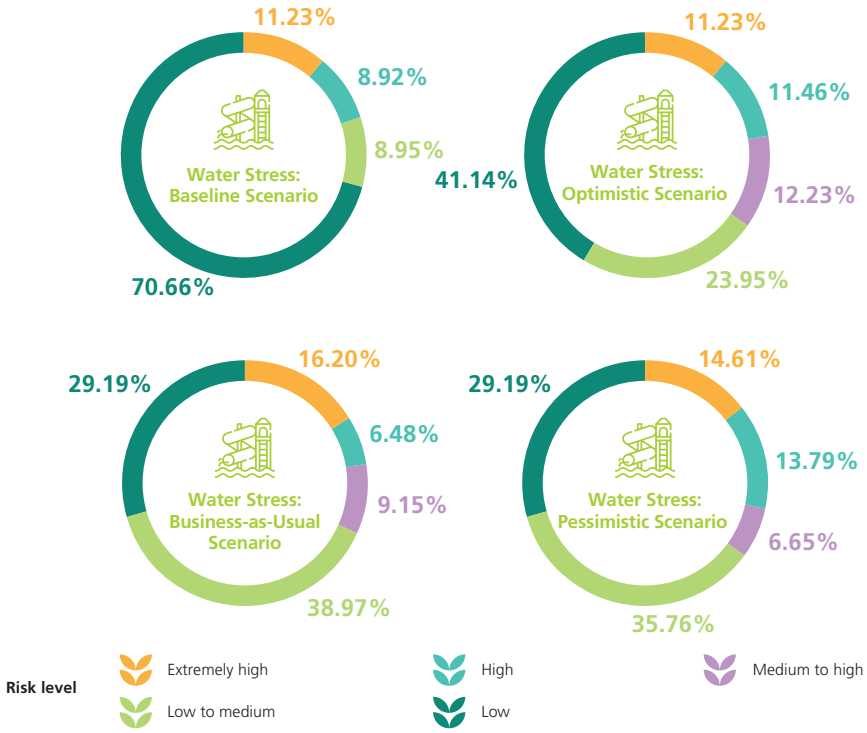
Water Stress

Why assess water stress?	A significant amount of water is consumed in the Group's WTE projects for the purpose of equipment cooling. The potential risk of prolonged drought or insufficient water supply poses a concern that could impact waste processing systems and disrupt normal operations.
Methodology	The Group assesses water stress by comparing the total water withdrawal to the available renewable surface and groundwater supply. A higher risk of water stress suggests increased competition for freshwater resources among local users.

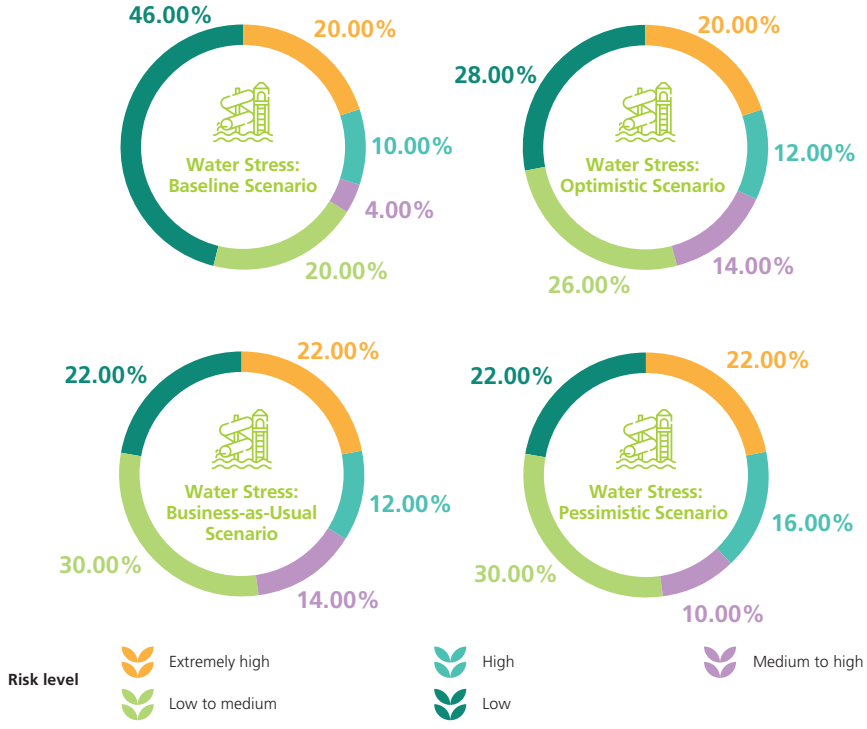
8 Scenario applicability for physical climate risk assessments are referenced to various assessment tools, including Aqueduct Water Risk Atlas and Aqueduct Floods published by the WRI, and *ThinkHazard!* published by the Global Facility for Disaster Reduction and Recovery (GFDRR).

Findings

Water Stress — By Percentage of Capital Investment in Projects



Water Stress — By Percentage of Number of Projects

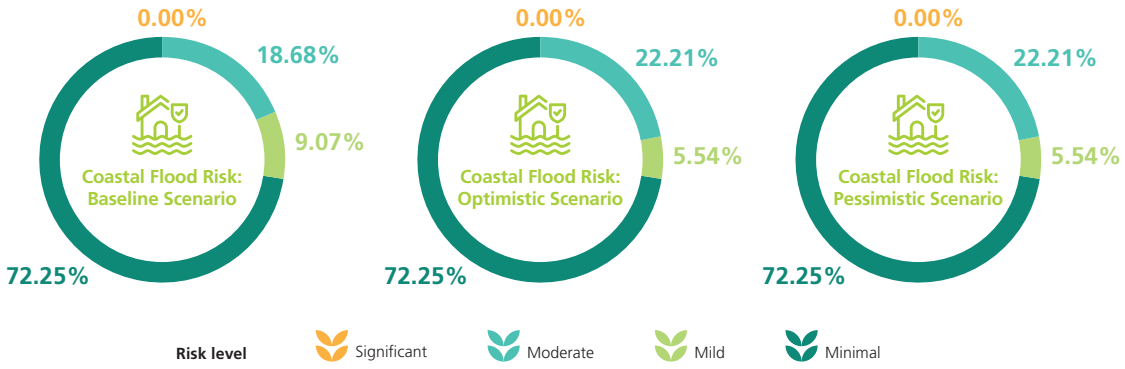


Flood Risk — Coastal and Riverine Flooding

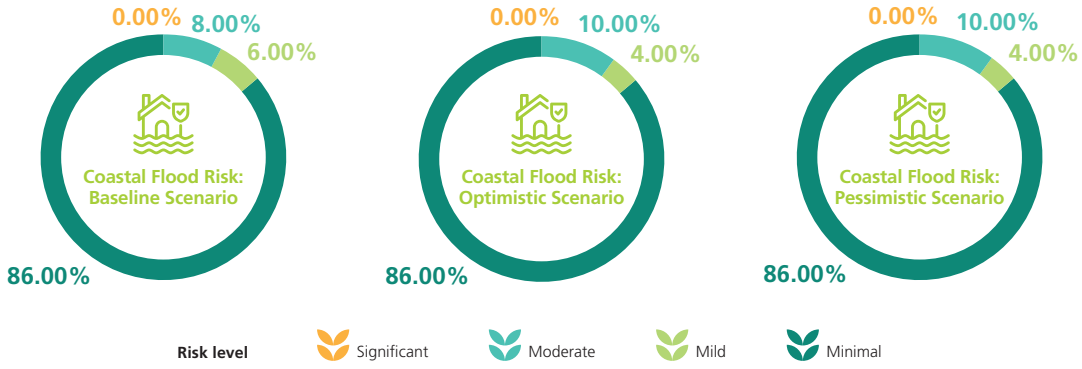
Why assess flood risk?	Coastal and riverine flooding pose a threat to the Group's assets and the safety of its employees.
Methodology	The coastal and riverine flood risk assessments measure the percentage of the Group's projects that is expected to be below the projected sea level and flooded by the surrounding rivers. Flood magnitude of 100-year return period is used for the modelling. All of the Group's Operating Projects have been assessed for flood risk.

Findings

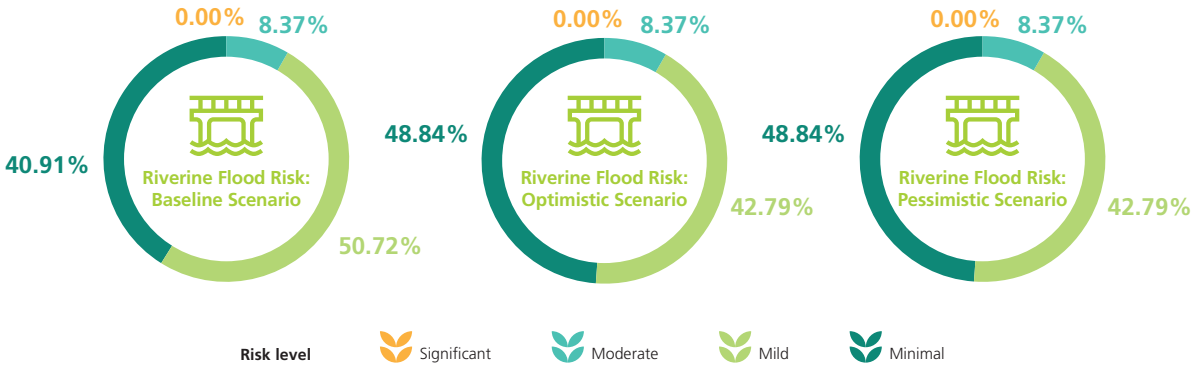
Coastal Flood Risk — By Percentage of Capital Investment in Projects



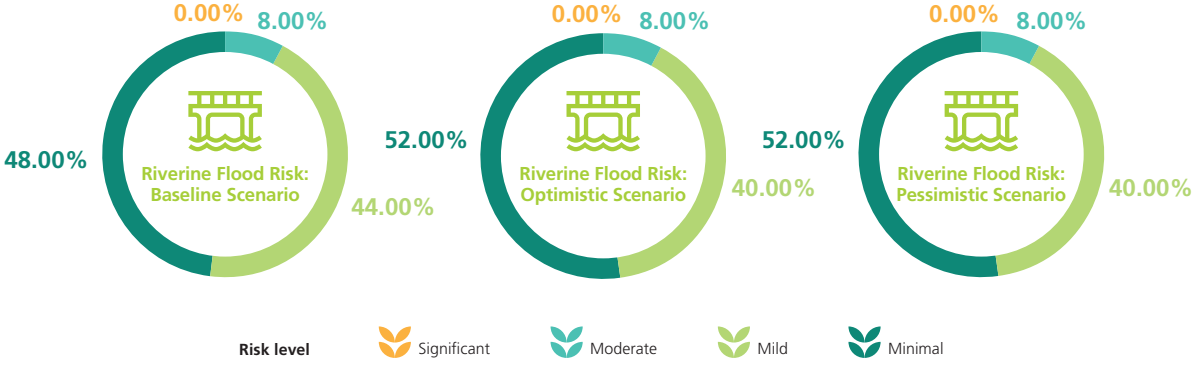
Coastal Flood Risk — By Percentage of Number of Projects



Riverine Flood Risk — By Percentage of Capital Investment in Projects



Riverine Flood Risk — By Percentage of Number of Projects

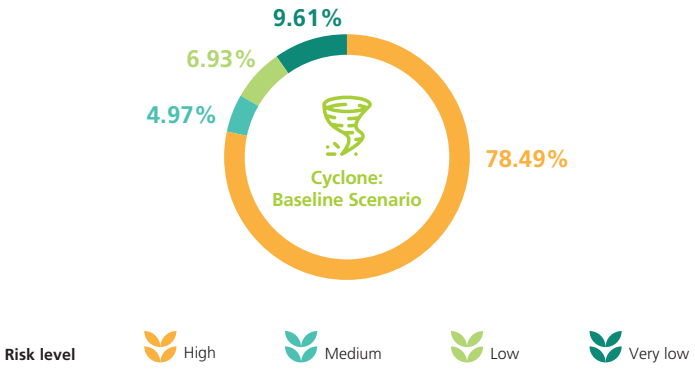


Cyclone

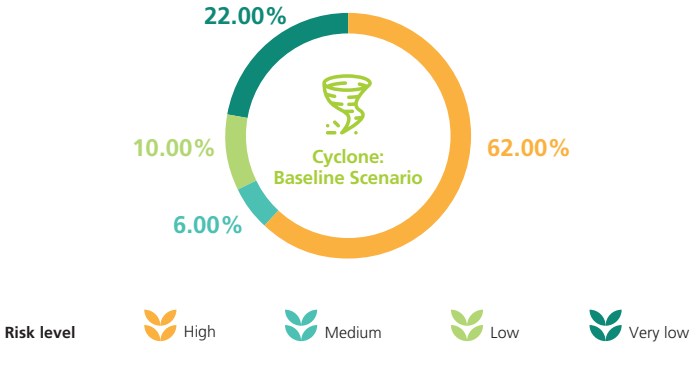
Why assess the risk of cyclone?	The occurrence of cyclone in the project area has the potential to impact the safety and operation of WTE projects, primarily due to damaging wind speeds, heavy rainfall and subsequent flooding. It is imperative to consider the impacts of cyclone at every phase of the projects, including the project designs, construction methods.
Methodology	The cyclone risk assessment measures the magnitude of cyclone that the Group's projects expected to experience. All Group's Operating Projects have been assessed for risk of cyclone.

Findings

Cyclone — By Percentage of Capital Investment in Projects



Cyclone — By Percentage of Number of Projects

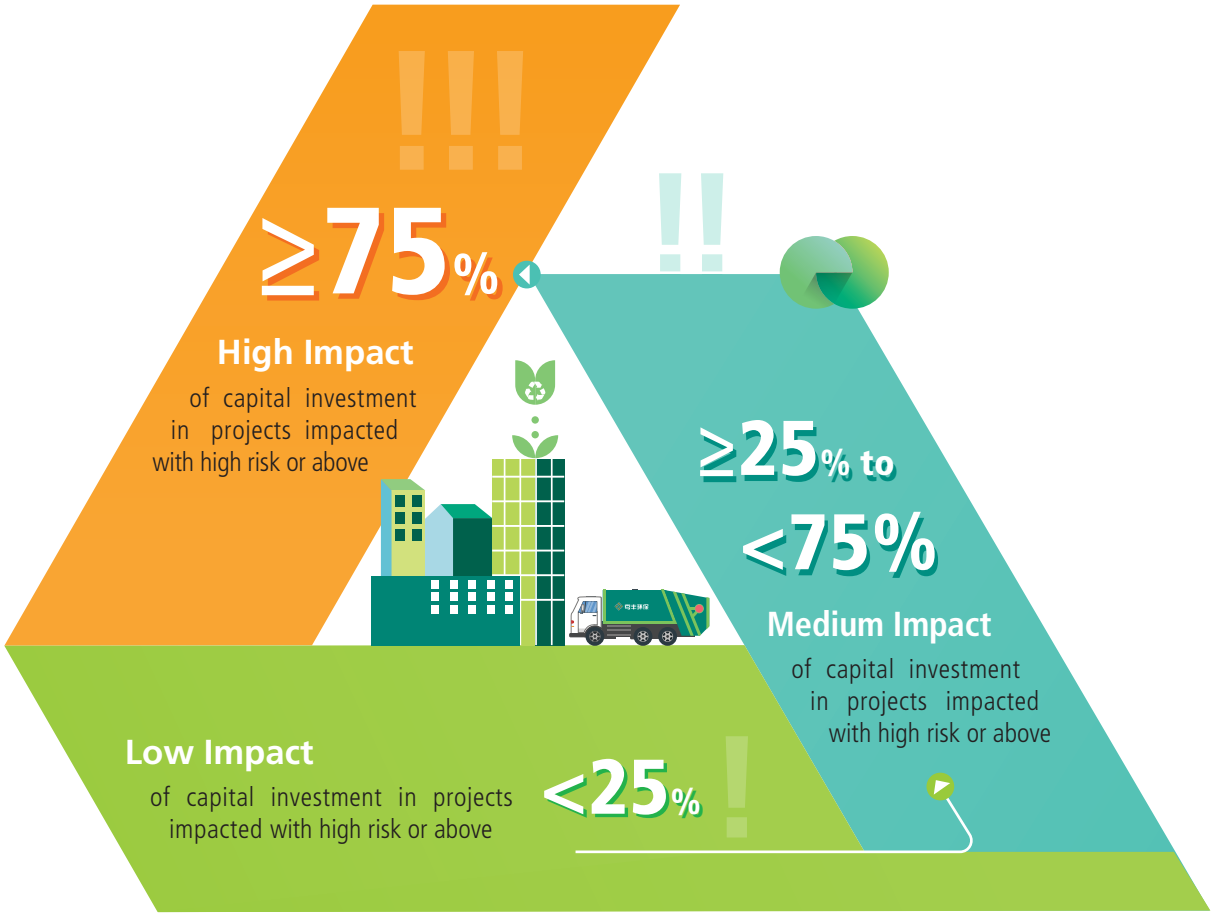


Climate-related Physical Risk Matrix

An analysis of physical climate scenarios was conducted using the Baseline Scenario, Optimistic Scenario, Business-as-Usual Scenario and Pessimistic Scenario in 2050.

Key Findings:

Consequences of Climate Change on Canvest's Operating Projects	Baseline Scenario	Optimistic Scenario in 2050	Business-as-Usual Scenario in 2050	Pessimistic Scenario in 2050
Water Stress	Low	Low	Low	Medium
Coastal Flood Risk	—	Low	—	Low
Riverine Flood Risk	—	Low	—	Low
Cyclone	High	—	—	—



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 • 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 • On-site vegetation is exposed to a stressful environment • Reduction in freshwater availability during the dry season • 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) • Transport and waste delivery disruptions caused by storms • Health and safety risks to employees exposed to extreme weather conditions and outdoor work • 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, formulating a comprehensive list of adaptation measures aimed at mitigating potential adverse impacts on human resources and assets. The Group is committed to promoting the implementation of these measures over the next five years in response to the identified climate-related risks.

1. Water Stress Management

To promote sustainable freshwater consumption and alleviate water stress, Canvest has implemented advanced leachate treatment systems, employing ultrafiltration, nanofiltration, and reverse osmosis technologies. This allows us to recycle treated water on-site, significantly reducing withdrawals from freshwater sources. As of 2024, our Operating Projects have achieved a reclaimed water reuse rate of around 74% on average.

Water Recirculation

To minimise the withdrawal and consumption of freshwater at our WTE plants, we prioritise water circulation within the system.

2. Flood Risk Management

Canvest encourages the integration of natural environment into our design. With approximately 772,295 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 Project
Overall site greenery area: 49,750 m^2

Lufeng WTE Project
Overall site greenery area: 39,995 m^2

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

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

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

3. *Emergency Response*

The Group has strengthened its climate resilience and emergency preparedness to respond swiftly and recover effectively from severe weather events, including heavy rainstorms, floods, typhoons, thunderstorms, and sandstorms. To prepare for flood season and extreme weather occurrences, the Group has developed mitigation measures and procedural documents, such as the *Management System Against Typhoons and Floods*. A dedicated Emergency Control Centre and Task Force Against Typhoons and Floods contribute to the Group's regular preparation for extreme weather events.

Project-level typhoon and flood control drills are conducted regularly to enhance employee awareness and improve internal coordination and emergency response capabilities. Safety inspections are conducted regularly to ensure the removal of materials in exposed areas, verify precautionary resources and emergency kits, inspect WTE plants for water leakage, and maintain the drainage system.

In the event of an anticipated extreme weather event, project companies will receive instructions to execute contingency plans, including stockpiling emergency supplies, strengthening backup power systems, enhancing information exchange with the Emergency Control Center, and improving operational coordination.

Dianbai WTE Project Undergoes Typhoon and Flood Prevention Exercise in Preparation for Typhoon Season

The Dianbai WTE Project is located in the only coastal district of Maoming City, making it susceptible to extreme weather events such as typhoons, heavy rainfall, and tidal surges.

As the saying goes: "More exercise in peace, more competency in emergency". To enhance the ability to handle extreme weather events, the Dianbai WTE Project organises comprehensive emergency drill for typhoon and flood prevention annually.

The drill followed the established typhoon and flood prevention plan, conducting a full-process simulation of real-life scenarios. During the drill, various incidents such as power outages, isolated network operations, and personnel injuries were addressed by implementing typhoon and flood prevention measures item by item, as well as to ensure the safety of different facilities.

4. Robust Preventive Maintenance

Canvest has implemented a comprehensive preventive maintenance programme to uphold the designed serviceability of equipment and infrastructure, recognising the additional risks posed by climate change. Regular and frequent monitoring of key systems and equipment units takes place during maintenance activities. This proactive approach enables project companies to promptly identify potential issues and address them effectively.

5. Climate-Related Risk Insurance

The Group has secured insurance coverage for our projects and assets, mitigating risks associated with natural disasters caused by climate change. This coverage encompasses a range of events, including lightning, rainstorms, storms, floods, tornadoes, typhoons, hurricanes, sandstorms, blizzards, landslides, mudslides, subsidence, etc. The insurance policy is designed to provide compensation for damages to projects, disruptions in operations, and worker health and safety.

Transition Risk Scenario Analysis and Management Policy

The Group has incorporated climate change scenarios developed by the IEA, which is designed for the global energy sector, into our climate change risk management approaches. Using these scenarios, the Group identifies transition climate risks and formulate plans to manage these risks, contributing to strategic planning for corporate development.

Climate Scenarios[9]

Net Zero Emissions by 2050 Scenario (NZE)

A scenario which sets out a pathway for the global energy sector to achieve net zero CO_2 emissions by 2050. It does not rely on emissions reductions from outside the energy sector to achieve its goals. Universal access to electricity and clean cooking are achieved by 2030.

CO_2 emissions will fall to 21.1Gt by 2030 and to zero in 2050, which is consistent with limiting the temperature increase to less than 1.5°C in 2100 (with at least a 50% probability).

Stated Policies Scenario (STEPS)

A scenario which reflects current policy settings based on a sector-by-sector and country-by-country assessment of the energy-related policies that are in place as of 2023, as well as those that are under development. The scenario also takes into account currently planned manufacturing capacities for clean energy technologies.

We have conducted a comprehensive analysis of climate-related transition risks and opportunities, aligning with the climate scenarios above, NZE and STEPS. Our evaluation incorporated financial implications to determine the extent of risks and opportunities. The assessment is conducted with time horizons set at 2030 and 2050. The assessment and price level are based on 2023 situation. This approach allows us to systematically assess the impact of climate-related factors on our operations and financial landscape.

Definition of magnitude of climate-related transition risks and opportunities as represented by different colour:

Potential negative impact up to billions or more (HK$)	Potential negative impact up to hundreds of millions (HK$)	Potential negative impact up to tens of millions (HK$)	Intangible/ insignificant financial impact	Positive intangible impact	Potential positive impact up to tens of millions (HK$)	Potential positive impact up to hundreds of millions (HK$)	Potential positive impact up to billions or more (HK$)

[9] The definition of the scenarios is referenced from the Global Energy and Climate Model from the World Energy Outlook 2023 published by the IEA.

The level of identified climate-related transition risks and opportunities:

Aspect	Factor	Rationale	IEA Stated Policies Scenario (STEPS)			IEA Net Zero Emissions by 2050 Scenario (NZE)		
			Canvest's Key Considerations of Risk/Opportunity	Overall Rating		Canvest's Key Considerations of Risk/Opportunity	Overall Rating	
				2030	2050		2030	2050
Sector	Underlying Sector Risk and Stigmatisation of Sector	Carbon-intensive industries are at risk of being stigmatised due to its perceived negative impacts on the environment.	The national government currently positions WTE industry as a crucial part of the treatment of MSW and as a renewable energy sector. The latest national policies reveal the government's efforts in encouraging the development and enhancement of WTE facilities. With advanced environmental control and monitoring system, Canvest has successfully designed its WTE plants as community friendly facilities.			Despite the stringent environmental control of WTE plants, the WTE sector may still be at risk of being stigmatised compared with other waste treatment options such as recycling which is perceived with less environmental discharges.		
Regulatory	Carbon Pricing Mechanisms	*The Paris Agreement* Nationally Determined Contribution (NDC) signifies that the relevant country is committed to implementing measures in reducing carbon emissions, contributing to potentially more stringent regulations such as carbon pricing or carbon taxes.	Under the current mechanism in China, WTE is classified as renewable energy, allowing it to generate carbon credit from its operation in principle. The emission reduction of the project comes from the emission avoidance from decomposition of organic waste in landfill and fossil fuel-fired power generation. This creates an opportunity for Canvest to sell carbon credits in the carbon market.			We remain positive with the belief that the WTE sector will continue to be supported by the national government due to its indispensable role in maintaining a wasteless city. Therefore, WTE plants will still be eligible to generate and sell carbon credits as an extra source of income.		
Regulatory	Enhanced Emissions and Climate Reporting Obligations	With applicable mandatory GHG emissions and climate reporting regulations, companies will face higher operating costs such as higher compliance costs.	Apart from the need to report climate strategies and assessment results, the tightened GHG emissions reporting requirements would be extended to cover all scope 3 emissions, covering both upstream and downstream. Canvest would have to allocate additional resources in data collection and estimating GHG emissions with verification by qualified third parties. We believe that the additional cost will be stabilised in the long run as the market matures.			The methodology for calculating scope 3 emissions is expected to become more robust and climate reporting obligations are anticipated to be more stringent, and long the entire value chain. Before data collection and reporting mechanism becomes mature in the long run, Canvest may need to allocate additional manpower and financial resources to develop a more robust system and subscribe to proxies for collecting higher quality data for calculation and compliance.		

Aspect	Factor	Rationale	IEA Stated Policies Scenario (STEPS)			IEA Net Zero Emissions by 2050 Scenario (NZE)		
			Canvest's Key Considerations of Risk/Opportunity	Overall Rating		Canvest's Key Considerations of Risk/Opportunity	Overall Rating	
				2030	2050		2030	2050
Regulatory	Exposure to Litigation	Climate-related litigation (due to ever tightened standards and evolving claim attitude of stakeholders) can expose a company to potential fines and liabilities.	Under the current prevailing policies in China, WTE is considered as a means to reduce carbon emissions. Nevertheless, Canvest will upkeep a high standard of integrity and professionalism in disclosing its carbon emissions and avoidance in a transparent manner.			Under NZE, there will be heightened environmental awareness and expectations from the society, hence possibility of further elevating climate-related obligations. However, the likelihood of Canvest facing such litigation will still be low, given its high operational standards and reporting practices in place.		
Regulatory	Mandates on and Regulation of Existing Products and Services	For carbon intensive companies whose business is highly dependent on prevailing regulatory measures, they could face increased costs or reduced revenue due to the dynamic evolution of domestic climate change regulatory developments.	The WTE industry in China used to rely on subsidies through feed-in tariffs provided by the government, which is steady declining and would disappear in the next few years. On the other hand, WTE has been included in the green electricity certificate trading market, which could provide a compensatory source of income.			Under NZE, it is anticipated that WTE-driven green energy certificates may be less competitive than those generated by cleaner renewable sources such as solar and wind. In view of the foreseeable market trend, Canvest has been proactively exploring approaches to offer alternative products, such as steam and hydrogen, diversifying its service offerings.		
Technology and Innovation	Transitioning to Lower Emissions Options	Companies are facing the market trend towards green production and transportation where various lower emissions options are available. These include low-carbon operation mode, improved energy efficiency, use of renewable energy, switch to cleaner fuels, adoption of electric vehicles, etc. If a company fails to transition to lower emissions options in meeting its ambitious decarbonisation target (or such target does exist), its market competitiveness will inevitably be affected under the realm of climate change.	Under the prevailing national policies, WTE is currently considered as a carbon reduction industry as a means of avoiding carbon emissions. On the other hand, it is the general trend in China where companies set targets to respond to the national "Dual Carbon" goals. With the vast majority of gross CO_2 emissions released by WTE plants due to incineration of waste, there is limited room to adopt lower emissions options as the quality and quantity of MSW received by WTE plants are contractually bounded by the concession agreements, and are out of Canvest's control. Nevertheless, Canvest has been taking a proactive role in implementing low-carbon initiatives where applicable, for example adopting electric vehicles for environmental sanitation services, investigating large-scale installation of photovoltaic equipment at WTE plants, etc.			Under the ambition to transition towards net zero, Canvest would be subject to more frequent and stringent requests by clients, investors, and other stakeholders in committing to an ambitious carbon reduction goal. Canvest will endeavour to pursue various possible means to achieve any carbon reduction target despite limited effectiveness due to the inherent difficulties to curb carbon emissions associated with the incineration of MSW, a major source of CO_2e emissions in Canvest's portfolio.		

Aspect	Factor	Rationale	IEA Stated Policies Scenario (STEPS)			IEA Net Zero Emissions by 2050 Scenario (NZE)		
			Canvest's Key Considerations of Risk/Opportunity	Overall Rating		Canvest's Key Considerations of Risk/Opportunity	Overall Rating	
				2030	2050		2030	2050
Technology and Innovation	Investment in Technological Breakthroughs	Investment in low-carbon technological breakthroughs such as carbon capture, utilisation and storage ("CCUS") technologies can be impactful but new technology developments could have an associated risk of being unsuccessful.	WTE by incineration is by far the most commercially matured and effective means of bulk MSW treatment. In addition, under the prevailing national policies, the WTE sector is not a priority sector mandated to develop emerging reduction technologies such as CCUS to reduce its GHG emissions. Without any overriding urgencies Canvest would remain cautious about the prospects of emerging technologies.			According to the 2023 update of NZE, IEA expects sharp increase in CCUS capacity as an important means to curb carbon emissions especially in areas where other options are limited. Together with the fact that CCUS projects for WTE plants are taking off in many countries in Europe, it is foreseeable that the demand (whether regulatory or commercially driven) will grow much faster than expected, despite the progress of CCUS development has been slow over the years. It is expected the CCUS technologies would become mature when time goes by.		
Market & Reputation	Changing Client Behaviour	If the services are elastic and there are competitors in the market, clients have the option to choose an alternative provider for the same services. It is probable for clients to lean towards services that are more climate friendly.	Under the current technological level, treatment of the bulk of MSW by WTE is commonly considered as the best available means and the service is irreplaceable. Such setting aligns with the current national "zero-waste city" programme. While the emphasis may gradually shift from thermal recovery towards recycling under the realm of circular economy in China, Canvest has taken action to seize market opportunities arising from the "Incineration +" model.			It is expected that ambition of carbon neutrality will drive substantial development WTE industry in the emerging markets. Leveraging its extensive experience in WTE technologies, Canvest is actively considering the prospect of expanding its business to foreign geographies. Despite the expected shifts in behaviour changes within China, the WTE sector of Canvest remains optimistic as the Group is able to extend WTE operations to a holistic integrated waste management model with the support of smart environmental sanitation business.		
Market & Reputation	Increased Cost of Raw Materials	The fluctuations in the price of raw materials can be caused by climate change. Projects that depend significantly on such raw materials will therefore be exposed to risks of higher production costs in the future.	Climate-related policies and regulations are already in place to regulate the manufacturing industry along the supply chain to adopt cleaner technologies, reduce emissions, and be more resilient to climate change. There is an anticipated trend of cost escalation with regards to price of raw materials, such as construction materials, chemicals and fuel.			Net zero ambitions will result in an overwhelming call for use of clean energies throughout the supply chain, which will be translated into significant cost implications to Canvest.		

Aspect	Factor	Rationale	IEA Stated Policies Scenario (STEPS)			IEA Net Zero Emissions by 2050 Scenario (NZE)		
			Canvest's Key Considerations of Risk/Opportunity	Overall Rating		Canvest's Key Considerations of Risk/Opportunity	Overall Rating	
				2030	2050		2030	2050
Market & Reputation	Increased Stakeholder Concern or Positive/Negative Stakeholder Feedback	Significant climate-related negative feedback and concerns (if any) from the public, media or NGOs could cause reputation damage to Canvest.	The prevailing policy in China supports the WTE sector in general, and are favourable to intelligent urban management solutions such as smart environmental sanitation services. On the other hand, the mandatory waste sorting measures may reduce the amount of food waste to be sent to WTE plants, weakening their ability to in GHG emissions avoidance. Nevertheless, increased recycling efforts at the municipality level would favour the smart environmental sanitation (including waste collection) sector in the long run.			Under the realm of NZE, emissions from incineration of non-renewable waste is counted towards total GHG emissions, which have to be abated by means other than offsetting. The WTE sector may be perceived as carbon-intensive business due to its gross GHG emissions and draws negative feedback from stakeholders, requiring efforts and resources to recover.		

Exploring Future Adaptation Measures Against Climate Risks

Recognising the necessity for long-term planning in responding to climate change and mitigating associated risks, Canvest is actively exploring adaptation measures for both physical and transitional risks linked to projects in the planning phase and potential future business areas. This proactive approach spans the entire project life cycle, covering early planning stages, design considerations, and operational strategies.

Project Phases	Future Adaptation Measures	Description
Planning	Climate-Sensitive Site Selection	• Incorporate climate considerations into the project site selection process. • 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. • 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 GHGs.

Project Phases	Future Adaptation Measures	Description
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. • Ensure that flood gates are installed in areas prone to flooding. • Drainage improvements should be made along key access roads to ensure uninterrupted waste transportation to WTE project sites.
	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. • Reduce carbon emissions associated with construction projects by using biodiesel and electrical mobile plants.

Project Phases	Future Adaptation Measures	Description
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 to all employees on the potential impacts of climate change on operations, enhancing the emergency preparedness to climate change.
	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.

To continuously monitor the impacts of climate change on our business operations, we have established a set of climate parameters. These measurable indicators enhance our early preparedness to minimise potential impacts by formulating corresponding action plans. In 2024, the impacts caused by climate change was not significant.

Parameter	Unit	2024
Number of hours of incidental operation suspension due to extreme weather events	Hours	479
Total insurance premium paid to protect property damages from climate risk/risk of extreme weather	RMB	4,044,473
Total insurance claimed as a result of property damages due to climate/ extreme weather events	RMB	8,139,690
Number of work-related injury cases due to extreme weather events	No. of cases	0
Number of sick leave days due to extreme weather events	Days	0
Total number of hours spent on climate-related emergency drills	Hours	396
Total plan area of greeneries and ponds for flood retention	m^2	634,312

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 avoidance contributions from our Operating Projects.

Data Calculation Methodologies

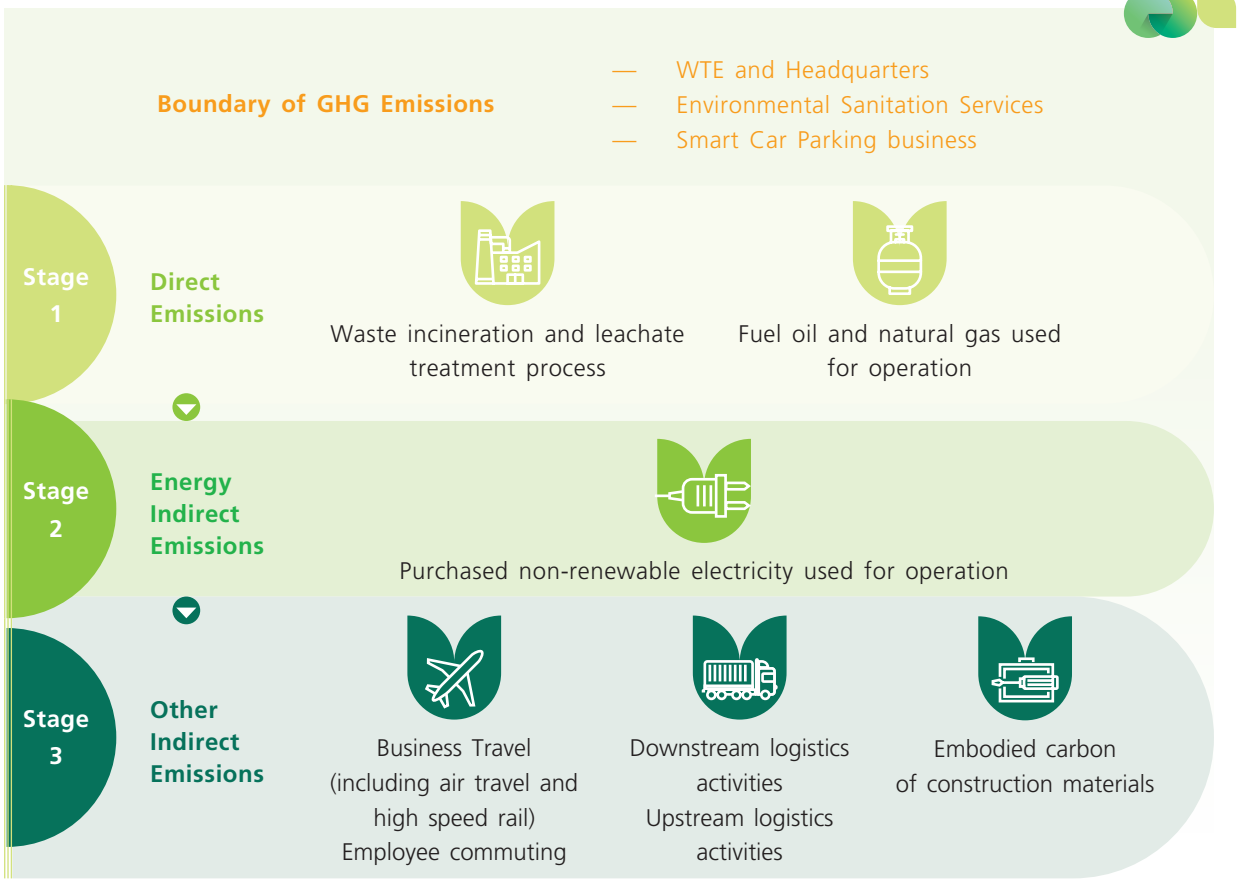
GHG emissions and avoidance were calculated using CDM methodology *ACM0022: Alternative Waste Treatment Processes (Version 3.0)*. Air travel GHG emissions were calculated using the International Civil Aviation Organization (ICAO) Carbon Emission Calculator.

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

GHG Emissions

All three scopes of carbon emissions are disclosed by Canvest in absolute figures and intensity levels. Since 2023, we have expanded the boundary of GHG emissions to also cover the environmental sanitation and smart car parking business. For Scope 1 emissions, our Operating WTE Projects emit GHGs 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 commuting, business travel, embodied carbon of construction materials, downstream transportation of processed bottom ash and fly ash and upstream logistics activities.

The infographic below summarises the reporting scope for each category of GHG emissions:

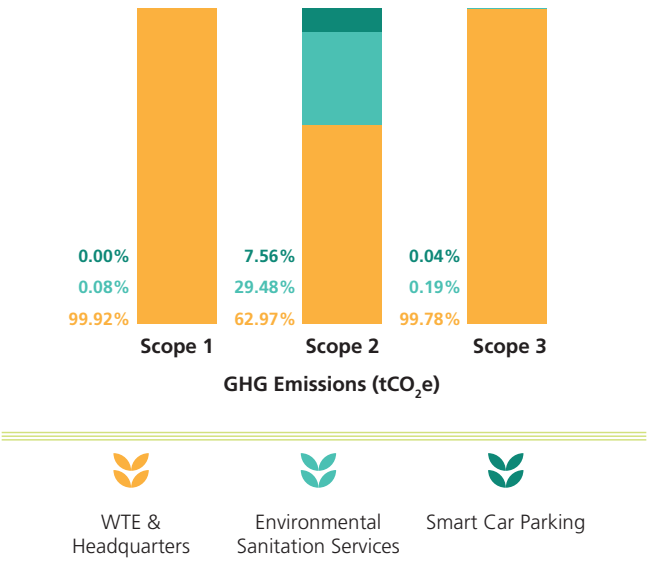


In 2024, our Operating WTE Projects processed 13,901,789 tonnes of MSW, representing a 3.81% increase over the previous year. In total, the Group has supplied 4,528,694 MWh of green electricity to the grid, representing a 5.43% increase compared with last year, and supplied 312,128 tonnes of steam, avoiding 8,431,368 tonnes of carbon dioxide equivalent emissions.

GHG Emissions

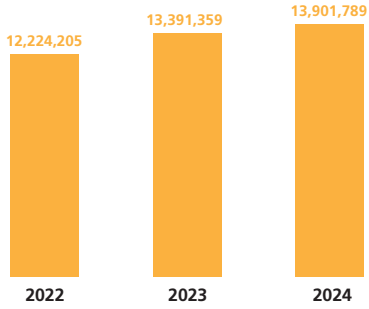
	2024
Scope 1 (Direct Emissions) (tCO_2e)	9,276,691
Incineration of MSW (tCO_2e)	9,268,983
Other Sources (tCO_2e)	7,708
Scope 2 (Energy Indirect Emissions) (tCO_2e)	2,015
Scope 1 + Scope 2 Emissions (tCO_2e)	9,278,705
Scope 3 (Other Indirect Emissions) (tCO_2e)	49,997
Total GHG Emissions (tCO_2e)	9,328,447
Total GHG Emissions Intensity (tCO_2e/tonnes of MSW processed)	0.671
GHG Emissions Avoidance (tCO_2e)	8,431,368

Carbon Emissions Profile

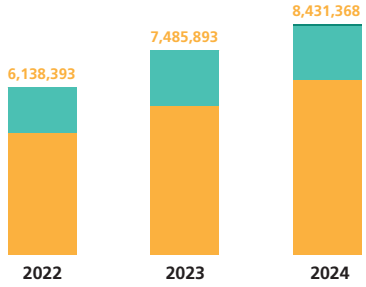


Canvest in Support of Circular Economy

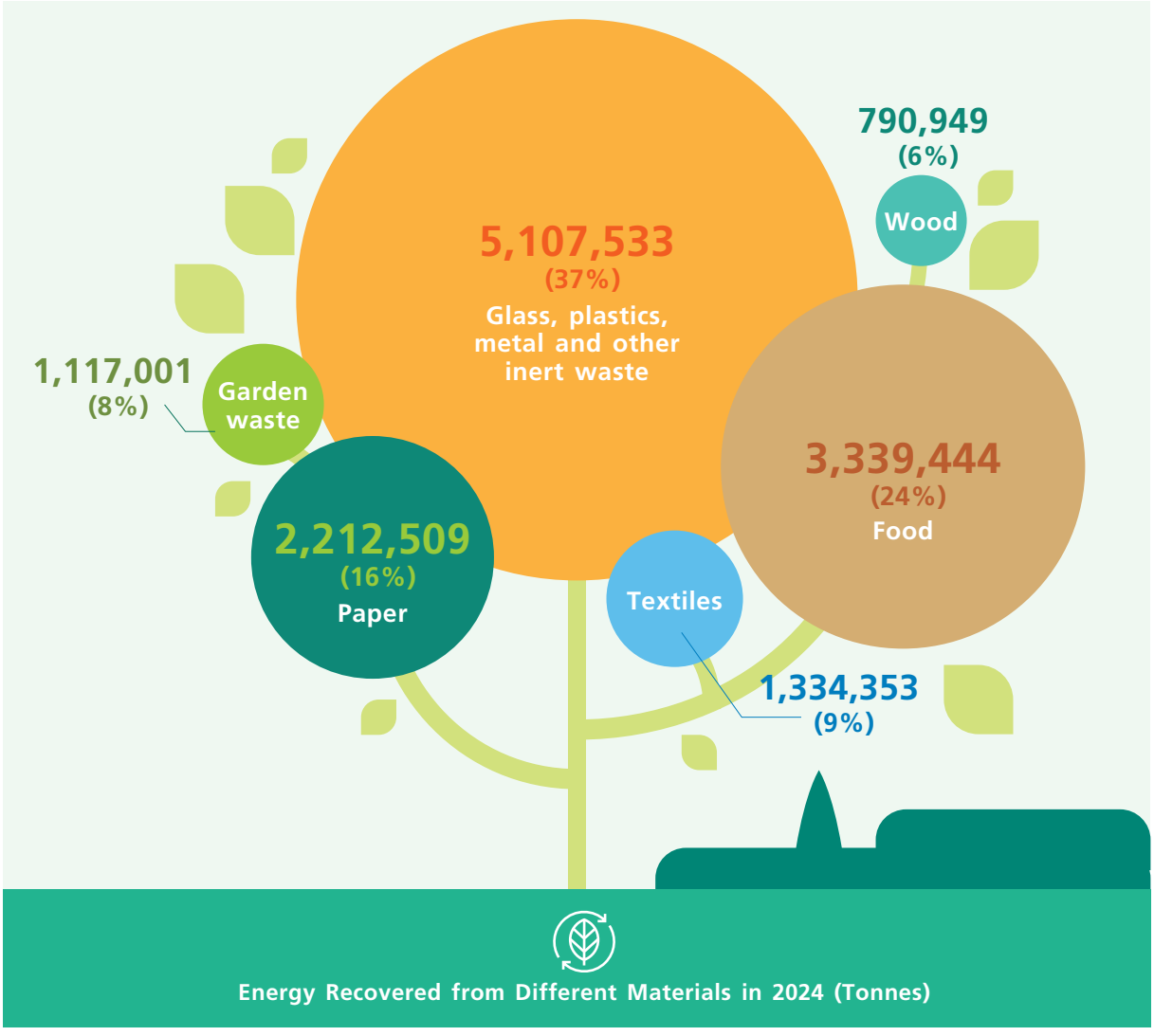
MSW Treated (Tonnes)



Sources of GHG Emissions Avoidance (tCO_2e)



Landfill Gas Avoidance
Energy Generation
Thermal Energy Production



Energy Recovered from Different Materials in 2024 (Tonnes)

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

Yingkou WTE Project Phase 1 Received VCS Approval

The carbon emission reduction issuance application for the first phase of the Yingkou WTE Project has successfully received approval from the Verra Registry under the VCS programme, with an average annual emission reduction of approximately 240,000 tCO_2e approved.

This marks the first voluntary carbon unit (VCU) approval of a WTE project in China under VCS in the past 12 years, paving a new path and achieving a breakthrough in enhancing the environmental benefits of WTE projects.

Canvest actively responds to China's "Carbon Peak and Carbon Neutrality" strategy by adopting new technologies and processes, improving production management, leveraging industrial synergy, exploring low-carbon development pathways, and implementing multiple measures to increase greenhouse gas emission reductions. This has played a significant role in promoting green and low-carbon economic and social development.

In the future, Canvest will promote low-carbon production and emission reduction verification across more of its projects, advancing the company's sustainable development with a green and low-carbon philosophy and contributing actively to the construction of ecological civilisation.

Canvest Participates IE Expo China for the Third Time, Showcased Its Capabilities at Environmental Technologies

Canvest made a grand appearance at the 25th IE Expo China held at the Shanghai New International Expo Centre. During the exhibition from 18 to 20 April 2024, the Group showcased the "Incineration +" full industry chain business model, demonstrating its modern, digital, and intelligent capabilities in comprehensive smart city management services.

One of the most eye-catching highlights of the exhibition was the Baoshan WTE Project, a project we have involved in developing and are responsible for operating. This project integrates technology, environmental protection, ecology, fashion and environmental park. With its adoption of work-class building and environmental standards, it has attracted significant attention due to its top-notch international construction.

This year's Expo attracted 2,457 participating companies, including various types of enterprises, providing an important platform for industry communication and cooperation. Through the exhibition, enterprises of all types exchanged resources and advantages, leading to win-win collaboration for all parties.

Looking ahead, Canvest will continue to uphold the concept of "step-by-step advancement and coordinated development". While excelling in refined operational management, the company will actively explore new development opportunities to generate sustained momentum for its sustainable development.

Eco Expo Asia: Canvest Participates for the 3rd Consecutive Year with Focus on Creating Zero-Carbon Future through Green Technology

Canvest, as a leading WTE corporate, and integrated urban environmental and hygiene service provider in China, participated in Eco Expo Asia 2024. The event was co-organised by the Hong Kong Trade Development Council and Messe Frankfurt (Hong Kong) Ltd., and supported by the Environment and Ecology Bureau of the HKSAR Government.

Canvest has always focused on WTE and provides services related to environment and hygiene for smart cities. The Group actively promotes waste recycling and reuse to achieve energy conservation and environmental protection. At the exhibition, Canvest demonstrated its innovative capabilities in environmental protection and sustainable development through topics such as innovative technology, WTE and smart city environmental hygiene services, showcasing its leading position in the industry. The company also highlighted the upgrading works of the North Lantau Transfer Station and the Outlying Island Transfer Facilities, engaging visitors in discussions on utilisation of green technology to achieve dual carbon goals efficiently.

Eco Expo Asia 2024 attracted over 300 exhibitors from 11 countries and regions, including mainland China, Hong Kong, Singapore, Germany, Finland, Norway, the Netherlands, the United States and Canada. It provided an international platform to facilitate collaboration and encourage innovation, as well as promote green technology and sustainable solutions. This year's theme, "Fostering Green Innovations for Carbon Neutrality", united leading corporations from various green sectors to collaborate and create a more sustainable future.

Canvest is honoured to participate in Eco Expo Asia for the 3rd consecutive year. The exhibition not only showcased the Group's leading position and innovative capabilities in the WTE and urban environmental hygiene sectors, but also highlighted its expertise and achievements in WTE and green technology. Canvest aims to lead the way in industry innovations, achieve sustainable development and contribute to a zero-carbon future.

Quyang Environmental Sanitation Project Introduces New Environmental Vehicles to Enhance Green and Low-carbon Sanitation Services

The Quyang Environmental Sanitation Project of Canvest Yuezhan welcomed a batch of new-type special-purpose garbage transfer trucks in July 2024, marking a new level of advancement in urban environmental sanitation management.

Since starting operations in Quyang County in 2022, Canvest Yuezhan has adhered to the core philosophy of "dedicated to creating a clean, comfortable living environment for the people", continuously strengthening investment in and management efficiency of urban environmental sanitation services. Through relentless efforts, the quality of environmental sanitation in Quyang County has significantly improved, earning unanimous praise from the local residents.

In response to the local government's strong advocacy of the environmental priority concept and emission reduction policies in recent years, Quyang Environmental Sanitation Project has actively fulfilled corporate responsibilities by introducing a batch of special-purpose garbage transfer trucks that meet the National VI emission standards. To further enhance environmental efficiency, the project has specifically introduced new-type energy vehicles (NEVs), driving the local environmental sanitation industry towards higher quality development.

The widespread application of NEVs in the environmental sanitation industry has become a key driver for promoting industry's green development. The newly introduced environmental vehicles can improve waste collection and transportation efficiency, reduce air pollution, and effectively minimise negative environmental impacts. These NEVs have a power of up to 380 kW and can travel 360 km on around 1 to 2 hours of charging, providing effective assurance for the continuous and stable operation of waste collection and transportation tasks.

Looking ahead, we will continue to optimise waste collection and transportation processes and enhance service quality, injecting stronger development momentum into the local environmental sanitation service.

OUR PEOPLE

INCLUSIVE WORKING ENVIRONMENT

Canvest is committed to fostering a workplace that values and promotes employee diversity, recognising that their contributions are integral to the overall success of the Group. Our Human Resources Department is dedicated to creating a welcoming, inclusive, and productive work environment. We believe in the professional development of our employees and invest significantly in training to ensure that they are well-equipped for fulfilling their career prospects. The ESG and Climate Risk Management Committee continues to enhance our commitment to equality, diversity, and inclusivity at work, working collaboratively with other supporting departments or business units.

In our commitment to ethical and responsible employment practices, Canvest adheres closely to all applicable laws including the *Labour Law of the PRC*. We fully respect employee rights and interests, prioritise workplace health and safety, maximise employee career development mechanisms, and strictly prohibit all forms of discrimination. Our Social Responsibility Management System aligns with SA8000 Social Accountability Standard, embedding relevant labour laws into our Group's culture. We pledge to fully comply with all rules and regulations while continually enhancing our employment and welfare systems.

Canvest prioritises employee well-being by encouraging work-life balance through diverse engagement activities and offering the exclusive level medical insurance, ensuring comprehensive health coverage. This package includes an annual health check-up, allocated funds for medical consultations, and additional coverage for secondary claims, demonstrating our commitment to employee health and safety beyond legal requirements.

As of 31 December 2024, the Group had a total of 7,596 employees (included all subsidiaries), of which 7,585 were permanent employees and remaining 11 was part-time staff. The WTE business employed 2,609 employees, with technicians and operators accounting for the majority. The environmental sanitation management service business employs 4,707 employees. The smart car parking business employs 159 employees, and the remaining 121 employees are employees of the Group's headquarters.

Workforce Demographics of the Group in 2024

	Headquarters	WTE	Environmental Sanitation Services	Smart car parking
Total Workforce by Gender				
Male	72 (60%)	2,136 (82%)	2,220 (47%)	81 (51%)
Female	49 (40%)	473 (18%)	2,487 (53%)	78 (49%)
Total Workforce by Age Group				
30 years old or below	9 (7%)	847 (32%)	66 (1%)	14 (9%)
31–50 years old	100 (83%)	1,609 (62%)	990 (21%)	104 (65%)
Over 50 years old	12 (10%)	153 (6%)	3,651 (78%)	41 (26%)
Total Workforce by Employee Category				
Senior management	17 (14%)	26 (1%)	14 (0.3%)	11 (7%)
Middle-level management	23 (19%)	117 (4%)	23 (0.5%)	7 (4%)
General and technical staff	81 (67%)	2,466 (95%)	4,670 (99.2%)	141 (89%)
Total Workforce by Region				
Guangdong	84 (69%)	1,281 (49%)	236 (5%)	65 (41%)
Guangxi	0 (0%)	197 (8%)	0 (0%)	0 (0%)
Guizhou	0 (0%)	174 (7%)	0 (0%)	0 (0%)
Yunnan	0 (0%)	132 (5%)	0 (0%)	0 (0%)
Hebei	0 (0%)	162 (6%)	2,971 (63%)	0 (0%)
Sichuan	0 (0%)	0 (0%)	780 (17%)	0 (0%)
Hong Kong	37 (31%)	0 (0%)	0 (0%)	0 (0%)
Others	0 (0%)	663 (25%)	720 (15%)	94 (59%)
Total Workforce by Employment Form				
Full-time	121 (100%)	2,609 (100%)	4,696 (99.8%)	159 (100%)
Part-time	0 (0%)	0 (0%)	11 (0.23%)	0 (0%)
Total Workforce by Ethnicity				
Han	121 (100%)	2,347 (90%)	4,681 (99%)	132 (83%)
Minorities	0 (0%)	262 (10%)	26 (1%)	27 (17%)

Female Representation in the Workforce
41%

Percentage of Senior Management Positions Held by Women
12%

Percentage of the Board Held by Women
11%

Our Approach in Protecting the Rights and Interests of Employees

Canvest strives to become a top-notch 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. 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. In 2024, we did not receive any substantiated grievances.

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 significant emphasis on attracting and retaining exceptional talent, recognising that employees are always key to the Group's sustainable growth. We have established a robust human resources management system that sets standards and provides direction for various management tasks. Our detailed *Employment Procedure* guides hiring and promotion processes, while the *Human Resources Control Procedure* outlines criteria for compensation, termination, working hours, rest breaks, and other benefits, ensuring a fair and supportive work environment through meticulous implementation of employment regulations.

Canvest has implemented various initiatives and programmes to foster workplace diversity, including the employment of women, underprivileged groups, individuals with disabilities, and ethnic minorities. To create shared value with our commercial operations and contribute to local economic growth, we prioritise recruiting campaigns in communities surrounding our operating projects. Notably, projects such as Ruili WTE Project and Xingyi WTE Project have successfully employed a significant number of ethnic minority personnel from the local region, ensuring they receive competitive remuneration packages and equal opportunities for career advancement. We also provide non-salary benefits and work-life balance activities, including employee birthday party, staff outing, dormitory provision, festive celebrations, and cultural and sports activities. Our ESG and Climate Risk Management Committee will continue to monitor and assess these initiatives to enhance diverse recruitment and retention rates.

Remuneration System

- Act in full compliance with all applicable legal requirements with respect to minimum wage
- Provide **21** incentivised, performance-based remuneration

Benefits and Subsidies

- Beyond the provision of basic employee benefits such as insurance and housing funds (for PRC employees), 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 project company

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-employee relationship.

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

- **Organise staff meetings and set up employee suggestion box system to gather employees' feedback efficiently**
- **Conduct employee satisfaction survey on a half-yearly basis to collect employees' feedback and suggestions regarding working arrangements, wages and supports, etc.**
- **Analyse the employee satisfaction survey results by our senior management promptly, synchronise effective and reasonable comments/ views from employees and implement corresponding actions across various business units**

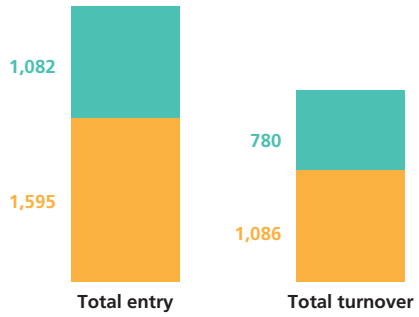
Employee Entry and Turnover

Under the guidance of the nation's "Dual Carbon" policy, Canvest is aggressively expanding its business along the value chain and looking into new opportunities. In 2024, staff turnover and retirement accounted for 25% of the total workforce, while the total number of new hires made up 35% of the whole workforce.

Canvest is committed to supporting local economic growth by providing individuals with employment opportunities. Over 48% of the senior management was hired from the local regions to work on our projects.

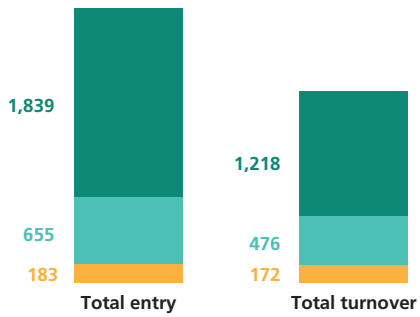
Employee Entry and Turnover Statistics in 2024

By Gender



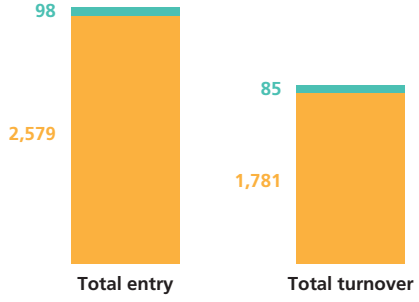
Male
Female

By Age group



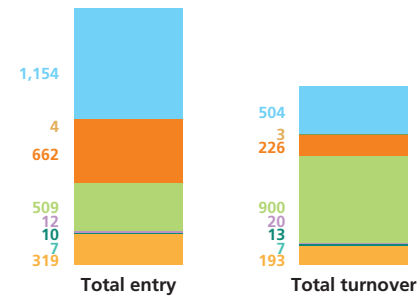
30 years old or below
31-50 years old
Over 50 years old

By Ethnicity



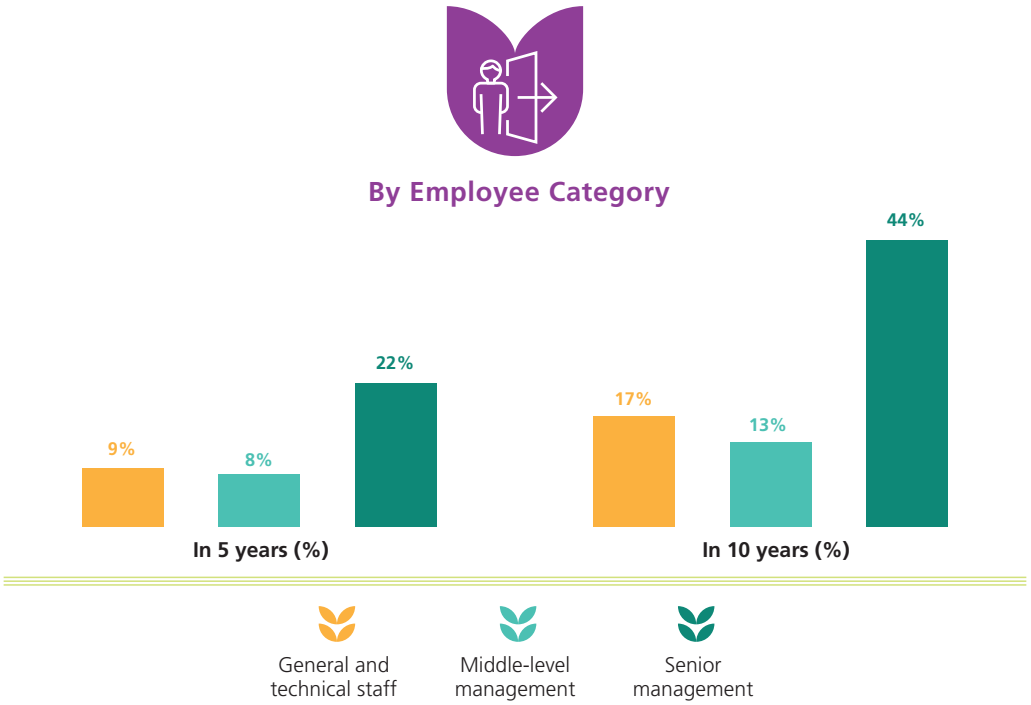
Han
Minorities

By Region



Guangdong
Guangxi
Guizhou
Yunan
Hebei
Sichuan
Hong Kong
Others

Percentage of Employees Eligible for Retirement[10] in 5 and 10 Years



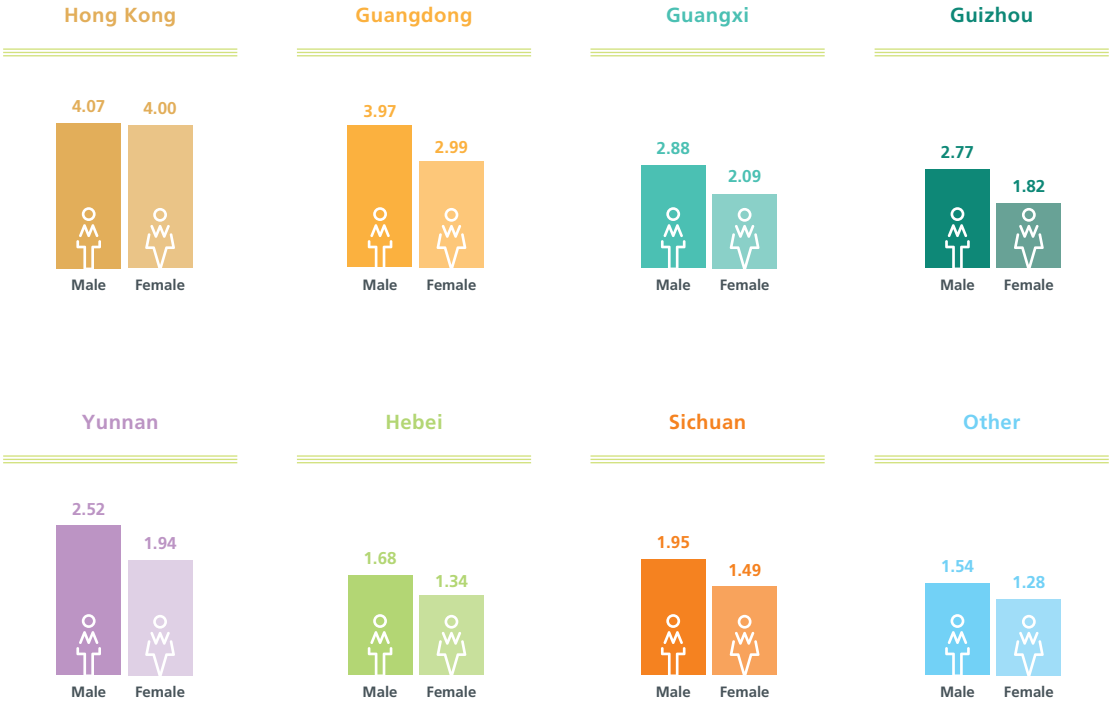
Remuneration Framework

Canvest is committed to offering a fair yet competitive wage, benefits, and performance-based rewards through our comprehensive remuneration system. We aim to attract talent and retain talented employees and maintain our industrial competitiveness, by offering compensation that aligns with fair market levels.

In 2024, 100% of our employees received performance and compensation evaluations, recognising their efforts and achievements throughout the year. Our benefits and remuneration packages consistently exceed the standards set by local laws, reflecting our dedication to employee well-being and satisfaction.

10 The statutory retirement age of male and female in the mainland China is 60 and 50–55 respectively. There is no statutory retirement age in Hong Kong, the retirement age is assumed to be consistent with that in mainland China.

Ratio of Standard Entry-Level Wage to Local Minimum Wage in 2024



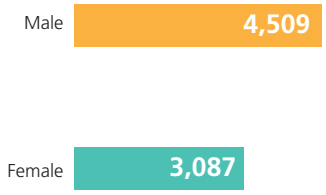
Note: Entry-level wage refers to the full-time wage in the lowest employment category, including basic salary but excludes bonuses and overtime pay. Intern or apprentice wages are not considered as entry level wages.

Parental Leave Statistics of the Group in 2024

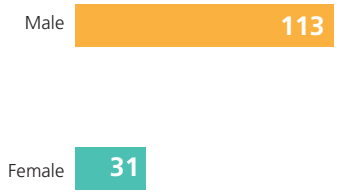
Canvest is dedicated to upholding the principle of gender equality, ensuring that both male and female employees have equal access to employment opportunities and social security benefits. All employees, regardless of gender, are entitled to maternity/paternity leave, nursing breaks, and leave for antenatal appointments in compliance with national legal requirements.

The Group acknowledges the importance of every team member, and thus, takes responsibility for compensating employees on maternity/paternity leave, ensuring that such breaks have no adverse impact on their career progression or remuneration. We offer full paid for parental leave.

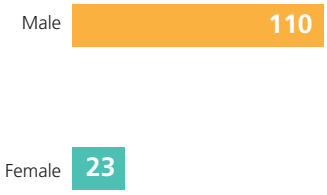
Number of employees entitled to parental leave



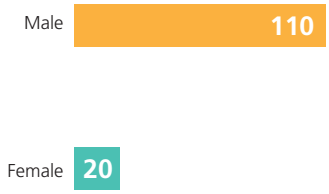
Number of employees took parental leave in 2024



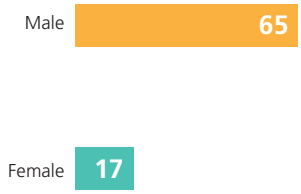
Number of employees due to return to work after taking parental leave in 2024



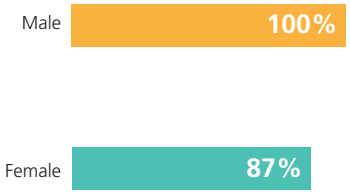
Number of employees who returned to work after parental leave ended in 2024



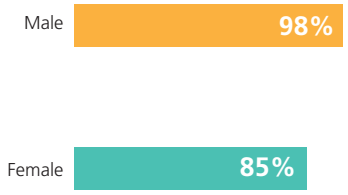
Number of employees who returned to work after parental leave ended in 2023 and still employed by the end of 2024



Return to work rate (%) [a]



Retention rate (%) [b]



a: Return to work rate = $\frac{\text{Number of employees who returned to work after parental leave ended in 2024}}{\text{Total number of employees due to return to work after taking parental leave in 2024}} \times 100$

b: Retention rate = $\frac{\text{Number of employees who returned to work after parental leave ended in 2023 and still employed by the end of 2024}}{\text{Total number of employees returning from parental leave in 2023}} \times 100$

Engagement and Event Activities

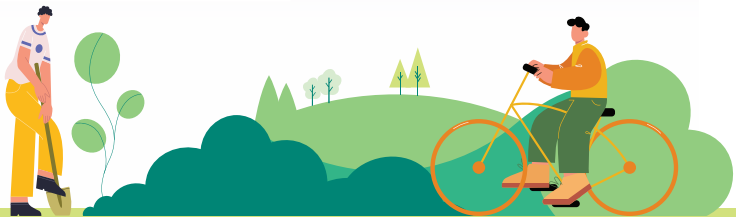
We are concerned about the psychological and physical well-being of our employees and encourage them to strike a work-life balance. We promote the philosophy "Work Hard, Play Hard" while fostering cohesiveness and collaboration among our employees by hosting a variety of team building, recreational, 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, teambuilding, company trip)
- Quarterly Birthday Parties
- Movie Appreciation
- Sports Competitions (e.g. basketball, volleyball and Burpee Jump)
- Competitions on Safety Knowledge, Speech and Photography









CULTIVATING TALENTS

Canvest recognises that the advancement of its business relies on the career progression of its employees. In line with this, the Group makes substantial investments in employee education, ensuring they stay abreast of market trends and enhance their professional capabilities. The Group provides reimbursement for training programmes and professional certifications, fostering a culture of lifelong learning and an unwavering pursuit of excellence. Employees are also eligible to request leave for educational purposes to attend external training sessions. Furthermore, through the "1+1 Onboarding and Orientation Programme", each new hire is automatically paired with an experienced mentor to provide guidance and assistance 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. Our hiring standards, applicable across all projects, clearly outline the human resources allocation for different departments and positions based on project size. During our business expansion, we actively cultivate new talent pools.

Talent echelon development strategy

Included talent pipeline development strategies, reserve level talent, graduate internship/ apprenticeship programmes and joint training programmes with educational institutions

1. Practice the concept of strong talent with strong enterprise, focus on strengthening talent cultivation and team building. Facilitate the project company to raise the awareness of team building and enhance the team competitiveness through assessment and thematic communication.

2. Select experienced staff to form a team of part-time trainers to promote the exchange and communication of outstanding management experience.

3. Utilise the simulation system to strengthen the skills training of operation personnel for mutual teaching and learning, which could find and cultivate talents during training.

4. Standardise the way of job promotion, strive to achieve "exam for every promotion, competition for every promotion", encourage employees to actively make progress, and strive for greater development space.

5. Establish and maintain favourable school-enterprise cooperative relations with vocational and technical college and higher vocational college to supplement the reserve talents of production skills for the Group.

Integrated succession plan and development plan

1. Evaluate the potential, work performance and leadership ability of reserve talents through interviews and performance evaluation, and identify potential successors.

2. Continue to focus on professional skills, management training, and develop personalised training plans according to the needs and development direction of different employees. Through classroom training, job rotation, internship and external training, a full range of development opportunities is provided to cultivate the professional quality, problem solving ability and the ability to cope with challenges of reserve talents.

3. Formulate personalised career plans for potential reserve talents, provide them with opportunities for promotion and development, and build a good development platform.

Support employee to obtain degree programmes and certifications

1. Provide employees with examination leave, flexible work arrangements, remote work arrangement so that they can make a better balance between work and study training.

2. Establish an incentive mechanism whereas educational qualifications or other skill level certifications obtained will be considered as bonus points for promotion and salary review.

3. Organise employees to participate in skill training, encourage them to obtain skill level certificates and pay training costs for them.

Training arrangement in daily operation

A comprehensive induction training programme would be provided to all new talents before the commencement of trial operations for new WTE projects. This programme spans at least one month and encompasses technical knowledge of WTE processes and equipment, health and safety protocols, industry development, corporate culture, and development strategies. New talents are also encouraged to participate in leisure activities for team building purposes. Employees in the environmental sanitation services are mandated to attain a 3-day training before onboarding, to ensure safety operation and enhance their technical knowledge.

Our Social Responsibility System Training Management Procedure is meticulously crafted to provide comprehensive training to both new and existing employees. The training packages cover various facets, including onboarding, professional development, and anti-corruption training at different job junctions. The programme is designed to cover SA8000 standards, legal requirements related to working hours, wages, and benefits, as well as Group's policies and practices, safe operating procedures, and labour protection protocols.

To ensure compliance and safety, the Group takes additional measures by providing legally required training to obtain all necessary operational permits for employees responsible for operating special equipment.

In 2024, a total of 266,791 hours of training have been provided, amounting to an average of 35 hours per employee. Training costs amounted to a total of RMB900,114, equivalent to an average of RMB120 per employee trained.

Average training hours per employee in 2024

	2024	2023	2022
Average training hours per employee (hour)	35	29*	60
% of employees received training	100%	100%	100%

Training on Ethical Standard and Anti-corruption

To fortify the awareness of honesty and integrity and establish a robust ideological and moral defence line against corruption, Canvest has introduced additional initiatives focused on continuous learning and improving the compliance system. Anti-corruption talks were delivered to employees across all projects and sectors, aiming to share experiences and provide guidance on risk prevention and control related to integrity.

* Data has been restated.

Furthermore, Canvest requires senior management at headquarters and all project managers to sign the "Integrity Risk Prevention and Control Responsibility Agreement" every year to emphasize their responsibility in upholding ethical standards and to remind them of the need to diligently control and prevent corruption risks within their responsibilities and business scope. During the Reporting Period, comprehensive anti-corruption and ethical standards training was provided to 100% of employees and all members of the Board, reinforcing a commitment to integrity at every level of the organisation.

The Group vigorously promotes building up a culture of integrity and reduces the risk of work integrity from the source by improving the system and optimising the process. The provision of thematic training and warning education also help managers and employees in key positions to strengthen the awareness of work integrity, build a strong moral defense against corruption, create a clean and positive working atmosphere, and promote the healthy development of the Group and individuals. The comprehensive anti-corruption and ethical standards training programme currently adopted by Canvest as a follows:

1. ***Formulated a clear code of conduct for employees***
   We formulate and issue policy documents such as *Employee Reward and Punishment Management Measures, Employee Manual* and *Performance Appraisal System*, which stipulate how to follow ethical standards and job specifications, and establish sound professional ethics and reputation that promote and improve the personal ethics of employees.

2. ***Establish a mature corporate culture system that guides employees to establish sound professional ethics and work attitude***
   Canvest has established a mature corporate culture in the enterprise, issued a corporate culture manual which conveyed the corporate philosophy through mind identity (MI) and behaviour identity (BI), and promoted corporate culture training to employees including corporate mission, vision, spirit, operation and management concept, development concept, core values, work concept, employment concept, technology concept and learning concept. The training improve the ethical quality and credibility of employees, guide employees how to deal with situations, such as conflicts of interest, protect company confidential information and treat customers.

3. ***Organise selection for outstanding employee of the year to set examples of professional ethics for all employees***
   At the end of each year, the Group organises the selection of outstanding employees to commend them for their outstanding performance in virtue, ability, diligence, performance and integrity, and sets up role models with excellent professional ethics and ethical qualities for all employees of the Group, encourages them to learn from and forms a good atmosphere of professional ethics within the Group.

4. ***Lessons and Trainings***
   We arranges training for each employee when they are on board to understand the Group policies such as *Employee Reward and Punishment Management Measures*, *Employee Manual and Performance Appraisal System*, and regularly carry out lessons and trainings for honest practice, and guide the Group's employees to form a clear working atmosphere.

Average training hours per employee in 2024 (by training category)

Training Category	Hour
Diversity, equality and inclusion training	1.65
Anti-discrimination training	1.62
Anti-bribery training	1.63
Information and cybersecurity awareness training	1.65
Human rights related training	1.66
Corporate social responsibility related training	1.72
Health and safety related training	12.9

WORKPLACE HEALTH AND SAFETY

Canvest maintains a firm commitment to employee safety by fully complying with local health and safety regulations, including the *Work Safety Law of the PRC* and the *Occupational Safety and Health Ordinance* of Hong Kong. The Group adopts a comprehensive approach to identify, prevent, and control occupational hazards, ensuring a safe working environment for all employees.

Canvest is dedicated to creating a regulated working environment that ensures the safety of employees and protects assets, with minimal impact on the environment and neighbouring communities. In the WTE industry, potential risks of work-related illnesses include skin and gastrointestinal disorders, as well as exposure to hazardous substances such as respirable dust, fly ash, dioxins, and carcinogens. Work-related injuries may involve musculoskeletal issues, bone fractures, falls from heights, and electric shocks. As for the environmental sanitation industry, prevalent health and safety concerns include respiratory issues resulting from the exposure to dust, mold and chemicals fumes. Skin conditions may arise from constant contact with detergents, while infectious diseases may result from contact with waste. Musculoskeletal disorders may develop due to repetitive and physically demanding tasks, and injuries can occur from handling of sharp debris.

To manage these risks in compliance with the *Prevention and Treatment of Occupational Diseases Law* of the PRC, Canvest has implemented precautionary measures. This includes providing employees and contractors with appropriate personal protective equipment and installing railings and warning signs in relevant plant areas. Regular reviews and reinforcement of health and safety rules are conducted by managers in the Safety and Environment Department to minimise and reduce these risks.

Canvest prioritises the safety and preparedness of its employees through regular training and safety knowledge competitions. The Group has established standardised policies and procedures to prevent and prepare for potential catastrophes, including fires, typhoons, flooding, and emergency evacuations. Furthermore, we have protocols in place to effectively respond to such events and facilitate a swift recovery process. This comprehensive approach ensures that employees are well-informed and equipped to handle various emergency situations.

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.

- 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 on regular basis.

- To further protect our female workers in the workplace during their pregnancy, the *Labour Protection of Female Workers Procedure* is implemented to prevent female workers from taking up physically demanding work, working in an environment with unpleasant indoor air quality, working overtime, nightshifts, etc.

- The Group's Safety and Environmental Protection Department conducts regular 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 employee suggestion box system. 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.

Ensuring Safe Operation

Canvest is dedicated to maintaining a safe and accident-free working environment. The *Operation Environmental Control Procedure* has been implemented to delineate the processes, actions, and responsibilities for managing the operational environment at plants, offices, and public areas. This procedure aims to sustain a positive working environment in all areas and ensure the health and safety of employees.

In 2024, the total working hours of our employees and on-site contractors were approximately 16,780,118 hours and 1,560,139 hours respectively. The overall injury rate of the Group remained at a low level of 0.19 for our employees and 0 for our on-site contractors.

Canvest regards health and safety as the top priority of our business, so we strive to eliminate hazards in our working environment. 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 ensure the occupational health and safety of employees and advance the Group's sustainable development, annual training sessions on "Occupational Disease and Prevention Knowledge" and "Cardiopulmonary Resuscitation (CPR) On-Site Operation" are organised at each project. These sessions, conducted by professionals, include informative lectures and hands-on CPR training to impart essential knowledge about occupational health and the correct procedures for emergency rescue. This training not only raises awareness of occupational health but also enhances the safety consciousness and emergency response capabilities of employees.

The first-aid skills training program organised by Ruili WTE Project in 2024 invited the Deputy Director of Ruili People's Hospital and emergency care experts from the Ruili Red Cross Society to serve as instructors.

Leveraging their extensive clinical emergency experience, the experts meticulously designed specialized content tailored to Dehong Prefecture's unique geographical environment and seasonal risk factors. To deliver first-aid knowledge more intuitively, they provided detailed explanations on proper tourniquet and bandaging material usage, alongside live demonstrations of CPR and AED techniques using medical manikins. Under expert guidance, participants engaged in group practice sessions. The training served as a critical initiative to enhance staff competency, equipping employees with life-saving skills for emergencies while strengthening safety safeguards and operational stability for the project.

Promote learning through competition — China Scivest WTE Project held the Group's first simulation machine skills competition

After introducing the customised the DCS ("Distributed Control System") full-process simulation system training platform based on the actual operational situation in 2023, China Scivest WTE Project successfully held the Group's first simulation machine practical skills competition in 2024. Through the approach of "Practicing by competing and learning through competition", the event comprehensively tested the teamwork and emergency response capabilities of the operation staff, further enhancing their professional skills.

To ensure the smooth running of the competition, the Project made meticulous preparations: Firstly, the simulation system was comprehensively upgraded and optimized to guarantee its stability and authenticity. Secondly, multiple simulation cases closely related to actual working scenarios were carefully selected for the participants, covering common challenges in daily operations, emergent incident handling, and complex system optimization, among other aspects, to ensure that the competition content was both comprehensive and practical.

Each case has been repeatedly verified and adjusted by the technical team, striving to simulate the most realistic operating environment and possible problems, in order to test and enhance the adaptability and comprehensive skills of the operation staff.

Meanwhile, the China Scivest WTE Project also formed a coaching team, with technical experts providing systematic theoretical and practical operation training for the operation staff to ensure that each participant could master the relevant skills proficiently. During the competition, each participating team demonstrated superb technical proficiency and teamwork. They had clear divisions of labor, performed their respective duties, and remained calm and composed when faced with complex operation tasks, making quick judgments and executing them accurately. Especially in the emergency incident handling section, each team could quickly identify the problem and take effective measures to deal with it, showcasing outstanding emergency response capabilities.

Environmental Sanitation Project — Driver Training Programme

As the group's integrated environmental sanitation service projects increased, in order to further uphold the "safety first" principle and strengthen drivers' awareness of traffic safety and production safety, reduce the rate of production safety accidents, and minimise the project company's financial losses, the Group's integrated environmental sanitation service sector has introduced a driver training programme.

The contents of the driver training cover the working environment in different seasons, traffic regulations, operating procedures, physical and mental health, accident warning and others. The department of safety production organised the projects to carry out offline safety production education and training for drivers, and implemented quarterly on-site safe production inspection and assessment, and held targeted safe production training. The training programme will keep updating and drivers are required to attend training and assessment on the online education platform every month in 2024.

Enhancing Archival Management Efficiency to Strengthen Operational Control

To further strengthen its archival management capabilities and deepen the understanding of practical record-keeping processes, our Administration Department organised a comprehensive archival management training programme. Over 60 archivists from project companies across the country and headquarters departments participated in this initiative.

The training featured a distinguished archival management expert with over 30 years of industry experience. The expert delivered an insightful lecture covering the distinct characteristics, collection scope, retention periods, organisation steps, formatting standards, and common challenges associated with both administrative and technical archives.

To reinforce practical learning, the programme included an on-site visit and hands-on practice session at our project company. The expert provided detailed, step-by-step guidance on document organisation, ensuring participants gained a clear, actionable understanding of best practices in archival management.

As Canvest continues to expand its footprint and pursue smart, sustainable urban management solutions, standardised archival practices are vital to ensuring consistent operational quality across regions and projects. Centralised, well-maintained records contribute to more efficient cross-departmental collaboration, faster response times to emerging challenges, and smoother integration of new projects.

Looking ahead, Canvest remains committed to maintaining rigorous, standardised archival practices, ensuring that archival management continues to support business growth, uphold governance standards, and strengthen overall operational resilience.

SERVING OUR COMMUNITY

Canvest recognises the significance of proactively engaging with the community to support the underprivileged. As a responsible corporate citizen coexisting with various stakeholders, we allocate our resources to community engagement initiatives. The Group actively promotes and fosters employee participation in community and charitable activities through the Strategy and Sustainability Task Force. Furthermore, employees are entitled to engage in volunteering work during regular office hours, subject to supervisor's approval. Throughout the years, we have relentlessly sponsored and contributed to community projects of various kinds. To ensure effectiveness in communication and feedback with the community, we have established an *External Communication Procedure* to facilitate interested individuals and organisations to share their thoughts and opinions.

Highlights of Our Community Initiatives in 2024

189,410
hours of voluntary work

6,828
employees participated in welfare and charitable activities

22,479
guests visited our projects

- Help Local Government Safely Dispose of Forfeited Illegal Cigarettes, Smuggled Food, Counterfeits
- Tree Planting Event
- Blood Donations from Our Employees
- Garbage Cleanup in the Community
- Providing Emergency Rescue and Disaster Relief
- Donations to support Local Community

Community Health and Safety

WTE

Our WTE operations play a pivotal role in safeguarding community health and safety by serving as an effective and proper MSW solution. WTE plants provide a sustainable means of disposing of MSW, preventing improper treatment and disposal practices that can pose significant public health risks.

Simultaneously, by converting waste into energy through advanced technologies, WTE operations help mitigate the release of harmful pollutants associated with open dumping and uncontrolled incineration. The controlled and regulated WTE facilities ensures that hazardous components of MSW are managed in an environmentally responsible manner, further minimising potential health hazards for nearby communities.

Environmental Sanitation

We have implemented a set of comprehensive working procedures to control safety and health risks associated with our waste management services. This not only safeguards the health and safety of our employees but also help ensure community safety during our operations.

Our services directly address the immediate health risks linked to inadequate waste disposal and unhygienic conditions. Through efficient waste collection and disposal, we contribute to mitigating the spread of diseases and illnesses within the community.

The systematic removal of waste from public spaces reduces the likelihood of accidents, such as slips and falls, while also enhancing overall urban aesthetics and liveability.

Smart Car Parking

Our smart car parking platforms help improve community health and safety through innovative technologies, particularly with the integration of AI-driven solutions. By leveraging AI in parking management, we make contributions to the reduction of traffic accidents.

AI-driven systems optimise parking space allocation, streamline traffic flow, and enhance overall parking efficiency, thereby minimising congestion and reducing the associated risks of collisions.

Additionally, the use of smart parking technologies reduces the need for drivers to navigate crowded areas in search of available spaces, thereby lowering the likelihood of accidents caused by distracted driving.

ENVIRONMENTAL EDUCATION FOR ALL

Environmental education plays a critical role in increasing awareness and empowering individuals to take meaningful action in protecting the environment and addressing the challenges posed by climate change.

Our Environmental Protection Education Centres

Regular public tours are organised at our WTE plants, each featuring an exhibition venue with interactive exhibits and multimedia tools. These are carefully designed to acquaint the public with knowledge of environmental science, advanced incineration processes, and the sustainability aspects of our state-of-the-art WTE operations.

As part of our social responsibility, Canvest remains dedicated to promoting green and low-carbon for a sustainable future. Looking ahead, we aim to provide the public with a close and immersive experience at our popular science education bases. These facilities feature comprehensive content and an pleasant learning environment, encouraging widespread participation. We believe that engaging all social groups is essential for environmental protection and ecological progress.

In 2024, the Group conducted 751 tours across different business sectors, demonstrating our commitment to environmental education.

World Environment Day: Exploring the World of WTE

Since 2018, we have actively participated in World Environment Day promotional activities each year. In 2024, our projects organised a series of activities to heighten public awareness of environmental protection.

Approximately 200 primary school students from Zhongshan City embarked on an educational journey into environmental protection by visiting the Zhongshan WTE Project.

The program began with an introduction to the history of World Environment Day, its annual themes, and key environmental protection concepts. Through real-life examples and interactive sessions, students explored the importance of environmental conservation in a lively and engaging atmosphere. During their visit, the students were introduced to the centralised control room and the WTE power generation system, offering them a hands-on understanding of how waste is transformed into energy.

In the environmental education exhibition hall of the Zhongshan WTE Project, the students were captivated by the rich and diverse content. Through multimedia displays, model demonstrations, and graphic illustrations, they gained a deeper appreciation of WTE technology and its role in sustainable development.

Similarly, around 60 students and teachers from another primary school participated in a research study activity at the Zhanjiang WTE Project. By touring the production and operating facilities and watching the educational video "Where Has the Waste Gone?", the students developed a comprehensive understanding of WTE processes. They also learned about waste identification, classification, and recycling, fostering greater awareness of responsible waste management.

The activity included a Q&A session where students enthusiastically engaged in discussions, fostering an interactive and dynamic learning experience. This research study program not only expanded the students' knowledge of environmental protection but also inspired their enthusiasm for participating in conservation efforts. It laid a solid foundation for nurturing future generations of environmental stewards.

A BETTER TOMORROW FOR THE COMMUNITY

At Canvest, we recognise the importance of giving back to the community and protecting the environment. Through our diverse initiatives, we aspire to create a positive impact on the world we inhabit.

Creating Shared Value — Spreading Warmth within the Community

The Xuwen WTE Project conducted a community activity in collaboration with the Nanshan Town Chamber of Commerce to provide warmth and support to 60 underprivileged families and 88 disadvantaged children, helping those in desperate need.

The team visited underprivileged families in various village, offering gifts as well as financial support. At each village, the team engaged warmly with the community, listening to their needs and concerns, encouraging them to live positively despite their difficulties, and promising to offer support when needed.

The team also visited a primary school in Nanshan, and hosted an "Accompanying Children, Safeguarding the Future" event, where they engaged warmly with 88 disadvantaged children and their relatives, creating a lively atmosphere. The children shared their experiences regarding learning and life, and the team encouraged them to maintain an optimistic attitude to work hard, and utilise their knowledge and education to secure a better future.

This community activity not only provided material assistance to struggling families and disadvantaged children but also conveyed spiritual support and warmth. Canvest will continue to actively fulfil its corporate social responsibility, giving back to the community through various charitable activities and contributing to the harmonious community development.

Collaboration between Zhanjiang WTE Project and Local Government to Crack Down on Drugs

On June 3, 2024, local government held a ceremony at the Zhanjiang WTE Project site to commemorate the 185th anniversary of the "Destruction of Opium at Humen" and to officially launch the Anti-Drug Publicity Campaign Month. As part of the event, nearly 2 tons of confiscated drugs were safely destroyed, symbolising the government's unwavering determination to combat drug-related crimes.

The event was attended by over 150 participants, including the Mayor of Zhanjiang and the Director of the Zhanjiang Municipal Narcotics Control Commission, municipal leaders, the Deputy Director of the Office of the Guangdong Provincial Narcotics Control Commission and Deputy Director of the Narcotics Control Bureau of the Guangdong Provincial Department of Public Security, as well as representatives from various organisations such as the Zhanjiang Municipal Narcotics Control Detachment and the Mazhang District Narcotics Control Brigade.

During the event, the Mayor and his team visited an exhibition highlighting Zhanjiang's achievements in anti-drug efforts and reviewed the current state of narcotics control in the city. The Mayor emphasised the importance of building a dedicated drug control system for Zhanjiang and called for collective efforts across the city to strengthen the fight against drugs.

As part of the campaign, narcotics control officers provided educational sessions on drug types and their identification methods. Using real-life cases, they illustrated the devastating impact of drug abuse on individuals, families, and society. Attendees were urged to enhance self-awareness, practice self-protection, and contribute to fostering a positive social atmosphere centred around the theme of "A Healthy, Drug-free Life".

The Zhanjiang WTE Project has consistently demonstrated its commitment to social responsibility and community engagement. In 2021, the project assisted the government in destroying over 1 tonne of drugs. This year, the project once again facilitated the safe, environmentally friendly, and efficient destruction of drugs, earning high praise from the municipal government.

Looking ahead, the Zhanjiang WTE Project remains dedicated to upholding the spirit of the "Destruction of Opium at Humen" by supporting anti-drug initiatives through concrete actions. The project will continue working alongside the government to help create a healthier, safer, and drug-free Zhanjiang.

Embracing Social Responsibility: Canvest Supports Anti-Counterfeiting Campaign

Under the broader social context of cracking down on counterfeit goods and purifying the market environment, Canvest actively responds to the government's call by leveraging its professional expertise in innocuous waste treatment to participate in the destruction of counterfeit and illegal items. In 2024:

- Linfen Project was the main venue for the centralized destruction of counterfeit and substandard goods, led by the State Administration for Market Regulation, the project assisted in the disposal of over 100 types of goods, including automotive parts, clothing and footwear, food, cosmetics, tobacco and alcohol, counterfeit electronic scales, and pirated publications, with total weight exceeded 100 tonnes and value over RMB50 million.

- Shaoguan Project actively cooperated with anti-counterfeiting offices and customs departments, it participated in multiple operations throughout the year to destroy counterfeit goods and illegal items, contributing to the creation of a fairer and more transparent business environment.

Through these actions, Canvest not only contributes to the protection of intellectual property rights and consumer interests but also demonstrates the proactive role and responsibility of environmental enterprises in social governance.

Canvest's Green Spring Initiative: Tree Planting for a Sustainable Future

In pursuit of its steadfast commitment to ESG principles, Canvest launched tree-planting campaign every year. Demonstrating a deep sense of responsibility towards environmental sustainability in 2024, the Group collaborated with local communities, public utility companies, and environmental bureaus to plant trees and contributed to afforestation.

The campaign received active participation from Canvest's diverse projects, symbolising a collective dedication to fostering environmental stewardship and community engagement. Employees from a variety of Canvest's projects planted a diverse array of trees, each contributing to the visual richness and environmental benefits of the respective locations, showcased Canvest's commitment to harmonising business growth with environmental responsibility.

By actively involving employees and collaborating with local communities, the Group seeks to make a meaningful contribution to ecological improvement and uphold the green living concept, aligning with its overarching mission of sustainable business growth.

EMPOWERING YOUTH THROUGH ENVIRONMENTAL EDUCATION

Canvest has consistently demonstrated its commitment to social responsibility through various initiatives. By promoting scientific education on WTE, Canvest has inspired a passion for environmental protection among young people, allowing their "green dreams" to take root and flourish. Together, let these efforts contribute to collectively painting a brighter and more sustainable future.

Chinese and Myanmar Youths Explore Environmental Protection Technology to Protect Our Green Home

A group of over 50 people dressed in ethnic costumes, including the students from Chinese descents from Myanmar, Chinese students' representatives and parents, and teachers, arrived at the Ruili WTE Project to embark on a unique environmental protection journey. The guide informed everyone on how waste is treated safely through high-tech procedures, ultimately being converted into electricity to light up thousands of homes.

Along the way, students were amazed at all the technologies and processes, including waste truck unloading, the towering "waste mountains" in the waste storage area, the impressive processing facilities, the real-time displays on the control room screens, as well as the park-like environment of the facility.

The Myanmar students developed a strong interest in these high-tech environmental protection technologies, while the Chinese students felt genuine pride in their country's high standard of WTE facilities.

At the end of the visit, the Myanmar students showed their artworks created under the theme of "beating plastic pollution, conserving resources, and protecting the environment together". These artworks were full of creativity and demonstrated the children's understanding and future hope for environmental protection, with 12 of the most impressive artworks being rewarded with prizes.

This event not only helped the Chinese and Myanmar students deepen their understanding on environmental protection technology but also forged a shared sense of responsibility to protect the Earth. The students expressed their commitment to continue participating in environmental protection practices, starting with their own practices in daily lives, and cooperate to protect the planet and improve the environment.

To heighten the Group's standing in the industry and bolster its impact on environmental conservation, we have engaged in partnerships with institutional partners and actively taken part in regional environmental initiatives. These collaborations have served to advocate sustainability practices and promote cutting-edge green technologies. In 2024, Canvest proudly held positions as either an executive council member or a corporate member in 66 professional organisations, further emphasising our commitment to industry leadership and environmental stewardship.

Canvest's Corporate Memberships	
International Solid Waste Association	Member
Business Environment Council	Member
Hong Kong Waste Management Association	Member
China Industrial Development Promotion Association	Member
E20 Environment Platform	Member
Guangdong Environmental Health Association	Member
Guangdong Urban Waste Disposal Industry Association	Member
Guangdong Association for Environmental Monitoring	Member
Guangdong Environmental Science Association	Member
Guangdong Cleaner Production Association	Member
Guangdong Green Supply Chain Association	Executive Vice President
Guangdong Association of Circular Economy and Resources Comprehensive Utilisation	Member
Dongguan Federation of Trade Unions	Member
Dongguan Environmental Cleaning Industry Association	Executive Vice Chairman
Dongguan Power Trade Association	Member
Dongguan City Science Management Association	Member
Dongguan Association of Enterprises with Foreign Investment Nancheng Branch	Member
Dongguan Precursor Chemicals Industry Association	Member
Zhanjiang Association of Enterprises with Foreign Investment	Supervisor
Zhanjiang Cleaner Production and Comprehensive Utilisation 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
Zhanjiang Environmental Sanitation Association	Vice President
Zhanjiang Electric Power Industry Association	Member
Qingyuan Environmental Sanitation Association	Managing Director
Zhongshan Energy Power Trade Association (ZSEPTA)	Member
Zhongshan City Precursor Chemicals Industry Association	Member
Zhongshan City Shenwan Industry & Commerce	Executive Committee (Council Member)
Zhongshan Environmental Science Society	Member

Canvest's Corporate Memberships	
Huizhou Precursor Chemicals Industry Association	Member
Shaoguan Environmental Sanitation Association	Member
Shaoguan Environmental Science Association	Member
Shaoguan Lighting Association	Member
Guangxi City Building Association	Member
Guizhou Environmental Sanitation Association	Member
Guizhou Electric Power Industry Association	Member
Henglizhen Federation of Trade Unions	Member
Xiangyun County General Chamber of Commerce	Member
Shandong Urban and Rural Environmental Sanitation Association	Member
Taizhou Environmental Science Society	Director
Jiangxi Electric Power Enterprises Association	Member
Ganzhou Environmental Protection Industry Association	Member
Guizhou Association of Enterprises with Foreign Investment	Member
Maoming Environmental Protection Industry Association	Member
Maoming City Precursor Chemicals Management Association	Member
Maoming Enterprises Federation	Member
Maoming Electric Power Industry Association	Member
Chengdu Environmental Sanitation Association	Member
Sichuan Municipal Appearance Association	Member
Changsha Parking Industry Association	Member
Hebei Province Urban Appearance and Environmental Sanitation Association	Member
Dongguan Parking Industry Association	Executive Vice President
China Parking	Member
China Urban Public Transport Association	Member
Shenzhen Parking Association	Member
Chongqing Parking Association	Vice President
Road Parking Industry Alliance	Platinum

ESG

2024 New Sustainable Cities and Human Settlements Awards

Global Model of Environmental Protection and Restoration

The 16th Solid Waste Strategic Forum 2024

2024 Most Socially Responsible Investment Company in Solid Waste Industry

Hong Kong ESG Reporting Awards

Climate Adaptation Innovation Pioneer Award

ESG

The Top 100 Hong Kong Listed Companies Awards

Top 50
Small Enterprise

ESG Excellent
Enterprise Award

ESG Achievement Awards 2023/2024

Outstanding ESG Awards
(Listed Company) —
Platinum Award

Criteria set by Fund
Managers — Distinguished
ESG Company — Distinction

ESG

Hong Kong Quality Assurance Agency

Pioneering Award for ESG Disclosure Contribution

The 13th Philanthropy Festival

- 2023 ESG Pioneer Enterprise Award
- 2023 Responsible Brand Award

BOCHK Corporate Low-Carbon Environmental Leadership Awards 2023

EcoChallenger
— Canvest Shaoguan Project

EcoChallenger
— Canvest Xinyi Project

EcoChallenger
— Canvest Xingyi Project

EcoChallenger (Services Sector) — Bronze Award
— Canvest Zongshan Project

The Third MI X HSU ESG Awards 2024

ESG Disclosure Award

2024 International Green Zero-Carbon Festival cum ESG Leader Summit

2024 ESG Model Enterprise Award

2024 Green and Sustainable Development Contribution Award

INDUSTRY

Greater Bay Area New Quality Productive Forces Award

New Quality Productive Forces Award

JDM

- JDM Best IR Company Award
- JDM Top 100 IR

INDUSTRY

Institutional Investor

"2024 Asia Pacific (ex-Japan) Executive Team" — **Honored Company**

"2024 Asia Pacific (ex-Japan) Executive Team" — **All-Asia**

- **Best CEO** — Mr. Guo Zhen Yuan: Third Place, Sell-side
- **Best CFO** — Ms. Ling Fong Wong: Third Place, Sell-side
- **Best Company Board of Directors** — Third Place, Overall; Second Place, Sell-side

"2024 Asia Pacific (ex-Japan) Executive Team" — **Mainland China**

- **Best Investor Relations** — Third Place, Sell-side
- **Best CEO** — Mr. Guo Zhen Yuan: Third Place, Overall; Second Place, Sell-side
- **Best CFO** — Ms. Ling Fong Wong: Third Place, Overall; Second Place, Sell-side
- **Best IR Professional** — Ms. Kathleen Yau: Third Place, Sell-side
- **Best IR Team** — Third Place, Sell-side
- **Best Company Board of Directors** — Third Place, Overall; Second Place, Sell-side

"2024 Asia Pacific (ex-Japan) Executive Team" — **Asia Small and Mid-Cap**

- **Best Investor Relations** — Third Place, Sell-side
- **Best CEO** — Mr. Guo Zhen Yuan: Second Place, Overall and Sell-side
- **Best CFO** — Ms. Ling Fong Wong: Second Place, Overall and Sell-side
- **Best IR Professional** — Ms. Kathleen Yau: Third Place, Sell-side
- **Best IR Team** — Third Place, Overall and Sell-side
- **Best Company Board of Directors** — Second Place, Overall and Sell-side

ECONOMIC PERFORMANCE

	2024 HK$'000	2023 HK$'000 (Restated)[3]	2022 HK$'000 (Unrestated)[4]
Continuing operations			
Direct Economic Value Generated			
Revenue	**4,198,331**	4.960,197	8,246,645
Share of net profits of associates and joint ventures	**158,236**	153,889	189,934
Other income	**276,103**	220,842	215,875
Economic Value Distributed			
Staff costs	**682,871**	628,616	615,353
Other costs[1]	**1,499,109**	2,201,710	4,956,523
Financial cost	**655,232**	657,819	599,784
Dividends	**—**	197,603	265,910
Taxes[2]	**188,040**	143,177	128,465
Profit attributable to non-controlling interest	**14,744**	20,877	26,658
Charitable donations	**3,181**	3,787	8,842
Economic Value Retained			
Retained for Canvest's sustainable operation and development	**1,589,519**	1,481,339	2,050,919

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.

(3) Due to the discontinued operation, the comparative financial information of the Group for the year ended 31 December 2023 has been restated to reflect the exclusion of financial information of the discontinued operation.

(4) The financial information of the Group for that year has not been restated as the Directors consider that the unrestated financial information is appropriate to reflect year-on-year comparison of the Group's business operation.

COMMUNITY INVESTMENT

	Unit	2024	2023	2022
Community Outreach				
Participated volunteers	No.	**6,828**	3,074	1,438
Voluntary hours	Hours	**189,410**	86,660	6,810

WTE PROJECTS

I. Operational Performance

	Unit	2024	2023	2022
Business Performance of Operating Projects				
MSW processed	tonne	**13,901,789**	13,391,359	12,224,205
Power generated	MWh	**5,187,197**	4,925,506	4,536,699
Percentage of renewable energy generated	%	**100**	100	100
Power sold	MWh	**4,528,694**	4,295,434	3,940,256
Steam supplied	tonne	**312,128**	136,000	42,000
Percentage of renewable energy connection to grid	%	**100**	100	100

II. Environmental Performance

	Unit	2024	2023	2022
Greenhouse Gas (GHG) Emissions				
Scope 1 (direct emissions)[5]	tonne CO_2e	**9,276,691**	8,528,186	7,381,957
Scope 2 (energy indirect emissions)[5][6]	tonne CO_2e	**2,015**	7,975	2,980
Scope 3 (other indirect emissions)[7][8]	tonne CO_2e	**49,997**	47,686	34,811
Total GHG emissions (Scope 1–3)	tonne CO_2e	**9,328,702**	8,583,847	7,419,748
Total GHG emissions intensity	tonne CO_2e/tonne of MSW processed	**0.671**	0.641	0.607
GHG emissions avoidance	tonne CO_2e	**8,431,368**	7,485,893	6,138,393
Air Emissions				
Particulate matter (PM)	tonne	**164**	142	145
Sulphur dioxide (SO_2)	tonne	**1,128**	1,201	1,160
Nitrogen oxides (NO_x)	tonne	**6,186**	6,537	6,701

	Unit	2024	2023	2022
Energy Consumption[9]				
Fuel oil and gasoline	GJ	**168,750**	182,108	118,434
Natural gas	GJ	**17,104**	17,031	20,994
Electricity	GJ	**2,391,542**	2,322,867	2,162,777
From renewable sources	GJ	**2,377,707**	2,273,927	2,147,957
From non-renewable sources	GJ	**13,834**	48,940	14,820
Total energy consumed	GJ	**2,577,395**	2,522,006	2,302,205
Energy intensity	GJ/tonne of MSW processed	**0.185**	0.188	0.188
Percentage of renewable energy consumed	%	**92**	90	93
Percentage of non-renewable energy consumed	%	**8**	10	7
Key Materials Consumption				
Lime	tonne	**98,629**	102,553	74,405
Activated carbon	tonne	**6,742**	8,255	6,071
Urea	tonne	**3,083**	4,167	3,946
Ammonia water	tonne	**14,269**	17,528	10,983
PNCR material	tonne	**55**	6	5
Hydrochloric acid	tonne	**1,618**	1,705	1,713
Sodium bicarbonate	tonne	**37**	0	55
Coagulant & flocculant	tonne	**0**	191	251
Fly ash chelating agent	tonne	**6,029**	5,910	5,273
Cement	tonne	**811**	1,209	951
Freshwater Consumption				
Total freshwater consumption	m^3	**18,847,803**	17,980,670	17,645,479
Freshwater consumption intensity	m^3/MWh	**4.16**	4.19	4.48
Wastewater and Waste				
Leachate produced	tonne	**1,422,109**	1,606,275	1,537,213
Bottom ash produced	tonne	**3,366,782**	3,417,613	2,855,044
Fly ash produced before stabilisation	tonne	**274,580**	260,281	238,430

	Unit	2024	2023	2022
Environmental Compliance				
Number of violation cases related to pollutant emissions or environmental impact	No.	**0**	0	0

Notes:

(5) The calculation of GHG emissions and avoidance is referenced to CDM methodology: *ACM0022: Alternative Waste Treatment Processes (Version 3.0)*. The calculation of GHG emission avoidance by avoiding the use of fossil fuels for power generation referenced to the *Regional Baseline Grid Emissions Factor for Emission Reduction Projects in China 2019* published by the Ministry of Housing and Urban-Rural Development of the PRC, with the weighted average of the operating margin (OM) and build margin (BM) as stated in CDM's Methodological Tool — *Tool to Calculate the Emission Factor for an Electricity System*.

(6) 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 *Announcement on the Release of the 2022 Electricity Carbon Dioxide Emission Factors* (《關於發佈2021年電力二氧化碳排放因子的公告》) published by the Ministry of Ecology and Environment and National Bureau of Statistics of the PRC.

(7) In 2023, 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 business travel (including air and high-speed rail travel), employee commuting and embodied carbon of construction materials, resulting in an increase in Scope 3 emissions since 2023.

(8) The calculation method for GHG emissions from air travel is based on the International Civil Aviation Organization (ICAO) Carbon Emissions Calculator. The calculation of embodied carbon of construction materials referenced to the Standard for *Building Carbon Emission Calculation* (GB/T 51366–2019) published by the Ministry of Housing and Urban-Rural Development of the PRC.

(9) Energy consumption is calculated based on the conversion factors provided in *China Energy Statistical Yearbook 2022*.

III. Employment and Labour Practices*

	Unit	2024	2023	2022
Employment Profile				
Number of full-time staff	No.	**7,585**	7,264	2,662
Number of part-time staff	No.	**11**	10	0
By Gender				
Male	No.	**4,509**	4,196	2,140
Female	No.	**3,087**	3,078	522
By Age Group				
30 years old or below	No.	**936**	998	950
31–50 years old	No.	**2,803**	2,660	1,536
Over 50 years old	No.	**3,857**	3,616	176
By Employment Category				
General and technical staff	No.	**7,358**	7,014	2,472
Middle-level management	No.	**170**	205	121
Senior management	No.	**68**	55	69
By Geographical Region				
Hong Kong	No.	**37**	35	26
Guangdong	No.	**1,666**	1,667	1,328
Guangxi	No.	**197**	237	197
Guizhou	No.	**174**	176	180
Yunnan	No.	**132**	138	142
Hebei	No.	**3,133**	3,373	150
Sichuan	No.	**780**	968	96
Others	No.	**1,477**	680	369
By Ethnicity				
Han	No.	**7,281**	6,958	2,429
Ethnic minorities	No.	**315**	316	233

* The employment information by geographical region of 2022 was re-categorised.

	Unit	2024	2023	2022
Employee Entry — Number of New Employee Hires				
By Gender				
Male	No.	**1,595**	1,685	428
Female	No.	**1,082**	2,093	97
By Age Group				
30 years old or below	No.	**183**	247	280
31–50 years old	No.	**655**	972	228
Over 50 years old	No.	**1,839**	2,559	17
By Geographical Region				
Hong Kong	No.	**4**	11	6
Guangdong	No.	**319**	199	156
Guangxi	No.	**7**	18	11
Guizhou	No.	**10**	17	20
Yunnan	No.	**12**	31	70
Hebei	No.	**509**	2,776	61
Sichuan	No.	**662**	499	28
Others	No.	**1,154**	227	173
By Ethnicity				
Han	No.	**2,579**	3,703	488
Ethnic minorities	No.	**98**	75	37

	Unit	2024	2023	2022
Employee Entry — Rate of New Employee Hires				
By Gender				
Male	%	**35.37**	40.16	20.00
Female	%	**35.05**	68.00	18.58
By Age Group				
30 years old or below	%	**19.55**	24.75	29.47
31–50 years old	%	**23.37**	36.54	14.84
Over 50 years old	%	**47.68**	70.77	9.66
By Geographical Region				
Hong Kong	%	**10.81**	31.43	23.08
Guangdong	%	**19.15**	11.94	11.75
Guangxi	%	**3.55**	7.59	5.58
Guizhou	%	**5.75**	9.66	11.1
Yunnan	%	**9.09**	22.46	49.30
Hebei	%	**16.25**	82.30	40.67
Sichuan	%	**84.87**	51.55	29.17
Others	%	**78.13**	33.38	46.88
By Ethnicity				
Han	%	**35.42**	53.22	20.09
Ethnic minorities	%	**31.11**	23.73	15.88

	Unit	2024	2023	2022
Employee Turnover — Number of Employee Turnover				
By Gender				
Male	No.	**1,086**	813	291
Female	No.	**780**	535	65
By Age Group				
30 years old or below	No.	**172**	167	163
31–50 years old	No.	**476**	367	170
Over 50 years old	No.	**1,218**	814	23
By Geographical Region				
Hong Kong	No.	**3**	4	10
Guangdong	No.	**193**	225	131
Guangxi	No.	**7**	17	12
Guizhou	No.	**13**	20	16
Yunnan	No.	**20**	36	73
Hebei	No.	**900**	644	19
Sichuan	No.	**226**	260	3
Others	No.	**504**	142	92
By Ethnicity				
Han	No.	**1,781**	1,305	335
Ethnic minorities	No.	**85**	43	21

	Unit	2024	2023	2022
Employee Turnover — Employee Turnover Rate				
By Gender				
Male	%	**24.09**	19.38	13.60
Female	%	**25.27**	17.38	12.45
By Age Group				
30 years old or below	%	**18.38**	16.73	17.16
31–50 years old	%	**16.98**	13.80	11.07
Over 50 years old	%	**31.58**	22.51	13.07
By Geographical Region				
Hong Kong	%	**8.11**	11.43	38.46
Guangdong	%	**11.58**	13.50	9.86
Guangxi	%	**3.55**	7.17	6.09
Guizhou	%	**7.47**	11.36	8.89
Yunnan	%	**15.15**	26.09	51.41
Hebei	%	**28.73**	19.09	12.67
Sichuan	%	**28.97**	26.86	3.13
Others	%	**34.12**	20.88	24.93
By Ethnicity				
Han	%	**24.46**	18.76	13.79
Ethnic minorities	%	**26.98**	13.61	9.01

	Unit	2024	2023	2022
Training				
Percentage of Employees Trained				
By Gender				
Male	%	**99**	100	100
Female	%	**100**	98	100
By Employment Category				
General and technical staff	%	**99**	100	100
Middle-level management	%	**100**	100	100
Senior management	%	**100**	99	100
Average Training per Employee				
By Gender				
Male	hours	**11.0**	40.30	66.20
Female	hours	**16.8**	14.41	38.92
By Employment Category				
General and technical staff	hours	**13.3**	34.08	62.65
Middle-level management	hours	**8.3**	38.42	35.96
Senior management	hours	**10.7**	29.04	41.05
Health and Safety (Employees/Contractors)[10]				
Number of work-related fatalities	No.	**0/0**	2/0	0/0
Rate of work-related fatalities[11]	—	**0/0**	0.03/0	0/0
Number of high-consequence work-related injuries (excluding fatalities)[12]	No.	**1/0**	6/0	0/1
Rate of high-consequence work-related injury (excluding fatalities)[13]	—	**0.01/0**	0.10/0	0/0.09
Number of work-related injuries[14]	No.	**16/0**	63/0	0/1
Rate of work-related injuries[15]	—	**0.19/0**	1.05/0	0/0.09
Lost days due to work-related injury	Days	**506/0**	933/0	0/15
Number of occupational disease cases	No.	**0/0**	0/0	0/0

	Unit	2024	2023	2022
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:

(10) During the Reporting Period, the total working hours of our employees and contractors were approximately 16,780,118 hours and 1,560,139 hours respectively.

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

(12) 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.

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

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

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

(15) 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.

		Emission Target(s)														
		PM (mg/Nm^3)		NO_x (mg/Nm^3)		SO_2 (mg/Nm^3)		HCl (mg/Nm^3)		CO (mg/Nm^3)		Dioxins ($ngTEQ/Nm^3$)	Mercury and its compounds (as Hg) (mg/m^3)	Cadmium, thallium and their compounds (as Cd + Tl) (mg/m^3)	Total Heavy Metals[11] (mg/m^3)	
	WTE Project (classified as subsidiaries)	Average Hourly	Average Daily	Average Hourly	Average Daily	Average Hourly	Average Daily	Average Hourly	Average Daily	Average Hourly	Average Daily	Average measured value	Average measured value	Average measured value	Average measured value	Achieved
1	Eco-Tech I	10	10	130	100	80	60	50	30	80	50	0.1	0.05	0.05	0.5	✓
2	Eco-Tech II	10	10	130	100	80	60	50	30	80	50	0.1	0.05	0.05	0.5	✓
3	Kewei	10	10	130	100	80	60	50	30	80	50	0.1	0.05	0.05	0.5	✓
4	China Scivest I	8	8	100	100	60	50	60	50	100	80	0.1	0.05	0.05	0.5	✓
5	China Scivest II	8	8	100	100	60	50	30	10	50	50	0.1	0.05	0.05	0.5	✓
6	Zhanjiang	10	10	200	200	100	80	60	50	100	80	0.1	0.05	0.05	0.5	✓
7	Qingyuan	30	20	300	250	100	80	29	29	100	80	0.1	0.05	0.1	1	✓
8	Zhongshan I	10	8	110	100	80	40	40	30	100	80	0.1	0.05	0.1	1	✓
9	Zhongshan II	10	8	110	100	50	30	25	20	100	80	0.1	0.05	0.1	1	✓
10	Lufeng	30	10	300	200	100	50	60	10	100	50	0.1	0.05	0.1	1	✓
11	Xinyi	20	14	187	149	74	59	44	37	100	80	0.074	0.035	0.035	0.74	✓
12	Dianbai	20	10	200	200	100	80	50	50	100	50	0.1	0.05	0.05	0.1	✓
13	Xuwen	30	20	250	250	100	80	60	50	100	80	0.1	0.05	0.1	1	✓
14	Shaoguan	27	20	270	200	90	80	20	20	90	60	0.09	0.045	0.05	0.5	✓
15	Laibin	30	20	300	250	100	80	60	50	100	80	0.1	0.05	0.1	1	✓
16	Beiliu	30	20	300	250	100	80	60	50	100	80	0.1	0.05	0.1	1	✓
17	Xingyi	30	20	300	250	100	80	60	50	100	80	0.1	0.05	0.1	1	✓
18	Qiandongnan Prefecture South Area	30	20	300	200	100	80	60	45	100	80	0.1	0.05	0.1	1	✓
19	Xinfeng	30	20	300	250	100	80	60	50	100	80	0.1	0.05	0.1	1	✓
20	Linfen	10	10	100	100	60	60	30	30	50	50	0.1	0.05	0.1	1	✓
21	Zaozhuang	30	20	300	250	100	80	60	50	100	80	0.1	0.05	0.1	1	✓
22	Jingjiang	30	20	150	160	100	80	40	30	100	80	0.1	0.05	0.1	1	✓
23	Mancheng	30	20	300	100	100	80	60	50	100	80	0.1	0.05	0.1	1	✓
24	Ruili	30	20	300	250	100	80	60	50	100	80	0.1	0.05	0.1	1	✓
25	Xiangyun	30	20	300	250	100	80	60	50	100	80	0.1	0.05	0.1	1	✓
26	Yingkou	30	20	300	250	100	80	60	50	100	80	0.1	0.05	0.1	1	✓
27	Taizhou	30	20	300	250	100	80	60	50	100	80	0.1	0.05	0.1	1.0	✓
28	Yi County	10	8	150	120	40	20	20	10	100	80	0.1	0.02	0.03	0.3	✓
29	Zhongkai	30	10	100	80	100	50	20	10	100	50	0.1	0.05	0.01	0.5	✓

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

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: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Our Environment; Appendix V — Compliance with Relevant Laws and Regulations that have Significant Impact on Canvest The Group has established the following standardised procedures to mitigate the environmental impacts associated with our operations: • *Resource Control Procedure* • *Operation Environmental Control Procedure* • *Production & Operation Management Procedure*
KPI A1.1	The types of emissions and respective emissions data.	Our Environment; 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 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. 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 UNSDGs.
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Our Environment For waste reductions, bottom ash produced by Canvest's operations were collected by qualified contractors for integrated 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 The Group has established the following standardised procedures to ensure effective use of resources: • *Resource Control Procedure* • *Social Responsibility Management Manual — Requirements on the Use of Electricity* • *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 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 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 The following standardised procedures are established to minimise the impacts on environmental and natural resources: • *Resource Control Procedure* • *Environmental Factors Identification, Evaluation and Control Procedure*
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Our Environment
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Our Environment Standardised procedures such as *Management System Against Typhoons and Flood* are in place to tackle climate-related risks.
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Our Environment

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s)/Explanation
Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Our People; Appendix V — Compliance with Relevant Laws and Regulations that have Significant Impact on Canvest Our recruitment process strictly follows the *Labour Law of the PRC* and *Employment Ordinance* of Hong Kong. Standardised procedures are also established to provide guidance on the Group's employment and labour requirements. Relevant Group's policies include: • *Employment Procedure* • *Anti-Discrimination Procedure* • *Human Resources Control Procedure*
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Our People; 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

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s)/Explanation
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Our People; Appendix V — Compliance with Relevant Laws and Regulations that have Significant Impact on Canvest The Group has established the following standardised procedures to provide a safe working environment for our employees, strictly following the *Work Safety Law of the PRC* and the *Occupational Safety and Health Ordinance* of Hong Kong: • *Safety Management Control Procedure* • *Emergency Preparedness and Response Control Procedure*
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

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s)/Explanation
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Our People Induction training, job-specific training, health and safety trainings and management system trainings are provided to our employees to enhance their knowledge, skills and qualifications. Standardised procedures are also established to provide guidance on the training system, including: • *Social Responsibility System Training Management Procedure* • *Social Responsibility System Operation Manual — Induction Training System* • *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 100% of employees of the Group received training during the Reporting Period. Breakdown of trained employees by gender and employee category: Male: 59% Female: 41% General and technical staff: 97% Middle-level management: 2% Senior management: 1%
KPI B3.2	The average training hours completed per employee by gender and employee category.	Our People; Appendix II — Performance Data Summary

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

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s)/Explanation
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Our Sustainable Business; Appendix V — Compliance with Relevant Laws and Regulations that have Significant Impact on Canvest We carry out regular inspections on our equipment and infrastructure, providing a safe and reliable electricity supply, and monitor our environmental and health and safety performance, ensuring our operations comply with national standards and any other regulations. Relevant company policies include: • *Production Equipment Control Procedure* • *Monitoring and Compliance Evaluation Procedure* • *Mitigation Measures Control Procedure* There are no laws relating to advertising, labelling and privacy matters relating to products and services provided which would have a significant impact to Canvest, hence there are no relevant policies in place.
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product recall is not applicable to Canvest's 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 The Group's policies are in place to ensure the privacy and intellectual property rights of our stakeholders, including: • *Confidentiality Management Policy* • *Document Management Policy* • *Contract Management Policy*
KPI B6.4	Description of quality assurance process and recall procedures.	Our Sustainable Business Relevant procedures: • *Warehouse Materials Management Procedures* • *Unqualified Items Management Procedures* Quality assurance process and recall procedures do not apply to Canvest as electricity is the final product.
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Our Sustainable Business The Group implements strict procedures for document management to ensure the accuracy of information and the privacy of our stakeholders, including: • *Confidentiality Management Policy* • *Document Management Policy* • *Contract Management Policy*

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s)/Explanation
Aspect B7: Anti-Corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Our Sustainable Business; Our People; Appendix V — Compliance with Relevant Laws and Regulations that have Significant Impact on Canvest The Group strictly forbids activities in relation to bribery, extortion, fraud and money laundering. The following standardised procedures are also established to ensure compliance with the relevant laws and regulations: • *Internal Audit Control Procedure* • *Anti-Corruption and Bribery Management Procedure*
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	There were no legal cases regarding corrupt practices brought against the Group or its employees during the Reporting Period.
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 Relevant procedures: • *Social Responsibility Management System* • *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 2025

GRI CONTENT INDEX

Canvest has reported in accordance with the GRI Standards for the period 1 January 2024 to 31 December 2024. 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 has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. The service was performed on the English version of the 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 About Canvest Annual Report 2024	P.2–5 P.10–24 —
	2–2 Entities included in the organization's sustainability reporting	Annual Report 2024 — 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	Restatement were indicated in the Report.	—
	2–5 External assurance	Appendix VI — Verification Statements The Board reviewed this Report and the external assurance report before publication.	P.172–178 —
	2–6 Activities, value chain and other business relationships	About Canvest Our Sustainable Business Annual Report 2024	P.10–24 P.30–47 —
	2–7 Employees	About Canvest Our People Appendix II — Performance Data Summary We did not employ any non-guaranteed hour employees during the Reporting Period.	P.10–24 P.93–113 P.132–143 —

GRI Standard	Disclosure	Relevant Chapter(s)/ Explanation	Page No.
	2–8 Workers who are not employees	Our Sustainable Business The most common type of workers are contractors who provide maintenance and construction services. **Workers who are not employees (by category)** Cleaning staff 463 Security guard 178 Gardening 58 Maintenance 1,511 Fly ash solidification 107 Testing 111 Construction 189 Others 38 Total 2,655	P.30–47 —
	2–9 Governance structure and composition	Our Sustainable Business Annual Report 2024 — Corporate Governance Report None of the members of the highest governance body comes from any underrepresented social group.	P.30–47 — —
	2–10 Nomination and selection of the highest governance body	Annual Report 2024 — Corporate Governance Report	—
	2–11 Chair of the highest governance body	Annual Report 2024 — Corporate Governance Report	—
	2–12 Role of the highest governance body in overseeing the management of impacts	Stakeholder Engagement Our Sustainable Business Annual Report 2024 — Corporate Governance Report	P.25–29 P.30–47 —
	2–13 Delegation of responsibility for managing impacts	Our Sustainable Business	P.30–47
	2–14 Role of the highest governance body in sustainability reporting	Our Sustainable Business	P.30–47
	2–15 Conflicts of interest	Our Sustainable Business Annual Report 2024 — Corporate Governance Report	P.30–47 —

GRI Standard	Disclosure	Relevant Chapter(s)/ Explanation	Page No.
	2–16 Communication of critical concerns	Annual Report 2024 — Corporate Governance Report	—
	2–17 Collective knowledge of the highest governance body	Our Sustainable Business Annual Report 2024 — Corporate Governance Report	P.30–47 —
	2–18 Evaluation of the performance of the highest governance body	Our Sustainable Business Annual Report 2024 — Corporate Governance Report	P.30–47 —
	2–19 Remuneration policies	Annual Report 2024 — Corporate Governance Report	—
	2–20 Process to determine remuneration	Annual Report 2024 — 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): 62.2:1 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:–0.01	—
	2–22 Statement on sustainable development strategy	About this Report Message from Our Chairlady	P.2–5 P.6–9

GRI Standard	Disclosure	Relevant Chapter(s)/ Explanation	Page No.
	2–23 Policy commitments	Our Sustainable Business Our Environment Our People Canvest's sustainability commitments are generally in line with relevant international initiatives including *The 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.30–47 P.49–92 P.93–113 —
	2–24 Embedding policy commitments	Our Sustainable Business	P.30–47
	2–25 Processes to remediate negative impacts	Our Sustainable Business	P.30–47
	2–26 Mechanisms for seeking advice and raising concerns	Our Sustainable Business Our People Annual Report 2024 — Corporate Governance Report	P.30–47 P.93–113 —
	2–27 Compliance with laws and regulations	Our Sustainable Business Appendix V — Compliance with Relevant Laws and Regulations that have Significant Impact on Canvest There were no fines or non-monetary sanctions for material non-compliance during the Reporting Period.	P.30–47 P.168–171 —
	2–28 Membership associations	Serving Our Community	P.114–125
	2–29 Approach to stakeholder engagement	Stakeholder Engagement	P.25–29
	2–30 Collective bargaining agreements	No current employees are covered by collective bargaining agreements.	—

GRI Standard	Disclosure	Relevant Chapter(s)/ Explanation	Page No.
Material Topics			
GRI 3: Material Topics 2021	3–1 Process to determine material topics	Stakeholder Engagement	P.25–29
	3–2 List of material topics	Stakeholder Engagement	P.25–29
Economic Performance			
GRI 3: Material Topics 2021	3–3 Management of material topics	Message from Our Chairlady Stakeholder Engagement Our Sustainable Business	P.6–9 P.25–29 P.30–47
GRI 201: Economic Performance 2016	201–1 Direct economic value generated and distributed	Appendix II — Performance Data Summary	P.132–143
	201–2 Financial implications and other risks and opportunities due to climate change	Message from Our Chairlady About Canvest Our Environment The Group is actively evaluating and measuring the financial impact of climate risks on its business and gradually disclosing climate-related financial information.	P.6–9 P.10–24 P.48–92 —
	201–3 Defined benefit plan obligations and other retirement plans	Our People	P.93–113
	201–4 Financial assistance received from government	Local governments awarded a total of HK$3,662,000 during the Reporting Period to support Canvest's projects.	—

GRI Standard	Disclosure	Relevant Chapter(s)/ Explanation	Page No.
Materials			
GRI 3: Material Topics 2021	3–3 Management of material topics	Stakeholder Engagement Our Environment	P.25–29 P.48–92
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 for WTE operations, 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 from the WTE operations, hence does not involve reclaimed products. Our environmental sanitation and smart parking businesses only provide services, hence, they do not involve any products.	—
Energy			
GRI 3: Material Topics 2021	3–3 Management of material topics	Stakeholder Engagement Our Environment	P.25–29 P.48–92

GRI Standard	Disclosure	Relevant Chapter(s)/ Explanation	Page No.
GRI 302: Energy 2016	302–1 Energy consumption within the organization	Our Environment Appendix II — Performance Data Summary 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. With WTE 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.48–92 P.132–143 —
	302–2 Energy consumption outside of the organization	Our Environment Appendix II — Performance Data Summary Key energy consumption outside of Canvest includes fuel consumption from upstream and downstream transportation, and electricity consumption by end users (the public).	P.48–92 P.132–143 —
	302–3 Energy intensity	Our Environment Appendix II — Performance Data Summary Energy intensity only takes into account the energy consumed within Canvest.	P.48–92 P.132–143 —

GRI Standard	Disclosure	Relevant Chapter(s)/ Explanation	Page No.
	302–4 Reduction of energy consumption	Our Environment Energy reduction is not measured, hence no quantitative data is available.	P.48–92 —
	302–5 Reductions in energy requirements of products and services	Appendix II — Performance Data Summary	P.132–143
Emissions			
GRI 3: Material Topics 2021	3–3 Management of material topics	Stakeholder Engagement Our Environment	P.25–29 P.48–92
GRI 305: Emissions 2016	305–1 Direct (Scope 1) GHG emissions	Our Environment Appendix II — Performance Data Summary	P.48–92 P.132–143
	305–2 Energy indirect (Scope 2) GHG emissions	Our Environment Appendix II — Performance Data Summary	P.48–92 P.132–143
	305–3 Other indirect (Scope 3) GHG emissions	Our Environment Appendix II — Performance Data Summary	P.48–92 P.132–143
	305–4 GHG emissions intensity	Our Environment Appendix II — Performance Data Summary	P.48–92 P.132–143
	305–5 Reduction of GHG emissions	Compared to last year, the GHG emission avoidance has increased by 13% due to expansion of WTE business and improvement of technology.	—
	305–6 Emissions of ozone-depleting substances (ODS)	The Group's operations do not involve significant emissions of ozone- depleting substances (ODS).	—
	305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions	Appendix II — Performance Data Summary	P.132–143

GRI Standard	Disclosure	Relevant Chapter(s)/ Explanation	Page No.
Waste			
GRI 3: Material Topics 2021	3–3 Management of material topics	Stakeholder Engagement Our Environment	P.25–29 P.48–92
GRI 306: Waste 2020	306–1 Waste generation and significant waste-related impacts	Our Environment	P.48–92
	306–2 Management of significant waste-related impacts	Our Environment The vast majority of waste generated by Canvest is associated with processing incoming MSW generated upstream as a key component of the WTE process. Therefore, the WTE 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 WTE processes. Additionally, our environmental sanitation services managed by Canvest Yuezhan act as a solution for waste management.	P.48–92 —

GRI Standard	Disclosure	Relevant Chapter(s)/ Explanation	Page No.
	306–3 Waste generated	Our Environment Appendix II — Performance Data Summary 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 and through our provision of environmental sanitation services.	P.48–92 P.132–143 —
	306–4 Waste diverted from disposal	Our Environment	P.48–92
	306–5 Waste directed to disposal	Our Environment	P.48–92
Employment			
GRI 3: Material Topics 2021	3–3 Management of material topics	Stakeholder Engagement Our Sustainable Business Our People	p.25–29 p.30–47 P.93–113
GRI 401: Employment 2016	401–1 New employee hires and employee turnover	Our People	P.93–113
	401–2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our People	P.93–113
	401–3 Parental leave	Our People	P.93–113

GRI Standard	Disclosure	Relevant Chapter(s)/ Explanation	Page No.
Occupational Health and Safety			
GRI 3: Material Topics 2021	3–3 Management of material topics	Stakeholder Engagement Our People	P.25–29 P.93–113
GRI 403: Occupational Health and Safety 2018	403–1 Occupational health and safety management system	Our Sustainable Business Our People 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.30–47 P.93–113 —
	403–2 Hazard identification, risk assessment, and incident investigation	Our Sustainable Business Our People	P.30–47 P.93–113
	403–3 Occupational health services	Our Sustainable Business Our People	P.30–47 P.93–113
	403–4 Worker participation, consultation, and communication on occupational health and safety	Our People	P.93–113
	403–5 Worker training on occupational health and safety	Our People	P.93–113
	403–6 Promotion of worker health	Our People	P.93–113
	403–7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Our Environment Our People	P.48–92 P.93–113
	403–8 Workers covered by an occupational health and safety management system	Our Sustainable Business Our People	P.30–47 P.93–113
	403–9 Work-related injuries	Our People Appendix II — Performance Data Summary	P.93–113 P.132–143
	403–10 Work-related ill health	Our People Appendix II — Performance Data Summary	P.93–113 P.132–143

GRI Standard	Disclosure	Relevant Chapter(s)/ Explanation	Page No.
Non-discrimination			
GRI 3: Material Topics 2021	3–3 Management of material topics	Stakeholder Engagement Our Sustainable Business Our People	P.25–29 P.30–47 P.93–113
GRI 406: Non-discrimination 2016	406–1 Incidents of discrimination and corrective actions taken	Appendix II — Performance Data Summary	P.132–143
Forced or Compulsory Labour			
GRI 3: Material Topics 2021	3–3 Management of material topics	Stakeholder Engagement Our Sustainable Business Our People	P.25–29 P.30–47 P.93–113
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 Our People	P.30–47 P.93–113
Research and Development			
GRI 3: Material Topics 2021	3–3 Management of material topics	Message from Our Chairlady Stakeholder Engagement Our Sustainable Business	P.6–9 P.25–29 P.30–47

SEHK's *ESG Reporting Guide* Subject Area	Compliance with Relevant Laws and Regulations that have Significant Impact on Canvest
Environment	
Aspect A1: Emissions *relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste*	Relevant laws and regulations that have a significant impact on the Group include *Environmental Protection Law of the PRC*, *Law of the PRC on the Prevention and Control of Water Pollution*, *Law of the PRC on the Prevention and Control of Atmospheric Pollution*, *Law of the PRC on Prevention and Control of Environmental Pollution by Solid Waste*, *Law of the PRC on Environmental Impact Assessment*, and the *Administrative Regulations on Environment Protection for Construction Projects*. These laws and regulations stipulate the applicable requirements on air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. It is imperative for us to meet these statutory obligations as violation of any of applicable environmental laws and regulations may result in penalties, operation suspension, and/or legal action against the Group. In 2024, 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 *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 Hong Kong. The above laws and regulations stipulate the legal obligations and responsibility of employers to provide employment protection and benefits, covering statutory obligations and responsibilities which include compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. These laws and regulations are of great importance as they offer appropriate protections to employees, the most important asset of the Group. In 2024, there were no confirmed cases of non-compliance in relation to our employment practices that would have a significant impact on the Group. Please refer to the "Our People" chapter on how Canvest ensures compliance with applicable employment laws and regulations.
Aspect B2: Health and Safety *relating to providing a safe working environment and protecting employees from occupational hazards*	Relevant laws and regulations that are significant to the Group include *Labour Law of the PRC*, *Work Safety Law of the PRC*, *Labour Contract Law of the PRC*, *Prevention and Control of Occupational Diseases Law of the PRC*, *Regulation on Work-Related Injury Insurances*, *Special Rules on the Labour Protection of Female Employees*, and *Provisions on the Duration of Medical Treatment for Enterprise Staff and Workers Due to Illness or Non-Work Related Injuries*. These laws and regulations provide clear requirements on the provision of safe working environment and the prevention of occupational hazards. Compliance with these laws and regulations is paramount as workplace safety is of critical importance to each and every employee of the Group. In 2024, 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 *relating to preventing child and forced labour*	Relevant laws and regulations that are significant to the Group are used, including Article 244 of the *Criminal Law of the PRC*, *Prevention and Control of Occupational Diseases Law of the PRC*, Article 62 of the *Rules for the Implementation of the Law of the PRC on Foreign-Capital Enterprises*, Article 66 of the *Regulation on Work-Related Injury Insurances, 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*, and *Employment Ordinance* of HKSAR. These laws and regulations set out clear rules for preventing child labour and forced labour, and elaborate on the legal obligations and responsibility of employers who violate the relevant laws and regulations. It is essential for us to conform to applicable laws and regulations on labour standards as it reflects our corporate values in honouring human rights. In 2024, there were no confirmed cases of non-compliance in relation to human rights and labour practices standards and regulations that would have a significant impact on the Group. Please refer to the "Our People" chapter on how Canvest ensures compliance with applicable laws and regulations relating to labour standards.
Aspect B6: Product Responsibility *relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress*	Relevant laws and regulations that are significant to the Group include *Tort Law of the PRC*, which clarifies the tort liability to protect the civil rights and interests, as well as the *Product Quality Law of the PRC*, which places requirements on health and safety relating to products and services provided and methods of redress. It is the Group's core value to abide by these rules in providing safe and reliable services with integrity as a recognition of client rights. In 2024, 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 *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 Hong Kong. The above laws and regulations aim to maintain social integrity and fairness, and inflict punishments against unscrupulous and corruption behaviours such as bribery, extortion, fraud and money laundering. Given the severity of corruption, it is important that the Group maintains a corruption-free business to upkeep the Group's reputation and staff morale and ultimately enhance the Group's competitive edge. In 2024, 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.

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 (hereinafter referred to as "Canvest") to conduct an independent verification for its Sustainability Disclosures (the "Selected Disclosures") stated in its Sustainability Report 2024 ("the Report"). The selected disclosures covered the period from 1st January 2024 to 31st December 2024 and represented the sustainability performance of Canvest.

The objective of this verification is to provide an independent opinion with a reasonable level of assurance on whether the selected disclosures are prepared in accordance with the following reporting criteria:

- the Global Reporting Initiative's Sustainability Reporting Standards ("GRI Standards")
- the Environmental, Social and Governance Reporting Guide ("ESG Guide") set out in Appendix C2 of the Listing Rules of The Stock Exchange of Hong Kong Limited (version effective from 31 December 2023, which remains applicable to annual reports for financial years commencing before 1 January 2025).

Level of Assurance and Methodology

HKQAA's verification procedure has been conducted with reference to the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000") issued by the International Auditing and Assurance Standards Board. The evidence gathering process was designed to obtain a reasonable level of assurance as set out in the ISAE 3000 by using a risk-based approach.

Our verification procedure included, but not limited to:

- Sampling the sustainability information stated in the Report, e.g. claims and performance data for detail verification;
- Verifying the raw data and supporting information of the selected samples of the sustainability information;
- Interviewing responsible personnel; and
- Checking the internal control mechanism

Roles and Responsibilities

Canvest is responsible for the organization's information system, the development and maintenance of records and reporting procedures in accordance with the system, including the calculation and determination of sustainability information and performance. HKQAA verification team is responsible for providing an independent verification opinion on the selected disclosures provided by Canvest for the reporting period. The verification was based on the verification scope, objectives and criteria as agreed between the Canvest and HKQAA.

Independence
HKQAA did not involve in collecting and calculating data or compiling 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.

Limitation and Exclusion
The following limitations and exclusions were applied to this verification due to the service scope, nature of verification criteria, and characteristics of the verification methodology.

I. Our verification scope is limited to verifying the transcription/transformation of the raw data or information into the selected disclosures, e.g., Claims and Performance Data stated in the Report. This Sustainability Information may be subject to inherent uncertainty.

II. Evaluating the quality of execution and implementation effectiveness of the ESG practices, the appropriateness of the assumptions made, and the estimation techniques applied are outside the scope of our verification.

III. The verification of raw data or information is based on the use of a sampling approach and reliance on the client's representation. As a result, errors or irregularities may occur and remain undetected.

IV. Any information outside the established verification period has been excluded.

Conclusion
Based on the evidence obtained and the results of the verification process, it is the opinion of the verification team, with a reasonable level of assurance, that the Report has been prepared, in all material respects, in accordance with the GRI Standards 2021 and the ESG Guide set out in Appendix C2 of the Listing Rules of The Stock Exchange of Hong Kong Limited (former version, which remains applicable to annual reports for financial years commencing before 1 January 2025).

Signed on behalf of Hong Kong Quality Assurance Agency

KT Ting
Chief Operating Officer
March 2025
Ref: 14949300-VER

14949279-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 from 1st January 2024 to 31st December 2024. 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 2024 Calculation (Env)"* 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 municipal waste 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. Qualitatively materiality of GHG data reporting requirements such as internal Environmental Management System were followed. HKQAA verification team did not partake in the GHG data preparation process.

Remarks:
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Conclusion

Total GHG emissions and removals of Canvest Environmental Protection Group Company Limited in 2024:

2024 GHG Emissions and Removals	Tonnes (T) of CO_2 equivalent
Category a): Direct GHG emissions (excluding anthropogenic biogenic GHG emissions)	9,220,785.5
Anthropogenic biogenic GHG emissions	55,905.1
Category a): Direct GHG removals (excluding anthropogenic biogenic GHG removals)	8,431,368.4
Anthropogenic biogenic GHG removals	0
Indirect GHG emissions	52,011.7
Category b): Imported Energy	2,014.7
Category c): Transportation	49,953.6
Category d): Products used	43.4
Category e): Use of products	/
Category f): Other sources	/
Total (Direct + Indirect Emissions excluding anthropogenic biogenic GHG emissions)	9,272,797.3
Total (Direct + Indirect Emissions including anthropogenic biogenic GHG emissions)	9,328,702.4
Total (Direct + Indirect Removals excluding anthropogenic biogenic GHG removals)	8,431,368.4

Signed on behalf of Hong Kong Quality Assurance Agency:

Lead Verifier:

Tommy Lo
Date of Issuance: 19 March 2025

Chief Operating Officer:

K. T. Ting

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

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

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Verification Opinion (Continued)

Introduction:

HKQAA has been commissioned by Canvest Environmental Protection Group Company Limited ("Canvest", address: 28/F, No.9 Des Voeux Road West, Sheung Wan, 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 2024 Calculation (Env)"* covering GHG emissions and removals of the reporting period from 1st January 2024 to 31st December 2024.

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 Emission Inventory against the requirements of ISO 14064-1:2018 from February to March 2025. 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 Emission Inventory 2024 for Canvest
- Location/boundary of the activities:
    - Totally 29 wholly owned facilities in operation stage for municipal waste treatment in Mainland China for over 98% of GHG emissions
    - Canvest Yuezhan and Canvest SciWin office operation

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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 2024 Calculation (Env)*" 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 2024 to 31st December 2024
- Intended user of the verification opinion: Stakeholders identified by Canvest

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HONG KONG QUALITY ASSURANCE AGENCY
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Conclusion:

Canvest provided the GHG Statement in form of "*Canvest SR 2024 Calculation (Env)"* 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 9,272,797.3 tonnes of CO2 equivalent (excluding anthropogenic biogenic GHG emissions), and anthropogenic biogenic GHG emissions of 55,905.1 tonnes of CO_2 equivalent and direct greenhouse gas removals of 8,431,368.4 tonnes of CO_2 equivalent (excluding anthropogenic biogenic GHG removals) 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 2024 Calculation (Env)"* 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 results, the verification team concluded that no material error or omission was identified in the year 2024 Emission Inventory of Canvest. It is materially correct and is a fair representation of the GHG data and information for the reporting periods at reasonable level assurance. The quantification and reporting is prepared in accordance with ISO14064-1 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".

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