



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

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 03989

2024

SUSTAINABILITY REPORT



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# Sustainability Performance 2024

## Company Achievement

Processed 10.12 million tonnes of solid waste

Produced 2.63 billion kilowatt-hours of on-grid energy

Total investment of RMB19.758 billion in projects in reserve

## Environment

Greenhouse gas emissions intensity (Scope 1, 2 and 3) 0.88 tonnes of CO <sub>2</sub> -e/ RMB1,000 of revenue	Hazardous waste intensity 0.78 tonnes/ RMB1,000 of revenue	Non-hazardous waste intensity 0.0009 tonnes/ RMB1,000 of revenue	Energy intensity 6.37 MWh/ RMB1,000 of revenue	Water intensity 3.78 cubic metres/ RMB1,000 of revenue
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## Employees

Work-related injury rate per 1,000 workers 0 person	Percentage of employees receiving regular performance and career development reviews 79.25%	Total training hours 92,157 hours	Percentage of employees trained 95.90%
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## Community Investment

A total donation of RMB4.0573 million	A total of 700 volunteering hours
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# About this Report

This report is the ninth Sustainability Report (the “Report”) of Capital Environment Holdings Limited (“CEHL” or the “Company”) (stock code: HK03989) and together with its subsidiaries (the “Group” or “we”). In order to demonstrate the sustainability progress and vision of CEHL to stakeholders, this Report details the policies, measures and performance of the Group’s sustainability.

This Report is available in Chinese and English, and has been uploaded to the website of The Stock Exchange of Hong Kong Limited (“SEHK”) and the Company’s website at [www.cehl.com.hk](http://www.cehl.com.hk) for reference at any time.

## REPORTING BOUNDARY

This Report mainly covers the Group’s sustainability performance between January 2024 and December 2024 (the “Year”). The scope of this Report (including the scope of environmental and social KPIs) covers 32 operating projects (referred to hereafter as the “Reporting Projects”) of CEHL in Mainland China that have been completed and put into production in or before 2024. Project types mainly include: 1) sanitation integration projects, 2) waste-to-energy, and 3) anaerobic treatment of organic waste.

In terms of access and ownership of data, the Report has not yet covered the joint ventures of which the Group holds non-controlling interests, the projects that are planned to be closed or have been closed and the projects that have been included in investment reserve but not yet in full operations. In the future, the Group will continuously optimize its internal data collection system to further expand the scope of disclosure if possible. Compared with the 2023 Sustainability Report, six new operating projects are added to the reporting scope of this Report, which have been highlighted in the table below:

Project/Process Type	Project Name	Region	Processing Capacity (tonnes/day)
Sanitation integration	The Integrated Project of Rural Solid Waste Treatment Facilities in Guangchang County, Fuzhou City, Jiangxi Province	East China	320
	The Integrated Comprehensive Processing Project of Rural Waste in Shicheng County, Jiangxi Province		504
Waste-to-Energy	Waste Incineration Power Project in Huizhou City, Guangdong Province	South China	1,600
	Solid Waste Incineration Power Generation Plant in Duyun City, Guizhou Province <sup>1</sup>	Southwest China	670
	Urban Domestic Waste Incineration Power Generation Project in Puer City, Yunnan Province*		400

<sup>1</sup> Operations also include collection, storage and transfer of waste.



## About this Report

Project/Process Type	Project Name	Region	Processing Capacity (tonnes/day)
	Domestic Waste Incineration Power Generation Project in Yutian County, Tangshan City, Hebei Province	North China	600
	Shenzhou Domestic Waste Incineration Power Generation Project, Hebei Province*		800
	Yongji Domestic Waste Incineration Power Generation Project, Shanxi Province*		600
	Domestic Waste Incineration Power Generation Project in Nong'an County, Changchun City, Jilin Province*		800
	Waste Incineration Power Generation Project in Qixian, Henan Province	Central China	800
	Rural-Urban Solid Waste Incineration Power Generation Project in Xichuan, Xixia and Neixiang Counties in the South-to-North Water Diversion Catchment Area		1,000
	Vinous Industry Park Project in Lushan County, Henan Province (Waste Incineration Power Generation Project)		600
	Domestic Waste-to-energy Project in Suixian, Henan Province		600
	Domestic Waste Incineration Power Generation Project in Xihua County, Zhoukou City, Henan Province		600
	Domestic Waste Incineration Power Generation Project in Zhengyang County, Henan Province		600
	Zhumadian City Domestic Waste Incineration Generation Project, Henan Province*		1,800
	Waste Incineration Power Generation Project in Xinxiang City, Henan Province		1,000



## About this Report

Project/Process Type	Project Name	Region	Processing Capacity (tonnes/day)
	Domestic Waste Incineration Power Generation Project in Nanle County, Puyang City, Henan Province*		600
	Domestic Waste-to-energy Project in Tanghe County, Nanyang City, Henan Province*		800
	Domestic Waste Incineration Power Generation Project in Qianjiang City, Wubei Province		600
	Venous Industry Park Project in Wuling Mountain, Jishou City, Xiangxi Prefecture, Hunan Province*		1,000
	Domestic Waste Incineration Power Generation in Quanling, Nanchang City, Jiangxi Province	East China	1,200
	Domestic Waste Incineration Power Generation Project in Gao'an City, Jiangxi Province		600
	Solid Waste Incineration Power Generation Project in Ruijin City, Jiangxi Province		400
	Domestic Waste Incineration Power Generation Project in Duchang County, Jiujiang City, Jiangxi Province		800
	Domestic Waste Incineration Power Generation Project in Suichuan County, Jiangxi Province*		600
Biomass power generation projects	Qixian Biomass Power Heating Project, Kaifeng City, Henan Province*	Central China	800
	Lushan County Biomass Electricity and Heat Cogeneration Project, Pingdingshan City, Henan Province*		800
Anaerobic Treatment	Kitchen Waste Anaerobic Treatment Project in Yangzhou, Jiangsu Province	East China	200

## About this Report

Project/Process Type	Project Name	Region	Processing Capacity (tonnes/day)
	Kitchen Waste Anaerobic Treatment Project in Xiaoshan, Hangzhou, Zhejiang Province		400
	Capital Environment Kitchen Waste Anaerobic Treatment Project in Ningbo City, Zhejiang Province		400
	Kitchen Waste Anaerobic Treatment Project in Hongmiaoling, Fuzhou City, Fujian Province		400

\* Newly included projects in this Report during the Year

## REPORTING STANDARDS

This Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (“ESG Guide”) under Appendix C2 of the Main Board Listing Rules of SEHK. In order to further enhance the quality of disclosures, this Report also refers to the GRI Standards 2021 (“new GRI Standards”) issued by the Global Reporting Initiative (“GRI”). The appendix of the last chapter of this Report has a full index of ESG Guide and GRI Standards to show each of the guidelines used, so that readers can quickly search according to the GRI Standards.

The Group also follows the reporting principles of the ESG Guide and the new GRI Standards to ensure that the contents of the Report are truthfully and objectively presented to readers, including:

### Materiality and stakeholder inclusiveness

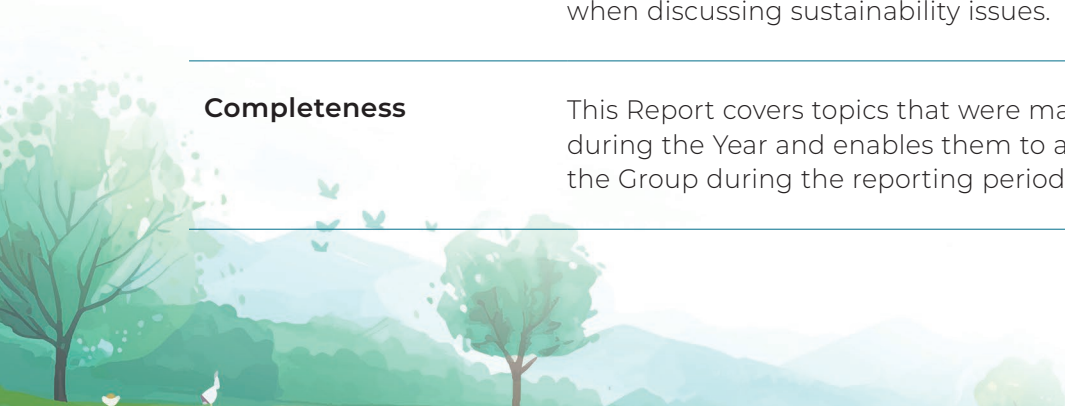
Through communication with Stakeholders, the Group identifies issues that are important to Stakeholders. The Group engages and invites Stakeholders to assist in identifying issues that are material to the Group’s economic, environmental, social and governance issues, which are reviewed and confirmed by the board of directors (the “Board”).

### Sustainability context

This Report evaluates performance against broader sustainability goals and considerations, and where possible, considers its long-term strategies, risks, opportunities and goals when discussing sustainability issues.

### Completeness

This Report covers topics that were material to Stakeholders during the Year and enables them to assess the performance of the Group during the reporting period.



## About this Report

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### Quantitative

Quantitative information is recorded and estimated in this Report and, where practicable, compared and analyzed with past performance. To ensure the accuracy of key environmental performance indicators, the Group has commissioned professional external advisory team to conduct carbon assessments in accordance with relevant national and international standards. The quantitative data of key social performance indicators in this Report came from the statistical records of relevant departments of the Group and companies of the Reporting Projects.

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### Accuracy

The Group rigorously maintains the accuracy of the information presented in the Report for Stakeholders to assess the Group's performance and indicators.

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### Balance

The Group reports on the environmental, social and governance achievements of the Year, as well as the challenges it has faced and solutions, in an accurate, objective and balanced manner.

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### Clarity

This Report presents key ESG information to Stakeholders in an understandable and accessible format.

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### Consistency and comparability

Where applicable, the Group uses consistent statistical methods so that data can be compared and be valuable for analysis in future. If there are any changes that may affect the comparison with previous reports, a detailed description has been set out in the corresponding section of this Report. This Year's environmental and social performance data and comparison and analysis with that of previous years' are detailed in the section "Appendix: KPIs Summary".

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### Verifiability

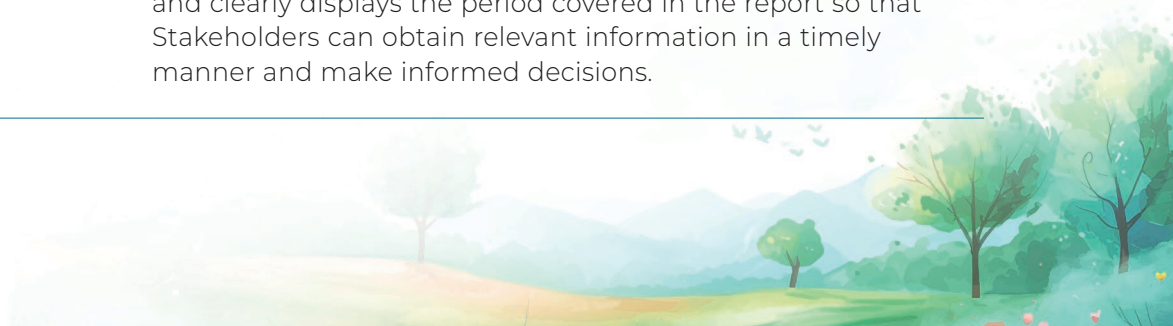
The information cited in this Report comes from the Group's official internal documents, statistical reports, as well as its management and operation information collected in accordance with the Group's provisions, and the information is presented clearly without any misleading content.

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### Timeliness

The Group reports on its ESG performance on a regular basis and clearly displays the period covered in the report so that Stakeholders can obtain relevant information in a timely manner and make informed decisions.

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## About this Report

The Group will continue to optimize the data collection system and conduct more comprehensive disclosure in order to improve the transparency and quality of the Report.

### REPORT CONTENT APPROVAL

The Board assumes full responsibility for the contents of this Report and ensures the integrity and reliability of the contents presented. The information quoted in this Report came from the Group's official internal documents and statistical reports. This Report was reviewed and approved by the Board on 21 March 2025.

### OPINIONS AND FEEDBACK

Stakeholders' opinions and suggestions will help the Group formulate future sustainability strategies and more robust sustainability governance.

If you have any questions or suggestions, you are welcome to contact the Company's Department of Company Secretarial through the following channels:

Address:	40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong, China		
Telephone:	(852) 2526 3438	Fax:	(852) 2816 0008
Email:	esg@cehl.hk		





# Chairman's Message



**Mr. LI Fujing**  
*Chairman*

## Chairman's Message

In 2024, propelled by a suite of supportive policies and technological innovation, China's environmental protection industry exhibited a robust upward trajectory. Guided by the four key operational pillars of “overcoming challenges, enhancing quality, driving innovation, and boosting output”, the Group capitalized on emerging opportunities to expand its business scope while refining its operational framework. We sharpened our focus on the core environmental protection business, reinforcing the pivotal role of the Solid Waste Incineration Power Generation Plant, while actively advancing asset-light ventures, including urban and rural environmental sanitation, site remediation, and energy-saving, carbon-reduction initiatives.

CEHL remains committed to technology-driven innovation, fostering an optimized environment for technological advancement, strengthening our innovation capabilities, and accelerating the development of a leading technological ecosystem. These efforts underpin the Group's pursuit of high-quality growth. In February 2024, in partnership with Donghua University, we submitted an application for the Shanghai Science and Technology Awards. Our project, titled “Key Technologies and Applications of the Precise Separation, Reconfiguration, and Hierarchical Targeted Conversion of Kitchen Waste Resources,” received the Second Prize in the Shanghai Science and Technology Progress Award. This accolade represents a significant milestone for the Group in advancing kitchen waste management solutions.

Across our industrial chain, we have developed and deployed a range of innovative products, including fly ash and slag utilization, heating and steam supply systems, and mobile energy storage solutions, all designed to enhance energy efficiency. Throughout the year, the Group expanded its capacity to process external municipal solid waste and general industrial solid waste, while driving technological upgrades and efficiency improvements. As a result, project capacity utilization rose from 77% to 87%. Notably, the capacity utilization of our eight Solid Waste Incineration Power Generation Plants – located in Duyun, Gao'an, Nanyang, Xinxiang, Yutian, Tanghe, Yongji, and Nanle – demonstrated significant improvement compared to the beginning of the year.

In terms of concession agreement maintenance, we effectively coordinated and progressed key issues related to concession agreement management while enhancing oversight of critical milestones. In respect of technological transformation and efficiency improvements, the Group proactively increased the utilization of external municipal solid waste and general industrial solid waste, driving the advancement of associated initiatives. The capacity utilization rates of eight Solid Waste Incineration Power Generation Plant Projects – located in Duyun, Gao'an, Nanyang, Xinxiang, Yutian, Tanghe, Yongji, and Nanle – demonstrated remarkable improvements compared to the previous year. Additionally, the average on-grid energy generated per ton of waste at these Solid Waste Incineration Power Generation Projects increased significantly as compared with previous year. To further optimize costs and efficiency, we vigorously pursued centralized procurement, loan refinancing, and initiatives focused on energy conservation and consumption reduction.



## Chairman's Message

In 2024, our carbon asset management department achieved standout success in delivering energy-saving and carbon-reduction consulting services. By conducting in-depth analyses of government and business needs, and aligning with industry trends and regulatory frameworks, the team crafted impactful strategies. This led to successful bids and contract signings for several high-profile projects, underscoring our expertise and competitiveness in the energy-saving and carbon-reduction domain.

We firmly believe that sustainable operations are integral to long-term value creation. Looking ahead, we will continue to grow our green business portfolio, implement robust environmental strategies, optimize waste management processes, support community development, and contribute to the global transition toward a low-carbon future. On behalf of the Group, I extend our heartfelt gratitude to all stakeholders for their unwavering support. Together, we will keep pushing forward to build a greener, more sustainable tomorrow.

**Li Fujing**

*Chairman*

**Capital Environment Holdings Limited**

21 March 2025, Beijing



# Executive Preface



**Mr. LI Qingsong**

*Chief Executive Officer*



## Executive Preface

We are steadfastly committed to pursuing a path of green development. By implementing comprehensive sustainability strategies and policies, we have achieved notable milestones in sustainable practices, demonstrating our proactive contributions and ongoing progress in environmental protection and social responsibility.

### EFFICIENT GOVERNANCE STRUCTURE AND SYSTEM

The Group has established a robust sustainability strategy framework to ensure consistent principles and practices across key domains, including business operations, employee well-being, environmental protection, community engagement, and supply chain management. Our ambition is to lead in these critical areas, fostering sustainable development for ourselves, our partners, and the communities we serve as we collectively advance toward a greener future. The Sustainability Committee of the Board oversees policy execution and provides strategic guidance to the team. During the Year, aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we enhanced the transparency of our climate-related disclosures and strengthened our response to climate change challenges.

### INNOVATION-DRIVEN GREEN TRANSFORMATION

Through relentless technological innovation and meticulous management optimization, we convert scientific advancements into tangible productivity, propelling the efficient growth of the environmental protection sector. Leveraging cutting-edge technology, we address environmental challenges and provide robust support for ecological conservation. Under the Open Competition Mechanism, six innovation projects are progressing steadily in line with their timelines. The carbon asset management department, responding to national directives, collaborates with the expert resources of Beijing North Energy Conservation Design & Research Institute Co., Ltd. ("BNECDRI") to advance the development and deployment of energy-saving and carbon-reduction technologies. In 2024, the department secured bids for 12 projects, unlocking energy-saving and carbon-reduction opportunities across diverse industries. These initiatives ensure the effective realization of energy and carbon goals while encouraging widespread public participation in awareness campaigns. Such efforts have elevated the Company's professional reputation and influence within the energy-saving and carbon-reduction landscape.

### PROTECTING THE RIGHTS AND INTERESTS OF EMPLOYEES AND ASSUMING SOCIAL RESPONSIBILITIES

Guided by principles of integrity and excellence, we safeguard the interests of all stakeholders. As a state-owned enterprise, we actively fulfill our social responsibilities, collaborating closely with local governments and communities. Through volunteer initiatives and material donations, we deliver meaningful support to disadvantaged groups.





## Executive Preface

We deeply value our employees' efforts and contributions, actively pursuing a talent strategy to foster new drivers of growth and competitive advantage. The Group integrates capital, talent, and culture as core pillars, striving to create a healthy, fulfilling work environment that empowers employees to perform at their best. Concurrently, we refine our human resources management practices and maintain a competitive remuneration framework, offering employees attractive compensation and comprehensive benefits.

In the dynamic yet promising market landscape of 2025, I extend my heartfelt gratitude to all Group colleagues for their dedication and to our stakeholders for their unwavering trust and support. With great enthusiasm, I look forward to partnering with each of you on this inspiring journey in environmental protection, as we collectively contribute to a healthier, more sustainable planet.

**Li Qingsong**

*Chief Executive Officer*

**Capital Environment Holdings Limited**

21 March 2025, Beijing



# Board Statement

## GOVERNANCE RESPONSIBILITY

To strengthen governance on environmental, social and governance (“ESG”) and sustainable development, CEHL has established a Sustainability Committee which is responsible for the development and implementation of corporate social responsibility and sustainability measures, including reviewing relevant policies and practices, evaluating and making recommendations on matters related to the Group’s sustainability risks, supervising relevant management and providing advice to the Board, and reporting to the Board on its decisions and recommendations.

### **The Sustainability Committee has the following responsibilities, powers and functions**

- To make recommendations to the Board on the Company’s ESG and sustainability goals, strategies, priorities, measures and goals;
- To oversee and review the Company’s ESG and sustainability policies, practices, frameworks and management approaches, and to make recommendations to the Board for improvement;
- To oversee various tasks related to the assessment of internal and external materiality (including communication with stakeholders, as well as the processes of identifying, evaluating, and managing the Company’s ESG and sustainability issues), and to review and report to the Board on the risks and opportunities associated with sustainability;
- To assess ESG and sustainability-related risks, make recommendations on the Company’s current risk management and internal control framework when necessary, and report relevant risks and issues to the Board;
- To regularly review the Company’s performance on ESG and sustainability-related targets and report to the Board;
- To review and advise the Board on the Company’s public communications, disclosure and publication (including sustainability reports) in respect of the Company’s ESG and sustainability performance; and
- To perform such other functions related or incidental to the foregoing that the Board deems appropriate.

Our Sustainability Committee shall consist of at least one Director, and the chairman shall be appointed by the Board if required. In addition, other members may include the secretary to the Board, the company secretary, the director of the office of the Board and the deputy director of the office of the Board, as well as selected officers from the business departments of the Company and the Group.



## Board Statement

### BOARD DIVERSITY

We believe that board diversity can enhance our decision-making capabilities, and can effectively assist the Board in integrating sustainability concepts into daily operations, and ultimately enhance the overall benefits of shareholder value. Therefore, we have formulated the “Board Diversity Policy”. We promise that we take gender, skills, experience, professional knowledge, educational background, etc. into account, when considering the composition of Board members to strengthen the effectiveness of the Board and achieve the Group’s strategic goals.

### SUSTAINABILITY RISKS AND OPPORTUNITIES

The Group proactively manages sustainability risks within its sphere of influence, and the Board assumes the overall responsibility for the Group’s sustainability risk management and internal control systems. The Group also promises to respond positively to sustainability-related issues and strengthen risk management. In addition, we will incorporate sustainability considerations into our risk management system and operating strategies to cope with the rapidly changing sustainability risks.

The Board understands that CEHL must proactively address the risks posed by climate change and make early deployments to address the financial and operational risks that climate change may bring in the future. The Group has formulated relevant contingency plan policies and Policy on Climate Change to manage the impact of climate change on the Group. The policy, covering the Group’s governance direction on climate change and countermeasures for climate change mitigation, adaptation, resilience and disclosure, applies to all business operations of the Group. In the future, we will carry out the work on climate-related financial risks and opportunities response plans, and analyse the risks and opportunities posed by climate change to the Group’s project operations in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (“TCFD”) to cope with the impact of climate change.

### SUSTAINABILITY GOALS

With China’s vision to achieve carbon neutrality by 2060 and a series of energy saving and carbon reduction targets proposed in the “14th Five-Year Plan”, the Group has responded proactively to the Chinese government’s vision of carbon peak and neutrality. By setting a long-term target for carbon neutrality by 2050, CEHL will help limit global temperature rise to within 1.5 degrees Celsius above pre-industrial levels and implement measures for achieving the carbon emission reduction target by 2030 to reduce carbon footprint. The Group will continue to review its existing environmental management practices and data to achieve our environmental targets.

In the future, we will strive to improve our sustainability work, and set and identify the prioritised United Nations Sustainable Development Goals (“UNSDGs”), and gradually establish a sustainable business strategy for CEHL, thereby continuously capitalising sustainability opportunities to fulfil our corporate social responsibility in an effective manner.



# About CEHL

## COMPANY PROFILE

As a professional investment platform of Beijing Capital Eco-Environment Protection Group Co., Ltd. ("Beijing Capital Eco-Environment Protection Group") in the field of solid waste treatment, CEHL was listed on the main board of The Stock Exchange of Hong Kong Limited in 2006 (stock code: HK03989), and is committed to becoming a comprehensive service provider of environmental improvement solutions for local governments. The Group specializes in investment, construction and operational management in the field of solid waste treatment, and has established an integrated business system covering front-end collection and transportation, back-end comprehensive treatment, and resource utilization. The business scope covers multiple areas, including domestic waste incineration power generation, sanitation integration services, industrial solid waste treatment and resource utilization, kitchen waste treatment, and electronic waste treatment.

As a nationwide specialized environmental protection enterprise, CEHL possesses capital, talent, and management strengths in areas such as waste comprehensive treatment, resource reuse, new energy development and utilization, as well as project investment, construction, and operational management. The Group's projects span more than ten provinces and cities, including Beijing, Guangdong, Zhejiang, Henan, and Jiangxi, with a daily processing capacity of approximately 41,600 tons.

CEHL has been repeatedly recognized by authoritative industry media as one of the "Top 10 Influential Enterprises in China's Solid Waste Industry." Guided by a well-defined development strategy, agile capital management, a distinguished leadership team, globally competitive technological expertise, and a deep commitment to social responsibility, we are swiftly emerging as a preeminent leader in China's solid waste treatment sector. Our growth is marked by rapid expansion, substantial scale, and profound industry influence.

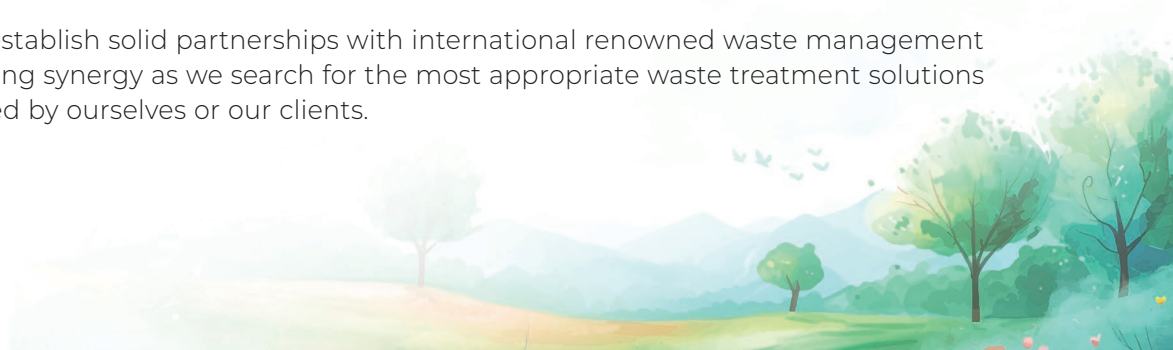
In CEHL, we follow a set of shared values:

**Passion:** We pledge to provide our best services for our clients and contribute to the future of China's waste treatment industry.

**Sustainability:** We believe the development of a company should be in harmony with the economy, society and the environment as a whole.

**Technological Advancements:** We value technological advancements and thus we are committed to research and development. We also work closely with top international providers of waste treatment technology, ensuring our leading position in know-how and quality services.

**Teamwork:** We establish solid partnerships with international renowned waste management companies, creating synergy as we search for the most appropriate waste treatment solutions for plants operated by ourselves or our clients.



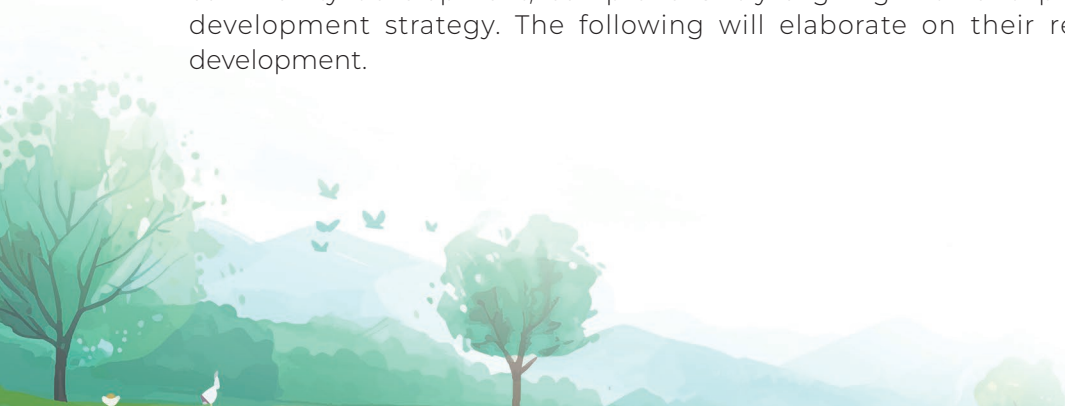
## About CEHL

### HONOURS AND RECOGNITION

No.	Award	Awarding Organisation
1	Top 10 Influential Enterprises in China's Solid Waste Industry in 2024	The 18th Solid Waste Strategy Forum
2	Leading Company in Solid Waste Soil Remediation in 2024	
3	excellent case study of "Beautiful Cells" construction in Jiangxi Province in 2024	Jiangxi Provincial Government
4	2024 Top 10 Environmental Protection Facilities for Public Opening in Jiangxi Province	Jiangxi Provincial Government
5	List of Practical Technical Equipment and Demonstration Projects for Ecological Environment Protection	China Association of Environmental Protection Industry
6	Harmonious Labor Relations Creation Demonstration Enterprise in Henan Province	Human Resources and Social Security Department, Federation of Trade Unions, Business Association, Entrepreneurs Association, Federation of Industry and Commerce of Henan Province
7	Polaris Cup – Benchmark Power Plant for Operations Management	Polaris Environmental Protection Website
8	Polaris Cup – Innovative Development Power Plant	Polaris Environmental Protection Website
9	Certificate of "Excellence in Refined Operations Management"	"Historical Leap over Two Centenary Years" Waste Incineration Benchmarking Action
10	Certificate of "Excellence in Social Open Service"	"Historical Leap over Two Centenary Years" Waste Incineration Benchmarking Action
11	Leading Company in Soil Remediation in 2023	The 15th Solid Waste Enterprise Selection Award Ceremony








### UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The Group is well aware of the significant importance of integrating the United Nations Sustainable Development Goals into our daily operations and business strategies for achieving sustainable development. To this end, we have identified 12 Sustainable Development Goals (SDGs) that are closely related to our business. These goals cover multiple aspects, from business operations and environmental protection to employees and community development, comprehensively aligning with and promoting our sustainable development strategy. The following will elaborate on their relevance to the Group's development.









## About CEHL

Business Operations	UN SDGs	Corresponding Practices
	Affordable and clean energy	<p>We provide waste-to-energy and biomass power generation services. By producing clean energy, we reduce our reliance on traditional thermal power and landfill.</p> <p>In 2024, the power generated by our operating projects reached 27,611.08 million kWh, which was used for our own operations and exports.</p>
	Industry, innovation, and infrastructure	<p>One of our core businesses is the utilization of resources from domestic waste incineration. We introduce internationally leading incineration technologies combined with independent R&amp;D and innovations to provide whole-process green and efficient waste-to-energy services.</p>
	Partnerships promoting the goal achievement	<p>We value the views of stakeholders and establish an open dialogue mechanism to communicate effectively with a wide range of internal and external stakeholders through various communication channels.</p>
Environmental protection	UN SDGs	Corresponding Practices
	Responsible consumption and production	<p>We pay attention to the suppliers' environmental impact of and preferentially select those with environmental and occupational health and safety certifications. Hazardous waste such as slag generated from our operations will be properly handled by qualified third parties.</p>
	Climate action	<p>Our waste-to-energy business replaces traditional fossil fuel power generation. The biogas produced during the recycling and treatment process of our kitchen waste treatment business reduces our reliance on fossil energy, decreases carbon dioxide emissions, promotes resource recycling, and provides effective solutions in response to climate changes.</p>
	Life below water	<p>The leachate and sewage generated from our integrated urban domestic waste treatment projects and kitchen waste treatment projects are properly treated and discharged in compliance with local emission standards.</p>
	Life on land	<p>Our core waste-to-energy business significantly reduces our reliance on landfills. While generating renewable energy, it reduces the compression of land area and the destruction of ecosystems caused by domestic waste landfills.</p>

## About CEHL

Employees and community development	UN SDGs	Corresponding Practices
	No poverty	We encourage our subsidiaries and employees to actively participate in public welfare donations and community public welfare activities. In 2024, the total amount of donations reached RMB4.0573 million.
	Good health and well-being	Our core business of domestic waste recycling effectively improves the living and sanitary conditions of local residents and reduces the risk of disease transmission.
	Quality education	We actively organize environmental education activities and hold regular visits. In 2024, the Group's Hangzhou Kitchen Waste Project fulfilled its responsibility as a waste-sorting education base by organizing primary school students to visit the waste treatment project.
	Reduced inequalities	<p>We adhere to the concepts of equal employment, diversity, and anti-discrimination to ensure that all employees, regardless of their ethnicity, race, gender, religious belief, or cultural background, are treated fairly.</p> <p>In 2024, we provided 3 job positions for people with disabilities.</p>

## About CEHL

### THEMED TOPIC: THE CARBON ASSET MANAGEMENT DEPARTMENT EMPOWERED GOVERNMENTS AND ENTERPRISES IN ENERGY-SAVING AND DUAL-CARBON GOALS

The Carbon Asset Management Department of the Group actively implements the philosophy of “green innovation for carbon challenges”. It boosts governments and enterprises to achieve the dual-carbon goals with initial results shown in business transformation. With the support of the Group’s leadership, it deeply analyzes the needs of governments and enterprises through innovative initiatives, formulates targeted programs, and promotes energy-saving and low-carbon technological services. In the first five months of 2024, the Carbon Asset Management Department successfully signed 12 projects, such as Beijing energy-saving supervision technical cooperation and the planning of the Energy-Saving Publicity Week in Haidian District, with the contract value exceeding RMB6 million, marking a new breakthrough in business expansion.

In addition, the Carbon Asset Management Department actively explored new business models by offering diversified services such as energy-saving and carbon-reduction planning, carbon inventory, and energy audits to assist governments and enterprises in achieving the dual-carbon goals. In the future, it will continue to strengthen cooperation with governments and enterprises, promote the implementation of energy-saving and emission-reduction projects, focus on talent cultivation and team building, and enhance professional capabilities, so as to provide strong technical support for the dual-carbon goals.

#### Case: Assisting Beijing Municipal Health Commission in Energy Saving and Carbon Reduction

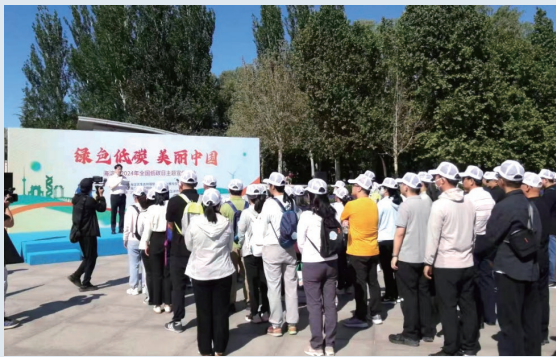
The Carbon Asset Management Department of the Group assisted Beijing Municipal Health Commission in refining the “Energy-Saving and Carbon Reduction Target Responsibility Assessment Work Plan for Municipal Healthcare Institutions during the 14th Five-Year Plan Period”. Additionally, we assisted 29 healthcare institutions within the city in completing their energy-saving and carbon reduction performance evaluations by collecting, analyzing, summarizing, and compiling relevant data on the application of energy-saving technologies and achievements in energy-saving and emission reduction for this Year.



## About CEHL

### Case: Planning and Organizing Energy-Saving Publicity Week in Haidian District

During the Reporting Period, the Carbon Asset Management Department of the Group collaborated with Haidian District Development and Reform Commission to plan, organize, implement, and evaluate activities for the 2024 “Energy-Saving Publicity Week”, and hosted the event to promote green and low-carbon concepts. The Publicity Week featured a series of activities, including a launch ceremony, energy-saving campaign in schools, energy-saving campaign in communities, advanced technology and experience sharing session, and low-carbon fitness walk. This project showcased the comprehensive service capabilities of the Carbon Asset Management Department in the field of energy saving and carbon reduction, including technical services, training organization, publicity and promotion.



### Case: Assisting in Compiling Energy-saving Reports

The Carbon Asset Management Department of the Group assisted Beijing Qixingyuan Digital Economy Industrial Smart Computing Center, a subsidiary of Linewell North Technology Group Co., Ltd. (“南威北方科技集團有限責任公司”), in energy-saving measure analysis, energy data calculations, energy efficiency assessments, and compilation of energy-saving evaluation reports.



# Sustainability Governance

## GOVERNANCE STRUCTURE

The Group has established a Sustainability Committee which is led by the Board and clearly defined the responsibilities and authority of the committee and senior management of the Company for the day-to-day operations. CEHL insists that the Board holds ultimate responsibility for its ESG matters, ensuring that the sustainability concept permeates all business decisions from the top management level.

The Sustainability Committee is responsible for making recommendations to the Board on the our ESG and sustainability goals, strategies, priorities, measures and goals; overseeing and reviewing the ESG and sustainability policies, practices, frameworks and management approaches, and to make recommendations to the Board for improvement; supervising different tasks such as internal and external materiality assessments (including communication with stakeholders and the process of identifying, evaluating and managing the Company's ESG and sustainability issues); reviewing and reporting to the Board on sustainability risks and opportunities; assessing ESG and sustainability-related risks, make recommendations on the Company's current risk management and internal control framework when necessary, and report relevant risks and issues to the Board; regularly reviewing the Company's performance on ESG and sustainability-related targets and report to the Board; and reviewing and advising the Board on our public communications, disclosure and publication (including sustainability reports) in respect of the ESG and sustainability performance.

Under the leadership of the Board, a number of business departments, functional departments and city-based companies in the solid waste division of the Company are responsible for implementing our sustainability strategies and measures, such as the environmental sanitation industry department, site restoration department, engineering management department, carbon asset management department and other business departments, Nanchang city-based company, Zhumadian city-based company, Nanyang city-based company and other city-based companies, as well as human resources department, legal and compliance department and other functional departments. They engage with stakeholders through various means, evaluate and respond to ESG-related risks and requirements, and regularly report the progress and results to the Sustainability Committee, continuously optimising ESG management based on feedback.

In addition, due to the importance of production safety in the industry in which the Group operates, the Group has established a safety production committee (the "Safety Committee") to be responsible for the management of health, environment and safety production, which is chaired by the chief executive officer of the Company (the "CEO"), and other members of the Safety Committee are senior management of the Group.



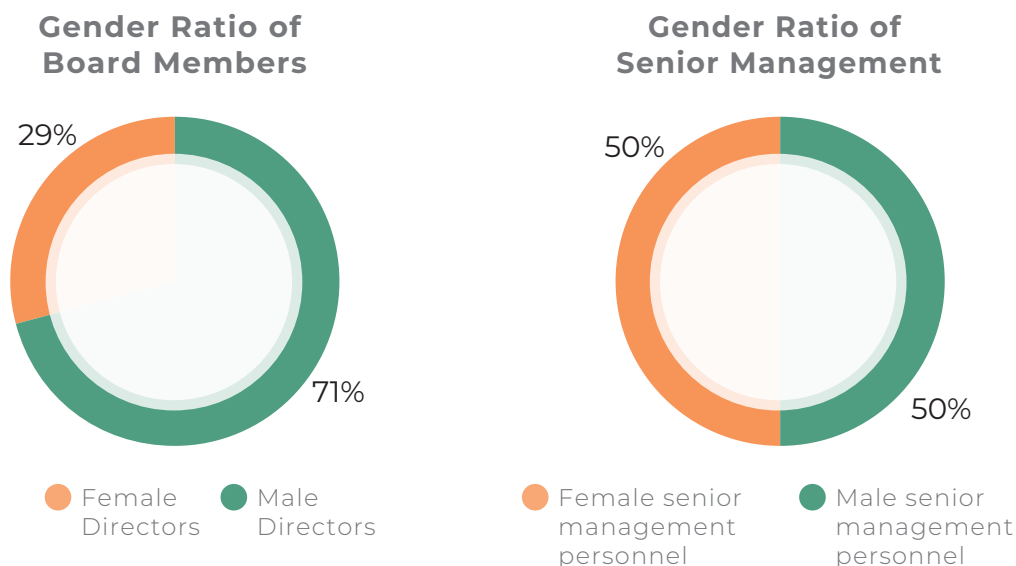


## Sustainability Governance

### BOARD AND MANAGEMENT DIVERSITY

The Group deeply recognises the importance of the diversity of Board members to broadening horizons and enriching perspectives, which helps to enhance the Board's decision-making capabilities to better fulfil the Group's strategic needs and development goals. To this end, we have formulated the "Board Diversity Policy" that comprehensively considering factors such as gender, skills, experience, professional knowledge and educational background when selecting the Board members, aiming to create a diversified Board that improves overall effectiveness and ensure that the Group can achieve its long-term strategic vision.

The Company's Board currently has 7 Directors, with five male and two female members, representing 29% female. The members of the Board come from various fields such as law, economics and engineering, with experience in various industries at home and abroad. The senior management of the Company comprises 4 individuals, including 2 males and 2 female, with females accounting for 50%.



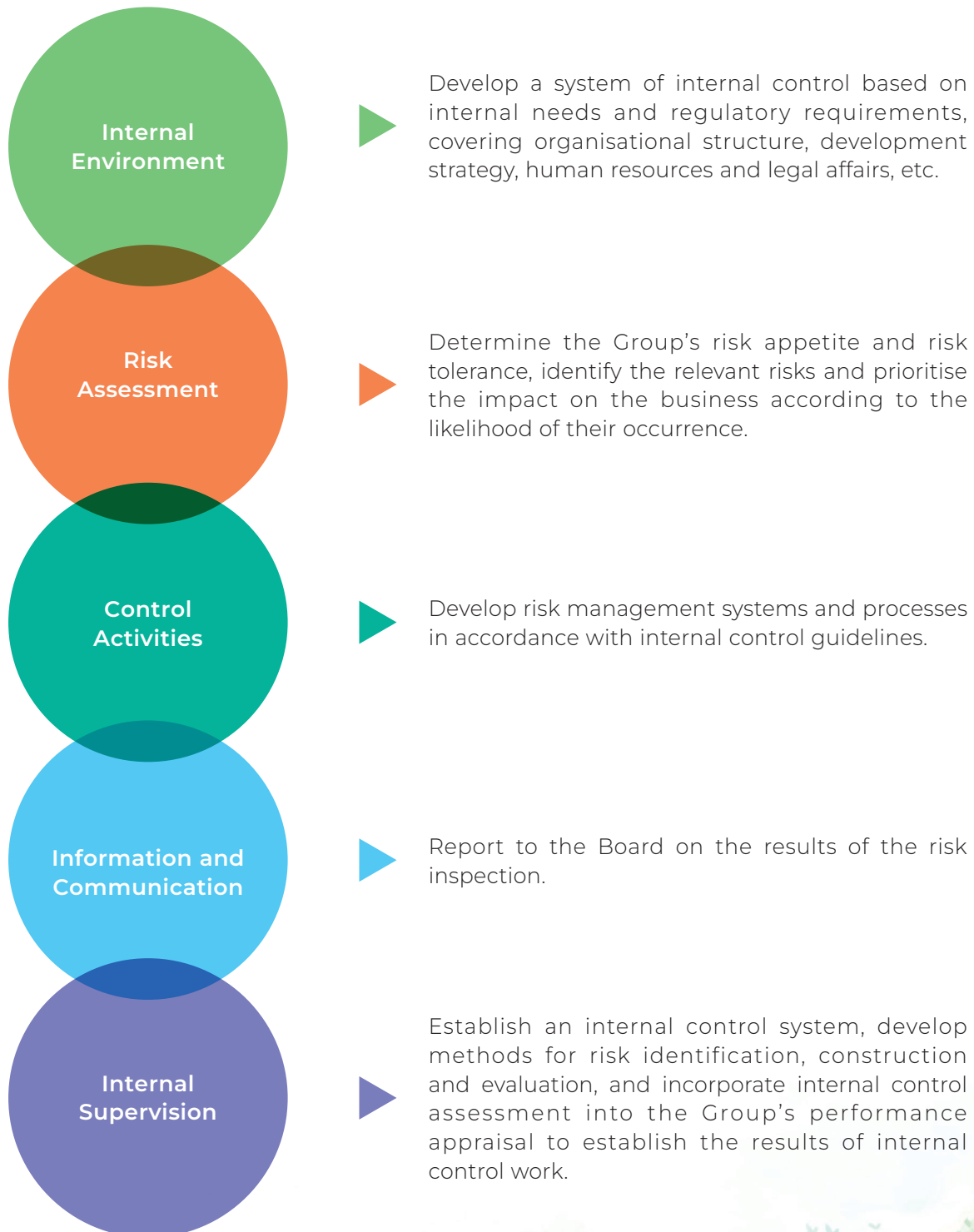
### SUSTAINABILITY RISK MANAGEMENT

CEHL is committed to building a robust risk management and internal control system. The Board is responsible for determining the nature and extent of risks that the Group can tolerate when achieving its strategic objectives, and conducts regular reviews to ensure that the system is effective. Furthermore, the Board will also supervise the management's design, implementation and monitoring of risk management and internal control systems. The Board will take ultimate responsibility for the system.

The Group has a multi-level risk management structure. The Internal Audit Department and Business Development Department are responsible for formulating and implementing the internal control system, conducting risk assessments and establishing a risk database, formulating risk-oriented internal audit work plans. In addition, they are responsible for conducting independent internal control monitoring and evaluation to enable effective identification, assessment, mitigation, reporting, and monitoring of various major risks of the Group and its subsidiaries. Through this comprehensive risk management process, we are able to formulate strategies and implement projects more prudently, thereby achieving better business performance.

## Sustainability Governance

The Group has established the “Management Methods of Internal Control” to provide guidance on risk identification and assessment to ensure that the developed internal control system meets the five elements of internal environment, risk assessment, control activities, information and communication and internal supervision. Details are as follows:



## Sustainability Governance

The Board of the Group has reviewed and confirmed the relevance of the results of the ESG risks assessment conducted previously, which have been considered by the Board in developing its operational strategies. The material ESG-related risks of the Group are summarised in the table below:

Industrial Environmental Risk	Risk Description	Management Method
Environmental breaches and environmental responsibilities	The Group's daily operations generate noise, wastewater, emissions, other industrial wastes and hazardous wastes that need to be treated, recycled and discharged in accordance with the requirements of the environmental policies and regulations of the countries and regions in which they are located. Non-compliance may result in high fines, additional operating expenses for remediation, or disruption and termination of operations. Non-compliance may also create a negative corporate image for the Group and affect customer confidence in the Group. At the same time, further tightening of environmental regulations, such as the national ban on specific waste types, will result in significant increases in compliance costs, even if the volume of such waste to be landfilled can be reduced.	The Group undertakes its environmental responsibilities and has formulated the "Environmental Management Measures" to regulate the environmental matters of various departments and companies of the Reporting Projects.



## Sustainability Governance

Industrial Environmental Risk	Risk Description	Management Method
Immediate physical risks from climate change	Climate change has increased the frequency of extreme weather events such as typhoons and rainstorms. Extreme weather will cause damage to facilities and equipment or threaten the lives of employees, and in severe cases, business operations may have to be suspended or interrupted for restoration purposes, resulting in higher operating costs for the Group.	CEHL has developed the “Climate Change Policy”, specifying mitigation, adaptation, resilience and disclosure of climate change risks and opportunities. Looking into the future, the Group will carry out the work on response plans for climate-related financial risks and opportunities, and analyze the risks and opportunities posed by climate change to the Group in accordance with the TCFD.
Long-term physical risks from climate change	Climate change will also cause sea level rise due to the melting of polar glaciers as temperatures continue to rise. Sea level rise poses a threat of flooding in coastal areas, causing damage to infrastructure, loss of corporate property and loss of existing investment. Prolonged high temperatures will also have a lasting impact on the working and living conditions of local employees, potentially reducing their work efficiency and posing a risk to their health.	
Market transformation and changes in consumer preferences	The challenges of climate change and the low-carbon transformation bring market risks, which are also accompanied by changes in the preferences of mass customers for existing products and services. If business operations do not follow the preferences and expectations of customers and the public, the chances of winning a project may be reduced, which may affect the Group's revenue and profitability in the long run.	



## Sustainability Governance

Industrial Environmental Risk	Risk Description	Management Method
Increased energy costs	The market and regulatory transformation based on climate change will lead to higher energy prices. High energy prices will have a negative impact on energy-intensive industries or high energy consumption projects. Local governments have increasingly tightened environmental compliance requirements for traditional fossil fuel production capacity (including coal fired power generation), which has increased the cost of production capacity, leading to price increases.	
Occupational health and safety hazards	As an environmental and waste management service provider, daily operations involve potential work safety risks, such as dust, chemical spills, equipment failure, accidents due to structural damage to the landfill, traffic accidents while operating trucks, and fires due to natural hazards. The occurrence of such accidents would pose a threat to the lives of employees. At the same time, the Group will also need to incur additional expenses to repair the operating facilities and compensate the Group's employees and their families, and bear all daily expenses during the period of business suspension, resulting in a decrease in operating income.	The Group has formulated a series of safety management policies and measures, and provided occupational health and safety training and safety drills for employees. The Group will also conduct hazard identification and risk assessment activities when there are major changes in new projects or organisational structure, equipment updates, renovations or major changes in operating methods. In the future, the Group will continue to prioritise the health and safety of its employees and strive to achieve zero accidents.



## Sustainability Governance

Industrial Environmental Risk	Risk Description	Management Method
Technology transformation and capabilities of research and development	Core technologies are the foundation of project design and operating models. The development and adoption of new technologies to replace traditional collection and disposal can enhance the resource efficiency of waste. If the Group fails to develop innovative technologies, or if its market competitors have developed and patented breakthrough technologies, this will limit the growth prospects and market position of the business.	The Group insists on leading the market with technology. Its subsidiaries have won a number of technical awards. Looking into the future, the Group will continue to increase investment in technology research and development in response to market demand, strive to protect the environment, turn waste into energy, and advocate a circular economy model.
Information network security and cyber-attack	Improper use of data, information security breaches and lack of protection of information systems in the event of a cyber-attack can cause business operations to cease; or compromise customers' confidence in the Group by disclosing important confidential information or controlled personal data.	The Group is committed to protecting customers' privacy and personal information. It requires employees not to disclose any proprietary information of customers and partners, and also has a confidentiality system to regulate employees' query rights. During the Year, the Group did not receive any confirmed complaints of invasion of customer privacy and loss of customer information.
Business ethics and compliance (corruption) risks	Administrative regulations and statutory requirements regarding business ethics are in place in all regions. As a waste management and environmental services company, it is often necessary to work with local authorities to obtain public services. However, corruption in the supply chain or in the selection of service providers can lead to lawsuits, fines, penalties or trading bans, which can affect the Group's business development, lead to a tarnished image and, in serious cases, lead to the suspension of service projects and affect the livelihood of residents, ultimately resulting in the loss of the company's social licence to operate.	The Group has zero tolerance for corrupt behaviour, and has formulated a series of anti-corruption policies and regulations. It has established an internal accountability committee to review investigation reports and propose handling or punishment for employees suspected of committing corrupt behaviour. During the Year, a total of 46.53% of the employees of the Group participated in anti-corruption training, and the average time for employees to participate in anti-corruption training was 2.51 hours. In the coming year, the Group will continue to convey anti-corruption messages to employees to enhance their anti-corruption awareness.



## Sustainability Governance

### SUSTAINABILITY OPPORTUNITIES

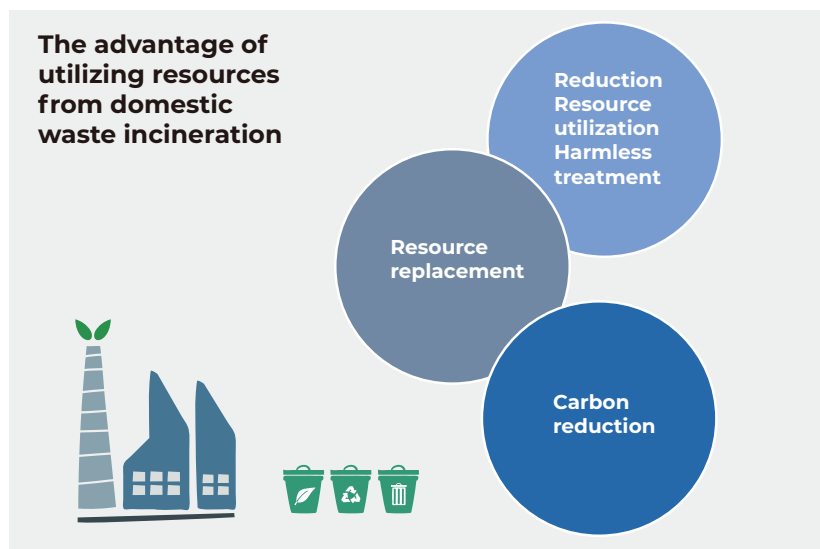
CEHL is committed to capturing potential opportunities brought by sustainable development and proactively exploring new markets and business areas. On the journey of low-carbon transformation, we continuously focus on social needs, invest resources in the research and development of environmental protection skills and technologies. Our dedication lies in converting waste resources into energy and expanding the scope of business in the sustainable field. We strive to create a one-stop solution for green recycling of urban solid waste, implementing the whole-process management approach for waste, including “sorting, collection, storage, transportation, disposal and utilisation”. By doing so, we realize the integrated services of solid waste such as urban and rural environmental sanitation, domestic waste waste-to-energy, anaerobic treatment of organic waste and site restoration, further consolidating our leading position in the industry.



## Sustainability Governance

The Group is dedicated to providing comprehensive environmental improvement solutions, covering multiple aspects such as domestic waste incineration and power generation, environmental sanitation integration, industrial solid waste treatment, and resource utilization.

One of our core businesses is the utilization of resources from domestic waste incineration. We introduce internationally leading incineration technologies combined with independent R&D and innovations to provide a whole-process services for green and efficient waste incineration and power generation. Based on our pollution reduction and carbon mitigation efforts, we have achieved the recycling of domestic waste, contributing to environmental protection and resource utilization.



Leveraging the domestically leading dry and wet anaerobic treatment technologies, we provide integrated services for kitchen waste (including food waste) from collection and transportation to terminal processing, as well as whole-process solutions and operational services covering technical investment, construction, and operation, achieving efficient resource utilization of organic waste.

### ANAEROBIC TREATMENT SOLUTION FOR FOOD AND KITCHEN WASTE

The stable operation of anaerobic digesters is crucial for the treatment of food and kitchen waste. However, traditional wet anaerobic fermentation tanks face challenges such as agitator wear and tear, high maintenance difficulty, and uneven mixing, leading to sediment accumulation and scum buildup in the tanks. Similarly, dry anaerobic digestion tanks encounter analogous issues. To address these obstacles, our company has integrated STRABAG anaerobic technology to develop a systematic solution, effectively resolving problems in both wet and dry anaerobic treatment processes and enhancing operational efficiency.

At present, CEHL has applied this technology to **Kitchen Waste Anaerobic Treatment Projects**, including the Yangzhou food waste centralized collection, transportation and treatment project, the Hangzhou food waste comprehensive utilization and biofuel production project, and the Fuzhou food waste treatment project.

## Sustainability Governance

### COMPLIANCE MANAGEMENT

The Group attaches high importance to compliance management which was deemed as a core pillar of its operations and requires all departments and project companies to adhere to the Group's compliance policies, ensuring compliance in all business activities. CEHL is well aware that its business activities are required to comply with the relevant laws, rules and regulations of the regions where it operates, and understands that any violation of such laws and regulations may impair the Group's operations and reputation. To this end, we have established a set of clear procedures to deal with potential violations, ensuring that investigation can be initiated immediately once a notification of violations is received, and appropriate corrective actions can be taken to address any misconduct, so as to maintain the operational integrity and reputation of the Group.

In order to ensure strict compliance with relevant national regulations regarding safety, health, and environment in the Group's production and operations processes, the Group has formulated the "Management Measures for the Identification and Update of Safety, Health and Environmental Protection Laws, Regulations and Standards". The Management Measures clearly specify the requirement to comply with relevant national safety, health and environmental regulations in respect of safety production, occupational health and environmental protection. It explicitly requires the companies of the Reporting Projects to regularly collect and update applicable laws, regulations, rules and standards through various channels, including the government agencies, industry associations, news media, professional journals, books, and databases.

When the applicable laws, regulations, rules and standards change, relevant departments and subordinate companies should update the "List of Applicable Safety, Health and Environmental Laws, Rules, Regulations and Standards" in a timely manner to keep the information up to date. Furthermore, safety production management personnel are responsible for timely publicising and training employees on the latest safety, health and environmental laws, regulations, rules and standards, aiming to improve employees' awareness of safety, health and environmental, and guide them in performing their duties in a compliant manner, so as to ensure the compliance of corporate behaviour.



## Sustainability Governance

The following table sets forth the laws, regulations and compliance status that CEHL has confirmed to have a significant impact on its operations:

Aspects	Relevant Laws and Regulations	Compliance Status
Emission	“Environmental Protection Law of the People’s Republic of China”  “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes”	The Group has not identified any cases of non-compliance in relation to emissions in the Reporting Projects during the Year.
Employment	“Labour Law of the People’s Republic of China”  “Labour Contract Law of the People’s Republic of China”	During the Year, no cases of discrimination or non-compliance in relation to employment were found among the Reporting Projects of the Group.
Health and Safety	“Work Safety Law of the People’s Republic of China”  “Law of the People’s Republic of China on the Prevention and Treatment of Occupational Diseases”  “Regulation on Work-Related Injury Insurances”  “Occupational Health and Safety Management Systems — Requirements with Guidance for Use” (GB/T 45001-2020)	During the Year, no cases of non-compliance in relation to health and safety were found among the Reporting Projects of the Group.   One case of work-related injuries in the Reporting Projects was identified.
Labour Standards	“Law of the People’s Republic of China on the Protection of Minors”  “Labour Law of the People’s Republic of China”  “Payment of Wages Tentative Provisions”  “Provisions on the Prohibition of Using Child Labour”	The Group has not identified any cases of non-compliance in relation to labour standards during the Year.
Product Responsibility	“Company Law of the People’s Republic of China”  “Standard for Pollution Control on Municipal Solid Waste Incineration”	The Group has not identified any cases of non-compliance in relation to product responsibility during the Year.
Anti-Corruption	“Anti-Unfair Competition Law of the People’s Republic of China”  “Anti-Money Laundering Law of the People’s Republic of China”  “The Bidding Law of the People’s Republic of China”	The Group did not receive any cases of corruption proceedings against the corporation or its employees during the Year, and did not violate laws and regulations in relation to anti-corruption.

# Stakeholder Engagement and Communication

## RESPONDING TO STAKEHOLDERS' NEEDS

We fully understand the pivotal role of stakeholder playing in the sustainable development and success of the Company. Therefore, the Group attaches great importance to the opinions of stakeholders and maintain engagement with them through extensive channels to adjust corporate strategies and operating direction in a flexible manner when necessary. We are committed to an open dialogue, fostering effective communication with a wide range of internal and external stakeholders through diverse communication channels, including employees, management, customers, business partners, investors, regulators and various types of community groups.

Stakeholder	Communication Channel
Employees	The Group maintains communication with various departments and employees through internal communication channels such as internal emails and regular business meetings. At the same time, the Group conducts performance evaluations on employees and encourages employees to express their ideas.
Suppliers	The Group maintains regular communication with suppliers to enhance their awareness of the environment and society.
Customers	The Group has established channels for collecting opinions and handling mechanisms to ensure that customers' opinions and complaints are properly handled.
Investors	The Group provides investors with relevant information about the Group and maintains communication through channels such as shareholder meetings, financial reports, announcements and circulars. At the same time, the Group's annual report will be published online.
Communities	The Group cares for the community in different ways, including encouraging employees to participate in community volunteer activities, establishing environmental education bases and contributing to the development of the community where projects are located. To understand the needs of local communities, the Group maintains communication with various community groups.



## Stakeholder Engagement and Communication

### MATERIALITY ASSESSMENT

As there was no significant change in the Group's business during the Reporting Period, we have reviewed the previous materiality assessment results, combined with the actual business development, and assessed 33 material issues identified, which were confirmed by the Board as material issues in 2024. These issues will be highlighted in this report. The following shows the then materiality assessment process:



#### Identification of key stakeholders and update of the list of sustainability issues

According to different local and international reporting standards, and with reference to the content of the online questionnaires in previous years, the Group has identified 33 sustainability issues most closely related to its business and impact, covering "Economy", "Environment", "Employment and Labour Practices", "Operating Practices", and "Community Investment".



#### Collection of Stakeholders' opinions

Through the online questionnaire, the Group invited internal and external Stakeholders to rate the 33 identified sustainability issues from the Group's and their own perspectives, and ranked the economic, environmental and social sustainable development issues according to their importance. The scoring criteria included the degree of importance to Stakeholders and CEHL's degree of environmental and social impact. The Group collected a total of 900 valid responses.



#### Identification of material issues

Based on the results and analysis of the online questionnaire, the Group identified 18 material issues in economic, environmental and social aspects. The Group also invited Stakeholders to identify areas where the Group can make positive contributions, and provide relevant opinions for our reference.



#### Review and identification of material issues by the Board

The materiality matrix and analysis results are reviewed and validated by the Board to ensure that the results are in line with the Group's sustainable development strategy.

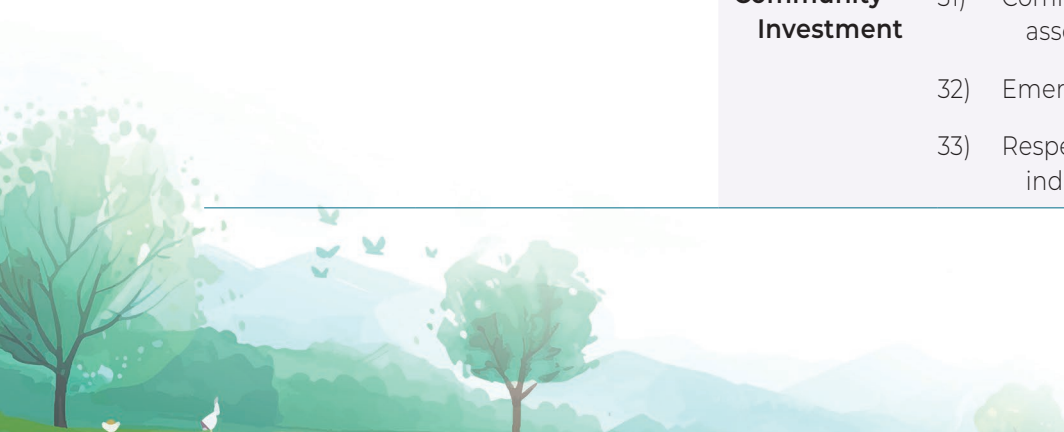




## Stakeholder Engagement and Communication

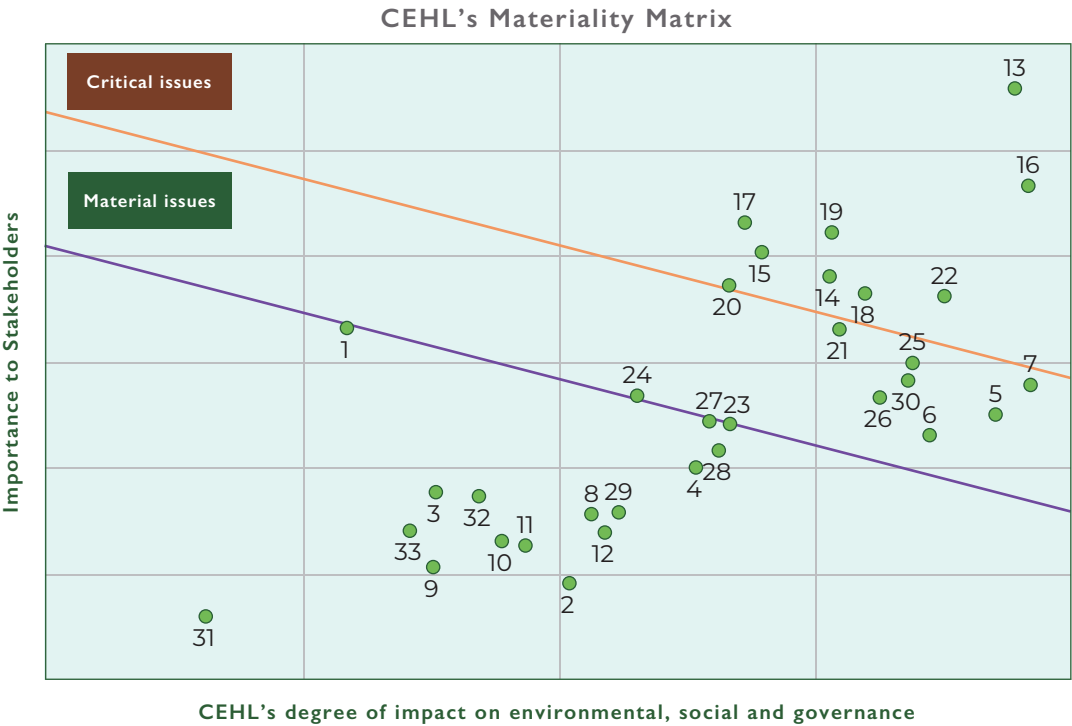
### SUSTAINABILITY ISSUES

<b>Economy</b>	1)	Creating economic value for Stakeholders	<b>Employment and Labour Practices</b>	13)	Labour practices and staff welfare
	2)	Research and development		14)	Diversity and equal opportunities
	3)	Sustainability risk management		15)	Labour relations
	4)	Sustainability opportunities		16)	Occupational health and safety
<b>Environment</b>	5)	Air emissions management		17)	Training and development opportunities
	6)	Water use and wastewater treatment		18)	Strictly prohibiting child labour or forced labour
	7)	Waste disposal		19)	Human rights
	8)	Energy use and efficiency		20)	Protecting freedom of association and the right to collective bargaining
	9)	Resource usage and efficiency		21)	Regulating security practices
	10)	Biodiversity	<b>Operating Practices</b>	22)	Customer health and safety
	11)	GHG management and climate change response		23)	Responsible marketing communications
	12)	Environmental education		24)	Quality management and after-sales service
<b>Community Investment</b>				25)	Customer data and privacy
				26)	Protecting intellectual property
				27)	Suppliers environmental and social assessment
				28)	Responsible procurement practices
				29)	Anti-competitive behaviour
				30)	Anti-corruption
			<b>Community Investment</b>	31)	Community engagement, impact assessment and investment
				32)	Emergency preparedness system
				33)	Respect for the rights of indigenous people



Stakeholder Engagement and Communication

MATERIAL ISSUES



According to the results of the questionnaire at that time, the Stakeholders of CEHL are very concerned about the issues in the area of “Employment and Labour Practices”. Most of the issues are identified as material issues, among which “Labour Practices and Staff Welfare” is the most concerned issue by the Stakeholders.



## Stakeholder Engagement and Communication

Material issue		Boundaries of impacts on Stakeholders										Chapters responding to the issue	
		Internal Stakeholder			External Stakeholder								
		Managers of reporting projects	Management of strategic functions	Other staff	Customers	Contractors	Partners	Suppliers	Government regulators	Banks	Media		NGOs
7.	Waste management	✓	✓			✓			✓		✓	✓	Taking Environmental Responsibility and Improving the Sustainable Development Governance Structure
5.	Air emissions management	✓	✓						✓		✓	✓	
6.	Water use and wastewater treatment	✓	✓			✓			✓		✓	✓	
13.	Labour practices and staff welfare	✓	✓	✓					✓		✓	✓	Improving Employee Management, Paying Attention to Employee Health, Promoting Employee Development and Sustainability Governance Structure
14.	Diversity and equal opportunities	✓	✓	✓					✓				
16.	Occupational safety and health	✓	✓	✓		✓	✓		✓		✓	✓	
18.	Strictly prohibiting child labour or forced labour	✓	✓	✓					✓		✓	✓	
17.	Training and development opportunities	✓	✓	✓		✓	✓						
15.	Labour relations	✓	✓	✓					✓		✓	✓	
19.	Human rights	✓	✓	✓					✓		✓	✓	
20.	Protecting freedom of association and the right to collective bargaining	✓	✓	✓					✓		✓	✓	
21.	Regulating security practices	✓	✓			✓							Adhering to Compliant Operation & Improving Sustainability Governance Structure
22.	Customer health and safety	✓	✓		✓	✓	✓	✓	✓		✓	✓	
30.	Anti-corruption	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	
25.	Customer data and privacy	✓	✓		✓	✓	✓	✓		✓			
24.	Quality management and after-sales service	✓	✓		✓	✓	✓	✓	✓		✓	✓	
23.	Responsible marketing communications	✓	✓		✓	✓	✓	✓	✓		✓	✓	
26.	Protecting intellectual properties	✓	✓		✓	✓	✓	✓					

We will make detailed disclosure of the above material issues in the subsequent sections of this report to specifically respond to the concerns of stakeholders.



# Improving Employee Management

The Group recognizes that talent is the core driver of corporate growth. Therefore, we are committed to enhancing our human resources management capabilities, striving to establish a “people-oriented” corporate culture that values comprehensive development of employees. We strive to safeguard the legitimate rights and interests of our employees, and nurture the talents needed for the Group’s development. We aim to build a competitive elite team through regular performance appraisal, actively strengthening the sense of belonging of our employees, and promoting the common development of us and employees.

## EMPLOYMENT MANAGEMENT

During the Reporting Period, we steadfastly complied with relevant laws and regulations in Mainland China, including the “Labour Contract Law of the People’s Republic of China” and the “Labour Law of the People’s Republic of China”. In order to fully protect the legitimate rights and interests of the Group’s employees, we have formulated a series of detailed staff policies, including “Employee Management Measures”, “Headquarters Employee Remuneration Management Measures”, “Recruitment and Hiring Measures”, “Welfare and Subsidy Management Measures for Project Companies”, “Headquarters Recruitment Management Measures”, “Affiliated Company Welfare Management Measures” and “Performance Appraisal Management Measures”, which explicitly regulate the Group’s operating process on recruitment, dismissal, remuneration package, promotion route, working hours and leave, equal opportunities, anti-discrimination measures, other benefits and welfare, ensuring the effective implementation of human resources management.

The Group upholds the principles of fair competition, merit-based recruitment, and selection by post during recruitment process. The general manager’s office is responsible for approving the annual staffing establishment. The human resources department is responsible for formulating the annual staffing establishment of various departments based on the demand for talents for the Company’s business development and the actual staffing requirements, which is then submitted for consideration by the general manager’s office. All departments are responsible for submitting their annual recruitment needs and job responsibilities and qualification requirements for the required positions. We take the candidates’ competence and suitability for the position as the criteria for recruitment, and establish rigorous recruitment standards to ensure transparency and openness in the recruitment process. Meanwhile, we strictly adhere to the approved departmental staffing limits, and prohibit recruiting beyond the approved limits”. In order to encourage employees to develop their talents and demonstrate their abilities in suitable positions, we offer internal recruitment, transfer and promotion opportunities. The Human Resources Department is mainly responsible for the dismissal issue, and organise an exit interview to understand relevant resignation reasons.



## Improving Employee Management

As for performance management, the Group has established a performance evaluation and appraisal system and formulated the “Headquarter Performance Appraisal Management Measures”. Employees should undergo annual performance appraisal to promote performance improvement and strategic goals realization. Performance appraisal process includes company organizational performance, department performance appraisal and departmental employee performance appraisal. The performance appraisal results include performance scores and performance level. Performance scores are the basis for determination of the performance level and payment of the performance-based salary, while performance levels serve as the main basis for job rank adjustments. After the appraisal is completed, the Human Resources Department will report the main assessment results to the general manager’s office, and department heads will provide specific appraisal results and the performance appraisals to the appraised persons through performance interviews.

### Case: Qixian Incineration Project Company Honored with Title of “Demonstration Enterprise for Harmonious Labor Relations in Henan Province”

Qixian Incineration Project Company, a subsidiary of the Company, was awarded the title of “Demonstration Enterprise for Harmonious Labor Relations in Henan Province”, and was commended jointly by Henan Provincial Department of Human Resources and Social Security, Henan Provincial Federation of Trade Unions, Henan Provincial Enterprise Confederation/Henan Provincial Entrepreneurs’ Association, and Henan Federation of Industry and Commerce. This recognition acknowledges our achievements in maintaining harmonious and stable labor relations.



## LEAVES AND BENEFITS

In addition to a welfare system based on “five insurances and one fund” in compliance with national regulations, the Group is committed to providing its employees with competitive salaries and benefits, including but not limited to annual salary, wage benefits, bonuses, free annual medical examinations, meal arrangements, supplemental medical insurance, various paid holidays (including sick leave, annual leave, work injury leave, marriage leave, maternity leave, breastfeeding leave, paternity leave for male employees, family planning leave, childcare leave and funeral leave). Besides that, a range of allowances including transportation allowance, communication allowance, meal allowance, high temperature allowance, heating allowance to improve the overall benefits of employees.

## Improving Employee Management

Meanwhile, the Group has formulated the “Headquarters Employee Remuneration Management Measures”, which stipulates the basic principles, system and standards of remuneration distribution, with an aim to strengthen the Group’s internal risk control and provide fair compensation and incentives for employees’ efforts. Remuneration adjustments are made based on the overall compensation level of the Company, the individual annual appraisal results and the changes in employee job ranks.

### WORKING HOURS AND HUMAN RIGHTS PROTECTION

We comply with international standards such as the international human rights conventions, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, the United Nations Guiding Principles on Business and Human Rights, and the “Provisions on Prohibition of Child Labour”. We strictly prohibit any forms of child labour and forced labour. To prevent accidental hiring of minors, the age and other personal information of job applicants should be vigorously verified during the recruitment process. If a job applicant is found not to meet the statutory minimum working age qualifications, he or she will be disqualified from employment.

All employees are required to sign written labour contracts with the Group based on the principles of legality, fairness and equality. The contracts specify a 40-hour workweek and an 8-hour workday. Monday to Friday are designated as working days. The Company may adjust the working hours based on operational conditions or work requirements. However, we do not encourage employees to work overtime. If overtime work is necessary, it must be negotiated with the employee and documented on the “Overtime Approval Form” for approval before it is considered as overtime work.

### EQUAL OPPORTUNITY AND DIVERSITY

The Group is committed to the principles of fairness, impartiality and openness in recruiting and promoting employees to ensure that none of job applicants and employees will be subject to any form of discrimination by age, gender, race, religion, marital status, sexual orientation or disability. Looking ahead, the Group will continue to enhance diversity and inclusive measures to enable them to work in a pluralistic and inclusive environment and protect their fundamental rights. We adopt a zero-tolerance attitude towards any form of discrimination and encourage employees to report on discriminatory behaviour, and the Group will investigate and take necessary measures as appropriate to ensure the establishment of a respectful work environment and provide equal and good working conditions for all employees.

In addition, we believe in equal opportunities, diversity and anti-discrimination, and strictly complies with the laws and regulations such as the “Labour Law of the People’s Republic of China” to ensure equal treatment to employees of all ethnicities, races, genders, religious beliefs, and cultural backgrounds. The companies of the Reporting Projects of the Group proactively hire people with different backgrounds, such as employees of ethnic minorities (including those of Yi, Hui, Miao, Tujia, Mongol, Zhuang, Man, Buyi, Shui, Dong, Maonan and Gelao ethnic group), and disabled people, so as to achieve the employment diversity goal.





## Caring for Employees' Health

We regard our employees as our most valuable assets and make every effort to protect the health and safety of employees. In order to effectively manage occupational safety and health, the Group strictly abides by the “Work Safety Law of the People’s Republic of China” and the “Occupational Health and Safety Management Systems – Requirements with Guidance for Use” (GB/T 45001-2020), and formulates the “Safety Management Method” and “Occupational Health Management Measures”, which stipulate the responsibility of occupational health management of the Group and each company of the Reporting Projects, aiming to prevent, control and eliminate occupational disease hazards, prevent and control occupational diseases, and safeguard the health of our employees.

### OCCUPATIONAL HEALTH MANAGEMENT

The Group places high importance on the occupational health of its employees, strictly adheres to relevant laws and regulations, including the “Law of the People’s Republic of China on the Prevention and Treatment of Occupational Diseases”, and have established and implemented the Occupational Health Management Measures to prevent, control, and eliminate occupational disease hazards, protect worker health, and ensure a safe and healthy working environment. We have implemented a system of responsibility for the prevention and control of occupational diseases, where each company of the Reporting Projects is held accountable for the occupational disease hazards, with the principal responsible person assuming overall responsibility for occupational disease prevention.

According to laws and regulations, each company of the Reporting Projects should strictly comply with national standards and legal requirements related to occupational health, implement preventive measures to control and eliminate occupational disease hazards at the source. For positions with severe occupational disease hazards, we establish or designate occupational health management institutions and appoint full-time occupational health management personnel. Additionally, we provide necessary occupational health training for workers, disseminate knowledge on occupational health, and urge workers to comply with relevant laws and operating procedures.

### OCCUPATIONAL HEALTH MANAGEMENT IN WORKPLACE

When occupational disease hazards listed in the catalogue of occupational diseases are present in the workplace, we require the subordinates to promptly and truthfully report the hazards to the local health administrative department for supervision. For newly-built, renovated and expanded construction projects, as well as technical transformation and introduction projects that may generate occupational disease hazards, we conduct pre-evaluations of occupational disease hazards, design of occupational disease protective facilities, evaluations of the effectiveness of hazard control, and corresponding reviews in accordance with national regulations on the “three simultaneous” supervision and management of occupational disease protective facilities, and organize acceptance inspections of these protective facilities.

We maintain occupational health monitoring records for workers and preserve them properly for the specified period. These records include personal information, work history, medical history, exposure to occupational disease hazards, results of previous occupational health examinations, and handling situations of workers.



## Caring for Employees' Health

During the Reporting Period, we promoted the application of the enterprise security management information system "Capital Safety System" to enhance risk prevention efforts. We also organized various departments to update information on hazardous materials, special equipment, and relevant personnel, so as to standardize safety management practices by leveraging technology.

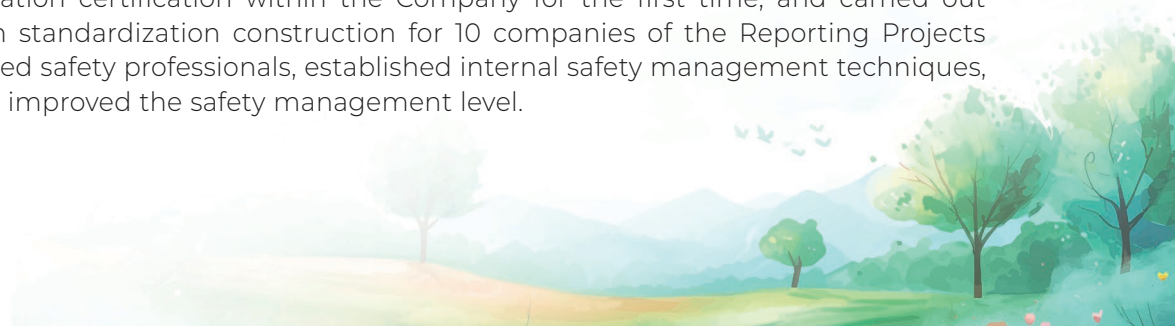
### HANDLING AND REPORTING OF OCCUPATIONAL DISEASE HAZARD ACCIDENTS

When an occupational disease hazard accident occurs, each company of the Reporting Projects should promptly report to the local health administrative department, relevant government departments, and the headquarters departments of CEHL in accordance with regulations, and take effective measures to reduce or eliminate occupational disease hazards, and prevent the escalation of the accident. For workers who have been or may potentially be exposed to acute occupational hazards, we will organize timely medical treatment, health examinations, and medical observation, and bear all associated costs.

### Safety Management System

The Group has established a Safety Committee headed by the CEO, responsible for supervising the safety production matters and enforcing the national laws and regulations relating to safety production. In the event of major accidents causing injuries or fatalities, the CEO leads the Safety Committee and each company of the Reporting Projects to immediately initiate emergency rescue procedure, and coordinate with the relevant departments and project managers to investigate on accidents and formulate preventive measures to reduce the recurrence of similar accidents. The person in charge of the safety department will organize regular safety meetings to assess the safety status of each project, and dispose of current and potential risks as soon as possible.





Adhering to the principles of "systematic summary, continuous improvement, and dynamic management", the Safety Committee established a rolling mechanism for safety management to precisely implement safety management work, and promote equipment maintenance, flood prevention work, rectification and inspections of safety production, and standardized production safety work. During the Reporting Period, the Safety Committee formulated a handbook on fulfilling safety production responsibilities and an annual safety work plan, and established a three-tier safety production regulation system. The first tier consists of occupational health safety and environmental protection management system; the second tier includes safety production responsibility system, safety production plan, and safety meeting management; the third tier involves the management of hazardous chemicals, major and important hazard sources, and management of hazardous operations. The Safety Committee also organized the formulation of a compilation of three major regulations on incineration, kitchen and food waste, and environmental sanitation, as well as guidelines for standardized construction, so as to constantly promote the systematization and standardization of the safety management system. The guidelines include implementation points, common problems, and internal regulations. In 2024, we conducted safety standardization certification within the Company for the first time, and carried out safety production standardization construction for 10 companies of the Reporting Projects respectively, trained safety professionals, established internal safety management techniques, and continuously improved the safety management level.



## Caring for Employees' Health

In addition, the Safety Committee emphasized the importance of employees understanding the Company's safety production situation and cultivating a strong sense of responsibility for safety production at meetings. Employees are encouraged to enhance their political awareness, optimize the safety system, and shoulder their primary responsibilities. The Safety Committee also emphasizes the need for employees to have a high sense of political responsibility, implement safety production measures effectively, focus on key positions, improve their ability to fulfill safety obligations, and adhere to the basic policy of "safety first and prevention oriented". We aim to further strengthen the headquarters' supervision of the safety production work of companies of the Reporting Projects, enhance safety production oversight and management, conduct routine hazard identification and control, and enhance emergency response capabilities, so as to maintain a stable and favorable safety production environment within the Company.

The Safety Committee has formulated the key points and plans for the 2025 safety production work, which include the following priorities:

	<p>Establishing a stricter and quantifiable dynamic safety assessment system: connecting all links and establishing a dynamic system for timely assessment, strengthening safety responsibilities at all levels, and shifting from "remedial" safety production management to "preventive" safety production management.</p>
	<p>Improving safety production rules and regulations and strengthening standardization construction: updating the Company's safety production rules and regulations and improving the guidelines for safety production standardization construction, completing the first-tier safety production standardization guidance for one company of the Reporting Projects; completing the second-tier safety production standardization review for at least five companies of the Reporting Projects.</p>
	<p>Solidly advancing the safety audit work: carrying out safety audit work for Duyun City-based Company, Yutian Incineration, Collection and Transportation Project Company, and Qixian Integration Project Company.</p>
	<p>Deepening the hierarchical control of safety risks and rectify high-risk projects: organizing the compilation of the Company's traffic accident records; compiling route maps for each environmental sanitation, collection and transportation project and implementing precise safety management; conducting no less than 20 inspections for high-risk projects.</p>



## Caring for Employees' Health

### SAFETY HAZARD INVESTIGATION

The Group is firmly committed to ensuring the safety and health of our employees. We strictly adhere to relevant laws and regulations, including the “Work Safety Law of the People’s Republic of China”, and have formulated and implemented the “Administrative Measures for the Investigation, Control, and Management of Production Safety Hazards” to systematically identify, register, report, monitor, control, and verify production safety hazards, promptly eliminating potential risks that may lead to accidents.

We categorize accident hazards into general accident hazards and major accident hazards. General accident hazards refer to those with relatively minor consequences and easy rectification. Major accident hazards, on the other hand, refer to those pose greater consequences, require production shutdowns for rectification or cannot be immediately eliminated due to the influence of external factors. Our hazard investigation efforts cover both basic management hazards and on-site management hazards, ensuring comprehensive coverage of all potential safety risks.

We organized comprehensive spring safety inspections from March to April 2024, covering key areas such as the implementation of the dual-prevention mechanism, the execution of the safety production responsibility system, the guarantee of safety investment, safety during the resumption of work and production, fire safety, and special operation management. The inspection not only rectified a number of safety hazards, but also improved the safety management level of various companies of the Reporting Projects. The Safety Committee also organized a group-wide “Major Safety Inspection and Rectification Campaign”. This month-long campaign inspected 71 projects, identified 1,327 safety hazards, and achieved a rectification rate of 97.22%, aiming to avoiding safety hazards.

### Implementation of Hazard Investigation

We have established a comprehensive regulatory system covering accident hazard investigation, registration, assessment, reporting, monitoring, control, acceptance, and funding guarantees, specifying responsibilities for managers and employees at all levels.

Our hazard investigation work is conducted in conjunction with daily inspections, which may take in various forms, including daily inspections, regular inspections, specialized inspections, seasonal inspections, special period inspections, accident analogy inspections. According to actual situations, we specify the inspection cycles for different management levels to ensure systematic and sustained hazard investigation. During the Year, we have established an audit working mechanism that includes the administrative measures for safety production audit, the work plan for safety production audit and the work manual for safety production audit, and collaborated with Capital Eco Group to complete the safety audit of Nanchang Incineration Project Company, a subsidiary of the Company.



## Caring for Employees' Health

### HAZARD RECTIFICATION AND ACCEPTANCE

For the general accident hazards identified during inspections, we require immediate organization of elimination and strengthen the source management. As for major accident hazards, the main person in charge of each company of the Reporting Projects should organize the formulation and implementation of the governance plan, which should include the objectives of governance, responsible institutions and personnel, methods and measures taken, implementation of funding and resources, timeline and requirements for rectification, safety measures, and contingency plans. Following the completion of rectification efforts, we will organize technical personnel and experts to evaluate the rectification situations, ensuring that hazards are completely eliminated.

### SUPERVISION AND MANAGEMENT

We have established a program for the reporting of accident hazards and reward of reporting to encourage employees to identify and eliminate accident hazards. Meanwhile, we conduct assessment and evaluation on the investigation and management of accident hazards. Those who render meritorious service will be commended and rewarded, and those who demonstrate inadequate performance in investigation and management of accident hazards will face appropriate disciplinary measures in accordance with regulations.

### SECURITY ACCIDENT EMERGENCY PLAN

The Group is fully aware that employee safety is the cornerstone of sustainable corporate development. As such, we have established a comprehensive and systematic emergency accident management system to ensure swift and effective responses in the event of emergencies. Our emergency management system strictly adheres to the "Work Safety Law of the People's Republic of China", the "Emergency Response Law of the People's Republic of China", and other relevant regulations, ensuring compliance with national standards and requirements related to emergency management. In response to traffic safety accidents, we require companies of the Reporting Projects to keep video records and those without video records will be dealt with seriously. Additionally, during the Reporting Period, we organized 40 traffic safety exchange meetings, established a traffic accident case library, updated the traffic risk list, and strengthened the supervision of vehicle maintenance to reduce the likelihood of future traffic safety accidents.

#### Case: Hold a Special Meeting on Traffic Safety

On 6 August, 2024, the Safety Committee organized and held a special meeting on traffic safety and planned the safety work for new sanitation projects. The Safety Committee will also conduct on-site supervision and inspections for at least one key project every month.





## Caring for Employees' Health

### EMERGENCY MANAGEMENT ORGANIZATIONAL STRUCTURE

We have set up an emergency management leading group, headed by the director of the Safety Committee, responsible for formulating and implementing emergency management strategies. The group consists of the safety director and the main persons in charge of each department, and is responsible for emergency management within their respective business scope according to the division of responsibilities. Additionally, we have set up an Emergency Management Office for drafting and revising comprehensive emergency response plans and specialized emergency plans, overseeing the construction of emergency management systems across departments and companies of the Reporting Projects, and supervising the preparation and drills of emergency response plans.

Our emergency plan system consists of comprehensive emergency response plans, specialized emergency response plans, and on-site contingency plans, covering various sudden incidents such as natural disasters, accidents, public health events, and social security incidents. These plans clearly define the response measures and responsibilities of relevant departments and personnel at different stages before, during, and after an incident, ensuring the systematic coordination and operational feasibility of emergency responses.

### EMERGENCY TRAINING AND DRILLS

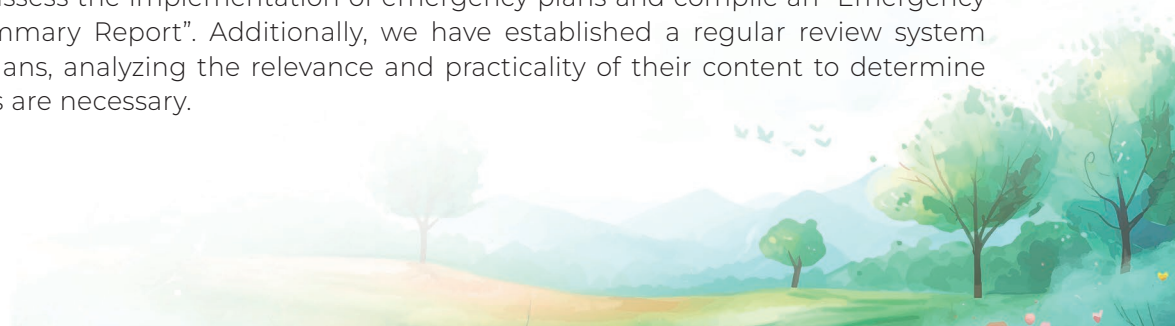
To enhance employees' emergency knowledge and skills, we incorporate emergency training into our annual training plan and conduct at least one emergency management training annually. Additionally, we have developed an annual emergency drill plan and organize at least one comprehensive or specialized emergency response drills annually and at least one on-site contingency drills every six months. These drills primarily focus on practical exercises to ensure employees are familiar with emergency procedures and measures.

### EMERGENCY GUARANTEE

We ensure the implementation of the emergency command system, rescue teams, materials, and equipment, while establishing corresponding archives for regular testing and maintenance to maintain their applicability. Furthermore, we include funds required for emergency system construction in our annual budget, and establish a financial support mechanism to meet the needs for developing, revising, training, drilling, and updating emergency plans, as well as building and maintaining emergency teams, equipment, and material reserves.

In the event of a sudden incident, subsidiaries should immediately activate their emergency response plans and organize rescues, while reporting accident information and emergency response activation status in accordance with regulations. We implement multiple emergency rescue measures, including controlling the source of danger, organizing evacuations, notifying affected units and individuals, preventing the escalation of the accident, requesting external assistance, and maintaining order at the scene.

After each emergency response and rescue, companies of the Reporting Projects will summarize and assess the implementation of emergency plans and compile an "Emergency Contingency Summary Report". Additionally, we have established a regular review system for emergency plans, analyzing the relevance and practicality of their content to determine whether revisions are necessary.



## Caring for Employees' Health

### SAFETY TRAINING

We are committed to improving employees' ability to respond to emergencies through regular accident analogy drills and safety education and training programs, ensuring that they master necessary emergency contingency knowledge. To this end, the Group directs all subsidiaries to develop detailed annual emergency drill plans, specifying the type, content, and time arrangement of drills. We require at least one comprehensive or specialized emergency response drill annually and at least one on-site contingency drill every six months. The contents of drills include table-top exercises and practical operations, with a focus on practical exercises.

To ensure the effectiveness of drills, we organize a specialized assessment team to conduct a comprehensive evaluation of the preparation, organization, execution, and outcomes of each drill through photography, video recording, and written documentation. After each emergency drill, safety management personnel will promptly convene participants and assessment team members for a review discussion. The assessment team will provide detailed comments on the execution of the drill, achievement of objectives, performance of participating teams and individuals, applicability of the plan and equipment used, and key issues identified during the drill, thereby continuously enhancing our emergency management capabilities.

During the Reporting Period, we organized the Safety Production Activity Month of various themes, such as enhancing employees' safety execution capability, conducting themed safety culture and publicity campaigns, safety commitments among all employees, so as to implement the safety management system.



## Caring for Employees' Health

During the Year, each company of the Reporting Projects held a series of emergency drills, including fire-fighting evacuation drills, electric shock drills, vehicle accident drills, boiler explosion, flood prevention and control drills, confined space drills, comprehensive large-scale drills, lifting and collapse accidents drills, container explosion and sulfuric acid leakage accidents drills, and biomass material field emergency drills.

### Case: Conduct a Fire Evacuation Drill

During the Reporting Period, the Group conducted a fire evacuation drill including various procedures, such as alarm, evacuation and headcount. Before the drill, we specified evacuation routes and precautions to enhance employees' familiarity with evacuation routes and improve their ability to respond quickly and orderly in case of fire.



### Case: Conduct a Fire Emergency Drill and Training

On 17 November, 2024, Lushan Biomass Project Company, a subsidiary of the Company, organized a fire emergency drill, conducted fire safety training, organized mutual safety inspections among affiliated power plants, and established peer exchange mechanism to improve safety awareness and emergency response capabilities. The integrated safety management model of "drill + training + mutual inspection" effectively reinforced the safety defence line of the Company.





## Caring for Employees' Health

### PHYSICAL AND MENTAL WELL-BEING

The Group values employees' physical health by regularly arranging occupational health examinations to ensure they are in good physical conditions necessary for their positions. Additionally, we actively organize various healthcare activities and continuously improve the quality of the working environment. To enrich employees' leisure lives, we provide facilities such as multi-functional activity rooms, gyms, billiard rooms, and libraries, and regularly hosting various competitions and activities, aiming to create a vibrant and diverse working atmosphere and strengthening team cohesion and employees' sense of identification with the Company.

#### Case: CEHL Conducted Spring Festival Staff Condolence Visits

CEHL organized Spring Festival condolence visits for its employees. Members of the Group's leadership team traveled to various locations across the country to visit employees working hard at grassroots level and extended New Year greetings to the "most adorable people" of CEHL. The leadership team also conducted detailed inspections of safety production conditions at project sites, emphasizing the importance of prioritizing safety production to ensure safety production and stable operation during holidays.



Hebei Sanhe Environmental Sanitation Project

#### Case: "Party Construction Leadership Adds Vitality, Physical Fitness Showcases Excellence" Fun Sports & Thematic Party Day Event

On 25 December, 2024, the Party Branch of Qianjiang Incineration Project Company and the Trade Union of Qianjiang Project Company jointly organized the "Party Construction Leadership Adds Vitality, Physical Fitness Showcases Excellence" Fun Sports & Thematic Party Day Event. The event featured three main activities: tug-of-war, table tennis, and fitness run, aiming to enrich the cultural life of employees and enhance team cohesion.



## Caring for Employees' Health

### Case: 2024 Annual Work Conference & Staff Sports Meet Held in Nanchang City

On 31 January, 2024, Nanchang City-Based Project Company hosted its 2024 Annual Work Conference & Staff Sports Meet. The event served as both a summary of 2023 achievements and a deployment of plans for 2024. The staff sports meet featured various events such as basketball, tug-of-war, and relay races, further strengthening team cohesion and fostering a spirit of collaboration among employees.



### Case: “Party Construction Leadership Warms Hearts, Spring Festival Visits Deliver Genuine Care” Event

On the eve of the Lunar New Year, the Party Branch and the Trade Union of Nanchang Incineration Project Company jointly organized the “Party Construction Leadership Warms Hearts, Spring Festival Visits Deliver Genuine Care” Event to extend condolences to employees who remained on duty. Led by the Party Branch Secretary Hu Jianming, the visit team presented employees with Spring Festival gifts and hot dumplings and exchanged warmly about their work and personal lives, encouraging employees to maintain a positive attitude and keep warm in the cold weather.



# Employee Training and Development

We strive to provide opportunities for skill development and training to enhance the capabilities of our employees and maintain our competitiveness. To this end, the Group has formulated the “Education and Training Management Measures (Interim)” and the “Backup Employee Management Measures” and promised to invest 1.5% to 2.5% of the total salary of employees in education and training activities every year, with an aim to ensure the required resources and support that our employees can obtain to achieve their individual and career growth.

## TRAINING MANAGEMENT SYSTEM

To enhance employees’ expertise, business skills, and management capabilities, the Group has established a comprehensive training and education management system. We strive to build a high-quality, efficient and learning-oriented team and ensure the continuous appreciation of human capital to meet the talent demands and adapt to the development reforms of the Group. The system is guided by the following fundamental principles:

- Centered on operations to drive development: Training needs analysis and investigations are closely aligned with the Company’s strategic goals and actual requirements, ensuring that training serves as an effective driver of enterprise development.
- Tiered and categorized training based on needs: We implement tiered and categorized training programs tailored to employees’ career development plans by clarifying the training subjects and emphasizing key training areas.
- Performance evaluation to boost motivation: Performance evaluation results are viewed as a consideration for training participation and reimbursement of related expenses to enhance the capabilities of outstanding employee.
- Process control for practical outcomes: We monitor and evaluate the entire training process, record issues encountered in the training process and track trainees’ performance for timely and regular assessment of the training effectiveness.





## Employee Training and Development

### TYPES OF TRAINING AND MANAGEMENT

Our training system consists of induction training, job-specific training, senior management training for subsidiaries, and other types of training.

- Induction training: This program helps new employees gain a comprehensive understanding of the Company's history, development strategies, core businesses, and industry characteristics, foster a recognition of the Company's corporate culture, be familiar with internal rules and regulations, and master the responsibilities and workflows of their departments.
- Job-specific training: This program is tailored to the requirements of employees' positions, focusing on improving their work capabilities, expertise and basic competencies to align with the skill requirements of their roles.
- Senior management training for subsidiaries: This program aims to enhance the expertise, operational management capabilities, and overall competence of senior executives assigned to subsidiaries, so as to supply versatile senior professionals to subsidiaries.
- Other types of training: These include self-study, internal advanced studies, academic exchanges, field trips, and seminars. Employees are encouraged to pursue further education, professional qualification exams, and title evaluations during their spare time at their own expense.

### Internal Lecturer System

To further integrate our talent resources, promote knowledge accumulation, sharing and dissemination, and establish a learning organization to enhance the competitive advantage in talent, we have built an internal lecturer team. The Human Resources Department is responsible for the selection, rating, promotion, demotion and incentive of internal lecturers. Internal lecturers are responsible for course development, design and delivering training, as well as tracking training effectiveness, collecting feedback, proposing improvement suggestions, and continuously optimizing course content.

We conduct evaluations of our training programs, which include assessments of the training organization and the training effectiveness for the trainees. The Human Resources Department will analyze the coverage and intensity of training based on the training points for trainee and departments calculated according to the attendance records. Additionally, we award appointment certificates to internal lecturer candidates who pass company reviews and provide subsidies for lecturing and course material development to encourage employees to participate in trainings.



## Employee Training and Development

### Case: Successful Completion of the Second “Eagle Nest” Value Leader Training Camp

To enhance the working capabilities of key staff and strengthen the Company’s core competitiveness, CEHL held the second “Eagle Nest” Value Leader Training Camp from May 28 to 31, 2024. Nearly 30 value leaders participated in the program.

The “Eagle Nest” Value Leader Training Camp focused on current business priorities, covering professional areas such as operational management, equipment management, and safety management. The training formats included themed seminars, factory visits, and experience sharing. Senior managers from the Operational Management Department and companies of the Reporting Projects served as instructors. After completing the course, participants generally expressed that they successfully integrated the training content into their work practices, significantly improving their capabilities and achieving the expected outcomes of the training camp.



## Employee Training and Development

### Case: Human Resources Training Session

On 28 March, 2024, CEHL organized a Human Resources Training Session attended by nearly 50 personnel from the Human Resources Department of various CEHL projects. The event was also attended by Yan An, General Manager of the Human Resources Center of the Capital Eco Group, and Liu Xiaodong, Head of the Human Resources Department of CEHL.

The training program revolved around four main themes: labor relations laws and regulations, promotion of salary and performance reform schemes, basic operations of HR systems, and operational management of Chuanyun Book Court. Both internal and external experts were invited to deliver lectures, and the training format included case studies and practical simulations to stimulate participants' enthusiasm.

Upon completion of the training session, participants expressed that the training session was rich in content, closely linked to practical needs, and maintained a balance between theory and practice. It effectively enhanced the capabilities and provided significant assistance in improving service quality in their work.



## Employee Training and Development

### Case: Project Company Comprehensive Department Manager Training

CEHL conducted two sessions of Project Company Comprehensive Department Manager Enhancement Training on 16 October 2024 and 22 October 2024. As the organizer, CEHL participated in the training with the participation of many colleagues from the comprehensive department of project companies in the Urban Water Business Group and Ecological Environment Business Group of Capital Environmental Group, to improve the management level of CEHL, especially in the administrative line, and committed to shaping a professional and efficient management team. It is hoped that these efforts will provide a clear and unambiguous working guideline.





## Green and Low-Carbon Operation

CEHL, as an enterprise specializing in the environmental protection field, is dedicated to investment, construction and operational management in the field of solid waste. Adhering to the core concept of green development and the principles of “protection first, prevention oriented, integrated governance, public participation, and taking responsibility for damage”, we continuously expand our green business segments with the goal of becoming a trusted leader in environmentally sustainable development within the industry. During the process of serving local governments, we offer comprehensive environmental improvement solutions and adhere to the principle of prioritizing ecological protection and prevention-oriented strategy, and implement comprehensive governance measures to encourage public participation and the fulfillment of obligations for potential environmental damages. We are committed to promoting a sustainable development model for the green environmental protection industry to ensure that our business practices are in line with environmental protection goals. Our business cover domestic waste incineration and power generation, integrated environmental sanitation disposal, treatment and disposal of industrial solid waste and its resource utilization, treatment of kitchen and food waste, treatment and resource utilization of electronic waste, etc. CEHL is dedicated to creating a green and environmentally friendly future for society and setting an example of sustainable development in the field of environmental services.

Our business specializes in providing integrated urban and rural environmental sanitation services, including critical processes such as waste sorting, cleaning, waste collection and transportation. In terms of domestic waste resource utilization services, we employ advanced technologies such as incineration power generation and organic waste anaerobic treatment to achieve efficient resource utilization. Additionally, we offer environmental restoration services, including landfill site restoration, mine restoration, and soil restoration. With waste incineration and power generation as our core focus, we have expanded our service scope to industrial solid waste treatment and resource utilization, kitchen and food waste treatment, and electronic waste treatment and resource utilization. Our goal is to create a cleaner and more beautiful living environment. By implementing a whole-process management system of waste “sorting, collection, storage, transportation, disposal, and utilization”, we provide comprehensive solutions from urban and rural environmental sanitation to integrated solid waste services. Our services effectively reduce the impact of domestic waste and solid waste on the environment and alleviate the pressure of landfill and waste treatment. Throughout the operation process, we also prioritize low-carbon and green environmental practices to promote sustainable environmental development.

In accordance with relevant environmental protection laws and regulations, the Group has formulated the “Environmental Management Measures” based on the operational characteristics of the Company, with an aim to regulate the environmental management processes of various departments and companies of the Reporting Projects, and clarify the operating procedures of environmental protection matters. These measures cover environmental pollution prevention and control, energy-saving and emission reduction, clean production, emergency environmental response, environmental information management, and environmental responsibility systems, forming a comprehensive environmental protection management system, including but not limited to facility operation, hazardous waste management, data disclosure, risk identification, and corrective actions. We are committed to integrating green and low-carbon principles into every aspect of our business operations. As a leading environmental enterprise, we strive to drive sustainable development within the industry. At the same time, we actively utilize technological means to accelerate the innovation and application of environmental protection technologies, jointly exploring the path to intelligent and green sustainable development.



## Green and Low-Carbon Operation

During the Reporting Period, the Company did not violate any relevant environmental protection laws, cause any major accidents affecting the environment and natural resources, nor received any penalties or litigation notices related to environmental matters.

### EMISSIONS MANAGEMENT

#### Solid Waste Handling

As an environmental services provider specializing in the field of solid waste, CEHL contributes significantly to waste comprehensive treatment and resource reuse. In addition to the commitment to improving the efficiency of resource utilization, we closely monitor the production and management of internal waste. According to the “Environmental Management Measures”, source discharge classification and tiered management has been implemented by the companies of the Reporting Projects, and respective responsibilities and comprehensive waste treatment requirements have been established. We have developed job accountability systems, operating procedures and environmental monitoring mechanisms, and regularly arrange equipment repair and maintenance. In terms of hazardous waste treatment, we require the companies of the Reporting Projects to establish waste management plans and waste inventories in strict compliance with national regulations, and to cooperate with qualified and government certified recyclers to ensure the proper treatment of waste. Through the aforementioned measures, we continuously enhance our environmental management standards, contributing to the realization of green and sustainable development.

At the same time, we establish waste disposal and emissions control files, implement a management system of waste generation declaration and registration, and apply for emissions permits as shown in the following photo based on legal requirements:

During the Reporting Period, the total weight of hazardous waste generated by Reporting Projects was 1,873,701.52 tonnes, of which incineration projects accounted for 100% of the total weight of hazardous waste due to our further expansion of incineration projects and cessation of waste collection projects. Hazardous waste generated by Reporting Projects, including fly ash, slag and sludge, among which the bottom ash is the inert residue discharged from the incinerator, which constitutes more than 90% of the hazardous waste generated by the Reporting Projects. Hazardous wastes such as fly ash, bottom ash and sludge had been disposed of by incineration and landfills by chelation and solidification respectively.



**Emission Permit for Nanchang City  
Domestic Waste Incineration Power  
Generation Project, Jiangxi Province**



## Green and Low-Carbon Operation

The total amount of non-hazardous waste generated by Reporting Projects was 2,209 tonnes, the Reporting Projects deal with non-hazardous waste in different ways, including handing over to third-party contractors for incineration.

During the Year, the hazardous waste generated by the Group increased as compared with the previous year, which was attributable to the reasonable growth resulting from the expansion of incineration projects. It demonstrated that our investments and attention to waste incineration projects have yielded positive results. We will continue to optimize waste management in the incineration process, to achieve the goal of green and low-carbon operations more effectively. We emphasize waste reduction and resource recycling. In future, we will continue to control waste generation in every aspect, strengthen resource recycling, and minimize the generation of hazardous and non-hazardous waste, with an aim to foster environmental sustainability.

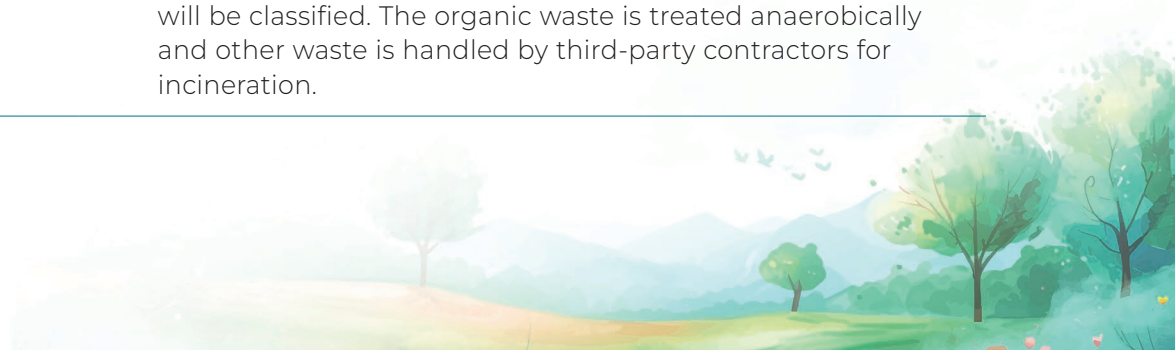
### REGULATING WASTE HANDLING

Practical Measures:

We are committed to responsible attitudes and actions in handling waste to minimize environmental impact. To this end, we have implemented the following measures:

1. For incineration projects, we utilize direct incineration methods to ensure effective management of waste.
2. For non-incineration projects, we collaborate with qualified disposal company for removal and disposal of waste.
3. Hazardous waste generated during renovations shall be collected and transported by qualified contractors for disposal to prevent environmental pollution.
4. Domestic waste generated from anaerobic treatment projects will be classified by us. Among which, the organic waste is treated anaerobically in the project and other waste is handled by third-party contractors for incineration.

Action Direction	Practice
Regulation of waste disposal	<ul style="list-style-type: none"> <li>• All incineration projects are handled by direct incineration. For non-incineration projects, it will be handed over to waste disposal company for removal and disposal;</li> <li>• Hazardous waste generated during renovations shall be collected and transported by qualified contractors for disposal; and</li> <li>• Domestic waste generated from anaerobic treatment projects will be classified. The organic waste is treated anaerobically and other waste is handled by third-party contractors for incineration.</li> </ul>



## Green and Low-Carbon Operation

In 2024, focusing on the goals of improving quality and efficiency, and increasing revenue while reducing costs, Hangzhou Kitchen Waste Project established a dedicated Residue Reduction Task Force to identify core areas for cost reduction at the operational level and deeply explore opportunities to decrease residual waste generation. Through investigation and research, coupled with the specific operational processes of the project, the Task Force selected customized equipment to support residue reduction efforts, reducing the overall residue rate from 33.16% to 22.72%. Since the time when the residue compactor was put into operation on 1 May 2024, the project has achieved a reduction of approximately 5,300 tons of residue compared to the original plan, corresponding to a decrease in residue disposal costs of about RMB800,000. Through the accumulation of operational experience and knowledge sharing, Hangzhou Kitchen Waste Project Company continuously optimized its operational conditions based on practical conditions. Despite the challenging situation where incoming food waste volume exceeded kitchen waste volume, the project achieved a steady increase in oil extraction rates over four consecutive years. In 2024, the total oil extracted reached 2,898.89 tons.

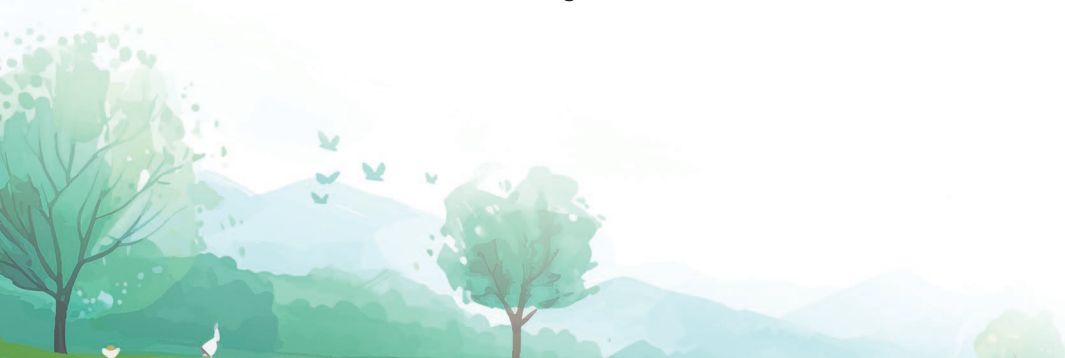
### ENCOURAGE EMPLOYEES TO REDUCE WASTE AT SOURCE

Practice:

To enhance waste management efficiency, we not only implemented a series of practical measures but also emphasized the publicity and dissemination of the concept of waste management to raise employees' environmental awareness and encourage them to reduce waste generation at its source. The specific measures include:

1. Reduce the use of single-use items and encourage employees to use recyclable item, thereby reducing the frequency of using single-use items and minimizing waste generation.
2. Encourage waste sorting in office and living areas, and increase employee awareness and participation in waste sorting through education and guidance, facilitating recycling and disposal of waste.
3. Ensure the proper management and disposal of waste by separate storage and disposal of hazardous and non-hazardous waste from operations.

CEHL's business also involves electronic waste treatment and resource utilization. We are committed to responsibly reusing, recycling and managing electronic equipment and electronic products in a legal, data-safe and environmentally friendly manner. Our goal is to significantly reduce the total amount of e-waste by 2060. To achieve this goal, we actively explore ways to increase the recycling rate, integrate the advanced recycling technologies with eco-friendly principles, and strengthen our waste recovery concepts and management mechanisms. Through these measures, we aim to establish a more efficient and sustainable framework for e-waste management.



## Green and Low-Carbon Operation

### CARBON MANAGEMENT

During the Year, the Group made significant progress in carbon management efforts and clarified the business path for carbon emission reduction. In line with the national strategy of “carbon peak and carbon neutrality”, we have successfully completed the preparation of the action plan of the Group and its 8 secondary units based on the “Action Plan for State-Owned Enterprises in Beijing to Achieve Carbon Peak” issued by the Beijing SASAC, laying a solid foundation for promoting the innovative development, green development and high-quality development of the Company.

We continuously evaluate and record environmental-related data, and regularly disclose greenhouse gas emissions and other key environmental indicators. Through the CEHL Sanitation Integrated Control Platform, we manage environmental sanitation cleaning and transportation, collection and transportation projects in an effective manner, and realize real-time supervision and monitoring of operating vehicles and site stations. Through the data, we regularly evaluate the performance of current measures to provide guidance for future project operations. We are committed to establishing a long-term environmental management system to achieve a low-carbon and green development future, ensuring that our business operations align with environmental protection goals, and collectively advancing toward a more sustainable tomorrow.

In proactive response to the national important policies such as “Carbon Neutrality and Carbon Peak”, CEHL has commissioned external professional consultant to conduct an annual carbon assessment to quantify the GHG emissions<sup>2</sup>, (also known as “Carbon Emissions”) generated from the operation of Reporting Projects. The quantification process<sup>3</sup> was carried out according to the “GB/T 32150–2015 General Principles for Accounting and Reporting of Greenhouse Gas Emissions from Industrial Enterprises”, ISO14064–1, the Greenhouse Gas Inventory Protocol, and other national and international technical guidelines, so as to ensure the accuracy and consistency of assessment which serves as the scientific basis of formulation of emission reduction and operational optimization strategies.

During the operation of each Reporting Project, the direct GHG emissions mainly come from waste incineration. Compared with 2023, total GHG emissions this Year increased by 20%. Among them, direct (Scope 1) GHG emissions increased by 21%, while energy indirect (Scope 2) GHG emissions remained stable. The increase in Scope 1 GHG emissions was mainly due to the increase in incineration projects this Year, resulting in an increase in waste treatment volume.

In addition, the power generated by the Group’s incineration projects was exported, and the export of power of 2,633,957 MWh this Year is equivalent to avoiding the generation of approximately 1,413,381 tonnes of carbon dioxide emissions, an increase of 24% compared to the previous year. This is also one of the important ways to offset the carbon footprint as an environmental service provider.

<sup>2</sup> The assessment covers six types of GHG regulated by the “Kyoto Protocol”, including CO<sub>2</sub>, CH<sub>4</sub>, nitrogen oxide (N<sub>2</sub>O), perfluorocarbons (PFCs), and hydrofluorocarbons (HFCs), and Sulphur hexafluoride (SF<sub>6</sub>); chlorofluorocarbons (HCFCs) is also covered.

<sup>3</sup> The quantification process adopts operational control methods to aggregate data.



## Green and Low-Carbon Operation

Scope	Emissions Source	Emissions (tonnes of CO <sub>2</sub> equivalent)
Direct (Scope 1) GHG emissions	Stationary source fossil fuel combustion, mobile source fossil fuel combustion, waste incineration treatment, solid waste landfill treatment, leachate treatment and fugitive emissions <sup>4</sup>	2,113,445
GHG emissions from the combustion of biomass fuels <sup>5</sup>	Combustion of biomass fuels	1,435,694
Energy indirect (Scope 2) GHG emissions	Purchased Electricity	14,127
Other indirect (Scope 3) GHG emissions	Business Travel by Air	66
Total GHG emissions (Scope 1, 2, and 3)		2,127,638

<sup>4</sup> Fugitive emissions came from the discharge of refrigerants and fire extinguishing agents from refrigeration and fire-fighting equipment, including HCFC. Although such emissions are not covered by the Kyoto Protocol, this carbon assessment has included the relevant emissions to enable Stakeholders with more complete understanding of the GHG emissions of the Group's Reporting Projects.

<sup>5</sup> Biomass included domestic waste incinerated in waste-to-energy projects, and biogas produced in landfills and anaerobic treatment projects.

## Green and Low-Carbon Operation

In order to effectively manage the carbon emissions during the incineration process, the Group mainly adopts the following methods for its incineration projects to reduce carbon emissions:

- Strictly control the combustion process to prevent the generation of incompletely burned materials;
- Optimize the air distribution system to ensure more complete combustion in the furnace;
- Using biogas as auxiliary fuel to improve energy efficiency;
- Stabilize and fully process the aerobic section to improve treatment effect;
- Upgrade the ignition burner technology to facilitate the full combustion of waste, to maintain the furnace chamber temperature and ensure the full combustion of harmful gases;
- Explore the application of built-in ultrafiltration membrane technology to improve the filtration efficiency of pollutants;
- Improve the control technologies and operational management, adjust the operating conditions to ensure that flue gas emissions meet the standards.

### **CEHL's focus on carbon reduction business in 2024**

BNECDRI focuses on the “Dual Carbon” goals, leveraging technology to deepen government-enterprise collaboration and provide low-carbon technical services to districts in Beijing and key institutions.

Highlights:

1. Obtained carbon verification qualifications in Beijing, completing audits for dozens of enterprises with excellence ratings;
2. Led climate planning in Pinggu District and carbon asset evaluation projects in Ningxia's Helan Mountain East Vineyard, advancing the implementation of carbon inclusive methodologies;
3. Expanded service scenarios by organizing energy-saving campaigns in Haidian District to raise public awareness of low-carbon practices.

In advancing dual carbon goals, we prioritize enhancing service efficiency, technical capabilities, and business scope, striving to establish ourselves as an expert think tank in energy conservation and carbon reduction.

We are committed to continuously monitoring and recording the environment-related data, and disclosing periodic greenhouse gas emissions and other key environmental indicators. Such regular data assessment enables us to evaluate the effectiveness of the current measures and provides guidance for future project operations. We strive to achieve the goal of building a long-term environmental management system and moving towards a low-carbon and green future.



## Green and Low-Carbon Operation

In proactive response to the Chinese government's goal of carbon neutrality by 2060, CEHL have incorporated “Dual-Carbon” into our overall business development strategy. Focusing on promoting the internal carbon reduction projects, we actively explore carbon asset-related businesses and implement energy-saving and carbon reduction technology reserves. We also engage in close exchanges and collaboration with educational institutions, as well as engineering and equipment suppliers in the industry, exploring the useful path of low-carbon transformation. We have set a long-term target for carbon neutrality by 2050, aiming at helping limit global temperature rise to within 1.5 degrees Celsius above pre-industrial levels and achieving the carbon emission reduction target by 2030 to reduce our carbon footprint.

### Air Emissions Management

We continue to strengthen the monitoring and management of air emissions by utilizing advanced real-time online monitoring systems previously deployed. Through digital means, we conduct uninterrupted 24-hour monitoring of project operations. This system not only ensures the efficient operation of pollution control facilities but also guarantees that monitoring equipment remains in optimal working condition.

We strictly control various emission indicators to ensure that all emissions meet or exceed legal standards. In case any anomalies are detected, we will immediately take action, promptly report and mark the issue, enabling timely and effective resolution. For flue gas and other exhaust gases generated during the incineration process of the waste incineration and power generation project, including air pollutants such as nitrogen oxides, sulphur oxides and respirable suspended particles, we monitor flue gas emissions in real-time to ensure that the exhaust gas meets the standards. Each company of the Reporting Projects also conduct regular system inspections. If any faults are found in the monitoring system, we will arrange for repairs by relevant personnel to restore normal monitoring as soon as possible. The projects adopt stringent operating procedures during the incineration process to ensure the process of emitting air emissions complies with national emissions standards and relevant environmental laws and regulation, in order to reduce the impact on the nearby environment and the livelihood of residents.

During the Reporting Period, the air pollutants generated by us are as follows. Compared to 2023, the generation of nitrogen oxides, sulphur oxides, and respirable suspended particles increased by 15.97%, 5.83%, and 3.80%, respectively. Due to changes in the physical boundaries for the year, the number of waste incineration projects rose from 20 in 2023 to 26 in this Year, resulting in the increase in the generation of nitrogen oxides, sulphur oxides, and respirable suspended particles. In order to reduce the generation of air pollutants, the Group is committed to continuously improving production processes and equipment with the aim of further lowering exhaust emissions on the basis of achievements from previous years.

	Type	Emissions (kg)
Air Pollutants	Nitrogen oxides	3,028,163
	Sulphur oxides	648,109
	Respirable suspended particles	67,147



## Green and Low-Carbon Operation

The Group fully understands the importance of employee safety and emergency response capabilities. Therefore, we continuously strengthen employee safety education and emergency training programs. Through regular training sessions, we not only publicize essential safety knowledge but also enhance employees' ability to respond effectively in emergencies.

We prioritize skill training and management for operators to ensure strict adherence to process parameters, preventing potential hazards caused by abnormal conditions such as overheating or overpressure. These measures are designed to ensure the safety of equipment operations and employees, providing our employees with a safer working environment. We are committed to creating a safer, healthier, and more efficient working environment to support employee welfare and the Company's sustainable development goals.

### Effluent Management

The Group is dedicated to reducing environmental impact through efficient wastewater treatment and management practices. The wastewater is mainly generated from the production wastewater of project operation and the domestic wastewater of the office. The Group mainly adopts the following methods to treat different types of wastewaters:

#### Domestic Wastewater

- All domestic wastewater shall be purified by sewage treatment stations, sewage conditioning ponds or other leachate treatment facilities set up in the plants;
- Treated domestic wastewater is reused for plant greening;
- Any remaining wastewater is either discharged to a wastewater treatment plant for further treatment; or directly discharged to the municipal pipeline to ensure the compliance with environmental standards.

#### Part of the Filtered Wastewater

- Wastewater that has undergone preliminary filtration is reused for plant greening to support plant growth and ecological maintenance;
- Some of the filtered wastewater is reused for road sprinkling to keep roads moist and reduce dust;
- Filtered wastewater is also used as recycled cooling water to improve water resource utilization efficiency.



## Green and Low-Carbon Operation

### Upgrades and efficiency improvements in Reporting Projects in 2024

In 2024, the Group established a tiered management and control system for multi-format energy consumption, and implemented a checklist assessment mechanism focusing on key links such as high fuel consumption and high material consumption. Through process optimization and lean operation, the fuel cost of biomass power generation, the comprehensive power consumption rate of incineration plants, and the operating cost of organic projects achieved a continued decline compared to the base year, and all indicators exceeded the management targets. We vigorously advanced the standardization of the excellence operation system for waste incineration and power generation business, organized production and technical exchange conferences, and issued guidelines such as “Guidance Manual for Optimization of Waste Bins in Winter”, “Opinion on Work Ticket Management for Incineration Power Projects (Trail)” to enhance power generation capacity, reduce electricity consumption rates in plants, and improve efficiency of each unit.



Yutian Incineration Project: Flue Gas Deacidification Process Transformation

## VALUING NATURAL RESOURCES

The Group emphasizes the value of natural resources. We have implemented multiple measures to improve the efficiency of resource utilization and reduce the consumption of energy, water, paper and other resources during project operations. We are dedicated to cultivating a green work philosophy among our employees, and provide regular energy-saving and environmental protection training to enhance their understanding and ability to use energy-saving equipment. Our aim is to create a culture of energy-saving and emission reduction that involves all staff members, enabling every employee to practice energy-saving and emission reduction in daily work. We continuously optimize project operational processes to minimize resource wastage and actively explore new technologies and methods to enhance resource utilization efficiency.



## Green and Low-Carbon Operation

### Use of Energy

The Group attaches great importance to improving energy efficiency and saving energy. We are aware that protecting the environment while continuously improving our resource utilization and efficiency is a key to realize sustainable development. To this end, we continue to launch various measures to optimize resource management. Each company of the Reporting Projects has specialized environmental information management personnel who are responsible for regularly collecting data on energy consumption and development. These data are not only used for internal decision-making support within projects but are also reported to the Group's internal database to facilitate macro-level management and strategic planning, enabling precise tracking of energy usage and identification of savings potential.

In 2024, Hangzhou Kitchen Waste Project Company launched green certificate trading revenue-generating activities, successfully obtaining 10,424 green certificates, and completed the registration of trading accounts according to the requirements of China Green Power Certificate Trading Platform, Beijing Electric Power Trading Center, and Guangzhou Electric Power Trading Center.



## Green and Low-Carbon Operation

During the Year, the energy consumed by the Group's Reporting Projects mainly included waste consumption, fuel for power generation, and fuel for machinery and vehicles. Compared with the previous year, energy consumption increased by 20%, mainly due to the change of the physical boundary this Year, the increase of number of waste incineration projects from 20 in 2023 to 26 in this Year, resulting in an increase in waste treatment volume. During the Reporting Period, the energy consumption of the Reporting Projects is as follows:

Use of energy	
Type	Consumption (MWh)
Coke	0
Gasoline	1,619
Diesel	58,593
Biodiesel	0
LPG	0
Natural Gas	2,748
Domestic waste <sup>7</sup>	17,884,738
Solar	0
Purchased electricity	26,327
Produced electricity that was not yet consumed	0
Sold electricity <sup>6</sup>	(2,633,957)
<b>Total Energy Consumption</b>	<b>15,340,069</b>

<sup>6</sup> Sold electricity was generated from the Waste-to-Energy Projects included in this Report (a total of 26 projects).

<sup>7</sup> The calculation method for this year refers to the "IPCC Guidelines", and the relevant parameters refer to relevant research on urban domestic waste in China.

## Green and Low-Carbon Operation

The Group expects to increase the efficiency of energy use on the basis of ensuring normal operation, so as to continuously move towards the goal of energy conservation. We have implemented various energy-saving practices across the Reporting Projects, including:

- Electricity generated from waste incineration in the incineration project site;
- Use induction energy-saving or LED energy-saving lamps, etc.; and
- Using environmentally friendly refrigerants.

The Group is committed to improving energy efficiency while maintaining normal operations and continuously striving towards energy-saving goals. To achieve this goal, we have implemented a series of energy-saving measures across the Reporting Projects. Firstly, in our incineration projects, we utilize the thermal energy generated from waste incineration to produce electricity, thereby reducing dependence on traditional energy sources. Secondly, we widely adopt induction or LED energy-efficient lamps to enhance the energy efficiency of lamps. Additionally, we use environmentally friendly refrigerants to minimize environmental impact and improve the energy efficiency of refrigeration systems.

Among which, the self-consumption rate of biogas power generation at Hangzhou Kitchen Waste Project in 2024 reached 80.90%, representing a decrease from the 2023 rate of 82.69%. Xinxiang Incineration Project has taken energy-saving and emission reduction as its energy management policy and proposed clean production audits. In this way, we promote energy-saving, consumption reduction, pollution reduction and efficiency enhancement of projects, eliminate or reduce hazardous substances in products, reduce the consumption of raw materials and energy in the production process, reduce production costs and reduce the harm to human health environment. Ningbo Kitchen Waste Power Generation Project has also formulated energy-saving and emission reduction plans, including the energy efficiency monitoring and analysis management system for major equipment such as magnetic levitation fans for water treatment, deodorization fans in various workshops, biogas purification compressors and anaerobic stirring compressors, to strengthen the energy consumption management of key energy consuming equipment.



## Green and Low-Carbon Operation

We take the following actions in the office:

- Enable computers in standby or hibernation mode. If the computer is not operated for a long time, the display screen will automatically turn off or enter the power saving mode;
- Turn off computers (including monitors) after office hours;
- Air conditioner temperature: the temperature of the air conditioner in summer shall not be lower than 26 degrees, and the temperature in winter shall not be higher than 20 degrees;
- Replacing older, less efficient systems with energy efficient air conditioning systems;
- Remind employees to turn off lights when they are not needed by posting signage to promote energy savings; and
- Promote energy saving messages to employees through internal communications.

Going forward, we will strive to improve energy efficiency through electrification, alternative fuels and innovative technologies. We plan to reduce vehicle emissions, fuel consumption and maintenance costs to create greater value for stakeholders. Furthermore, we will explore green innovation to promote sustainable development and strive to build a low-carbon and environmentally friendly industrial ecosystem.

### Case: Nanchang City-Based Company Shortlisted for Two Awards in the “Double Hundred Leap” Waste Incineration Benchmark Action

Nanchang City-Based Company, a subsidiary of the Group, has recently been shortlisted for two awards in the “Double Hundred Leap” Waste Incineration Benchmark Action, namely “High Level of Fine Operational Management” and “High Level of Social Openness and Service”. Since its establishment, the Company has been dedicated to domestic waste incineration treatment and green energy projects by adopting advanced technology and efficient management practices. It has cumulatively disposed of 4.8175 million tons of waste, making achievements in waste volume reduction, harmlessness, and resource utilization. The Company emphasizes the application of intelligent and automated technologies and is equipped with state-of-the-art facilities that generate 350 million kWh of electricity annually. Additionally, it has established a comprehensive environmental monitoring system to ensure compliance with emission standards.





## Green and Low-Carbon Operation

### Water Resources Management

In terms of water resources, all Reporting Projects under the Group are provided with water for domestic use by the municipal pipeline network, and some Reporting Projects use municipal reclaimed water. Currently, there is no challenge in sourcing water (including water consumption and water quality) required for business operations. The total water consumption of Reporting Projects this Year was 9,116,869 cubic meters, an increase of 17% compared to the previous year, which is due to the fact that some waste compression stations for certain projects in 2023 switched to using well water, with some of the water usage data not being recorded at the time. In the current year, this data has been included in the statistics, resulting in a reasonable increase in the reported figures.

The Group has adopted a series of measures to save water and improve the consumption efficiency, including:

- Installation of sensor taps in restrooms, to reduce unnecessary water consumption;
- Establishment of a rainwater harvesting system to use the collected rainwater for non-potable needs in the project, such as irrigation and cleaning;
- Replace the central air-conditioning cooling tower with a water-saving model to save water;
- Regularly check faucets and pipes for leakages and arrange for repairs if necessary;
- Raise employees' awareness of water conservation by posting signage to promote water conservation.

#### **In 2024, specialized initiatives drove efficiency and quality improvements in water treatment and anaerobic projects**

In the area of water treatment and anaerobic business, we effectively enhanced the treatment efficiency and quality of anaerobic projects and wastewater systems of various incineration projects through specialized initiatives such as circuit inspections, benchmarking management, strict adherence to the three operation procedures, and the establishment of daily maintenance mechanism, ensuring the reasonable utilization of water resource and sustainable development of environment.



## Green and Low-Carbon Operation

Looking ahead, CEHL has established a water consumption target to significantly reduce water usage by 2026. To achieve this goal, we will implement a series of concrete measures. Firstly, the Group will develop a comprehensive water efficiency improvement plan, setting clear water-saving objectives and outlining detailed implementation steps. We will install rainwater harvesting systems and water recycling systems at project sites to reduce the demand for clean water and enable the reuse of wastewater, thereby lowering overall water consumption across our projects.

### Environmental Protection and Natural Resources

The Group is deeply aware of its responsibilities as an integrated environmental service provider to focus on environmental protection and resources conservation. In conducting our business, we should be mindful of the impacts of our operation on the environment and resources. We recognize that our operating projects may have an impact on the nearby environment and natural resources, such as the risk of environmental damage and soil and water pollution caused by the leakage of hazardous chemicals.

Therefore, each company of the Reporting Projects has established designated environmental leading groups in accordance with the “Environmental Management Measures”, which is responsible for implementing environmental protection measures, solving project-related environmental problems. Meanwhile, the Group has established a Safety and Environment Department to supervise the protection of the surrounding environment and natural resources, ensuring compliance with relevant policies by companies of the Reporting Projects. We strive to reduce the potential adverse impacts on the environment by strengthening performance management and formulating different emergency plans.

Recognizing that each company of the Reporting Project may face potential risks of environmental emergency incidents during the operation process, we have developed a detailed “Environmental Emergency Response Plan”, which includes immediate remedial measures, long-term follow-up measures and business improvement plans, in order to reduce environmental pollution and prevent similar incidents from happening again in the future.



## Green and Low-Carbon Operation

In order to address potential environmental accidents, each company of the Reporting Projects has also established a timely and transparent reporting mechanism. In case of accidents, each company of the Reporting Projects may immediately contact local environmental protection organizations and government agencies to explain the accident situation and implement effective measures to minimize the impact of the accident on surrounding areas and the environment.

We also hope to lead by example and expand the positive impact of environmental business and environmental protection concepts through our own business advantages. Hangzhou Kitchen Waste Project has implemented a “Flood and Typhoon Prevention System” to ensure production safety during rainy seasons, and formulated a system based on its geographical location and climate characteristics to improve the management efficiency. The Company conducts pre-flood hazard inspections, updates flood prevention supplies, and performs lightning protection checks before 1 June each year. For accidents caused by flood, it has also established a flood reporting system to timely compile flood reports, collect evidence, and supervise flood and typhoon prevention efforts, which are linked to performance evaluations.

### Case: Environmental Education Activity Launched by Hangzhou Kitchen Waste Project

On 14 August, 2024, Boao Primary School organized a summer visit to the Biodegradable Waste Disposal Project in Hangzhou to educate students about waste sorting and fulfill the responsibilities as a Garbage Classification Education Base in Xiaoshan District.



### Case: Huizhou Incineration Project Hosted “Where Does Trash Go” Public Welfare Science Popularization Event

Huizhou City-Based Project Company, a subsidiary of the Company, recently organized the “Where Does Trash Go” Eco-Friendly Public Welfare Campaign designed to raise environmental awareness among teenagers. Through immersive experiences and interactive exchanges, students learned about the entire process of incineration from household trash to power generation. This activity shifted their perception of traditional waste treatment. Over 40 volunteers and teenagers participated in the activity, which inspired them to adopt eco-friendly habits. We look forward to inspire more individuals to commit to environmental protection efforts and promote ecological civilization in the future.



## Green and Low-Carbon Operation

### Case: Nanchang City-Based Company Honored as “Top Ten Environmental Facilities Open to the Public in Jiangxi Province”

Nanchang City-Based Project Company, a subsidiary of the Company, was awarded the title of “2024 Top Ten Environmental Facilities Open to the Public in Jiangxi Province” for its outstanding contributions to environmental governance and public access of environmental facilities. We actively promote public access to environmental facilities, and enhance waste processing capabilities and resource utilization efficiency to boost ecological civilization. Looking ahead, Nanchang City-Based Project Company will continue to strengthen its construction and management of environmental facilities, and regularly organize public tours to raise environmental awareness and provide high-quality environmental services.

### Case: Nanchang City-Based Project Company Actively Launched the “June 5th World Environment Day” Activity

Nanchang City-Based Project Company, a subsidiary of the Company, actively engaged in the “June 5th World Environment Day” activities. By explaining the principles of waste-to-energy incineration, it showcased the furnace grate model, and organized student to visit the production lines, educating citizens and students about environmental protection knowledge. This activity deepened the public's understanding of turning waste into valuable resources and strengthened their awareness of environmental protection.



## Responding Climate Change

Climate change is a serious and growing threat to human well-being and the health of the planet. As a player in the environmental industry, the Group is well aware of the challenges brought by climate change and extreme weather to its operations. We are committed to supporting the Chinese Government's “30·60” dual carbon goal which is designed to achieve carbon peak and carbon neutrality, through proactively practicing the concept of green and low-carbon operation and sustainable development. We are actively exploring how to improve its resilience to climate risks and reduce carbon emissions in the locations where it operates. We aim to mitigate the impacts of climate change by reducing emissions and enhancing resilience, thereby better protecting the environment and promoting the long-term sustainability of our business.

## Green and Low-Carbon Operation

We have identified and assessed potential climate risks<sup>8</sup> in our business operations. We have recognized the financial implications arising from climate change on the Group's operation, especially the financial consequences related to physical risks and transition risks. Climate physical risks are mainly caused by extreme weather (such as intense precipitation, flooding) and changes in weather patterns (such as rising temperatures and heat waves), which may result in negative impacts such as damage to projects and equipment and threats to employees' safety. When transitioning to a low-carbon economy, changes in policies, markets, and technological will also expose our business operations to transition risks, including impacts such as compliance risks and market changes.

Both physical and transition risks may bring financial impacts (such as impacts on income, liabilities, cash flow, etc.) to the Group. Therefore, we will implement measures to strengthen our adaptive capacity and mitigation strategies, aiming to reduce the impact of related risks and ensure our operations can adapt to evolving climate conditions.

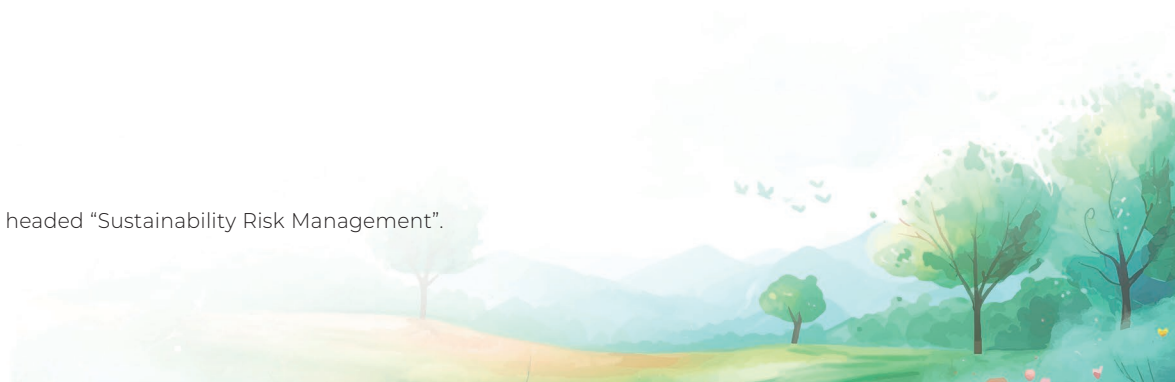
We have formulated "Climate Change Policy" which fully covers key areas including mitigation, adaptation and resilience of climate related risks and seizing opportunities brought by climate change. Moreover, the policy defines the Group's governance direction on climate change, ensuring that we act in line with the overall strategy of the Group.

### GOVERNANCE

We prioritize the governance of climate change, continuously refining our internal management mechanisms and approaches to consistently enhance the effectiveness of our climate change governance.



<sup>8</sup> See the section headed "Sustainability Risk Management".





## Green and Low-Carbon Operation

### Strategy

As we recognize the long-term and significant impacts and risks that climate change poses to our business operations, we are actively developing strategies to mitigate its potential adverse effects on our business.

Risks Type	Risks	Potential Impacts	Mitigation Strategies
Physical Risks	Extreme weather events such as typhoons and heavy rainfall	The increasing frequency of extreme weather events, such as typhoons and heavy rainfall, caused by climate change	Develop the “Comprehensive Emergency Response Plan for Incidents” and the “Notice on Flood Prevention and Preparedness”;  Establish contingency plans for extreme weather events;  Closely monitor weather forecasts and collaborate with local authorities to obtain timely information on extreme weather conditions
	Extreme heat	Inability to produce due to rising average temperatures and an increase in the number of high-temperature days	Install air conditioning units in specific areas, including employee workstations and storage zones for raw materials and products
Transition Risks	Policies and regulations  Increased review of Scope 3 greenhouse gas emissions accounting and reporting	The requirement from regulatory authorities for the disclosure of greenhouse gas emissions across the Scope 3 value chain	We have initiated the review of certain categories of Scope 3 greenhouse gas emissions



## Green and Low-Carbon Operation

### Risk Management

The Group has formulated the “Comprehensive Response Plan for Emergencies”, “Notice on Doing a Good Job in Flood Control” and related emergency plan policies. These measures are designed to ensure that all operations are conducted safely and orderly, enabling us to respond effectively and orderly to sudden natural disasters such as typhoons, flooding, and strong convective weather to minimize the losses caused by disasters, protect the safety of employees’ lives and corporate property, and ensure safe production and maintain social stability. Adhering to the policy of “safety first, prevention first, and comprehensive management”, we uphold the principle of personal safety first, and then the safety of plants and equipment. We take practical measures to minimize risks.

The relevant companies of the Reporting Projects have formulated the following emergency protection measures:

- Establish an emergency rescue working group; and determine the responsibilities;
- Each department should organize emergency response in a timely manner based on the existing materials in the emergency material reserve;
- Set up material custodians, regularly check and implement the material reserves, and replenish stations with insufficient reserves in a timely manner to ensure sufficient material reserves;
- All departments and stations should actively organize relevant emergency drills to improve their ability to handle emergencies.

Each company of the Reporting Projects takes preventive and early warning measures for climate change events. The specific measures include collecting typhoon, flooding season and severe convective weather forecast information; closely monitoring meteorological information, including flood, rain, typhoon and ocean tide level; and developing warning issuance procedures and corresponding warning actions and measures. Meanwhile, timely information reporting and emergency response to incidents are guaranteed by developing information reporting timeframes, procedures and methods. After the occurrence of an incident, each functional department should conduct a comprehensive inspection of the jurisdiction and functions, and timely repair the equipment damaged in typhoons and rainstorms and rectify the problems exposed. Furthermore, all functional departments should take back and organize anti-typhoon materials and replenish used materials in a timely manner. The emergency leading group is responsible for carrying out accident investigation, identifying the cause of the accident and formulating preventive measures to prevent the recurrence of similar event.



## Green and Low-Carbon Operation

### Indicators and Targets

#### Carbon Management Plan

- Establishing a comprehensive carbon emission statistics system to continuously monitor the Group's greenhouse gas emissions, providing data support for carbon emission management;
- Incorporating carbon emission management throughout the full lifecycle of project development, design, construction, operation, and maintenance to reduce the overall carbon emissions of Reporting Projects;
- Enhancing the power generation efficiency of waste-to-energy projects, accelerating the transition of cleaning and transportation vehicles to new energy vehicles, and actively exploring opportunities for utilizing other renewable energy sources in projects, thereby reducing the use of fossil fuels.

The Group maintains active communication with stakeholders to adjust and improve existing measures in a timely manner, and regularly reports on the Group's approach, measures and progress in enhancing its ability to respond to climate-related risks through designated publications. At the same time, the Group will actively capitalize on the opportunities brought by climate change to explore new business areas and improve its climate mitigation, adaptation and resilience.



# Adhering to Compliant Operation

The Group believes that high-quality services are the foundation for the stable development of our business. Therefore, we insist on providing high-quality services to customers. We promote standardized service management standards, uphold business ethics, improve service supervision system and establish sound service assessment mechanism to provide responsible services to various stakeholders and create a high-quality service brand of CEHL.

## IMPROVING SERVICE QUALITY

### Providing Safe Production Service

We are committed to providing high-quality, efficient and safe services to clients. As a result, we have formulated a series of internal policies on product responsibility including the “Project Operation Management Measures” to regulate management and operational processes, aiming to guarantee the quality of our service and product, satisfy the customers’ needs and elevate the customer service experience and satisfaction.

We have formulated the “Accountability Measures for Illegal Operation and Investment of Capital Environment Holdings Limited”, which is designed to improving the Group's accountability system for irregular business and investment activities, and standardize corporate business and investment conduct, thereby preventing the loss of state-owned assets and realizing the preservation and appreciation of state-owned capital. The Group has developed a production safety management system to regulate production safety management. The by-products generated from the operation of some of the Group's anaerobic treatment projects will be further sold. If the products quality does not meet the customers' requirements, we will make corresponding adjustments to improve the quality and competitiveness of our products.

We place great emphasis on communication with customers and attentively listen to their opinions and suggestions. We also conduct comprehensive analysis of customer complaints based on complaint data. We delve into the pain points and shortcomings of products and services. We highly value the complaints received during the Reporting Period and have established internal processes to ensure they are handled appropriately. The Group also strengthens education and training for its staff to eliminate the chance of customer complaints, striving to provide high-quality services to customers. During the Reporting Period, we did not receive any complaint about products or services.



## Adhering to Compliant Operation

### Case: Multiple Measures Ensured Normal Facility and Road Operations during Heavy Snowfall

During the Reporting Period, Nanchang City experienced heavy snowfall. Employees of Nanchang City-Based Project Company, a subsidiary of the Company, remained steadfast in their positions. They established a leadership team to make advance arrangements and formulate emergency plans. Snow-melting and snow-clearing measures were implemented to ensure the smooth operation of roads inside and outside the power plant. An emergency team was stationed 24/7 to conduct inspections, ensuring the normal operation of Nanchang Quanling Domestic Waste Incineration Power Plant, and maintaining effective waste disposal in the area.



Additionally, employees of the Shicheng Landfill Integrated Project Company, a subsidiary of the Company, organized snow-clearing actions during the heavy snowfall to ensure road accessibility and protect the safety of citizens.





## Adhering to Compliant Operation

### Case: Gao'an Collection and Transportation Launched Domestic Waste Transfer Visits during Spring Festival

From 25 to 26 January, 2024, the General Manager of Gao'an Collection and Transportation Project Company, a subsidiary of the Company, invited leaders from Gao'an Urban Management Bureau and the Urban-Rural Environmental Improvement Office to visit local township leaders and sanitation chiefs, and three key requirements were outlined to ensure waste transfer operations during the Spring Festival: proper waste packaging: When a trash bin is full, village cleaners should neatly pack the overflowing waste from the trash bin to facilitate efficient transfer; cleaners are reminded to inspect garbage for hidden fire sources to prevent potential safety incidents; in the event of delayed transfers, timely communication and scheduling of overtime shifts should be arranged.

### Case: Drivers Organized for Traffic Safety Training

Nanyang Incineration Project Company, a subsidiary of the Company, organized traffic safety training sessions for drivers and launched a "Summer Heat Relief Campaign" to enhance drivers' safety awareness with heatstroke prevention and temperature reduction measures. The training contents cover route management and defensive driving, enhancing the drivers' risk identification skills on the road. Moreover, we provided drivers with heatstroke prevention medications and extended caring for them, and we will continue to strengthen our caring for drivers and launch safety training sessions to ensure safety production.

## Innovative Technology and Intellectual Property

We have formulated the "Technical Standards for Solidification/Stabilization Treatment of Municipal Solid Waste Incineration Fly Ash" (CJJ/T316-2023) and the "Technical Code for Leachate Treatment of Municipal Solid Waste" (CJJ/T150-2023), and actively integrates technology into our business to create a more convenient and efficient service experience for customers while strengthening risk prevention and control, so as to safeguard the Group's assets and business. During the Year, we applied for 48 patents, including 12 invention patents, which hit a historical high. We also carried out 6 technology improvement projects targeting different companies of the Reporting Projects of the Group to solve technical problems. These projects have entered the implementation phase, and 2 of them are currently applying for invention patents. Additionally, we conducted 11 technology improvement projects for the incineration projects of the Group to reduce failure rates, improve power generation efficiency, and comprehensively enhance our service quality, which were completed during the Reporting Period. During the Reporting Period, we obtained a total of 236 authorized patents and added 6 patent rights.

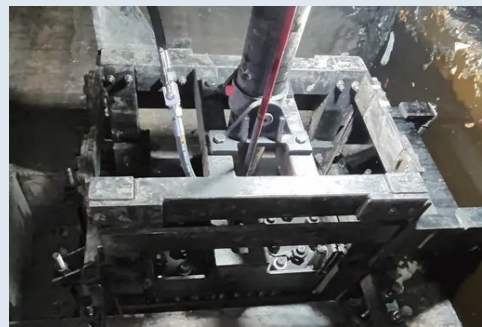


## Adhering to Compliant Operation

### Case: Xiangyang Incineration Project Successfully Applied its Self-Developed Waste Storage Grid

During the Reporting Period, Capital Environment Energy Co., Ltd., a subsidiary of the Company, successfully implemented the automated dredging pilot work for waste storage grid at its Xiangyang incineration project. This achievement represents a significant breakthrough in solving the problem of leachate grid blockage in waste storage grid and is also the first case in national waste incineration industry.

Historically, the waste incineration and power generation plants across various regions of the nation have been faced with the problem of untimely drainage of leachate caused by blockages in waste storage grid, resulting in a direct impact on garbage fermentation and thermal value, thereby influencing the overall power generation volume. Traditional manual cleaning methods have been both inefficient and highly risky. Xiangyang Incineration Project has successfully overcome this industry-wide challenge by developing an automated dredging solution with a hydraulic-driven mechanism. By utilizing weather-resistant steel materials, the solution ensures reliable performance under challenging conditions, improving operational efficiency while reducing labor costs and safety hazards.



## Adhering to Compliant Operation

### Case: Ningbo Sanitation Project Selected as A 2024 Typical Case of Environmental Sanitation Industry by China Environmental Association

The Group's Ningbo Smart Waste Collection and Transportation Project was successfully recognized as the "2024 Practical Technology and Typical Case in Environmental Sanitation Industry" by China Environmental Association. The selected Ningbo Smart Waste Collection and Transportation Project incorporated advanced information technology and innovative features such as "Integrated Collection and Transportation Network" and "One-Click Tracking for Mixed Waste Disposal". These innovations have enabled comprehensive digital management and visualized monitoring of the waste collection and transportation process, significantly improving operational efficiency and service quality. Additionally, the project has established a dedicated "Citizen Interaction" platform to encourage public participation in environmental initiatives, enhance environmental awareness, and foster positive exchange between the government and citizens.



### Case: Two Technologies from Xinxiang Incineration Project Company Selected as "Efficiency Improvement and Quality Enhancement Practice Cases of All-China Environment Federation"

Two innovative technologies from Xinxiang Incineration Project Company, "Polymer-Based In-Furnace Denitrification System" and "Key Technologies and Applications in Water Supply and Feeding Systems", were selected as "Efficiency Improvement and Quality Enhancement Practice Cases of All-China Environment Federation". These technologies overcame critical challenges such as multi-industry denitrification needs and overheating issues in water pumps at waste-to-energy plants, and have been widely adopted by numerous waste-to-energy companies, with the coverage rate exceeding 70%. With its leading technological advantages and innovation strength, Xinxiang Incineration Project Company is now preparing to establish a technical exchange platform to promote energy-saving and emission reduction across the industry, thereby driving the sustainable development of environmental protection.

## Adhering to Compliant Operation

### **Case: Xinxiang Incineration Project Achieved Automated Dredging of Waste Storage Grid**

Xinxiang Incineration Project Company, a subsidiary of the Company, achieved automated dredging of waste storage grid, marking a first in the waste-to-energy industry. This technology solves the problem of leachate grid blockage in waste storage grid, avoids the high risks associated with manual dredging, and enhances the efficiency of leachate drainage.

The Group places great importance on the protection of intellectual property rights. In addition to developing policies and management measures, the Group also strictly abides by intellectual property confidentiality agreements and complies with all relevant national or local laws and regulations to regulate the management and application of the Group's intellectual property rights. The Group has formulated the "Software Asset Management Regulations", which stipulates that employees can only use genuine software to maintain a good corporate image of the Company.

The Group has set up a leading group for the work of software authorization to provide overall leadership and supervision of the work of software authorization in order to properly manage the procurement, installation, use and maintenance of software assets in compliance with the law. The leader of the group is the CEO of the Company, and the Director of the Board of Directors' Office is the deputy leader, who will strengthen the supervision and publicity and training of the genuine software.

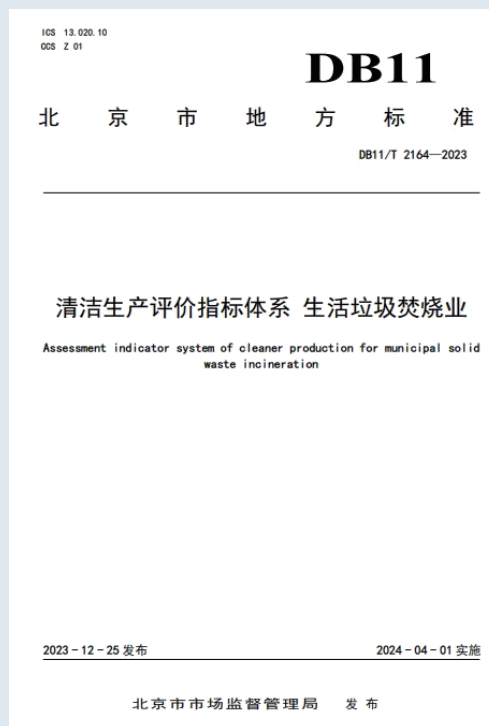


## Adhering to Compliant Operation

### Case: As A Leading Drafting Organization, CEHL Assisted in Implementing “Clean Production Evaluation Index System – Domestic Waste Incineration Industry”

As a leading drafting organization, CEHL has assisted in implementing the country's first clean production evaluation index system specially developed for the domestic waste incineration industry “Clean Production Evaluation Index System – Domestic Waste Incineration Industry (DB11/T2164-2023)”, which successfully passed the review of Beijing Municipal Development and Reform Commission and Beijing Municipal Administration for Market Regulation for the promotion of the healthy development of the industry.

The implementation of this standard will guide domestic waste incineration enterprises to adopt advanced production processes and equipment, reduce the consumption of energy, water, and raw materials, enhance resource and energy utilization efficiency, adopt effective measures to control air pollutant and greenhouse gas emissions, and promote technological advancement and sustainable development of domestic waste incineration enterprises, thereby contributing to the improvement of urban atmospheric quality.





## Adhering to Compliant Operation

### Protecting Customers' Personal Information

The Group attaches great importance to the main responsibility for the protection of customers' personal information, and continuously strengthen the protective measures for customer information and privacy. We strictly require employees not to disclose any proprietary materials of its customers and partners. It also has a confidentiality system in place to regulate employee access to ensure that information is not disclosed and to effectively protect commercial interests and customers' information security. The transaction contracts signed by the Group and its partners are accompanied by confidentiality clauses. For larger transactions, we will sign a non-disclosure agreement separately to protect customer privacy. If staff are found to be in breach of the relevant regulations, we will promptly formulate and implement remedial measures according to corresponding situations, and hold them accountable according to the law as the case may be, so as to fully safeguard the customer's rights and interests. During the Reporting Period, the Group did not receive any confirmed complaints of invasion of customer privacy and loss of customer information.

We have formulated the "Information System Management Measures (Trial)" to ensure the stable and safe operation of the Group's information system, covering responsibilities and authorities, password and authorization management, the use and management of computer equipment and network management, so as to comprehensively enhance the Group's information protection capabilities. We have also formulated "Confidentiality Management Measures (Revised)" to clarify the confidentiality accountability system, and define the scope, measures, and process of confidentiality management. We have established a dedicated confidentiality working group to be responsible for daily management and mitigate information leakage risks. Through the formulation of the "Archives Management Measures", we have specified the requirements for archival management, including custody and destruction, and the responsibilities of archives management personnel to ensure proper organization and integral maintenance of archives.

### Standardize Publicity Behavior

The Group adheres to a responsible approach to product promotion and has the "Brand Management System" and "Information Disclosure Management System" in place to regulate the brand strategy, information disclosure and crisis public relations matters. The Board Office is responsible for the overall management of the Group's brand building, information disclosure and public relations matters. At the same time, each company of the Reporting Projects also has dedicated management staff to ensure the local brand image in consistence with the Group's standard. We strictly prohibit malpractices such as exaggerated and inaccurate advertisements, one-sided guidance and malicious speculation to ensure that our promotional activities are legal and compliant. Due to the nature of our business, the Group has not yet established an internal policy on product labelling. Moving forward, we will continue to ensure that the Group's advertising and promotional content complies with regulatory requirements and is free from any misleading information.



## Adhering to Compliant Operation

### ABIDING BY BUSINESS ETHICS

#### Anti-Corruption Policies

We maintain a zero-tolerance policy towards any acts of corruption, bribery, extortion or fraudulent behavior. We strictly abide by the relevant national laws and regulations on preventing bribery, extortion, fraud, and money laundering, and have formulated anti-corruption policies and regulations, including the “Employee Responsibility and Penalty Management Measures”, the “Implementation Measures for Punishment and Prevention of Corruption of CEHL”, “Employees’ Integrity and Self-discipline Work Regulation of CEHL”, “Integrity Practice Commitment”, “Assist in Family’s Integrity Proposal”, “Integrity Notice”, to strictly regulate the construction of anti-corruption and clean governance system, outline the work process related to anti-corruption, and ensure compliance by all departments. We have arranged the Internal Accountability Committee for employees suspected of committing corrupt acts. The chairman of the Internal Accountability Committee is the CEO, and its members include the heads of the Audit Department, the Financial and Accounting Department, the Legal Affairs Department, the Human Resources Department, and the Party Work Department and their leaders in charge. The committee is responsible for collecting evidence, initiating investigations into alleged corrupt practices, conducting inquiries, handling appeals, and imposing appropriate penalties, so as to regulate the Group’s handling process of anti-corruption events.

#### Anti-Corruption Reporting Channels

For employee reporting, the Group encourage all employees to report via the dedicated telephone number, email address and correspondence address set up within the Company’s system for reporting. We promise that all whistleblowers will be protected by the Group for personal information, and that they will not undergo negative influence due to reports. We aim to combat any existing or potential misconduct, fraud and violations through reporting, and reduce the impact of any corrupt acts of bribery, extortion, fraud, or money laundering on the Group.

In response to the corruption report received, the Group will conduct preliminary analysis, screening and review of relevant clues within 10 working days. After review and analysis, if it is deemed necessary to file a case for investigation, it will be reported to the leader in charge, and then approved by the CEO to start the investigation procedure. For clues that are particularly serious or complex, the Company’s Audit Department and the responsible leadership will handle them in accordance with relevant regulations and procedures. Once the report is verified, it will be punished according to the established system. Those who violated will be transferred to judicial authorities, including being reported and criticized, transferred from the position, reduced in rank, dismissed, or even terminated from the labour relationship, as we do not tolerate any acts of corruption. Such initiatives are aimed to ensure that the Group operates in compliance with regulations while upholding business ethics in its operations.



## Adhering to Compliant Operation

### Anti-Corruption and Clean Governance Construction

We believe that anti-corruption training is of vital importance to anti-corruption and clean governance efforts. Therefore, we actively conduct various integrity education and anti-corruption training to improve the integrity awareness of employees, and continuously improve internal policies to promote the establishment of a system for combating and preventing corruption. During this Year, a total of 27 directors and project directors participated in anti-corruption training, with the participation rate of employees reaching 46.53%. The average time spent by employees on anti-corruption training was 2.51 hours.

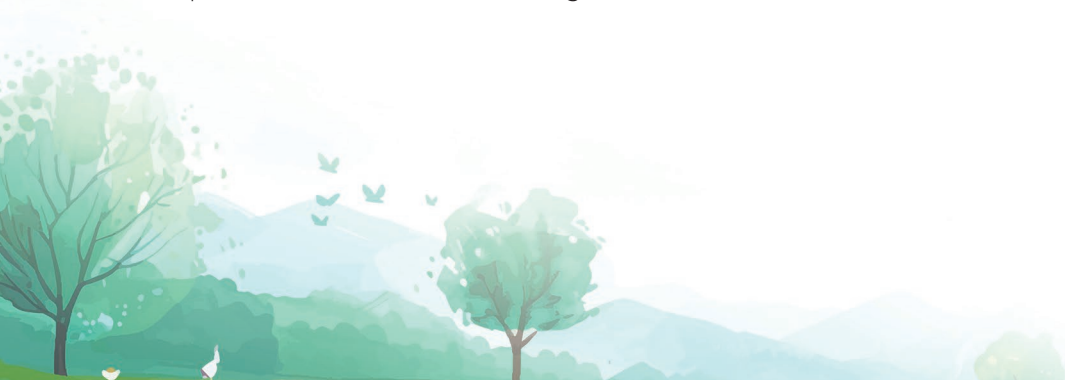
#### Case: Party Discipline Education Launched at Dongjiang Integrity Culture Education Base

During the Reporting Period, the Party Branch of Huizhou Waste Incineration Project Company, a subsidiary of the Company, organized a learning activity at Dongjiang Integrity Culture Education Base to strengthen Party members' disciplinary awareness and integrity consciousness. Through watching educational films, they visited six thematic exhibition halls, participated in interactive experiences, and reviewed historical and contemporary examples of clean governance and the anti-corruption journey of the Communist Party of China. This activity effectively enhanced employees' integrity awareness of responsibility fulfillment and reinforced party discipline education.

### SUPPLY CHAIN MANAGEMENT

We are committed to extending the concept of sustainable development throughout the entire supply chain, and have formulated the "Supplier Management Measures", the "Procurement Management Measures", the "Centralized Procurement Management Measures" and other systems applicable to the Group's supply chain management. Adhering to the principles of "openness, fairness and impartiality", we ensure all suppliers have equal opportunities, and standardize the categorization, registration, rights and obligations, and assessment and evaluation of suppliers. The Procurement Management Department is responsible for establishing the supplier management system, handling supplier complaints, and conducting daily supervision and periodic inspections of supplier management. Headquarters departments and subsidiaries are responsible for implementing the "Supplier Management Measures".

We have established internal policies for procurement procedures, including tendering, bid opening, evaluation, and awarding processes. Qualified suppliers must meet quality standards required by the nation industry, or company, obtain certifications for environmental, occupational health and safety, and have no illegal records or major legal disputes in the past three years. Any suspected illegal acts of favoritism or malpractice during the tendering process will be legally referred to judicial authorities for handling. We prioritize companies with innovative technologies and strive to select environmentally friendly products and services to mitigate environmental and social risks in the supply chain.



## Adhering to Compliant Operation

We have implemented internal management regulations for supplier evaluations and will conduct a comprehensive assessment of suppliers annually. The review committee is responsible for investigating suspected submission of false or misleading materials, collusive bidding, bid manipulation, and other improper conduct. Suppliers exhibiting such misconduct will be included in the “List of Suppliers with Improper Conduct” and may face measures such as warnings, suspension of procurement activities for one year, or permanent disqualification from supplier status to maintain supplier quality.

Suppliers are required to promptly rectify any improper conduct and address issues related to product quality, delivery delays, and integrity. Corrective measures include investigating product quality, handling or replacing defective products, and recalling defective products at no cost to maintain supplier quality. The Group strictly selects suppliers to minimize environmental and social risks in the supply chain, and prudently avoids selecting suppliers with poor environmental and social performance and negative reputation. Our selection criteria are as follows:

Aspect	Selection Criteria
Social	<ul style="list-style-type: none"> <li>• Business reputation;</li> <li>• Sound financial accounting system;</li> <li>• Professional technical skills;</li> <li>• Good record of paying taxes and social security funds in accordance with the law; and</li> <li>• Social compliance performance.</li> </ul>
Environment	<ul style="list-style-type: none"> <li>• Emissions handling practices;</li> <li>• Packaging material use; and</li> <li>• Environmental compliance performance.</li> </ul>

The Procurement Management Department of the Group has sorted out the performance behaviors of suppliers in FY2024, and there are 8 unsatisfactory suppliers in total. The Group will take punitive measures such as warning notification, disqualification from participation in procurement activities for one or three years, or disqualification from participation in procurement activities for an indefinite period.



## Assuming Community Responsibility

As a paragon of responsible state-owned enterprises, the Group deeply understands and actively fulfills its social responsibility, steadfastly advancing and integrating into the sustainable development process of the community. We consistently implement environmental initiatives and high standards for efficient and recycled utilization of resources in our business operations. Moreover, the green philosophy is widely integrated into our investment and development plans for the community, aiming to bring long-term benefits to the community environment and social well-being.

We place great emphasis on education and training, and continuously strengthen the environmental awareness and capabilities of community members by various means, such as supporting educational institutions, organizing environmental knowledge training sessions and seminars. Our goal is to make each resident an active practitioner and advocate of sustainable development.

In terms of serving the community, we dedicate ourselves to a series of effective and meaningful initiatives that convey warmth and care. On the one hand, these initiatives reflect our direct support for the community, such as material donations, volunteer services, assistance for vulnerable groups, and upgrading public facilities. On the other hand, we focus on enhancing the personal capabilities and quality of life of community members through educational and training projects.

Furthermore, we actively establish platforms and mechanisms to stimulate communication and collaboration within the community, and promote a supportive and caring atmosphere among neighbors, striving to create a harmonious and beautiful community environment with joint efforts.

Our vision is to provide robust support to the community in material terms and to uplift the spirits of community members in spiritual terms through these initiatives. We aim to make them feel a deep sense of warmth and support from enterprises and various sectors of the society, working together to create a warm, harmonious and sustainable community atmosphere. We firmly believe that through collective efforts, we can promote the harmonious coexistence of economy, society, and environment, jointly shaping a beautiful homeland where green concepts are deeply rooted, and the quality of life for residents is continuously enhanced.





## Assuming Community Responsibility

### Case: “Heartfelt Mid-Autumn Support for Needy Employees” Thematic Party Day Activity

The Party Branch and Trade Union of Qianjiang Incineration Project Company, a subsidiary of the Company, jointly organized a thematic Party Day activity titled “Heartfelt Mid-Autumn Support for Needy Employees”, and delivered mooncakes and other condolences to families of needy employees. Party members and trade union representatives engaged in heartfelt conversations with the employees and their families, gaining a detailed understanding of their living conditions and needs, and providing support and suggestions.

### Case: CEHL Supported Successful Nomination of Beijing Central Axis in World Heritage List

Beijing Integrated Project Company, a subsidiary of the Company, actively participated in the nomination campaign for inclusion of Beijing Central Axis in the UNESCO World Heritage List under the title “A Masterpiece of China’s Ideal Capital Order”. Since winning the bid for Dongcheng Integrated Project in Beijing in May 2021, Beijing Integrated Project Company has provided daily sanitation services for related key areas. The sanitation workers from Dongcheng Integrated Project not only participated in filming the heritage nomination documentary “24-Hour Dialogue with the Central Axis”, but also joined the “Dialogue with the Central Axis, Searching for Faces of the Central Axis” initiative. They served as “living maps”, answering tourists’ questions and bridging the gap between foreign visitors and ancient Beijing. With their dedication, passion, sweat, and smiles, the workers made everyone who visited feel the warmth of the ancient city.



## Assuming Community Responsibility

### Case: Tree Planting Activity

Huizhou City-Based Project Company, a subsidiary of the Company, organized party members and employee representatives to launch the tree planting activity themed “Planting Green Trees for A Promising Spring” on 12 March, Arbor Day. Additionally, Qianjiang Incineration Project Company, a subsidiary of the Company, also conducted the tree planting activity during the Reporting Period. Participants worked hard together to plant saplings, adding vitality to the land. The activity promoted environmental protection awareness and strengthened employees’ teamwork spirit.



### Case: “Fulfilling Social Responsibility, Boosting Rural Revitalization” charity poverty-alleviation activity

The Party Branch and Trade Union of the Nanchang Incineration Project Company, a subsidiary of the Company, jointly launched the “Fulfilling Social Responsibility, Boosting Rural Revitalization” charity poverty-alleviation activity by visiting 58 households of needy party members and villagers in Pengzong Village, Jiaqiao Town, Jinxian County and Liangdong Village, Quanling Town. Held before the Spring Festival, the activity brought warmth to impoverished families, reflecting the sense of social responsibility and commitment of the state-owned enterprise. It also further strengthened the harmonious relationship of “Factory-Villager Collaboration for Mutual Benefits”, contributing to rural revitalization.



# Appendix: KPIs Summary

## SOCIAL PERFORMANCE

Employment Statistics			Central China	South China	East China	Southwest China	North China	Total
Number of Employees	Total by project location		711	244	799	79	312	2,145
	Gender	Male	550	207	551	62	231	1,601
		Female	161	37	248	17	81	544
	Age	Below 30	229	43	184	13	85	554
		30-50	441	159	462	65	212	1,339
		Over 50	41	42	153	1	15	252
	Employment Category	Senior managerial level	22	8	24	2	14	70
		Managerial level	43	8	48	4	23	126
		General staff	646	228	727	73	275	1,949
	Employment Type	Full-time	710	244	797	79	312	2,142
		Part-time	1	0	2	0	0	3
New Hire Ratio <sup>9</sup>	Gender	Male	45	43	51	0	19	158
		Female	14	10	13	0	2	39
	Age	Below 30	34	19	28	0	11	92
		30-50	22	34	25	0	9	90
		Over 50	3	0	11	0	1	15
Turnover Rate <sup>10</sup>	Gender	Male	53	45	57	19	22	196
		Female	10	11	11	0	2	34
	Age	Below 30	19	15	18	0	7	59
		30-50	38	18	30	18	14	118
		Over 50	6	23	20	1	3	53
Number and percentage of employees from vulnerable groups	Ethnic minority <sup>11</sup>		54 (7.59%)	18 (7.38%)	3 (0.38%)	49 (62.03%)	5 (1.60%)	129 (6.01%)
	Person with disability		0 (0.00%)	0 (0.00%)	3 (0.38%)	0 (0.00%)	0 (0.00%)	3 (0.14%)
Workers <sup>12</sup>			440	114	357	50	226	1,187

<sup>9</sup> New hire rate is calculated by dividing the number of new hires in a category by the total number of employees in that category in the reporting year.

<sup>10</sup> Employee turnover rate is calculated by dividing the total number of employees who left the company voluntarily or due to dismissal or retirement in a category by the total number of employees in that category in the reporting year.

<sup>11</sup> In the People's Republic of China, ethnic minorities refer to the 55 statutory ethnicities other than the main ethnic group of Han Chinese, such as Miao people, Buyi people.

<sup>12</sup> In addition to directly employed persons, labour whose work or workplace is controlled by CEHL, such as janitorial staff, security staff, property staff, and equipment inspectors.

## Appendix: KPIs Summary

Health and Safety Statistics		Central China	South China	East China	Southwest China	North China	Total
Work-related injuries	Male	0	0	1	0	0	1
	Female	0	0	0	0	0	0
Work-related fatalities <sup>13</sup>	Male	0	0	0	1	0	1
	Female	0	0	0	0	0	0
Employees infected with occupational diseases	Male	0	0	0	0	0	0
	Female	0	0	0	0	0	0
Number of employees performing high risk duties <sup>14</sup>		442	101	384	59	214	1,200
Lost days due to work-related injuries or occupational diseases	Male	0	0	190	0	0	190
	Female	0	0	0	0	0	0

<sup>13</sup> In 2024, a road traffic accident occurred at Duyun Incineration Project Company, unfortunately resulting in the death of an employee. This accident took place outside the workplace of the Group. Upon the occurrence of the accident, the Group actively contacted the employee's family for consolation work. To further improve the safety management level, the Group has started to strengthen employees' driving safety education, driving skill training, and assessment supervision to prevent the reoccurrence of similar incidents. The rate of work-related fatalities in 2024 was 0.05%. There were no work-related fatalities in 2023 and 2022.

<sup>14</sup> Refers to special vehicle operators, flammable and explosive area production operators, boiler specialists, steam turbine specialists, chemical water specialists, thermal control specialists, electrical specialists, boiler master and assistant operators, electrical master operators, steam turbine master operators, inspectors, garbage crane master operators, chemical water watchers, leachate processing operators, drivers and other types of work.

## Appendix: KPIs Summary

Training Statistics			Central China	South China	East China	Southwest China	North China	Total
Training rate <sup>15</sup>	Gender	Male	78.04%	84.84%	78.45%	78.48%	74.04%	78.42%
		Female	21.96%	15.16%	21.55%	21.52%	25.96%	21.58%
	Employment Category	Senior managerial level	2.72%	3.28%	3.01%	2.53%	4.17%	3.11%
		Managerial level	5.61%	3.69%	6.02%	5.06%	6.41%	5.64%
		General staff	91.67%	93.03%	90.98%	92.41%	89.42%	91.25%
Average training hours <sup>16</sup>	Gender	Male	32.00	97.07	56.70	24.00	16.78	46.41
		Female	32.48	50.35	35.52	24.00	19.09	32.82
	Employment category	Senior managerial level	39.45	44.00	49.25	24.00	14.29	37.86
		Managerial level	26.49	40.50	54.58	24.00	13.43	35.62
		General staff	32.23	93.34	49.86	24.00	17.87	43.62
Percentage of employees receiving regular performance and career development reviews <sup>17</sup>	Gender	Male	66.91%	100.00%	96.37%	100.00%	67.97%	82.76%
		Female	67.70%	100.00%	62.90%	100.00%	69.14%	68.93%
	Employment category	Senior managerial level	59.09%	100.00%	100.00%	100.00%	57.14%	78.57%
		Managerial level	69.77%	100.00%	100.00%	100.00%	56.52%	81.75%
		General staff	67.18%	100.00%	84.59%	100.00%	69.82%	79.12%

<sup>15</sup> Training ratio is calculated by dividing the number of employees trained in one category by the total number of trained employees.

<sup>16</sup> Average training hours is calculated by dividing the total hours of training received in a category by the number of employees in that category.

<sup>17</sup> The percentage of employees under review is calculated by dividing the number of employees under review in one category by the total number of employees in that category.



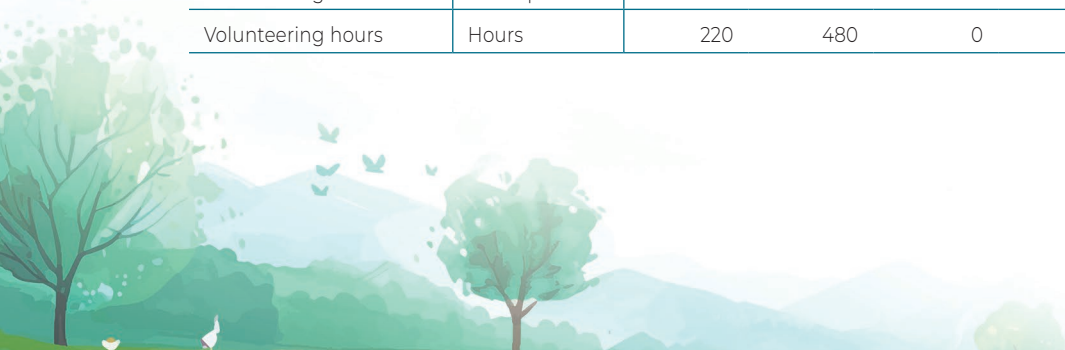
## Appendix: KPIs Summary

Supply Chain Management Statistics		Central China	South China	East China	Southwest China	North China	Total
Suppliers located in Mainland China		1,863	212	525	48	236	2,884
Percentage of suppliers implementing relevant practices		87.09%	100.00%	88.55%	20.83%	83.02%	86.85%

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

Anti-corruption Statistics		Central China	South China	East China	Southwest China	North China	Total
Confirmed incidents of corruption		0	0	0	0	0	0
Percentage of staff participating in anti-corruption training		33.47%	45.08%	51.31%	100%	51.60%	46.53%
Average time spent in anti-corruption training		0.67	11.02	2.24	2.00	0.87	2.51

Community Investment Statistics		Central China	South China	East China	Southwest China	North China	Total
Total donation	RMB	20,890	2,030,000	6,380	2,000,000	0	4,057,270
Volunteering	Participation	160	80	0	0	0	240
Volunteering hours	Hours	220	480	0	0	0	700



## Appendix: KPIs Summary

### ENVIRONMENTAL PERFORMANCE

Air Emissions and Type	Year 2024	Year 2023	Year 2022	Unit
Nitrogen oxides	3,028,163	2,611,260	3,972,439	Kilogram
Sulfur oxides	648,109	612,422	1,008,590	Kilogram
Respirable suspended particulates	67,147	64,690	40,687	Kilogram
GHG emissions	Year 2024	Year 2023	Year 2022	Unit
Scope 1	2,113,445	1,753,532	1,235,054	Tonnes of CO <sub>2</sub> -e
Scope 2	14,127	14,049	9,401	Tonnes of CO <sub>2</sub> -e
Scope 3	66	48	24	Tonnes of CO <sub>2</sub> -e
Total GHG emissions (Scope 1, 2 and 3)	2,127,638	1,767,629	1,246,276	Tonnes of CO <sub>2</sub> -e
GHG intensity (Scope 1, 2 and 3)	0.88	0.77	0.72	Tonnes of CO <sub>2</sub> -e/ RMB1,000 of revenue
Hazardous Waste	Year 2024	Year 2023	Year 2022	Unit
Total amount of hazardous waste	1,873,702	1,469,256	1,974,120	Tonnes
Hazardous waste intensity (by revenue)	0.78	0.64	1.14	Tonnes/RMB1,000 of revenue
Non-hazardous Waste	Year 2024 <sup>18</sup>	Year 2023	Year 2022	Unit
Total amount of non-hazardous waste	2,209	192,499	199,634	Tonnes
Non-hazardous waste intensity (by revenue)	0.0009	0.08	0.12	Tonnes/RMB1,000 of revenue
Total Energy Consumption	Year 2024	Year 2023	Year 2022	Unit
Total energy consumption	15,340,069	12,758,461	9,573,481	MWh
Energy Intensity (by revenue)	6.37	5.59	5.52	MWh/RMB1,000 of revenue
Total Water Consumption	Year 2024	Year 2023	Year 2022	Unit
Total Water Consumption <sup>19</sup>	9,057,067	7,799,290	6,689,104	Cubic metres
Water intensity (by revenue)	3.78	3.42	3.85	Cubic metres/ RMB1,000 of revenue

\* **Use of packaging materials:** The operations of the Reporting Projects did not involve consumption of packaging materials

<sup>18</sup> The non-hazardous waste in 2024 only includes office and domestic waste, resulting in the significant decrease in the generation amount.

<sup>19</sup> The total water consumption includes production and domestic water provided by the municipal pipeline network and municipal reclaimed water.

# Appendix: ESG Guide and GRI Standards

GRI Standards	ESG Guide	Content in the ESG Guide or GRI Standards	Page or Notes
<b>Environmental Topics</b>			
<b>A1: Emissions</b>			
GRI3-3 GRI305 GRI307	General Disclosures	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.	57-58, 72-73
GRI305-1 GRI305-2 GRI305-3 GRI305-6 GRI305-7	A1.1	The types of emissions and respective emissions data.	58-68, 97
GRI305-1 GRI305-2 GRI305-4	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).	61-62, 97
GRI306-3	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	58, 97
GRI306-3	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	59, 97
GRI3-3 GRI305-5	A1.5	Description of emissions target(s) set and steps taken to achieve them.	61-63
GRI3-3 GRI306-4 GRI306-5	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.	58-60



## Appendix: ESG Guide and GRI Standards

GRI Standards	ESG Guide	Content in the ESG Guide or GRI Standards	Page or Notes
<b>Environmental Topics</b>			
<b>A2: Use of Resources</b>			
GRI3-3 GRI301 GRI302 GRI303	General Disclosures	Policies on the efficient use of resources, including energy, water and other raw materials.	57, 66
GRI302-1 GRI302-3	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	68-69, 97
GRI303-5	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	71, 97
GRI3-3 GRI302-4 GRI302-5	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	68-69
GRI3-3 GRI303	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.	71-72
GRI301-1	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable. Due to the Group's business nature, the Group does not produce any finished products and does not have any industrial facilities. Therefore, we do not use a large amount of packaging materials in our daily operations.

## Appendix: ESG Guide and GRI Standards

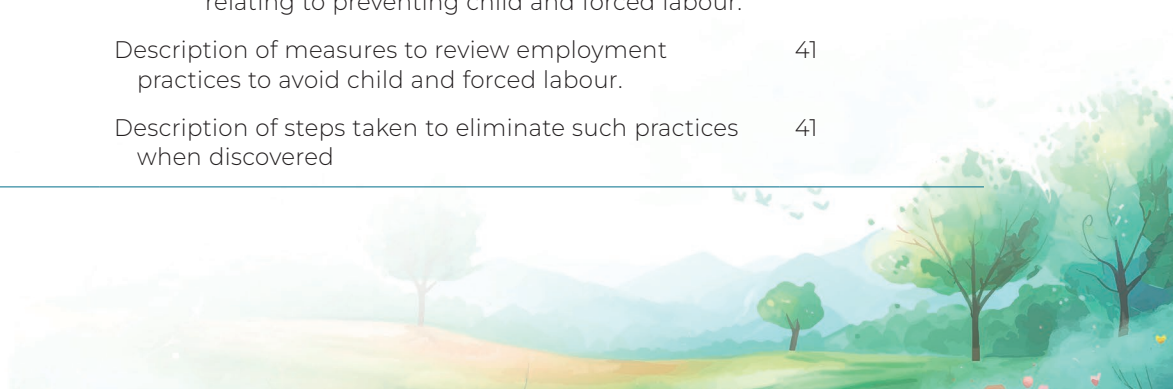
GRI Standards	ESG Guide	Content in the ESG Guide or GRI Standards	Page or Notes
<b>Environmental Topics</b>			
<b>A3: The Environment and Natural Resources</b>			
GRI3-3	General Disclosures	Policies on minimising the issuer's significant impacts on the environment and natural resources.	67, 70-71
GRI3-3 GRI303 GRI304 GRI306	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	72-74
<b>A4: Climate Change</b>			
GRI3-3	General Disclosures	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	74-75
GRI201-2	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.	76-78
<b>Social Topics</b>			
<b>B1 Employment</b>			
GRI3-3 GRI401-2 GRI405 GRI406	General Disclosures	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.	33, 39-41
GRI2-6 GRI2-7	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	93
GRI405-1b	/	Percentage of employees per employee category in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).	93
GRI401-1b	B1.2	Employee turnover rate by gender, age group and geographical region.	93
GRI401-1a	/	Total number and rate of new employee hires during the reporting period, by age group, gender and region.	93
GRI406-1	/	Incidents of discrimination and corrective actions taken.	41





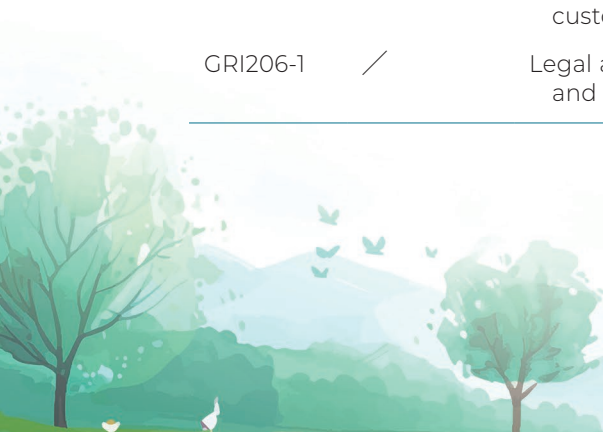
## Appendix: ESG Guide and GRI Standards

Social Topics			
B2 Health and Safety			
GRI3-3 GRI403	General Disclosures	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.	33, 42-51
GRI403-4	/	Where formal joint management-worker health and safety committees exist, a description of their responsibilities. (Partial)	23, 43-47
GRI403-5	/	A description of any occupational health and safety training provided to workers, including generic training as well as training on specific work related hazards, hazardous activities, or hazardous situations.	48-49
GRI403-6a	/	An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided.	40
GRI403-9	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	94
GRI403-9	B2.2	Lost days due to work injury.	94
GRI3-3	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	42-47
B3 Development and Training			
GRI3-3 GRI404	General Disclosures	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	52-56
/	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	95
GRI404-1	B3.2	The average training hours completed per employee by gender and employee category.	95
B4 Labour Standards			
GRI3-3 GRI408 GRI409	General Disclosures	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.	33, 41
GRI3-3 GRI408-1c	B4.1	Description of measures to review employment practices to avoid child and forced labour.	41
GRI3-3 GRI409-1b	B4.2	Description of steps taken to eliminate such practices when discovered	41



## Appendix: ESG Guide and GRI Standards

Social Topics			
B5 Supply Chain Management			
GRI3-3 GRI308 GRI414	General Disclosures	Policies on managing environmental and social risks of the supply chain.	88-89
GRI2-6	B5.1	Number of suppliers by geographical region.	96
GRI3-3	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	88-89, 96
GRI3-3	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	88-89
GRI3-3	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	88-89
B6 Product Responsibility			
GRI3-3 GRI206 GRI416 GRI417 GRI418	General Disclosures	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.	33, 79-86
/	B6.1	Percentage of total products sold or shipped subject to recalls for health and safety reasons.	96
GRI2-29 GRI3-3 GRI418	B6.2	Number of products and service related complaints received and how they are dealt with.	79, 96
/	B6.3	Description of practices relating to observing and protecting intellectual property rights.	84
/	B6.4	Description of quality assurance process and recall procedures.	79
GRI3-3	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	86
GRI418-1	/	Substantiated complaints concerning breaches of customer privacy and losses of customer data.	96
GRI206-1	/	Legal actions for anti-competitive behaviour, antitrust, and monopoly practices.	96



## Appendix: ESG Guide and GRI Standards

Social Topics			
B7 Anti-corruption			
GRI2-27 GRI3-3 GRI205-3	General Disclosures	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.	33, 87-88
GRI205-3	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	96
GRI2-26 GRI3-3 GRI205	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	87
GRI205-2	B7.3	Description of anti-corruption training provided to directors and staff.	2, 88, 96
B8 Community Investment			
GRI3-3 GRI413	General Disclosures	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.	90-92
GRI203-1	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	90-92
GRI201-1	B8.2	Resources contributed (e.g. money or time) to the focus area.	2, 96
GRI413-1	/	Operations with local community engagement, impact assessments, and development programs.	90-92
Economic Topics			
GRI3-3 GRI201	/	Management approach disclosures on economic performance.	39-41
GRI201-2	/	Financial implications and other risks and opportunities due to climate change.	27, 76





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