



粵豐環保電力有限公司

CANVEST ENVIRONMENTAL PROTECTION GROUP COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 1381

SETTING SAIL FOR A BRIGHT FUTURE



SUSTAINABILITY REPORT 2020



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ABOUT THIS REPORT

Canvest Environmental Protection Group Company Limited (“Canvest” or the “Company”, together with its subsidiaries, the “Group”) (stock code: 1381.HK) is pleased to present the Sustainability Report 2020 (the “Report”), providing an overview of our progress made to drive for sustainable development. Canvest has engaged AECOM Asia Company Limited, a professional sustainability reporting consultant, in the preparation of the Report. This Report aims to provide our stakeholders transparent information on the Group’s environmental, social and governance (“ESG”) aspects, and to showcase our strategies in achieving positive outcomes through our projects.

REPORTING SCOPE AND BOUNDARY

The Report covers the sustainability performance within the major operations of the Group including the Group’s headquarter offices at Hong Kong and Dongguan and operating waste-to-energy plants¹ that are wholly-owned by Canvest (“Operating Projects”) for the period from 1 January 2020 to 31 December 2020 (“FY2020” or “Reporting Period”). Unless otherwise specified, the ESG performance of our contractors and suppliers are not reflected in this Report. This Report has been prepared in accordance with the GRI Standards: Comprehensive option (“GRI Standards”) and the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) under Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“SEHK”). The Chinese and English versions of the Report² are available on the websites of the Company (www.canvestenvironment.com) and the SEHK (www.hkexnews.hk).

¹ The Report covers material issues arising from Canvest’s core WTE business, whereas other business areas such as environmental hygiene and related services, which contributed 2.4% to the Group’s total revenue in 2020, are not material to our operations, and therefore the ESG data of environmental hygiene and related services are not reflected in this Report.

² In case of inconsistency or discrepancy between the Chinese and English versions of the Report, the English version shall prevail.

REPORTING PRINCIPLES

In developing the report content, we have adhered to the principles of the GRI Standards and ESG Reporting Guide, including but not limited to the following:

- **Materiality:** A description of our materiality assessment process can be found in the **Materiality Assessment** section. It outlines the way we identify, prioritise and validate material topics, including how we take key stakeholders' views into account.
- **Quantitative:** The details of how we quantify our data, including standards, methodologies, assumptions, and conversion factors, can be found in the **Performance Data Summary** section.
- **Balance:** The Report aims to provide a balanced presentation of the Group's ESG management approach and performance during the Reporting Period.
- **Consistency:** Consistent methodologies are employed for a meaningful comparison, using year-on-year data.

STAKEHOLDERS FEEDBACK

We welcome all stakeholders and the public to provide valuable comments and suggestions on our sustainability performance to info@canvest.com.hk.

BOARD STATEMENT

The Board has reviewed the material environmental, social and governance issues, and will manage and monitor these issues and take them into consideration in determining the Group's business directions and strategies. The Group will actively undertake social responsibility in pursuing a better environment.



MESSAGE FROM OUR CHAIRLADY

To All HONORABLE STAKEHOLDERS:

Sustainable development is the prevailing trend in tackling the current climate crisis and requires everyone's contribution to succeed. To Canvest, this is a commitment that we have sought to fulfil the Central Government's philosophy of "Lucid Waters and Lush Mountains are Invaluable Assets". Since 2020 marks the last year of the 13th Five Year Plan (「十三五」規劃), Canvest continued to promote sustainable waste-to-energy ("WTE") development and prioritised in addressing environmental protection as well as ensure continual ethical, transparent relations with all our stakeholders. We proactively approach the potential ESG issues that may impact our business and come up with solutions to address the sustainability challenges.

During the Reporting Period, the government continued to introduce various policies of ecological and environmental protection and treatment, in which the "Implementation Plan on Municipal Solid Waste Sorting and Remedying the Shortcomings and Strengthening the weakness in Processing Facility" (《城鎮生活垃圾分類和處理設施補短板強弱項實施方案》) was published so that areas with over 300 tonnes daily MSW would achieve zero MSW to landfill by 2023; the "Notice on the Suspension of Subsidies for Renewable Energy Tariff of Waste-to-Energy Plants Violating Environmental Standard" (《關於核減環境違法垃圾焚燒發電項目可再生能源電價附加補助資金的通知》) was published so that subsidies for WTE plants violating environmental standard would be suspended in case of environmental issues identified from WTE plants; the

"Implementation Plan on Improving Construction and Operation of Biomass Power Generation Projects" (《完善生物質發電項目建設運行的實施方案》) was published so that the mechanism for subsidising biomass power generation projects would be improved; and the "Supplemental Circular on the Opinions on Facilitating the Sound Development of Power Generation Through Non-water Renewable Energy" (《關於〈促進非水可再生能源發電健康發展的若干意見〉有關事項的補充通知》) was published so that the cap of subsidies would be set. These abovementioned policies aimed to safeguard healthy development of the entire industry in terms of quality and quantity by implementing marketisation mechanisms to improve the quality of various environmental projects.

At Canvest, we ensure that no waste is ever wasted, and it is our purpose and our value to extract the highest value to achieve sustainable use of resources from the by-products of our daily life. We recognise our role in reinforcing the United Nations' Sustainable Development Goals ("SDGs") and continue to make progress on the 12 specific SDGs identified which are closely related to our business operation. Canvest aims to strengthen its contribution in promoting the SDGs by outlining our support for related SDGs, with examples to demonstrate how we carry out the actions. In order to maximise our influence, we actively expand our geographical footprint to different provinces in China.





MESSAGE FROM OUR CHAIRLADY

In terms of technological achievements, in November 2020, Eco-Tech I & II WTE plants, Kewei WTE plant, Zhanjiang WTE plant and Zhongshan WTE plant were awarded "Grade AAA Household Waste Incineration Plant" (AAA級生活垃圾焚燒廠) by the China Association of Urban Environmental Sanitation, which is the highest grade in rating system for recognising the quality of WTE plants. Combined with China Scivest I WTE plant, the Group now has a total of 6 projects that have passed the Grade AAA assessment, affirming our leading role in the WTE industry.

2020 has been a challenging year for all, with significant impact brought by the outbreak of COVID-19 since the beginning of the year. Our swift response in implementing control measures and preventive procedures has allowed us to maintain high standard and safe operation, while safeguarding the health and safety of our employees. In addition, we have specific guidance in handling non-hazardous medical waste to prevent secondary transmission.

To extend our care for local communities and support them through hard times during COVID-19 outbreak, we have donated large quantities of protective supplies to charitable organisations and RMB1 million to Dongguan Red Cross. We believe that as a responsible social corporate, we should join hands with the local communities and the disadvantaged groups to fight against the pandemic.

Waste treatment is a common problem of affluent societies, and as cities are becoming more developed, the waste load grows as the economy grows. During the Reporting Period, the Group has been providing sustainable solution for waste management, and our Operating Projects have treated 6,944,529 tonnes of MSW, sold 2,412,437 MWh of green electricity, saved 727,701 tonnes of standard coal and offset 4,141,898 tonnes of carbon dioxide equivalent emissions.





Canvest is a company that pursues business growth based on continuous improvement and innovation. We will strive to uphold our mission to expand our business sustainably and create a better environment for all. We believe it is our responsibility to take the lead in supporting the development of our industry and provide waste management solution to serve greater community. I look forward to advocating our corporate philosophy of “unite as one, work meticulously and strive for excellence” and achieve lasting, shared success in the coming year.

Lee Wing Yee Loretta

Chairlady

Hong Kong, 14 July 2021





ABOUT CANVEST

Canvest Environmental Protection Group Company Limited is a leading integrated urban environmental protection and sanitation solution provider, focusing on WTE and the provision of intelligent urban environmental hygiene and related services. As at 23 March 2021, the Group has 34 WTE projects, and a number of these projects have been awarded “Grade AAA Innocuous Waste Incineration Plant”, the highest ranking in the grading system. Going forward, Canvest will continue to develop its WTE business and capture new opportunities related to integrated smart city management services. The Company was listed on the Main Board of Hong Kong Stock Exchange in December 2014 (stock code: 1381).





14 wholly-owned WTE projects under full-scale operation in 2020*

Power Transmission

- Transmission lines **34.72 km** (overhead) **17.32 km** (underground)
- Transmission loss **0.49%**




Major Achievements

- MSW processed **6,944,529 tonnes**
- Green electricity sold **2,412,437 MWh**

Green Operation

- **4,141,898 tonnes** of CO₂e emissions offset
- Saved **727,701 tonnes** of standard coal




Serving Our Clients

- **89** Government clients
- **17** Commercial clients



Supply Chain

- Purchased from **391 suppliers**
- Total supply value **RMB505 million**

* Xuwen WTE plant, phase 1 of Shaoguan WTE plant, Zaozhuang WTE plant and phase 1 of Jianyang WTE plant commenced trial and preliminary trial operation in late 2020, and the performance data of these WTE plants are excluded in this Report.



PROJECT HIGHLIGHTS

The following table shows the status of our WTE plants as of the date of our Annual Report 2020:

Project	Location	Daily MSW processing capacity	Installed power generation capacity
In the operation stage:			
Eco-Tech I WTE Plant	Dongguan, Guangdong Province	1,800 tonnes	36 MW
Eco-Tech II WTE Plant	Dongguan, Guangdong Province	1,500 tonnes	50 MW
Kewei WTE Plant	Dongguan, Guangdong Province	1,800 tonnes	30 MW
China Scivest I WTE Plant	Dongguan, Guangdong Province	1,800 tonnes	42 MW
China Scivest II WTE Plant	Dongguan, Guangdong Province	1,200 tonnes	36 MW
Zhanjiang WTE Plant	Zhanjiang, Guangdong Province	1,500 tonnes	30 MW
Zhongshan I WTE Plant	Zhongshan, Guangdong Province	1,040 tonnes	24 MW
Lufeng WTE Plant	Lufeng, Guangdong Province	Phase 1: 1,200 tonnes Phase 2: 400 tonnes (Planning)	Phase 1: 30 MW Phase 2: 12 MW (Planning)
Xinyi WTE Plant	Xinyi, Guangdong Province	950 tonnes	24 MW
Xuwen WTE Plant*	Xuwen, Guangdong Province	Phase 1: 500 tonnes Phase 2: 250 tonnes	Phase 1: 12 MW Phase 2: 6 MW
Dianbai WTE Plant	Maoming, Guangdong Province	Phase 1: 1,500 tonnes Phase 2: 750 tonnes (Planning)	Phase 1: 25 MW Phase 2: 25 MW (Planning)
Shaoguan WTE Plant*	Shaoguan, Guangdong Province	Phase 1: 750 tonnes Phase 2: 350 tonnes (Planning)	Phase 1: 24 MW Phase 2: Planning
Laibin WTE Plant	Laibin, Guangxi Zhuang Autonomous Region	Phase 1: 1,000 tonnes Phase 2: 500 tonnes (Planning)	Phase 1: 24 MW Phase 2: Planning
Beiliu WTE Plant	Beiliu, Guangxi Zhuang Autonomous Region	Phase 1: 700 tonnes Phase 2: 350 tonnes	24 MW
Xingyi WTE Plant	Xingyi, Guizhou Province	Phase 1: 700 tonnes Phase 2: 500 tonnes	Phase 1: 12 MW Phase 2: 12 MW
Xinfeng WTE Plant	Xinfeng, Jiangxi Province	Phase 1: 400 tonnes Phase 2: 400 tonnes	15 MW
Zaozhuang WTE Plant*	Zaozhuang, Shandong Province	Phase 1: 1,000 tonnes Phase 2: 800 tonnes	Phase 1: 15 MW Phase 2: 15 MW
Jianyang WTE Plant*	Jianyang, Sichuan Province	Phase 1: 1,500 tonnes Phase 2: 1,500 tonnes (Planning)	Phase 1: 18 MW Phase 2: 18 MW (Planning)

* Xuwen WTE plant, phase 1 of Shaoguan WTE plant, Zaozhuang WTE plant and phase 1 of Jianyang WTE plant commenced trial and preliminary trial operation in late 2020, and the performance data of these WTE plants are excluded in this Report.



Project	Location	Daily MSW processing capacity	Installed power generation capacity
Under construction or in planning stage:			
Machong WTE Plant	Dongguan, Guangdong Province	2,250 tonnes	80 MW
Qingyuan WTE Plant	Qingyuan, Guangdong Province	Phase 1: 1,500 tonnes Phase 2: 1,000 tonnes	50 MW
Zhongshan II WTE Plant	Zhongshan, Guangdong Province	2,250 tonnes	70 MW
Huizhou WTE Plant	Huizhou, Guangdong Province	1,000 tonnes	Planning
Qiandongnan Prefecture South Area WTE Plant	Liping, Guizhou Province	Phase 1: 700 tonnes Phase 2: 350 tonnes	15 MW
Shen County WTE Plant	Shen County, Liaocheng, Shandong Province	Phase 1: 700 tonnes Phase 2: 500 tonnes	15 MW
Baoshan WTE Plant	Shanghai	3,800 tonnes	126 MW
Jingjiang WTE Plant	Jingjiang, Jiangsu Province	Phase 1: 800 tonnes Phase 2: 400 tonnes	Phase 1: 15 MW Phase 2: 7.5 MW
Taizhou WTE Plant	Taizhou, Jiangsu Province	850 tonnes	18 MW
Ruili WTE Plant	Ruili, Yunnan Province	Phase 1: 600 tonnes Phase 2: 400 tonnes	Phase 1: 15 MW Phase 2: Planning
Xiangyun WTE Plant	Xiangyun, Yunnan Province	1,000 tonnes	18 MW
Mancheng WTE Plant	Mancheng, Hebei Province	Phase 1: 500 tonnes Phase 2: 500 tonnes	24 MW
Linfen WTE Plant	Linfen, Shanxi Province	Phase 1: 800 tonnes Phase 2: 400 tonnes	Phase 1: 15 MW Phase 2: 15 MW
Hunyuan WTE Plant	Hunyuan, Shanxi Province	Phase 1: 500 tonnes Phase 2: 500 tonnes	Phase 1: 9 MW Phase 2: 9 MW
Yingkou WTE Plant	Yingkou, Liaoning Province	Phase 1: 1,500 tonnes Phase 2: 750 tonnes	Phase 1: 30 MW Phase 2: 15 MW
Changning WTE Plant	Changning, Hunan Province	Phase 1: 600 tonnes Phase 2: 400 tonnes	Phase 1: 15 MW Phase 2: Planning



SUSTAINABLE DEVELOPMENT GOALS

SUSTAINABLE DEVELOPMENT GOALS

The Group strongly supports the United Nations' Sustainable Development Goals (SDGs) by integrating them into our business strategies to enhance the awareness and encourage sustainable actions throughout the company. The Group has identified 12 SDGs that are most relevant to our business and sustainability strategy. Those specific SDGs are closely connected with our sustainable development strategy in terms of business, environment and people aspects, and are presented below.



7 AFFORDABLE AND CLEAN ENERGY



Design, build and operate WTE projects, providing a safe and technologically advanced means of waste disposal that generates clean and renewable energy.

In 2020, our Operating Projects converted 6,944,529 tonnes of MSW into energy, benefitting over 1,855,720 households.

8 DECENT WORK AND ECONOMIC GROWTH



Promote decent work and work-life balance, including sound remuneration system, benefits and subsidies, recruitments and promotions

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Enhance WTE operation through implementation of new technologies and approaches.

In 2020, some of our WTE plants had retrofitted the incinerators to allow injection of deacidifying agent (e.g. calcium oxide) into the combustion chamber, which reduces the production of acidic gases, e.g. SO₂ and HCl.

11 SUSTAINABLE CITIES AND COMMUNITIES



Provide sanitation, cleaning and collection services, general industrial waste treatment and hazardous waste disposal.



ENVIRONMENT

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
 Our contractors and suppliers are requested to uphold environmental, social and business ethics in accordance with Canvest's QHSE Management Manual and Social Responsibility Management Policy.

13 CLIMATE ACTION
 Our WTE plants contribute to the offset of GHG emissions through avoidance of methane released from landfills and GHGs generated at fossil fuel power plants.

 In 2020, our Operating Projects have sold 2,412,437 MWh of green electricity, saving 727,701 tonnes of standard coal and offsetting 4,141,898 tonnes of CO₂e emissions.

14 LIFE BELOW WATER
 In our WTE plants, leachate released from MSW are treated on-site and subsequently reused in our operations.

 During the Reporting Period, the Group has reused 84% of the treated wastewater.

15 LIFE ON LAND
 WTE is a sustainable and effective means to treat MSW by reducing approximately 90% of the waste volume, while the bottom ash can be utilised for eco-brick manufacturing, thereby the need for landfill space is greatly reduced.



PEOPLE

1 NO POVERTY
 Donate on community infrastructure projects, charities, poverty reduction, disaster relief and environmental advocacy. Our employees are also encouraged to support community projects and good causes.

4 QUALITY EDUCATION
 The general public are invited to visit our WTE plants on a monthly basis. Each of our WTE plants is equipped with a dedicated exhibition venue with interactive exhibits and a feast of multimedia tools, illustrating information related to environmental science, advanced WTE process, and sustainability.

 In 2020, our WTE projects received over 12,600 visitors in total.

5 GENDER EQUALITY
 Committed to complying with laws and regulations on the protection of rights and interests of different genders.

10 REDUCED INEQUALITIES
 Provide a work environment free of discrimination and offer equal opportunities for all, ensuring our employees are not discriminated or deprived of any opportunity due to age, gender, sexual orientation, relationship, family status, disability, race, ethnicity, nationality, economic status, religious and political beliefs.



STAKEHOLDER ENGAGEMENT





COMMUNICATION WITH STAKEHOLDERS

Canvest believes active communication and engagement with our internal and external stakeholders is an integral part of our daily operations to understand their priorities, expectations and perceptions related to sustainability issues. The Group follows the *External Communication Procedure* and *Customer Service Management Procedure* to facilitate effective communication with our stakeholders.

GRI 102-40

GRI 102-42

GRI 102-43

Our *Contractor Management Procedure* and *Supplier Management Procedure* extend the Group’s sustainability approach towards our value chain. The Procedures outline the evaluation procedures for contractors and procedures, which implemented our sustainability visions into areas including economic benefits, work quality, environmental protection and occupational health and safety.

The Group acknowledge the importance and contribution of our stakeholders’ opinion for continual improvement in our operations. Sincere communication with our stakeholders via various channels enables us to achieve a balance to meet the needs and expectations of different stakeholder groups.

Our communication channels with stakeholders include:





MATERIALITY ASSESSMENT

Our stakeholders are given with surveys to provide any feedback on Canvest’s efforts and performance on sustainability strategies, including economic, environmental and social aspects. The stakeholders are asked to classify and prioritise the topics they perceived to be important in our operations. The survey was administered by the sustainability consultant for impartiality.

Canvest’s Materiality Assessment Process



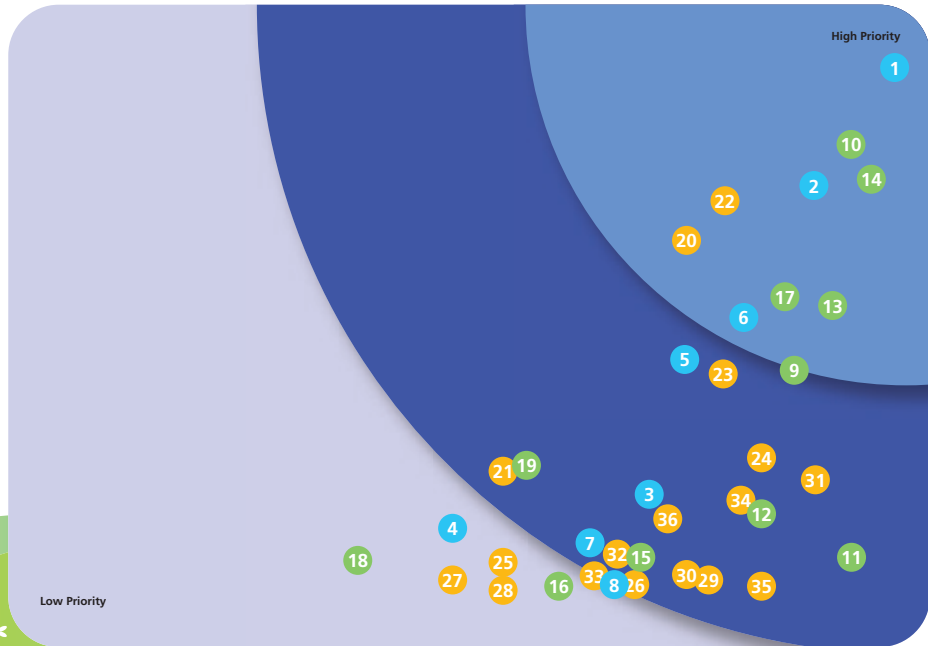
Materiality Matrix

A four-step approach is adopted to analyse, rank and validate the materiality of the relevant sustainability topics identified by stakeholders in their survey. The topics are prioritised based on the significance of the impacts and the importance to stakeholders. The materiality matrix below demonstrates the significance from left to right and importance of the topics from bottom to top. The top 10 material topics identified are addressed in detail throughout the Report.



-  GRI 102-44
-  GRI 102-46
-  GRI 102-47
-  GRI 102-49

Importance to Stakeholders



Significance of Economic, Environmental and Social Impacts

ECONOMIC	ENVIRONMENTAL	SOCIAL	
1. Economic Performance	9. Material Usage	20. Labour Practices and Employment Welfare	30. Local Communities
2. Market Presence	10. Energy Efficiency	21. Labour Relations	31. Social Compliance
3. Indirect Economic Impacts	11. Usage of Water Resources	22. Occupational Health and Safety	32. Customer Privacy
4. Procurement Practices	12. Greenhouse Gas Management and Climate Change Mitigation	23. Training and Education	33. Grievance Mechanisms for Impacts on Society
5. System Efficiency	13. Wastewater and Waste Management	24. Diversity and Equal Opportunity	34. Disaster/Emergency Planning and Response
6. Research and Development	14. Environmental Compliance	25. Supplier Social Assessment	35. Anti-Discrimination
7. Anti-Corruption	15. Supplier Environmental Assessment	26. Labour Practices Grievance Mechanisms	36. Customer Health and Safety
8. Anti-Competitive Behaviour	16. Environmental Grievance Mechanisms	27. Child Labour and Forced Labour	
	17. Environmental Education	28. Rights of Indigenous Peoples	
	18. Biodiversity	29. Human Rights Assessment	
	19. Construction Management		



STAKEHOLDER ENGAGEMENT

GRI 102-44

GRI 102-46

GRI 102-47

GRI 102-49

Canvest's Top 10 Material Topics

Material Topics and Stakeholders' Concerns	Impacts and Scope								
	Investors, Shareholders	Employees	Customers	Business Partners	Contractors, Suppliers	Industry Associations	NGOs	Media	GRI Standards
1. Economic Performance	✓	✓	✓	✓	✓	✓	✓	✓	GRI 201: Economic Performance
2. Market Presence	✓	✓	✓	✓	✓	✓		✓	GRI 202: Market Presence
3. Research and Development	✓	✓	✓	✓		✓	✓	✓	N/A
4. Material Usage	✓	✓		✓	✓	✓	✓	✓	GRI 301: Material
5. Energy Efficiency	✓	✓	✓		✓	✓	✓	✓	GRI 302: Energy
6. Wastewater and Waste Management	✓	✓	✓		✓	✓	✓	✓	GRI 306: Waste
7. Environmental Compliance	✓	✓	✓	✓		✓	✓	✓	GRI 307: Environmental Compliance
8. Environmental Education	✓	✓	✓		✓	✓	✓	✓	N/A
9. Labour Practices and Employment Welfare	✓	✓			✓	✓	✓		GRI 401: Employment
10. Occupational Health and Safety	✓	✓	✓	✓	✓	✓	✓	✓	GRI 403: Occupational Health and Safety



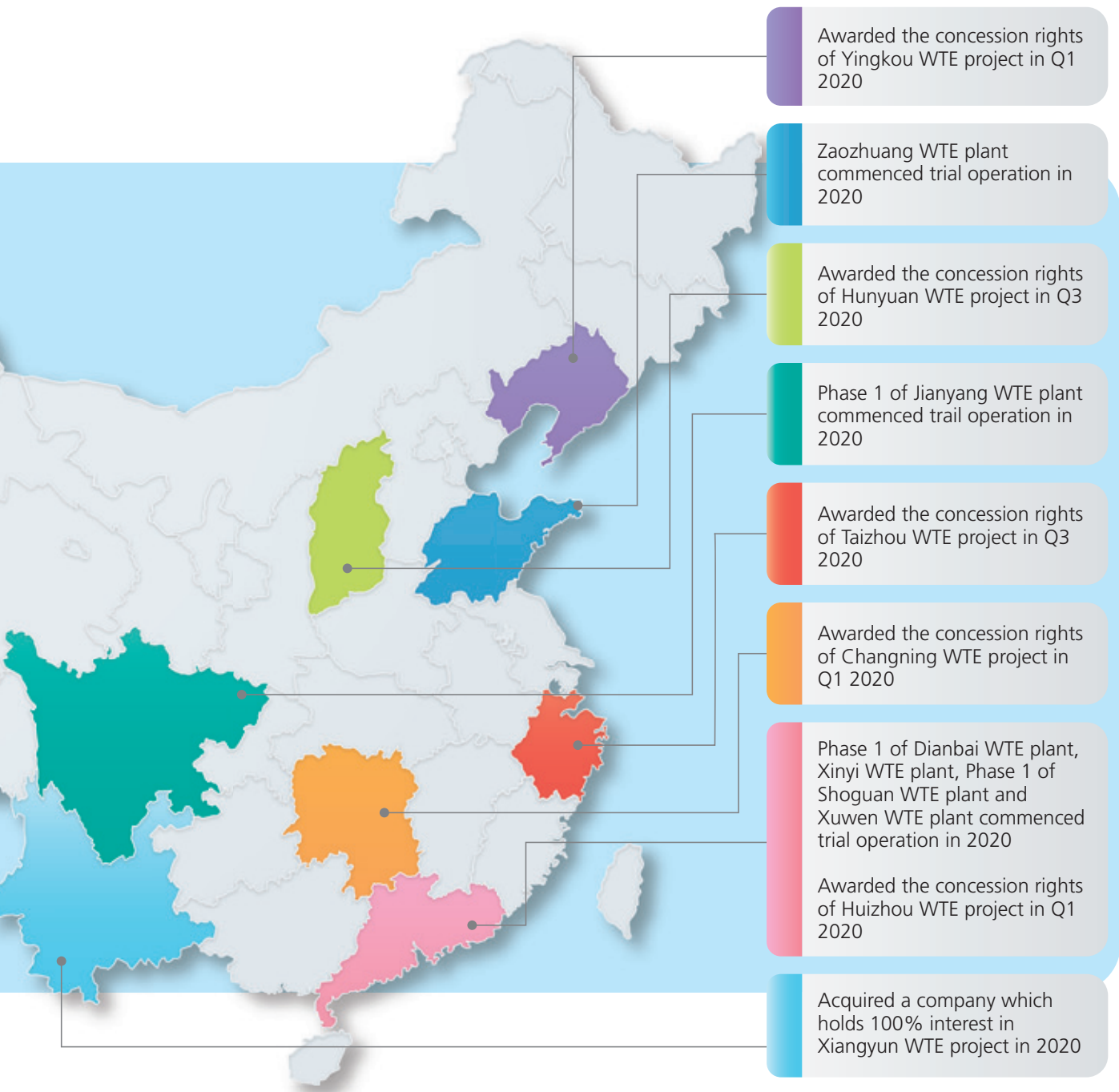


**OUR SUSTAINABLE
BUSINESS**



OUR SUSTAINABLE BUSINESS

Canvest strive to uphold and support the vision of 'Lucid Waters and Lush Mountains are Invaluable Assets'. The idea of sustainable development is deeply embedded in our daily operation of waste treatment facilities, and we pledge to reduce our greenhouse gas emissions while generating clean energy. The Group is committed to become a solution provider for integrated environmental protection and sanitation in China and embrace new business opportunities. In 2020, we continued to develop our core WTE business and further expanded the project portfolio in Yunnan Province, Jiangsu Province and Shanxi Province.





As a leading WTE operator, the Group is committed to fully comply with the latest environmental standards as well as fulfilling its corporate social responsibility. Through utilising all resources and developing new technologies, we aim to increase public awareness on environmental protection and provide a sustainable environment for both our employees and the wider community. One of the major initiatives carried out was to organise tree planting event for every WTE plant to promote the benefits of greeneries, including noise reduction, temperature cooling, absorption of carbon dioxide, and creating harmony with the surrounding environment.

In the face of the COVID-19 outbreak, the Group has promptly adopted prevention control measures to maintain normal operation of our plants on the basis of protecting the health and safety of our staff. In addition, the Group worked closely with local governments to provide timely treatment of non-hazardous medical wastes to prevent secondary transmission of viruses and safeguard the well-being of the public.

CORPORATE GOVERNANCE

Canvest strongly believes that in order to ensure high level of credibility and transparency, it is essential to establish sustainable corporate governance practices and procedures, which would strengthen the confidence of the public and shareholders.

Our Board of Directors (“the Board”) is actively engaged in formulating and implementing our sustainability strategy. As at 31 December 2020, the Board comprises of 10 directors in total, with 4 executive directors, 2 non-executive directors and 4 independent non-executive directors, overseeing different functions to protect the interest of our stakeholders.

The Board oversees our sustainability performance and provides oversight of our risk management, including our management of climate-related risks. Particularly, there may be increasing amount of uncertainties and risks resulting from climate change, including rise in materials cost, more frequent extreme weather events that may impact our operation and potential financial cost due to more stringent legislation on the waste treatment sector. Therefore, the Group will include climate-related risks into our risk management and enhance our preparedness to ensure smooth operation despite under unpredictable circumstances. As a responsible corporate, the Group is committed to address the global crisis through the incorporation of SDGs into our sustainability strategies and improvement in WTE technologies.



4

Executive Directors



2

Non-Executive Directors



4

Independent Non-Executive Directors



Board Structure



Additional information on the Group's corporate structure, core business and corporate governance can be found in the Group's Annual Reports and announcements.

To strengthen the management of the Group's sustainable development and enhance the implementation of our strategies, the Group has set up the Strategy and Sustainability Working Team in July 2021 to co-ordinate the internal and external implementation of the Group's sustainable development strategies, promote cross-departmental communication, and supervise and guide project companies to achieve strategic and sustainable development targets. The Working Team arranges regular meeting and regularly reports on the implementation status of the Group's strategic and sustainable development targets.

To align the sustainability goals of the Company with the interest of Executive Directors, an incentive pay linked to sustainability has been set up in this regard. The bonus of Executive Directors may increase or decrease depends on the completion progress of sustainability goals.



ANTI-CORRUPTION AND INTEGRITY

Canvest highly prioritise the execution of anti-corruption policy across all project companies and deems to advocate the highest standard of integrity and ethics. In order to maintain a zero-tolerance policy on unethical behaviours, our *Anti-Corruption and Anti-Bribery Management Procedure* clearly stated the description of each type of unethical behaviours, including definitions and examples of behaviour that may be considered as corruption and bribery to ensure our employees understand how to avoid conflict of interest, bribery, extortion, fraud and money laundering. The Procedure also provides suitable and confidential communication channels for our employees to report any suspicion of corruption and bribery.

In addition, the Group adheres to all applicable regulations and laws, including the *Anti-Unfair Competition Law of the PRC*, *Criminal Law of the PRC* and *Prevention of Bribery Ordinance* of Hong Kong. We strictly forbid activities in relation to bribery, extortion, fraud and money laundering, and the Audit Committee is responsible for conducting corruption risk assessments for all project companies.

Canvest acknowledge the importance of the protection of intellectual property rights by strictly adhering to all applicable laws and regulations. In addition, the Group utilise a secure independent server for internal communication system for the provision of high-level confidentiality and stable file transmission. These measures ensure the safe protection of the Group's as well as stakeholders' rights and interests.

PROMOTING INTEGRITY CULTURE

In order to strengthen business ethics and promote the culture of anti-corruption across the Group, the Leading Group for Integrity Culture Promotion, led by our Executive Director, was established to set out the overall direction and guidelines on promoting integrity culture at the Group level. Meanwhile, the Office of Integrity Culture was established, which is led by the headquarters' Human Resource Manager and is responsible for organising training activities regarding corporate and public ethics at project level. April 2020 was designated as the first "Canvest's Integrity Culture Promotion Month" to advocate integrity culture by carrying out different activities at the workplace by the designated staffs from administration department. In addition, for the purposes of transparency, the Group put the relevant business ethics policies and practices on the website of the Company.

Canvest's Integrity Culture Promotion Month in 2020

The Office of Integrity Culture Promotion had distributed reading material to all employees and carried out "Canvest's Integrity Culture Knowledge Quiz" online to enhance the employees' understanding on business ethics and anti-corruption. The Office had also organised a writing event "Reading and Integrity" to encourage employees to share their thoughts on anti-corruption and how they integrate that in everyday life.





QUALITY, HEALTH, SAFETY AND ENVIRONMENT MANAGEMENT SYSTEM

Canvest regards health and safety as well as environmental protection as essential components of our business. With increasingly stringent legislations in place, we actively reform and develop our environmental management systems to align with national environmental laws and policies, and we are devoted to lead the WTE industry in the implementation of environmental and sustainable management with high standards.



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

Since 2015, Canvest has established and implemented the quality, health, safety and environment (QHSE) management system. The *QHSE Management Manual* is formed in accordance to the requirements of ISO9001, ISO14001 and OHSAS18001/ISO45001, covering our daily WTE operations and other related services. Canvest strive to continually improve its quality services, environmental management and occupational health and safety management within the framework of the Manual.

Our QHSE Management System provides a guidance on environmental management and risk identification and assessment. With the system in place, it significantly enhances the Group's reputation and competitiveness with the assurance of good quality environmental management and occupational health and safety performance for our stakeholders.



Social Responsibility Management Policy

Canvest has established the *Social Responsibility Management Manual* according to the SA8000 standards as well as relevant laws and regulations since 2015. The Manual set out the proper procedures for uphold safety and ethical behaviour throughout our operations and supply chain management.

Internal Audit

In order to ensure our QHSE Management System is effectively implemented and up to standards and expectations, the Group carries out annual internal audits with fair and impartial judgement. The audits assist to enhance the awareness and strengthen the management structure within the Group. We strictly adhere to our *Internal Audit Control Procedure*, which covers the scope and responsibility of the internal audit department and stipulates the internal audit procedures.



QHSE Risk Assessment

The Group considers risk management as a measure to identify and explore business opportunities. Since 2016, we established the Risk Identification, Assess and Control Procedure to help us in identifying and assessing the potential risks in our business operations. We follow a three-stage approach to further improve our QHSE management performance. It enables the Group to develop strategies for remedial actions and increase competitiveness in the WTE industry.

Potential Risk Sources and Our Focus Areas



Product Risk

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



Environmental Risk

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



Management Risk

- Human resources management
- Procurement management



Occupational Health and Safety Risk

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



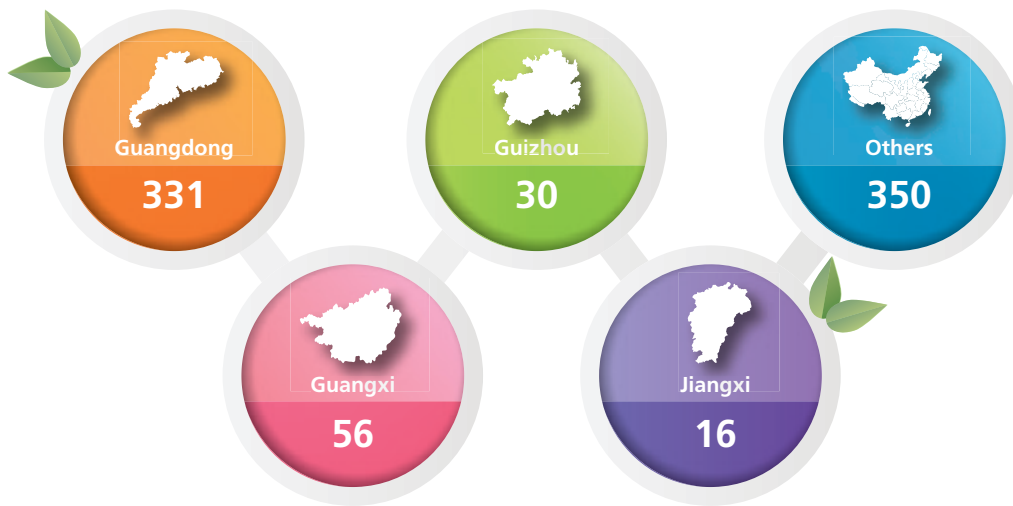


SUPPLY CHAIN MANAGEMENT

The engagement with wide range of suppliers impacts the implementation of the Group’s sustainability strategies, therefore we have extended our social and environmental management towards our value chain. The Group has adopted standardised procedures, including the *Tender Management Procedure* and *Business Contract Management Procedure*, specifying the tender procedure and contract administration process, to ensure our suppliers and contractors maintain high level of integrity and ethical standards. In 2020, the Group procured from a total of 783 suppliers for our WTE projects with a total supply value of RMB5.7 billion. For our operating projects, the Group procured from a total of 391 suppliers with a total supply value of RMB0.5 billion.

Canvest actively contributes to supporting local economic development and promoting circular economy through procurement from suppliers in the same provinces as our operating projects. The Group believes this could significantly benefit the development of WTE and environmental protection business, while achieving steady business growth. In 2020, our Operating Projects are located in Guangdong Province, Guangxi Zhuang Autonomous Region, Guizhou Province and Jiangxi Province, and 65% of the total supply value was from local suppliers from these regions.

Number of Suppliers, by Geographical Region



Sustainable Procurement

In order to ensure the products and services we procure are sustainable with lowest environmental impact and most positive social result, the Group practises sustainable procurement and applies sustainable business strategy in supply chain management. Our procurement processes are closely monitored to assess the quality of the service and financial capability of our tenderers. The Group aims to ensure and continually improve the overall performance on compliance with environmental and occupational health and safety standards and regulations for promoting sustainable development in the WTE industry. All of our contractors and suppliers are also expected to strictly adhere to our *QHSE Management Manual* and *Social Responsibility Management Manual* which include the prohibitions of our contractors and suppliers to employ child labour, forced labour, practice of corruption and bribery, etc.

Within Canvest, the practice of robust environmental management system is incorporated in our suppliers with 46% of them certified to ISO14001 Environmental Management System and 38% of our suppliers are certified to OHSAS18001/ISO45001 Occupational Health and Safety Management System in 2020.



WTE PRODUCTION CONTROL

The Group strives to continually reduce our energy consumption and uphold high operating standards to fulfil the mission of “protect the blue sky and clean water and build a beautiful home”. The Group formulated the *Production Equipment Control Procedure* to enhance the management and maintenance of our production equipment, and to address the potential risks result from aging equipment. Regular maintenance, inspection and assessment are carried out to identify and detect any anomalies in operation performance or potential premature failure of equipment. Suitable mitigation measures are implemented to sustain and improve operational efficiency as well as minimise the risk of unplanned disruptions to our operations.

The outbreak of COVID-19 posed new threat to our operation control. The Group has and will continue to closely monitor and review the relevant response actions to ensure smooth operation of all our WTE projects and safeguard the health and safety of the community.



Emergency Preparedness and Response

The *Emergency Preparedness and Response Control Procedure* was established to strengthen our emergency response capacity and reliability. The Procedure provides guidance for our employees to build up resilience towards emergency events, including personal injury and accident, fire, chemical spill, explosion, power outage, environmental accident, natural disaster, outbreak of infectious diseases and food poisoning.





OUR

ENVIRONMENT



Protecting the environment and natural resources, combating climate change and promoting sustainable environmental practices are all strategic factors in planning, developing and executing our business operation. It is Canvest's precise responsibility to ensure continuous and safe operation, especially during the outbreak of COVID-19 pandemic, by applying best available technologies and strictly complying with all relevant environmental regulations and standards. We pledge to promote the conservation and effective utilisation of resources, including water, fuel and other natural resources. We put significant attention to achieving minimal pollution and waste generation from our projects. During the Reporting Period, some of our operating WTE projects attained ISO9001, ISO14001 and OHSAS18001/ISO45001 management system certifications.

AIR EMISSIONS

Our main operation involves incineration which produces emissions that may have potential negative environmental impacts to the surrounding area. Being a by-product generated from the incineration process, flue gas is comprised of a variety of air pollutants, namely particulate matter, heavy metals, persistent organic compounds, acid and other gases. Therefore, we have rigid continuous emission monitoring system (CEMS) of flue gas to ensure we are compliant with applicable regulations such as *Emission Standard of Air Pollutants for Boilers (DB 44/765-2019)*. The incineration process is controlled with intricate temperature control system and advanced flue gas treatment technologies in accordance to the Group's standardised procedures such as the *Operation Environmental Control Procedure* and *Production and Operation Management Procedure*. As the concerns towards climate change related issues have grown in recent years, we strive to continually improve our air emission control technologies to follow the trend of increasingly stringent national and international emission standards. At the same time, we have also reduced carbon emissions in accordance with long-term goals to meet the timeline of the United Nations' SDGs.

Technical Upgrade to Further Reduce Emissions

Due to the complex nature of the types of wastes received at Zhanjiang WTE plant, the flue gas generated from the incineration process is highly acidic with high content of hydrogen chloride (HCl) and sulphur dioxide (SO₂). Following the success of mixing deacidifying agent with MSW at the Laibin WTE plant, Zhanjiang WTE plant had launched a pilot test in late 2019 to assess the applicability of utilising deacidifying agent such as calcium oxide (CaO) in reducing the emissions of HCl and SO₂.

Different from mixing of white mud into MSW at the Laibin WTE plant, the incinerators at Zhanjiang WTE plant were retrofitted to allow injection of CaO into the combustion chamber. CaO would react with the flue gas in the combustion chamber and serve as a pre-treatment of flue gas by reducing the production of acidic gases prior to the flue gas treatment process. After the retrofitting works, positive results were shown as a high rate of deacidification was achieved, which allowed the operators to better control the air emission level. Furthermore, the consumption of chemical agents used in the flue gas treatment process and production of fly ash also significantly reduced.

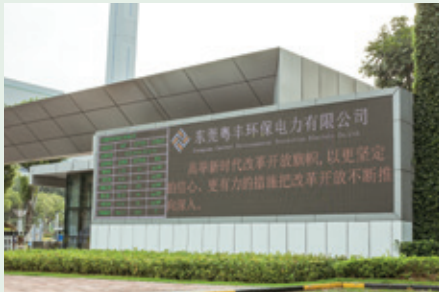
In 2020, certain number of other WTE projects had also retrofitted the incinerators to allow injection of CaO into the combustion chamber.



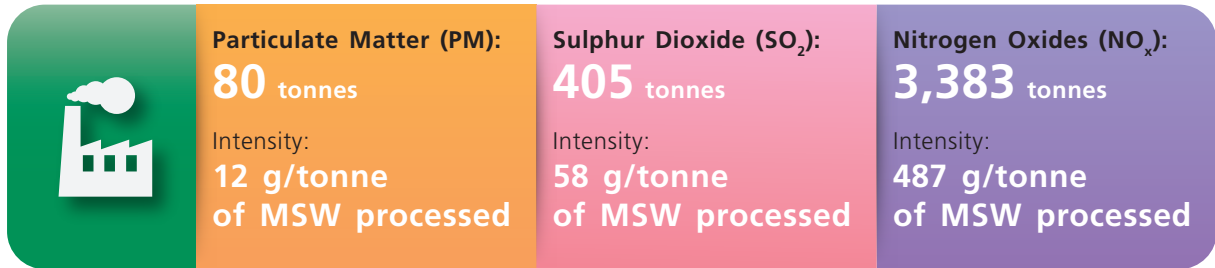


Public Disclosure of Emissions Data

Adhering to the principle of information transparency within the Group, real-time flue gas emission data are displayed at the gate of each of our operating plants. Such information is also accessible via our corporate website to encourage public supervision, further demonstrating our unwavering commitments to our society and environment.



Air Emission from Operating Projects in 2020



WASTE MANAGEMENT

As one of the leading waste management operators, it is our responsibility to avoid generation of waste during our operation via efficient management measures and maximise recovery of useful materials. The majority of the wastes consist of fly ash from flue gas treatment, bottom ash from the incineration processes, and sludge from wastewater treatment processes. We adhere to the Group's *Operation Environmental Control Procedure* and *Production & Operation Management Procedure* for the control measures on all effluents, hazardous and non-hazardous waste resulting from our operations, thus reducing waste generation and pollution to surrounding environment. Nevertheless, we will continue to explore measures to further reduce waste generation in our daily operations and improve our waste management performance.

Fly Ash Treatment Measures

Fly ash contains high content of heavy metals and dioxins, therefore require specialised treatment and storage procedures in accordance with the *Standard for Pollution Control on Hazardous Waste Storage (GB18597-2001)*. As air is drawn through the baghouse, particulate matter from the combustion gases as well as chemicals added for air quality control including activated carbon and lime are removed and are then discharged from the bottom of the baghouse as fly ash. Chelating agent and cement are added to stabilise and solidify the fly ash before disposal at designated landfill as required by the *Standard for Pollution Control on Landfill Site of Municipal Solid Waste (GB16889-2008)*.



Solid Waste Treatment Measures

Generation of bottom ash is imperative during the combustion process. In 2020, bottom ash consists of 92% of the total solid waste generated from the operation. Since bottom ash is a non-hazardous inert material, it is recovered to be used for the production of eco-bricks. The collection, transportation and treatment of bottom ash conform with the *Standard for Pollution Control on the Storage and Disposal Site for General Industrial Solid Wastes (GB18599–2001)*.

Production of Eco Bricks



Bottom ash is thoroughly mixed with cement, chelating agent, stone dust and sand, then compressed by a molding machine to produce eco-bricks.

Benefits:

- ✔ Does not require high-temperature combustion process
- ✔ High strength and durability
- ✔ Can be used for road paving or construction of brick wall



Bottom Ash Discharged from Incinerators

Metal Recovery



Scrap metals are sorted and separated from the bottom ash for recycling and further processing.

Benefits:

- ✔ Reduce GHGs emission and energy consumption for production of products using virgin materials
- ✔ Reduce exploitation of virgin metal resources for production process
- ✔ Encourage full utilisation of valuable natural resources
- ✔ Promote conservation of natural resources



Sludge Treatment Measures

Apart from the fly ash and bottom ash generated during the incineration process, sludge is generated from the leachate treatment process within our WTE plants. By utilising sludge dewatering equipment, the excess water content in the sludge is removed and the sludge cake produced after treatment is sent back to the incinerator for thermal destruction whereas the separated wastewater undergoes leachate treatment process again.

Waste Generated from Operating Projects in 2020 ^a	
<p>Hazardous Waste</p> <p>Fly ash before stabilisation: 124,384 tonnes</p> <p>Other hazardous waste: 16 tonnes</p> <p>Total hazardous waste generated: 124,400 tonnes</p> <p>Intensity: 0.052 tonnes/MWh of electricity sold</p>	<p>Non-hazardous Waste</p> <p>Bottom ash: 1,517,896 tonnes</p> <p>General refuse: 413 tonnes</p> <p>Total non-hazardous waste generated: 1,518,309 tonnes</p> <p>Intensity: 0.629 tonnes/MWh of electricity sold</p>

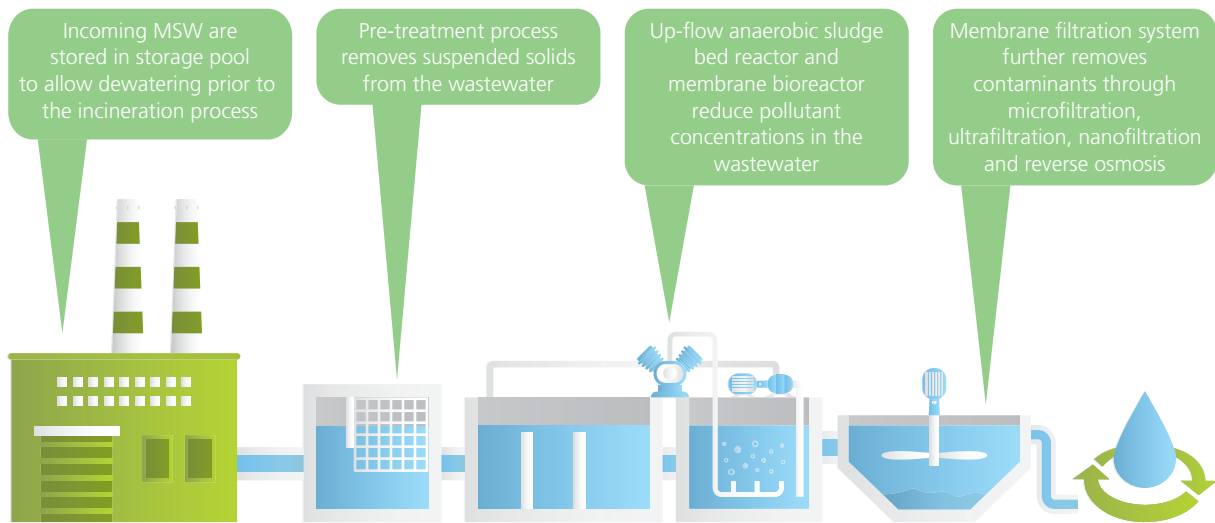
Notes:

- a. Fly ash itself is a by-product of flue gas treatment that comprises the captured pollutants as well as the materials used for flue gas treatment such as lime and activated carbon. The amount of fly ash generated indicates the amount of pollutants removed from the air from our flue gas treatment system. Meanwhile, the generation of bottom ash depends on the inert content of incoming MSW, which is beyond Canvest's control.

WASTEWATER TREATMENT

Removal of excess water content from incoming MSW prior to the incineration process is essential to ensure excellent burnout of the MSW. The leachate separated from MSW during this process is then delivered to the on-site leachate treatment plant, which is designed and operated to comply with *The Reuse of Urban Recycling Water — Water Quality Standard for Industrial Uses (GB/T19923-2005)* and *The Reuse of Urban Recycling Water — Water Quality Standard for Urban Miscellaneous Water Consumption (GB/T18920-2002)*. During the Reporting Period, the Operating Projects treated 711,717 tonnes of raw leachate with COD discharge reduction of approximately 23,137 tonnes.






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

Treated Effluents from Operating Projects in 2020		
Reuse within WTE plants	Discharge to Municipal Wastewater Treatment Plants	Total Treated Effluents
434,231 m ³	+ 81,166 m ³	= 515,397 m ³


ODOUR CONTROL

At Canvest, we adopt high-standard operation practices at all of our WTE plants to mitigate odour impacts to our employees and the public. We strictly maintain our emission to be within the odour pollutants concentration limits under the *Emission Standards for Odour Pollutants (GB14554-1993)*. In addition, for odour control purpose, all of our MSW storage pools have adopted fully enclosed structural design.


Odour Control Measures



Our MSW storage pools are maintained at negative pressure to prevent fugitive release of odour.



Extraction and diversion of odourous pollutants to the incinerator using forced draft fans. Odourous pollutants are utilised as combustion gas and destroyed through thermal destruction.



During maintenance of incinerator, odourous gas is treated by activated carbon filters.

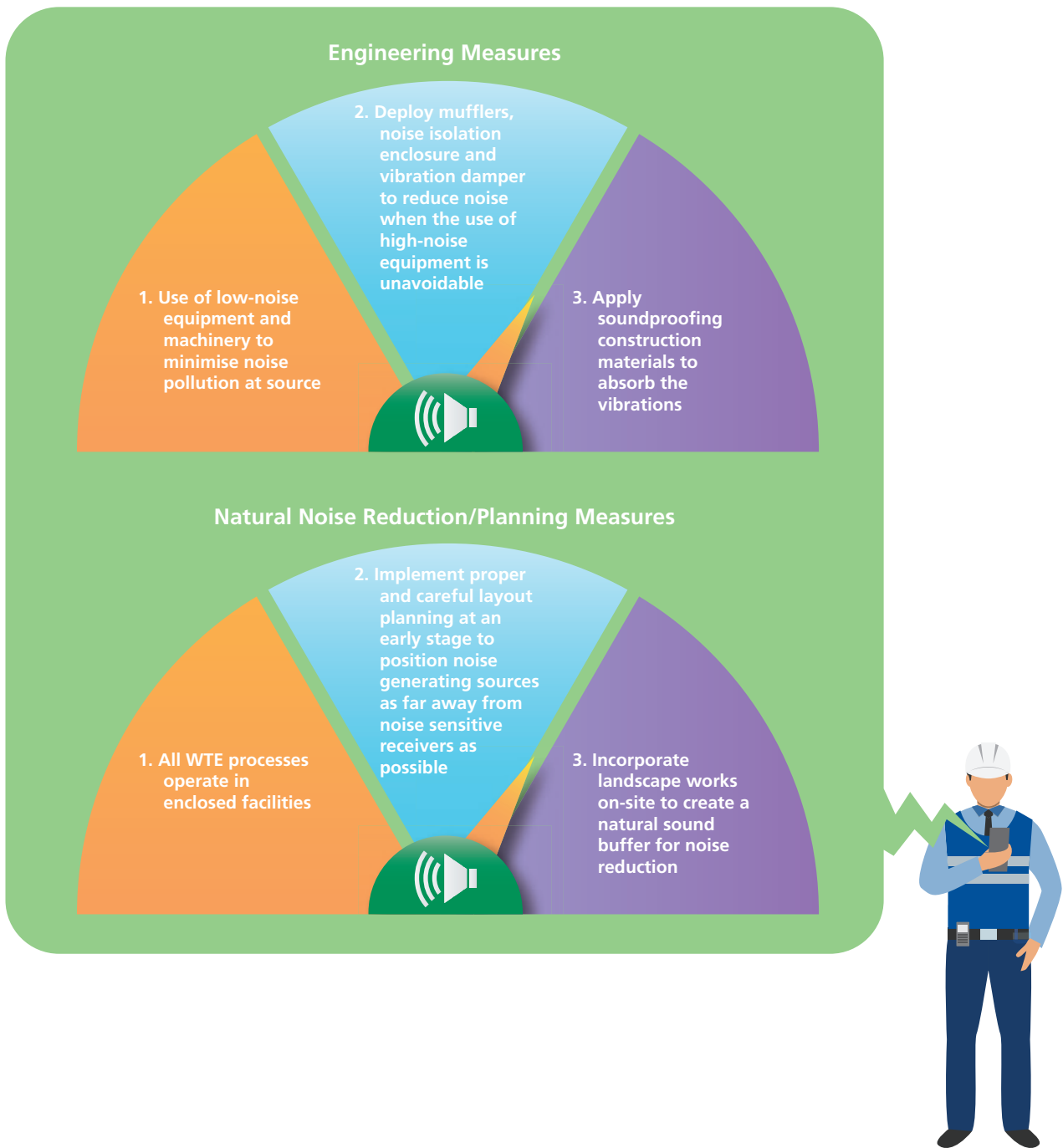




NOISE CONTROL

In order to guarantee health and safety of the community and reduce impacts of the typical activities of our operations on the external environment, such as noise and vibration created by our equipment and machinery, we adopt the best practices to mitigate the noise impacts and strictly follow the requirements stipulated in the *Hygienic Standard for the Design of Industrial Enterprises (GBZ1-2010)* and *Emission Standard for Industrial Enterprises Noise at Boundary (GB12348-2008)*.

Noise Control Measures





USE OF RESOURCES

The Group aims to promote low carbon culture in the industry by setting as an example to effectively use natural resources including fuel oil, natural gas and water. In order to enhance energy saving in our WTE plants and maximise electricity generation efficiency, we follow the Group's *Implementation Measures for Energy Saving of Power Plant*, which stipulates specific requirements and implementation measures to achieve annual energy saving targets. Comprehensive resource utilisation strategies are also implemented by adhering to our *Resource Control Procedure* and *Social Responsibility Guidelines — Requirements on the Use of Electricity and Requirements on the Use of Water*. In addition, we strongly encourage our employees to practise sustainable measures to reduce energy consumption in daily operations.

Total Fuel Consumption Management

Optimising resource and material use enable us to play our part in the circular economy. In order to effectively manage our long-term fuel consumption, detailed records of resources and material consumption for all of our WTE projects are well documented. The quantity of fuel and electricity consumed by major equipment are collected and analysed to monitor the energy efficiencies of our WTE projects. To further reduce the risk of equipment failure or decline in energy efficiency, regular inspection and maintenance are carried to ensure our equipment is in good operating conditions. Nevertheless, we strive to achieve better energy efficiency through actively exploring solutions for higher energy efficiency and technological advancement.

Direct Energy Consumption of Operating Projects in 2020*		
Fuel Consumption	Energy Consumption	Total Energy Consumed:
Fuel oil: 54,736 GJ	Electricity: 1,170,571 GJ	1,252,625 GJ
Natural gas: 27,318 GJ	+	= Energy intensity:
		0.180 GJ/tonne of MSW processed

* Energy consumption is calculated based on the conversion factors provided in *China Energy Statistical Yearbook 2020*.

Key Materials Consumption of Operating Projects in 2020 (tonne)			
Lime	Activated Carbon	Urea	Ammonia Water
41,377	3,312	5,532	4,770
PNCR Material	Hydrochloric Acid	Sodium Bicarbonate	Coagulant and Flocculant
202	697	78	163



Sustainable Water Management

Water consumption is essential for Canvest’s operation and while our business is rapidly expanding, we have kept in mind the finite nature of water resources. The Group strictly follows the statutory requirement to carry out environmental impact assessment on the local water resources and take water stress, water conflicts and water supply risks into consideration for sustainable water management. Wastewater generated from the WTE processes are collected and treated on-site based on the standards of *The Reuse of Urban Recycling Water — Water Quality Standard for Industrial Uses (GB/T19923–2005)* and the *Integrated Wastewater Discharge Standard (GB8978–1996)*. Treated wastewater can be reused in our operations as cooling water, irrigation water for landscaping or water for garbage truck washing. Through increasing recycling rate of treated wastewater and reduction in overall water consumption, we aim to achieve improvement in our water management performance in the long-term.



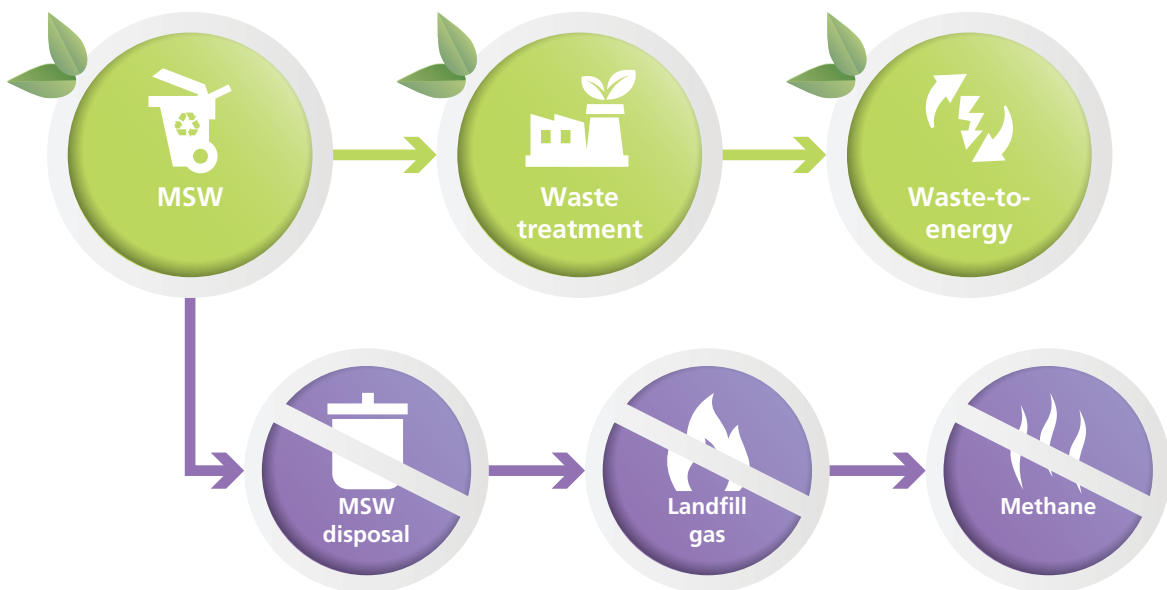
REDUCTION OF GHG EMISSIONS

Waste-to-energy is an important part of the overall sustainable waste management approach to combat climate change as it reduces our reliance on fossil-based energy and reduces GHG emissions relative to landfilling, which emits methane that has high global warming potential. To measure our performance in GHG emission and reduction, we adopt the methodology as stated in Clean Development Mechanism (CDM) of the United Nations Framework Convention on Climate Change (UNFCCC) to calculate and offset GHG emissions from our Operating Projects. The GHG emission calculation methodologies account for CO₂ equivalent emitted from fossil fuels used for electricity generation, emissions from the combustion of MSW, and methane released from the wastewater treatment process. Nonetheless, to expand GHG accountability, transparency and management across our value chain, we have expanded the reporting scope this year by including emissions from downstream transportation and distribution activities (e.g. delivering of bottom ash to downstream contractors for utilisation, delivering of stabilised fly ash to designated landfill for safe disposal, etc.).



GHG Emissions		
Scope 1: Direct Emissions <ul style="list-style-type: none"> Waste incineration and leachate treatment process Fuel oil and natural gas used for operation 	Scope 2: Energy Indirection Emissions <ul style="list-style-type: none"> Non-renewable electricity used for operation 	Scope 3: Other Indirect Emissions <ul style="list-style-type: none"> Air travel by employees Downstream logistics activities

Meanwhile, the GHG offset refers to the avoidance of methane emission in association with landfills and the displacement of conventional fossil fuel power usage resulting from the electricity generated from our WTE plants.



In 2020, our Operating Projects have processed 6,944,529 tonnes of MSW, representing a year-to-year increase of 17%, and has supplied 2,412,437,149 kWh of green electricity to the grid, saving 727,701 tonnes of standard coal and offsetting 4,141,898 tonnes of carbon dioxide equivalent emissions.



ENVIRONMENTAL CONSERVATION

As part of our vision for protecting the future, Canvest is determined to minimise the environmental impacts from our WTE operations. The Group has formulated the *Environmental Factors Identification, Evaluation and Control Procedure* to list out the guidance on identification and evaluation of potential environmental impacts from our operation processes and the essential actions for the effective control of the identified impacts. All emissions and effluents generated from our WTE projects are strictly monitored and adequately treated in compliance with prevailing environmental laws and regulations. Our work today already puts us in a leadership position in ensuring the avoidance of generating adverse environmental impacts to the surrounding and promote the culture of environmental conservation.



Planting with Hopes to Welcome Spring

Canvest has always been committed to holding tree planting activities among our project companies. In 2020, over 560 employees had helped to beautify the area by removing unwanted grass and weed, preparing the ground for seeding, and planting different species of shrubs and trees. These events not only create a pleasant scenery for everyone to enjoy, but also foster a culture of environmental conservation within the workplace.



CLIMATE RISK ASSESSMENT

Emerging waste management trends, regulations and technologies may present business risks but also market opportunities. The Group is always looking for new collaborative ways to address climate change, reduce pollution and demonstrate community leadership in driving sustainable development. Since 2019, Canvest has carried out climate risk assessment to identify potential significant climate-related risks and opportunities for our operations. The assessment follows the recommendations from the Task Force on Climate-related Financial Disclosures (“TCFD”) and is conducted based on the following categories — Governance, Strategy, Risk Management and Metrics and Targets. In addition, the Hong Kong Stock Exchange’s consultation paper on *Review of the Environmental, Social and Governance Reporting Guide and Related Listing Rules* has introduced a new aspect (subject to “comply or explain”) that requires disclosure of the significant climate-related issues which have impacted, and those which may impact the issuer, and the actions taken to manage them.

Climate Adaptation and Resiliency

The Group have implemented the *Management System Against Typhoons and Floods* to improve Canvest’s resilience towards natural disasters including typhoons and floods and reduce financial and safety risks posed to our WTE plants. We have also set up an Emergency Control Centre and Task Force Against Typhoons and Floods for enhancing our emergency preparedness against extreme weather events.



Precautionary and mitigation measures for typhoons and floods



The Task Force Against Typhoons and Floods would check the sufficiency of precautionary resources and emergency kits. They will direct the responsible department to replenish such resources if deficit is found.



The Operational Management Department would remove waste and materials stockpiled in exposed areas to prevent them to be blown and pose threats to people.



Safety inspection would be carried out in the operational site and office to identify any seepage or water leakage occurred inside the plant rooms, pump rooms, booster stations, etc. Drainage systems would be inspected regularly, and where leakage, blockage or defects are detected, they should be rectified immediately.



After typhoon or flood, responsible department would record and report the losses to the Environmental Safety Department.

Regular Typhoons and Floods Control Emergency Response Drills

Our project companies regularly hold typhoon and flood control drills to raise employees' safety awareness of severe convective weather, and improve the organisation, coordination and emergency rescue capabilities of all departments to respond to emergencies such as typhoons, rainstorms, and severe convective weather.





OUR PEOPLE





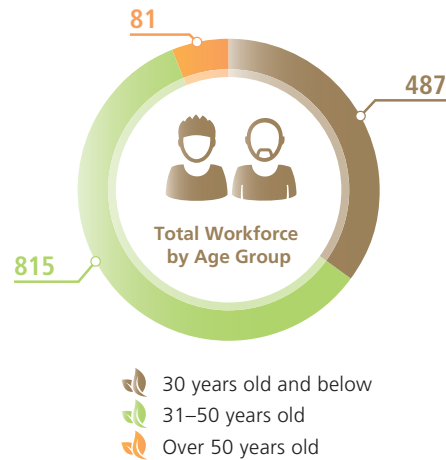
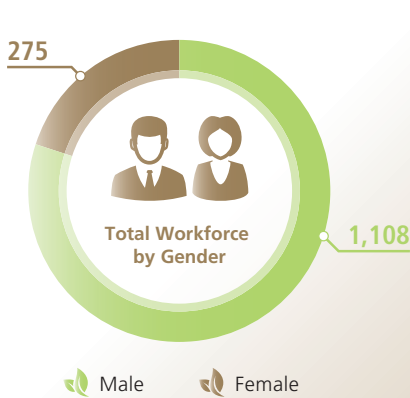
INCLUSIVE WORKING ENVIRONMENT

Our dedicated workforce drives our business and our success. We attract and hire the best talent to build high-performing teams and foster diversity and inclusion of all employees. We also seek to invest in our employees and aim to provide them with rewarding career paths so as to develop a diverse industry-leading team.

The Group strictly adheres to the *Labour Law of the PRC* to protect the legal rights and interests of labour and to create and maintain an open, respectful and equitable working environment. The Group's *Social Responsibility Management Policy* is in line with the SA8000 Social Accountability Standard, ensuring all applicable labour requirements are integrated into our corporate culture. We strive to continually improve the welfare of the employees and ensure that the Group's operations comply with national and international standards.

As of 31 December 2020, our WTE projects employed a total of 1,383 staff, with all of them being full-time and permanent, comprising a significant proportion of technicians and operational workers.

Workforce Demographics of WTE Projects in 2020





Our Approach in Protecting the Rights and Interest of Employees

Employment Policy	<ul style="list-style-type: none"> To ensure the Group and its employees abide by relevant laws and regulations, including the <i>Labour Law of the PRC</i> and the <i>Employment Ordinance of Hong Kong</i>
Anti-Discrimination Procedure	<ul style="list-style-type: none"> To ensure all our employees receive fair wage, fair benefits, fair working hours and fair treatment regardless of gender, age, ethnic origin, religion, political affiliation and nationality
Prohibition of Child Labour and Remedial Procedure and Elimination of Forced Labour Procedure	<ul style="list-style-type: none"> To ensure child and forced labour is prevented
Grievance and Compliant Procedures	<ul style="list-style-type: none"> To investigate and respond to any employee’s grievance in a timely manner in addition to quarterly meetings with employees’ representatives To report concerns, employees can contact the head of their respective departments or make a report through our whistleblowing platform. A mailbox for handling complaints is set up at each of the operating projects and handled by the senior management directly. Confidentiality is ensured at all steps to protect all persons from reprisal or disadvantage as a result of making a report
Anti-Corruption and Anti-Bribery Management Procedure	<ul style="list-style-type: none"> To provide guidance on each type of unethical behaviours and ensure our employees understand how to avoid bribery, extortion, fraud and money laundering with oversight from the Board
Freedom of Association and Collective Bargaining Procedure	<ul style="list-style-type: none"> To ensure our employees have the rights to form and participate in trade unions and collective bargaining





ENGAGEMENT AND RETENTION

Engaging our employees is at the heart of our strategy to ensure a high-performing and resilient workforce. To create an open and supportive workplace environment where our employees can thrive, we offer employees engagement opportunities, recognition for excellence and competitive compensation and benefits. We follow the Group’s requirements on compensation and dismissal, working hours, rest periods, and other benefits and welfare for employees as stated in the *Human Resources Control Procedure*. We have established a comprehensive human resources management system and provide clear guidelines on the recruitment and promotion via policies such as the *Employment Procedure*.



Remuneration System

- ☛ Comply fully with any local legal requirement with respect to minimum wage
-
- ☛ Provide incentivised, performance-based remuneration



Benefits and Subsidies

- ☛ Beyond the provision of basic employee benefits such as insurance and housing fund, Canvest also provides accident insurance, transport subsidies, meal allowances, holiday allowances, and health checkups, etc.



Recruitments and Promotions

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



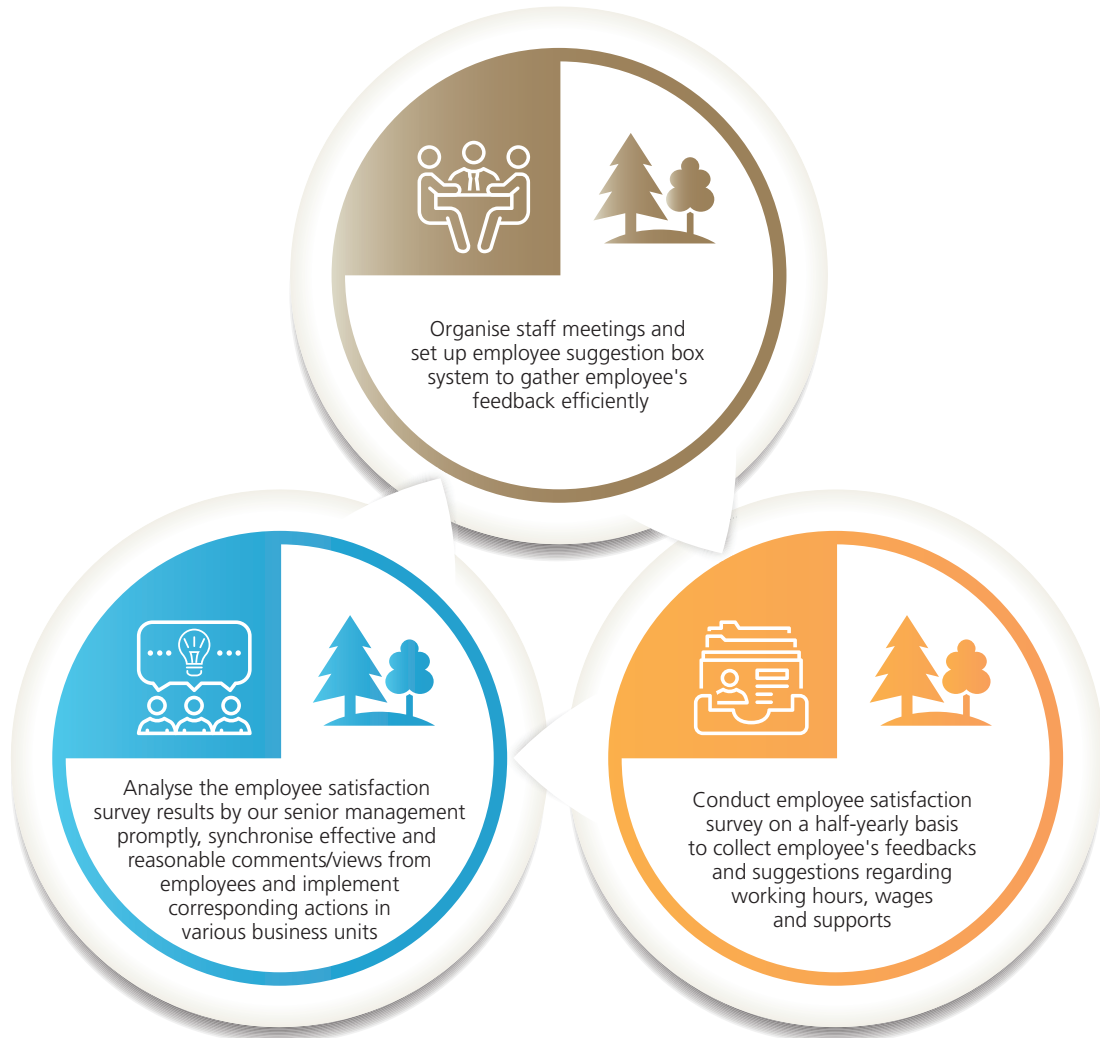
Work-Life Balance

- ☛ All of our employees are entitled to maternity/paternity leave in accordance with local statutory requirements



OUR PEOPLE

Continuous engagement with our employees and finding effective methods to gather their input and feedback are an important part of Canvest's culture. We want our people to feel valued, supported and empowered to be successful. On a regular basis throughout the year, we identify meaningful ways to connect with our employees and to gather their input and suggestions, including:



As of 31 December 2020, no grievance or complaints from employees was received.

Employee Entry and Turnover

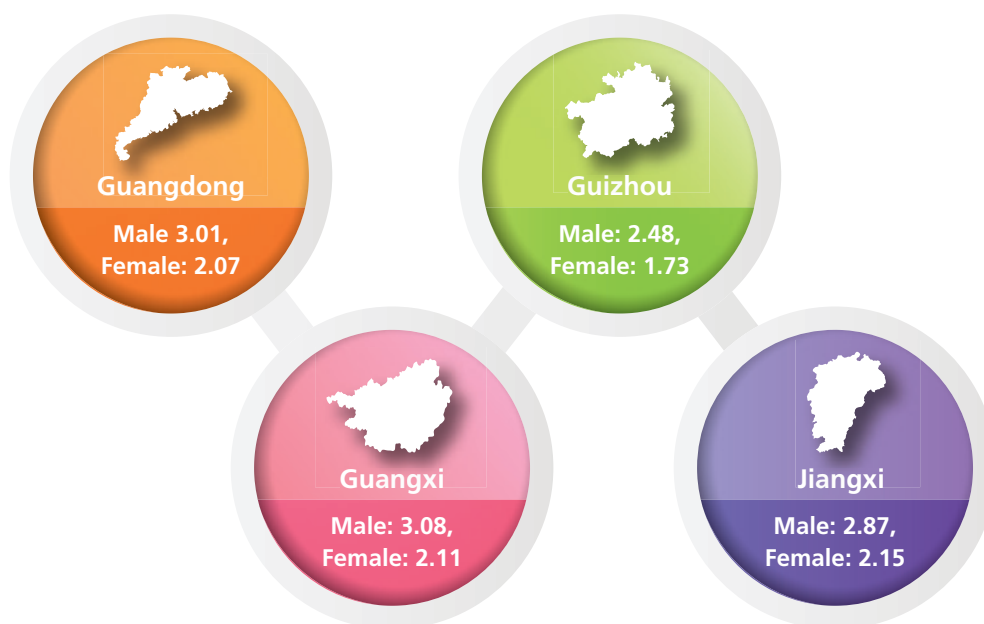
In 2020, the number of new employees accounted for 18% of the total workforce, while staff turnover and retirement accounted for 13% of the total workforce. Canvest is actively expanding its company portfolio towards different geographical regions and devoted to enhancing local economic development by providing job opportunities to the local communities. Among the WTE projects we established in Guangdong Province, Guangxi Zhuang Autonomous Region, Guizhou Province and Jiangxi Province, over 40% of our senior and middle-level management are from the local regions.



Remuneration Framework

As we bring on new projects and opportunities, we are embracing diversity to help us attract and retain qualified talent and foster innovation by bringing the best solutions to the table. We offer a fair yet competitive salary and benefits package to our employees, as well as recognition for excellence and opportunities for career advancement. We continually improve our remuneration system to ensure that our employees' remuneration aligns with reasonable market levels and maintain our competitiveness within the industry. In practice, our remuneration and benefits often exceed local legal requirements. In 2020, 100% of our employees received performance and salary reviews, recognising their efforts and accomplishments throughout the year.

Ratio of Standard Entry-Level Wage to Local Minimum Wage in 2020



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

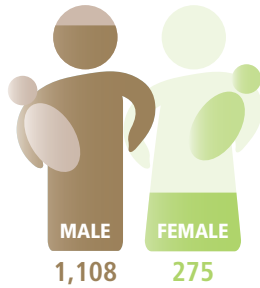
Canvest strives to protect the rights and interests of our employees regardless of their gender, and strictly comply with relevant laws and regulation. 100% of our employees are entitled to maternity/paternity leave in accordance with local statutory requirements. We acknowledge the value of all of our staff and encourage employees to return after their maternity/paternity leave by retaining their job positions and ensure the career development and remuneration remain unaffected by the leave.



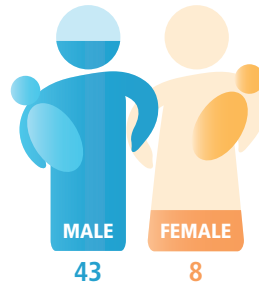
OUR PEOPLE

Parental Leave Statistics of WTE Projects in 2020

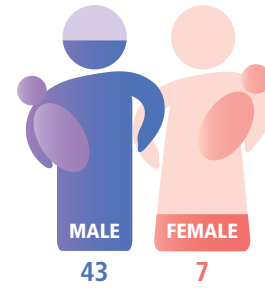
Number of employees entitled to parental leave



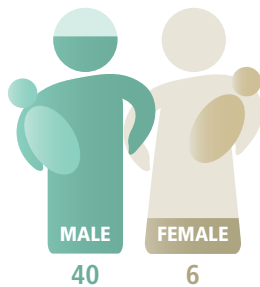
Number of employees took parental leave in 2020



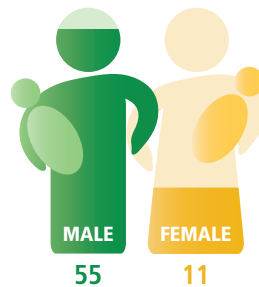
Number of employees due to return to work after taking parental leave in 2020



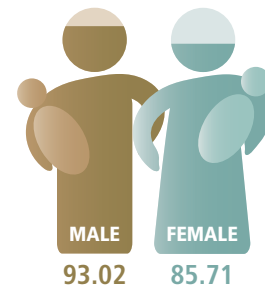
Number of employees who returned to work after parental leave ended in 2020



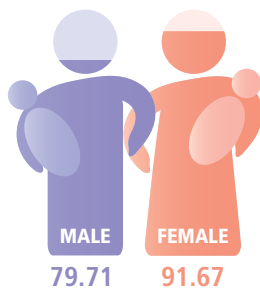
Number of employees who returned to work after parental leave ended in 2019 and still employed by the end of 2020



Return to work rate (%) ^a



Retention rate (%) ^b



$$\text{a: Return to work rate} = \frac{\text{Number of employees who returned to work after parental leave ended in 2020}}{\text{Total number of employees due to return to work after taking parental leave in 2020}} \times 100$$

$$\text{b: Retention rate} = \frac{\text{Number of employees who returned to work after parental leave ended in 2019 and still employed by the end of 2020}}{\text{Total number of employees returning from parental leave in 2019}} \times 100$$

Canvest is attentive to the health and well-being of our staff. We promote psychological-physical well-being and work-life balance by organising a series of events and leisure activities including company trip, team-building activities and sports competitions. Through participation in these events, we aim to boost the commitment of staff in relation to the Group and create a more pleasant and cohesive working culture for our employees.



CULTIVATING TALENTS

Each year we invest significantly preparing our employees to be highly skilled, safety conscious and confident in their work environment. The Group has implemented the *Social Responsibility System Training Management Procedure* that stipulates the onboard training programme for new employees and professional training for different job functions. The training programme includes SA8000 standards, legal requirements regarding working hours, wages and benefits, company policies and procedures, safe operating procedures and labour protection procedures. In addition, we ensure that our special operations personnel have received the required statutory training and obtained relevant operating permits. In 2020, a total of 44,991 hours of training have been provided, giving an average of 33 hours per employees.



Induction Training for Young Professionals

In May 2020, the Group organised a comprehensive induction training programme for new employees to help them become familiar with the operation of WTE projects and be more comfortable within their new roles. The training programme also teaches the new employees the technical knowledge of WTE processes and equipment, industry development as well as corporate culture and development strategies.

The training programme started with experience sharing from the project management team, and the new employees were then led by experienced employees to go through and visit different departments in the treatment facilities. The newcomers were also encouraged to participate in leisure activities to strengthen their relationship with the rest of the team.







HEALTH AND SAFETY

To develop a corporate culture that is oriented towards the promotion of safe operation in our workplace, the Group has defined a structured safety management system based on preventive measures. We strictly comply with the local health and safety laws and regulation, including the *Work Safety Law of the PRC* and the *Occupational Safety and Health Ordinance* of Hong Kong. We ensure all our employees attend regular safety training to equip them with sufficient awareness on safety and enhance their preparedness for emergencies. In addition, we provide adequate personal protective equipment for our employees and contractors and have assigned safety managers to review and reinforce the health and safety policies. Fire drills are conducted every six months, and every year we invite the local fire bureaus to conduct training on workplace fire safety and emergency responses to the employees.


Health and Safety Measures




- The *Occupational Health and Labour Protection Management Policy* is implemented to standardise the occupational health and safety measures of each of our WTE projects.



- The Group's Safety and Environmental Protection Department conducts monthly safety and environmental inspections to monitor and supervise the implementation of occupational health and safety measures at each project company.
- Each project company also carries out annual workplace inspections to identify potential occupational hazards.
- Our Safety Production Committee organises occupational health checkups every year and conducts ad hoc site inspections to ensure safe work practices are in place, at the same time disseminating information on occupational health and safety to workers.



- To further protect our female workers during their pregnancy in the workplace, the *Labour Protection of Female Workers Procedure* was stipulated to prevent female workers from carrying physically demanding work, working under an environment exposed to a certain radiation dose, working overtime and assigning with a nightshift, etc.



- Various emergency drills are carried out by our project companies to increase our employees' preparedness against emergency situations. Emergency drills against flooding and typhoon, electricity shortage, injuries caused by operating machines, chemical spills, etc., are carried out.



Fighting Against COVID-19

The health and safety of our employees will always remain at the heart of our operation. In light of the COVID-19 outbreak, we have introduced a number of response measures to safeguard the health of our employees and to enable them to carry on with their daily work with a safe state of mind. To eliminate any potential risk for transmission of COVID-19, the Group has formulated a series of prevention and control measures, and issued the *Notice on Prevention and Control of the Novel Coronavirus Resumption of Work After Chinese New Year* and *Guidance Notes on Strengthening the Prevention and Control of COVID-19*.

Prevention and Control Measures

Prevention Measures

- Safety and contingency plans against COVID-19 formulated at each project company
- Provision of safety training for all staff
- Safety inspections carried out to eliminate any potential risk for transmission of COVID-19



Control Measures

- Specialised team in charge of COVID-19 related issues are set up at headquarters and in each project company for monitoring of the news and updates regarding COVID-19, arranging cleaning of the facilities, procurement of anti-pandemic items, etc.
- All employees are monitored for their travel history and documents are kept for record; all employees must follow the isolation and quarantine requirements if they have travelled to or returned from high-risk areas
- Routine measures are implemented to ensure safe operation, such as requiring staff to wear mask at all times, measuring body temperatures daily and carrying out regular safety inspection to identify any potential risk





SERVING OUR COMMUNITY





Canvest is determined to drive local sustainable development through community investment and strive to raise public awareness towards environmental protection and build a better living environment for all. The Group has actively encouraged our employees to participate in community and charity activities to help the underprivileged and we have continued to sponsor and donate to community projects and activities. We have established the *External Communication Procedure*, allowing individuals or associations who are interested in the Group's social performance to share their opinions with us.

Highlights of Our Community Initiatives in 2020

Donation of Anti-pandemic Supplies



Charity and Fundraising



Caring for the Elderly



Environmental Exhibition



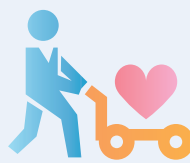
Public Visit to WTE Facilities



Community Services



More than **3,120** hours of voluntary works



More than **690** employees participated in welfare and charitable activities



More than **12,600** visitors came to our WTE facilities



ENVIRONMENTAL EDUCATION FOR ALL

Environmental education is a fundamental step in the sustainable development of local communities and empowering people to contribute to environmental protection. Each of our WTE plants is equipped with a dedicated exhibition venue, with interactive exhibits and multimedia tools to illustrate information related to environmental science, advanced incineration process and sustainability. We also invite the general public to visit our WTE plants on a monthly basis. In 2020, we have organised over 400 tours to our operating WTE projects. In addition, to discharge our responsibility in environmental education under pandemic period, we have launched “Cloud Visit Services” with an aim to allow the public to visit our WTE plant online.



Celebrating World Environment Day with All

To promote the World Environment Day on 5 June 2020, Canvest has launched a series of events across its projects to enhance public awareness towards environmental protection.

“Cloud” Visit at Lufeng WTE Plant

Lufeng WTE plant had partnered up with the Ecology and Environment Bureau of Shanwei City to host a live broadcast of a tour inside the environmental education centre and WTE plant to showcase how waste is transformed into renewable energy and green building materials. The live broadcast attracted over 23,000 netizens to participate. The netizens were amazed by the advanced waste treatment processes and landscape features at the WTE plant.



Educational Activities at Zhanjiang and Xingyi WTE Plants

Meanwhile, Zhanjiang and Xingyi WTE plants had set up public tour and exhibition to educate the public on waste management technologies. Through providing visits to WTE plants, holding prize-giving quizzes and distributing promotional leaflets, the participants had learned more about the environmental protection and waste treatment technologies.





To further increase the Group's competitiveness within the industry and to enhance its influence on environmental protection, we have fostered collaborations with institutional partners and participates in local environmental events to promote sustainability and the latest green technologies. In 2020, Canvest has participated in 18 professional organisations as either vice president or member.

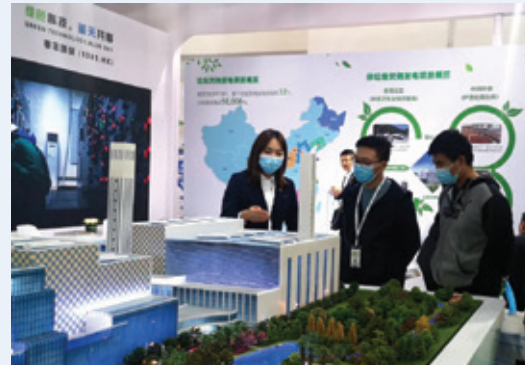
Canvest's Corporate Memberships	
Guangdong Urban Waste Disposal Industry Association	Member
Guangdong Association for Environmental Monitoring	Member
Dongguan Industry Association of Sanitation	Member
Dongguan Power Trade Association	Member
Guangdong Environmental Sanitation Association	Member
Guangdong Cleaning Production Association	Member
Guangdong Association of Circular Economy and Resources Comprehensive Utilisation	Member
Guangdong Green Supply Chain Association	Member
Guangdong Energy Conservation Association	Member
Dongguan Price Association	Member
Guangdong Association of Environmental Protection Industry	Member
Zhanjiang Environmental Sanitation Association	Vice President
China Association of Urban Environmental Sanitation	Member
Zhongshan Energy Power Trade Association (ZSEPTA)	Member
Zhongshan City Precursor Chemicals Industry Association	Member
Zhongshan City Shenwan Industry & Commerce	Member
Guangdong Provincial Association of Entrepreneurs	Member
Guizhou Environmental Sanitation Association	Member





China Association of Urban Environmental Sanitation (CAUES) Expo 2020

Canvest has made a stunning debut at the CAUES Expo 2020, which took place in Beijing on 13–15 November 2020. With a theme of “Green Technology to Create Blue Sky for All”, the exhibition showcased Canvest’s development strategies, corporate highlights and flagship projects. Leveraging on our market leading position in the WTE and environmental hygiene and related services industry, we will continue to uphold the mission of “protecting the green ecology and generating clean energy” and contribute to our country’s strategic development in environmental sanitation.





COLLABORATION WITH LOCAL GOVERNMENT

Canvest has worked closely with the local government to combat COVID-19 and has carried out all possible measures to prevent and contain the outbreak within the community. The local government has implemented stringent measures to raise the environmental hygiene standards and eradicate all the unregulated dumping sites. The Group's projects have taken in non-hazardous medical wastes and received waste transferred from unregulated dumping sites. By taking up this responsibility, the Group has successfully helped to prevent secondary transmission of the virus and significantly improved the overall hygiene of the cities, creating a better living environment for the communities.



JOINING HANDS WITH COMMUNITY TO FIGHT AGAINST THE PANDEMIC

The COVID-19 outbreak is a challenge shared by our businesses, our customers and the community at large. In line with our strategy to create shared value, the Group has proactively explored opportunities to use our business to address social needs arising from the pandemic.





Creating Shared Value

Donation to Dongguan Red Cross

In February 2020, Canvest has donated RMB1 million to Dongguan Red Cross to support them in procuring anti-pandemic resources, equipment and services for protecting the public's health and safety.



Donation of anti-pandemic resources

In February 2020, the peak of the pandemic, the Company donated more than 6,500 masks to China Culture Foundation in Hong Kong.



As the situation has been alleviated, schools start to resume classes. In April 2020, our Zhanjiang project donated masks, rubbing alcohol, disinfectants and hand sanitisers to Fengcun Elementary School, fully supporting pandemic prevention work at campus and ensuring the health and safety of teachers and students.

Blood donation to help local hospitals

The decrease of blood transfusion services due to COVID-19 outbreak has led to shortage of blood supply at hospitals. In light of this situation, our Xingyi project arranged with a local blood donation centre to set up a mobile blood collection station at the plant on 26 April 2020. A total of 21 employees participated in this event to support the local hospitals by alleviating the shortage of blood supply.





KEY AWARDS AND RECOGNITIONS



Canvest



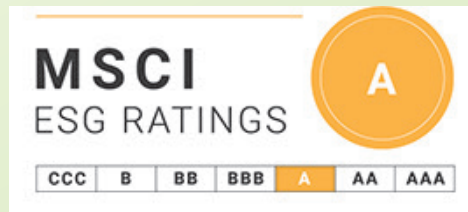
“The Asian Private Equity & Venture Capital Awards 2020” of AVCJ under the “Responsible Investment Award” category



Selected as one of the China Top 50 Environmental Companies at the 2021 China Environmental Industry Summit hosted by China Environment Chamber of Commerce



Rated “A” in the MSCI ESG Ratings for 3 consecutive years



“Leading ESG Initiative Award — Leading Social Initiative Award” in “Bloomberg Businessweek/Chinese Edition ESG Leading Enterprise Awards 2020”



“Certificate for Excellence in Investor Relations” in “IR Magazine Awards — Greater China 2020”



“People’s Choice Award” in “EY World Entrepreneur of the Year 2020”

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KEY AWARDS AND RECOGNITIONS

Eco-Tech I & II WTE Plants, Kewei WTE Plant

Grade AAA Household Waste Incineration Plant

Awarded by the China Association of Urban Environmental Sanitation



Zhongshan WTE Plant

Grade AAA Household Waste Incineration Plant

Awarded by the China Association of Urban Environmental Sanitation



Zhanjiang WTE Plant

Grade AAA Household Waste Incineration Plant

Awarded by the China Association of Urban Environmental Sanitation





PERFORMANCE DATA SUMMARY

ECONOMIC PERFORMANCE

	2020 HK\$'000	2019 HK\$'000	2018 HK\$'000
Direct Economic Value Generated			
Revenue	4,987,906	3,952,216	3,325,894
Share of net profits of associates and a joint venture	118,195	54,770	32,004
Other income	211,828	155,317	130,290
Economic Value Distributed			
Employee benefit expenses	350,564	304,442	228,395
Other costs ⁽¹⁾	2,914,439	2,299,454	1,953,051
Interest expense, net	340,642	204,183	169,990
Dividends	209,802	178,120	112,934
Taxes ⁽²⁾	102,920	64,547	32,205
Profit attributable to non-controlling interests	3,393	(571)	(9)
Charitable donations	2,100	1,600	800
Economic Value Retained			
Retained for Canvest's sustainable operation and development	1,394,069	1,110,528	990,822

Notes:

- (1) Represents other costs but excludes depreciation and amortisation for the year.
- (2) Represents current income tax but excludes deferred tax for the year.

COMMUNITY INVESTMENT

	Unit	2020	2019	2018
Community Outreach				
Participated volunteers	No.	691	599	491
Voluntary hours	Hours	3,123	2,516	1,580



WTE PROJECTS

I. Operational Performance

	Unit	2020	2019	2018
Business Performance of Operating Projects				
MSW processed	tonne	6,944,529	5,911,952	4,959,040
Power generated	MWh	2,754,374	2,355,931	2,028,726
Percentage of renewable energy generated	%	100	100	100
Power sold	MWh	2,412,437	2,062,643	1,779,716
Percentage of renewable energy connection to grid	%	100	100	100



II. Environmental Performance

In order to reflect the operations of the Group more accurately, we have conducted a sensitivity analysis of the calculation of GHG emissions during the Reporting Period. While we strictly adhere to the use of relevant CDM methodologies in calculation of GHG emissions of WTE plants, we understand the default value of the fossil carbon content based on the IPCC guidelines has limitations which prohibit taking into consideration of the climatic conditions in Mainland China, as well as the characteristics of the wastes sent to the WTE plants. Therefore, with consideration of climatic conditions and waste composition, the Chinese WTE industry practitioners have calculated the GHG emissions using the principle generally based on CDM methodologies, with some of the assumptions, coefficients and emission factors changed to values that are more in line with the national situation. This modified methodology is subsequently referred to as Chinese-modified CDM Methodology ("C-CDM").

	Unit	2020	2019	2018
Greenhouse Gas (GHG) Emissions				
Scope 1 (Direct Emissions)				
Based on CDM ⁽³⁾	tonne CO ₂ e	5,339,286	4,459,286	3,900,993
Based on C-CDM ⁽⁴⁾	tonne CO ₂ e	2,653,774	1,773,395	1,751,077
Scope 2 (Energy Indirect Emissions) ⁽⁵⁾	tonne CO ₂ e	3,351	3,222	2,463
Scope 3 (Other Indirect Emissions) ⁽⁶⁾	tonne CO ₂ e	481	248	117
Total GHG emissions				
Based on CDM	tonne CO ₂ e	5,343,118	4,462,756	3,903,573
Based on C-CDM	tonne CO ₂ e	2,657,606	1,776,865	1,753,657
GHG emissions offset	tonne CO ₂ e	4,141,898	2,809,524	2,296,680
Net GHG emissions				
Based on CDM	tonne CO ₂ e	1,201,220	1,653,232	1,606,893
Based on C-CDM	tonne CO ₂ e	(1,484,292)	(1,032,659)	(543,023)
GHG intensity				
Based on CDM	tonne CO ₂ e/tonne of MSW processed	0.769	0.755	0.787
Based on C-CDM	tonne CO ₂ e/tonne of MSW processed	0.383	0.301	0.354
Net GHG intensity				
Based on CDM	tonne CO ₂ e/tonne of MSW processed	0.173	0.280	0.324
Based on C-CDM	tonne CO ₂ e/tonne of MSW processed	(0.214)	(0.175)	(0.110)



PERFORMANCE DATA SUMMARY

	Unit	2020	2019	2018
Air Emissions				
Particulate matter (PM)	tonne	80	67	69
Sulphur dioxide (SO ₂)	tonne	405	297	237
Nitrogen oxides (NO _x)	tonne	3,383	3,178	2,348
Direct Fuel Consumption ⁽⁷⁾				
Fuel oil	GJ	54,736	29,574	14,299
Natural gas	GJ	27,318	35,213	20,764
Direct Energy Consumption ⁽⁷⁾				
Electricity	GJ	1,170,571	1,061,556	867,603
From renewable sources	GJ	1,151,658	1,042,546	851,475
From non-renewable sources	GJ	18,913	19,010	16,128
Total energy consumed	GJ	1,252,625	1,126,343	902,666
Energy intensity	GJ/tonne of MSW processed	0.180	0.191	0.182
Percentage of renewable energy consumed	%	92	93	94
Percentage of non-renewable energy consumed	%	8	7	6
Key Materials Consumption				
Lime	tonne	41,377	41,487	30,313
Activated carbon	tonne	3,312	2,667	2,249
Urea	tonne	5,532	5,647	4,612
Ammonia water	tonne	4,770	6,079	2,198
PNCr material	tonne	202	436	—
Hydrochloric acid	tonne	697	458	344
Sodium bicarbonate	tonne	78	183	100
Coagulant and flocculant	tonne	163	273	110



	Unit	2020	2019	2018
Freshwater Consumption				
Total freshwater consumption	m ³	11,143,500	9,474,384	8,230,218
Freshwater intensity	m ³ /MWh	4.619	4.593	4.624
Wastewater and Waste				
Leachate produced	tonne	711,717	692,505	431,015
Bottom ash produced	tonne	1,517,896	1,194,373	1,030,569
Fly ash produced (before stabilisation)	tonne	124,384	117,300	92,264
Environmental Compliance				
Number of violation cases related to pollutant emissions or environmental impact	No.	0	0	0

Notes:

- (3) The calculation for Scope 1 emissions is referenced to CDM methodology: *ACM0022: Alternative Waste Treatment Processes (Version 2.0)*.
- (4) Referred to *Household Waste Incineration Engineering Technology* published by Bai Liangcheng for the related emissions of household waste incineration, which uses the relevant coefficients of the carbon content of various types of wastes that are more in line with China's situations, and water content of the incoming wastes has been deducted before calculation, which are different from the use of CDM's default wet-based waste composition value.
- (5) Emission factors for non-renewable electricity used for operation in Scope 2 emissions are referenced to the latest available emission factor released by CLP Power Hong Kong Limited and the *2015 National Average Grid Emission Factor in China* issued by the Ministry of Ecology and Environment of the PRC.
- (6) The calculation method for GHG emissions from air travel is based on the International Civil Aviation Organization (ICAO) Carbon Emissions Calculator.
- (7) Energy consumption is calculated based on the conversion factors provided in China Energy Statistical Yearbook 2020.



III. Employment and Labour Practices

	Unit	2020	2019	2018
Employment Profile				
Number of full-time permanent staff	No.	1,383	1,095	939
<i>By Gender</i>				
Male	No.	1,108	876	761
Female	No.	275	219	178
<i>By Age Group</i>				
30 years old and below	No.	487	338	284
31–50	No.	815	679	601
Over 50 years old	No.	81	78	54
<i>By Employment Category</i>				
General and technical staff	No.	1,289	1,004	869
Middle-level management	No.	64	64	43
Senior management	No.	30	27	27
<i>By Geographical Region</i>				
Hong Kong	No.	27	29	27
Guangdong	No.	984	691	633
Guangxi	No.	191	194	190
Guizhou	No.	93	93	89
Jiangxi	No.	88	88	—
<i>By Ethnicity</i>				
Han	No.	1,259	984	Figures not available
Ethnic minorities	No.	124	111	Figures not available



	Unit	2020	2019	2018
Employee Entry — Number of new employee hires				
<i>By Gender</i>				
Male	No.	209	131	152
Female	No.	38	34	43
<i>By Age Group</i>				
30 years old and below	No.	132	79	88
31–50	No.	114	75	98
Over 50 years old	No.	1	10	9
<i>By Geographical Region</i>				
Hong Kong	No.	0	3	2
Guangdong	No.	185	80	102
Guangxi	No.	21	25	71
Guizhou	No.	14	15	15
Jiangxi	No.	27	42	—
<i>By Ethnicity</i>				
Han	No.	234	153	183
Ethnic minorities	No.	13	12	12



PERFORMANCE DATA SUMMARY

	Unit	2020	2019	2018
Employee Entry — Rate of new employees hires				
<i>By Gender</i>				
Male	%	15.11	11.96	16.19
Female	%	2.75	3.11	4.58
<i>By Age Group</i>				
30 years old and below	%	9.54	7.21	9.37
31–50	%	8.24	6.85	10.44
Over 50 years old	%	0.07	0.91	0.96
<i>By Geographical Region</i>				
Hong Kong	%	0.00	0.27	0.75
Guangdong	%	13.38	7.31	10.86
Guangxi	%	1.52	2.28	7.56
Guizhou	%	1.01	1.37	1.60
Jiangxi	%	1.95	3.84	—
<i>By Ethnicity</i>				
Han	%	16.92	13.97	19.49
Ethnic minorities	%	0.94	1.10	1.28



	Unit	2020	2019	2018
Employee Turnover — Number of employee turnover				
<i>By Gender</i>				
Male	No.	143	118	72
Female	No.	31	26	33
<i>By Age Group</i>				
30 years old and below	No.	75	60	36
31–50	No.	84	70	56
Over 50 years old	No.	15	14	13
<i>By Geographical Region</i>				
Hong Kong	No.	1	1	2
Guangdong	No.	118	74	55
Guangxi	No.	15	26	31
Guizhou	No.	13	12	17
Jiangxi	No.	27	31	—
<i>By Ethnicity</i>				
Han	No.	166	133	98
Ethnic minorities	No.	8	11	7



	Unit	2020	2019	2018
Employee Turnover — Rate of employee turnover				
<i>By Gender</i>				
Male	%	10.34	10.78	7.67
Female	%	2.24	2.37	3.51
<i>By Age Group</i>				
30 years old and below	%	5.42	5.48	3.83
31–50	%	6.07	6.39	5.96
Over 50 years old	%	1.08	1.28	1.38
<i>By Geographical Region</i>				
Hong Kong	%	0.07	0.09	0.21
Guangdong	%	8.53	6.76	5.86
Guangxi	%	1.08	2.37	3.30
Guizhou	%	0.94	1.10	1.81
Jiangxi	%	1.95	2.83	—
<i>By Ethnicity</i>				
Han	%	12.00	12.15	10.44
Ethnic minorities	%	0.58	1.00	0.75
Training				
Percentage of Employee Trained				
<i>By Gender</i>				
Male	%	96	81	Figures not available
Female	%	70	59	Figures not available
<i>By Employment Category</i>				
General and technical staff	%	91	75	Figures not available
Middle-level management	%	86	95	Figures not available
Senior management	%	97	70	Figures not available



	Unit	2020	2019	2018
Average Training Hour per Employee				
<i>By Gender</i>				
Male	hours	36.71	28.14	36.04
Female	hours	15.70	9.61	8.42
<i>By Employment Category</i>				
General and technical staff	hours	33.02	24.58	31.88
Middle-level management	hours	25.28	22.48	21.41
Senior management	hours	26.80	23.63	11.06
Health and Safety (Employees/Contractors)				
Number of work-related fatalities	No.	0/0	0/0	0
Rate of work-related fatalities ⁽⁸⁾	—	0/0	0/0	0
Number of high-consequence work-related injuries (excluding fatalities) ⁽⁹⁾	No.	0/0	0/1	0
Rate of high-consequence work-related injury (excluding fatalities) ⁽¹⁰⁾	—	0/0	0/0.04	0
Number of work-related injuries ⁽¹¹⁾	No.	0/2	0/2	2
Rate of work-related injuries ⁽¹²⁾	—	0/0.05	0/0.09	0.22
Lost days due to work-related injuries	Days	0/120	0/212	52
Number of occupational disease cases	No.	0/0	0/0	0/0



	Unit	2020	2019	2018
Labour Practices				
Number of violation cases related to employment or labour regulations	No.	0	0	0
Number of violation cases related to child labour or forced labour	No.	0	0	0
Number of discrimination cases related to gender, ethnicity, age and health during recruitment	No.	0	0	0

Notes:

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

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

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

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

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



SUSTAINABILITY OVERVIEW OF ENVIRONMENTAL HYGIENE AND RELATED SERVICES

Sichuan Jiajieyuan is a sanitation and waste management service provider located in Sichuan Province and has become wholly-owned subsidiary of Canvest through acquisition in December 2018. To demonstrate its dedication in upholding Canvest's value of promoting sustainability in the waste management industry, Sichuan Jiajieyuan strives to enhance its social and environmental performance through the establishment and implementation of various management system and procedures.

Our Value Chain

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

Our Environment

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

Our People

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

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





CONTENT INDICES

SEHK ESG REPORTING GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2020 or other references/explanation
Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Our Environment The Group has established the following standardised procedures to mitigate the environmental impacts associated with our operations:  <i>Resource Control Procedure</i>  <i>Operation Environmental Control Procedure</i>  <i>Production & Operation Management Procedure</i>
KPI A1.1	The types of emissions and respective emissions data.	Our Environment; Performance Data Summary
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Performance Data Summary
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Our Environment; Performance Data Summary
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Our Environment; Performance Data Summary





Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2020 or other references/explanation
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	<p>Our Environment</p> <p>We adhere to the Group's <i>Operation Environmental Control Procedure</i> and <i>Production & Operation Management Procedure</i> to control our emissions. Nevertheless, we will continually upgrade our WTE technology to further reduce emissions and to actively explore various emissions reduction solutions. We also have plans to reduce carbon emissions based on long-term targets in order to be in line with the timeline of the UN Sustainable Development Goals.</p>
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	<p>Our Environment</p> <p>For waste reductions, bottom ash produced by Canvest's operations were collected by qualified contractors for integrated utilisation, such as reusing as alternative materials to produce eco-bricks. Nevertheless, we will continue to explore measures to reduce waste generation in our daily operations and improve our waste management performance.</p>
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	<p>Our Environment</p> <p>The Group has established the following standardised procedures to ensure effective use of resources:</p> <ul style="list-style-type: none">  <i>Resource Control Procedure</i>  <i>Social Responsibility Management Policy — Requirements on the Use of Electricity and Requirements on the Use of Water</i>








Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2020 or other references/explanation
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in'000s) and intensity (e.g. per unit of production volume, per facility).	Our Environment; Performance Data Summary
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Our Environment; Performance Data Summary
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	<p>Our Environment</p> <p>We adhere to the Group's <i>Implementation Measures for Energy Saving of Power Plant, Resource Control Procedure and Social Responsibility Guidelines — Requirements on the Use of Electricity and Requirements on the Use of Water</i> to control our energy consumption. Nevertheless, we strive to achieve better energy efficiency through actively exploring solutions for higher energy efficiency and technological advancement.</p>
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	<p>Our Environment</p> <p>The Group has carried out environmental impact assessment and we did not encounter any issues in sourcing water.</p> <p>We adhere to the Group's <i>Social Responsibility Guidelines — Requirements on the Use of Electricity and Requirements on the Use of Water</i> to control our water consumption. Nevertheless, we will continue to explore measures to improve our water efficiency. Through increasing recycling rate of treated wastewater and reduction in overall water consumption, we aim to achieve improvement in our water management performance in the long-term.</p>






Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2020 or other references/explanation
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Our finished product is electricity, hence no packaging material is used in our operation.
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Our Environment The following standardised procedures are established to minimise the impacts on environmental and natural resources:  <i>Resource Control Procedure</i>  <i>Environmental Factors Identification, Evaluation and Control Procedure</i>
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Our Environment
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Our Environment Standardised procedures such as <i>Management System Against Typhoons and Flood</i> are in place to tackle climate-related risks.
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Our Environment



Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2020 or other references/explanation
Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Our People Our recruitment process strictly follows the <i>Labour Law of the PRC</i> and the <i>Employment Ordinance of Hong Kong</i> . Standardised procedures are also established to provide guidance on the company's employment and labour requirements. Relevant company policies include:  <i>Employment Procedure</i>  <i>Anti-Discrimination Procedure</i>  <i>Human Resources Control Procedure</i>
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Our People; Performance Data Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Data Summary
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Our People The Group has established the following standardised procedures to provide a safe working environment for our employees, strictly following the <i>Work Safety Law of the PRC</i> and the <i>Occupational Safety and Health Ordinance</i> of Hong Kong:  <i>Safety Management Control Procedure</i>  <i>Emergency Preparedness and Response Control Procedure</i>











Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2020 or other references/explanation
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Performance Data Summary
KPI B2.2	Lost days due to work injury.	Performance Data Summary
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Our People
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	<p>Our People</p> <p>Induction training, job-specific training, health and safety trainings and management system trainings are provided to our employees to enhance their knowledge, skills and qualifications. Standardised procedures are also established to provide guidance on the training system, including:</p> <ul style="list-style-type: none">  <i>Social Responsibility System Training Management Procedure</i>  <i>Social Responsibility Management Policy — Induction Training System</i>  <i>Social Responsibility Management Policy — Safety Knowledge Training</i>
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Performance Data Summary
KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Data Summary





Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2020 or other references/explanation
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Our People Our recruitment process strictly follows the <i>Labour Law of the PRC</i> and the <i>Employment Ordinance</i> of Hong Kong to ensure child and forced labour are prevented.
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Our People
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Our People
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Our Sustainable Business
KPI B5.1	Number of suppliers by geographical region.	Our Sustainable Business
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Our Sustainable Business
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Our Sustainable Business
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Our Sustainable Business






Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2020 or other references/explanation
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Our Sustainable Operation We carry out regular inspections on our equipment and infrastructure, providing a safe and reliable electricity supply, and monitor our environmental and health and safety performance, ensuring our operations comply with national standards and any other regulations. Relevant company policies include:  <i>Production Equipment Control Procedure</i>  <i>Monitoring and Compliance Evaluation Procedure</i>  <i>Mitigation Measures Control Procedure</i>
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product recall is not applicable to Canvest’s activities.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	No complaint was received from our customers.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Our Sustainable Business Company policies are in place to ensure the privacy of our stakeholders, including:  <i>Confidentiality Management Policy</i>  <i>Document Management Policy</i>  <i>Contract Management Policy</i>
KPI B6.4	Description of quality assurance process and recall procedures.	Our Sustainable Business Relevant company policies:  <i>Warehouse Materials Management Procedures</i>  <i>Unqualified Items Management Procedures</i>



Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2020 or other references/explanation
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Our Sustainable Business The Group implements strict procedures for document management to ensure the accuracy of information and the privacy of our stakeholders.
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Our People; Our Sustainable Business The Group strictly forbids activities in relation to bribery, extortion, fraud and money laundering. The following standardised procedures are also established to ensure compliance with the relevant laws and regulations:  <i>Internal Audit Control Procedure</i>  <i>Anti-Corruption and Bribery Management Procedure</i>
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	There were no legal cases regarding corrupt practices brought against the Group or its employees during the reporting period.
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Our People; Our Sustainable Business
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Our Sustainable Business



Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2020 or other references/explanation
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Serving Our Community; Stakeholder Engagement Relevant company policies: <ul style="list-style-type: none">  Information Exchange Management Procedure  Customer Service Management Procedure  External Communication Procedure
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Serving Our Community
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Serving Our Community

GRI CONTENT INDEX



This Report contains standard disclosures from GRI Sustainability Reporting Standards. For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102–40 to 102–49 align with appropriate sections in the body of this Report. This service was performed on the English version of this Report. The following table indicates the location of our direct response to GRI Standards disclosures included in this Report and other publicly available documents of the Group.

Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2020 or other references/explanation	Page Number
GRI 101: Foundation 2016 (Does not include any disclosure)			
GRI 102: General Disclosures 2016			
Organizational Profile			
102–1	Name of the organization	About this Report	2
102–2	Activities, brands, products, and services	About Canvest	8
102–3	Location of headquarters	Our headquarter offices are located at Hong Kong and Dongguan.	
102–4	Location of operations	About Canvest	8–11



Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2020 or other references/explanation	Page Number
102-5	Ownership and legal form	Annual Report — Report of the Directors (pg.53-55), Notes to the Consolidated Financial Statements (pg.75)	
102-6	Markets served	About Canvest	8-11
102-7	Scale of the organization	About Canvest	8-11
102-8	Information on employees and other works	Our People	41
102-9	Supply chain	Our Sustainable Business	26
102-10	Significant changes to the organization and its supply chain	Our Sustainable Business	26
102-11	Precautionary Principle or approach	Our Sustainable Business	21-27
102-12	External initiatives	Message from Our Chairlady	4-7
102-13	Membership of associations	Serving Our Community	53
Strategy			
102-14	Statement from senior decision-maker	Message from Our Chairlady	4-7
102-15	Key impacts, risks, and opportunities	Our Sustainable Business	21-27
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behaviour	Our Sustainable Business	21-27
102-17	Mechanisms for advice and concerns about ethics	Our Sustainable Business	21-27
Governance			
102-18	Governance structure	Our Sustainable Business	21-22
102-19	Delegating authority	Our Sustainable Business	21-22
102-20	Executive-level responsibility for economic, environmental, and social topics	Our Sustainable Business	21-22
102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholder Engagement	15-18
102-22	Composition of the highest governance body and its committees	Our Sustainable Business	21-22
102-23	Chair of the highest governance body	Our Sustainable Business	21-22
102-24	Nominating and selecting the highest governance body	Our Sustainable Business	21-22



Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2020 or other references/explanation	Page Number
102-25	Conflicts of interest	Our Sustainable Business	23
102-26	Role of highest governance body in setting purpose, values, and strategy	Our Sustainable Business	21-22
102-27	Collective knowledge of highest governance body	Our Sustainable Business	21-22
102-28	Evaluating the highest governance body's performance	Our Sustainable Business	21-22
102-29	Identifying and managing economic, environmental, and social impacts	Our Sustainable Business	21-22
102-30	Effectiveness of risk management processes	Our Sustainable Business	24-25
102-31	Review of economic, environmental, and social impacts	Stakeholder Engagement	16
102-32	Highest governance body's role in sustainability reporting	About This Report	3
102-33	Communicating critical concerns	Stakeholder Engagement	15-18
102-34	Nature and total number of critical concerns	Stakeholder Engagement	15-18
102-35	Remuneration policies	Our People	43-45
102-36	Process for determining remuneration	Our People	43-45
102-37	Stakeholders' involvement in remuneration	Our People	43
102-38	Annual total compensation ratio	Ratio of the total remuneration of the highest-paid individual to the median total remuneration of all employees (excluding the highest-paid individual): 38.87:1	
102-39	Percentage increase in annual total compensation ratio	Ratio of the annual percentage increase in total remuneration of the highest-paid individual to the median percentage increase in annual total remuneration of all employees (excluding the highest-paid individual): -0.5:1	
Stakeholder Engagement			
102-40	List of stakeholder groups	Stakeholder Engagement	15
102-41	Collective bargaining agreements	There are no formal collective bargaining agreements in place within the Group.	
102-42	Identifying and selecting stakeholders	Stakeholder Engagement	15



Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2020 or other references/explanation	Page Number
102-43	Approach to stakeholder engagement	Stakeholder Engagement	15
102-44	Key topics and concerns raised	Stakeholder Engagement	17-18
Reporting Practices			
102-45	Entities included in the consolidated financial statements	Annual Report 2020 — Notes to the Consolidated Financial Statements (pg.108-115)	
102-46	Defining report content and topic Boundaries	Stakeholder Engagement	17-18
102-47	List of material topics	Stakeholder Engagement	17-18
102-48	Restatements of information	There is no restatement of information in this Report.	
102-49	Changes in reporting	Stakeholder Engagement	17-18
102-50	Reporting period	About this Report	2
102-51	Date of most recent report	2 July 2020	—
102-52	Reporting cycle	About this Report	2
102-53	Contact point for questions regarding the report	About this Report	3
102-54	Claims of reporting in accordance with the GRI Standards	About this Report	2
102-55	GRI content index	Content Indices	81-88
102-56	External assurance	Not applicable	
Topic-specific Disclosures			
Economic Performance			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	18
103-2	The management approach and its components	Our Sustainable Business	20-27
103-3	Evaluation of management approach	Message from Our Chairlady; Our Sustainable Business	4-7, 20-27
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	Performance Data Summary	59
201-2	Financial implications and other risks and opportunities due to climate change	Message from Our Chairlady; Our Environment	4-7, 29-39



Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2020 or other references/explanation	Page Number
201-3	Defined benefit plan obligations and other retirement plans	Our People	41-45
201-4	Financial assistance received from government	Local governments awarded a total of RMB15,964,836 during the Reporting Period to support the research and development of Canvest's WTE projects.	
Market Presence			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	18
103-2	The management approach and its components	Our People	41-49
103-3	Evaluation of management approach	Our People	41-49
GRI 202: Market Presence 2016			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Our People	45
202-2	Proportion of senior management hired from the local community	Our People	44
Material Usage			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	18
103-2	The management approach and its components	Our Environment	35-36
103-3	Evaluation of management approach	Our Environment	35-36
GRI 301: Materials 2016			
301-1	Materials used by weight or volume	Our Environment	35-36
301-2	Recycled input materials used	The use of recycled input materials is not applicable to the Group due to the specific nature of our WTE business, provision of intelligent urban environmental hygiene and related services.	
301-3	Reclaimed products and their packaging materials	Reclaimed products and packaging materials are not applicable to the Group due to the specific nature of our WTE business, provision of intelligent urban environmental hygiene and related services.	



Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2020 or other references/explanation	Page Number
Energy Efficiency			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	18
103-2	The management approach and its components	Our Environment	35
103-3	Evaluation of management approach	Our Environment	35
GRI 302: Energy 2016			
302-1	Energy consumption within the organization	Our Environment	35
302-2	Energy consumption outside of the organization	Our Environment	35
302-3	Energy intensity	Our Environment	35
302-4	Reduction of energy consumption	Our Environment	35
302-5	Reductions in energy requirements of products and services	Our Environment	35
Wastewater and Waste Management			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	18
103-2	The management approach and its components	Our Environment	30-33
103-3	Evaluation of management approach	Our Environment	30-33
GRI 306: Waste 2020			
306-1	Water generation and significant waste-related impacts	Our Environment	30-32
306-2	Management of significant waste-related impacts	Our Environment	30-32
306-3	Waste generated	Our Environment	30-32
306-4	Waste diverted from disposal	Our Environment	30-32
306-5	Waste directed to disposal	Our Environment	30-32



Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2020 or other references/explanation	Page Number
Environmental Compliance			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	18
103-2	The management approach and its components	Our Environment	29-39
103-3	Evaluation of management approach	Our Environment	29-39
GRI 307: Environmental Compliance 2016			
307-1	Non-compliance with environmental laws and regulations	Our Environment	29-39
Labour Practices and Employee Welfares			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	18
103-2	The management approach and its components	Our People	41-46
103-3	Evaluation of management approach	Our People	41-46
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	Our People	41-46
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our People; Performance Data Summary	41-46, 65-69
401-3	Parental leave	Our People	46
Occupational Health and Safety			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	18
103-2	The management approach and its components	Our People	48-49
103-3	Evaluation of management approach	Our People	48-49



Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2020 or other references/explanation	Page Number
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	Our People	48-49
403-2	Hazard identification, risk assessment, and incident investigation	Our People	48-49
403-3	Occupational health services	Our People	48-49
403-4	Worker participation, consultation, and communication on occupational health and safety	Our People	48-49
403-5	Worker training on occupational health and safety	Our People	48-49
403-6	Promotion of worker health	Our People	48-49
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Our People	48-49
403-8	Workers covered by an occupational health and safety management system	Our People	48-49
403-9	Work-related injuries	Performance Data Summary	69
403-10	Work-related ill health	Performance Data Summary	69



COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS THAT HAVE A SIGNIFICANT IMPACT ON CANVEST

SEHK's "ESG Reporting Guide" Subject Area	Compliance with Relevant Laws and Regulations that are Significant to Canvest
Environment	
<p>Aspect A1: Emissions</p> <p><i>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste</i></p>	<p>Relevant laws and regulations that have a significant impact on the Group include <i>Environmental Protection Law of the PRC, Law of the PRC on the Prevention and Control of Water Pollution, Law of the PRC on the Prevention and Control of Atmospheric Pollution, Law of the PRC on Prevention and Control of Environmental Pollution by Solid Waste, Law of the PRC on Environmental Impact Assessment, and the Administrative Regulations on Environment Protection for Construction Projects</i>. These laws and regulations stipulate the applicable requirements on air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. It is imperative for us to meet these statutory obligations as violation of any of applicable environmental laws and regulations may result in penalties, operation suspension, and/or legal action against the Group.</p> <p>In 2020, there were no confirmed cases of non-compliance or complaints in relation to environmental protection that would have a significant impact on the Group. Please refer to chapter "Our Environment" on how Canvest ensures compliance with applicable environmental laws and regulations.</p>



SEHK's "ESG Reporting Guide" Subject Area	Compliance with Relevant Laws and Regulations that are Significant to Canvest
Social	
<p>Aspect B1: Employment</p> <p><i>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare</i></p>	<p>Relevant laws and regulations that are significant to the Group include <i>Labour Law of the PRC, Labour Contract Law of the PRC, Regulation on the Implementation of the Labour Contract Law of the PRC, Social Insurance Law of the PRC, Regulations on the Management of Housing Provident Fund, Special Rules on the Labour Protection of Female Employees, Provisions of the State Council on Working Hours of Workers and Staff, Provisions on Minimum Wages, Implementation Measures for Paid Annual Leave for Employees of Enterprises, Measures for the Implementation of Administrative License for Labour Dispatch, and Employment Ordinance</i> of HKSAR. The above laws and regulations stipulate the legal obligations and responsibility of employers to provide employment protection and benefits, covering statutory obligations and responsibilities which include compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. These laws and regulations are of great importance as they offer appropriate protections to employees, the most important asset of the Group.</p> <p>In 2020, there were no confirmed cases of non-compliance or complaints in relation to our employment practices that would have a significant impact on the Group. Please refer to chapter "Our People" on how Canvest ensures compliance with applicable employment laws and regulations.</p>
<p>Aspect B2: Health and Safety</p> <p><i>relating to providing a safe working environment and protecting employees from occupational hazards</i></p>	<p>Relevant laws and regulations that are significant to the Group include <i>Labour Law of the PRC, Work Safety Law of the PRC, Labour Contract Law of the PRC, Prevention and Control of Occupational Diseases Law of the PRC, Regulation on Work-Related Injury Insurances, Special Rules on the Labour Protection of Female Employees, and Provisions on the Duration of Medical Treatment for Enterprise Staff and Workers Due to Illness or Non-Work Related Injuries</i>. These laws and regulations provide clear requirements on the provision of safe working environment and the prevention of occupational hazards. Compliance with these laws and regulations is paramount as workplace safety is of critical importance to each and every employee of the Group.</p> <p>In 2020, there were no confirmed cases of non-compliance or complaints in relation to health and safety that would have a significant impact on the Group. Please refer to chapter "Our People" on how Canvest ensures compliance with applicable laws and regulations relating to health and safety.</p>



SEHK's "ESG Reporting Guide" Subject Area	Compliance with Relevant Laws and Regulations that are Significant to Canvest
<p>Aspect B4: Labour Standards</p> <p><i>relating to preventing child and forced labour</i></p>	<p>Relevant laws and regulations that are significant to the Group include <i>Criminal Law of the PRC Article 244, Prevention and Control of Occupational Diseases Law of the PRC, Rules for the Implementation of the Law of the PRC on Foreign-Capital Enterprises Article 62, Regulation on Work-Related Injury Insurances Article 66, Provisions on the Prohibition of Using Child Labour, Law of the PRC on the Protection of Minors, Regulations on Labour Protection in Workplaces Where Toxic Substances Are Used, and Employment Ordinance</i> of HKSAR. These laws and regulations set out clear rules for preventing child labour and forced labour, and elaborate on the legal obligations and responsibility of employers who violate the relevant laws and regulations. It is essential for us to conform to applicable laws and regulations on labour standards as it reflects our corporate values in honouring human rights.</p> <p>In 2020, there were no confirmed cases of non-compliance or complaints in relation to labour practices standards that would have a significant impact on the Group. Please refer to chapter "Our People" on how Canvest ensures compliance with applicable laws and regulations relating to labour standards.</p>
<p>Aspect B6: Product Responsibility</p> <p><i>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress</i></p>	<p>Relevant laws and regulations that are significant to the Group include <i>Tort Law of the PRC</i>, which clarifies the tort liability to protect the civil rights and interests, as well as the <i>Product Quality Law of the PRC</i>, which places requirements on health and safety relating to products and services provided and methods of redress. It is the Group's core value to abide by these rules in providing safe and reliable products and services with sincere attitude.</p> <p>In 2020, there were no confirmed cases of non-compliance or complaints in relation to product responsibility that would have a significant impact on the Group. Please refer to chapter "Our Sustainable Business" on how Canvest ensures compliance with applicable laws and regulations relating to product responsibility.</p>



COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS THAT HAVE A SIGNIFICANT IMPACT ON CANVEST

SEHK's "ESG Reporting Guide" Subject Area	Compliance with Relevant Laws and Regulations that are Significant to Canvest
<p>Aspect B7: Anti-corruption</p> <p><i>relating to bribery, extortion, fraud and money laundering</i></p>	<p>Relevant laws and regulations that are significant to the Group include <i>Criminal Law of the PRC</i> and <i>Prevention of Bribery Ordinance</i> of HKSAR. The above laws and regulations aim to maintain social integrity and fairness, and inflict punishments against unscrupulous and corruption behaviours such as bribery, extortion, fraud and money laundering. Given the severity of corruption, it is important that the Group maintains a corruption-free business to upkeep the Group's reputation and staff morale and ultimately enhance the Group's competitive edge.</p> <p>In 2020, there were no confirmed cases of non-compliance or complaints in relations to corrupt practices that would have a significant impact on the Group. Please refer to chapter "Our Sustainable Business" on how Canvest ensures compliance with applicable laws and regulations relating to corrupt practices.</p>

