



光大控股
EVERBRIGHT LIMITED

The Power to *Transform*
專注致遠 順勢有為

Enduring Commitment

TRANSFORMATIVE IMPACT

堅韌致遠 水滴石穿



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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ABOUT THIS REPORT

This Environmental, Social and Governance (“ESG”) Report (the “Report”) is issued by China Everbright Limited (“CEL” or the “Company” together with its subsidiaries, hereinafter referred to as the “Group”) (stock code: 165.HK). This Report was confirmed and approved by the Board of Directors of the Company (the “Board” or the “Director(s)”) on 27 March 2025, and was posted to CEL’s website.

Reporting Standards and Content

This Report was prepared in accordance with the *Environmental, Social and Governance Reporting Guide* (“ESG Reporting Guide”) under Appendix C2 to the *Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (“SEHK”)* and referenced to the *Global Reporting Initiative (“GRI”) Standards*. This Report covers the sustainability strategies and ESG performance of the Company and its subsidiaries¹ (including Hong Kong headquarters and regional offices in Mainland China) for the period from 1 January 2024 to 31 December 2024 (the “Reporting Period”).

In 2015, all United Nations member states unanimously adopted the *2030 Agenda for Sustainable Development*, which includes 17 Sustainable Development Goals (SDGs). This agenda calls for global collective action by 2030 to eradicate poverty, protect the planet, and improve the lives and prospects of all people.

Our Group is committed to fully supporting and integrating the SDGs into our business development philosophy, striving to promote economic prosperity and achieve high-quality sustainable development while safeguarding communities and the environment. We have identified 9 SDGs that are most relevant to our business and have outlined our corresponding strategies and actions below.

	Workplace Safety and Employee Well-Being At CEL, we prioritise creating a safe and healthy work environment, consistently investing resources to eliminate occupational hazards and ensure workplace safety. Additionally, we have established an internal employee association, implementing various measures to continuously enhance employee care and promote physical and mental well-being.		Green Business Practices and Environmental Measures We are dedicated to advocating for green business practices and have implemented a range of environmentally friendly measures within our offices. These include promoting a paperless office, utilising video and phone conferencing, implementing energy-saving measures, reducing water consumption, optimising resource utilisation, and actively engaging in waste recycling. Our goal is to balance effective business operations while minimising our environmental footprint, thereby contributing to sustainable development and environmental protection.
	Employee Professional Development We are committed to the ongoing professional development of our employees, providing comprehensive training programs that enhance both their expertise and personal growth. Through China Everbright Charitable Foundation (CECF), we make significant contributions to educational causes, reflecting our dedication to corporate citizenship. Our support for education and talent development is integral to nurturing future leaders who can contribute to the sustainable development of society and the nation.		Climate Change and Low-Carbon Business Transition Recognising the risks associated with climate change, we proactively drive the transition towards low-carbon business practices. Our commitment extends to investing in industries that prioritise environmental protection and sustainable development, while concurrently striving to reduce carbon emissions at the operational level.
	Employee Diversity and Equal Opportunities Our commitment to diversity and inclusion is enshrined in our <i>Employee Diversity Statement</i> , which serves as the foundation for cultivating a fair and equitable work environment. We believe that a diverse workforce is essential to innovation and success, and we are dedicated to ensuring equal treatment for all employees, regardless of gender. Our human resources policies are structured to guarantee equal pay, training opportunities, and career advancement for all employees.		Corporate Governance and Ethical Principles To safeguard the interests of all stakeholders, we uphold a high standard of corporate governance and conduct our business operations based on the highest ethical and responsible principles. We rigorously enforce company policies to ensure the legal compliance of both our business and office operations.
	Empowering Employees and Unleashing Potential To further empower our employees, we provide a range of training and career development opportunities. These initiatives are designed to unlock their full potential, allowing them to thrive in a dynamic and competitive work environment. We actively foster an atmosphere where every individual can grow, contribute, and reach their personal and professional goals.		Stakeholder Engagement and Sustainable Development We maintain close relationships with stakeholders from diverse backgrounds, fostering enduring partnerships built on mutual trust. Across various domains, we actively promote sustainable development by leveraging our strengths. Additionally, we integrate ESG factors and considerations in our investment decisions and practices. This not only enhances returns for investors but also contributes to creating positive impacts on society and the world at large.
	Commitment to Fairness and Inclusivity Under the guidance of our ESG Committee, we uphold rigorous standards in all our human resource processes, including recruitment, promotion, training, and performance evaluations. We are committed to fair and transparent management practices that respect the rights of all employees while promoting an inclusive and diverse workforce. By prioritizing fairness, we strive to create an environment where every employee is valued and has the opportunity to succeed.		

Note:

¹ With regards to the detailed sustainability performance of Ying Li International Real Estate Limited (“Ying Li”) (stock code: 5DM.SGX), a subsidiary of the Group listed on the Singapore Stock Exchange, please refer to the sustainability report section of its Annual Report 2024, which is expected to be published by the end of April 2025. It will be made available on the websites of the Singapore Stock Exchange (www.sgx.com) and Ying Li’s corporate website (www.yingligi.com). As such, the data in this Report does not include data from Ying Li. All policies covered in this Report are applicable to the Company and the subsidiaries of the Group. Besides, the descriptions of the Group’s key investee companies, which are not accounted for as subsidiaries in the consolidated financial statements of the Company, detailed in this Report are voluntary and additional disclosures beyond current compliance requirements.

Reporting Principles

This Report is based on seven reporting principles: materiality, quantitative, balance, consistency, stakeholder inclusiveness, sustainability context and completeness to ensure the quality of the Report. These principles guide us in pursuing transparency and accuracy in the presentation of information, ensuring that all stakeholders have access to comprehensive and reliable information.

Materiality	We regularly conduct materiality assessments to identify material ESG topics of concern to us and our stakeholders, and to ensure that these topics are reflected in this Report.
Quantitative	We strive to present quantitative information with explanations.
Balance	We disclose the positive and negative impacts of our business in a transparent manner.
Consistency	This Report has been compiled as consistently as possible as our past reports to allow readers to make meaningful comparisons of our ESG performance.
Stakeholder Inclusiveness	We have a broad range of stakeholders, including shareholders, investors, clients, collaborating partners, employees, suppliers, media, communities and NGOs.
Sustainability Context	Apart from the material ESG factors, the sustainability context of this Report also includes sustainable development goals and climate-related financial risks.
Completeness	We consistently incorporate material topics, topic boundaries, relevant significant impacts, and stakeholder views into this Report, and adhere to the above six reporting principles to ensure complete disclosure.

Access of the Report

This Report is available in electronic versions in both English and Traditional Chinese which can be accessed on our website at www.everbright.com and the website of SEHK at www.hkexnews.hk.

Contact Us

We welcome your comments and feedback on our Report and sustainability performance. Please email us at media@everbright.com.



THE BOARD'S OVERSIGHT OF ESG AND CLIMATE MATTERS

Under the authority of the Board, the ESG Committee is responsible for formulating the Company's ESG, climate change and responsible investment policies, strategies and objectives; supervising the Company's performance and effectiveness in implementing ESG, ethical standards, climate change and responsible investment-related measures; identifying and evaluating ESG and climate change-related material topics and their priority that are relevant to our operations and/or our stakeholders; and reporting to the Board on relevant matters. The ESG Committee is also tasked with reviewing our ESG report and provide suggestions to the Board. The Board is responsible for overseeing the ESG Committee's tasks and reporting, and reviewing and approving our ESG report.

The Board has reviewed the material ESG topics, and will manage and monitor these topics, and take them into consideration when determining the Company's business direction and strategy.

ABOUT CHINA EVERBRIGHT LIMITED

China Everbright Limited is a leading cross-border asset management and private equity (“PE”) investment company in China, and a listed company in Hong Kong with asset management and investment of private funds as the core businesses. With over 27 years of experience in cross-border asset management and PE investments, CEL has been assessed as one of the top PE firms in China several times. China Everbright Group Ltd. (“Everbright Group”) is the largest shareholder of the Company, indirectly holding a 49.74% of the shares of CEL.

For Fund Management Business, as at 31 December 2024, total assets under management (“AUM”)² of CEL reached approximately HK\$117.4 billion with 71 funds. CEL has a diverse assets management product portfolio covering primary market funds, secondary market funds, Fund of Funds and Secondary Funds, nurturing many promising enterprises with high growth potential alongside with investors. CEL fully capitalises its role as a cross-border investment platform to support strategic emerging industries, prospective industries, scientific and technological innovation, foster new quality productivity, and contribute to the development of the real economy.

For Principal Investments Business, CEL has nurtured China Aircraft Leasing Group Holdings Limited (“CALC”) (stock code: 1848.HK), the largest independent aircraft operating lessor in China; nurtured China Everbright Senior Healthcare Company Limited (“Everbright Senior Healthcare”), a renowned senior healthcare industrial group in China with consolidating multiple mid-to-high-end senior healthcare enterprises; and invested in Terminus Technology Co., Ltd. (“Terminus”), a company cultivating in the Artificial Intelligence (“AI”) and Internet of Things (“IoT”) industry. Meanwhile, CEL also invests in financial assets to achieve a balance in return and liquidity in its Principal Investments Business in due course. In addition, CEL holds a portion of the equity interests of China Everbright Bank Company Limited (“China Everbright Bank”) (stock code: 601818.SH, 6818.HK) and Everbright Securities Company Limited (“Everbright Securities”) (stock code: 601788.SH, 6178.HK) as Cornerstone Investments.



Note:

² Total assets under management refer to the committed capital of fund investors (including CEL as an investor) in the case of primary market investment and Fund of Funds market investment, and refer to the net asset value of funds in the case of secondary market investment.

MAJOR SUSTAINABILITY RECOGNITIONS AND AWARDS

In recent years, CEL has been honoured with numerous accolades, highlighting the widespread appreciation of our contributions to both society and the environment. Since 2011, we have proudly received the “Caring Company” and “Caring Organisation” awards for 14 consecutive years, acknowledging our ongoing commitment to employee well-being, social responsibility, environmental conservation, and the promotion of an inclusive society. Furthermore, we are dedicated to fostering a positive and high-quality work environment, advocating for work-life balance, and encouraging employees to maintain an optimistic and positive attitude towards life. It has been recognised with the “Happy Company 10+” certification, which we have earned for the tenth consecutive year from the Hong Kong Productivity Council and the Promoting Happiness Index Foundation.

Some of the awards and recognitions received by the Group in 2024 are as follows:

Recognitions and Awards	Issuing Authority
“Top 30 Best Private Equity Investment Institutions in the Guangdong-Hong Kong-Macao Greater Bay Area” “Top 100 Best State-Owned Investment Institutions”	China Venture
“2024 Top 100 China Influence Investment Institution” “2024 Top 50 China Influence State-owned Capital Investment Institution”	China Venture Capital Research Institute
Scored A in the MSCI ESG Rating	MSCI
CCXGFI x HERA: Outstanding ESG Asset Management Award	CCX Green Finance International Limited and Hong Kong Environmental, Social and Governance Reporting Awards
“2024 Top 13 Best State-Owned Market-Oriented Fund of Funds”	FoF Research Centre
“2024 Top 30 China Influence Limited Partners”	China Venture Capital Research Institute
“2024 Top 20 Financial Institutions in the New Quality Productivity Investment Institutions Soft Power Rankings”	FOFWEEKLY
“Best Annual Return Product of the Year”	Chinese Asset Management Association of Hong Kong
“Active Participation in Bond Underwriting with Overseas Institutions”	Shenzhen Stock Exchange
“2023 Top Performance in Fixed Income Convertible Bond Funds”	BarclayHedge
“Breastfeeding Friendly Workplace”	Family Health Service, Department of Health, the Government of the Hong Kong Special Administrative Region
“Joyful@Healthy Workplace Best Practices Award — Outstanding Award”	Occupational Safety and Health Council
“Happy Company 10 Years+”	Hong Kong Productivity Council and Promoting Happiness Index Foundation
“Caring Company” and “Caring Organisation”	Hong Kong Council of Social Service

CEL'S APPROACH TO ESG MANAGEMENT

At CEL, we believe that a strong corporate governance framework and effective risk management systems are essential for the long-term success and sustainable growth of our business. We are committed to transparency and responsible management, adhering to the highest ethical standards and principles in every aspect of our operations. This commitment ensures that we continue to protect the interests of our shareholders, customers, employees, and other stakeholders.



We comply strictly with the laws and regulations of Hong Kong, including the requirements of regulatory bodies such as the Securities and Futures Commission (“SFC”) and the SEHK. Our corporate governance practices are regularly reviewed and updated to stay aligned with both international and local best practices, including the Appendix C1 *Corporate Governance Code* set out in the *Listing Rules*.


We are committed to embedding environmental, socio-economic sustainability, and the philosophy of high-quality, long-term growth into our corporate culture and governance framework. Following the principles of responsible investment, we progressively integrate ESG considerations and put into practice in our management and investment decisions. This approach aims to foster sustainable business growth, guide investment selection, and create lasting positive value for the environment and the communities. Our commitment further extends to aligning our business operations with global sustainable development goals.

In 2024, CEL achieved an “A” rating in the MSCI ESG ratings, marking a continuous improvement in our rating over the past three years. This accomplishment reflects our ongoing efforts to optimise ESG performance and demonstrates the market’s high recognition of Company’s ESG management. The successive upgrades in our MSCI ESG rating further confirm the capital market’s recognition of our long-term investment value and commitment to sustainable development.



CEL's ESG-related Policies

To effectively facilitate sustainable development, the Group has fully implemented the following ESG-related policies.

				
<i>Climate Change Policy</i>	<i>Anti-Money Laundering and Counter Financing of Terrorism Policy</i>	<i>Prevention of Bribery and Corruption Policy</i>	<i>Employee Diversity Statement</i>	<i>Employee Rights and Benefits Statement</i>
				
<i>Staff Development and Training Statement</i>	<i>Data Security and Privacy Statement</i>	<i>Responsible Investment Guidelines</i>	<i>ESG Risk Management Statement</i>	<i>Whistleblowing Policy</i>

Corporate Governance

CEL is dedicated to upholding excellence in corporate governance while safeguarding and advancing the interests of shareholders and other stakeholders.

As the highest governing body of the Group, the Board is composed of a balanced mix of Executive, Non-executive, and Independent Non-executive Directors, ensuring compliance with relevant regulatory requirements of the proportion of Independent Non-executive Directors. The Board is responsible for maintaining effective governance and strictly overseeing the implementation of sustainable development strategies. It operates under principles of integrity and loyalty, ensuring that all decisions are made objectively and prudently to protect and enhance the Company's best interests.

A diverse Board is essential for strengthening decision-making efficiency and corporate governance. In accordance with the Company's *Board Diversity Policy* (which is posted on the Company's website under "Investor Relations" column), the Board comprises members from different professional backgrounds, possessing a wide range of skills, industry expertise, experience, education, race, age, gender, and other attributes. These factors are carefully considered when determining the optimal Board composition to maintain a well-balanced structure. Currently, all Directors have extensive experience in the financial sector and management, with a comprehensive understanding of both the industry and the Company. This ensures that all interests and potential risks to the Group are thoroughly evaluated. Additionally, Independent Non-executive Directors make up no less than one-third of the Board, with some members bringing specialised expertise in strategic development, finance, and risk management, further enhancing the Board's decision-making capabilities and effectiveness.

To enhance governance effectiveness, the Board has established six dedicated committees, each responsible for assisting the Board in fulfilling its duties across different areas. These committees include the Executive Board Committee, the Audit and Risk Management Committee, the Nomination Committee, the Remuneration Committee, the Strategic Committee, and the ESG Committee. Each committee has distinct functions to ensure efficient decision-making and operations within the Group.

The *Terms of Reference of the Board* clearly defines the powers and responsibilities of the Board and its six committees, with periodic revisions as needed. The Board holds at least 4 regular meetings annually, ensuring that agenda items are thoroughly consulted beforehand, extensively discussed during meetings, and properly followed up afterward. For details on Board members and other corporate governance matters, please refer to the “Corporate Governance Report” in the Company’s Annual Report 2024, other detailed information can be found on the Company’s website under “Investor Relations” column.

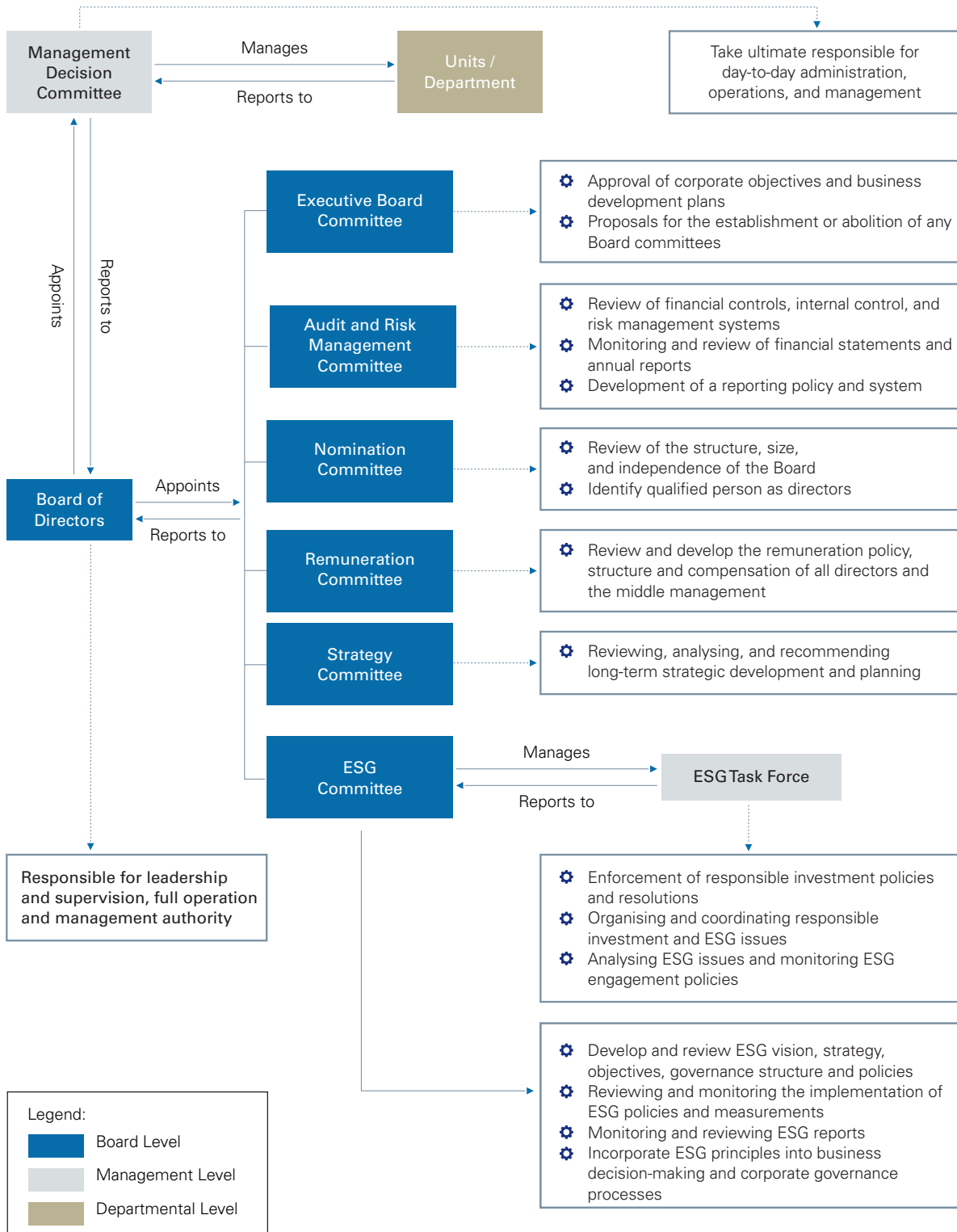
ESG Governance

The Board serves as the highest governing body of the Group, responsible for overseeing all ESG-related matters and approving the Group’s ESG reports. To strengthen ESG governance, the Board officially established the ESG Committee in 2021, aiming to integrate ESG principles into the business decision-making process and align with global corporate ESG trends. The ESG Committee’s Chairman and members are appointed by the Board. Currently, the Committee consists of 5 members, including 3 Executive Directors, 1 Non-executive Director, and 1 Independent Non-executive Director. The Company’s President serves as the Chairman of the ESG Committee.

The responsibilities of the ESG Committee include formulating and reviewing the Group’s ESG vision, strategies, goals, governance framework, and policies. It identifies and assesses material ESG issues and prioritises them, ensuring ESG principles and as well as climate related risks and opportunities are embedded in business consideration and corporate management. The Committee also closely monitors international best practices and regulatory developments in ESG. Additionally, it oversees the Company’s ESG performance and responsible investment initiatives across different departments, providing regular updates to the Board.

In our annual ESG Committee meetings, climate-related risks and opportunities are some of the key focuses of discussion. The Committee systematically reviews the potential financial, operational, and strategic impacts of climate change on our business, considering both transition and physical risks. This includes evaluating regulatory developments, market shifts, technological advancements, and emerging sustainability trends that may affect our investment strategies and overall business operations. Additionally, the Committee assesses opportunities arising from the low-carbon transition, such as green investment trends, sustainable finance initiatives, and innovations in ESG-aligned products and services. By integrating climate considerations into our decision-making processes, we aim to enhance our resilience, mitigate risks, and capitalise on emerging opportunities that align with global sustainability goals.

For further details on the ESG Committee’s composition, responsibilities, and a summary of its 2024 activities, please refer to the “Environmental, Social and Governance Committee” section in the “Corporate Governance Report” of the Annual Report 2024.



Under the ESG Committee, the ESG Task Force is responsible for organising and implementing the responsibilities, policies, and decisions formulated by the ESG Committee. In 2024, to further strengthen the effectiveness of ESG efforts and based on the principle of full participation, the composition of the ESG Task Force was adjusted, and relevant work mechanisms were further clarified. The ESG Task Force is led by the Group's President. The members of the Task Force are selected from various departments, including the Investment Team, the Cultural and Social Responsibility Department, the Risk Management and Legal Compliance Department, the Company Secretarial Department/Board of Directors Office, the Strategic and Development Department, the Portfolio and Investment Management Centre, the Human Resources Department, and the General Office. The Task Force is divided into four working groups: Integrated Coordination, Environmental, Social, and Governance, with the Integrated Coordination Group overseeing and driving the overall ESG-related work across the Company. The Task Force is responsible for organising and implementing the responsibilities, policies, and resolutions set by the ESG Committee, and regularly reports its results to the ESG Committee, providing suggestions for adjustments and improvements. It also encourages all employees to practice ESG principles, working together to enhance the Company's ESG management.

Additionally, the ESG Task Force compiles periodic progress reports, and submits regular updates to the ESG Committee and Company management. It also conducts research on responsible investment policies and market developments, providing recommendations for strategic and policy adjustments. To further strengthen ESG implementation, the Task Force assigns dedicated personnel to oversee ESG-related matters, including conducting ESG research, tracking industry trends, implementing active ownership, liaising with investors and rating agencies, and organising ESG-focused training sessions.

In the area of responsible investment, we encourage our investment teams and researchers to adhere to the Company's responsible investment policies, and comprehensively integrate these principles into the investment strategies, operational manuals, and risk management frameworks of each fund, based on the characteristics of the fund and the needs of fund investors. These policies also guide funds in establishing ESG disclosure and reporting systems, while encouraging and assisting fund teams in adopting responsible investment principles and practices. Additionally, we enhance our understanding of responsible investment developments through specialised training, external seminars, and industry exchanges with peers.

To further strengthen active ownership, we have updated the *Management Guidelines for Affiliated Enterprises and Significant-Shareholding Enterprises*, replacing previous transitional and phased management plans. These updates improve governance over investee companies and reinforce our commitment to active ownership practices.

Beyond governance structures, a comprehensive framework of policies, guidelines, and training is essential for enhancing operational efficiency, ensuring regulatory compliance, and fostering a culture of accountability. To this end, we have developed and regularly update a series of policies covering corporate ethics, risk management, human capital, sustainable development, and responsible investment. These policies help employees implement ESG measures more effectively. Furthermore, some of these policies and guidelines are publicly available on the Company's website, demonstrating our commitment to transparency in corporate governance.

To keep stakeholders informed of the Company's ESG progress, the "Sustainability" section on the Group's website provides updates on ESG-related policies and developments.

Corporate Ethics

Maintaining corporate ethics is fundamental to integrity-driven operations, enhancing both productivity and employee morale. Under the supervision of the board-level ESG Committee, CEL strictly complies with relevant laws, including the *Anti-Unfair Competition Law of the People's Republic of China* and Hong Kong's *Prevention of Bribery Ordinance*. Internally, the Group has implemented the *Anti-Money Laundering and Counter-Terrorism Financing Policy* and the *Prevention of Bribery and Corruption Policy*. Our *Employee Handbook*, applicable in both Hong Kong and Mainland China, explicitly outlines the code of conduct and ethical standards, strictly prohibiting employees from engaging in any form of money laundering, bribery, or corruption while performing their duties.

To strengthen ethical awareness, the Group conducts various ethics and anti-corruption training sessions annually. These initiatives serve a dual purpose: reinforcing employees' adherence to company policies and preventing criminals from exploiting employees for illicit activities. Furthermore, the Group has developed the *Guidelines on Management of Conflicts of Interest*, which clearly define potential conflicts of interest in business activities and specify mitigation measures in cases where information disclosure alone is insufficient to manage such conflicts effectively. The guidelines also establish responsibility divisions, preventive strategies, and accountability policies, explicitly prohibiting the acceptance of bribes.

During the Reporting Period, the Group conducted insider trading and profit transmission investigations in accordance with regulations such as the *Working Guidelines for Anti-Money Laundering for Domestic Private Equity Fund Managers* and the *Interim Measures for the Management of Lists of Restricted Businesses and Personnel*. Employees received specialised training on the following topics, these efforts enhanced employees' awareness of relevant legal and compliance matters:

- *Regulatory Compliance and Ethical Requirements*
- *Climate-Related Risk Requirements under the Fund Manager Code of Conduct*
- *Anti-Money Laundering and Counter-Terrorist Financing*
- *Anti-Money Laundering and Key Issues in Domestic Private Equity Funds*

In 2024, all management and employees participated in ethics and anti-corruption training.


While upholding corporate ethics, we also place great importance on protecting whistleblowers' rights. Our *Whistleblowing Policy* is designed to safeguard the rights of employees and third-party whistleblowers, ensuring that their identities remain confidential unless required by their consent or legal obligations. To reinforce this commitment, we have established anti-retaliation measures, enabling whistleblowers to report unethical conduct without fear of repercussions. To improve the efficiency of investigations, we encourage whistleblowers to provide their names, although anonymous reports are still accepted. The *Whistleblowing Policy* applies not only to employees but also to other stakeholders, including shareholders, investors, customers, and suppliers. Additionally, the *Whistleblowing Policy* is published in local languages on the Company's website to align with regional practices.


During the Reporting Period, the Audit and Risk Management Committee had full responsibility for the Company's *Whistleblowing Policy*, while the day-to-day supervision and implementation of the *Whistleblowing Policy* were entrusted to the Company's Vice President of the Group in charge of risk management. No confirmed violations related to money laundering, bribery, or corruption with significant impact on the Group were reported.


Risk Management

Risk management is a critical component of the Group's operations. Our *Risk Management Policy* and *ESG Risk Management Statement* comprehensively address various types of risks and provide strategic management and response measures to ensure effective risk mitigation. The Group is committed to maximising shareholder value while keeping risks within acceptable limits. The Vice President overseeing Risk Management, Legal, and Compliance leads the Group's primary risk management efforts, ensuring effective implementation of all risk management plans. The Audit and Risk Management Committee is responsible for monitoring and evaluating risk conditions, regularly assessing the effectiveness of risk management measures to enable timely strategic adjustments. The ESG Committee oversees ESG-related risks, with ultimate accountability resting with the Board.

During the Reporting Period, we continued to implement effective ESG risk management measures, proactively addressing both major business risks and ESG-related risks. The Group regularly reviews and updates its risk management strategies to align with evolving market conditions, ensuring long-term value creation for shareholders and stakeholders.

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To prevent and mitigate potential losses and harms arising from ESG risks to the Group and investors, we have established a comprehensive ESG risk management plan based on the *ESG Risk Management Statement*. The requirements outlined in this plan are fully integrated into the Company's risk management and business processes, ensuring ESG considerations are embedded in all operations. To further strengthen ESG management, the Internal Audit Department assists the Board of Directors and the Risk Management Committee in reviewing the Company's internal control systems annually, in accordance with the relevant regulations of the SEHK. This review includes ESG-related policies and training, and a report will also be submitted.
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The Group has implemented a multi-layered ESG risk management framework, consisting of the Board, ESG Committee, Management Decision Committee ("MDC"), as well as various business and functional departments. Each unit has clearly defined roles and responsibilities, ensuring the effective oversight, development, implementation, and execution of ESG risk management mechanisms.
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The potential ESG risk assessment at both the corporate and investment project levels, are based on a comprehensive integration of multiple data sources, including ESG risk assessment data, analytical model and external information, is being progressively embedded into the investment lifecycle, including pre-investment screening and post-investment monitoring. Additionally, we have implemented an early warning system to assess and analyse unexpected ESG risk events, considering factors such as severity, responsibility attribution, response strategies, and industry benchmarks. This proactive risk management mechanism enables early identification of potential ESG risks, allowing for timely and appropriate actions to effectively mitigate them based on assessment results.

To further enhance our risk management framework, the Group has introduced multiple risk management systems, including *Concentration Risk Management Method*, *Important Customer Risk Management Method*, *Investment Asset Risk Classification Management Method*, *Connected Transaction Management Guidelines*, *Investment Project Risk Review Guidelines*, *Guidelines for Investment Project Due Diligence*, *Valuation Policy and Management Measures*, *Management Measures for Impairment Provisions on Debt Asset*, and *Single Project Investment Risk Management for Primary Market*. Additionally, we have issued and periodically updated the *Negative List for Primary Market Investments*, reinforcing our approach to risk mitigation.

To meet the SFC regulatory requirements on climate-related risks, our relevant licensed entities have established corresponding climate-related risk policies and workflows in accordance with the *Fund Manager Code of Conduct*. Significant climate-related risks are integrated into the investment management process, with appropriate and timely disclosures made to investors as required. The Group has developed a *Climate Change Policy*, reflecting our dual responsibility in addressing climate challenges. This policy focuses on implementing adaptation and mitigation measures to proactively manage potential climate-related risks impacting investments and clients, and making climate-conscious investments to support the transition to a low-carbon economy and contribute to China's "Dual Carbon" goals.

Additionally, the Group conducted a comprehensive risk screening and self-assessment of its business risks, allowing for an in-depth evaluation of risk exposures across different business units. As part of this process, a large-value customer risk control list was compiled, and a risk limit control strategy was formulated to assess and manage potential risks effectively. In 2024, there were no significant ESG risk events affecting the Group.

For more details on the Group's risk management approach, please refer to the "Corporate Governance Report" and "Risk Management Report" sections of the Company's 2024 Annual Report.

Supply Chain Management

Guided by the *Green Office and Sustainability Procurement Management Guide*, the Group extends environmental protection responsibilities and standards throughout its supply chain. This guide ensures that ESG considerations are embedded in supplier selection, prioritising collaboration with environmentally responsible suppliers to minimise carbon emissions across operational processes. For example, our paper suppliers have obtained ISO 14001 environmental management certification, demonstrating the effectiveness of their environmental management systems. Furthermore, the Group gives preference to procuring energy-efficient and environmentally friendly products to reduce potential environmental impacts throughout the supply chain.

To strengthen compliance management in our supply chain, we require newly signed offshore procurement contracts to include anti-corruption clauses. Under this requirement, suppliers must acknowledge that they are aware of, understand, and comply with all applicable anti-corruption and anti-bribery laws, and undertake to continue compliance in the future. Suppliers also agree that no one acting on their behalf shall directly or indirectly offer, promise, or authorise the offering of any money or anything of value to any individual or entity as an unlawful inducement or reward to obtain or retain business or secure any commercial advantage. This requirement applies to newly engaged offshore suppliers, unless they already have anti-corruption clauses or systems that meet our standards. Through our contracts with suppliers, the Company strictly prohibits any form of improper payment, provision, bribery, kickback, or other unlawful transfer of benefits.

To enhance procurement quality, improve efficiency, reduce costs, and manage environmental and social risks, the Group strictly enforces and periodically updates the *Procurement Management Guidelines*. These guidelines establish a supplier whitelist management mechanism and a multi-dimensional evaluation system for supplier selection. The procurement management team is responsible for approval and internal control to ensure a standardised and transparent procurement process.

As business evolves, departments may propose new suppliers to the team. Upon approval from the procurement management team, these suppliers are added to the database. The supplier whitelist database consists of industry-leading suppliers and suppliers with a proven track record of good cooperation. This management procedure also outlines the organisational structure of procurement management to ensure the effective execution of internal controls and supervisory management within the supply chain. During the Reporting Period, 28 suppliers successfully completed the necessary procedures and approvals to be included in CEL's supplier whitelist.

As of 31 December 2024, the Group had 492 suppliers providing services across information technology, company secretarial, legal and compliance, financial advisory, training and recruitment, public relations, and general office and administration operations. Of these, 95% were located in the Group's main operating regions, including Mainland China and Hong Kong, while the remaining suppliers were based in other regions.

Data Security and Privacy

With the rise of the knowledge economy, data security and network protection have become increasingly critical for businesses. The Group has integrated data leakage risks into its risk management system and established comprehensive policies, including the *Information Technology Security Policy*, *Management of Confidential Information and Confidentiality Agreements*, and *Data Security and Privacy Protection Statement*. These policies reinforce the management of confidential information and data security across the Group.

To ensure ongoing compliance, we conduct annual internal audits of data security policies and engage external independent auditors periodically. In 2024, the Group completed a thorough review of the *Data Security and Privacy Protection Statement*, reinforcing our commitment to transparent, lawful, and compliant data collection and processing. This includes obtaining prior approval from relevant individuals and signing confidentiality agreements when necessary. Data is disclosed strictly on a need-to-know basis, with modifications or deletions permitted only by authorised personnel or departments.

Beyond monitoring data collection and sharing, the Group performs regular internal and third-party audits on data security policies and information systems to enhance protection measures. In the event of a data breach, we follow established protocols to notify affected parties, identify root causes, and implement corrective actions, safeguarding stakeholder privacy, including that of suppliers and customers, while protecting corporate data.

For individual and institutional customers, data is collected only for Know Your Customer (KYC) and Anti-Money Laundering (AML) compliance. We do not collect, rent, sell, or share any institutional or personal data with third parties beyond what is necessary to complete transactions or services. The Group also maintains robust data security incident response protocols, ensuring rapid containment, resolution, and mitigation of potential risks. In 2024, the Group recorded zero incidents of client data leakage or loss, reflecting our effective cybersecurity measures and commitment to data protection.

The risks of the Group are overseen and managed by the Management Decision Committee, which is responsible for supervising various risks, including information technology risks. The Board of Directors holds ultimate responsibility for data security.

To strengthen data security, the Group has implemented the following technical safeguards:

Separation of working environments	Keeping the working environment for production, operation, and maintenance separated.
Access control	Restricting access to the data center and segregating development and maintenance teams.
Network protection	Deploying double-layered firewalls, server IP access controls, and an intrusion-resistant intranet.
Demilitarised Zone (DMZ)	Isolating relevant publicly disclosed data for enhanced cybersecurity.
Data destruction	Mandating physical destruction of storage media containing internal data before disposal.

MATERIALITY ASSESSMENT AND STAKEHOLDER ENGAGEMENT

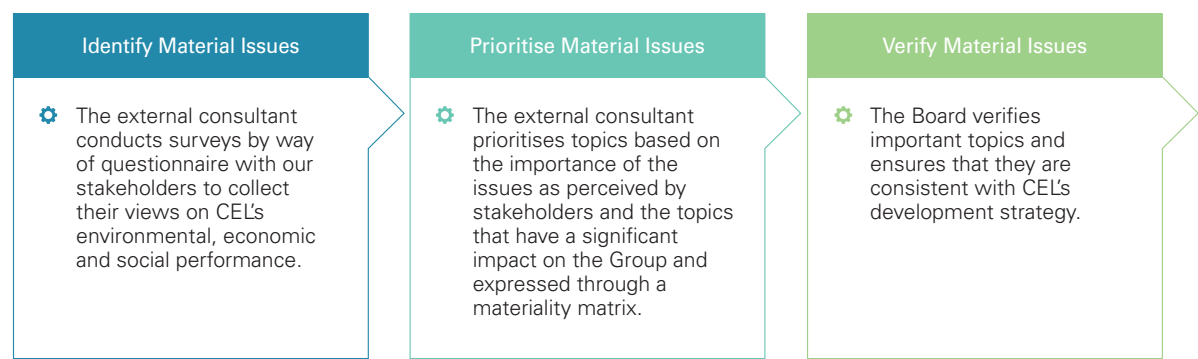
The Group recognises that maintaining close and continuous engagement with stakeholders is crucial to achieving its sustainable development objectives. To foster meaningful communication, we actively utilise various channels such as surveys and interviews to gather insights into stakeholders' perspectives and expectations. Their feedback plays an essential role in shaping our sustainability initiatives, enabling us to refine our business practices while upholding transparency and accountability in an ever-evolving market landscape. We are committed to building long-term partnerships to ensure that stakeholders' needs and aspirations are well-integrated into our strategies, driving the Group's ongoing progress and development.

Our stakeholders comprise individuals and organisations, both internal and external, who significantly influence or are impacted by our business operations. Key stakeholders include shareholders and investors, clients and business partners, employees, suppliers, media, as well as the broader community and non-governmental organisations.

Stakeholder Group	Communication Channel	Key Concerns/Topics
Shareholders and Investors	<ul style="list-style-type: none"> General meetings Regular reports and announcements Investor forum Site visits Email, meetings 	<ul style="list-style-type: none"> Financial Performance Environmental Compliance Tackling Climate Change Anti-corruption
Clients and Collaborating Partners	<ul style="list-style-type: none"> Email, meetings Customer satisfaction survey Grievance channels 	<ul style="list-style-type: none"> Product Responsibility Responsible Investment Customer Privacy
Employees	<ul style="list-style-type: none"> Email, intranet, meetings Annual review Training and community events Questionnaire Grievance channels 	<ul style="list-style-type: none"> Employee Welfare Occupational Health and Safety Diversity and Equal Opportunity
Suppliers	<ul style="list-style-type: none"> Supplier screening and evaluation Supplier conferences Email, meetings 	<ul style="list-style-type: none"> Procurement Practices Supplier Management
Media	<ul style="list-style-type: none"> Press conferences Regular reports and announcements Interviews 	<ul style="list-style-type: none"> Financial Performance Environmental Compliance Social Investment
Community and NGOs	<ul style="list-style-type: none"> Sponsorship and charitable contribution Community activities 	<ul style="list-style-type: none"> Social Investment Tackling Climate Change

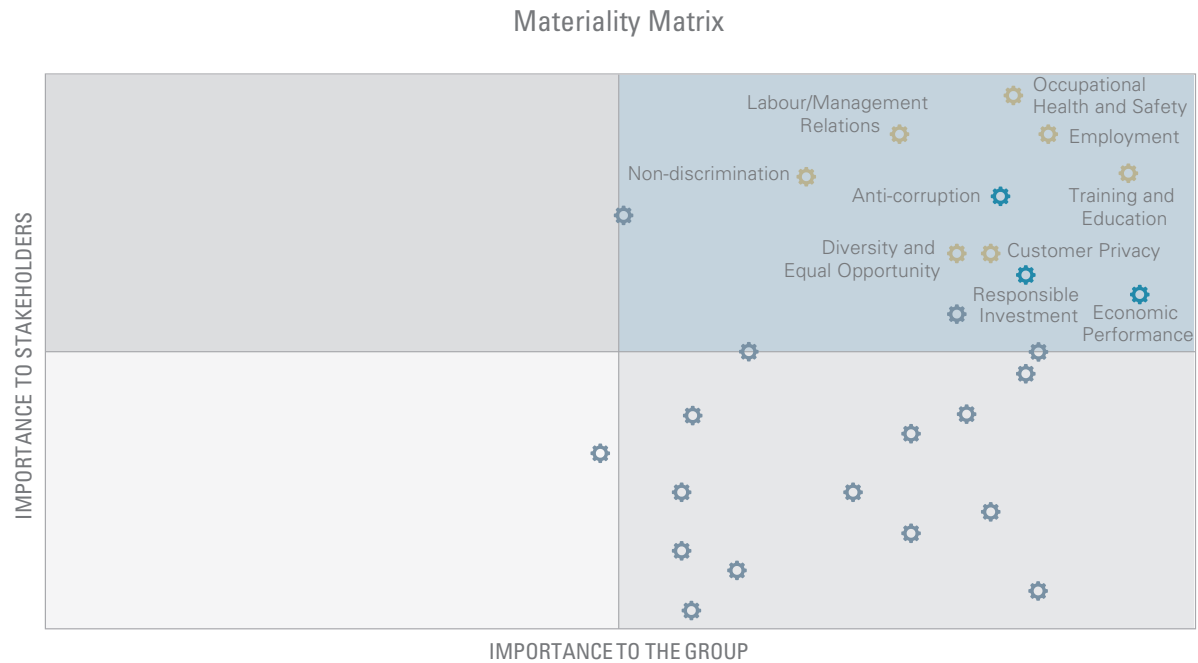
Materiality Assessment

In 2024, the Group engaged an external consultant to conduct a comprehensive stakeholder survey, aimed at gathering insights into stakeholders’ concerns and perspectives on sustainability issues while identifying potential opportunities and risks. Following the principles outlined in the GRI Standards, we carried out a structured materiality assessment process to determine and prioritise the sustainability topics most relevant to CEL. This approach not only helps us focus on the most critical issues but also defines the scope and boundaries of our reporting, ensuring that all key sustainability matters are addressed in a clear and practical manner.



Materiality Matrix

The materiality matrix below illustrates the relative significance of various sustainability topics to both stakeholders and the Group. The 10 topics ranked as most important are classified as material topics and will be discussed in detail in this Report.



Our Material Topics

Category	Material Topics	Impact Boundary		Relevant GRI Standards	Key Relevant SDGs
		Within the Group	Outside the Group		
Economic	Anti-corruption	✓	✓	GRI 205	
	Economic Performance	✓	✓	GRI 201	
	Responsible Investment	✓	✓	Not Applicable	 
Social	Occupational Health and Safety	✓	✓	GRI 403	
	Employment	✓	✓	GRI 401	 
	Training and Education	✓	✓	GRI 404	
	Labour/ Management Relations	✓	✓	GRI 402	 
	Customer Privacy	✓	✓	GRI 418	
	Non-discrimination	✓	✓	GRI 406	 
	Diversity and Equal Opportunity	✓	✓	GRI 405	 

RESPONSIBLE INVESTMENT

Overview

As a cross-border investment and asset management company, CEL values both long-term value creation and short-term financial performance equally, understanding that each investment decision carries profound impacts on both the portfolio and society at large. Thus, we meticulously assess the risks associated with every investment decision, striving to offer wise guidance for future capital allocation. CEL recognises that risks come in various forms and timelines, so we integrate a preventive approach and an active ownership investment strategy within our risk management framework. This enables us to create sustainable value for stakeholders while promoting the stable development of our business in an ever-changing market.



Through our *Responsible Investment Guidelines*, we commit to giving thorough consideration to ESG factors in all investment decisions and practices. We firmly believe that incorporating ESG factors and other sustainability considerations into our investment strategy not only drives long-term value growth for investors but also ensures more responsible, comprehensive, and resilient capital allocation. Consequently, we assess the social and environmental impacts of potential investments, ensuring that our decisions generate both economic benefits and contribute to sustainable development. As part of our risk management approach, we carefully analyse the ESG performance of potential investment projects to exclude underperforming projects. In addition to meeting investors' needs for optimising portfolio performance and enhancing investment returns, we actively work to improve the sustainability of our investment products. Furthermore, we are committed to collaborating with both international and domestic responsible investment institutions, collectively advancing the recognition of responsible investment principles within the industry. We engage in various forums and events, sharing best practices and successful case studies to foster industry-wide knowledge exchange and cooperation, thus enhancing the standard for responsible investing.

In support of sustainable industries, CEL began actively investing in environmental and renewable energy-related companies as early as 2006, demonstrating our firm commitment to sustainable development. In 2020, we established the "Everbright Belt and Road Green Fund" ("Green Fund"), further advancing the domestic ESG investment framework. Green Fund supports projects that align with sustainability goals while improving investment transparency and accountability. This initiative not only provides essential financial support to businesses but also actively promotes the innovation and development of green technologies and sustainable business models. In addition, the CEL Infrastructure Investment Fund II LPF ("Fund II") focuses on climate financing and ESG investments, incorporating international ESG standards, management practices, and evaluation systems to ensure the fund's ongoing positive impact on climate change, environmental improvements, and societal progress. Details of these two funds will be disclosed in further sections of this report.

In addition, to ensure the exclusion of projects with significant potential negative environmental and social impacts during early-stage investment selection, while focusing on investments in green and carbon-neutral sectors, we have developed a systematic early screening process. This process references the International Finance Corporation's (IFC) *Performance Standards on Environmental and Social Sustainability* and is tailored to align with our fund's investment direction. It includes a "Negative Exclusion List" and a "Positive Green List". The "Negative Exclusion List" outlines industries and projects that fail to meet our sustainability standards, ensuring our investments do not support activities harmful to the environment and society. Conversely, the "Positive Green List" highlights industries and projects that align with sustainable development goals, contributing to carbon emission reduction, environmental protection, and social well-being.

The ESG performance of potential investments is a crucial consideration in both the due diligence and investment decision-making processes of the Investment Committee for the funds. After securing financing, we conduct regular assessments of the project's environmental and social performance using standardised management and emergency response protocols to ensure its ongoing sustainability. Our goal is to deliver stable returns to investors through diversified investment approaches while integrating responsible investment principles into our core values, supporting the achievement of carbon neutrality goals.

Furthermore, the Group actively encourages other fund investment teams to fully integrate ESG principles into their investment and management processes. Aligned with the national strategy for carbon neutrality and the maturation of the new energy vehicle sector, the Group focuses on identifying related investment opportunities, advancing sustainable development. Leveraging our expertise in the green environmental sector and extensive experience in new energy, we aim to continue enhancing the performance of upstream raw materials and equipment, such as photovoltaics, large-scale wind power, and emerging opportunities in new energy vehicles. We will continue to support the research and development of innovative technologies to improve the efficiency and economics of renewable energy solutions, further advancing the adoption of clean energy.

ESG-related Investment

Green Industry	
<p>Stock scale of service and support of green industry projects</p> <p>approximately RMB7.1 billion (3 new projects added in 2024, with approximately RMB110 million)</p>	<p>41 projects under management</p> <p>Key investments include projects such as NIO Inc., and Beijing Yangde Environmental Protection Energy Technology Co., Ltd., further reinforcing our commitment to carbon neutrality investments</p>

In addition to expanding investments in green environmental projects, CEL actively leverages its equity investments to support the sustainable economy:

Real Economy	
<p>Stock scale of service and support for financing in the real economy</p> <p>approximately RMB34.3 billion (increased RMB200 million in 2024)</p>	<p>182 projects under management</p>

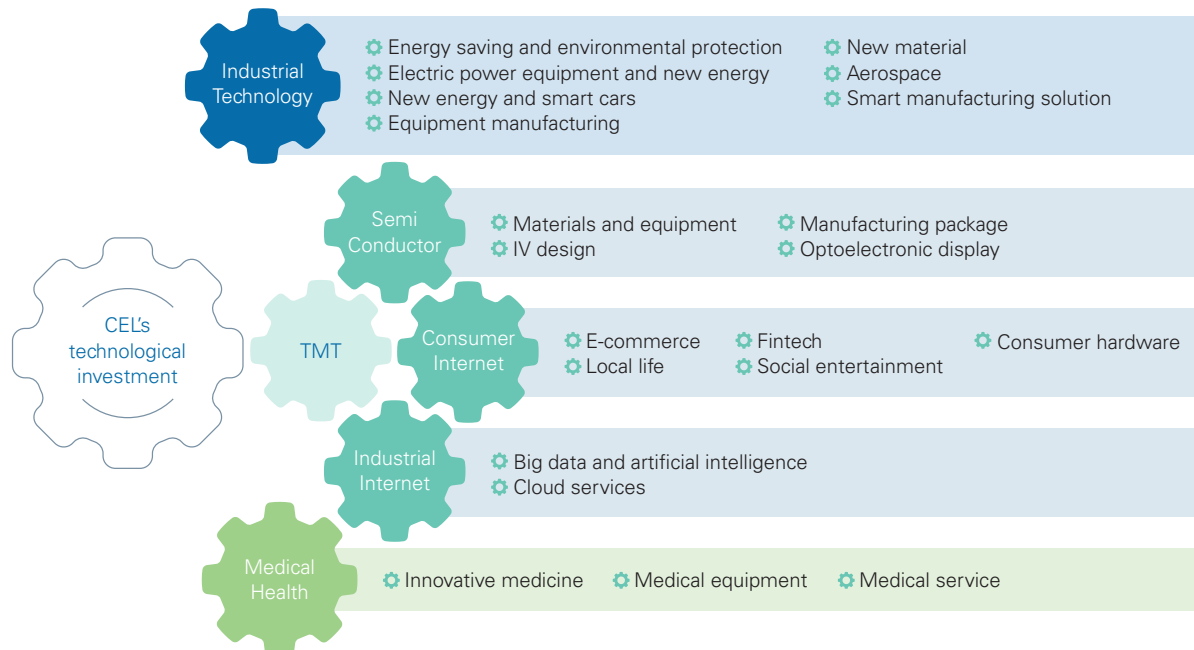
Private Enterprises	
<p>Stock scale of service and support to private enterprises</p> <p>approximately RMB26.5 billion (3 new projects added in 2024, with approximately RMB160 million)</p>	<p>161 projects under management</p>

Key invested projects:

- SenseTime Group Inc. (Sense Time)
- Tongdun Technology Co. Ltd (Tongdun Technology)
- iSoftStone Information Technology (Group) Co., Ltd. (iSoftStone)
- Netease Cloud Music Co., Ltd. (NetEase Cloud Music)
- Beijing Fourth Paradigm Technology Co., Ltd. (4Paradigm)

4Paradigm is the largest player in the platform-centric decision-making enterprise AI market in China, and is officially listed on the Main Board of the SEHK since 2023.

CEL's investment focus in the technological industry:



Key Investee Companies:

CALC

Leveraging its comprehensive capabilities across the entire aircraft industry chain, CALC is actively engaged in aircraft recycling. This initiative aims to fully exploit the value of old-age aircraft, promote the aviation circular economy, assist domestic airlines in upgrading their fleets through retiring old-age aircraft, and contribute to energy efficiency and emission reductions. This effort aligns with the national "Dual Carbon" strategy, emphasising sustainability in carbon emissions and energy consumption.

Everbright Senior Healthcare

Everbright Senior Healthcare aligns closely with the national strategies of a healthy China and active response to population aging, providing one-stop, personalised healthcare services. It has built a comprehensive service system covering rehabilitation care, smart elderly care, community-based and home care, as well as travel-based senior services. By innovating a dual-driven model of "Finance + Services," Everbright Senior Healthcare promotes inclusive elderly care services, extending resources to grassroots levels. Upholding its responsibility as a state-owned enterprise, it strives to enhance the quality of life for the elderly.

Terminus

Terminus has long been committed to AIoT technological innovation, driving the efficient implementation of the "Dual Carbon" goals in urban environments. The company has launched a comprehensive portfolio of "Dual Carbon" professional applications and integrated product solutions, including building automation systems, smart lighting control systems, and building carbon management systems. In 2024, Terminus was listed on the "Innovative Practice of AI LLM Industrial Application Settings of 2024" by Jazzyear, a Chinese Science and Technology Industry Think Tank.

Our Responsible Investment Guidelines

The Group has developed the *Responsible Investment Guidelines* to systematically integrate ESG factors into our investment decision-making processes and active ownership strategies. These guidelines apply to all asset classes managed by the Group. The ESG Task Force, responsible for the day-to-day implementation and monitoring of these guidelines, ensures coordination of efforts across departments, following the policies and resolutions set by the ESG Committee. The Task Force works on action plans aligned with responsible investment objectives and fosters direct engagement with our investees to enhance their sustainability performance while promoting the adoption of active ownership practices.

Our commitment goes beyond merely communicating the values and standards of responsible investment to our investees; we actively support and encourage improvements in their ESG practices. Additionally, we are progressively incorporating responsible investment principles into our investment research systems, the development of thematic products, active ownership practices, and capacity-building initiatives. For example, we have developed responsible investment-themed products such as low-carbon smart funds and green & low-carbon funds. ESG considerations are embedded within the investment processes for these products, demonstrating our dedication to putting responsible investment concepts and policies into action. These initiatives are designed to align our investment strategy with ESG principles and contribute to the realisation of sustainable development.

Our Negative Investment Checklist

In 2024, the Group has established the *Negative List for Primary Market Investment*, which outlines the industries and sectors that are excluded from investment to ensure alignment with sustainable development principles and national policies.

In principle, we avoid investments in sectors that do not align with national industrial policy orientation or structural adjustments in mainland China. We also exclude industries that fail to comply with national and local regulations concerning land use, energy consumption, pollution emissions, and safety production. We refrain from investing in sectors classified as “obsolete³” by national industrial policies, as well as industries identified as “high-pollution, high-emission, and overcapacity⁴”, including leather tanning and processing, fur tanning and processing, wood and bamboo pulp manufacturing, coking, cement production, flat glass manufacturing, iron refining, steel refining, ferroalloy smelting, aluminum smelting, and metal shipbuilding. Additionally, investments in the gambling and pornography industries abroad are prohibited, along with overseas investments that do not comply with the environmental protection, energy consumption, and safety standards of the host country. The Group also avoids projects or assets that are publicly listed on negative lists by national authorities or regulatory bodies, as well as enterprises with significant risks, such as those receiving adverse opinions from auditors.

Through these stringent investment criteria, we aim to effectively reduce potential environmental and social risks, foster sustainable development, and generate stable returns for investors. Our ultimate goal is to build a responsible, transparent, and sustainable investment portfolio that contributes to the long-term prosperity of society.

Our Management System

The Board holds ultimate responsibility for leadership and oversight in the implementation and performance of responsible investments. They are responsible for formulating the Terms of Reference and delegating authority on ESG matters to the ESG Committee. Regular reports on responsible investments will be presented to the Board, which will issue a statement on the Group’s ESG governance in accordance with regulatory requirements.

In addition to reporting to the Board, the ESG Committee plays a key role in developing and overseeing policies, strategies, and objectives related to responsible investments, leading the Group’s responsible investment practices. The ESG Task Force, in turn, is responsible for developing action plans based on responsible investment objectives and coordinating efforts across departments. Other departments, such as investment teams and researchers, are tasked with executing responsible investment activities aligned with their respective roles and responsibilities.

Led by a board-level committee, the responsible investment management system highlights the Group’s strong commitment to ESG matters and ensures that our responsible investment practices meet the highest standards and are fully implemented.

Notes:

³ “Obsolete” category as classified in *Catalogue for Guiding Industry Restructuring* published by the National Development and Reform Commission of the People’s Republic of China.

⁴ “High-pollution, high-emission and overcapacity” projects as identified in Key Performance Indicators of Green Credit published by the China Banking Regulatory Commission.

Introduction to Key Funds

CEL Infrastructure Investment Fund II LPF

Overview

Fund II represents the second influential infrastructure fund within the Group's international initiatives. It serves as a continuation of the successful operation of the Everbright Overseas Infrastructure Investment Fund LP ("Fund I"). Managed by indirect wholly-owned subsidiaries of CEL, Fund II aims to accelerate investment in emerging green infrastructures across Asia and to introduce innovative sustainability incentive programs that drive advancements in climate financing, gender diversity, and ESG governance within the private equity industry.

Fund Strategy

Fund II primarily focuses on equity and equity-linked investments, particularly in private equity and debt opportunities within the Association of Southeast Asian Nations (ASEAN) member states, including Indonesia, Malaysia, the Philippines, Singapore, Thailand, Vietnam, Hong Kong, and Macau.

When acquiring controlling or substantial minority stakes in target companies, including both greenfield and brownfield projects, Fund II targets companies with strong management teams, proven operational success, and robust recurring cash flows. This strategy aims to provide investors with significant cash returns and long-term asset growth. Through precise investment selection and a rigorous review process, we aim to build a robust and impactful investment portfolio in the ASEAN market.

In addition, the Fund II focuses on climate financing and ESG investments, incorporating international standards for ESG investment management and assessment systems to ensure that future investments play an active role in addressing climate change and improving environmental and social impacts. The targeted investment sectors include, but are not limited to, renewable energy, energy storage, power transmission and distribution networks, gas storage and distribution facilities, roads (including toll roads, bridges, and tunnels), transport terminals (airports and ports), communication towers, optic fibre networks, data centres, water and wastewater treatment facilities, logistics facilities, parking lots, and social infrastructure.

Investment Team

The investment team plays a critical role, particularly in managing relationships with target companies throughout the investment process. Members of Fund II's team have demonstrated their commitment to ESG principles, with two members having earned the Certificate in ESG Investing from the CFA Institute. The entire team regularly participates in ESG-related training to continuously enhance their expertise in the ESG domain, applying these skills in informed investment decision-making.

For more details related to Fund II, please refer to the ESG Policy of Fund II (available in English only).

Everbright Belt & Road Green Fund

Overview and Investment Strategy

The Everbright Belt & Road Green Fund ("Green Fund") was initiated by the Everbright Group and is managed and operated by CEL. It stands as one of the tangible outcomes of the second Belt and Road Forum for International Cooperation in 2019. The Green Fund's limited partners include Everbright Group, CEL, China Everbright Environment Group Limited (stock code: 257.HK), and collaborators from local state-owned enterprises.

The Green Fund focuses its investments on four selected areas: green environment, green energy, green manufacturing, and green living. It employs various investment approaches, including the establishment of direct investment funds in collaboration with key provinces and cities along the "Belt and Road", direct investments, and Fund of Funds (FoF) investments. The fund aims to support high-quality enterprises involved in the "Belt and Road" construction by fostering green and sustainable development. This support extends to their products, technologies, services, and business models, helping achieve carbon peak and carbon neutrality goals. The Green Fund's investment process incorporates the analysis of positive and negative investment lists, as well as an ESG indicator rating mechanism, ensuring that the final investments align with our philosophy and objectives.

Fund Strategy

The Green Fund is a market-driven private equity investment fund focused on advancing green and sustainable development. In partnership with provincial and municipal governments along China's "Belt & Road" initiative, the fund establishes regional direct investment sub-funds and actively invests in high-quality, market-oriented sub-funds and projects. This strategy is aimed at fostering a new development model characterised by a "dual cycle" approach. The Green Fund is fully aligned with the goals of achieving carbon peak and carbon neutrality in both China and the Belt & Road countries. Embracing innovative green development concepts, the fund is committed to driving sustainable economic growth while supporting the implementation of environmentally friendly technologies and innovative projects.

The table below summarises the Green Fund's carbon neutrality investment strategy:

Investment Vision	Promoting peak carbon emissions and carbon neutrality in China and Belt & Road Initiative countries			
Investment Philosophy	Embracing a new concept of green development			
Investment Area	Green Environment	Green Energy	Green Manufacturing	Green Lifestyle
Investment Strategy	Energy Decarbonisation	Transportation Decarbonisation	Industrial and Construction Decarbonisation	Lifestyle Decarbonisation
	<ul style="list-style-type: none"> Integration and optimisation of the PV supply chain Construction and operation of PV power stations Technological breakthroughs in the wind turbine industry Construction and operation of wind power projects Breakthroughs in energy storage technology and business models 	<ul style="list-style-type: none"> Structural opportunities in the new energy vehicle supply chain Business model breakthroughs in the aftermarket of new energy vehicles Technological breakthroughs in the core technology of new energy vehicles Localisation of equipment for hydrogen refuelling stations Technological breakthroughs in hydrogen-powered vehicles and fuel cell technology 	<ul style="list-style-type: none"> New technologies for energy conservation and emission reduction Breakthroughs in hydrogen production and storage technology Technological breakthroughs in hydrogen metallurgy Business model breakthroughs in prefabricated construction Innovative materials for new buildings 	<ul style="list-style-type: none"> Recycling and utilisation of household consumer goods such as plastics New materials for consumer goods Household waste separation

Investment Team

The investment team is integral in managing relationships with target companies throughout the entire investment process. They are responsible for ensuring that green factors and ESG considerations are embedded at every stage of the investment lifecycle. This encompasses a comprehensive evaluation during the initial screening, due diligence, investment decision-making, and ongoing management phases. The team works to ensure that every investment not only has the potential for strong economic returns but also contributes to sustainable development and the fulfillment of social responsibilities. They are adept at identifying and assessing potential environmental and social risks at each stage and actively driving improvements in ESG practices within target companies, ensuring alignment with the Group's sustainability objectives.

ESG and Responsible Investment Related Policies and Information

The Green Fund has taken a significant step in aligning with carbon peak and carbon neutrality targets by establishing four primary investment themes: energy decarbonisation, transportation decarbonisation, industrial decarbonisation, and decarbonised living. For each of these themes, the Fund has identified representative investment pathways aimed at supporting the achievement of these environmental goals.

The first and foremost investment focus is energy decarbonisation, considering that carbon emissions from the power and heating sectors account for half of China's total carbon emissions. Energy decarbonisation is seen as a vital pathway to achieving the "Dual Carbon" targets. Investment areas in this sector include, but are not limited to, optimising the photovoltaic supply chain, developing and operating photovoltaic power stations, driving technological breakthroughs in the wind turbine industry, constructing and operating wind energy projects, and innovating in energy storage technologies and business models.

Transportation decarbonisation is another key area of focus, given that transportation is one of the leading sources of carbon emissions in China. Electrification of roads and railways can achieve zero carbon emissions, while hydrogen fuel presents a viable option for decarbonising aviation and shipping. The Green Fund's primary investment areas in this sector include structural growth opportunities in the new energy vehicle supply chain (e.g., energy batteries), business model innovations in the new energy vehicle aftermarket (e.g., charging stations, battery replacement), breakthroughs in core technologies for new energy vehicles, localisation of hydrogen refuelling station equipment, technological advancements and commercialisation of hydrogen fuel cells.

The industrial and construction sectors, ranked as the second and fourth-largest carbon emitters in China, face challenges in achieving zero carbon emissions solely through electrification. As such, investment areas for decarbonisation in these sectors include new technologies and products that enhance industrial energy efficiency and reduce emissions, breakthroughs in hydrogen production, extraction, storage, and transportation, advancements in hydrogen metallurgy, innovations in the biofuel sector, business model innovations for prefabricated buildings, and the development of new building materials.

Decarbonised living focuses on shifting consumer habits at the end-user level to reduce carbon emissions and guide production processes. Key investment areas in this track include bioplastics, biosynthetic fibers, and other emerging decarbonisation materials, as well as the recycling and reuse of consumer products such as plastics. It also covers waste sorting technologies and innovations in business models.


The table below highlighted some of the Green Fund's investment cases:

Investment Case Study — CNNC Rich Energy	
<p>The Green Fund, in collaboration with the China National Nuclear Corporation Emerging Industry Fund, has completed the investment agreement with CNNC Rich Energy Co. Limited. ("CNNC Rich Energy") in 2022 and continued to participate in the second-round financing in 2024. CNNC Rich Energy serves as the non-nuclear new energy industry development, construction, and operation platform for the China National Nuclear Corporation Group, focusing on the development, construction, operation, and maintenance of new energy projects such as wind power, photovoltaic power generation, geothermal, and charging stations.</p> <p>This partnership marks a significant step for the Green Fund in advancing renewable energy initiatives. It aims to support CNNC Rich Energy's innovation and growth in the new energy sector, jointly promoting the adoption of green energy while contributing to China's energy transition and sustainable development goals.</p>	
Case Study — Supporting the Development of New Energy	
<p>The Green Fund completed several investments, including an investment in new materials manufacturing company Zhejiang Sheensen Magnetics Technology Co., Ltd ("Sheensen"), leading domestic lithium battery equipment company Jiangsu Fenghesheng Technology Co., Ltd ("FHS") and Beijing Intelligent Connected Vehicle Industry Venture Capital Fund ("Intelligent Connected Vehicle Fund"). These three investments not only strengthen Green Fund's strategic presence in the new energy industry chain but also contribute to enhancing China's competitiveness in the fields of new materials and battery technology.</p>	
<p>Sheensen is dedicated to the research and manufacturing of high-end rare earth permanent magnet materials and their components. The company has independently developed and mastered various core technologies, covering the preparation of sintered neodymium iron boron permanent magnet materials, mechanical processing, surface protection, and recycling manufacturing. Its products find extensive applications in new energy, wind power, and industrial automation fields.</p>	<p>FHS provides world-class intelligent, digital, and flexible production solutions, as well as data services for globally renowned customers in new energy batteries, powertrain manufacturers, global automotive parts, and the global healthcare industry. The company fully supports the automation of new energy vehicles through the automatic production lines of energy storage products, battery cells, and modules.</p> <p>FHS has an extensive after-sales service network and partnerships in multiple countries and regions worldwide, with a focus on serving global top 100 enterprises and leading domestic industry clients.</p>
<p>The Intelligent Connected Vehicle Fund leverages the strategic advantages of the Beijing Autonomous Driving Demonstration Zone and the Beijing Intelligent Connected Vehicle Policy Pilot Zone within the Economic Development Area. It capitalises on regional policy support and industrial clustering benefits, focusing on key investments across the intelligent connected vehicle industry chain. The Fund's strategy aligns with China's national development plan for the new energy vehicle industry, driving the sector's transformation towards intelligence, connectivity, and a greener, low-carbon future.</p>	

CEL’s Other Sustainable Investment Case Study

Investment Case Study — BrainCo

BrainCo Inc. (“BrainCo”) is dedicated to developing non-invasive brain-computer interface (BCI) technology. The company independently researches and manufactures wearable devices that translate brain signals into digital data, providing users with enhanced platforms for brainwave control and applications.

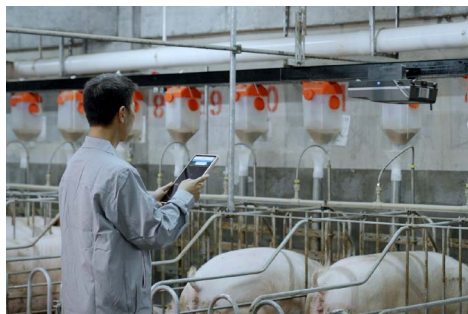


BrainCo’s products include intelligent bionic hands and bionic legs, which use cutting-edge non-invasive technology to enable individuals with disabilities to flexibly and precisely control the movements of the bionic hand or bionic leg. Disabled athletes have used these intelligent bionic products in the 2022 Beijing Winter Paralympics, the 2023 Hangzhou Asian Para Games, and the 2024 Paris Paralympics. BrainCo participates in several national-level key projects in the brain-machine interface field, including the “Development of Brain-Machine Interface Intervention System for Children with Autism”, which was selected as a winning unit in the Ministry of Industry and Information Technology’s AI Medical Device Innovation Task.

BrainCo collaborates with disability associations, foundations, and other organisations across regions to provide bionic hands to eligible disabled individuals for free or at extremely low prices. To date, the company has helped over a thousand disabled individuals reintegrate into society. BrainCo’s efforts not only improve the quality of life for people with disabilities but also promote social inclusivity, demonstrating the immense potential of technology in improving human lives.

Investment Case Study — Dekon Agriculture

The Consumption Fund of CEL first invested in Dekon Food and Agriculture Group (“Dekon Agriculture”) at the end of 2016. After three rounds of additional investments, the fund gradually became the second-largest shareholder of Dekon Agriculture. Dekon Agriculture has a vertically integrated industry chain covering pig farming, yellow-feathered broiler breeding, and feed production. It is the only company in China that owns two national key leading agricultural industrialisation enterprises and two national-level core pig breeding farms.



Dekon Agriculture incorporates family farms into its environmental management framework and has developed a comprehensive environmental guidance system for them. This system covers aspects such as site selection and layout, management of environmental protection equipment and facilities, daily environmental monitoring, as well as environmental training and awareness programmes, aiming to comprehensively manage the environmental impact of family farms. The company practices energy recycling, employing black film fermentation technology. It collects the biogas generated from the anaerobic treatment of wastewater, purifies it, and uses it for on-site living fuel, hot water boilers, and sewage treatment equipment. This helps to reduce biogas emissions and makes effective use of biogas resources generated during the farming process.

Furthermore, Dekon Agriculture advocates for the harmonious integration of economic, ecological, and social benefits. Through collaboration with village collectives, Dekon Agriculture leases idle land from nearby villagers and facilitates centralised cultivation. Biogas is supplied to the villagers, and together they explore the creation of an integrated ecological farming model combining planting and breeding. This model achieves a virtuous cycle of raising pigs, using manure to fertilise rice fields, and returning crop residues to the soil. It aims to build a responsible, sustainable industrial practice while continually reducing the environmental impact and enhancing the economic vitality and ecological health of local communities.

In 2024, Dekon Agriculture completed the construction of its first “Hundred Villages and Million Pigs” family farm project. The production base is equipped with photovoltaic power generation on the roofs, air filtration, precise ventilation, odour removal facilities, and intelligent feeding systems within the enclosures. Through the use of photovoltaic power, improved energy efficiency, and enhanced odour reduction measures, Dekon Agriculture seeks to reduce its environmental impact and set a benchmark for sustainable agricultural development.

Investment Case Study — HPY Sorting

Ganzhou HPY Sorting Technology Co., Ltd (“HPY Sorting”) actively responds to the national call for the high-quality development of major equipment and the localisation of core technologies. It focuses on the field of intelligent ore sorting, continuously leading industry trends, exploring advanced manufacturing processes and equipment, and promoting the efficient utilisation of industrial resources and low-carbon, green development in China.

Its “X-ray and Visible Light Dual Recognition Ore Sorting Machine” has been successfully selected for inclusion in the Ministry of Industry and Information Technology’s *Catalogue for the Promotion and Application of First (Set) Major Technical Equipment (2024 Edition)* (《首台(套)重大技術裝備推廣應用指導目錄(2024年版)》). This recognition not only highlights HPY Sorting’s leading position in the field of high-end optoelectronic ore sorting equipment but also marks the company’s significant achievements in innovation and technological application. The equipment integrates dual recognition technology using X-ray and visible light, leveraging advanced sensors and intelligent AI algorithms to enable more precise ore identification and sorting during the beneficiation process, significantly improving ore processing efficiency and resource recovery rates. In 2024, HPY Sorting was awarded the First-Class Prize of the Science and Technology Progress Award by the Jiangxi Provincial Government for its project “*Development and Application of the New Generation XRT Intelligent Ore Sorting Equipment*” (《新一代XRT礦石智能揀選裝備研製與應用》). This prestigious honour highlights HPY Sorting’s outstanding contributions to the advancement of mining technology and societal progress.



The image shows a formal award certificate from the Jiangxi Provincial Government. At the top center is the national emblem of China. Below it, the text reads '江西省科学技术奖' (Jiangxi Provincial Science and Technology Award) and '证书' (Certificate). A line of text states: '为表彰江西省科学技术奖获得者, 特颁发此证书。' (To honor the recipients of the Jiangxi Provincial Science and Technology Award, this certificate is hereby issued). The project name is listed as '项目名称: 新一代XRT矿石智能拣选装备研制与应用' (Project Name: Research and Application of New Generation XRT Intelligent Ore Sorting Equipment). The award level is '奖励等级: 科技进步奖一等奖' (Award Level: First Prize of Science and Technology Progress Award). The recipient is '获奖者: 何鹏宇' (Award Recipient: He Pengyu). At the bottom right is the official red seal of the Jiangxi Provincial Government. The certificate number is '证书号: J-23-1-04-R01'.

Investment Case Study — Funds Managed by the CoStone Capital

CoStone Capital was honoured with the “2023-2024 ESG Investment Special Contribution Institution” award. This accolade was guided by the China Investment Association Venture Capital Committee and Southern Finance Omnimedia Group, and organised by 21st Century Business Herald and 21st Century Venture Capital Research Institute. The selection process involved surveys, follow-up interviews, and data analysis to assess the ESG investment practices of numerous venture capital institutions and to identify the latest trends in ESG investments within the venture capital industry. The findings compiled into the “2023-2024 ESG Investment Competitiveness Survey Report”, which also featured “2023-2024 ESG Investment Special Contribution Institution Case Studies”.



For more information and cases related to responsible investment by the Group, please refer to the “Our Environment” chapter of this Report.

Internal Control and Audit

To effectively manage risk levels and enhance internal oversight, the Group has implemented a “Three-Line Defence” framework. The first line of defence comprises business units and frontline teams, where department heads take the lead in enforcing appropriate monitoring mechanisms. The second line of defence consists of middle and back-office functions, including risk management, legal and compliance, operations, finance and accounting, and the company secretary, all of which provide oversight and support. The third line of defence is the Internal Audit Department, which conducts independent and traceable monitoring and auditing of overall operations.

Each year, the Internal Audit Department conducts a comprehensive review of the Company’s risk management framework, internal control procedures, management systems, and policy guidelines, offering recommendations for improvement. The Group regularly updates and refines its policy guidelines, ensuring their proper implementation. Additionally, periodic external audits of operations and data are conducted to further enhance operational efficiency and performance.

For more information on the Group’s internal control and audit practices, please refer to the “Corporate Governance Report” section of the Company’s 2024 Annual Report.

TACKLING CLIMATE CHANGE

Climate change presents both risks and opportunities that have long-term implications for investors and financial institutions. The increasing frequency and severity of extreme weather events heighten physical risks, while the transition to a low-carbon economy introduces additional challenges. These transition risks result from policy shifts, market trends, and advancements in clean technologies, potentially impacting asset values, business operations, and supply chains — ultimately leading to financial losses for investors.



As an international financial institution, we acknowledge our responsibility to address climate change as an environmentally conscious investor. Beyond managing physical risks, we also focus on navigating the complexities of the low-carbon transition. This involves assessing and implementing appropriate adaptation and mitigation strategies while directing capital towards climate-sensitive investments. Our goal is not only to safeguard our investments and clients from adverse effects but also to actively contribute to global climate action and the advancement of green finance. By promoting sustainable investments, we aim to build a more resilient economic framework that delivers long-term value to society.

Climate-Related Disclosures

Recognising the importance of transparency in addressing climate-related financial risks, we are committed to providing reliable and detailed climate-related information to the public and stakeholders. Following the disbandment of the Task Force on Climate-related Financial Disclosures (“TCFD”) in 2023, its disclosure framework has been consolidated under the International Sustainability Standards Board (“ISSB”) within the IFRS Foundation. Our climate-related disclosure referenced to the TCFD recommendations. The standards provide a structured approach to identifying, assessing, and managing climate risks and opportunities. The framework focuses on key areas such as Governance, Strategy, Risk Management, and Metrics & Targets, ensuring a comprehensive understanding of climate impacts on financial performance. The latest ESG Code introduced by the SEHK are based on the ISSB standards, and our report is also gradually. Our report is also prepared with reference to the latest Appendix C2 *Environmental, Social and Governance Reporting Code (“ESG Code”)* to the *Listing Rules*, introduced by the SEHK, in preparation of full compliance for next year’s ESG report.

By integrating these standards into our investment strategies, we strive to enhance climate resilience across our portfolios, mitigate climate-related financial risks, and seize emerging opportunities in the transition to a sustainable economy. Our commitment to responsible investment also extends to adopting global frameworks such as the *UN Principles for Responsible Investment (“UNPRI”)* to drive sustainable development and long-term value creation.

Governance

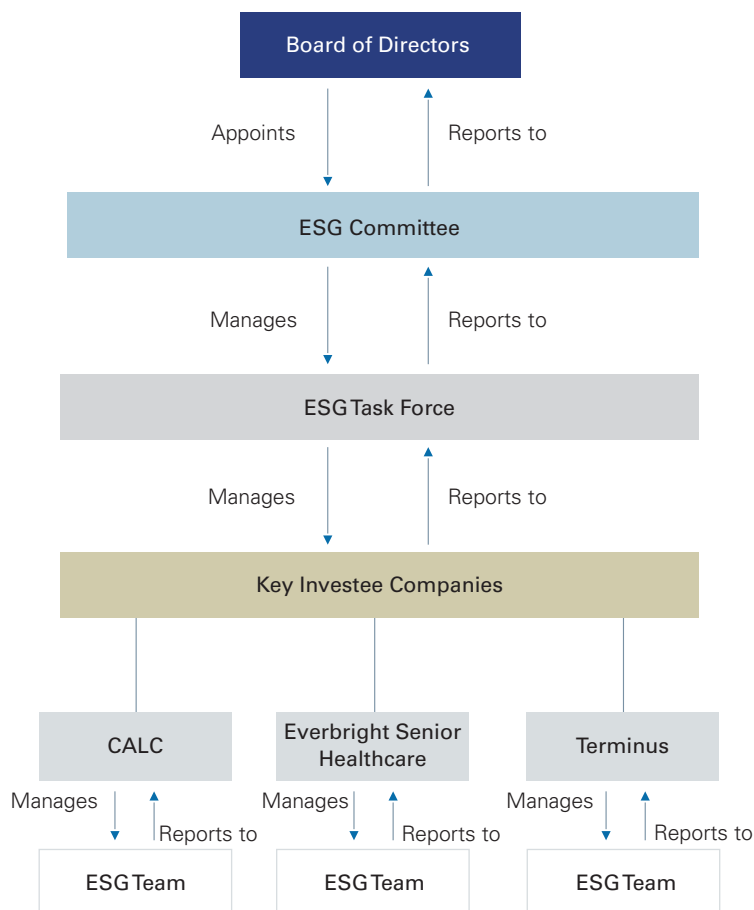
The ESG Committee of the Group was established in 2021 as a dedicated committee under the Board. This structure ensures the comprehensive integration of sustainability considerations and climate-related risks and opportunities into our business operations, with effective oversight and management. To strengthen CEL’s resilience against extreme weather events, we introduced the *Climate Change Policy* in 2022. This policy further reinforces our commitment to addressing and managing climate risks, outlining strategic directions and management plans across six key areas: climate change adaptation, corporate sustainability, climate-resilient investments, stakeholder engagement, governance, and transparency & disclosure.

CEL and its key investee companies’ ESG teams conduct regular reviews of climate-related risks, reporting their risk management status and progress to the management of each business unit or department. Key investee companies also provide regular updates to CEL’s ESG Task Force on the status of their climate risk management and the implementation of mitigation measures.

The ESG Task Force is responsible for executing ESG-related policies and decisions, coordinating implementation within departments, guiding key investee companies in incorporating climate risks into their operations, and taking necessary mitigation actions. Additionally, it reports regularly to CEL’s ESG Committee.

The ESG Committee oversees the effective implementation of ESG policies and measures, including climate risk management, and provides progress reports to the Board. This ensures that the Group’s ESG performance remains transparent, accountable, and aligned with our long-term sustainability goals.

For more details on our ESG governance structure, please refer to the “ESG Committee” section in the Corporate Governance Report of the 2024 Annual Report and “CEL’s Approach to ESG Management” in this Report.



Strategy

CEL recognises the urgency of addressing climate change and is actively implementing practical measures to mitigate climate risks while identifying business opportunities that support our long-term operational strategies. The TCFD classify climate-related risks into two main categories:

1. **Transition risks** — arising from the shift to a low-carbon economy, including policy changes, market trends, and technological advancements.
2. **Physical risks** — resulting from the direct impacts of climate change, such as extreme weather events and rising sea levels.

To better understand the climate risks affecting both the Group and our key investee companies, we collaborated with external ESG consultants to conduct tailored workshops for different business segments. These workshops facilitated in-depth discussions with stakeholders, equipping them with comprehensive knowledge of the latest climate-related developments.

By reviewing climate risk assessments and participating in interactive discussions, each business unit identified the most critical climate-related risks and evaluated their potential impacts and opportunities. Additionally, we maintain ongoing communication with investee companies to stay updated on emerging climate risks, ensuring a proactive and informed approach to risk management and strategic planning.

Asset Management — CEL

CEL faces climate-related risks primarily from policy and regulatory shifts, market fluctuations, and technological advancements linked to the low-carbon transition. These risks may impact CEL both directly and indirectly through its investee companies, as outlined in the table below.













To effectively manage these risks, CEL has established a robust ESG risk management framework. Key policies, including the *Negative List for Primary Market Investments*, *ESG Risk Management Statement*, and *Climate Change Policy*, ensure that ESG risks are evaluated before investment commitment and continuously monitored at the post-investment stages. The ESG Committee plays a central role in integrating ESG considerations into investment decision-making, while the Management Decision Committee oversees the continual enhancement of CEL's ESG risk management framework. Additionally, CEL provides ESG risk training to equip risk managers and business teams with the necessary expertise to assess and mitigate ESG-related challenges.

Transition Risk Considerations

As the global economy moves toward a low-carbon future, CEL recognises the evolving regulatory landscape, market dynamics, and technological advancements that may reshape the investment environment. To maintain a competitive edge, CEL continuously monitors climate-related developments and integrates them into its investment strategies, ensuring resilience and alignment with long-term sustainability goals.

By integrating climate-related considerations into its investment framework, CEL ensures that it remains well-positioned to navigate the evolving sustainability landscape while identifying opportunities that align with global climate goals.

The table below outlines key transition risk categories, their potential impacts, and CEL's response approach:

Risk Category	Specific Description	Potential Financial and/or Operational Impacts	Our Response
Policy & Legal	Increasing regulations on sustainable finance by authorities	 Compliance with evolving disclosure and classification requirements for asset and wealth management activities	 Continuous monitoring of policy changes to ensure compliance and maintain regulatory readiness  Strengthening internal ESG policies to align with regulatory expectations
		 Enhanced regulatory oversight, requiring CEL to formulate and disclose climate risk mitigation strategies	
Market	Data gaps may limit ESG risk analysis for sustainable investing	 Increased investment in ESG data acquisition and analysis tools to enhance investment decision-making	 Leveraging advanced ESG data analytics and third-party verification to improve investment assessments
Reputation	Rising investor expectations for sustainability performance	 Strengthened ESG management to maintain investor confidence  Potential shifts in investor preferences, impacting fund inflows	 Enhancing ESG disclosures and transparency to reinforce trust with investors and stakeholders
Technology	Industry disruptions due to technological advancements in sustainability	 Indirect exposure to technological risks affecting investees  Opportunities to capitalise on emerging low-carbon technologies	 Exploring investments in innovative green technologies to enhance portfolio resilience and long-term value creation

Physical Risk Assessment:

We conducted a physical risk scenario analysis to assess the potential operational impacts of climate-related hazards on our office. The analysis covered three key physical risks: heat stress, riverine flooding, and coastal flooding, under three climate scenarios — Optimistic, Business-as-Usual, and Pessimistic — for the years 2030 and 2050.

This assessment is based on the frameworks of IPCC AR5 and AR6, leveraging different Representative Concentration Pathways (RCPs) and Shared Socioeconomic Pathways (SSPs) to evaluate future climate conditions.

- The Optimistic scenario assumes strong global mitigation efforts, aligning with low-emission pathways (SSP1-1.9 and RCP 4.5, SSP2), resulting in lower levels of warming and reduced climate-related risks.
- The Business-as-Usual scenario reflects moderate mitigation and adaptation efforts under SSP2-4.5 and RCP 8.5, SSP2, where climate risks continue to rise but remain manageable.
- The Pessimistic scenario represents a high-emissions future with limited global cooperation (SSP5-8.5 and RCP 8.5, SSP3), leading to severe climate impacts such as intensified heat stress, increased flood risks, and greater operational disruptions.

The table below summarises the climate scenarios used for each physical risk:

Physical Risk Category	Optimistic	Business-as-Usual	Pessimistic
Heat Stress	SSP1-1.9	SSP2-4.5	SSP5-8.5
Riverine Flood	RCP 4.5, SSP 2	RCP 8.5, SSP 2	RCP 8.5, SSP 3
Coastal Flood	RCP 4.5, SSP 2	RCP 8.5, SSP 2	RCP 8.5, SSP 3

The table below summarises the result of the physical risk analysis on the direct operation of the Company:

Physical Risk Category	Optimistic		Business-as-Usual		Pessimistic	
	2030	2050	2030	2050	2030	2050
Heat Stress ⁵	Medium	Medium	Medium	Medium	Medium	Medium
Riverine Flood ⁶	Low	Low	Low	Low	Low	Low
Coastal Flood ⁶	Very low	Very low	Very low	Very low	Very low	Very low
Risk Level Legend	Very Low	Low	Medium	High	Very High	

The results indicate that our operational physical risks remain at low to moderate levels across all scenarios:

- **Heat Stress:** Rated as medium under all scenarios, reflecting manageable temperature increases. Our offices can adapt through enhanced cooling systems, improved ventilation, and strengthened employee well-being measures, ensuring minimal operational disruption.
- **Riverine Flood:** Consistently rated low, indicating that our office site selection strategy remains effective, with locations in well-developed areas that have limited flood exposure — supporting stable business operations.
- **Coastal Flood:** Rated very low across all timelines and scenarios, reaffirming the resilience of our offices against coastal flooding, with no anticipated impacts on workplace functionality.

Notes:

⁵ The analysis of heat stress is based on result generated by heat risk analysis of the Climate Change Knowledge Portal (CCKP). Medium risk represent an average risk factor of 1-2 out of 4.

⁶ The analysis of riverine and coastal flood are based on results generated by the model, Aqueduct Floods, published the World Resources Institute (WRI). Low and very low risk represent an average inundation depth of 0-5 decimeters and below 0 decimeters in a 100-year return period respectively.

As an asset-light asset management company, our physical facilities are limited in scale, with operations primarily concentrated in 5 office locations, which reduces our exposure to physical climate risks. The results of this analysis indicate that potential impacts are manageable and confined to specific sites, and with no significant effect on our core business activities.

Moreover, this analysis highlights opportunities to further strengthen operational resilience. We incorporate climate considerations into office management strategies, including improving energy efficiency, optimising climate control systems, and enhancing business continuity plans to ensure a safe and productive workplace environment.

Our commitment to sustainability goes beyond risk mitigation, we remain dedicated to proactively pursuing innovation and forward-looking adaptation measures, ensuring that our operational strategies align with long-term climate resilience and global sustainability goals.

Artificial Intelligence and the Internet of Things — Terminus

Terminus positions itself as a cutting-edge AIoT platform, delivering intelligent technology services to a wide range of stakeholders. Committed to ESG principles and aligned with national carbon reduction goals, Terminus integrates sustainability into its daily operations and long-term development strategies. Consequently, climate change presents more opportunities than significant negative impacts for Terminus.

To fully seize the opportunities arising from the low-carbon economic transition, Terminus is dedicated to advancing its AIoT technologies. This commitment aims to provide enhanced energy management and analytical services to businesses and society, driving the development of urban intelligence with carbon neutrality as the dual engine of progress.

Risk Category	Specific Description	Potential Financial and/or Operational Impacts
Policy and legal	More country's policies in relation to energy and "Dual Carbon" strategy	⚙️ Significantly increased demand for Terminus's businesses in urban intelligence, smart energy management, AIoT smart energy and low-carbon/zero-carbon products and solutions, resulting in revenue growth
Market	Increased demand for services relating to energy conservation and emission reduction due to increasing social concerns on climate issues, customers' preference towards green products and increased energy costs	⚙️ Increased demand on Terminus's business in urban intelligence, smart energy management, and low-carbon/zero-carbon products and solutions, leading to revenue growth
Technology	The market prefers low-carbon and environmentally friendly products	⚙️ Taking carbon neutrality as the centre of product development and business direction, Terminus has accumulated a large number of technical patents, established a joint laboratory, and led the establishment of the Green Intelligent New Economy Industry Alliance (GINEA).
Reputation	Increased market attention to carbon emissions and sustainable development	⚙️ Promoted Terminus' competitive advantage in the new technology market which helped Terminus to gain higher recognition from the industry

Senior Healthcare Industry — Everbright Senior Healthcare

Given the nature of its business, the senior healthcare industry has not experienced significant regulatory or market changes due to climate change. However, we recognise that elderly individuals are particularly vulnerable to the impacts of extreme weather events, which may affect their physical and mental well-being. As a dedicated senior healthcare provider, Everbright Senior Healthcare is committed to proactively identifying potential risks and formulating emergency response plans to safeguard the health and safety of elderly residents while maintaining uninterrupted service during emergencies.

In response to identified physical risks, Everbright Senior Healthcare has conducted a comprehensive assessment of the climate resilience and adaptability of its senior care centres. Based on these evaluations, region-specific risk mitigation measures have been implemented. For instance, in high-risk areas, backup power generators have been installed to ensure that healthcare facilities remain fully operational in the event of power shortages, thereby safeguarding the continuous provision of essential services for elderly residents.

Risk Category Impacts	Specific Description	Potential Financial and/or Operational Impacts
Physical (short-term)	Increased severity and frequency of extreme weather events, such as typhoon and flooding	⚙ Affecting the accessibility for staff to work, leading to manpower shortage
		⚙ Supply chains were affected, including medical equipment and food supplies
		⚙ The elderlies are more vulnerable to extreme weather events and need more care, resulting in increased demands on manpower
		⚙ Any human error or negligence in service may lead to potential claims
		⚙ The number of hospital admissions for the elderly may increase, which increased the demand for manpower
	More prolonged heat and drought	⚙ Damage of building leads to higher maintenance costs
		⚙ Increased expenditures to enhance the resilience of healthcare facilities
		⚙ May pose the crisis of power shortages in response to the implementation of power curtailment measures by the government in area such as malls and office buildings, which will affect daily operations
		⚙ Increased expenditures on additional backup power generators and air-conditioning equipment
		⚙ Resulted in more heat-related diseases that lead to increased number of hospital admissions

Aircraft Leasing — CALC

CALC is China's pioneering aircraft operating lessor, committed to the core philosophy of "green aviation and sustainable development", providing comprehensive solutions across the entire aircraft life cycle. The primary challenges posed by climate change to CALC's operations include policy and market fluctuations, as well as the physical risks that extreme weather events impose on aircraft recycling facilities.

To maintain its competitive edge in the low-carbon transition, CALC is actively upgrading its fleet by introducing more fuel-efficient aircraft models, reducing carbon emissions while enhancing operational efficiency. At the same time, CALC continues to refine recycling technologies for old-aged aircraft, ensuring it remains at the forefront of sustainable aviation throughout the industry's shift towards a greener future.

Risks Brought by Climate Change

Risk Type	Impact Pathway	Potential Financial and/or Operational Impacts	Our Response
Policy and Legal	More stringent emissions standards for the aviation industry	<ul style="list-style-type: none"> Increased capital expenditure for purchasing energy-efficient and low-emission aircraft models to meet emissions requirements Certain aircraft may become non-compliant due to emissions restrictions, limiting operational capabilities 	<ul style="list-style-type: none"> Invest and prioritise the selection of energy-efficient aircraft Collaborate with policymakers and industry groups to optimise operational strategy for various types of aircraft Regularly train staff on new regulations and operational standards to ensure compliance
	More stringent public disclosure requirements including emissions data and climate-related information	<ul style="list-style-type: none"> Increased compliance costs for monitoring and reporting emissions data and climate-related information 	<ul style="list-style-type: none"> Allocate sufficient resources to monitor emissions and climate-related information
Technology	Advancements in aircraft technology may render older, energy-inefficient aircraft models less desirable	<ul style="list-style-type: none"> Significant capital outlay may be necessary to rebalance the fleet portfolio and ensure competitiveness 	<ul style="list-style-type: none"> Allocate sufficient resources to monitor emissions and climate-related information Collaborate with industry organisations to share knowledge, resources, and best practices for technology adoption

Risk Type	Impact Pathway	Potential Financial and/or Operational Impacts	Our Response
Market	Shift in demand for more energy-efficient aircraft	<ul style="list-style-type: none"> Increased capital expenditure for purchasing energy-efficient and low-emission aircraft models to adapt to evolving customer preferences 	<ul style="list-style-type: none"> Invest and prioritise the selection of energy-efficient aircraft Promote the benefits of leasing energy-efficient aircraft and highlight fuel efficiency Adapt leasing agreements with sustainability-related clauses
	Growing public awareness of environmental issues may lead to a decline in air travel, particularly for non-essential business trips, affecting overall demand for leased aircraft	<ul style="list-style-type: none"> Reduction in overall air travel can lead to decreased demand for leased aircraft, impacting revenue streams 	<ul style="list-style-type: none"> Diversify revenue streams by offering other services, such as aircraft maintenance, repair and overhaul (MRO), aircraft disassembly and recycling
Reputation	Failures to meet sustainability expectations can tarnish the organisation's image, leading to a loss of trust among stakeholders	<ul style="list-style-type: none"> Loss of trust from customers and investors could lead to client attrition and divestment, significantly impact revenue streams and access to finance 	<ul style="list-style-type: none"> Develop comprehensive stakeholder engagement strategy to foster open, 2-way communication
	Heightened scrutiny from investors regarding ESG criteria may affect funding and investment opportunities		<ul style="list-style-type: none"> Implement a robust climate transition plan
Physical (Acute)	Increased severity and frequency of extreme climate events such as typhoon and floods	<ul style="list-style-type: none"> Increased project delays/downtime Man-hours lost due to climate-related injuries and accidents Supply chain disruption 	<ul style="list-style-type: none"> Integrate climate considerations into business continuity plan Explore options to broaden the supply chain to reduce single sourcing risk

Opportunities Brought by Climate Change

Opportunity Type	Potential Benefits	Potential Financial and/or Operational Impacts	Our Response
Resource efficiency	Eco-friendly practices could streamline operations and reduce waste	<ul style="list-style-type: none"> Reduced energy consumption and waste disposal could lead to cost savings Improved efficiency could lead to higher profit margins 	<ul style="list-style-type: none"> Invest in systems and equipment that reduce energy consumption and improve efficiency Adopt practices that minimise waste generate and promote recycling within operations
Energy Source	Attract companies focused on sustainability by offering sustainable aviation fuel (SAF)-compatible aircraft	<ul style="list-style-type: none"> Increased demand for low-emission SAF-compatible leased aircraft 	<ul style="list-style-type: none"> Engage with industry groups and policymakers to support the development and popularisation of SAF in the aviation industry Stay informed about evolving regulations regarding SAF usage and ensure compliance to maintain competitive advantage
Products/Services	Offer full-value-chain services, such as MRO, aircraft disassembly and recycling to meet emerging market needs	<ul style="list-style-type: none"> Additional services could create new income opportunities and enhance profitability 	<ul style="list-style-type: none"> Collaborate with industry associations to integrate tools that monitor aircraft's fuel efficiency and environmental impact
Markets	Target regions with increasing demand for green aviation solutions could lead to new business opportunities	<ul style="list-style-type: none"> Entering new markets could diversify income and reduce reliance on traditional leasing business 	<ul style="list-style-type: none"> Identify regions with high potential for sustainable aviation growth and tailor offerings to meet local needs
Resilience	Enhance infrastructure and operational resilience to protect against climate-related disruptions	<ul style="list-style-type: none"> Resilient infrastructure and operational planning could lower the risk of downtime and value chain disruption during extreme climate events 	<ul style="list-style-type: none"> Invest in modernising infrastructure to withstand extreme weather conditions Integrate climate considerations into business continuity plan

Real Estate Asset Management — Everbright Jiabao, EBA Investments and Ying Li

Everbright Jiabao, EBA Investments, and Ying Li specialise in real estate development, management, and investment. According to TCFD recommendations, the real estate sector is particularly exposed to financial risks stemming from high GHG emissions and energy consumption, as well as short- and long-term physical risks linked to extreme weather events. After extensive internal discussions, we have identified a range of climate-related risks specific to the real estate industry, which have been incorporated into our risk management strategy to strengthen our resilience against climate challenges.

Leveraging its control and influence over investee companies, CEL will ensure the effective implementation of climate risk mitigation measures. These measures include the wider adoption of environmentally friendly and low-carbon technologies, sustainable building materials, and climate-resilient designs. By enhancing building energy efficiency and structural resilience, we are proactively preparing for both transition and physical risks in the evolving climate landscape.

Risk Category	Specific Description	Potential Financial and/or Operational Impacts
Policy and legal	Increased emphasis from the society on environmental certification and green building ratings (such as China's Assessment Standard for Green Building, U.S. Leadership in Energy and Environmental Design (LEED) certification), leading to more rigorous review and evaluation processes	<ul style="list-style-type: none"> ⚙ Increase spending to comply with stricter requirements and maintain competitiveness in the industry ⚙ Increase costs to improve environmental performance and select advanced certifications ⚙ Increased capital investment and expenditures for compliance ⚙ Increased operational costs, including building materials, fuel, energy and waste disposal ⚙ Increased expenditures to comply with new regulations and strengthen data management
	Tightening of building energy codes and guidelines	
	Introduction of carbon pricing in the markets	
	More stringent requirements for information disclosure, including climate-related information	
Market	Wide adoption of environmentally friendly and low-carbon technologies, such as Modular Integrated Construction (MiC)	<ul style="list-style-type: none"> ⚙ Increased capital investment in technology ⚙ Improved energy efficiency reduces operating costs ⚙ Increased expenditures to comply with more stringent reporting obligations, such as climate-related information disclosures ⚙ Increased expenditures for implementing effective measures to manage climate risks to meet investor expectations
	Investors' behaviour changes to weed out companies that fail to implement effective measures to manage climate risks	

Risk Category	Specific Description	Potential Financial and/or Operational Impacts
Reputation	Increased requirements for supply chain management and monitoring	<ul style="list-style-type: none"> Environmental accidents by suppliers might seriously affect company's reputation Increased expenditures are needed to optimise the supplier management system to screen and select suppliers of high quality in ESG performance
Technology	Renewable energy is widely adopted in the industry	<ul style="list-style-type: none"> Increased capital investment in renewable energy systems, increasing business operating costs Reduced expenditures in energy bills
Physical (short-term)	<p>Increased severity and frequency of extreme weather events, such as typhoon and flooding</p> <p>More prolonged heat and drought</p>	<ul style="list-style-type: none"> Project delays and additional working hours or expenses due to increased number of downtime day Supply chains are affected May pose the crisis of power shortages in response to the implementation of power curtailment measures by the government in area such as malls and office buildings, which will affect daily operations

ESG Risk Management

We continue to proactively identify and manage the impacts of climate change, progressively embedding climate risk analysis and assessments into our investment processes. By implementing our *Climate Change Policy*, *ESG Risk Management Statement*, and *Responsible Investment Guidelines*, we have effectively integrated these frameworks into the Group's existing risk management practices. This integration significantly enhances our resilience to climate risks and helps mitigate their potential impacts on our operations.

Following comprehensive climate risk assessments, the Group prioritises high-risk and urgent issues, developing tailored mitigation strategies and action plans. Regular reviews ensure that we remain agile and well-prepared to confront climate-related challenges, bolstering our long-term business sustainability.

Matrix and Targets

The Group fully supports China's commitment to achieving carbon peak by 2030 and carbon neutrality by 2060. As a dedicated cross-border investment institution, we recognise that success in investment comes from finding certainty within uncertainty. The global consensus around the "Dual Carbon" strategy, green development, and sustainable recovery provides us with reliable guidance amidst the uncertainties of the global economy and capital markets.

With the support of our parent company, Everbright Group, and its extensive expertise and financial licences in banking, securities, insurance, and trust, we are committed to achieving our "Dual Carbon" goals. By leveraging internal synergies and promoting green operations, we aim to identify low-carbon investment opportunities amid climate uncertainties. Simultaneously, we strive to minimise the environmental impact of our operations, optimising energy usage and reducing our carbon footprint.

OUR ENVIRONMENT

At CEL, we are committed to reducing the environmental impact of our operations and actively enhancing our energy efficiency. Our focus is on promoting the sustainable use of resources, ensuring that our business activities have a positive contribution to both society and the environment. We strive to lower our carbon footprint through innovative solutions and continuously improve our sustainability practices.



Helping to Drive “Dual Carbon” Goals

In the face of escalating climate challenges, CEL recognises its responsibility to take proactive action against climate change. We are well-prepared to tackle these challenges and are fully aligned with national goals for carbon peak and carbon neutrality. Our aim is to achieve carbon neutrality within our operations, contributing to the broader goal of sustainable development.

To integrate ESG principles into the fabric of our sustainability strategy, we have established an ESG Task Force. Guided by expert consultants, this task force is focused on embedding environmental, social, and governance considerations into CEL’s long-term strategy. By doing so, we aim to develop practical solutions that achieve carbon neutrality while addressing the growing impacts of climate change. As part of this commitment, we are working to reduce carbon emissions related to transportation and business travel, promoting virtual meetings and balancing these efforts with business growth. Our green office initiatives — such as energy efficiency measures, renewable energy use, and green procurement — are being rolled out across all business units.

We continue to develop and refine our climate change policies. The *Climate Change Policy* is central to our plans, guiding the expansion of climate risk analysis and disclosure of risk management strategies for CEL and its key investee companies. While challenges such as performance pressures persist, our dedication to carbon neutrality remains unwavering. We are actively exploring viable solutions, such as improving energy efficiency, purchasing carbon credits, and participating in carbon trading, all while enhancing the transparency and accuracy of our GHG disclosures.

Regular internal audits and carbon assessments are conducted to evaluate energy efficiency across departments and operational units. These evaluations help us design targeted improvement plans and ensure we are on track towards meeting our carbon reduction goals.

Green Operation

In alignment with the national “Dual Carbon” strategy, CEL is committed to fostering a sustainable and environmentally responsible workplace. We actively promote “green office”, “zero-waste office”, “green management”, and “green living”, embedding these principles into our internal operations. We promote and practice the concept of green office and sustainable living. To raise employees’ awareness of environmental issues, we regularly organise training and various volunteer activities to enhance their environmental consciousness and encourage them to take various green actions in their daily work. For example, during Earth Day, we conducted interactive learning sessions on “Everbright Loves Earth” for our employees, focusing on Hong Kong’s new regulation on disposable plastic products. During World Environment Day, we organised activities such as “Advancing the Construction of a Beautiful China” voluntary tree planting donations”, “Plant a Tree for the Three-North Region” (我為三北種棵樹) public welfare donations, and youth ‘Tree Planting and Forest Protection’ environmental public welfare activities. We believe that employee participation will play a significant role in promoting the sustainable development of the Company. At the same time, we work closely with joint ventures and investee companies to facilitate their transition towards low-carbon business models. By adhering to environmental conservation principles, we strive to minimise energy and natural resource consumption while maximising the adoption of eco-friendly products and services.

To support the realisation of green operations, CEL has formulated the *Environmental Office and Sustainable Procurement Management Guidelines*, which provide clear directives across multiple areas, including indoor air quality, energy efficiency, water conservation, resource utilisation, waste recycling and disposal, as well as sustainable procurement. These guidelines are designed to mitigate both environmental and social risks associated with office activities and the procurement of equipment and supplies. Department heads are responsible for ensuring that all employees understand and comply with these guidelines, facilitating effective supervision and assessment of their implementation across various departments. Furthermore, we will continuously review the objectives and effectiveness of the guidelines based on monitoring outcomes, implement necessary follow-up actions, and introduce measures for ongoing improvement to enhance our green operations.

The Group's primary environmental impacts come from energy consumption, paper usage, waste generation, and material procurement within office operations. To address these concerns, we have implemented a range of environmental protection measures aimed at minimising our environmental footprint while maintaining operational efficiency.

During the Reporting Period, the Group did not record any confirmed environmental violations that resulted in significant impacts.

Greenhouse Gas Emissions Management

To effectively manage and monitor GHG emissions reduction, the Group conducts annual data collection on environmental performance to quantify emissions from office operations. Our calculation methodology aligns with the *Environmental, Social and Governance Reporting Guide* of SEHK, the *Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purpose) in Hong Kong (2010 edition)* issued by the Electrical and Mechanical Services Department (EMSD) and the Environmental Protection Department (EPD), as well as the *GHG Protocol* developed by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI).

To reduce the GHG emissions from our operation, we have implemented various measures, including using unleaded petrol for business vehicles, selecting the most direct and efficient routes for driving, advocating for vehicle idling cessation, conducting regular vehicle maintenance. Furthermore, the Group actively encourages carpooling, optimised travel arrangements, and video conferencing to reduce overall business travel-related emissions, supporting our commitment to environmental sustainability.

GHG Emissions Inventory

Scope	Source of Emission Factor	Unit	2024
Scope 1	<ul style="list-style-type: none"> How to Prepare ESG Reports and its Appendix 2: Reporting Guidelines on Environmental KPIs of SEHK 	tCO ₂ e	10
Scope 2	<ul style="list-style-type: none"> Sustainability Report 2023 of HK Electric Investments and HK Electric Investments Limited (HKEI) Announcement on Carbon Dioxide Emissions Factors of Power Sector in 2022 (“2022年電力二氧化碳排放因子公告”) by the Ministry of Ecology and Environment (MEE) of PRC and the National Bureau of Statistics of China 	tCO ₂ e	530
Total Scope 1 and Scope 2		tCO₂e	540
Scope 3 (Category 1: Purchased Goods and Services ⁷)	<ul style="list-style-type: none"> Annual Report 2022/23 of Water Supplies Department of HKSAR 	tCO ₂ e	0.022
Scope 3 (Category 5: Waste Generated in Operations ⁸)	<ul style="list-style-type: none"> How to Prepare ESG Reports and its Appendix 2: Reporting Guidelines on Environmental KPIs of SEHK Sustainability Report 2022-23 of Drainage Services Department of HKSAR 	tCO ₂ e	24
Scope 3 (Category 6: Business Travel ⁹)	<ul style="list-style-type: none"> Carbon Emissions Calculator of International Civil Aviation Organization (ICAO) 	tCO ₂ e	480
Total Scope 3 Emissions		tCO₂e	504

Our Progress

In addition to the Scope 3 emission categories previously disclosed, we have further identified other emission categories relevant to our business. In 2024, we have expanded our internal data collection and calculation efforts to progressively prepare for the future disclosure of additional material Scope 3 emission categories, including the following:

- Category 6: Business Travel (High-speed rail business travel)
- Category 7: Employee Commuting
- Category 15: Investments

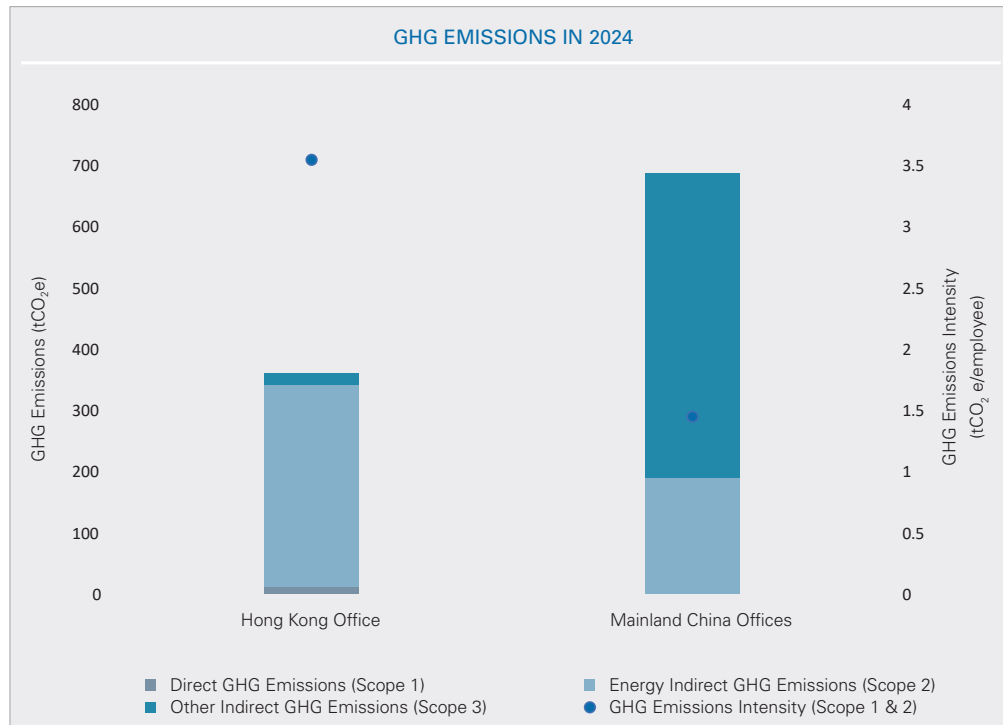
We aim to disclose the relevant emission data once the market's calculation methods and our internal data collection systems are more developed, ensuring the accuracy and reliability of our disclosures.

Notes:

⁷ Only included electricity used for processing of fresh water.

⁸ Only included paper waste disposed at landfills and electricity used for processing of sewage.

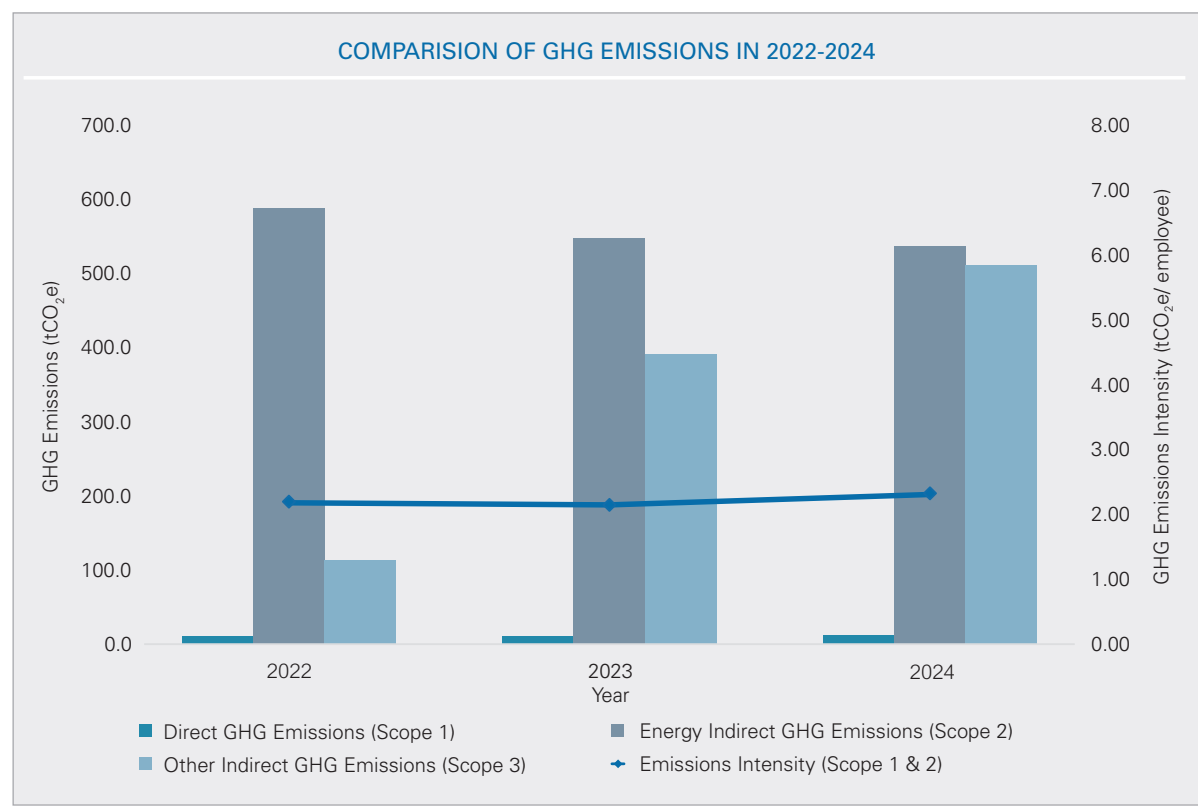
⁹ Only included air travel.



Scope	Unit	Hong Kong Office	Mainland China Offices
Direct GHG Emissions (Scope 1)	tCO ₂ e	9.0	1.4
Energy Indirect GHG Emissions (Scope 2)	tCO ₂ e	311	218
Total GHG Emissions (Scope 1 & 2)	tCO ₂ e	320	220
GHG Emissions Intensity (Scope 1 & 2)	tCO ₂ e/employee	3.5	1.5
Other Indirect GHG Emissions (Scope 3)	tCO ₂ e	13.4	491 ¹⁰

Notes:

¹⁰ Since business travel involves employees traveling between offices within the Group for work purposes, it is difficult to allocate the emissions to specific locations. Therefore, we have consolidated the related emissions under the Mainland China office.



Energy and Water Conservation

Energy consumption is one of the main causes of climate change. Therefore, we increase the energy efficiency of business operations by prioritising energy-saving measures targeting employees’ office electricity consumption habits. We have formulated the *Green Office and Sustainable Procurement Management Guidelines* aiming to reduce energy consumption. This includes promoting the use of high-efficiency lighting systems and equipment, and encouraging employees to switch off electrical devices, such as air conditioners, computers and printers, when not in use or upon leaving the office. We also encourage employees to set their computers to energy-saving mode to reduce power consumption.

In terms of office design, we have consolidated multiple servers into a single high-capacity server and utilised virtualisation technology to significantly decrease in power consumption and hardware requirements.

Although CEL’s business-related water consumption has a negligible environmental impact, we remain committed to water conservation and efficiency in office spaces. To raise employee awareness, post notices have been placed in meeting rooms, pantries, and washrooms, reminding employees to use bottled water judiciously and ensure water taps are tightly closed. Any detected leaks from taps or pipes prompt immediate repair works to prevent water resource wastage.

Energy and Water Consumption in 2024

	Direct energy consumption	Direct energy consumption intensity
Electricity	878,742 kWh	3,631 kWh/employee
Fuel — Petrol	3,815 L	15.8 L/employee

	Water consumption	Water consumption intensity
Water ¹¹	51 m ³	0.209 m ³ /employee

Waste Management and Material Procurement

Waste management is a crucial aspect of environmental protection, we adhere to the principles of proper waste handling while closely monitoring the volume of waste generated in our operations. The majority of waste at CEL is general waste from offices, hence resource efficiency and sustainable procurement practices can significantly reduce waste generation. Following the *Green Office and Sustainable Procurement Management Guidelines*, we implement waste reduction measures and prioritise sustainable procurement, while giving priority to suppliers that have obtained certifications such as ISO 14001 Environmental Management System. Furthermore, we give preference to procuring energy-efficient labelled office appliances, LED lights with energy-saving functions, Forest Stewardship Council (FSC) certified paper, and other environmentally friendly products to minimise our environmental impact.

Waste reduction at source is also practiced, such as avoiding the use of disposable cups, plates, and utensils during meetings and seminars, ordering food in appropriate quantities, and limiting the supply of bottled water to reduce plastic waste. Additionally, we encourage employees to digitise documents and adopt black and white, double-sided printing practices to reduce paper consumption and waste generation.

To reduce procurement frequency, we emphasise the importance of reusing materials whenever possible such as plastic binding rings, envelopes, and other stationery items. Additionally, single-side printed papers are reused by printing on the blank side, while repair work or replacement of parts will be performed to extend the lifespan of equipment in case of malfunction.

Furthermore, we actively promote recycling and reusing practices within our offices to reduce waste generation and advance sustainable development. Recycling bins are conveniently placed next to printers for the collection of used paper and toner cartridges. We engage professional contractors for the proper collection and processing of electrical and electronic waste. In our Beijing office, all waste is managed in compliance with municipal waste classification requirements and property management standards. In other offices, non-hazardous waste and recyclables are collected separately by property management or dedicated contractors.

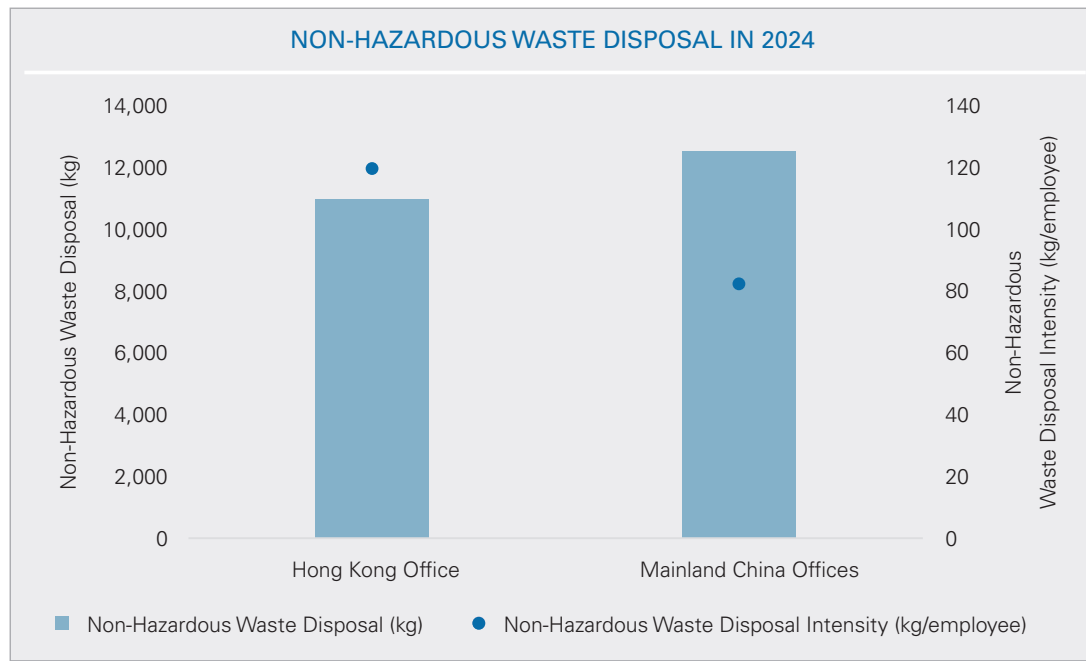
The Group's mercury-containing fluorescent tubes were all collected by property management in all offices, which would then be sent to authorised recyclers or other contractors for proper hazardous waste treatment, to prevent environmental pollution. Additionally, our Hong Kong office took part in Hong Kong Environmental Protection Department's recycling programme to regularly recycle regulated electrical appliances and other electronic waste to further support environmental protection.

During the Reporting Period, we recycled a total of 1,257 kg of plastic bottles, metal cans and glass, and 368 pieces of hazardous waste¹² (including 92 toner cartridges), and 12.6 kg of battery.

Notes:

¹¹ Since tap water in the office is supplied by the building and there is no independent water meter, the water consumption only includes the consumption of bottled drinking water.

¹² Includes waste mercury-containing fluorescent tubes.



	Hong Kong Office	Mainland China Offices
Non-Hazardous Waste Disposal (Including food waste generation ¹³)	11,026 kg	12,586 kg
Non-Hazardous Waste Disposal Intensity	121 kg/employee	83.4 kg/employee

Empowering “Carbon Neutral” Industries

CEL has always been supportive of industrial development and is a pioneer in empowering its key investee companies in the field of sustainable development to build a zero-carbon economy. We are well aware that in the face of the challenges posed by global climate change, enterprise transformation and innovation are key to achieving sustainable development.

Terminus

Terminus actively engages in green and low-carbon development by leveraging its self-developed AIoT operating system, TacOS, to create an intelligent, low-carbon digital system for cities. The TacOS system, through the concept of ‘human-machine-object ternary integration,’ enables real-time data flow between physical and social spaces, supporting efficient and low-carbon energy management strategies. Terminus’s “Comfortable Energy-Saving Space” model can forecast environmental changes and automatically adjust energy consumption, ensuring comfort while minimising energy use. Additionally, Terminus’s “Photovoltaic Storage and Charging Core AI Algorithm” optimises energy storage and discharge strategies, enhancing energy utilisation efficiency and extending battery life, aiding in the intelligent dispatch of virtual power plants. At Wuhan AI PARK, Terminus has created a comprehensive low-carbon intelligent park, managing energy supply through cloud, edge, and end coordination, reducing operational costs by nearly 35% compared to traditional models, achieving carbon neutrality certification, and being listed as a typical green and low-carbon case by the Ministry of Ecology and Environment in 2023. Shanghai’s “NEXUS Ideal Land” has become a low-carbon demonstration community, promoting full-scale low-carbon and near-zero carbon operations through the TacOS system, achieving a comprehensive low-carbon transformation from energy management to community governance, providing a replicable and scalable practice example for future intelligent low-carbon cities.

Notes:

¹³ As food waste recycling is managed by the building’s property management company, and the exact method of recycling or disposal of the food waste cannot be confirmed, the amount of food waste generated is calculated based on the disposal quantity.

Ying Li

In 2021, Ying Li, a subsidiary of CEL, signed a Framework Cooperation Agreement with State Power Investment Corporation Chongqing Electric Power Company, with the support of the Board of Directors and the parent company. The two parties established a long-term, comprehensive partnership, focusing on key projects including integrated energy services and new energy. The first phase of the aping Ying Li IMIX Park Comprehensive Energy Transformation Project ("Daping Project") utilises the SmartEco intelligent energy control system to ensure efficient operation of the central air conditioning system. It is expected to reduce electricity consumption by 222,100 kWh annually, achieving a comprehensive energy-saving rate of approximately 10.83%, and reducing carbon dioxide emissions by 221 tonnes. In 2024, the project will help achieve carbon reduction by saving approximately 141 tonnes of standard coal annually, reducing carbon dioxide emissions by about 352 tonnes per year, and generating indirect economic benefits of RMB296,000. Ying Li continues to optimise its building energy-saving renovation projects, firmly advancing the transformation and development of new energy and carbon neutrality.

Ying Li is committed to creating more building projects that meet sustainable development and environmental standards. As of 2023, 22% of its investment properties have obtained LEED certification. Ying Li also plans to drive low-carbon intelligent transformation of projects using data and algorithms as the core, and tailor innovative AIoT solutions to achieve green construction and energy-saving goals.

Through the company's Investment Decision Committee, Ying Li conducts project research, firmly transitioning towards a strategic direction of new energy development, and actively exploring small-scale entry into the new energy vehicle charging pile business, cautiously engaging in the new energy field.

CALC

CALC is the first operational aircraft leasing company in China and a leading global player in aviation finance. As a key investee company of CEL, CALC focuses on operational aircraft leasing business. Unlike other financial leasing companies, we have the most popular aircraft assets. We conduct value exploration to maximise the value of aircraft at every stage of the life cycle committing to transform the passive disposal of aircraft in the market and the need for capacity replenishment into active participation in airline fleet upgrades, serving to enhance the value of aircraft assets.

CALC has two major aircraft recycling bases domestically and abroad, covering full licenses for aircraft maintenance, recycling, and material sales in China and the United States. By leveraging the synergies of its global team, CALC aims to increase the number of commercial aircraft leased, traded, and disassembled each year, maximising the entire life cycle value of aircraft assets. As of 31 December 2024, CALC's fleet comprises 189 aircraft (159 owned aircraft and 30 managed aircraft).

CALC is dedicated to mutual and beneficial green aviation development by supporting sustainable development and a low-carbon economy through the introduction of new technologies and a globally efficient fleet to save energy and reduce emissions. In response to the International Air Transport Association's (IATA) industry goal of achieving net-zero carbon emissions by 2050, CALC provides certified Diamond grade aircraft disassembly and recycling services, offering full-value-chain solutions. CALC is a member of the Aircraft Leasing Ireland ("ALI") and a signatory aircraft lessor of ALI's Sustainability Charter. By actively collaborating with industry peers, CALC contributes positively to the future of sustainable aviation.

In 2024, CALC was selected for the 10th consecutive year for the World Green Organisation's "Green Office Awards Programme" and received certification for the 8th consecutive year as a healthy workplace. Since 2015, CALC has continuously participated in and received certification from this programme, making it one of the earliest companies in Hong Kong to support and promote a "green office" culture.

Everbright Jiabao/EBA Investments

As the largest industrial investment fund manager and real estate investment and asset management platform under CEL and Everbright Jiabao, EBA Investments actively invest and manage 20 projects covering 9 key cities nationwide. Throughout the project development and operation processes, the company consistently adheres to the principles of sustainable development, integrating goals aligned with green, environmental-friendly, and healthy building standards throughout the project’s lifecycle. Currently, among the projects constructed and managed by EBA Investments, 3 have achieved WELL Gold certification, 5 have obtained LEED CS Gold/EB Platinum certification, and 5 have been certified with China Green Building One-Star/Two-Star, totalling a built area exceeding 960,000 m².

Furthermore, several projects under EBA Investments have undergone innovation and transformation in energy conservation, water saving, reduction of GHG emissions, and improvement of resource utilisation. We continuously explore advanced technologies and management methods to enhance the environmental performance of projects and minimise their impact on the environment.

Shanghai Jing'an IMIX Park has earned the title of "National Green Mall Demonstration" and "Shanghai Water-Saving Model Unit" due to its years of efforts in implementing energy-saving transformations such as LED lighting in the garage, rooftop photovoltaic power generation, and rainwater harvesting irrigation system. Additionally, in June 2024, it was awarded the title of "Pioneer in Dual Carbon Demonstration Building Practice (2024)" by the Jing'an District of Shanghai.	Xi'an IMIX Park carried out an energy-saving renovation in 2024 on the lighting fixtures of the mall's four ramps. A total of 108 original standard lighting tubes were removed, and 21 sensor-equipped light tubes were reinstalled. It is expected that this renovation will save approximately 13,718 kWh of electricity annually.
From January 12 to March 11, 2024, Jiangmen IMIX Park carried out energy-saving upgrades on a total of 5,459 lighting fixtures in the mall's public areas and car park. After the upgrade, the mall is expected to save 24,783 kWh of electricity per month, amounting to an annual savings of 290,000 kWh, with an energy-saving rate of 49%.	Chao Tian Men IMIX Park carried out the first phase of the low-voltage distribution room ventilation and air conditioning renovation, which saved approximately 4,500 kWh of electricity per month, resulting in an annual savings of around 42,000 yuan. Additionally, in October 2024, Chao Tian Men IMIX Park completed the low-nitrogen renovation of the air conditioning hot water boilers for both phases one and two. After the renovation, the nitrogen oxide emissions from the boilers were evaluated by the Environmental Protection Department and expert group of Yuzhong District. The exhaust gas nitrogen oxide levels complied with the emission limits of the "Emission Standard of Air Pollutants for Boiler" (DB50/658-2016), set by Chongqing. During the monitoring period, the maximum nitrogen oxide emission concentration of the five boilers decreased from 90-110 mg/m ³ before the renovation to 8-16 mg/m ³ after the renovation.
Jiangmen Xinhui IMIX Park renovated 4,350 parking lot lights, 2,215 shopping mall lights, and 7,062 light strips in the home furnishing pavilion. Before the renovation, the annual energy consumption was 1.2368 million kWh, after the renovation, the annual energy consumption was 672,800 kWh, achieving an energy-saving rate of 45.6%. The annual energy savings amounted to 564,000 kWh.	

OUR EMPLOYEES

Employees are the cornerstone of CEL's success and an important link between us and the community. We are committed to fostering a diverse, inclusive, healthy, and comfortable working environment, embracing a people-centric approach. To support the comprehensive development of our staff, we consistently invest in human resources management, providing professional training, career development opportunities, and comprehensive benefits.

We encourage employees to strive for excellence in their work, value their opinions and needs, ensuring that each employee feels their worth and can have a maximum impact within the team.



Employee Benefits and Compensation

We provide a competitive and attractive benefits package to ensure employee well-being:

- **Comprehensive Benefits** — Full-time employees are entitled to medical insurance, maternity and paternity leave, holiday greetings, as well as lunch allowances and health benefits to support their needs in various aspects of life.
- **Fair and Competitive Compensation** — We adhere to regional labour laws and regulations and conduct regular salary reviews based on performance and market trends, to ensure fair compensation and market repetitiveness.
- **Transparent Employment Policies** — Our company policies cover aspects such as compensation and benefits, attendance, leave, anti-discrimination measures, and the code of conduct to ensure transparency and clarity, employees should clearly understand their own authority and responsibility.

The table below summarises standard benefits provided for full-time employees:

Benefits	Hong Kong Office	Mainland China Offices
Life insurance	✓	✓
Health insurance	✓	✓
Disability and invalidity coverage	✓	✓
Parental leave	✓	✓
Retirement provision		✓
Mandatory provident fund/provident fund	✓	
Unemployment insurance		✓
Endowment insurance		✓
Work-related injury insurance	✓	✓

During the Reporting Period, our efforts in employee care and development have been recognised by various sectors. The awards we received for creating a safe and healthy lifestyle and work environment include:

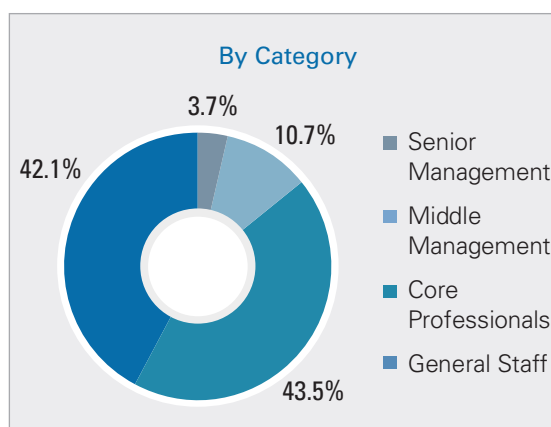
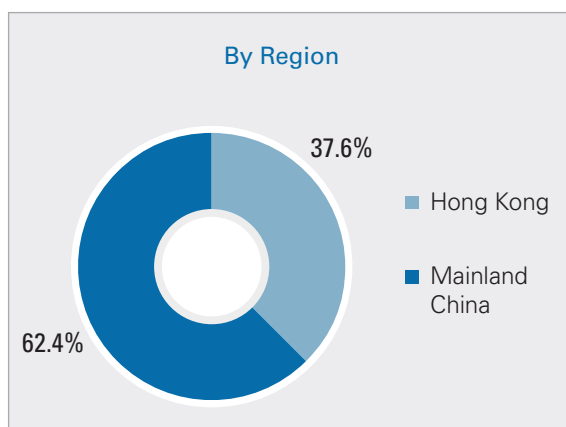
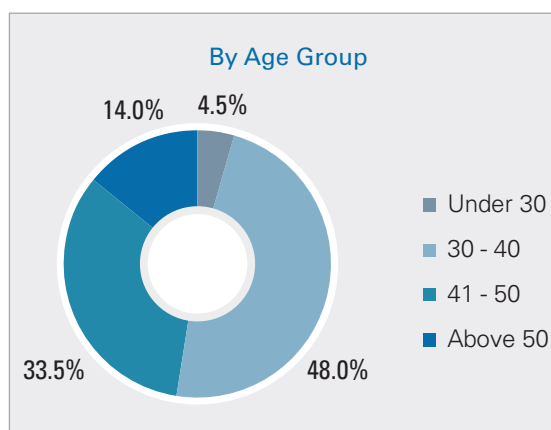
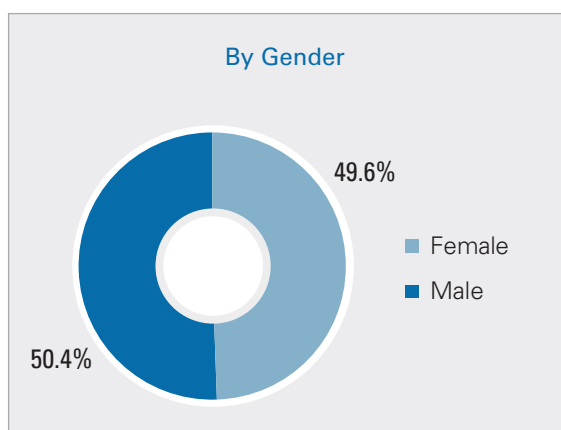
- “Good Mood @ Healthy Workplace Grand Award (Corporate/Organization Category) — Outstanding Organization Award,” presented by the Occupational Safety and Health Council, Labour Department, Department of Health, Pneumoconiosis Compensation Fund Board, and the Occupational Deafness Compensation Board;
- “Happy Company 10+” commendation mark from the Hong Kong Productivity Council and the Hong Kong Happiness Index Foundation;
- “Good Employer Charter” and “Family-Friendly Good Employer” Charter from the Labour Department;
- “Breastfeeding Friendly Workplace” logo from the United Nations Children’s Fund (UNICEF) Hong Kong Committee;
- “Talent Enterprise” logo from the Employees Retraining Board;
- “Privacy Friend” Bronze Award Certificate from the Office of the Privacy Commissioner for Personal Data, Hong Kong; and
- “Mental Health Workplace Charter” certificate and “Mental Health Friendly Organisation” logo from the Department of Health and the Mental Health Advisory Committee.

Employee Diversity and Equal Opportunity

In addition to promoting competitiveness and cultivating success, the Group is dedicated to fostering a diverse and inclusive work environment. Across various aspects such as recruitment, promotions, training and performance review, we uphold principles of fairness and equality in employment practices. Our aim is to establish a harmonious and inclusive workplace where every employee has an equal opportunity to unleash their potential.

The Group strictly adhere to and enforce the provisions outlined in our *Employee Handbook*, *Employee Diversity Statement* and *Employee Rights and Benefits Statement* to safeguard employees' fundamental rights. This ensures protection against discrimination, harassment, and malicious defamation based on factors like gender, nationality, race, disabilities, marital status and sexual orientation.

As of 31 December 2024, the total number of employees at CEL's headquarters and wholly-owned subsidiaries is 242, with all employees being on a full-time basis. The male to female ratio¹⁴ among employees is 1:0.98, demonstrating our efforts and effectiveness in gender balance.



Notes:

¹⁴ Male to female ratio = male employee number/male employee number: female employee number/male employee number.

Employee Cultural Activities

The Group continuously strengthens employee care through a variety of cultural activities. We create a positive and energetic “Vitality Everbright” atmosphere, actively responding to employees’ requests for sports and health-related activities. We organised the “Everbright Active Sports Programme” in two seasons, spring-summer and autumn-winter. Employees across five locations formed more than 20 sports teams and organised 112 diverse sporting events, with over 730 participants. We also organised Hong Kong employees to participate in the Huaxia Cup Chinese Enterprise Badminton Invitational and the 9th Sports Meet of the Hong Kong Chinese Enterprise Association.

To enhance employee communication and interaction, we held a series of activities, including “Youth Employee Forums” and “Focus TALK Youth Salons”, with over 110 participants. In celebration of the Company’s 27th anniversary, we launched a cultural day event across five locations under the theme “Together Through Storms for 27 Years, Moving Forward United to Create the Future,” which reinforced the sense of cultural community, promoted a healthy lifestyle, and unified and strengthened our collective drive.

Additionally, we held various themed activities in line with traditional festivals and employee needs, such as “Spring Festival Couplets Interaction,” and “Shining Women” on International Women’s Day, “Gratitude for Motherhood” on Mother’s Day, “Aviation Science and Fun with You” on Children’s Day, and language classes. Through the Hong Kong Employees’ Association, we offered Mid-Autumn Festival and National Day employee care services and organised employee participation in a series of events, such as “Everbright Green Fields”, “Saluting Workers: Sand Painting Workshop”, “Crystal Rice Dumpling Workshop for Dragon Boat Festival”, and the “Everbright Hong Kong Calligraphy Competition”.

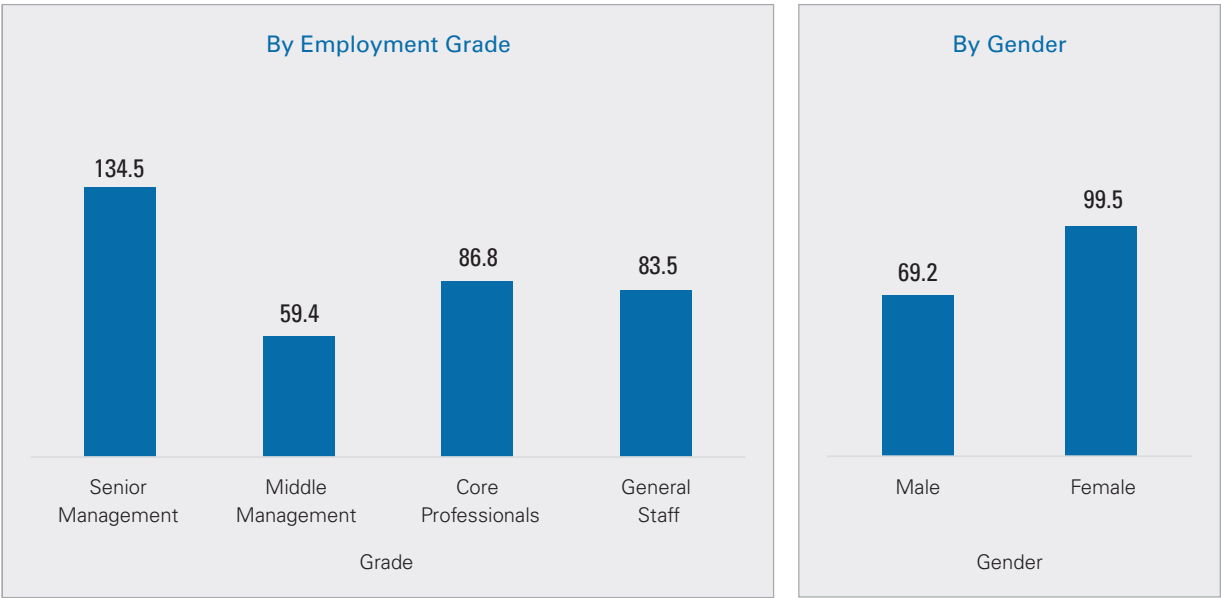


Training and Development

CEL is committed to unlocking employee potential by offering professional skills and personal development training, supporting employee’s comprehensive growth. We actively assist employees with career planning, providing essential resources and guidance to help them succeed. Guided by our *Employee Training and Personal Development Policy* and the *Employee Development and Training Statement*, we consistently allocate resources to meet employees’ diverse learning needs.

We have developed a comprehensive training programme, and we regularly update training content in line with industry trends and employee feedback, enhancing understanding of emerging issues and the market environment.

Average Training Hours in 2024 (Hours)





Training Targets and Achievements

To foster professional development, we set annual training targets of 30 hours for new hires and 20 hours for existing employees, integrating these targets into the evaluation system to encourage participation in internal and external training. In 2024, we successfully organised 31 internal training courses covering integrated literacy, integrity culture, professional ethics, laws and regulations, finance and taxation, carbon neutrality, ESG, and soft skills. Each department designs training aligned with team development goals to promote targeted learning. During the Reporting Period, our employees collectively completed 20,383 training hours, achieving 100% training participation rate.

Career Development and Performance Evaluation

CEL deeply understands that retaining and cultivating talented individuals is crucial for the long-term development of the Company. Therefore, we have established the *Employee Promotion Policy* to provide a clear development path for employees aspiring to advance, ensuring a stable career development structure. This policy not only effectively motivates employees to contribute actively but also drives the growth of the Group's business.

Additionally, we regularly assess employees' work performance and career development, which helps enhance their skills and allows us to identify and nurture exceptional talent. Through systematic management, we can allocate human resources more efficiently, ensuring that each employee can maximise their potential in suitable positions.



Onboarding and Mentorship

To help new employees quickly adapt to the work environment, CEL provides comprehensive online onboarding training, covering topics such as business operations, brand philosophy, laws and regulations, and codes of conduct. This ensures that new employees can quickly grasp essential information and smoothly start their careers. Additionally, we have established a mentorship programme where experienced employees act as mentors, offering immediate advice and support to help new employees integrate into the company culture and work environment. This programme not only helps new employees adapt to the workplace faster but also promotes collaboration and knowledge sharing among employees. The interaction also provides valuable guidance and support for the growth of new employees.

Lifelong Learning and Education Subsidies

CEL encourages employees to pursue continuous education and provides training subsidies to support them in enrolling in courses organised by professional institutions. This promotes professional growth and career development. All employees (including contract and seconded staff) are eligible to apply for training subsidies, reflecting the group's emphasis on lifelong learning.





Talent Pipeline and Leadership Development

To establish a stable talent pipeline, the Group actively reserves young talents, exceptional young management, and overseas technical experts. We have formulated the *International Talent Pool Construction Work Plan* and the *Young Talent Development Plan*, detailing the requirements and implementation processes of the talent pool.

These programmes, through scientific evaluation, help young talents deeply understand their own characteristics, thereby formulating personalised development plans, acquiring new skills, and seizing development opportunities. In the talent selection process, we prioritise high-potential candidates from the talent pool and provide internal and external professional development opportunities for them to accumulate practical experience.

Additionally, we have established professional talent pools in areas such as technological innovation, investment management, risk and legal, and financial management to enhance professional knowledge and skills. We continuously optimise the talent pool management process to ensure its effectiveness and adaptability, cultivating excellent professional talents for the Group's long-term development.

Special Training Series on ESG

During the Reporting Period, CEL's ESG Task Force and Human Resources Department closely collaborated to invite professional institutions and industry experts to conduct a series of ESG specialised training at the Company. The training covered topics such as ESG trend analysis, the latest regulatory requirements and typical cases of carbon peak and carbon neutrality, aiming to promote the implementation of ESG investment practices and management.

Regular ESG training sessions were provided to the Board, management, and employees to strengthen their awareness and understanding of climate change and its impacts. These trainings aim to equip Board members with the necessary knowledge, skills, and competencies to effectively oversee climate and ESG-related strategies, as well as to manage climate-related risks and opportunities. By fostering a strong ESG culture across all levels of the organisation, we continuously advancing the integration of sustainability considerations into decision-making and risk management processes.

To further strengthen employee training in the ESG field, the group procured 7 courses provided by external institutions, covering content such as carbon neutrality, ESG fundamentals, and ESG systems. Employees have the flexibility to undergo professional training and learning anytime, anywhere through the company's E-Learning system. This not only allows them to flexibly arrange their learning time but also ensures they remain competitive in the constantly changing market environment.



Occupational Health and Safety

The Group prioritises the well-being, safety, and health of its employees, making every effort to safeguard their physical and mental well-being. Active efforts are undertaken to optimise the working environment, ensuring that employees work in a safe setting free from occupational hazards. The Group adheres to relevant occupational health and safety regulations, conducting regular risk identification and monitoring as outlined in the *Occupational Safety and Health Policy*. This policy aims to ensure that employees have a comprehensive understanding of safety guidelines. In addressing occupational health issues in the workplace, we carefully consider factors such as workspace design, ventilation, and lighting, and will make timely improvements to maintain a healthy office environment. Additionally, we conduct regular office safety inspections, which include assessments of the work environment and checks on fire safety to ensure the smooth operation of all safety equipment and fire exits. These inspections help in early detection of potential safety hazards and prompt corrective actions to ensure employees work in a safe environment. To enhance employees' safety awareness, the group holds annual fire drills, emphasizing the importance of safety measures and our steadfast commitment to reducing safety risks. These drills aim to familiarise employees with emergency response procedures and enhance their crisis response capabilities.

Simultaneously, the Group promotes work life balance by regularly organising various recreational activities for employees, such as art creation, stretching exercises and health seminars. This encourages employees to maintain life interests and vitality beyond the workplace, enriching their leisure time. Natural light and indoor greenery are incorporated into office spaces wherever possible to enhance the working environment. "Charging stations" have been set up in our offices, providing employees with fruits, coffee, milk and desserts, allowing them to recharge during work hours and promote overall well-being. Each office also features a reading corner providing a tranquil space for employees to enjoy reading and alleviate stress amid their busy work schedules. These facilities are designed to encourage employees to slow down, enjoy moments of tranquility, and enhance the overall work experience.

Since 2018, the CEL has implemented the Employee Assistance Programme (EAP), connecting employees with external professionals who offer advice, counselling and assistance on personal, family, or workplace matters. This programme not only focuses on the mental health needs of employees, but also strive to increase engagement and satisfaction in the workplace, thereby creating a more positive work environment.

During the Reporting Period, we did not receive any cases concerning work-related injury or ill health of both of our employees and workers.

Communication and Connection

To enhance communication with employees, the Group actively engages in open dialogues through various channels, valuing employees' concerns and feedback. Internally, timely updates on company news and real-time information are communicated to employees through the Partner Express emails. Externally, company information is disseminated to institutions, investors, and the media through presentations and press releases to maintain transparency and good communication. Colleagues in mainland China and Hong Kong can utilise the electronic periodical *Partner* to share behind-the-scenes stories about business information, brand development, and employee life, promoting information exchange and strengthening team cooperation and cohesion. The Group has also established a "Consulting Opinions" dedicated email inbox for collecting opinions, providing employees with an additional channel to contribute suggestions and ideas. This feedback is compiled into the *Work List*, which is regularly reviewed and followed up on.

To boost work efficiency, the Group has developed and implemented a mobile application and an in-house online collaborative Office Automation Platform. These platforms enable employees to easily share information, collaborate on projects, and engage in real-time communication, fostering cross-departmental collaboration and further optimizing internal operational processes.

Furthermore, to strengthen the corporate culture and enhance organisational cohesion, the Cultural and Social Responsibility Department is responsible for coordinating a series of cultural activities. These activities include helping to promote cultural integration between Hong Kong and mainland Chinese employees and enhancing their quality of life. These activities not only provide employees with relaxation and networking opportunities but also help improve communication and engagement between management and employees. By enhancing mutual understanding and trust, we aim to create a more harmonious work environment and encourage employees to actively engage in the company's development.

Annual Performance Review and Appraisal

- Additionally, all employees undergo formal performance assessments annually. Using the Group's fair and robust assessment framework, the evaluation system aims to comprehensively assess each employee's job performance and provide strong support for their career development. We encourage regular communication between management and employees, which not only helps provide timely feedback but also allows managers to better understand employees' needs and challenges and provide targeted support and resources. Additionally, the performance evaluation process includes feedback and reward mechanisms to incentivise employees to achieve work goals and promote their long-term development. Outstanding performance is recognised and rewarded to encourage them to continue striving for excellence in their future work.
- All employees, are eligible for variable performance-based pay, determined through the company financial results, employee annual performance review and appraisal process.

Employee Satisfaction Survey

- At CEL, we deeply value the well-being and satisfaction of our employees. To ensure that we are meeting their needs and continuously improving the work environment, we introduced an Employee Satisfaction Survey in 2024. This survey will be conducted annually going forward, providing a platform for our employees to share their feedback, opinions, and suggestions. We believe that regular feedback is essential to fostering a positive work culture, and through this initiative, we aim to create an even more supportive and engaging workplace for all.
- The survey results show that our overall satisfaction rate is close to 80%.

Grievance Reporting and Escalation Procedures

- The Group is committed to fostering a respectful, fair, and inclusive work environment where all employees are treated with dignity. Any form of discrimination, harassment, defamation, or personal attacks is strictly prohibited. Department heads and management are responsible for preventing such behaviours. Employees who believe they have experienced any form of harassment should report the incident and the individuals involved to the Human Resources Department immediately.
- The Group encourages employees to provide feedback and suggestions in good faith. Employees may communicate their concerns with their department heads, supervisors, or the Human Resources Department. Direct communication with senior management is also welcomed. Additionally, employees facing challenges in their work, interpersonal relationships, or personal circumstances may discuss their concerns with their department heads or the Human Resources Department. All discussions will be kept strictly confidential and will not be disclosed without the employee's consent.
- Any unfair treatment or act that infringes upon equal access to human rights based on race, colour, ancestry, ethnic origin, or nationality may constitute racial discrimination. All such cases will be independently handled by the Human Resources Department to ensure a fair and impartial investigation and resolution.
- We have established formal grievance procedures and complaint mechanisms to promptly address any instances of discrimination or misconduct. Throughout the Reporting Period, no complaints related to discrimination were received.

OUR VALUE CHAIN

Partners in our value chain, including shareholders and investors, customers and partners, employees, and the community, are crucial to our business development. They are not only the cornerstone of our operations but also the core force driving our continuous innovation and growth. We are committed to building long-term relationships of mutual trust with all stakeholders, achieving mutual benefits and creating lasting values.



Clients and Collaborating Partners

Clients and collaborating partners are the core of our business success. We are committed to understanding the needs of our clients, providing high-quality products and services, and ensuring the efficiency and quality of the overall supply chain through close collaboration with suppliers.

The Group's "Cross-border Asset Management" platform connects the huge potential of the mainland China and Hong Kong markets, providing investors with diversified investment opportunities and room for growth. This platform not only facilitates the two-way flow of capital but also creates more collaboration possibilities for investors from both regions. CEL showcases the latest developments, strategies, and future vision of its "Cross-border Asset Management" platform to domestic and international business partners, investors, analysts, and media through various opportunities. This helps participants gain a deeper understanding of the actual operation of the funds and the synergies across multiple product categories. With the continuous changes in the global economic environment, the Group has actively expanded foreign investments and cooperations in recent years, seeking new opportunities to broaden the coverage of investment areas, thereby providing customers with richer investment choices and growth potential.

To safeguard the funds of both parties and enhance investors' trust, we have established an efficient risk management system. The design of this system aims to comprehensively identify, assess, and address various potential risks, enabling us to take prompt actions, adjust investment strategies, and reduce the risk of losses.

Upon the establishment of a private equity fund, the Group commits a certain percentage of seed capital to demonstrate our confidence and long-term commitment to the fund's development. During the capital investment period, the investment team also contributes a proportion of its own funds as co-investment to maintain alignment between the interests of the fund management team and investors. Each fund establishes an independent investment review committee or a similar body to ensure the fund's smooth operation and protect external investors. When exiting an investment project, the remaining investors' fund interests will be aligned with those of the fund management team to ensure prudent and realistic investment practices with the correct risk management principles.

Shareholders and Investors

CEL places great importance on communication with shareholders and investors, aiming to continuously enhance the Group's transparency and the quality of information disclosure. Various channels, including one-on-one online video conferences, in-person visits, participation in investor forums, and hosting investor and analyst meetings, are utilised to present the Group's development. These communication methods not only allow investors to stay informed of the company's latest developments and strategic direction in a timely manner, but also provide us with valuable feedback and suggestions, helping the company to optimise its business strategies and decision-making.

The shareholders' meeting is an important channel for maintaining close communication with our shareholders. Members of the Board of Directors, particularly each Chairman of the Board's committees or their representatives, senior management, and external auditors, will attend the Annual General Meeting ("AGM") to respond to shareholder questions and feedback. The AGM is also arranged in a way that encourages shareholders to actively participate. The company also encourages shareholders who are unable to attend to appoint representatives to attend the meeting and vote on their behalf. To further enhance transparency, we regularly publish financial reports, business updates, and sustainability reports to ensure that all shareholders and investors receive comprehensive and timely information. We not only strengthen communication during earnings release periods but also actively respond to investors' questions and concerns in our day-to-day operations, ensuring a two-way flow of information.

We have established various communication channels on our corporate website, including the WeChat public account, telephone, fax, and email to enhance the convenience of communication with investors. To enhance the experience of mobile users, we have launched a mobile version of the official website and provided a more convenient way of information exchange through our WeChat public account (WeChat ID: chinaeverbright), allowing users to quickly access the latest news, announcements, and event information.

For details on our employee management and community engagement, please refer to the "Our Employees" and "Our Community" chapters in this Report.

OUR COMMUNITY

As part of corporate social responsibility, CEL is committed to giving back to society, helping communities and those in need, and actively participating in various community service activities. Through close collaboration with stakeholders, we promote positive social impact, enhance social cohesion, actively engage in charitable activities and support the sustainable development of communities.



Since its establishment in 2008, CEL has operated the CECF, as a statutory charitable organisation. The foundation has actively undertaken a series of charitable programmes on the following four core themes which contribute to the well-being of the Hong Kong community and support the broader national development agenda.






In 2024, CEL continued to deeply advance its corporate social responsibility initiatives, creating a distinctive social responsibility brand. The focus was on areas such as “community care”, “education support”, and “promoting Chinese culture and arts”, where we carried out social services to leverage the “capabilities of Everbright” in addressing the “needs of society.”

In the area of community care, we promote the traditional culture of respecting the elderly by planning care initiatives for elderly groups in both Hong Kong and Mainland China. We organised volunteers to participate in activities such as the “Dragon Lantern Blessing Charity Walk” activity, visiting elderly people in grassroots communities, and the Mid-Autumn Festival “Food Angel Programme” to bring warmth and care to elderly members of the community, conveying the “Everbright” spirit of care.

In terms of supporting vulnerable social groups, we organised employees to participate in the “Love in Light Charity Walk for Eyesight” event to offer support to people with visual impairments. Our employees collectively donated over 9.8 million steps online, and we initiated public fundraising to assist underprivileged families affected by eye diseases. In response to the community governance challenge of rodent control, CEL actively took action by launching the “Rodent Control Programme” in Wan Chai district. Additionally, we sent employees to take part in a series of community public welfare activities, such as “Delivering Festival Gift Bags to Grassroots Communities” and the “Hong Kong National Knowledge Lantern Riddle Guessing Fun Day”.

In the field of education, we strongly support the Hong Kong SAR government’s “Strive and Rise Programme”. This year, 5 of our employees served as project mentors, working closely with students to complete the annual programme. This initiative helped broaden the students’ horizons, strengthen their confidence, and we also organised a simulated flight experience to enrich their extracurricular knowledge. We actively support the “Hong Kong Youth Summer Reading Reward Programme” organised by Everbright Hong Kong. With the support of companies under the Everbright Group in Hong Kong, we jointly launched the “Everbright Campus” public education welfare project with Everbright Hong Kong. This initiative aims to serve the growth of Hong Kong youth through school-enterprise cooperation programme, including conducting public welfare lectures on campuses and organising visits for secondary school teachers and students to companies of the Everbright Group. These efforts help cultivate forward-thinking among young people and lay a solid foundation for their dreams to take flight.

In 2024, we also actively participated in the “Youth Wings” programme organised by the Chinese Enterprises Association, providing internship opportunities for university students in Hong Kong. As a board member of the Dalton Foundation, we continued to support the development of the Dalton School in Hong Kong.

Community Service Data in 2024			
			
30+ Supported Activities	462 hours of Volunteer Services	157 Volunteers	Community Investment and Donations Exceeding RMB680,000

Our *Corporate Social Responsibility Policy* clearly outlines our commitment to social responsibility, with a focus on meeting societal needs, assisting vulnerable groups, reducing poverty, and providing disaster relief. This policy is not only a core value of our corporate culture but also a guiding principle in our daily operations. In supporting vulnerable groups, we have established close partnerships with major non-governmental organisations and social service agencies. Through funding, material donations, and volunteer services, we provide timely and effective assistance to these groups. Additionally, we adopt a prudent approach in resource allocation to ensure that every dollar and resource is used to its fullest potential. We regularly assess and monitor the effectiveness of our corporate social responsibility programmes to continuously improve and adjust our strategies, ensuring that our efforts have a truly positive social impact.

Dragon Lantern Charity Event Held in Beijing and Hong Kong

During the 2024 Chinese New Year, CEL organised the “Dragon Shines Bright — Dragon Lantern Charity Event” in both Hong Kong and Beijing. The event aimed to promote traditional Chinese culture and the spirit of patriotism and love for Hong Kong. Our volunteers in Hong Kong, employees in Beijing, and members of the Youth Union visited elderly care homes to create dragon lanterns and exchange blessings with over 180 senior citizens.

In both Hong Kong and Beijing, employees made the same style of dragon lanterns, symbolising patriotism, love for Hong Kong, unity, joint development, and shared prosperity. The employees embraced the spirit of volunteering, gaining a deeper understanding of the elderly’s need for care and companionship during festive occasions. Through hands-on participation in lantern making and New Year interactions, they experienced the strong festive atmosphere and shared in the joy of the seniors.



Co-Creating a Bright Future | CEL Organises “Dream Flight, Soaring Wings” Flight Simulation Activity

CEL actively supports the Hong Kong SAR Government’s “Strive and Rise Programme” by organising the “Dream Flight, Soaring Wings” flight simulation experience, 5 of our employees served as project mentors this year. Nearly 40 mentors and participants joined the event, where they had the opportunity to experience flight simulation firsthand and enjoy the thrill of flying. This marks the second consecutive year that CEL, under the coordination of the Everbright Group, has led youth development activities for the “Strive and Rise Programme”.

Participants shared that the flight simulation experience was exciting and memorable, leaving a lasting impression. Some expressed that the event not only sparked a strong interest in aviation but also inspired them to reflect on their future career paths. Many now aspire to become pilots, hoping to contribute to safe air travel for others.

“A Small Flight Simulation, A Big Aviation Dream”, CEL hopes that through this initiative, underprivileged youth in Hong Kong can have the opportunity to experience the joy and challenges of flying, helping them to explore their potential and courageously pursue their career aspirations.



Strong Support for Hong Kong Wan Chai District Rodent Control Programme

Rodent infestation has been a long-standing issue in Hong Kong communities. According to data released by the Food and Environmental Hygiene Department (FEHD) in 2024, Wan Chai district has the highest rodent index in the city. In response to this community challenge, CEL has actively taken action. With the coordination of Everbright Hong Kong and support from other Everbright Group's subsidiaries in Hong Kong, CEL collaborated with the office of District Councillor and the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) Wan Chai Branch to launch the "Rodent Defense Operation 2.0" under the "Rodent Blockade Battle" programme.

Under the plan, CEL donated funds to Wan Chai District for the purchase of "rodent blockers", and, under the guidance of Everbright Hong Kong, organised volunteers from other Everbright Group's subsidiaries in Hong Kong to install these blockers in 200 buildings in the district to prevent rodents from entering through drainage systems. The programme has already been piloted in two buildings in Wan Chai, showing significant results, and will be expanded throughout the district to improve the living environment for residents.

As a responsible corporate citizen in Hong Kong, CEL has long regarded "community support" as an important part of fulfilling its social responsibility. Moving forward, the company will continue to respond to Hong Kong's "community needs", cooperate with various sectors of society, and actively use "Everbright's capabilities" to assist grassroots communities, enhancing social welfare and well-being.



Partnering with “Food Angel” for Community Elderly Care Initiative

As the Mid-Autumn Festival approaches, the Hongkong Employees Communication Committee for Everbright Group coordinated the “Everbright Caring Hong Kong — Mid-Autumn ‘Food Angel’ Charity Initiative”, organised by CEL on September 13, 2024. The event aimed to promote the festival’s spirit of reunion and convey care for the community. A team of 30 volunteers from the Hong Kong Employees’ Association visited the Food Angel Community Centre in Sham Shui Po, where they extended festive greetings and care to elderly individuals living alone.

“Food Angel” is Hong Kong’s first food rescue and assistance programme, primarily serving elderly individuals who live alone or face urgent hardships. Since its launch in 2011, “Food Angel” has been dedicated to collecting surplus edible food and transforming it into nutritious meals, which are then distributed for free to those in need. On average, the programme rescues 45 tonnes of edible food weekly, converting it into 20,000 hot and chilled meals daily. Through charitable organisations and vending machines, “Food Angel” provides over 10,000 meal portions and food packs to underprivileged communities.

During this Mid-Autumn charity event, volunteers of Everbright Group gained deeper insight into Hong Kong’s food waste and hunger challenges. They actively participated in meal preparation and provided direct services to elderly community members, experiencing the joy of giving back. This meaningful volunteer initiative benefited over 2,000 people in need, and the heartfelt smiles on the faces of the elderly were the best affirmation of our efforts — a true reflection of community care in action.



Launch of the “Bright Campus” Financial Public Welfare Seminar

To support the development of Hong Kong as an international financial centre and promote the cultivation of future financial talent, CEL, with coordination from Everbright Hong Kong and support from Everbright Group’s subsidiaries in Hong Kong, initiated the “Bright Campus” educational public welfare project. On the morning of November 25, 2024, the first financial knowledge seminar of the “Bright Campus” series was held at Pui Kiu Middle School in Hong Kong, with over 280 students and teachers participating.

Volunteer lecturers from CEL led the seminar, with a theme of “Financial Industry Knowledge Sharing”. They introduced the origins of the financial industry, its products and services, and the financial system to the students, providing them with an overall understanding of the financial sector. The lecturers also shared personal experiences and case studies in a lively manner, focusing on the skills needed to enter the financial industry and offering career development advice to students. The seminar received enthusiastic responses from both teachers and students, with active participation during the Q&A session.

The “Bright Campus” educational public welfare project is a key component of Everbright Hong Kong’s “Bright+” public welfare brand. The project aims to support the development of education in Hong Kong by mobilizing resources from Everbright’s subsidiaries in Hong Kong and other sectors of society. Targeted at young people in Hong Kong, the project includes thematic seminars, company visits, business competitions, internships, and more, to help students broaden their knowledge in fields such as finance, technology innovation, and environmental protection. It also provides insights into industry practices, laying a strong foundation for students’ career development and helping Hong Kong’s youth shine and achieve their dreams in their professional journeys.



Rural Revitalisation

CEL has prioritised rural revitalisation as an important matter and is committed to fulfilling its corporate social responsibility. The company has organised and coordinated poverty alleviation efforts in its headquarters and various subsidiaries, focusing on its core business areas. These efforts aim to promote rural revitalisation through multiple dimensions, including consumer support, industrial assistance, cultural support, and ecological assistance, contributing to sustainable development, improving the quality of life for rural residents, and promoting shared prosperity.

In 2024, in addition to purchasing agricultural products worth HKD385,000 through the “Buy Wonderful” platform of China Everbright Bank and investing HKD109,000 in targeted poverty alleviation funds, we also leveraged our investment advantages. Through the Consumer Fund’s investment in Dekon Agriculture, we fully supported rural revitalisation efforts. Dekon Agriculture promotes local entrepreneurship through its family farm model and supports farmers’ shared prosperity in the pig farming industry. Through projects such as a food processing plant in Yibin, Sichuan Province, and the Luoding Silk Rice Industry Park project, Dekon Group is creating demonstration models for rural industrial revitalisation, serving rural ecological transformation, reducing the use of fertilisers and pesticides, and building a green, low-carbon agricultural demonstration zone. In December 2024, the 2.0-megawatt rooftop distributed photovoltaic project at Dekang Group’s Yibin food factory officially connected to the grid. This project is not only a significant step in Dekang Group’s green, low-carbon transformation, but also a vivid example of clean energy supporting rural revitalisation and sustainable development. The project extends distributed photovoltaic technology from industrial plants to rural farms, seamlessly integrating the two. It explores a “dual-driven” model of industry and agriculture, enabling rural areas to more easily access energy resources and reduce dependence on traditional power grids, providing new momentum for the development of remote areas.



Through its direct subsidiaries, CEL is deeply exploring sustainable support models that bring tangible development opportunities to rural areas. Everbright Jiabao is actively promoting the “Culture and Tourism + Consumption” model. This innovative strategy not only facilitates the circulation of agricultural products but also effectively enhances the local economic vitality, while empowering asset management plans and supporting the development of more farmers and micro-enterprises. As of December 31, 2024, Everbright Jiabao, through its commercial brand “IMIX Park,” launched the “Poverty Alleviation with Me” campaign under the Rural Revitalisation initiative nationwide, helping rural agricultural products “go global”. The initiative has organised 22 large-scale events, attracting nearly 20 million consumers.

Everbright Jiabao continues to increase its support for poverty reduction and rural revitalisation projects. Through the Shanghai Jiabao Charity Foundation, it actively supports various poverty alleviation and rural revitalisation efforts. In 2024, the foundation donated to 12 projects focusing on elderly care, poverty alleviation, and disaster relief, with a total expenditure of RMB2.156 million. Among these, a donation of RMB361,000 was made to a primary school in Yunnan Province to help improve local schools’ teaching conditions and enhance the level of educational informatisation. Additionally, through the “Village-Enterprise Pairing” assistance programme (2024-2025), the foundation allocated RMB200,000 to build 7 sewage treatment ponds and 71 waste collection pits, improving the local living environment. Upon completion of the project, 179 households and 744 people benefited. During the year, Everbright Jiabao also organised the purchase of poverty-alleviating agricultural products worth RMB109,800.



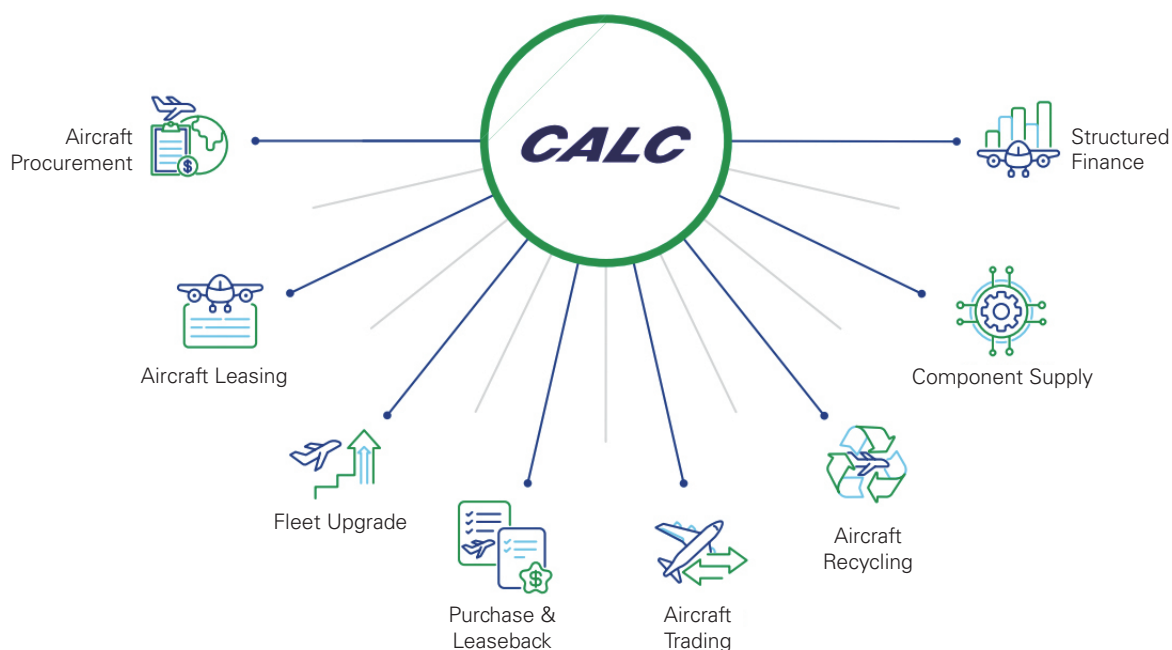
KEY INVESTEE COMPANIES

Full Value-Chain Aircraft Service

CALC, a key investment under CEL, stands as China's first operational aircraft lessor and holds a prominent position as a global aviation finance enterprise. CALC's diverse business operations encompass services such as operational aircraft leasing, purchase and leaseback, aircraft asset package transactions and asset management. Additionally, CALC extends its reach to post-market aircraft services, including fleet upgrades, aircraft maintenance and disassembly and component sales. The company offers clients comprehensive, one-stop solutions across the entire lifecycle of aircraft. Leveraging the expertise of its international team and global financing capabilities, CALC has expanded its operations to cover 21 countries and regions, including the Asia-Pacific, Europe and the Americas.

CALC

Listed on SEHK in July 2014 (stock code: 1848.HK) as the first listed aircraft leasing company in Asia.



Our Employees

Employees are the most valuable resource of our company, providing ongoing support for our development and laying a strong foundation for the group's long-term success. CALC has established a comprehensive *Training and Development Policy*, committed to offering abundant training opportunities to cultivate a vibrant and proactive team. This empowers employees to fully unleash their potential, enhance professional skills, and strengthen their competitiveness, which is crucial for both individual and organisational growth. Moreover, the health, safety, and well-being of employees are our top priorities. The *Employee Handbook* outlines the safety management requirements, ensuring a secure environment where every employee can thrive.

During the performance evaluation period, department supervisors and management assess employees' capabilities and performance. This helps identify and nurture those with strong performance and potential, aligning with the current and future growth needs of the group. We also regularly organise various charitable and outdoor activities to improve employees' quality of life and strengthen team cohesion. Additionally, eligible employees are provided with travel reimbursement, encouraging self-enrichment during their free time. To ensure employees' well-being, all employees, including those on business trips, are covered by comprehensive health insurance.

Our Value Chain

Stakeholder engagement is a key component of CALC's sustainability strategy. Through diverse communication channels, we actively engage with stakeholders to gain a deeper understanding of the impact our business has on various parties. This engagement helps foster mutual trust, enabling us to develop and refine our current and future sustainability strategies to better meet the needs and expectations of stakeholders.

As a responsible company, CALC not only adheres strictly to all laws and regulations related to our business operations but also actively collaborates with suppliers to create a better future. To effectively reduce sustainability-related risks in the supply chain, we have implemented a fair and transparent *Supplier Selection and Management Procedure*. We also regularly assess the sustainability performance of our contractors and suppliers, ensuring they continue to meet and improve standards. This collaborative stakeholder approach and oversight framework are essential in ensuring the long-term sustainability of our business activities in social, environmental, and economic aspects.

Our Environment

We have implemented the *Green Office Programme* to improve resource efficiency and raise environmental awareness among our employees. Supported by management, the programme includes the creation of a *Green Office Guide*, which provides guidelines for conserving office materials, water, and energy. These measures aim to promote environmentally conscious behaviours and highlight the value of sustainable living. To ensure the green office concept is effectively adopted, we have implemented several waste reduction initiatives, including setting up recycling stations and reducing unnecessary lighting. Regular office inspections further contribute to enhancing employees' environmental consciousness.

CALC continues to increase its investments in reducing energy consumption, waste recycling, paperless operations, and fostering a culture of sustainable development. In our daily operations, we encourage colleagues to access documents electronically, promote double-sided printing, minimise the use of disposable items, and reuse office equipment and materials. Recycling bins are placed near photocopiers to collect single-sided paper for reuse and double-sided paper for recycling. In 2024, we recycled 659 kg of paper. Additionally, the paper used for financial printing is responsibly certified with forest resource certifications, ensuring our choices align with environmental standards.

To comprehensively understand and manage our impact on climate change, we continuously monitor and assess our greenhouse gas emissions. We are gradually phasing out older aircraft models and introducing new, fuel-efficient aircraft with climate-related benefits to reduce carbon emissions. Additionally, we conduct climate risk assessments to identify the primary risks that climate change poses to our operations. When introducing new aircraft, we prioritise market demand, advanced technology, and fuel efficiency. The integration of modern, high-tech aircraft is expected to significantly reduce carbon emissions and save fuel. To support sustainable aviation, the group will continue to implement a well-planned strategy, offering new aircraft models and fleet upgrade services to international airline customers, promoting the long-term sustainability of the aviation industry.

Our Community

We are dedicated to supporting local communities and encouraging employee participation in social initiatives. Over the years, CALC has organised nearly a hundred corporate social responsibility activities, engaging colleagues who are passionate about promoting sustainable lifestyles. These activities encompass a wide range of themes, such as biodiversity, organic farming, waste management, marine conservation, environmental cleanliness, tree planting, and the protection of endangered species, all aimed at fostering and strengthening a culture of sustainability.

In 2024, CALC collaborated with organisations such as Orbis, the World Green Organisation Hong Kong branch, World Wide Fund for Nature Hong Kong, Irish Cancer Society and the Dublin Children's Health Foundation. Through our corporate responsibility initiatives, CALC raised over HK\$140,000, demonstrating our ongoing commitment to environmental sustainability and corporate social responsibility.



Senior Healthcare

Everbright Senior Healthcare, a joint venture of the Group, plays a key role in the broader development of the healthcare industry under Everbright Group. Since its establishment, Everbright Senior Healthcare has experienced rapid growth, strategically seizing market opportunities to become a prominent player in the senior healthcare sector. The company has successfully expanded its presence to nearly 40 core cities, covering regions such as the Beijing-Tianjin-Hebei Urban Agglomeration, the Yangtze River Delta, and the Chengdu-Chongqing economic circle.



Everbright Senior Healthcare has developed a three-tier integrated elderly care service model that includes institutional, community-based, and in-home services. The company adheres to a service philosophy combining healthcare for transformation, maintenance for development, and service for branding. With standardised operations, centralised management, and consolidated procurement, Everbright Senior Healthcare has created an efficient operational system. The company is also focused on constructing an intelligent elderly care platform, concentrating on miniaturisation and high-quality development. With the management of 117 elderly centres and 120 home-based elderly care service centres or stations nationwide, Everbright Senior Healthcare provides over 29,000 beds, demonstrating its extensive reach and strong presence in the senior healthcare service industry.



Everbright Senior Healthcare is committed to advancing a diversified industry approach, building a comprehensive and diverse elderly care ecosystem. The company aims to meet the personalised needs of the elderly by offering one-stop elderly healthcare service solutions. Leveraging its business strengths, the company seeks to address the various healthcare needs of senior citizens in a comprehensive manner.



Our Employees

Everbright Senior Healthcare is committed to cultivating a professional and passionate team for the senior care industry, adhering to the philosophy of “linking strategy at the top and business at the bottom”. The company focuses on developing talent in three key areas: operational management, marketing, and nursing. Everbright Senior Healthcare continuously builds and refines its talent development systems, including those for operational management, executive leadership, and specific talent streams. Through targeted training and exchange programmes, the company fosters a “learning on the job” approach, empowering employees to contribute to business operations and strategic development while gaining valuable experience. Additionally, Everbright Senior Healthcare encourages the timely sharing and accumulation of excellent management and professional experiences, facilitating continuous growth and gradually creating a learning-oriented organisation. The company has achieved ISO 45001 Occupational Health and Safety Management System certification, ensuring robust protection for the physical and mental well-being of its staff.

Our Value Chain

As part of Everbright Group's universal healthcare collaborative platform, Everbright Senior Healthcare actively engages in multi-party cooperation to build a comprehensive senior healthcare industry chain. The company introduces various products related to healthcare and aging. Through the dual-drive of operating healthcare institutions and capital operations, Everbright Senior Healthcare promotes the synergy between the senior healthcare industry and financial capital. Focusing on the integration model of "medical care + senior healthcare, insurance + senior healthcare, and services + senior healthcare," the company leverages its business advantages to comprehensively meet the diverse living needs of seniors. We uphold the corporate mission of "Improving the Life Quality for Senior Citizens and their Families and Promoting Chinese Filial Piety Culture".

Everbright Senior Healthcare has obtained certifications such as ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, 5A level for Pension Service, and 4A level for Standardisation. These certifications enhance service quality, improve management standards, and boost market competitiveness, serving as key elements in achieving sustainable development.

Our Environment

Everbright Senior Healthcare places a high priority on environmental protection and has established an "Institutional Environmental Management System" to regulate business operations concerning emissions, energy, water resources, and waste management. The company strictly adheres to relevant laws and regulations, committed to minimising the environmental impact of its operations. Additionally, Everbright Senior Healthcare has implemented the Conservation Management Policy, which includes monitoring and analysing water, electricity, and gas usage, promptly addressing any anomalies, and assigning personnel to manage equipment to reduce waste.

In various projects, Everbright Senior Healthcare integrates green building elements and adopts multiple environmental measures to reduce its carbon footprint. The company prohibits the use of materials containing polycyclic aromatic hydrocarbons (PAHs) and prioritises environmentally friendly furniture and decorations. Greenery is added to public areas, elder residents' rooms, and outdoor spaces. Natural light is considered during the building design phase, and energy-efficient LED lighting is used to reduce power consumption. For heating systems, highly polluting combustion-based appliances have been replaced with natural gas- or steam-fueled appliances.

To raise environmental awareness among employees and residents, Everbright Senior Healthcare displays energy-saving and water-saving tips within its facilities and conducts regular environmental education campaigns. The company actively participates in training programmes provided by government environmental departments, continuously improving environmental management knowledge to ensure ongoing enhancement of environmental performance.

Our Community

Everbright Senior Healthcare adheres to its corporate mission of "demonstrating the responsibility of a state-owned enterprise through social responsibility". With a focus on meeting the needs of the elderly, the company is committed to expanding elderly services to every city, community, and household, aiming to provide comprehensive healthcare and elderly services. To ensure that seniors can enjoy a high-quality life, the staff at Everbright Senior Healthcare's nursing homes organise various social and recreational activities each month, enriching their daily lives and promoting a fulfilling and supportive environment.



Artificial Intelligence Internet of Things

Terminus, an AIoT platform company invested by CEL, is dedicated to advancing the AIoT industry in China. The company focuses on utilising digital and intelligent solutions to enhance urban management efficiency, promote industrial ecosystem prosperity, and drive green and low-carbon development.

Our Employees

Terminus upholds a people-centric philosophy and continuously optimises its human resources management to support the comprehensive development of employees. Various cultural and sports clubs are established based on employee interests, with regular team-building activities to help achieve a better work-life balance and foster a healthy, harmonious work atmosphere. The *Employee Handbook* details policies on equal opportunities, benefits, promotion opportunities, workplace discipline, and communication standards to ensure fair treatment for all employees. We believe that transparent and fair management policies can unleash employee potential, strengthen team cohesion, and contribute to the company's long-term success.

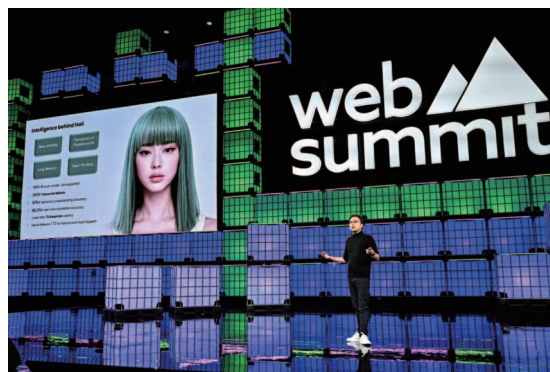
Our Value Chain

Terminus is committed to becoming a global leader in comprehensive services for eco-intelligent cities, focusing on new infrastructure and dual-carbon national goals. The customer-centric service concept applies intelligent technology to achieve dual-carbon objectives, effectively promoting the construction of green industry and ecological co-construction.

Throughout our service operations, we adhere to core values of honesty, integrity, legal compliance, and mutual benefit, respecting stakeholder opinions and maintaining regular contact with partners, suppliers, investors, and customers to foster transparent and trustworthy relationships.

In the rapidly developing smart IoT industry, Terminus adopt an open and cooperative attitude, actively collaborating with various parties to promote industrial prosperity while exploring sustainable growth opportunities to protect investor interests.

TERMINUS 特斯联



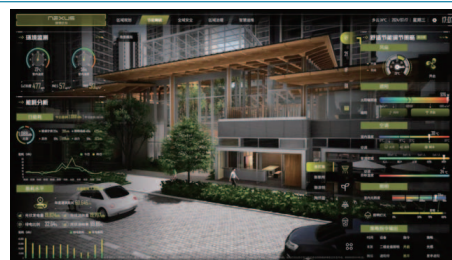
Our Environment

Since 2015, Terminus has accumulated rich knowledge in smart energy technology and has fully supported the national carbon neutrality goals proposed in 2021. The company utilises AIoT technology to drive the carbon-neutral process of urban intelligence. To date, Terminus has successfully built a carbon-neutral ecosystem and corresponding products through technological research and development, industry collaboration, academic research, and practical applications.

Over the past several years, Terminus has transformed from providing “empowerment” services to “shaping” entire cities, offering full lifecycle low-carbon green smart services for various urban scenarios. We leverage advanced technologies to advance urban development and implement specific measures to achieve the national dual-carbon goals.

In 2024, Terminus made significant progress in AIoT technologies related to urban intelligence, industrial digital transformation, smart energy, and smart living. This includes the public debut of a smart robot developed in collaboration with Emirates Post Group to promote smart transportation and sustainable development in the Middle East. Additionally, Terminus introduced a new Graph Transformer Generative Adversarial Network (GAN) that automatically generates building layouts, enabling designers to consider environmental factors early in the design process. The next-generation TITAN logistics robot has been applied in Terminus’ flagship AI City project, “AI PARK”, to track the entire carbon emission process and provide smart city management services.

As the low-carbon smart partner for the Shanghai Jiading Future City project, Terminus created a large-scale energy model based on the “model + system” approach for the community. The model automatically controls key parameters such as indoor microclimate, temperature, humidity, and lighting based on collected environmental data, enhancing indoor comfort and energy management. This project, with its green low-carbon technology, has become one of Shanghai’s first low-carbon community demonstration projects and has been selected as part of the national key R&D demonstration projects under the 14th Five-Year Plan.



Terminus has introduced green low-carbon technology to campuses. At the South China Normal University Affiliated High School project, the low-carbon operation management system uses smart lighting and monitors data from HVAC systems, lighting, energy consumption, elevators, domestic hot water, water supply, and drainage systems in real-time. This allows for the analysis and improvement of resource management efficiency and equipment performance.



In collaboration with The Ritz-Carlton, Terminus proposed a range of energy-saving technologies. Terminus’ technical team conducted comprehensive on-site inspections, assessing the hotel’s energy consumption across various systems. Using relevant energy-saving standards and regulations, the team carried out a scientific evaluation of energy usage at each stage. At the same time, a detailed system overview was performed to identify potential energy-saving opportunities and existing inefficiencies. Leveraging their extensive expertise in the field, Terminus provided The Ritz-Carlton with a holistic energy-saving solution that integrates both hardware and software. This solution aims to support the hotel in achieving efficient carbon management and advancing towards low-carbon or even zero-carbon operations.

Our Community

Terminus is actively advancing smart education through its “Smart Classrooms” initiative, which harnesses cutting-edge technology to create enhanced learning environments. This initiative aims to provide students with more opportunities for growth and the chance to fulfil their aspirations.

Under Terminus’ guidance, the Huolei Charity Team has visited schools in regions such as Hebei, Sichuan, and Chongqing. The team has delivered essential educational resources, including technology tools and learning materials. In addition, the team has shared scientific insights on topics like artificial intelligence, enriching students’ understanding of technology in both urban and rural classrooms. This initiative plays a crucial role in improving education in rural areas.

OTHER INVESTEE COMPANIES

Real Estate Asset Management

Everbright Jiabao focuses on property development, real estate investment, and asset management, striving to become a leading player in China’s cross-border real estate asset management sector. As an associate company of the Group, Everbright Jiabao has built a comprehensive industry value chain covering investment, financing, construction, management, and exit strategies over its 17 years of development. It has been a pioneer in introducing the “Big Asset Management” strategy to the industry. Under Everbright Jiabao, EBA Investments is the largest industrial investment fund manager and real estate investment platform within the Group.



EBA Investments manages a total of 56 projects, including 21 investment management projects. The total scale of the funds under management is approximately RMB22.162 billion, and the total scale of assets under management is approximately RMB46.914 billion. EBA Investments and its subsidiaries manage 20 “IMIX Park” commercial projects across 9 cities nationwide through fund investments or entrusted management. It has successfully completed the issuance of 5 phases of quasi-real estate investment trusts (REITs) with a total value of nearly RMB16 billion.

Our Employees

Guided by the core principle of “People First, with human talent as the company’s primary asset”, Everbright Jiabao and EBA Investments are committed to fostering a diverse and inclusive work environment that promotes holistic employee development. We firmly believe that building a high-quality professional team is the key to enhancing corporate competitiveness and driving innovation.

To ensure compliance with applicable laws and regulations, Everbright Jiabao has clearly outlined essential policies in its *Employee Handbook*, guaranteeing equal opportunity across all human resources management practices, including recruitment, compensation, and benefits.

Beyond professional development, we encourage employees to adopt a self-directed and lifelong learning mindset through comprehensive training programmes and career development initiatives. Additionally, we regularly organise recreational activities, such as basketball, badminton, arts and crafts workshops, and family-friendly events, to create a dynamic and engaging work environment that supports a healthy work-life balance.

By integrating corporate values with societal values, Everbright Jiabao and EBA Investments demonstrate a strong commitment to both employee well-being and corporate social responsibility, ensuring that our people remain at the heart of our success.

Our Value Chain

Everbright Jiabao and EBA Investments uphold the spirit of business contracts, fostering strong and stable partnerships with investors, suppliers, construction companies, customers, and creditors based on the principles of integrity, mutual benefit, and legal compliance.

In investor relations management, we implement a variety of strategies to ensure investors fully understand and support our development plans. To enhance investor engagement and insights, we utilise multiple communication channels, including regular investor receptions, online interaction platforms, and specialised forums. These initiatives provide real-time updates and opportunities for in-depth discussions with our management team, helping to protect investors' interests.

Everbright Jiabao and EBA Investments are committed to sustainable development in supplier management. We prioritise partnerships with socially responsible enterprises and actively encourage the adoption of recyclable and eco-friendly innovative products in our business operations. When collaborating with construction enterprises, we place particular emphasis on safeguarding the rights of migrant workers. Ensuring the timely payment of wages is a key criterion in selecting construction partners, demonstrating our commitment to upholding workers' legitimate rights and promoting ethical labour practices. We firmly believe that protecting workers' fundamental rights is essential for fostering a sustainable and healthy construction industry.

Establishing mutual trust and support with all stakeholders is crucial to the Group's success. As part of our corporate social responsibility, we strive to drive business growth while ensuring full regulatory compliance and embedding social values into our commercial activities.

Our Environment

Everbright Jiabao adheres to green building standards and is fully committed to promoting sustainable development throughout the planning and execution of its projects. We carefully assess energy consumption, air quality, water resources, and material usage in all projects, striving to minimise our environmental impact. By partnering with socially responsible suppliers, we integrate sustainability principles into our operations and actively encourage the adoption of eco-friendly technologies across our supply chain. We prioritise the use of low-carbon, recyclable products to further reduce resource consumption and waste generation.

As a Keystone Member of the International WELL Building Institute ("WELL"), EBA Investments is dedicated to developing healthy office spaces. Several of its projects, including New Everbright Center, EBA Center, and EBA Hongqiao Center, have obtained WELL, LEED, and National Green Building certifications, demonstrating our commitment to ecological sustainability, low-carbon operations, and green development.

WELLBEING, EBA Investments' office asset management brand, serves as a comprehensive service platform focusing on green ecology, smart technology, health-focused interactions, resource integration, and customised services. By leveraging advanced smart building technologies, the platform enhances connectivity between systems, offering intelligent property management solutions such as smart parking management, real-time visitor monitoring, digital visitor registration, and access control systems. These initiatives improve property management efficiency, optimise user experience and security, and promote sustainable urban development. In the consumer infrastructure sector, we prioritise ecological and environmental benefits, striving to transform managed projects into hubs for green production, circulation, and consumption.

Our Community

Everbright Jiabao integrates local cultural heritage into its infrastructure projects, actively organising and participating in cultural and rural-themed initiatives tailored to local characteristics. These include folk culture festivals, cross-regional sales and procurement collaborations, specialty markets, promotion of cultural products for people with disabilities, art charity events, fundraising for the adoption of children in special difficulties, animal and environmental protection exhibitions, charity auctions, and donations, support for local agricultural products, and initiatives promoting intangible cultural heritage. To improve agricultural product distribution, we actively enhance logistics infrastructure, establish certified specialty industries, and strengthen their competitive edge.

One of our cultural and tourism infrastructure projects, the Qingdao Dabao Island Historical and Cultural District, hosts events such as the Chinese New Year Folk Culture Festival to attract visitors, stimulate commercial activities, and promote the integration of cultural and tourism industries.

Everbright Jiabao is committed to fulfilling social responsibilities, creating shareholder value, and realising employee aspirations. Leveraging our platforms and resources, we actively participate in community initiatives. Beyond contributing to the construction of commercial and resettlement housing, we organise and support various charitable activities. In 2012, Everbright Jiabao donated RMB40 million to establish the Shanghai Jiabao Charity Foundation (“Charity Foundation”). Over the years, the foundation have been raised for various poverty alleviation and assistance projects, including supporting community elderly care services and actively participating in poverty alleviation and educational assistance projects. The Charity Foundation aims to promote positive social energy and serve the public, striving to create a charitable brand with the distinct characteristics of Everbright Jiabao.

MEMBERSHIPS

The Group actively participates in professional and trade organisation to keep abreast of the main topics, industry trends, the latest laws and regulations and best practices in our operations. The following table lists the memberships held by the Group and its participation in the industry and professional associations.

Institution	Class of Membership
Insurance Asset Management Association of China (IAMAC)	Special Cooperation Organisation

PERFORMANCE DATA

Economic Performance	2024 Amount (HK\$'000)
Direct Economic Value Generated	
Income from contracts with customers	407,124
Income from investments	(53,793)
Income from other sources	28,052
Share of profits less losses of associates	3,544
Share of profits less losses of joint ventures	(41,272)
Economic Value Distributed	
Finance costs	1,339,129
Other cost ¹⁵	773,487
Dividends	168,525
Taxes ¹⁶	329,144
Loss attributable to non-controlling interests	(34,633)
Charitable donations	30
Economic Value Retained	
Retained for CEL's sustainable operation and development	(2,232,027)
Environmental Performance	2024
GHG Emissions	
Scope 1 (tonnes CO ₂ equivalent)	10
Scope 2 (tonnes CO ₂ equivalent)	530
Total GHG Emissions (Scope 1 & 2) (tonnes CO ₂ equivalent)	540
GHG emissions intensity (Scope 1 & 2) (tonnes CO ₂ equivalent/employee)	2.23
Scope 3 (tonnes CO ₂ equivalent)	504
Energy and Water Consumption	
Direct electricity consumption (kWh)	878,742
Direct electricity consumption intensity (kWh/employee)	3,631
Water consumption ¹⁷ (m ³)	51
Water consumption intensity (m ³ /employee)	0.209
Direct energy consumption — Petrol (L)	3,815
Direct energy consumption intensity (L/employee)	16

Notes:

¹⁵ Represents other costs but excludes depreciation and amortisation for the year.

¹⁶ Represents current income tax but excludes deferred tax for the year.

¹⁷ Since tap water in the office is supplied by the building and there is no independent water meter, the water consumption only includes the consumption of bottled drinking water.

Environmental Performance	2024
Materials Consumption and Recycling	
Paper consumption (kg)	5,015
Paper recycled (kg)	1,255
Cartridges consumption (pcs)	92
Cartridges recycled (pcs)	92
Waste Disposal	
Non-hazardous waste (kg)	24,062
Non-hazardous waste intensity (kg/employee)	98
Hazardous waste ¹⁸ (pcs)	78
Hazardous waste intensity (pcs/employee)	0.322
Social Performance	2024
Number of Employees (By Employment Type)	
Full-time	242
Part-time	0
Number of Employees (By Gender)	
Male	122
Female	120
Number of Employees (By Age Group)	
Under 30	11
30–40	116
41–50	81
Above 50	34
Number of Employees (By Employment Category)	
Senior Management	9
Middle Management	26
Core Professionals	105
General Staff	102
Number of Employees (By Geographical Region)	
Hong Kong	91
Mainland China	151

Note:

¹⁸ Including waste fluorescent lamps containing mercury.

Social Performance		2024
Number of Employees (By Contract Type)		
Permanent employee	Male	121
	Female	120
	Hong Kong	90
	Mainland China	151
Temporary employee	Male	1
	Female	0
	Hong Kong	1
	Mainland China	0
Non-guaranteed hours employee ¹⁹	Male	0
	Female	0
	Hong Kong	0
	Mainland China	0
Full-time employee	Male	122
	Female	120
	Hong Kong	91
	Mainland China	151
Part-time employee	Male	0
	Female	0
	Hong Kong	0
	Mainland China	0
Turnover Rate		
Overall turnover rate		12.4%
Turnover Rate (By Gender)		
Male		13.1%
Female		11.7%
Turnover Rate (By Age Group)		
Under 30		54.5%
30–40		10.3%
41–50		9.9%
Above 50		11.8%
Turnover Rate (By Geographical Region)		
Hong Kong		22.0%
Mainland China		6.6%
Workers Who are Not Employees (By Category)		
Secondment worker		37
Contract worker		2

Note:

¹⁹ Definition according to GRI: employee who is not guaranteed a minimum or fixed number of working hours per day, week, or month, but who may need to make themselves available for work as required.

Social Performance	2024
Percentage of Employees Trained (By Gender)	
Male	100%
Female	100%
Percentage of Employees Trained (By Employment Category)	
Senior Management	100%
Middle Management	100%
Core Professionals	100%
General staff	100%
Average Training Hours per Employee (By Gender)	
Male	69.2
Female	99.5
Average Training Hours per Employee (By Employment Category)	
Senior Management	134.5
Middle Management	59.4
Core Professionals	86.8
General staff	83.5
Percentage of Employees Receiving Regular Performance and Career Development Reviews (By Gender)	
Male	100%
Female	100%
Percentage of Employees Receiving Regular Performance and Career Development Reviews (By Employment Category)	
Senior Management	100%
Middle Management	100%
Core Professionals	100%
General staff	100%

Social Performance		2024
Parental leave (By Gender)		
Total number of employees that were entitled to parental leave	Male	122
	Female	120
Total number of employees that took parental leave	Male	7
	Female	7
Total number of employees that returned to work in the reporting period after parental leave ended	Male	7
	Female	4
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	Male	5
	Female	5
Return to work rate of employees that took parental leave ²⁰	Male	100%
	Female	57%
Retention rate of employees that took parental leave ²¹	Male	63%
	Female	100%
Occupational Health and Safety (Employees)		
Work-related fatalities		0
Fatality rate		0
Work-related injuries		0
Injury rate ²²		0
Lost days due to work injury		0
High-consequence work-related injuries ²³		0
High-consequence work-related injuries rate ²²		0
Occupational Health and Safety (Third-party Contractors and Subcontractors)		
Work-related fatalities		0
Fatality rate		0
Work-related injuries		0
Injury rate ²²		0
Lost days due to work injury		0
High-consequence work-related injuries ²³		0
High-consequence work-related injuries rate ²²		0
Number of Suppliers (By Geographical Region)		
Hong Kong		249
Mainland China		216
Other Asian regions		6
Regions outside Asia		21

Notes:

²⁰ Return to work rate referred to the calculation methods suggested in GRI 401-3. (Return to work rate = Total number of employees who returned to work after parental leave/the total number of employees due to return to work after taking parental leave x 100%)

²¹ Retention rate referred to the calculation methods suggested in GRI 401-3. (Retention rate = Total number of employees retained 12 months after returning to work following a period of parental leave/the total number of employees returning from parental leave in the prior reporting period x 100%)

²² Injury rate and high-consequence work-related injury rate referred to the calculation methods suggested in GRI 403-9. (Injury rate = (Total work-related injuries/Total working hours) x 200,000)

²³ Refers to work-related injury that results in an injury from which the worker cannot or is not expected to recover fully to pre-injury health status within 6 months

GRI AND SEHK'S ESG REPORTING GUIDE CONTENT INDEX

This Report was prepared in accordance with the Appendix C2 *ESG Guide* to the Main Board Listing Rules and with reference to GRI Standards. The following table provides an overview of the Material Topics, General Disclosures and the Key Performance Indicators (KPI) under the Subject Areas and Aspects of the guide, which are either referred to the relevant chapters of the Report or supplemented with additional information.

Statement of Use	CEL has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 with reference to the GRI Standards.
GRI 1 Version	GRI 1: Foundation 2021
Applicable GRI Sector Standards	Not applicable

GRI Standards — General Disclosures

GRI 2: General Disclosures 2021	Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
2-1	Organisational details			About This Report For details of ownership, please refer to “Notes to the Financial Statements” in the Annual Report 2024 of the Company.
2-2	Entities included in the organization’s sustainability reporting			About This Report Please refer to “Notes to the Financial Statements” in the Annual Report 2024 of the Company.
2-3	Reporting period, frequency and contact point			About This Report
2-4	Restatements of information			No restatement was made on the content of last year’s report.
2-5	External assurance			CEL’s Approach to ESG Management We will consider external assurance in the future.
2-6	Activities, value chain and other business relationships	KPI B5.1	Number of supplies by geographical region.	About This Report Our Sustainable Business CEL’s Approach to ESG Management For details of scale of the organisation, please refer to the Annual Report 2024 of the Company.

GRI 2: General Disclosures 2021	Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
2-7	Employees	KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Our Employees Performance Data The data is based on the headcount at the end of the Reporting Period. There are no significant fluctuations in the number of employees during the Reporting Period and between reporting periods.
2-8	Workers who are not employees			Our Employees Performance Data The most common type of worker is temporary worker, which is hired through third-party. There are no significant fluctuations in the number of workers during the Reporting Period and between reporting periods.
2-9	Governance structure and composition			Refer to the chapter “Corporate Governance Report” and “Directors’ Report” of the Annual Report 2024 of the Company.
2-10	Nomination and selection of the highest governance body			Refer to the chapter “Corporate Governance Report” and “Directors’ Report” of the Annual Report 2024 of the Company.
2-11	Chair of the highest governance body			Refer to the chapter “Corporate Governance Report” of the Annual Report 2024 of the Company.
2-12	Role of the highest governance body in overseeing the management of impacts			Refer to the chapter “Corporate Governance Report” of the Annual Report 2024 of the Company.
2-13	Delegation of responsibility for managing impacts			Refer to the chapter “Corporate Governance Report” of the Annual Report 2024 of the Company.

GRI 2: General Disclosures 2021	Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
2-14	Role of the highest governance body in sustainability reporting			About This Report
2-15	Conflicts of interest			Refer to the chapter “Directors’ Report” of the Annual Report 2024 of the Company. All cases related to conflicts of interest will be uploaded to the “Announcements and Circulars” section of the Company’s website for public access.
2-16	Communication of critical concerns			Refer to the chapter “Corporate Governance Report” of the Annual Report 2024 of the Company.
2-17	Collective knowledge of the highest governance body			Refer to the chapter “Corporate Governance Report” of the Annual Report 2024 of the Company.
2-18	Evaluation of the performance of the highest governance body			Refer to the chapter “Corporate Governance Report” of the Annual Report 2024 of the Company.
2-19	Remuneration policies			Refer to the chapter “Corporate Governance Report” of the Annual Report 2024 of the Company.
2-20	Process to determine remuneration			Refer to the chapter “Corporate Governance Report” of the Annual Report 2024 of the Company.
2-21	Annual total compensation ratio			Due to confidentiality, the Company only discloses salary-related information according to SEHK’s Listing Rules and Ministry of Finance’s of the PRC’s requirements.
2-22	Statement on sustainable development strategy			Refer to the chapter “Chairman’s Statement” of the Annual Report 2024 of the Company.
2-23	Policy commitments			CEL’s Approach to ESG Management

GRI 2: General Disclosures 2021	Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
2-24	Embedding policy commitments			CEL's Approach to ESG Management Our Employees
2-25	Processes to remediate negative impacts			CEL's Approach to ESG Management
2-26	Mechanisms for seeking advice and raising concerns			CEL's Approach to ESG Management
2-27	Compliance with laws and regulations			During the Reporting Period, the Group did not find any significant non-compliance cases.
2-28	Membership associations			Memberships
2-29	Approach to stakeholder engagement			Materiality Assessment and Stakeholder Engagement
2-30	Collective bargaining agreements			None of the employees of the Group are covered by collective bargaining agreements.
3-1	Process to determine material topics			Materiality Assessment and Stakeholder Engagement
3-2	List of material topics			Materiality Assessment and Stakeholder Engagement

Other Disclosure Requirements of SEHK

GRI 2: General Disclosures 2021	Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
N/A	N/A	Governance Structure	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses. 	<p>About This Report</p> <p>CEL's Approach to ESG Management</p>
N/A	N/A	Reporting Principles	Materiality, quantitative, balance, consistency, stakeholder inclusiveness, sustainability context and completeness	About This Report
N/A	N/A	Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About This Report

GRI Standards Topic Specific Standards

GRI Standards		Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
Economic					
Economic Performance					
GRI 3: Material Topics 2021	3-3	Management of material topics	General Disclosure A4	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Materiality Assessment and Stakeholder Engagement
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	KPI B8.2	Resources contributed (e.g. money or time) or to the focus area.	Refer to the Annual Report 2024 of the Company. Performance Data
	201-2	Financial implications and other risks and opportunities due to climate change	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.	Tackling Climate Change Our Environment
	201-3	Defined benefit plan obligations and other retirement plans			Refer to the Annual Report 2024 of the Company.

GRI Standards			Environmental, Social and Governance Reporting Guide of SEHK		Location and/or Remarks
Anti-corruption					
GRI 3: Material Topics 2021	3-3	Management of material topics	General Disclosure B7	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.	Materiality Assessment and Stakeholder Engagement CEL's Approach to ESG Management
GRI 205: Anti- corruption 2016	205-1	Operations assessed for risks related to corruption			Refer to the Annual Report 2024 of the Company. CEL's Approach to ESG Management CEL has assessed for risks related to corruption in all operational locations and implemented the <i>Anti-money Laundering and Counter-terrorism Financing Policy</i> as well as the Prevention of Bribery and Corruption Policy. No significant risks related to corruption has been identified through the risk assessment.

GRI Standards		Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	KPI B7.3	Description of anti-corruption training provided to directors and staff.	CEL’s Approach to ESG Management Our Employees Performance Data In 2024, all employees and members of Directors of the Company received trainings in anti-corruption, as well as anti-corruption policies and procedures.
	205-3	Confirmed incidents of corruption and actions taken	KPI B7.1	Number of conducted 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 in 2024.
			KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Refer to “General Disclosure” and chapter “Corporate Governance Report” of the Annual Report 2024 of the Company.
Responsible Investment					
GRI 3: Material Topics 2021	3-3	Management of material topics			Materiality Assessment and Stakeholder Engagement
			General Disclosure A3	Policies on minimising the issuer’s significant impacts on the environment and natural resources.	Responsible Investment

GRI Standards	Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
Environment				
Emissions				
N/A (Not identified as material topic)		General Disclosure A1, A3	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact in the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Policies on minimising the issuer's significant impacts on the environment and natural resources.	Tackling Climate Change Our Environment Performance Data
		KPI A1.1	The types of emissions and respective emissions data.	Our Environment Performance Data Emissions caused by fuel combustion of the Group's vehicle ¹⁴ : SO _x : 0.06 kg NO _x : 2.02 kg PM: 0.15 kg
		KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit production volume, per facility).	Our Environment Performance Data
		KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Our Environment

Note:

²⁴ Calculation referenced to the *Report Guidance on Environmental KPIs* published by the SEHK and the *Energy Utilisation – Transport Sector* published by the Hong Kong Electrical and Mechanical Services Department.

GRI Standards	Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
Energy				
N/A (Not identified as material topic)	General Disclosure A2, A3	Policies on the efficient use of resources, including energy, water and other raw material. Policies on minimising the issuer’s significant impacts on the environment and natural resources.	Tackling Climate Change Our Environment Performance Data	
	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).	Performance Data	
	KPI A2.3	Description of energy use efficient target(s) set and steps taken to achieve them.	Our Environment	
Water Resources				
N/A (Not identified as material topic)	General Disclosure A2, A3	Policies on the efficient use of resources, including energy, water and other raw material. Policies on minimising the issuer’s significant impacts on the environment and natural resources.	Our Environment We do not hold any relevant policy as the impact of water consumption on environment in our operations is insignificant. Nonetheless, we are committed to actively exploring various water conservation options to continuously improve the water efficiency of our operations.	

GRI Standards	Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
N/A (Not identified as material topic)		KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Our office’s water is managed by property management. We did not find any issue in water sourcing. We are committed to actively exploring various water conservation options to continuously improve the water efficiency of our operations.
		KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Our office operations will not cause any significant impact on the environment and natural resources.
		KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance Data
Biodiversity				
N/A (Not identified as material topic)		General Disclosure A2,A3	<p>Policies on the efficient use of resources, including energy, water and other raw material.</p> <p>Policies on minimising the issuer’s significant impacts on the environment and natural resources.</p>	<p>Our Environment</p> <p>We do not hold any relevant policy as our routine office operations will not cause any significant impact on the environment and natural resources.</p>
		KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Our office operations will not cause any significant impact on the environment and natural resources.

GRI Standards	Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
Waste				
N/A (Not identified as material topic)		General Disclosure A1, A3	<p>Policies on the efficient use of resources, including energy, water and other raw material.</p> <p>Policies on minimising the issuer's significant impacts on the environment and natural resources.</p>	<p>Our Environment</p> <p>Performance Data</p>
		KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduce target(s) set and steps taken to achieve them.	Our Environment
		KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	<p>Our Environment</p> <p>Performance Data</p>
		KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	<p>Our Environment</p> <p>Performance Data</p>

GRI Standards	Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
Use of Resources				
N/A (Not identified as material topic)	General Disclosure A2, A3	Policies on the efficient use of resources, including energy, water and other raw material. Policies on minimising the issuer’s significant impacts on the environment and natural resources.	Our Environment	
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	We do not generate any packaging material in our office operations.	
Supply Chain Management				
N/A (Not identified as material topic)	General Disclosure B5	Policies on managing environmental and social risks of the supply chain.	Our Environment Performance Data	
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	CEL’s Approach to ESG Management Our Environment Our Value Chain	
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	CEL’s Approach to ESG Management Our Environment Our Value Chain	
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	CEL’s Approach to ESG Management Our Environment Our Value Chain	

GRI Standards		Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
Social					
Employment					
GRI 3: Material Topics 2021	3-3	Management of material topics	General Disclosure B1	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.	Materiality Assessment and Stakeholder Engagement Our Employees The Group regularly reviews its employment practice to ensure that we are compliance with the <i>Employment Ordinance</i> of Hong Kong, the <i>Labour Law of the PRC</i> and other law regulations.
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Our Employees Performance Data
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees			Our Employees
	401-3	Parental leave			Performance Data

GRI Standards		Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
Labour/Management Relations					
GRI 3: Material Topics 2021	3-3	Management of material topics			Materiality Assessment and Stakeholder Engagement
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes			The Company does not have relevant terms stating the minimum notice periods regarding operational changes.
Occupational Health and Safety					
GRI 3: Material Topics 2021	3-3	Management of material topics	General Disclosure B2	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.	Materiality Assessment and Stakeholder Engagement Our Employees It is not considered that any related individual laws or regulations have a significant impact on the Company.
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system			Our Employees
	403-2	Hazard identification, risk assessment, and incident investigation			Our Employees
	403-3	Occupational health services			Our Employees
	403-4	Worker participation, consultation, and communication on occupational health and safety			Our Employees

GRI Standards		Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
	403-5	Worker training on occupational health and safety			Our Employees
	403-6	Promotion of worker health			Our Employees
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships			Our Employees
	403-8	Workers covered by an occupational health and safety management system			Our Employees
	403-9	Work-related injuries	KPI B2.1	There are no work-related fatalities occurred in the past three years.	Our Employees Performance Data
			KPI B2.2	Lost days due to work injury.	Performance Data
			KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Our Employees
	403-10	Work-related ill health			Our Employees Performance Data
Training and Education					
GRI 3: Material Topics 2021	3-3	Management of material topics	General Disclosure B3	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Materiality Assessment and Stakeholder Engagement Our Employees

GRI Standards		Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	KPI B3.1	The percentage of employees trained by gender and employee category	Our Employees Performance Data
			KPI B3.2	The average training hours completed per employee by gender and employee category.	Our Employees Performance Data
	404-2	Programs for upgrading employee skills and transition assistance programs			Our Employees
	404-3	Percentage of employees receiving regular performance and career development reviews			Our Employees Performance Data
Diversity and Equal Opportunity					
GRI 3: Material Topics 2021	3-3	Management of material topics	General Disclosure B1	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.	Materiality Assessment and Stakeholder Engagement Our Employees

GRI Standards		Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Our Employees Performance Data Diversity Data of the Board of Directors: By Gender: Male – 88.9% Female – 11.1% By Age Group: 35-44 years old – 11.1% 45-54 years old – 44.5% 55-64 years old – 33.3% Over 65 years old – 11.1%
	405-2	Ratio of basic salary and remuneration of women to men			Due to confidentiality, the Company only discloses salary-related information according to Hong Kong's <i>Listing Rules</i> and Ministry of the People's Republic of China's requirements.
Non-discrimination					
GRI 3: Material Topics 2021	3-3	Management of material topics	General Disclosure B1	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.	Materiality Assessment and Stakeholder Engagement

GRI Standards		Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken			Our Employees
Child Labour					
N/A (Not identified as material topic)			General Disclosure B4	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.</p>	<p>The Group has formulated the <i>Human Rights Policy</i> and incorporated it into our <i>Employee Handbook</i>. Since the Group's business does not involve any deployment of child labour or forced labour, the Group has not formulated relevant policies. However, we will explore the possibilities of including relevant regulations in our <i>Human Rights Policy</i> in the future.</p> <p>There are no relevant laws and regulations that have a significant impact on the Group relating to preventing child and forced labour.</p>
			KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	The Group regularly reviews its employment practice to ensure that we are compliance with the <i>Employment Ordinance</i> of Hong Kong, the <i>Labour Law of the PRC</i> and other law regulations related to child labour or forced labour.

GRI Standards	Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
N/A (Not identified as material topic)		KPI B4.2	Description of steps taken to eliminate such practices when discovered.	The Group has zero tolerance towards such practice. Violations are subject to internal disciplinary actions or handled by relevant authorities.
Forced or Compulsory Labour				
N/A (Not identified as material topic)		General Disclosure B4	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to preventing child and forced labour.</p>	<p>The Group has formulated the <i>Human Rights Policy</i> and incorporated it into our <i>Employee Handbook</i>. Since the Group's business does not involve any deployment of child labour or forced labour, the Group has not formulated relevant policies. However, we will explore the possibilities of including relevant regulations in our <i>Human Rights Policy</i> in the future.</p> <p>There are no relevant laws and regulations that have a significant impact on the Group relating to preventing child and forced labour.</p>

GRI Standards	Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
Local Communities				
N/A (Not identified as material topic)	General Disclosure B8	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.	Our Community	
	KPI B8.1	Focus areas of contribution (e.g. education environmental concerns, labour needs, health, culture, sport).	Our Community	
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Our Community	
Supplier Social Assessment				
N/A (Not identified as material topic)	General Disclosure B5	Policies on managing environmental and social risks of the supply chain.	CEL’s Approach to ESG Management Our Environment	
	KPI B5.2	Description of practices relating to engaging supplies, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	CEL’s Approach to ESG Management Our Environment Our Value Chain	
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	CEL’s Approach to ESG Management Our Environment Our Value Chain	

GRI Standards		Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
Customer Privacy					
GRI 3: Material Topics 2021	3-3	Management of material topics	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	<p>Materiality Assessment and Stakeholder Engagement</p> <p>Our Management Measures for Confidential Information and Confidentially Agreements states that employees have the responsibility to keep confidential information including consumer data and privacy secure; it also details related implementation and monitoring methods (such as the procedures and regulations for signing confidentiality agreements).</p>
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data			CEL's Approach to ESG Management

GRI Standards	Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
Product Responsibility				
N/A (Not identified as material topic)		General Disclosure B6	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	<p>The Group has not identified material concerns in its services regarding health and safety, thus a dedicated policy is not in place. Meanwhile, we have formulated the Management Guidelines and Confidentiality Agreements in light of advertising, labelling and privacy matters relating to our services provided, so as to safeguard client assets and data, respect intellectual property rights, and to protect the interests of all stakeholders and at the same time meet our statutory responsibility as a Hong Kong listed company and parent of a number of regulated entities.</p> <p>There are no relevant laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>
		KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable as the Group does not provide any physical products.

GRI Standards	Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
N/A (Not identified as material topic)		KPI B6.2	Number of products and services related complaints received and how they are dealt with.	There are no complaints during the Reporting Period.
		KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Our <i>Employee Handbook</i> details the requirements for observing and protection intellectual property rights generated during the performance of their duties do not infringe the rights of others.
		KPI B6.4	Description of quality assurance process and recall procedures.	Not Applicable

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