



粵豐環保電力有限公司

Canvest Environmental Protection Group Company Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 1381

SUSTAINABILITY
REPORT
2018

Capturing Immense Opportunity
Creating Sustainable


GROWTH



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1. ABOUT THIS REPORT



The Sustainability Report 2018 (the “Report”) is the first stand-alone sustainability report of Canvest Environmental Protection Group Company Limited (“Canvest” or the “Group”) (stock code: 1381.HK). The Report outlines our approaches, commitment and strategies to sustainability, and highlights our environmental and social performance. We continue to disclose and discuss the key performance of the Group in environmental, social and governance (“ESG”) areas to stakeholders through engaging AECOM Asia Company Limited, a professional sustainability reporting consultant, in preparing the Report.

The Report covers the sustainability performance of all our operating plants under full-scale operation that are wholly-owned by Canvest and Headquarters (“Operating Projects”) for the period from 1 January 2018 to 31 December 2018 (“FY2018” or “Reporting Period”). Unless otherwise specified, the ESG performance of our contractors and suppliers are not reflected in this Report. This Report has been prepared in accordance with the GRI Standards: Core option², its *Electric Utilities Sector Disclosures*, and the *Environmental, Social and Governance Reporting Guide* (the “ESG Reporting Guide”) under Appendix 27 to the *Main Board Listing Rules* of The Stock Exchange of Hong Kong Limited (“SEHK”). The Chinese and English versions of the Report¹ are also available on our corporate website (www.canvestenvironment.com) and the website of HKEXnews (www.hkexnews.com.hk).

We welcome your feedback on this Report and our sustainability performance. Please send us your feedback to info@canvest.com.hk.

- ¹ In case of inconsistency or discrepancy between the Chinese translation and English versions of the Report, the English version shall prevail.
- ² GRI refers to Global Reporting Initiative.



2. MESSAGE FROM OUR CHAIRLADY

To All HONORABLE STAKEHOLDERS:

Canvest is pleased to present our Sustainability Report 2018, which summarised our continued efforts and achievements in the areas of environmental, sustainability and corporate governance. We are a vibrant and energetic waste-to-energy (“WTE”) enterprise with projects across China. In 2003, we established our first WTE project in Dongguan, Guangdong Province and began the business of turning waste to energy. After over 15 years of track record and development, we have grown from a local player to a national player, with project footprints in nine provinces currently, including Guangdong Province, Guangxi Zhuang Autonomous Region, Guizhou Province, Jiangxi Province, Sichuan Province, Shandong Province, Shanxi Province, Hebei Province and Yunnan Province. We have also successfully expanded our business along the value chain, to upstream cleaning and waste management services and downstream fly ash and bottom ash treatment businesses, realising our vision to become a leading integrated environmental protection and sanitation solution provider in China.

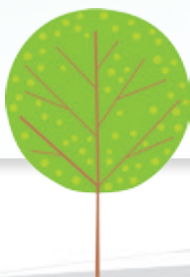


MESSAGE FROM OUR CHAIRLADY



Our mission is “to protect the blue sky and clean water, and build a beautiful home”, and we do so by leveraging on the latest technologies, maintaining quality management and good corporate governance, safeguarding the interests of our stakeholders and creating value for our shareholders. As a responsible and outstanding corporate citizen, we strive to do more than just complying with the relevant laws and regulations, we aim to be the best of ourselves and set high standards for the industry. In 2017, the Ministry of Ecology and Environment published “The Notice on the Installation & Online Connection of Pollutant Emission Automatic Monitoring Devices of WTE Plant” (《關於生活垃圾焚燒廠安裝污染物排放自動監控設備和聯網有關事項的通知》), requesting WTE enterprises to install pollutant emission automatic monitoring devices, install electronic display at the entrance of the plants to disclose real-time pollutant emission and operation data, and connect automatic monitoring devices online with the environmental department by 30 September 2017. Before the release of such notice, we had already committed to disclose key emission data real-time via the official website of Dongguan Municipal Administrative and Integrated Enforcement Bureau when our first technological upgrade plant commenced operation back in 2014, fully demonstrating our operating philosophy of adhering to quality management, and our commitment to enhance the transparency in environmental information disclosure. In addition, we take pride in designing and building WTE plants with excellency and efficiency.

Our WTE business transforms waste to energy and recycle valuable materials to reduce waste. During the Reporting Period, we fulfilled our social responsibility and contributed to environmental protection by innocuously treating 4,959,040 tonnes of municipal solid waste (“MSW”), selling 1,779,716 MWh of green electricity, saving 609,466 tonnes of standard coal and offsetting 2,296,680 tonnes of carbon dioxide equivalent emissions from our Operating Projects.



MESSAGE FROM OUR CHAIRLADY



Looking ahead to the challenges and opportunities, we will continue our mission “to protect the blue sky and clean water, and to build a beautiful home”, to focus on expanding our environmental business and pursuing comprehensive development in all aspects. We will adhere to the corporate principles of serving and making contribution to the society, and will continue to collaborate with our partners to reach new heights in the coming year. Canvest is committed to its corporate philosophy to “unite as one, work meticulously and strive for excellence” to achieve sustainable growth and bring greater values to all of the Group’s stakeholders. On behalf of the management team, I would like to express our heartfelt gratitude to our shareholders, business partners and employees for their unwavering support to Canvest’s development. I look forward to another fruitful year for Canvest in the pursuit of sustainable and environmental development.

Lee Wing Yee Loretta
Chairlady
Hong Kong, 22 July 2019



3. ABOUT CANVEST

Canvest Environmental Protection Group Company Limited, a company incorporated in the Cayman Islands and headquartered in Hong Kong, is principally engaged in the provision of environmental hygiene and related services and operation and management of WTE plants. Currently, the Group has 24 WTE projects, covering Guangdong Province, Guangxi Zhuang Autonomous Region, Guizhou Province, Hebei Province, Jiangxi Province, Shanxi Province, Shandong Province, Sichuan Province and Yunnan Province. Going forward, Canvest will continue to actively pursue business opportunities which are lucrative and commercially viable, develop new projects and acquire existing projects to expand its WTE business. The Group was listed on the Main Board of SEHK on 29 December 2014 (stock code: 1381).

PROJECT HIGHLIGHTS

Process Capacity

MSW processed
4,959,040 tonnes

Green electricity sold
1,779,716 MWh

Stable Operation

Transmission lines
14.80 km (overhead)
10.42 km (underground)

Transmission loss
0.69%

9 WTE projects under full-scale operation in 2018 that are wholly-owned by Canvest



Green Operation

2,296,680 tonnes of CO₂ equivalent emissions offset

Saved **609,466** tonnes of standard coal

Serving Our Clients

Government clients **53**

Commercial clients **22**

Supply Chain

Purchased from **313** suppliers

Total supply value RMB **665** million

ABOUT CANVEST

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

Project	Location	Daily MSW processing capacity	Installed power generation capacity
In the operation stage:			
Eco-Tech I WTE Plant	Dongguan, Guangdong Province	1,800 tonnes	36 MW
Eco-Tech II WTE Plant	Dongguan, Guangdong Province	1,500 tonnes	50 MW
Kewei WTE Plant	Dongguan, Guangdong Province	1,800 tonnes	30 MW
China Scivest I WTE Plant	Dongguan, Guangdong Province	1,800 tonnes	42 MW
China Scivest II WTE Plant	Dongguan, Guangdong Province	1,200 tonnes	36 MW
Zhanjiang WTE Plant	Zhanjiang, Guangdong Province	1,500 tonnes	30 MW
Zhongshan WTE Plant* (under management agreement)	Zhongshan, Guangdong Province	1,040 tonnes	24 MW
Lufeng WTE Plant**	Lufeng, Guangdong Province	Phase 1: 1,200 tonnes Phase 2: 400 tonnes	Phase 1: 30 MW Phase 2: 12 MW
Laibin WTE Plant	Laibin, Guangxi Zhuang Autonomous Region	Phase 1: 1,000 tonnes Phase 2: 500 tonnes	Phase 1: 24 MW Phase 2: Planning
Beiliu WTE Plant	Beiliu, Guangxi Zhuang Autonomous Region	Phase 1: 700 tonnes Phase 2: 350 tonnes	24 MW
Xingyi WTE Plant	Xingyi, Guizhou Province	Phase 1: 700 tonnes Phase 2: 500 tonnes	Phase 1: 12 MW Phase 2: 12 MW
Xinfeng WTE Plant***	Xinfeng, Jiangxi Province	Phase 1: 400 tonnes Phase 2: 400 tonnes	15 MW
Under construction or in planning stage:			
Machong WTE Plant	Dongguan, Guangdong Province	2,250 tonnes	80 MW
Qingyuan WTE Plant	Qingyuan, Guangdong Province	Phase 1: 1,500 tonnes Phase 2: 1,000 tonnes	Planning
Shaoguang WTE Plant	Shaoguan, Guangdong Province	Phase 1: 700 tonnes Phase 2: 350 tonnes	24 MW
Xinyi WTE Plant	Xinyi, Guangdong Province	Phase 1: 500 tonnes Phase 2: 250 tonnes	Phase 1: 12 MW Phase 2: 12 MW
Xuwen WTE Plant	Xuwen, Guangdong Province	Phase 1: 500 tonnes Phase 2: 250 tonnes	Phase 1: 12 MW Phase 2: 6 MW
Dianbai WTE Plant	Maoming, Guangdong Province	Phase 1: 1,500 tonnes Phase 2: 750 tonnes	Phase 1: 25 MW Phase 2: 25 MW
Mancheng WTE Plant	Mancheng, Hebei Province	Phase 1: 500 tonnes Phase 2: 500 tonnes	Planning
Linfen WTE Plant	Linfen, Shanxi Province	Phase 1: 800 tonnes Phase 2: 400 tonnes	Planning
Zaozhuang WTE Plant	Zaozhuang, Shandong Province	Phase 1: 1,000 tonnes Phase 2: 800 tonnes	Phase 1: 15 MW Phase 2: 15 MW
Shen County WTE Plant	Shen County, Liaocheng City, Shandong Province	Phase 1: 700 tonnes Phase 2: 500 tonnes	Planning
Jianyang WTE Plant	Jianyang, Sichuan Province	Phase 1: 1,500 tonnes Phase 2: 1,500 tonnes	Phase 1: 18 MW Phase 2: 18 MW
Ruili WTE Plant	Ruili, Yunnan Province	Phase 1: 600 tonnes Phase 2: 400 tonnes	Phase 1: 12 MW Phase 2: Planning

* Zhongshan WTE Plant is under a management agreement, and its performance data is excluded in this Report.

** Phase 1 of Lufeng WTE Plant was under trial operation in 2018, and its performance data is excluded in this Report.

*** Xinfeng WTE Plant started trial operation in the first half of 2019, and its performance data is excluded in this report.

ABOUT CANVEST

SUSTAINABLE DEVELOPMENT GOALS

Following the pulse of global economic, environmental and social development, we strongly believe that we need to lead the change to deliver a sustainable society for the future. Canvest supports the United Nations' Sustainable Development Goals (SDGs) conceded at the Sustainable Development Summit of the United Nations in 2015, joining the global partnership which aims to end deprivation, protect the planet and ensure that all people enjoy peace and prosperity.

We have identified 12 specific SDGs that are most closely connected with our business, environment and people.

SUSTAINABLE DEVELOPMENT GOALS

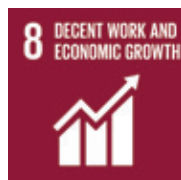
Business

Our main business focuses include designing, building and operating WTE plants, which provide a safe and technologically advanced means of waste disposal that generates clean and renewable energy. We also acquire and upgrade WTE projects to achieve optimal performance, thereby ensuring reliable supply of green electricity. Our WTE projects also create positive economic impact on the local community through providing employment opportunities. In 2018, our Operating Projects converted **4,959,040** tonnes of MSW into energy, fulfilling the annual electricity consumption needs of **1,369,000** households.

Our **Business** associates with:



Ensure access to affordable, reliable, sustainable and modern energy for all



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation



Make cities and human settlements inclusive, safe, resilient and sustainable

ABOUT CANVEST

Environment

WTE process for MSW treatment is widely recognised as a source of greenhouse gas (“GHG”) reduction. Our WTE plants contribute to the offset of GHG emissions through avoidance of methane released from landfills and GHGs generated at fossil-fuelled power plants. In 2018, our Operating Projects have sold **1,779,716** MWh of green electricity, saving **609,466** tonnes of standard coal and offsetting **2,296,680** tonnes of carbon dioxide equivalent emissions.

We employ best operating practices to minimise our environmental impacts, and ensure our operations comply with all applicable national standards and regulations.

Our WTE plants have adopted resource utilisation strategies and guidelines to ensure that all resources and materials are used effectively. In particular, wastewater generated from our WTE plants are treated on-site and subsequently reused in our operations to reduce the consumption of fresh water. We also adopt recirculating cooling water systems in our WTE processes to enhance the water reusing rate.

Our initiatives in protecting the **Environment** associates with:



Ensure sustainable consumption and production patterns



Take urgent action to combat climate change and its impacts



Conserve and sustainably use the oceans, seas and marine resources for sustainable development



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss



ABOUT CANVEST

People

We encourage our employees to get involved and support community projects and good causes. We continue to sponsor and donate on community infrastructure projects, charities, poverty reduction, disaster relief and environmental advocacy. We also arrange public visits to our WTE plants, educating the society on what we do and sharing our experience in environmental protection to the community. In June 2018, Canvest Environmental Protection Theme Pavilion, one of the largest environment-themed pavilions in China, was opened. The pavilion serves as an interactive platform for government bodies, environmental organisations, corporates and the general public to exchange green development ideas.

We also strive to provide a work environment free of discrimination and provide equal opportunities for all, ensuring our employees are not discriminated or deprived of any opportunity due to age, gender, ethnicity or nationality.

Our commitment to the **People** associates with:



End poverty in all its forms everywhere



Ensure inclusive and equitable quality education and promote lifelong opportunities for all



Achieve gender equality and empower all women and girls



Reduce inequality within and among countries



4. STAKEHOLDER ENGAGEMENT



COMMUNICATION WITH STAKEHOLDERS

Canvest places great emphasis on stakeholder engagement. We actively work with stakeholders that operate within our value chain, such as customers, employees and suppliers, as well as stakeholders outside our value chain, including business partners and non-governmental organisations (“NGOs”). In 2018, we continued to communicate with our stakeholders via various channels, from day-to-day contact to regular meetings and public events by following our *External Communication Procedure* and *Customer Service Management Procedure* to help us better understand the needs of the communities. We also conveyed our sustainability message to our supply chain through our *Contractor Management Procedure* and *Supplier Management Procedure*, which outline our contractor and supplier evaluation procedures, enabling us to align our vision with areas such as economic benefit, work quality, environmental protection, and occupational health and safety.

These conversations played a key role in shaping how we execute our business strategy as well as how we work to help improve our communities. We value all feedback that we receive, and always seek to strike a balance between the needs and expectations of our various stakeholder groups.



STAKEHOLDER ENGAGEMENT



KEY STAKEHOLDERS AND COMMUNICATION CHANNELS OF CANVEST



STAKEHOLDER ENGAGEMENT

Public Affairs

Through active participation in industry and professional organisations, Canvest is committed to improving exchanges across sectors, promoting organisational well-being, and sharing knowledge, information, experience, and best practices with the industry. In 2018, Canvest participated in 10 professional organisations as either an executive council member or corporate member.

Canvest's Corporate Memberships	
Beijing Association of Green Design and Green Manufacturing Promotion	Vice President
Dongguan Industry Association of Sanitation	Vice President Member
Dongguan Power Trade Association	Member
Guangdong Association of Circular Economy and Resources Comprehensive Utilisation	Member
Guangdong Association for Environmental Monitoring	Member
Guangdong Environmental Protection Industry Association	Member
Guangdong Environmental Sanitation Association	Member
Guangdong Municipal Waste Treatment Industry Association	Member
Zhanjiang Environmental Sanitation Association	Executive Council Member
Zhaoqing Environmental Sanitation Association	Vice Chairman



Canvest's exhibition booth at the Guangdong Province Pollution Prevention and Control — Technique, Equipment and Service Seminar



Canvest 2018 Interim Results Announcement




STAKEHOLDER ENGAGEMENT


MATERIALITY ASSESSMENT

Materiality is determined by considering Canvest's most significant economic, environmental and social impacts, as well as the issues that are of most interest or concern to stakeholders. In 2018, Canvest for the first time invited an independent third-party consultant to conduct a stakeholder engagement survey as part of the materiality assessment process. This approach helped us better understand our stakeholders' opinions and expectations on the Group's sustainable growth in a fair and impartial manner, thus identifying and prioritising issues that are of utmost importance to the Group's development and that matter most to the stakeholders. The suggestions and concerns raised by our stakeholders are covered throughout this Report together with our responses.


Canvest's Materiality Assessment Process


Stage 1 Identify Sustainability Topics

-  Our consultant compiled a list of over 30 sustainability topics that are most relevant to Canvest, in terms of economic, environmental, and social aspects.


-  These sustainability issues were determined from various sources, including engagement with stakeholders, internal policies and management reports, media opinions, and the GRI Standards.


Stage 2 Prioritise Material Topics and Develop Materiality Matrix

-  To obtain the order of priority of the sustainability issues identified in Stage 1, our consultant conducted a stakeholder engagement survey with 8 stakeholders groups to collect their views and suggestions on the identified sustainability topics, and determined the importance of each topic using a ranking from 1 to 10 (1 = most important, 10 = least important).

-  A materiality matrix was developed by the consultant based on the material topics perceived with the highest importance to the stakeholders and Canvest.

Stage 3 Review and Validate Material Topics

-  Canvest's senior management reviewed the materiality matrix, and the top 10 prioritised material topics perceived by both the stakeholders and the Group form the focus of disclosure of this Report.

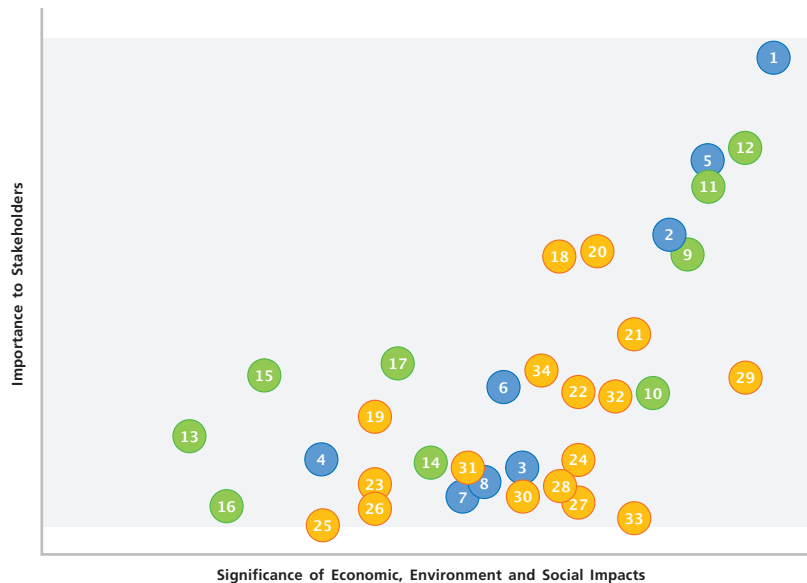
-  The top 10 prioritised material topics were reframed into GRI Topic-Specific Standards for ease of reporting.

STAKEHOLDER ENGAGEMENT



Materiality Matrix

The materiality matrix shows the 34 identified topics (as listed below) according to their importance to stakeholders and to the Group’s business. The top 10 material topics were reframed into GRI Topic-Specific Standards and extensively disclosed in this Report.



Economic	Environmental	Social	
<ol style="list-style-type: none"> 1. Economic Performance 2. Market Presence 3. Indirect Economic Impacts 4. Procurement Practices 5. System Efficiency 6. Research and Development 7. Anti-Corruption 8. Anti-Competitive Behaviour 	<ol style="list-style-type: none"> 9. Materials Usage 10. Greenhouse Gas Management and Climate Change Mitigation 11. Wastewater and Waste Management 12. Environmental Compliance 13. Supplier Environmental Assessment 14. Environmental Grievance Mechanisms 15. Environmental Education 16. Biodiversity 17. Construction Management 	<ol style="list-style-type: none"> 18. Labour Practices and Employment Welfare 19. Labour Relations 20. Occupational Health and Safety 21. Training and Education 22. Diversity and Equal Opportunity 23. Supplier Social Assessment 24. Labour Practices Grievance Mechanisms 25. Child Labour and Forced Labour 26. Rights of Indigenous Peoples 27. Human Rights Assessment 	<ol style="list-style-type: none"> 28. Local Communities 29. Socioeconomic Compliance 30. Customer Privacy 31. Grievance Mechanisms for Impacts on Society 32. Disaster/Emergency Planning and Response 33. Anti-Discrimination 34. Customer Health and Safety

STAKEHOLDER ENGAGEMENT



Canvest's Top 10 Material Topics

GRI Topic-Specific Standard	Topic Boundary							
	Investors, Shareholders	Employees	Customers	Business Partners	Contractors, Suppliers	Industry Associations	NGOs	Media
GRI 201 Economic Performance	✓	✓	✓	✓	✓	✓	✓	✓
GRI 202 Market Presence	✓	✓	✓	✓	✓	✓	✓	✓
System Efficiency (GRI Electric Utilities Sector Disclosures)		✓	✓	✓	✓	✓		✓
GRI 301 Materials	✓	✓	✓		✓	✓	✓	✓
GRI 306 Effluents and Waste	✓	✓	✓		✓	✓	✓	✓
GRI 307 Environmental Compliance	✓	✓	✓	✓		✓	✓	✓
GRI 401 Employment		✓		✓	✓	✓	✓	
GRI 403 Occupational Health and Safety	✓	✓	✓	✓	✓	✓		✓
GRI 404 Training and Education	✓	✓		✓	✓	✓	✓	
GRI 409 Socioeconomic Compliance	✓	✓	✓	✓	✓	✓		

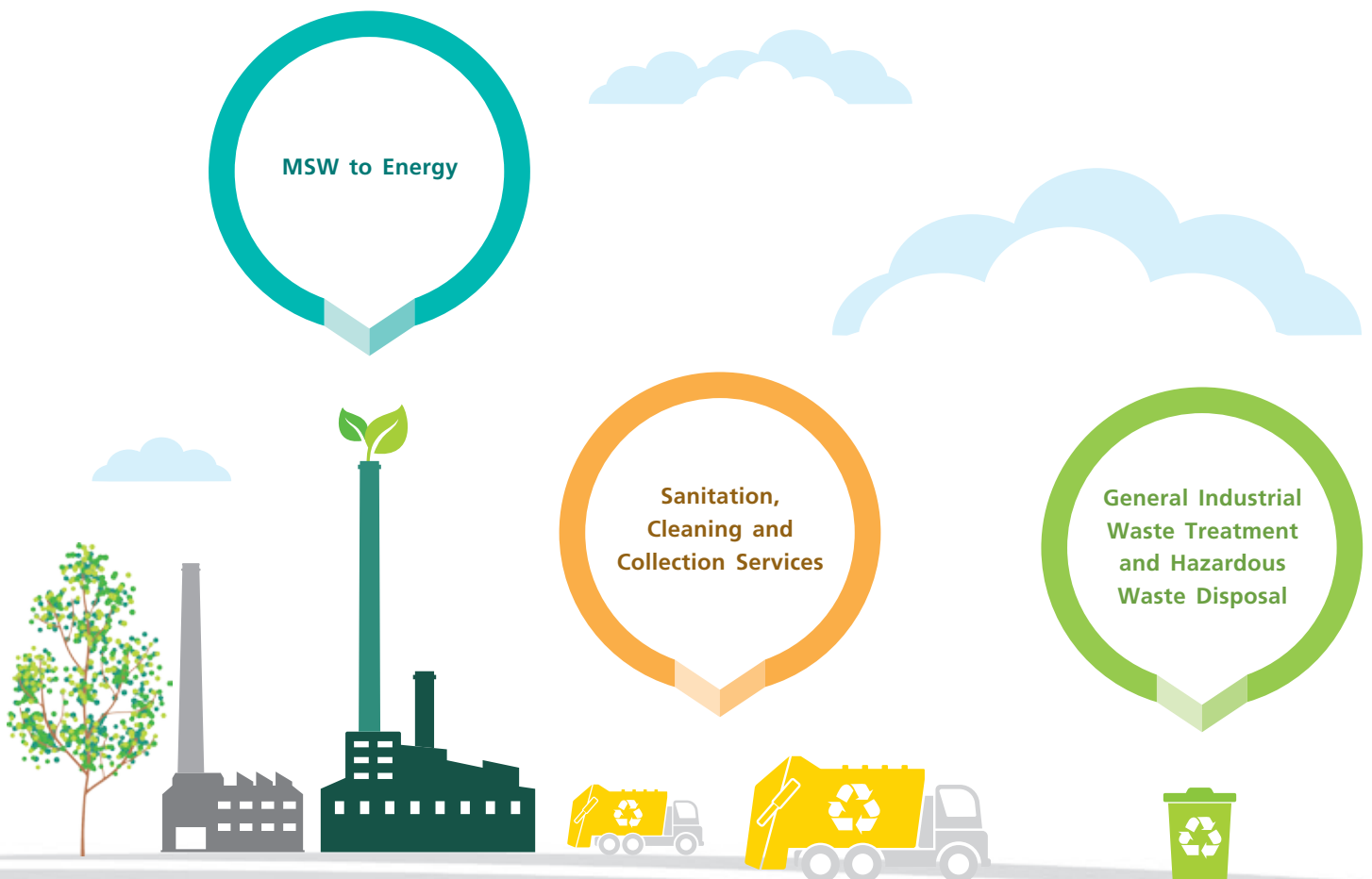


5. OUR SUSTAINABLE BUSINESS

Our mission is to provide a safe and sustainable means of waste treatment that reduces greenhouse gases and generates clean energy. As a leading WTE enterprise in Guangdong Province, we continue to make significant progress in capacity expansion and operation, expanding our geographical reach to Guangxi Zhuang Autonomous Region, Guizhou Province, Hebei Province, Jiangxi Province, Shanxi Province, Shandong Province, Sichuan Province and Yunnan Province, and the daily MSW processing capacity of all the opening, contracted, announced and under management agreement projects has reached 35,540 tonnes in total.

In 2018, Canvest successfully expanded its business along the value chain. The Group acquired 41% equity interest in Johnson Cleaning Services Company Limited, a well-established cleaning and waste collection services company serving clients in government, commercial, and industrial sectors in Hong Kong. In addition, we acquired 100% equity interest in Dongguan City Lujia Environmental Technology Company Limited, which holds 35% equity interest of the first fly ash landfill project in Dongguan city. We also acquired 100% equity interest in Open Mind Global Limited, which holds 40% equity interest in Huizhou City Zhongzhou Environmental Resources Company, which is principally engaged in the treatment of bottom ash generated from the incineration of waste.

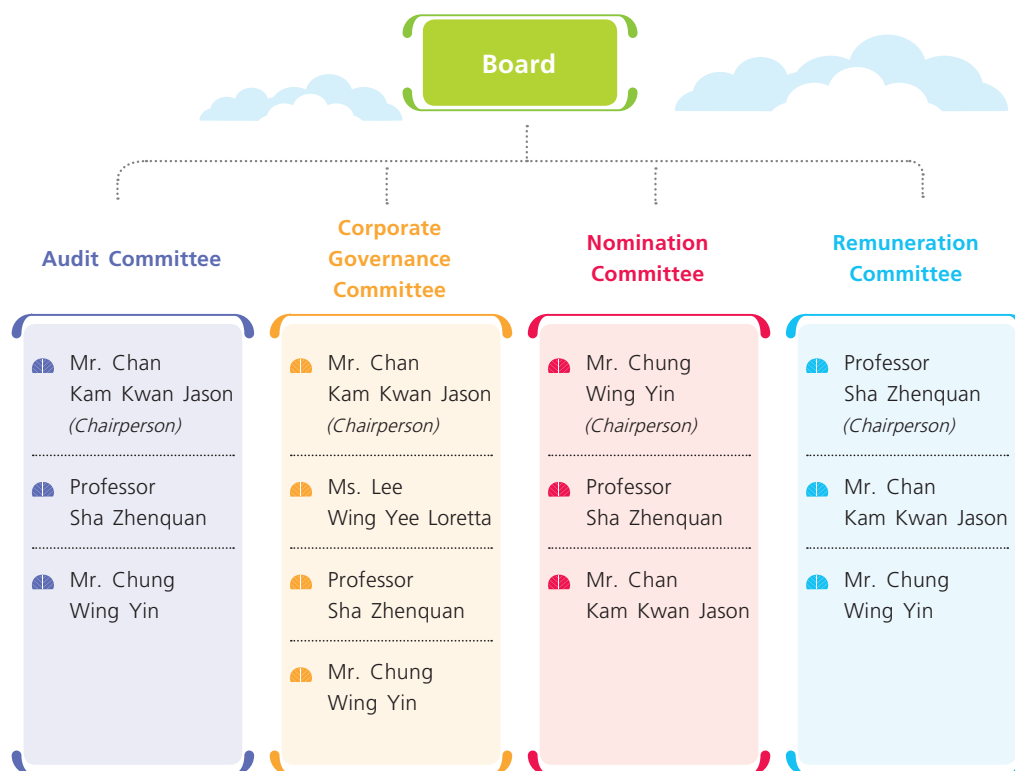
Adhering to our commitment to raise environmental protection awareness in society, we will continue to expand our WTE portfolio and seize new business opportunities, becoming a solution provider for integrated environmental protection and sanitation in China.



OUR SUSTAINABLE BUSINESS

CORPORATE GOVERNANCE

Canvest pursues sustainable corporate governance practices and procedures. We believe that maintaining a high level of corporate governance can uplift the Group's credibility and transparency, thus strengthening the confidence of public and maximising value to the shareholders. The Board is responsible for the oversight and strategic direction of the Group.



Audit Committee

The primary duties of the audit committee are to make recommendations to the Board on the appointment and removal of external auditor; review the financial statements and render advice in respect of financial reporting as well as oversee internal control procedures of the Group and review and monitor the Company's compliance with the Company's whistleblowing policy.

Corporate Governance Committee

The primary duties of the corporate governance committee are (i) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (ii) to review and monitor the training and continuous professional development of Directors and senior management; (iii) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; (iv) to develop and review the Company's policies and practices on corporate governance and making recommendations to the Board and report to the Board on matters; and (v) to review the Company's compliance with the CG Code and disclosure in the corporate governance report.

Nomination Committee

The primary duties of the nomination committee include, but are not limited to, (i) reviewing the structure, size and diversity (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the

OUR SUSTAINABLE BUSINESS

corporate strategy; (ii) making recommendations to the Board on the appointment or reappointment of Directors and succession planning for Directors in particular the chairlady and the chief executive officer; (iii) identifying individuals suitably qualified to become Directors and selecting or making recommendations to the Board on the selection of individuals nominated for directorship; and (iv) assessing the independence of independent non-executive Directors.

Remuneration Committee

Main duties of the remuneration committee include (but without limitation): (i) making recommendations to our Directors on our policy and structure for remuneration of all our Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; (ii) recommending the terms of the specific remuneration package of each executive Director and senior management to the Board; (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by our Directors from time to time; and (iv) considering and approving the grant of share options to eligible participants pursuant to the Share Option Scheme; (v) making recommendations to the board on the remuneration of non-executive directors; (vi) considering salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group; (vii) reviewing and approving compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive; (viii) reviewing and approving compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate. No Director should be involved in deciding his/her own remuneration.



QUALITY, HEALTH, SAFETY AND ENVIRONMENT MANAGEMENT SYSTEM

The national target ratio of MSW treatment via incineration has been raised from 31% in 2015 to 54% by 2020. With this favourable national policy, Canvest has expanded its WTE business rapidly since its listing. However, relevant national environmental laws and regulations have become more stringent than ever before. By raising the penalty of non-compliance, the new environmental regulations has pressured the industry to focus on environmental protection. On the other hand, the society is paying more attention to the WTE industry nowadays. As the largest non-state-owned WTE enterprise in Guangdong Province, we believe that all these opportunities and challenges will motivate us to become a stronger company.

OUR SUSTAINABLE BUSINESS

A comprehensive and effective quality, health, safety and environment (QHSE) management system will help us in achieving our ambition. Since 2015, we implemented the QHSE Management System to regulate our business operations. The *QHSE Management Manual* is formed in accordance to the requirements of ISO9001, ISO14001 and OHSAS18001, covering our daily WTE operations and other related services. On top of that, we established the *Social Responsibility Management Manual* according to the SA8000 standards as well as relevant laws and regulations since 2015. The manual helped us in regulating our strategy, goals, and procedures in managing corporate social responsibility.

QHSE Targets

To motivate us to improve our QHSE performance, we set QHSE targets for the entire Group as well as for each department. We assess the implementation of our *QHSE Management Manual* regularly through site inspections, internal audits, and meetings to ensure that our targets are met.

QHSE Item	Target
Overall	
External customer satisfaction	≥ 90 (out of 100)
Number of severe machinery-related accidents	0/year
Number of severe environmental accidents	0/year
Number of severe occupational injuries	0/year
Number of minor occupational injuries	≤5/year
Number of occupational diseases	0/year
Number of severe risks	0/year
Office	
Passing rate of new recruits training	100%
Rate of timely annual medical checkups	100%
Number of minor occupational injuries	≤1/year
Department of Production and Technology	
Passing rate of compliance and occupational skills training	98%
Number of machinery-related accidents (direct cost > RMB100,000)	0/year
Number of severe occupational injuries	0/year
Internal customer satisfaction	≥ 90 (out of 100)
Number of occupational diseases	0/year
Number of minor occupational injuries	≤4/year
Department of Commerce	
Passing rate for procurement	≥ 90%
Rate of timely procurement	≥ 90%
Internal customer satisfaction	≥ 90 (out of 100)
Material shortage or backlog risk	0/year
Department of Finance	
Rate of timely payment	≥ 90%
Internal customer satisfaction	≥ 90 (out of 100)
Working capital risk	0

OUR SUSTAINABLE BUSINESS

Internal Audit

Our corporate culture encourages a risk-aware and control-conscious environment. We carry out internal audits at least once per year to review the effectiveness and suitability of our QHSE Management System and to ensure compliance with the relevant standards and regulations by following our *Internal Audit Control Procedure*, which covers the scope and responsibility of the internal audit committee and outlines the internal audit procedures to be followed. We are continuously enhancing our risk management and internal control systems to foster sustainable growth for our business.

QHSE Risk Assessment

Risk control is crucial to maintaining sustainable growth of the Group. We understand that we need to advance our QHSE management performance in order to be competitive in the market and to properly manage the QHSE risks. Since 2016, we established the *Risk Identification, Assess and Control Procedure* to help us in identifying and assessing the potential risks in our business operations.

Risk Identification

- The manager of the related department together with representatives from Department of Production and Technology and Safety Management Committee will assess potential risks from the workplace, equipment and operations through site survey, interview and meeting discussions.

Risk Assessment

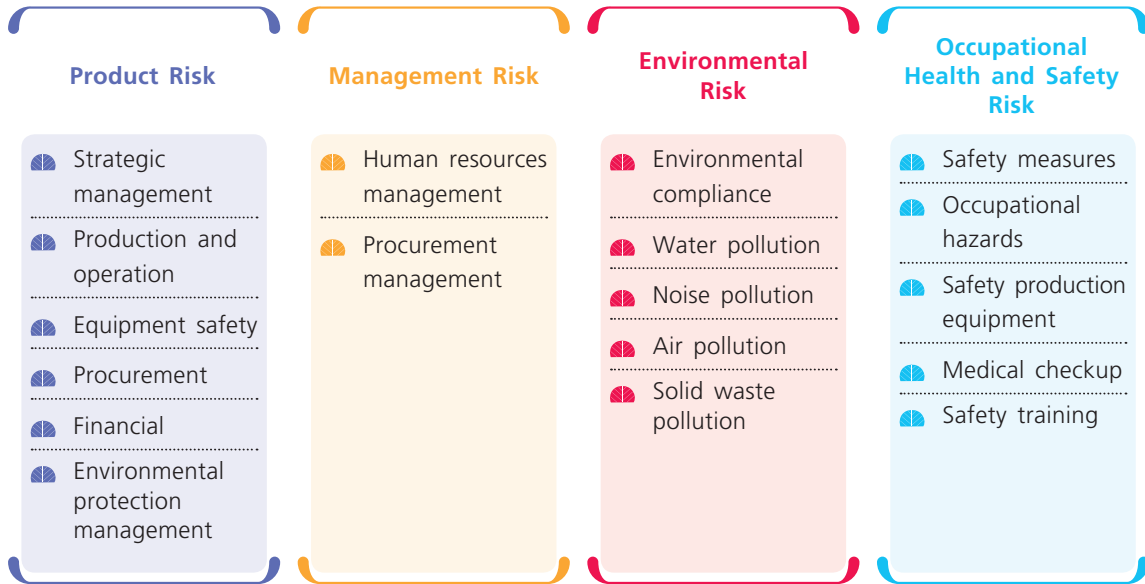
- We adopted the use of likelihood, exposure and consequence (LEC) assessment tools to evaluate the significance of the risks. Risk that is evaluated as level three or above will be considered as high risk with confirmation sought from Safety Management Committee.

Risk Control

- Each risk will be categorised into five different risk levels and proper procedures will be taken according to the particular risk level. For the high-risk factors, immediate actions including suspension of work will be taken until the risks are adequately addressed. Implementation of corrective measures is audited on an annual basis to ensure effectiveness of risk control.

OUR SUSTAINABLE BUSINESS

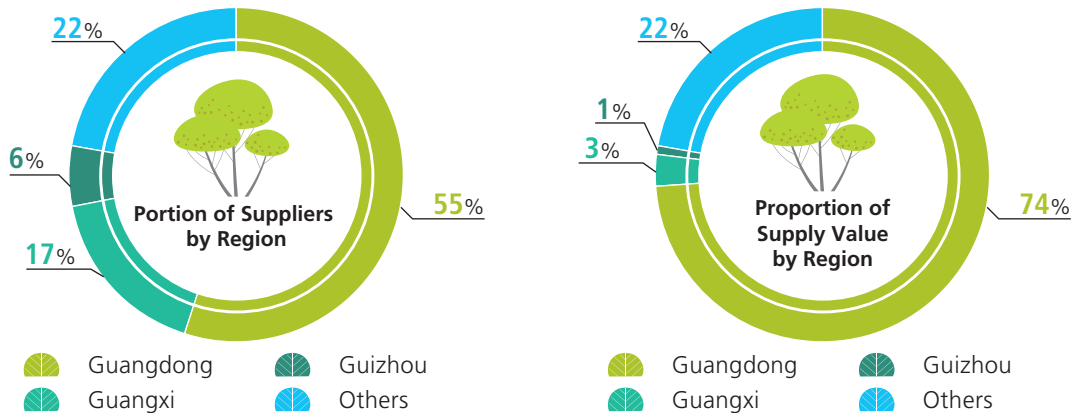
Potential Risk Sources and Our Focus Areas



SUPPLY CHAIN MANAGEMENT

We understand that our responsibility lies beyond our operations and extends across the value chain. We work with our suppliers to acquire the right products and services that best meet our business needs in a cost-effective manner while maintaining a high level of integrity and ethical standards. The Group has adopted standardised procedures, including the *Tender Management Procedure and Business Contract Management Procedure*, specifying the tender procedure and contract administration process, to ensure fair and transparent management of suppliers and contractors.

Our Operating Projects procured from 313 suppliers with a total supply value of RMB665 million in 2018. About 78% of the total supply value was from local suppliers in these three regions, supporting the local community, while meeting Canvest’s business needs.



OUR SUSTAINABLE BUSINESS

Responsible Procurement

We see our commitment to sustainability as extending beyond our own practices and the supply chain. On top of compliance with applicable laws and regulations, our contractors and suppliers are expected to uphold environmental, social and business ethics in accordance with Canvest's *QHSE Management Manual* and *Social Responsibility Management Manual*.

Stringent measures and monitoring systems are applied to our procurement process, which involves assessment of the tenderers' quality of service and financial capabilities, as well as their track records related to compliance, occupational health and safety, and environmental practices.

In tandem with promoting responsible practices throughout the supply chain, we also require our employees to conduct themselves with the highest standards of integrity and professionalism. The Group adheres to all applicable regulations and laws, including *Anti-Unfair Competition Law of the PRC*, *Criminal Law of the PRC*, and *Prevention of Bribery Ordinance* of Hong Kong. We strictly forbid activities in relation to bribery, extortion, fraud and money laundering, and the audit committee is responsible for conducting corruption risk assessments for all project companies. We have established *Anti-Corruption and Anti-Bribery Management Procedure*, providing definitions and examples of behaviour that may be considered as corruption and bribery to ensure our employees are clear on how to avoid conflict of interest, bribery, extortion, fraud and money laundering, at the same time providing suitable and confidential communication channels for our employees to report any suspicion of corruption and bribery. In 2018, no concluded legal cases regarding corrupt practices were brought against the Group.

WTE PRODUCTION CONTROL

Canvest continued to invest in operational efficiency improvement initiatives. As facilities age, their operational efficiencies may not be comparable to when they were brand new, and the probability of component failure may increase. To ensure safety and reliability of production equipment and to improve equipment utilisation and economical value, the Group has implemented *Production Equipment Control Procedure* to strengthen the management of production equipment such as equipment maintenance, inspection and assessment, ensuring all production equipment are closely controlled. Regular equipment maintenance, inspection and assessment allow us to detect performance anomalies or potential premature equipment failure so that we can take appropriate mitigation measures in a timely manner, thus maintaining operational efficiency and reducing the likelihood of unplanned disruptions to our operations.

OUR SUSTAINABLE BUSINESS



Canvest always prioritises safe production at work, and implements the *Operational Environment Control Procedure*, which sets the processes, actions and responsibilities for managing the operation environment at the plants, offices and public areas, to maintain a good working environment in all areas, protect the environment and ensure the health and safety of our employees. To ensure we can respond effectively to any man-made or natural hazard and to minimise the impact on people, assets and the community, the Group has also established the *Emergency Preparedness and Response Control Procedure* to provide clear guidelines for employees to handle different emergency events, including personal injury and accident, fire, chemical spill, explosion, power outage, environmental accident and natural disaster. In 2018, our facilities achieved an average availability of 82%, and the transmission loss remained at a low level of 0.69%. We will continue to strive for improvements in operations, reliability and performance that help sustain our company financially, while protecting our people, our communities and the environment.

In addition, we are committed to protecting the Group's intellectual property rights, as well as all applicable laws and regulations, including observing the intellectual property rights of our vendors. The Group also communicates internally through an office automation system with an independent server, which provides high-level confidentiality and stable file transmission, to protect the information and privacy of the Group and our stakeholders.

6. OUR ENVIRONMENT

At Canvest, we see environmental excellence as the cornerstone of our management framework. We are fully devoted to environmental protection while achieving economic benefits through proactive implementation of eco-friendly and energy-saving technologies to mitigate the environmental impacts introduced by our projects. We continue to utilise all resources, including water, fuel and natural resources efficiently and conservatively, identify sources of waste generation and minimise the release of pollutants from our projects.

Under the revised *Environmental Protection Law of the PRC*, which came into effect on 1 January 2015, enterprises, public institutions and other manufacturers and business operators shall prevent and mitigate environmental pollution and ecological damage and shall be liable for the damage that they have caused in accordance with the law. Canvest has implemented various measures to ensure that our operations comply fully with all applicable environmental regulations and laws, including the national standards of the PRC. Furthermore, well-structured management systems and quality control protocols are also established within our project companies to address significant environmental issues and safeguard our environment during project planning, preparation, design and implementation stages. In 2018, no critical non-compliance cases were identified and reported to the Group.

During the Reporting Period, some of our operating projects attained ISO 9001, ISO 14001, and OHSAS 18001 management system certifications. With commercial operation commenced in late 2012, our Kewei WTE Plant was awarded “2017 Green Enterprise Management Award” by the Council of China Environment News, in recognition of our contribution in green business. In addition, Eco-Tech and Kewei WTE plants were honoured to garner recognition for our environmental contributions, including the accreditation of “EcoChallenger” under the Corporate Environmental Leadership Awards 2017 organised jointly by the Federation of Hong Kong Industries and Bank of China (Hong Kong) Limited. These accolades and achievements are recognitions to our excellent environmental performance, and are made possible due to our unswerving dedication to the WTE industry.



Eco-Tech I WTE Plant



Kewei WTE Plant



Eco-Tech II WTE Plant

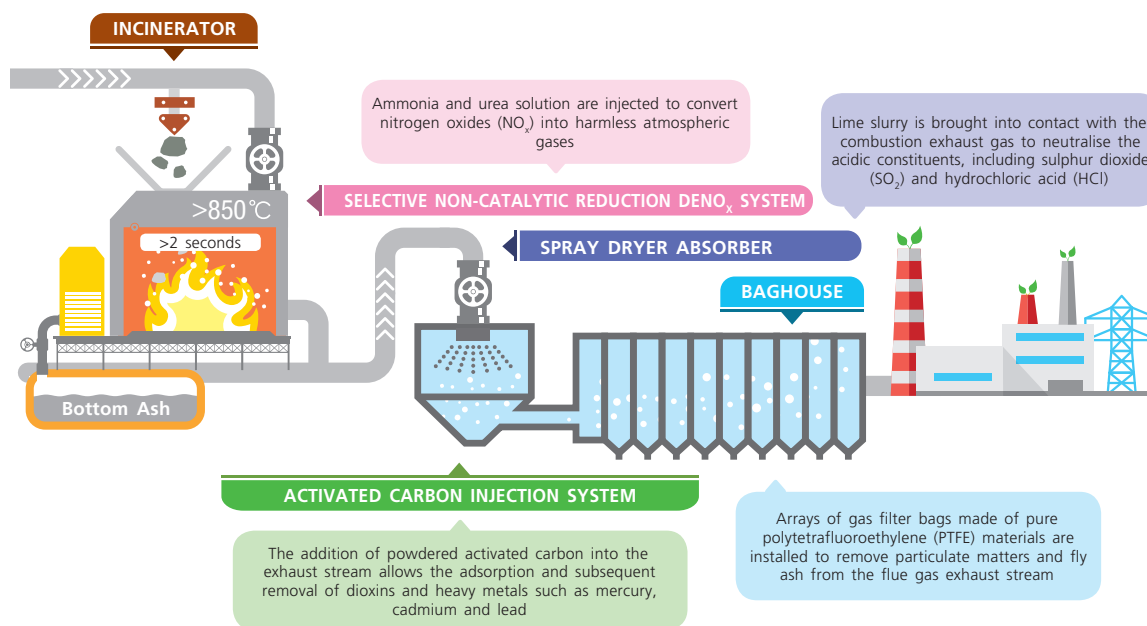


OUR ENVIRONMENT

AIR EMISSIONS

As a pacesetter in the WTE industry in Guangdong Province, Canvest has positioned operational emissions as the center of our Environmental Protection Management System. Amongst all emission sources of air pollutants, unregulated release of flue gas would inevitably induce the negative environmental impacts to the society. Being a by-product gas generated from the incineration process, flue gas comprised of a variety of air pollutants, namely particulate matter, heavy metals, persistent organic compounds, acid and other gases. The Group has been striving to adhere to operational procedures to minimise air pollution and ensuring our operations comply with the Environmental Impact Assessment conditions, PRC national standards such as the “Standard for Pollution Control on the Municipal Solid Waste Incineration” (GB18485-2014) and other applicable regulations.

To ensure the flue gas generated throughout the incineration process is in compliance with the stringent emission standards, the Group has incorporated the following advanced and sophisticated flue gas treatment technologies into our operating projects. Standardised procedures such as the *Operation Environmental Control Procedure* and *Production & Operation Management Procedure* are in place to set out the guidelines for monitoring the operation processes, and to ensure air emissions are under control.



By adopting effective flue gas treatment technologies and implementing stringent operational controls, the pollutant level in the flue gas as demonstrated in regular samplings and the continuous emission monitoring system are in compliance with the emission requirement as stipulated in “Standard for Pollution Control on the Municipal Solid Waste incineration” (GB18485–2014). In addition, the NO_x emissions from our operating projects do not only comply with the local regulations, but also comply with the European Standards (Directive 2010/75/EU on Industrial Emissions and its relevant Annexes/Amendments). Adhering to the principle of information transparency within the Group, real-time flue gas emission data are displayed at the gate of each of our operating plants. Such information is also accessible via our corporate website to encourage public supervision, further demonstrating our unwavering commitments to our society and environment.

OUR ENVIRONMENT

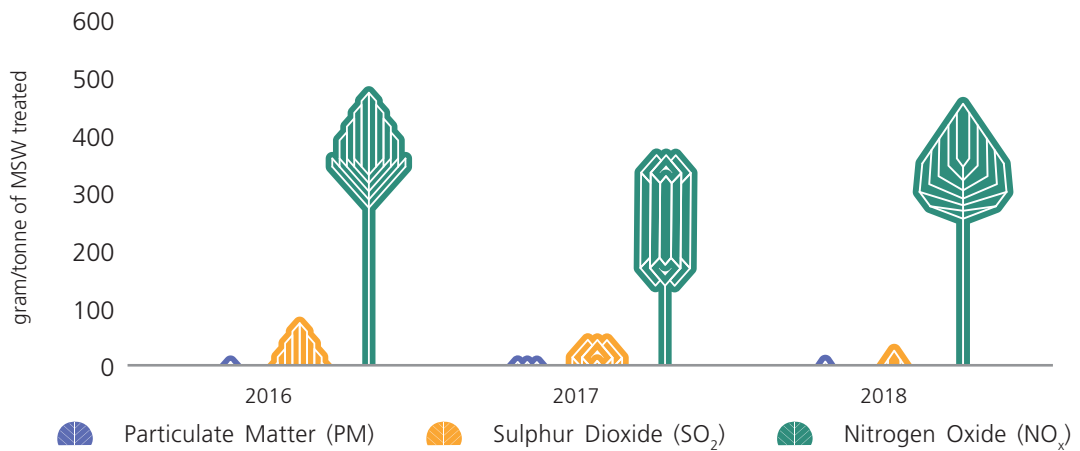


Real-time flue gas emission data displayed at WTE plant entrance

▲ Environmental management information disclosure on corporate website

During the Reporting Period, the total emissions of particulate matter, sulphur dioxide and nitrogen oxides were 69 tonnes, 237 tonnes and 2,348 tonnes respectively.

Air Emissions Performance



OUR ENVIRONMENT

WASTE MANAGEMENT

Waste generation is inevitable in WTE operations. Thus, effective and safe waste management is an essential part of the Group's environmental protection practice. The major wastes resulted from WTE operations are fly ash from flue gas treatment, bottom ash from the incinerator, and sludge from wastewater treatment processes. It has always been the Group's mission to handle waste responsibly and minimise environmental impacts with best endeavours. Therefore, we have introduced the following solid waste treatment measures within our operating projects by following the requirements as stated in the *Operation Environmental Control Procedure* and *Production & Operation Management Procedure* to control all the effluents, hazardous and non-hazardous waste generated from our operations, reducing waste generation and discharges to water and land.

I. Fly Ash Treatment Measures

Due to the high heavy metal contents, fly ash collected from the flue gas treatment system is classified as hazardous waste prior to treatment. Fly ash is stabilised and solidified in ensuring full compliance with the "Standard for Pollution Control on Landfill Site of Municipal Solid Waste" (GB16889-2008) before final disposal at a designated waste landfill. In addition, the Group strictly follows the requirements as stipulated in the "Standard for Pollution Control on Hazardous Waste Storage" (GB18597-2001).

Scientific Fact:

Chelating Agent



- Organic compounds that are capable of bonding with metal ions to form complex ring-like structures called chelates.
- Fly ash generated from MSW incineration contains heavy metal pollutants (e.g. copper, zinc, nickel, mercury, lead, cadmium, etc.). Using chelating stabilisation technology in fly ash stabilisation and solidification, the pollutants are converted into less soluble, less mobile, and less toxic forms.

II. Solid Waste Treatment Measures



As a responsible WTE service provider, the Group is devoted to reducing waste generation within our operating plants. To reduce the production of fly ash and solid residue during incineration processes, the latest international incineration technologies are adopted to optimise the MSW incineration process and maximise combustion efficiency. Furthermore, bottom ash produced in MSW incineration is collected by qualified third-party contractors, in which scrap metals mixed with bottom ash are separated for recycling, whereas bottom ash is reused as alternative materials to produce eco-bricks. The collection, transportation and treatment of bottom ash fully complies with the "Standard for Pollution Control on the Storage and Disposal Site for General Industrial Solid Wastes" (GB18599-2001).

OUR ENVIRONMENT

Scientific Fact:

Bottom Ash Eco-Bricks



-  Bottom ash is thoroughly mixed with cement, chelating agents, stone dust and sand, then compressed by a molding machine to produce eco-bricks without using a high-temperature combustion process.
-  Bottom ash eco-bricks have high strength and good durability, and can be used for road paving or constructing brick wall.

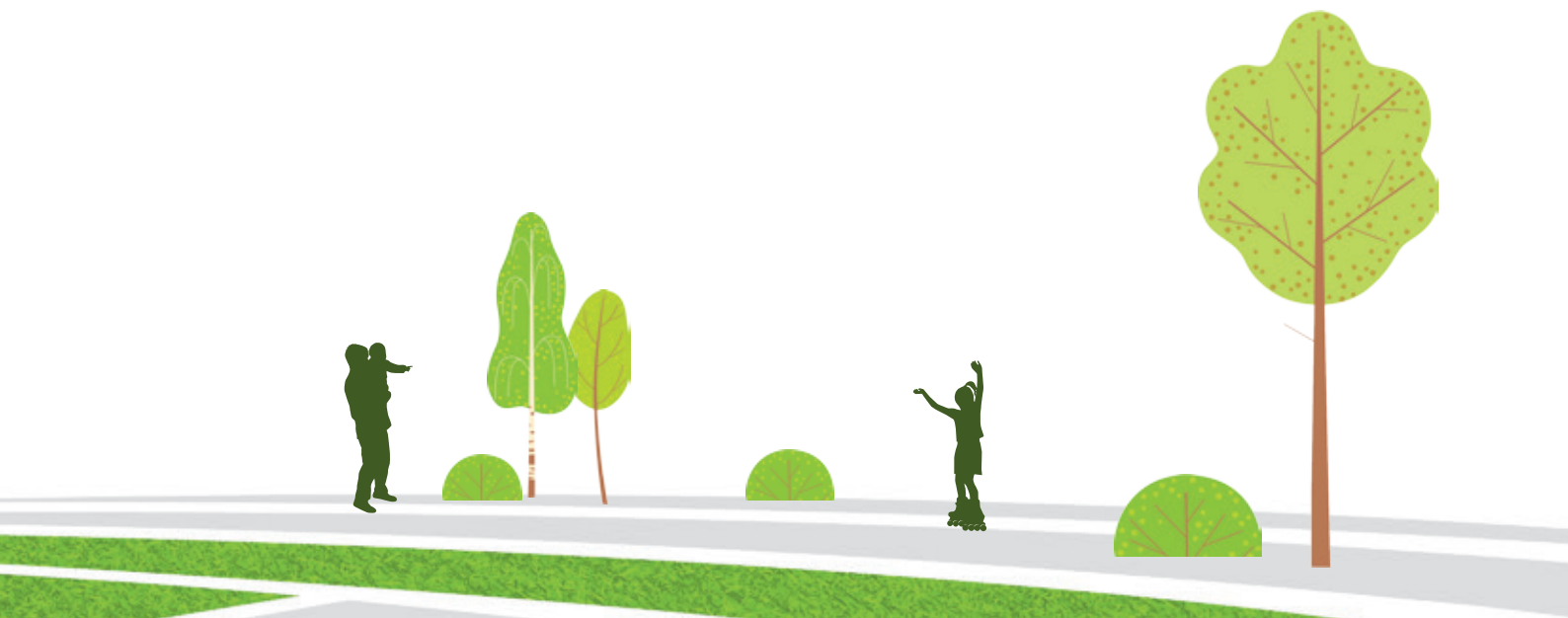
III. Sludge Treatment Measures

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

Waste Generated from WTE Projects in 2018

	Waste generated (tonne)	Intensity (tonne/MWh of electricity sold)
Hazardous Waste (fly ash)	92,264	0.045
Non-hazardous Waste (bottom ash)*	1,030,569	0.508

* All bottom ash is collected by qualified third parties for integrated utilisation.



OUR ENVIRONMENT

WASTEWATER TREATMENT

MSW has a high water content that requires dewatering prior to the incineration process. The leachate separated from MSW during the dewatering process is subsequently delivered to the on-site leachate treatment plant, where the wastewater undergoes a series of treatment processes, namely a pre-treatment process, an up-flow anaerobic sludge bed reactor, membrane bioreactor, and membrane filtration systems from microfiltration to reverse osmosis. Such leachate treatment processes were designed and operated to comply with “The Reuse of Urban Recycling Water — Water Quality Standard for Industrial Uses” (GB/T19923-2005) and “The Reuse of Urban Recycling Water — Water Quality Standard for Urban Miscellaneous Water Consumption” (GB/T18920-2002) by strictly following the Group’s *Operation Environmental Control Procedure* and *Production & Operation Management Procedure*. To achieve “zero discharge” of wastewater amongst Operating Projects, the treated wastewater is reused to replenish circulatory cooling water and landscape irrigation water. During the Reporting Period, the Group treated 431,015 tonnes of leachate and removed 11,328 tonnes of chemical oxygen demand.

**ODOUR CONTROL**

The Group has employed promising operating practices within our WTE plants to alleviate the impacts of odour nuisance to our staff and the public. To ensure compliance with the “Emission Standards for Odour Pollutants” (GB14554-1993), fully enclosed structural design is adopted in our plant rooms in the WTE plants. From the access ramp to the refuse unloading platform and waste bunker, all areas are kept under a negative pressure to prevent fugitive release of odours. Odorous air extracted from the plant rooms are diverted towards the incinerator through forced draft fans and is co-combusted as a combustion gas. Inside the incinerator, pollutants in odorous air undergo thermal destruction at high temperature. Under the circumstances where the incinerator is shut down for maintenance, the odorous gas is sent to the biological deodorisation system for treatment.

OUR ENVIRONMENT

NOISE CONTROL

Recognising the importance of noise mitigation, the Group strictly follows the requirements as stated in the “Hygienic Standard for the Design of Industrial Enterprises” (GBZ1-2010) and the “Emission Standard for Industrial Enterprises Noise at Boundary” (GB12348-2008), striving to adopt the best practices to minimise the impact to the sensitive receivers. With due consideration of operators’ health and quality of operational environments, the Group prioritises the use of low-noise equipment and machinery to minimise noise pollution at source. When the use of high-noise equipment is unavoidable, muffler, noise isolation enclosure and vibration damper are provided as necessary to reduce the noise generated, hence bringing less impact to the close proximity. Apart from using soundproofing construction materials, the Group also strengthens the landscaping works on-site to create natural sound barriers for our plants. In addition, comprehensive and prudent planning on the layout of the WTE plants has been performed such that the noise source is relatively distant from sensitive receivers.

USE OF RESOURCES

Due to the business development of the Group, there has been a substantial increase in the use of resources by our WTE plants. The Group endeavours to be a good steward of natural resources, including fuel oil, natural gas and water, through robust environmental management. With a mission to utilise materials and resources effectively, we adopt comprehensive resource utilisation strategies and adhere to the requirements as specified in the *Resource Control Procedure*, as well as *Social Responsibility Guidelines — Requirements on the Use of Electricity* and *Requirements on the Use of Water*. Besides, the Group encourages resource saving in daily operations and proactively fosters a low-carbon corporate culture.

I. Fuel

Fuels account for a substantial part of the resources usage in the Group. During the Reporting Period, our Operating Projects consumed 342 tonnes and 459 tonnes of fuel oil and natural gas respectively, as well as 241,001 MWh of internal electricity consumption. To set our long-term energy-saving strategies, the Group keeps detailed records of resource and material consumption for each our WTE projects. In addition, we carry out regular equipment inspection and maintenance works to ensure our equipment is operating in good and efficient conditions. The amounts of fuel and electricity consumed by major equipment are also collected and analysed so as to formulate refurbishment or replacement plan, thus optimising the operational efficiency and energy use in our WTE projects.

OUR ENVIRONMENT

Direct Energy and Material Consumption of Operating Projects in 2018

Energy Consumed (GJ)*	2018 Consumption
Fuel Consumption	
Fuel oil	14,299
Natural gas	20,764
Energy Consumption	
Electricity	867,603
Total energy consumed	902,666
Energy intensity (GJ of energy consumed/tonne of MSW treated)	0.182

Key Materials Used (tonne)	2018 Consumption
Lime	30,313
Activated carbon	2,249
Urea	4,612
Ammonia water	2,198
Hydrochloric acid	344
Sodium bicarbonate	100
Coagulant & flocculant	110
Total materials used	39,925
Intensity (kg of material used/tonne of MSW treated)	8.051

* Energy consumption is calculated based on the conversion factors provided in China Energy Statistical Yearbook 2017.

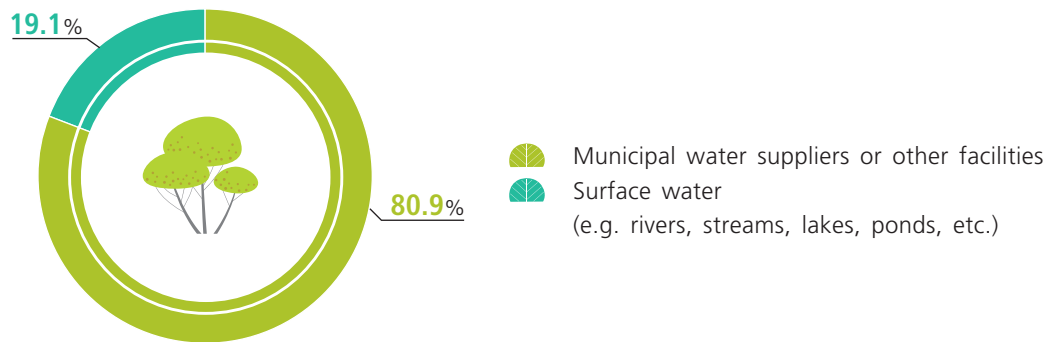
II. Water

Demand for water is anticipated to rise as driven by the continuous expansion of our WTE business. The Group manages scarce water resources responsibly by striving to adopt recirculating cooling water systems for most of our processes instead of conventional single-pass cooling systems. Besides, wastewater generated throughout the WTE processes are treated on-site to meet stringent standards as stipulated in "The Reuse of Urban Recycling Water — Water Quality Standard for Industrial Uses" (GB/T19923-2005), and is subsequently reused as cooling water or irrigation water in our operations. This not only reduces the amount of fresh water required in the plants, but also demonstrates our commitment to incorporating concepts of sustainable water resources management into our daily operations. Furthermore, the Group actively advocates green office and promotes water conservation behaviours amongst our employees. In 2018, the water consumption and intensity in the Group were 8,230,218 m³ and 4.624 m³/MWh respectively.

OUR ENVIRONMENT

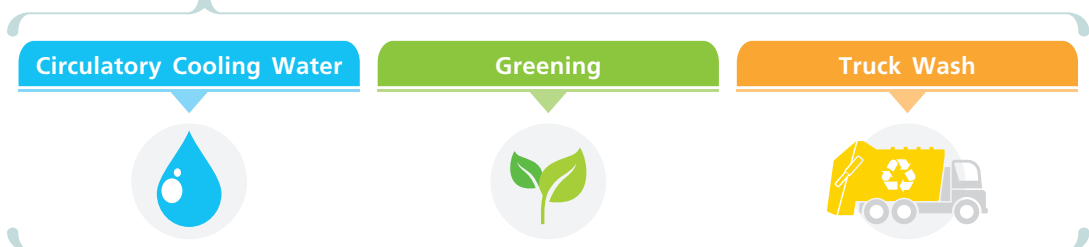
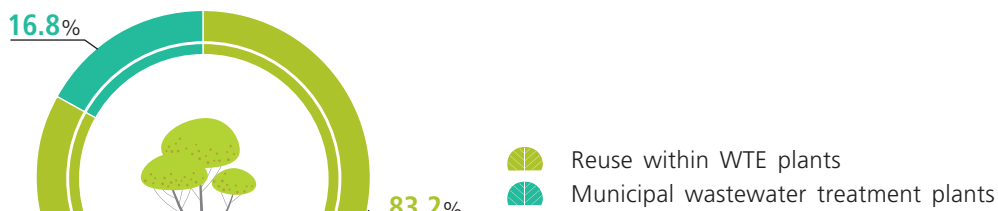
Water Withdrawal by Source (m³)

Surface water	Municipal water supplies or other water utilities	Total
1,570,856	6,659,362	8,230,218



Water Discharge by Destination (m³)

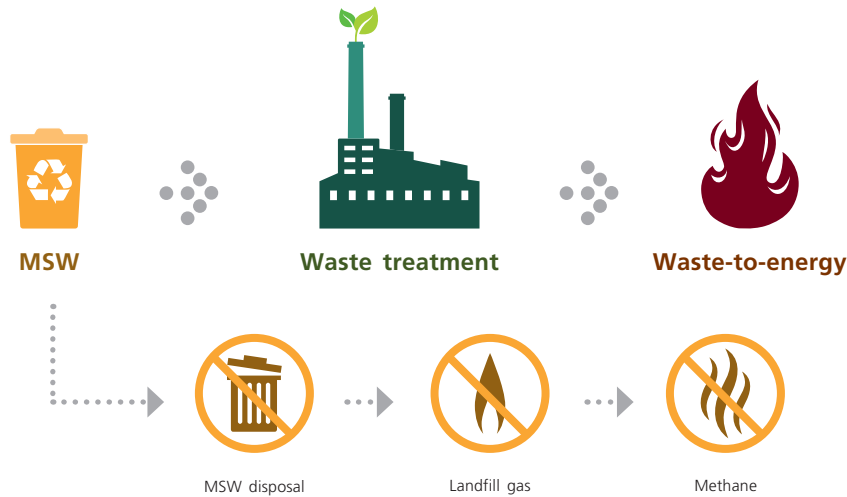
Municipal wastewater treatment plants	Reuse within WTE plants	Total
59,611	294,579	354,190



OUR ENVIRONMENT

REDUCTION OF GHG EMISSIONS

The incineration of MSW to generate electricity contributes to the reduction of GHG emissions by diverting MSW from landfill, where continuous release of methane generally occurs for years due to decomposition. Methane is a strong GHG with high global warming potential, and must be avoided where possible. To accurately capture and measure our GHG footprint and reduce the impacts associated with our operations according to our *Environmental Factors Identification, Evaluation and Control Procedure*, we have adopted the methodology as stated in Clean Development Mechanism ("CDM") of the United Nations Framework Convention on Climate Change (UNFCCC) to calculate and offset GHG emissions from our Operating Projects. The GHG emission calculation methodologies account for the CO₂ equivalent emitted from fossil fuels used for electricity generation, emissions from the combustion of MSW, and methane released from the wastewater treatment process.



In 2018, our Operating Projects treated 4,959,040 tonnes of MSW, representing an increase of 40.6% comparing to the previous year. Our Operating Projects supplied 1,779,716,088 kWh of green electricity onto the grid, saving 609,466 tonnes of standard coal and offsetting 2,296,680 tonnes of carbon dioxide equivalent emissions during the Reporting Period.



OUR ENVIRONMENT

GHG Emissions in 2018

GHG Emissions	Sources	2018 Emissions (tonne CO ₂ equivalent)
Scope 1 (Direct Emissions) ^a	<ul style="list-style-type: none"> ➤ Waste incineration and leachate treatment processes ➤ Fuel oil and natural gas used for operation 	3,900,993
Scope 2 (Energy Indirect Emissions) ^b	<ul style="list-style-type: none"> ➤ Non-renewable electricity used for operation 	2,463
Scope 3 (Other Indirect Emissions) ^c	<ul style="list-style-type: none"> ➤ Air travel by employees 	117
Total GHG Emissions (tonne CO₂ equivalent)		3,903,573
GHG Emissions Offset (tonne CO₂ equivalent)		2,296,680
Net GHG Emissions (tonne CO₂ equivalent)		1,606,893
GHG Emissions Intensity (tonne CO₂ equivalent/tonne of MSW processed)		0.787
Net GHG Emissions Intensity (tonne CO₂ equivalent/tonne of MSW processed)		0.324

a: The calculation for Scope 1 emissions is referenced to CDM methodology "ACM0022: Alternative waste treatment processes (Version 2.0)".

b: Emission factor for non-renewable electricity used for operation in Scope 2 is referenced to the latest available emission data released by the CLP Power Hong Kong Limited and the Regional Baseline Grid Emission Factor in China 2011–2012 issued by the National Development and Reform Commission of the PRC.

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

ENVIRONMENTAL CONSERVATION

We manage our environmental impacts on a site-specific basis since our operations have different levels of interaction with the local ecosystems, depending on factors such as locations, the level of development in the vicinity and the surrounding baseline environment. As such, the Group has established the *Environmental Factors Identification, Evaluation and Control Procedure* to provide clear guidelines on identifying and evaluating potential environmental impacts from our operation activities as well as ensuring necessary actions are taken to effectively control the identified impacts. All of the emissions and effluents generated from our WTE projects are strictly monitored and adequately treated in meeting prevailing environmental regulations, ensuring no adverse environmental impacts to the surrounding water bodies, land and ecological sites.

7. OUR PEOPLE

EMPLOYEE RELATIONS

We believe that developing an engaged workforce leads to a productive and profitable company. It is one of our most important priorities to attract and retain dedicated, skilled and knowledgeable employees, and therefore we have made ceaseless efforts in providing competitive remuneration and benefits, fostering professional training and development, and promoting a healthy work-life balance for our employees.

The Labour Law of the PRC, implemented on 1 January 1995, was formulated to protect the legal rights and interests of labour, balance the labour relationship between employers and employees, and establish and maintain a labour system which is suitable for the market economy. The Group has established the *Social Responsibility Management Policy*, integrating the SA8000 Social Accountability Standard and labour requirements into our corporate culture, to continuously improve the welfare of the employees and ensure the Group's operations are in line with national and international standards. Across our operations, we are consistently building a safe, inclusive and caring workplace.

As of 31 December 2018, our Operating Projects employed a total of 939 staff, with all of them being full-time and permanent, comprising a significant proportion of technicians and production workers.



OUR PEOPLE

By embracing diversity, we foster a work community that opens minds and opportunities, helping Canvest grow stronger as a company. We place great importance on treating employees fairly, which includes ensuring a fair wage, fair benefits, fair working hours and fair treatment regardless of gender, age, ethnic origin, religion, political affiliation and nationality by following the recruitment system and audit requirements specified in the Group's *Anti-Discrimination Procedure*. We also promote social integration through policies and measures to facilitate the employment of persons with disabilities in the workplace.

With oversight from the Board, unethical behaviours such as bribery and corruption are explicitly prohibited within the Group. With clear descriptions of each type of unethical behaviors as stated in our *Anti-Corruption and Anti-Bribery Management Procedure*, employees clearly understand how to avoid bribery, extortion, fraud and money laundering.



Furthermore, Canvest strictly enforces the Employment Policy and ensures that the Group and its employees abide by relevant laws and regulations, including the Labour Law of the PRC and the Employment Ordinance of Hong Kong. The Group's policies such as *Prohibition of Child Labour and Remedial Procedure* and *Elimination of Forced Labour Procedure* are also in place to ensure child and forced labour is prevented.

ENGAGEMENT AND RETENTION


Employees are the most valuable assets of Canvest, and the major driver of the Group's sustainable development. We are devoted to becoming an outstanding employer by establishing a comprehensive human resources management system to provide standards and guidance for various management work in employment. The Group's policies such as the *Employment Procedure* provide clear guidelines on the recruitment and promotion while the *Human Resources Control Procedure* stipulates the requirements relating to compensation and dismissal, working hours, rest periods, and other benefits and welfare for employees.

Creating an Ideal Working Environment



Remuneration System

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


Benefits and Subsidies

-  In addition to the basic employee benefits such as insurance and housing fund, Canvest also provides accident insurance, transport subsidies, meal allowances, holiday allowances, and health checks

Recruitments and Promotions

-  Talents are recruited irrespective of gender, age, ethnic origin, religion, political affiliation and nationality
-  Annual salary reviews are carried out to recognise employees for their efforts and accomplishments

Work-life Balance

-  100% of our employees are entitled to maternity/paternity leave in accordance with local statutory requirements

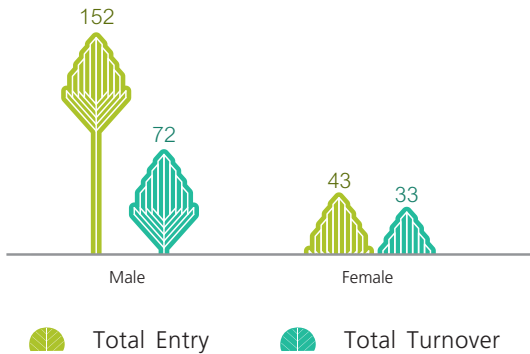
OUR PEOPLE

Being an engaged workforce is essential to our success. Other than organising staff meetings and setting up employee suggestion box systems, employee satisfaction survey is conducted half-yearly to gather employee’s feedbacks and suggestions regarding working hours, wages and supports. Our senior management would then analyse the survey results in a timely manner, take reasonable and effective measures and allocate resources for the opinions or suggestions put forward by the employees, so that the Group’s social responsibility management system can be continuously and effectively maintained.

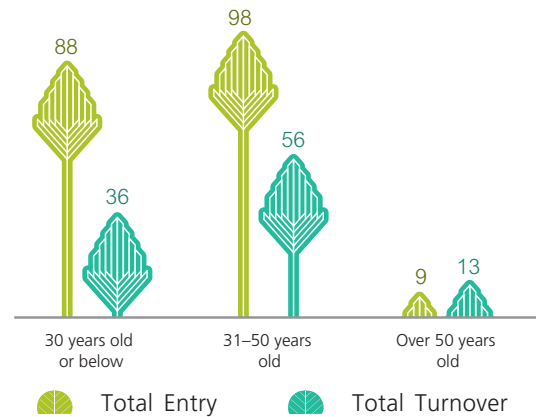
In 2018, the number of new employees accounted for 21% of the total workforce, while staff turnover and retirement accounted for 11% of the total workforce. Canvest has been dedicated to developing WTE projects and expanding its geographical reach to different regions. At the same time, we are committed to promoting development of the local economies, recognising the need of involving local community members in the management team to improve our understanding of local needs. Amongst the Operating Projects, over 29% of our senior management were from the local regions.

Employee Entry and Turnover Statistics in 2018

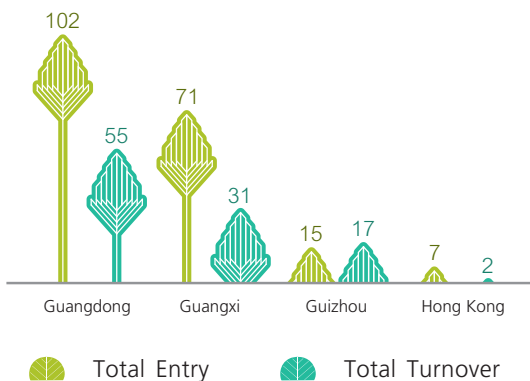
Employee Turnover Statistics by Gender



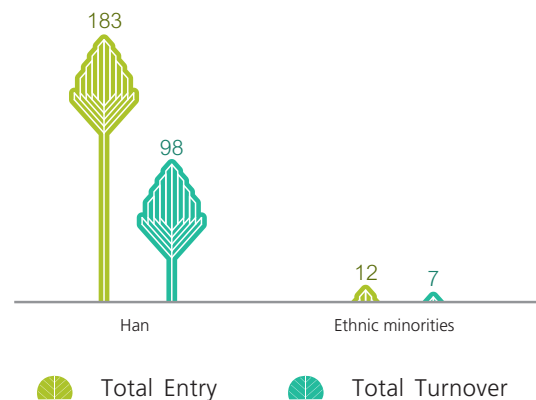
Employee Turnover Statistics by Age Group



Employee Turnover Statistics by Region



Employee Turnover Statistics by Ethnicity



OUR PEOPLE

Category	Sub-category	Rate of new employee hires (%)	Rate of employee turnover (%)
Gender	Male	16.19	7.67
	Female	4.58	3.51
Age	30 years old or below	9.37	3.83
	31–50 years old	10.44	5.96
	Over 50 years old	0.96	1.38
Region	Guangdong	10.86	5.86
	Guangxi	7.56	3.30
	Guizhou	1.60	1.81
	Hong Kong	0.75	0.21
Ethnicity	Han	19.49	10.44
	Ethnic minorities	1.28	0.75

On the overall remuneration framework, Canvest strives to offer a fair yet competitive salary and benefits package, and link remuneration with performance to encourage pursuit of excellence. We continued to review the remuneration system to assure that our employees' remuneration aligns with reasonable market levels in maintaining our competitiveness within the industry. In practice, our remuneration and benefits often exceed local legal requirements. In 2018, 100% of our employees received performance and salary reviews, recognising their efforts and accomplishments throughout the year.

Percentage of Employees Who Will Be Eligible for Retirement in 5 and 10 Years

Category	Sub-category	In 5 years (%)	In 10 years (%)
Employee Category	General and technical staff	5.98	9.78
	Middle-level management	4.65	16.28
	Senior management	14.81	48.15
Region	Guangdong	6.95	11.37
	Guangxi	6.32	12.63
	Guizhou	1.12	5.62
	Hong Kong	3.70	14.81

Ratio of Standard Entry-Level Wage to Local Minimum Wage in 2018

Region	Ratio of entry-level wage to local minimum wage	
	Male	Female
Guangdong	4.77	3.26
Guangxi	3.29	2.15
Guizhou	2.53	2.00

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

Canvest is committed to complying with laws and regulations on the protection of rights and interests of different genders, and safeguarding the rights of vulnerable staff. 100% of our employees are entitled to maternity/paternity leave in accordance with local statutory requirements. We retain job positions for employees on maternity/paternity leave and encourage their return, and ensure career development and remuneration remain unaffected by the leave.

OUR PEOPLE

Statistics of Maternity/Paternity Leave in 2018

	Male	Female
Number of employees entitled to maternity/paternity leave	761	178
Number of employees took maternity/paternity leave in 2018	36	12
Number of employees who returned to work after maternity/paternity leave ended	34	12
Number of employees who returned to work after maternity/paternity leave in 2017 and still employed by the end of 2018	42	6
Return to work rate (%) ^a	94.44	100.00
Retention rate (%) ^b	84.00	85.71

a: Return to work rate = $\frac{\text{Total number of employees who returned to work after maternity/paternity leave}}{\text{Total number of employees due to return to work after taking maternity/paternity leave}} \times 100$

b: Retention rate = $\frac{\text{Total number of employees who returned to work after maternity/paternity leave in 2017 and still employed by the end of 2018}}{\text{Total number of employees returning from maternity/paternity leave in the prior reporting period}} \times 100$

The Group believes that providing a sound working environment to employees can boost employees' sense of belonging to the Group and improve their work efficiency. We have promoted various welfare measures and organised diversified leisure activities, such as company trip, team building activities, sports competitions, etc. By organising these activities, we hope to improve the cohesion of the Group by creating a harmonious and vibrant workplace environment.



OUR PEOPLE



Company Trip



Speech Contest



Badminton Competition



Employee Sports Day

DEVELOPMENT AND TRAINING

To encourage our employees to learn and grow continuously, we put together a comprehensive training programme, covering onboard training for new employees and professional training for different job functions as set out in our *Social Responsibility System Training Management Procedure*. Our training programme includes SA8000 standards, legal requirements regarding working hours, wages and benefits, company policies and procedures, safe operating procedures, and labour protection. We also ensure that our special operations personnel have received the required statutory training and obtained relevant operating permits.



Total training hours:
28,924 hours

In 2018, a total of 28,924 hours of training have been provided, giving an average of 31 hours per employee.

OUR PEOPLE

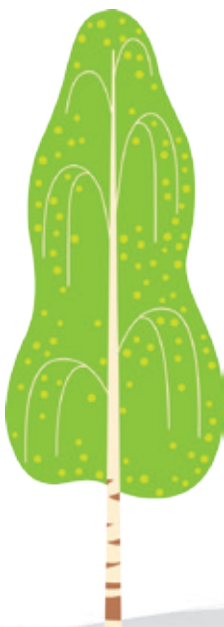
Employee Training by Gender and Employee Category in 2018

		Average training hours per person
By Gender	Male	36.04
	Female	8.42
By Employee Category	Senior Management	11.06
	Middle-level Management	21.41
	General and Technical Staff	31.88



HEALTH AND SAFETY

The safety of employees remains a top priority for the Group. Pursuant to national and local health and safety laws and regulations, including the Work Safety Law of the PRC and the Occupational Safety and Health Ordinance of Hong Kong, employee education and training are regularly provided to improve employee well-being and enhance their preparedness for emergencies. We also equip our employees and contractors with adequate personal protective equipment, and have designated safety management personnel to review and reinforce the health and safety policies. The Group also conducts fire drills every 6 months and arranges the local fire services department to carry out training on workplace fire safety and emergency responses to employees on an annual basis.



OUR PEOPLE

We also invest in initiatives to promote the health and wellness of our employees. We have implemented *Occupational Health and Labour Protection Management Policy* to standardise the occupational health and safety measures of each of our WTE projects. The Group's Safety and Environmental Protection Department also conducts monthly safety and environmental inspections to monitor and supervise the implementation of occupational health and safety measures at each project company. Each project company also carries out workplace inspection annually to identify potential occupational hazards. In addition, our Health and Safety Committee organises occupational health checkups every year, and conduct ad hoc site inspections to ensure safe work practices are in place, at the same time disseminating information on occupational health and safety to workers.

In 2018, the total working hours of our employees and contractors were approximately 1,827,586 hours and 2,411,584 hours respectively (equivalent to 228,448 and 301,448 of full time working days respectively), and the overall injury rate of the Group remained at a low level of 0.22 for our employees and 0 for our contractors.

Health and Safety Performance 2018

	Employees/Contractors
Number of work-related fatalities	0/0
Rate of work-related fatalities ^a	0/0
Number of high-consequence work-related injuries (excluding fatalities) ^b	0/0
Rate of high-consequence work-related injuries (excluding fatalities) ^c	0/0
Number of work-related injuries ^d	2/0
Rate of work-related injuries ^e	0.22/0
Number of days lost due to work-related injuries	52/0
Number of occupational diseases	0/0

$$\text{a: Rate of work-related fatalities} = \frac{\text{Total number of work-related fatalities}}{\text{Total working hours}} \times 200,000$$

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

c: Rate of high-consequence work-related injuries (excluding fatalities)

$$= \frac{\text{Total number of high-consequence work-related injuries (excluding fatalities)}}{\text{Total working hours}} \times 200,000$$

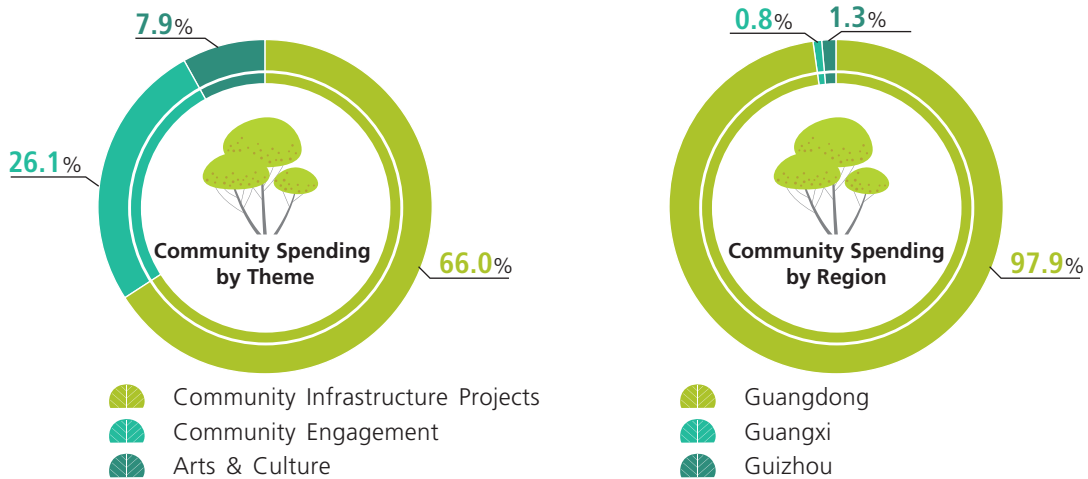
d: Work-related injuries also include work-related fatalities and high-consequence work-related injuries.

$$\text{e: Rate of work-related injuries} = \frac{\text{Total number of work-related injuries}}{\text{Total working hours}} \times 200,000$$

8. OUR COMMUNITY

We believe, as a socially responsible company, our obligation not only extends to the local communities we serve, but also to the broader society as well. The Group contributes to the wellbeing of our community through various community programmes, which aims at raising public awareness on environmental protection and sustainable living. Moreover, we have established the *External Communication Procedure*, allowing individuals or associations who are interested in the Group's social performance to share their opinions with us.

We also encourage our employees to get involved and support community projects and good causes. In FY2018, over 470 employees participated in public welfare and charitable activities, amounting to about 1,532 hours of voluntary works. We have also sponsored and donated to community infrastructure projects, charities for elderly people, and community activities.



COMMUNITY CARE



Education is important and is considered a social equaliser. To uphold this, each of our WTE plants is equipped with a dedicated exhibition venue, illustrating information related to environmental science, advanced incineration process, and sustainability using different multimedia tools. The general public are invited to visit our WTE plants on a monthly basis. In 2018, our WTE plants received over 23,500 visitors in total.

OUR COMMUNITY

Celebrating 2018 World Environment Day

On 3 June 2018, the Guangdong Province 5 June Environment Day Charitable Event, co-hosted by Dongguan Environmental Bureau and Guangdong Environmental Protection Publicity and Education Centre, was held at Canvest's Scivest WTE Plant. More than 200 people, including representatives from the Provincial Government, corporations and media, joined together to celebrate the World Environment Day and the grand opening of the Green Development Innovation International Centre.



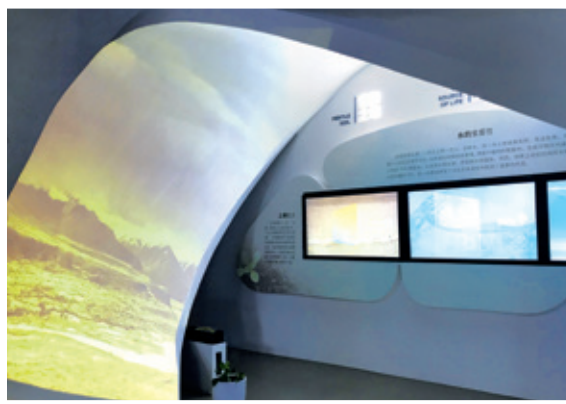
The theme of the Event was "Act towards a Beautiful China, connect Guangdong through green development", aiming to build an environmental governance system led by the government, with industry players being the mainstay supported by participation from social organisations and the public, and promoting green development of the local corporations.



OUR COMMUNITY

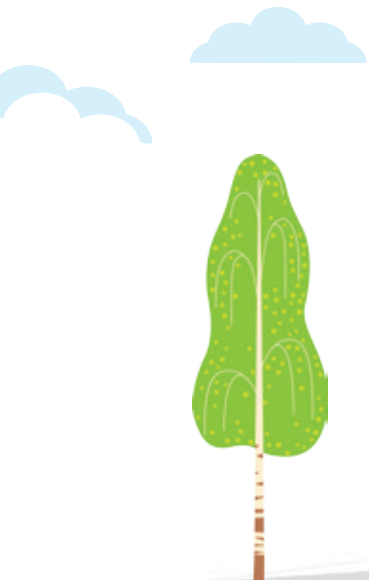
Canvest Environmental Protection Theme Pavilion

Canvest Environmental Protection Theme Pavilion in Dongguan, completed construction in June 2018, is one of the largest pavilions with environmental themes in China, covering a gross floor area of about 5,500 m². The pavilion is equipped with a wide-range of high technology displays, including sliding LED screen, lake ecosystem simulation display, and 4D technology-based movie theatre.



Incorporating the themes of ecological equilibrium, eco-lifestyle, environmental protection history and future lifestyle, the pavilion embraces the beauty of nature, reviews the environmental protection development history, and showcases a spectrum of traditional and modern environmental practices and ideologies. The pavilion also forecasts future lifestyles which integrate sustainability and technology.

The pavilion serves as an interactive platform for government bodies, environmental organisations, corporates and the general public to exchange green development ideas which raises the environmental protection awareness in society.



OUR COMMUNITY

Working with Local Government



In addition to public welfare and environmental education, Canvest also proactively works with local governments in promoting good health and well-being. As part of the commemoration to mark the 179th Anniversary of the Humen Opium Destruction, a total of 43 batches, about 1,000 kg, of drugs, were sent to our Zhanjiang WTE Plant under escort by the Anti-Drug Detachment and Special Force Detachment of the Zhanjiang Municipal Public Security Bureau, and were safely destroyed at our WTE plant on 12 June 2018.


Canvest strongly supports the anti-drug campaign and continues to work closely with the government in conveying anti-drug messages to the public.

Other than participating in anti-drug campaigns, Canvest also held the "3.15" Counterfeit Goods Destruction and "Education on Quality Consumption in Villages" Launching Ceremony on 14 March 2018 at our Xingyi WTE Plant. After the launching ceremony, more than 6 tonnes of counterfeit and shoddy items seized by the local government in 2017 were safely destroyed in our WTE facility. The local government had also taken the opportunity to promote the knowledge on consumer rights protection in villages and to teach the consumers to combat counterfeit and shoddy products.



9. KEY AWARDS AND RECOGNITIONS

BOCHK Corporate Environmental Leadership Awards Programme: EcoChallenger

-  Eco-Tech WTE Plant
-  Kewei WTE Plant



Hong Kong Investor Relations Association — Investor Relations Awards:

-  Best IR Company
-  Best IR by Chairman/CEO
-  Best IR by CFO
-  Best IRO (Investor Relations Officer)
-  Best IR in Corporate Transaction
-  Best Investor Meeting
-  Best Digital IR
-  Best Investor Presentation Material
-  Best Annual Report



magazine

Award winner
Greater China 2018

IR Magazine Awards — Greater China 2018: Best in Sector (Utilities)

Council of China Environment News: 2017 Green Enterprise Management Award

-  Kewei WTE Plant

Wisemen Financial: Most Valuable Public Utilities & Environmental Protection Company Award



10. PERFORMANCE DATA SUMMARY

ECONOMIC PERFORMANCE

	2018 HK\$'000	2017 HK\$'000
Direct Economic Value Generated		
Revenue	3,325,894	2,397,531
Share of net profits of associates and a joint venture	32,004	—
Other income	130,290	106,596
Economic Value Distributed		
Employee benefit expenses	228,395	153,787
Other costs ⁽¹⁾	1,953,051	1,410,796
Interest expense, net	169,990	105,572
Dividends	112,934	81,026
Income tax expense ⁽²⁾	32,205	33,972
Profit attributable to non-controlling interest	(9)	—
Charitable donations	800	2,200
Economic Value Retained		
Retained for Canvest's sustainable operation and development	990,822	716,774

Notes:

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

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

OPERATIONAL PERFORMANCE

	Unit	2018	2017
Business Performance of Operating Projects			
MSW treated	tonne	4,959,040	3,527,221
Power generated	MWh	2,028,726	1,452,328
Power sold	MWh	1,779,716	1,272,904

PERFORMANCE DATA SUMMARY

ENVIRONMENTAL PERFORMANCE

	Unit	2018	2017
GHG Emissions			
Scope 1 (Direct Emissions) ⁽³⁾	tonne CO ₂ e	3,900,993	2,163,801
Scope 2 (Energy Indirect Emissions) ⁽⁴⁾	tonne CO ₂ e	2,463	101,230
Scope 3 (Other Indirect Emissions) ⁽⁵⁾	tonne CO ₂ e	117	158
Total GHG emissions	tonne CO ₂ e	3,903,573	2,265,189
GHG emissions offset	tonne CO ₂ e	2,296,680	1,255,051
Net GHG emissions	tonne CO ₂ e	1,606,893	1,010,138
GHG emissions intensity	tonne CO ₂ e/tonne of MSW processed	0.787	0.643
Net GHG emissions intensity	tonne CO ₂ e/tonne of MSW processed	0.324	0.286
Air Emissions			
Particulate matter (PM)	tonne	69	46
Sulphur dioxide (SO ₂)	tonne	237	228
Nitrogen oxides (NO _x)	tonne	2,348	1,374
Direct Fuel Consumption ⁽⁶⁾			
Fuel oil	GJ	14,299	11,396
Natural gas	GJ	20,764	9,987
Direct Energy Consumption ⁽⁶⁾			
Electricity	GJ	867,603	620,378
Total energy consumed	GJ	902,666	641,761
Energy intensity	GJ/tonne of MSW processed	0.182	0.182

PERFORMANCE DATA SUMMARY

	Unit	2018	2017
Key Material Consumption			
Lime	tonne	30,313	17,862
Activated carbon	tonne	2,249	1,471
Urea	tonne	4,612	2,136
Ammonia water	tonne	2,198	1,603
Hydrochloric acid	tonne	344	Figures not available
Sodium bicarbonate	tonne	100	Figures not available
Coagulant & flocculant	tonne	110	Figures not available
Water Consumption			
Total water consumption	m ³	8,230,218	6,380,293
Water intensity	m ³ /MWh	4.624	5.012
Wastewater and Waste			
Leachate produced	tonne	431,015	273,735
Bottom ash produced	tonne	1,030,569	691,045
Fly ash produced	tonne	92,264	57,085
Environmental Compliance			
Number of violation cases related to pollutant emissions or environmental impact	No.	0	0

Notes:

- (3) The calculation for Scope 1 emissions is referenced to CDM methodology "ACM0022: Alternative waste treatment processes (Version 2.0)".
- (4) Emission factor for non-renewable electricity used for operation in Scope 2 is referenced to the latest available emission data release by the Hong Kong Electric Company Limited and the Regional Baseline Grid Emission Factor in China 2011–2012 issued by the National Development and Reform Commission (NDRC) of the PRC.
- (5) The calculation method for GHG emissions from air travel is based on the International Civil Aviation Organisation (ICAO) Carbon Emissions Calculator.
- (6) Energy consumption is calculated based on the conversion factors provided in China Energy Statistical Yearbook 2017.

PERFORMANCE DATA SUMMARY

EMPLOYMENT AND LABOUR PRACTICES

	Unit	2018	2017
Employment Profile			
Number of full-time permanent staff	No.	939	817
<i>By Gender</i>			
Male	No.	761	662
Female	No.	178	155
<i>By Age Group</i>			
30 years old or below	No.	284	277
31–50	No.	601	515
Over 50 years old	No.	54	25
<i>By Employment Category</i>			
General and technical staff	No.	869	748
Middle-level management	No.	43	42
Senior management	No.	27	27
<i>By Geographical Region</i>			
Hong Kong	No.	27	20
Guangdong	No.	633	614
Guangxi	No.	190	92
Guizhou	No.	89	91
Health and Safety			
Number of work-related fatalities	No.	0	0
Rate of work-related fatalities ⁽⁷⁾	—	0	0
Number of high-consequence work-related injuries (excluding fatalities) ⁽⁸⁾	No.	0	0
Rate of high-consequence work-related injury (excluding fatalities) ⁽⁹⁾	—	0	0
Number of work-related injuries ⁽¹⁰⁾	No.	2	5
Rate of work-related injuries ⁽¹¹⁾	—	0.22	Figures not available
Lost days due to work-related injuries	days	52	705
Number of occupational diseases	No.	0	0

PERFORMANCE DATA SUMMARY

	Unit	2018	2017
Labour Practices			
Number of violation cases related to employment or labour regulations	No.	0	0
Number of violation cases related to child labour or forced labour	No.	0	0
Number of discrimination cases related to gender, ethnicity, age and health during recruitment	No.	0	0

Notes:

$$(7) \text{ Rate of work-related fatalities} = \frac{\text{Total number of work-related fatalities}}{\text{Total working hours}} \times 200,000$$

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

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

$$= \frac{\text{Total number of high-consequence work-related injuries (excluding fatalities)}}{\text{Total working hours}} \times 200,000$$

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

$$(11) \text{ Rate of work-related injuries} = \frac{\text{Total number of work-related injuries}}{\text{Total working hours}} \times 200,000$$

COMMUNITY INVESTMENT

	Unit	2018	2017
Community Outreach			
Participated volunteers	No.	473	Figures not available
Voluntary hours	hours	1,532	Figures not available

11. CONTENT INDEXES

SEHK ESG REPORTING GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2018 or other references/explanation
Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Our Environment The Group has established the following standardised procedures to mitigate the environmental impacts associated with our operations: <ul style="list-style-type: none"> 🌱 <i>Resource Control Procedure</i> 🌱 <i>Operation Environmental Control Procedure</i> 🌱 <i>Production & Operation Management Procedure</i>
KPI A1.1	The types of emissions and respective emissions data.	Our Environment
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Our Environment
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Our Environment
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Our Environment
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Our Environment
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Our Environment

CONTENT INDEXES

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2018 or other references/explanation
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	<p>Our Environment</p> <p>The Group has established the following standardised procedures to ensure effective use of resources:</p> <ul style="list-style-type: none"> ● <i>Resource Control Procedure</i> ● <i>Social Responsibility Management Policy — Requirements on the Use of Electricity</i> ● <i>Social Responsibility Management Policy — Requirements on the Use of Water</i>
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in'000s) and intensity (e.g. per unit of production volume, per facility).	Our Environment
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Our Environment
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Our Environment
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Our Environment
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Our finished product is electricity, hence no packaging material is used in our operation.

CONTENT INDEXES

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2018 or other references/explanation
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Our Environment The following standardised procedures are established to minimise the impacts on environmental and natural resources: <ul style="list-style-type: none"> ● <i>Resource Control Procedure</i> ● <i>Environmental Factors Identification, Evaluation and Control Procedure</i>
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Our Environment
Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Our People Our recruitment process strictly follows the Employment Ordinance. Standardised procedures are also established to provide guidance on the company's employment and labour requirements. Relevant company policies include: <ul style="list-style-type: none"> ● <i>Employment Procedure</i> ● <i>Anti-discrimination Procedure</i> ● <i>Human Resources Control Procedure</i>
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Our People
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Our People

CONTENT INDEXES

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2018 or other references/explanation
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Our People The Group has established the following standardised procedures to provide a safe working environment for our employees, strictly following the Work Safety Law of the PRC and the Occupational Safety and Health Ordinance of Hong Kong: <ul style="list-style-type: none"> 🌱 <i>Safety Management Control Procedure</i> 🌱 <i>Emergency Preparedness and Response Control Procedure</i>
KPI B2.1	Number and rate of work-related fatalities.	Our People
KPI B2.2	Lost days due to work injury.	Our People
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Our People
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Our People Induction training, job-specific training, health and safety trainings and management system trainings are provided to our employees to enhance their knowledge, skills and qualifications. Standardised procedures are also established to provide guidance on the training system, including: <ul style="list-style-type: none"> 🌱 <i>Social Responsibility System Training Management Procedure</i> 🌱 <i>Social Responsibility Management Policy — Induction Training System</i> 🌱 <i>Social Responsibility Management Policy — Safety Knowledge Training</i>

CONTENT INDEXES

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2018 or other references/explanation
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Our People
KPI B3.2	The average training hours completed per employee by gender and employee category.	Our People
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Our People Our recruitment process strictly follows the Labour Law of the PRC and the Employment Ordinance of Hong Kong to ensure child and forced labour are prevented.
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Our People
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Our People
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Our Sustainable Business
KPI B5.1	Number of suppliers by geographical region.	Our Sustainable Business
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Our Sustainable Business

CONTENT INDEXES

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2018 or other references/explanation
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Our Sustainable Operation We carry out regular inspections on our equipment and infrastructure, providing a safe and reliable electricity supply, and monitor our environmental and health and safety performance, ensuring our operations comply with national standards and any other regulations. Relevant company policies include: <ul style="list-style-type: none"> 🌱 <i>Production Equipment Control Procedure</i> 🌱 <i>Monitoring and Compliance Evaluation Procedure</i> 🌱 <i>Mitigation Measures Control Procedure</i>
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product recall is not applicable to Canvest's activities.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	No complaint was received from the municipalities and our customers.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Our Sustainable Business Company policies are in place to ensure the privacy of our stakeholders, including: <ul style="list-style-type: none"> 🌱 <i>Confidentiality Management Policy</i> 🌱 <i>Document Management Policy</i> 🌱 <i>Contract Management Policy</i>
KPI B6.4	Description of quality assurance process and recall procedures.	Our Sustainable Business Relevant company policies: <ul style="list-style-type: none"> 🌱 <i>Warehouse Materials Management Procedures</i> 🌱 <i>Unqualified Items Management Procedures</i>

CONTENT INDEXES

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2018 or other references/explanation
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Our Sustainable Business The Group implements strict procedures for document management to ensure the accuracy of information and the privacy of our stakeholders.
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Our People The Group strictly forbids activities in relation to bribery, extortion, fraud and money laundering. The following standardised procedures are also established to ensure compliance with the relevant laws and regulations: <ul style="list-style-type: none"> 🌱 <i>Internal Audit Control Procedure</i> 🌱 <i>Anti-Corruption and Bribery Management Procedure</i>
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Our People
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Our People
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Our Community; Stakeholder Engagement Relevant company policies: <ul style="list-style-type: none"> 🌱 <i>Information Exchange Management Procedure</i> 🌱 <i>Customer Service Management Procedure</i> 🌱 <i>External Communication Procedure</i>

CONTENT INDEXES

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter(s) in Sustainability Report 2018 or other references/explanation
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

GRI CONTENT INDEX



For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102–40 to 102–49 align with appropriate sections in the body of the Report. This service was performed on the English version of the Report.

Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2018 or other references/explanation	Page Number
GRI 101: Foundation 2016 (<i>Does not include any disclosure</i>)			
GRI 102: General Disclosures 2016			
Organization Profile			
102-1	Name of the organization	About this Report	2
102-2	Activities, brands, products, and services	About Canvest	6
102-3	Location of headquarters	About Canvest	6
102-4	Location of operations	About Canvest	6–7
102-5	Ownership and legal form	About Canvest	6
102-6	Markets served	About Canvest	6–7
102-7	Scale of the organization	About Canvest	6–7
102-8	Information on employees and other works	Our People	36
102-9	Supply chain	Our Sustainable Business	22
102-10	Significant changes to the organization and its supply chain	Our Sustainable Business	17, 22
102-11	Precautionary principle or approach	Our Sustainable Business	17–24
102-12	External initiatives	Message from Our Chairlady	3–5
102-13	Membership of associations	Stakeholder Engagement	13

CONTENT INDEXES

Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2018 or other references/explanation	Page Number
Electric Utilities Sector Disclosures			
EU1	Installed capacity broken down by primary energy source and by regulatory regime	About Canvest	6
EU2	Net energy output broken down by primary energy source and by regulatory regime	About Canvest	6
EU3	Number of residential, industrial, institutional and commercial customer accounts	About Canvest	6
EU4	Length of above and underground transmission and distribution lines by regulatory regime	About Canvest	6
EU5	Allocation CO ₂ e emissions allowances or equivalent, broken down by carbon trading framework	We did not participate in carbon emissions trading scheme during the Reporting Period.	
Strategy			
102-14	Statement from senior decision-maker	Message from Our Chairlady	3–5
102-15	Key impacts, risks, and opportunities	Our Sustainable Business	17–24
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behaviour	Our Sustainable Business	17–24
102-17	Mechanisms for advice and concerns about ethics	Our Sustainable Business	17–24
Governance			
102-18	Governance structure	Our Sustainable Business	18–19
102-19	Delegating authority	Our Sustainable Business	18–19
102-20	Executive-level responsibility for economic, environmental, and social topics	Our Sustainable Business	18–19
102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholder Engagement	11–16
102-22	Composition of the highest governance body and its committees	Our Sustainable Business	18–19

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Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2018 or other references/explanation	Page Number
102-23	Chair of the highest governance body	Our Sustainable Business	18–19
102-24	Nominating and selecting the highest governance body	Our Sustainable Business	18–19
102-25	Conflicts of interest	Our Sustainable Business	23
102-26	Role of highest governance body in setting purpose, values, and strategy	Our Sustainable Business	18–19
102-27	Collective knowledge of highest governance body	Our Sustainable Business	18–19
102-28	Evaluating the highest governance body's performance	Our Sustainable Business	18–19
102-29	Identifying and managing economic, environmental, and social impacts	Our Sustainable Business	18–19
102-30	Effectiveness of risk management process	Our Sustainable Business	21–22
102-31	Review of economic, environmental, and social impacts	Stakeholder Engagement	14
102-32	Highest governance body's role in sustainability reporting	Stakeholder Engagement	14
102-33	Communicating critical concerns	Stakeholder Engagement	11–16
102-34	Nature and total number of critical concerns	Stakeholder Engagement	11–16
102-35	Remuneration policies	Our Sustainable Business	19
102-36	Process for determining remuneration	Our Sustainable Business	19
102-37	Stakeholders' involvement in remuneration	Our Sustainable Business	19
102-38	Annual total compensation ratio	Ratio of the total remuneration of the highest-paid individual to the median total remuneration of all employees (excluding the highest-paid individual): 43.66:1	
102-39	Percentage increase in annual total compensation ratio	Ratio of the annual percentage increase in total remuneration of the highest-paid individual to the median percentage increase in annual total remuneration of all employees (excluding the highest-paid individual): –5.43:1	

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Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2018 or other references/explanation	Page Number
Stakeholder Engagement			
102-40	List of stakeholder groups	Stakeholder Engagement	12
102-41	Collective bargaining agreements	There are no formal collective bargaining agreements in place within the Group.	
102-42	Identifying and selecting stakeholders	Stakeholder Engagement	11
102-43	Approach to stakeholder engagement	Stakeholder Engagement	12
102-44	Key topics and concerns raised	Stakeholder Engagement	15–16
Reporting Practices			
102-45	Entities included in the consolidated financial statements	Annual Report 2018 — Notes to the Consolidated Financial Statements	113–115
102-46	Defining report content and topic boundaries	Stakeholder Engagement	15–16
102-47	List of material topics	Stakeholder Engagement	15–16
102-48	Restatement of information	There is no restatement of information in this Report.	
102-49	Changes in reporting	No changes in reporting. This is the Group's first time conducting materiality assessment to identify material topics and topic Boundaries.	
102-50	Reporting period	About this Report	2
102-51	Date of most recent report	About this Report	2
102-52	Reporting cycle	About this Report	2
102-53	Contact point for questions regarding the report	About this Report	2
102-54	Claims of reporting in accordance with the GRI Standards	About this Report	2
102-55	GRI content index	Content Indexes	61–69
102-56	External assurance	Not applicable	
Topic-specific Disclosures			
Economic Performance			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	16
103-2	The management approach and its components	Our Sustainable Business	17–24
103-3	Evaluation of management approach	Message from Our Chairlady; Our Sustainable Business	3–5, 17–24

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Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2018 or other references/explanation	Page Number
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	Performance Data Summary	49
201-2	Financial implications and other risks and opportunities due to climate change	Message from Our Chairlady; About Canvest	3-5, 9
201-3	Defined benefit plan obligations and other retirement plans	Our People	36-39
201-4	Financial assistance received from government	Local governments awarded a total of RMB320,000 during the Reporting Period to support the research and development of Canvest's WTE projects.	
Market Presence			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	16
103-2	The management approach and its components	Our People	36-43
103-3	Evaluation of management approach	Our People	36-43
GRI 202: Market Presence 2016			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Our People	39
202-2	Proportion of senior management hired from the local community	Our People	38
System Efficiency			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	16
103-2	The management approach and its components	Our Sustainable Business	23-24
103-3	Evaluation of management approach	Our Sustainable Business	23-24
Electric Utilities Sector Disclosures			
EU11	Average generating efficiency of thermal plants by energy source and by regulatory regime	Our Sustainable Business	24

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Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2018 or other references/explanation	Page Number
EU12	Transmission and distribution losses as a percentage of total energy	About Canvest; Our Sustainable Business	6, 24
Materials Usage			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	16
103-2	The management approach and its components	Our Environment	31
103-3	Evaluation of management approach	Our Environment	31
GRI 301: Materials 2016			
301-1	Materials used by weight or volume	Our Environment	31–32
301-2	Recycled input materials used	In 2018, the percentage of recycled materials used (MSW) in our operation was 37.48%.	
301-3	Reclaimed products and their packaging materials	Product recall is not applicable to Canvest's activities.	
Wastewater and Waste Management			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	16
103-2	The management approach and its components	Our Environment	28–30
103-3	Evaluation of management approach	Our Environment	28–30
GRI 306: Effluents and Waste 2016			
306-1	Water discharge by quality and destination	Our Environment	30, 33
306-2	Waste by type and disposal method	Our Environment	28–29
306-3	Significant spills	The Group has no spilling accident during the Reporting Period.	
306-4	Transport of hazardous waste	Our Environment	28–29
306-5	Water bodies affected by water discharges and/or runoff	Our Environment	30, 33

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Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2018 or other references/explanation	Page Number
Environmental Compliance			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	16
103-2	The management approach and its components	Our Environment	26–35
103-3	Evaluation of management approach	Our Environment	26–35
GRI 307: Environmental Compliance 2016			
307-1	Non-compliance with environmental laws and regulations	Our Environment	26–35
Labour Practices and Employee Welfares			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	16
103-2	The management approach and its components	Our People	36–41
103-3	Evaluation of management approach	Our People	36–41
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	Our People	38–39
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our People	36–41
401-3	Parental leave	Our People	39–40
Electric Utilities Sector Disclosures			
EU15	Percentage of employees eligible to retire in the next 5 to 10 years broken by job category and by region	Our People	39
EU17	Days worked by contractor and subcontractor employees involved in construction, operation and maintenance activities	Our People	43
Occupational Health and Safety			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	16

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Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2018 or other references/explanation	Page Number
103-2	The management approach and its components	Our People	42-43
103-3	Evaluation of management approach	Our People	42-43
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	Our People	42-43
403-2	Hazard identification, risk assessment, and incident investigation	Our People	42-43
403-3	Occupational health services	Our People	42-43
403-4	Worker participation, consultation, and communication on occupational health and safety	Our People	42-43
403-5	Worker training on occupational health and safety	Our People	42-43
403-6	Promotion of worker health	Our People	42-43
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Our People	42-43
403-9	Work-related injuries	Our People	42-43
Training and Education			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	16
103-2	The management approach and its components	Our People	41-42
103-3	Evaluation of management approach	Our People	41-42
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	Our People	41-42
404-2	Programs for upgrading employee skills and transition assistance programs	Our People	41-42
404-3	Percentage of employees receiving regular performance and career development reviews	Our People	39

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Disclosures Number	Disclosure	Relevant Chapter(s) in Sustainability Report 2018 or other references/explanation	Page Number
Socioeconomic Compliance			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	16
103-2	The management approach and its components	Our Sustainable Business, Our People	17–24, 36–43
103-3	Evaluation of management approach	Our Sustainable Business, Our People	17–24, 36–43
GRI 419: Socioeconomic Compliance 2016			
419-1	Non-compliance with laws and regulations in the social and economic area	In 2018, no non-compliance cases with laws and regulations in the social and economic area were identified and reported.	

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

SEHK's "ESG Reporting Guide" Subject Area	Compliance with Relevant Laws and Regulations That Have a Significant Impact on Canvest
Environment	
<p>Aspect A1: Emissions</p> <p><i>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste</i></p>	<p>Relevant laws and regulations that have a significant impact on the Group include Environmental Protection Law of the PRC, Law of the PRC on the Prevention and Control of Water Pollution, Law of the PRC on the Prevention and Control of Atmospheric Pollution, Law of the PRC on Prevention and Control of Environmental Pollution by Solid Waste, Law of the PRC on Environmental Impact Assessment, and the Administrative Regulations on Environment Protection for Construction Projects. These laws and regulations stipulate the applicable requirements on air and greenhouse gas emissions, discharges into water and land, generation of hazardous and non-hazardous waste. It is imperative for us to meet these statutory obligations as violation of any of applicable environmental laws and regulations may result in penalties, operation suspension, and/or legal action against the Group.</p> <p>In 2018, there were no confirmed cases non-compliance in relation to environmental protection that would have a significant impact on the Group. Please refer to chapter "Our Environment" on how Canvest ensures compliance with applicable environmental laws and regulations.</p>

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

SEHK's "ESG Reporting Guide" Subject Area	Compliance with Relevant Laws and Regulations That Have a Significant Impact on Canvest
Social	
<p>Aspect B1: Employment</p> <p><i>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare</i></p>	<p>Relevant laws and regulations that are significant to the Group include Labour Law of the PRC, Labour Contract Law of the PRC, Regulation on the Implementation of the Labour Contract Law of the PRC, Social Insurance Law of the PRC, Regulations on the Management of Housing Provident Fund, Special Rules on the Labour Protection of Female Employees, Provisions of the State Council on Working Hours of Workers and Staff, Provisions on Minimum Wages, Implementation Measures for Paid Annual Leave for Employees of Enterprises, Measures for the Implementation of Administrative License for Labour Dispatch, and Employment Ordinance of HKSAR. The above laws and regulations stipulate the legal obligations and responsibility of employers to provide employment protection and benefits covering compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. These laws and regulations are of great importance as they offer appropriate protections to employees, the most important asset of the Group.</p> <p>In 2018, there were no confirmed cases of non-compliance in relation to our employment practices that would have a significant impact on the Group. Please refer to chapter "Our People" on how Canvest ensures compliance with applicable employment laws and regulations.</p>



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

SEHK's "ESG Reporting Guide" Subject Area	Compliance with Relevant Laws and Regulations That Have a Significant Impact on Canvest
<p>B2: Health and Safety</p> <p><i>relating to providing a safe working environment and protecting employees from occupational hazards</i></p>	<p>Relevant laws and regulations that are significant to the Group include Labour Law of the PRC, Work Safety Law of the PRC, Labour Contract Law of the PRC, Prevention and Control of Occupational Diseases Law of the PRC, Regulation on Work-Related Injury Insurances, Special Rules on the Labour Protection of Female Employees, and Provisions on the Duration of Medical Treatment for Enterprise Staff and Workers Due to Illness or Non-Work Related Injuries. These laws and regulations provide clear requirements on the provision of safe working environment and the prevention of occupational hazards. Compliance with these laws and regulations is paramount as workplace safety is of critical importance to each and every employee of the Group.</p> <p>In 2018, there were no confirmed cases of non-compliance in relation to health and safety that would have a significant impact on the Group. Please refer to chapter "Our People" on how Canvest ensures compliance with applicable laws and regulations relating to health and safety.</p>

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

SEHK's "ESG Reporting Guide" Subject Area	Compliance with Relevant Laws and Regulations That Have a Significant Impact on Canvest
<p>B4: Labour Standards</p> <p><i>relating to preventing child and forced labour</i></p>	<p>Relevant laws and regulations that are significant to the Group include Criminal Law of the PRC Article 244, Prevention and Control of Occupational Diseases Law of the PRC, Rules for the Implementation of the Law of the PRC on Foreign-Capital Enterprises Article 62, Regulation on Work-Related Injury Insurances Article 66, Provisions on the Prohibition of Using Child Labour, Law of the PRC on the Protection of Minors, Regulations on Labour Protection in Workplaces Where Toxic Substances Are Used, and Employment Ordinance of HKSAR. These laws and regulations set out clear rules for preventing child labour and forced labour, and elaborate on the legal obligations and responsibility of employers who violate the relevant laws and regulations. It is essential for us to conform to applicable laws and regulations on labour standards it reflects our corporate values in honouring human rights.</p> <p>In 2018, there were no confirmed cases of non-compliance in relation to human rights and labour practices standards and regulations that would have a significant impact on the Group. Please refer to chapter "Our People" on how Canvest ensures compliance with applicable laws and regulations relating to labour standards.</p>



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

SEHK's "ESG Reporting Guide" Subject Area	Compliance with Relevant Laws and Regulations That Have a Significant Impact on Canvest
<p>B6: Product Responsibility</p> <p><i>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress</i></p>	<p>Relevant laws and regulations that are significant to the Group include Tort Law of the PRC, which clarifies the tort liability to protect the civil rights and interests, as well as the Product Quality Law of the PRC, which places requirements on health and safety relating to products and services provided and methods of redress. It is the Group's core value to abide by these rules in providing safe and reliable services with integrity as a recognition of customer rights.</p> <p>In 2018, there were no confirmed cases of non-compliance in relation to the provision and use of the Group's products and services, which cover health and safety, intellectual property rights and privacy matters that would have a significant impact on the Group. Please refer to chapter "Our Sustainable Business" on how Canvest ensures compliance with applicable laws and regulations relating to product responsibility.</p>
<p>B7: Anti-corruption</p> <p><i>relating to bribery, extortion, fraud and money laundering</i></p>	<p>Relevant laws and regulations that are significant to the Group include Criminal Law of the PRC and Prevention of Bribery Ordinance of HKSAR. The above laws and regulations aim to maintain social integrity and fairness and inflict punishments against unscrupulous and corruption behaviours such as bribery, extortion, fraud and money laundering. Given the severity of corruption, it is important that the Group maintains a corruption-free business to upkeep the Group's reputation and staff morale and ultimately enhance the Group's competitive edge.</p> <p>In 2018, there were no confirmed cases of non-compliance in relations to corrupt practices that would have a significant impact on the Group. Please refer to chapter "Our Sustainable Business" on how Canvest ensures compliance with applicable laws and regulations relating to corrupt practices.</p>

